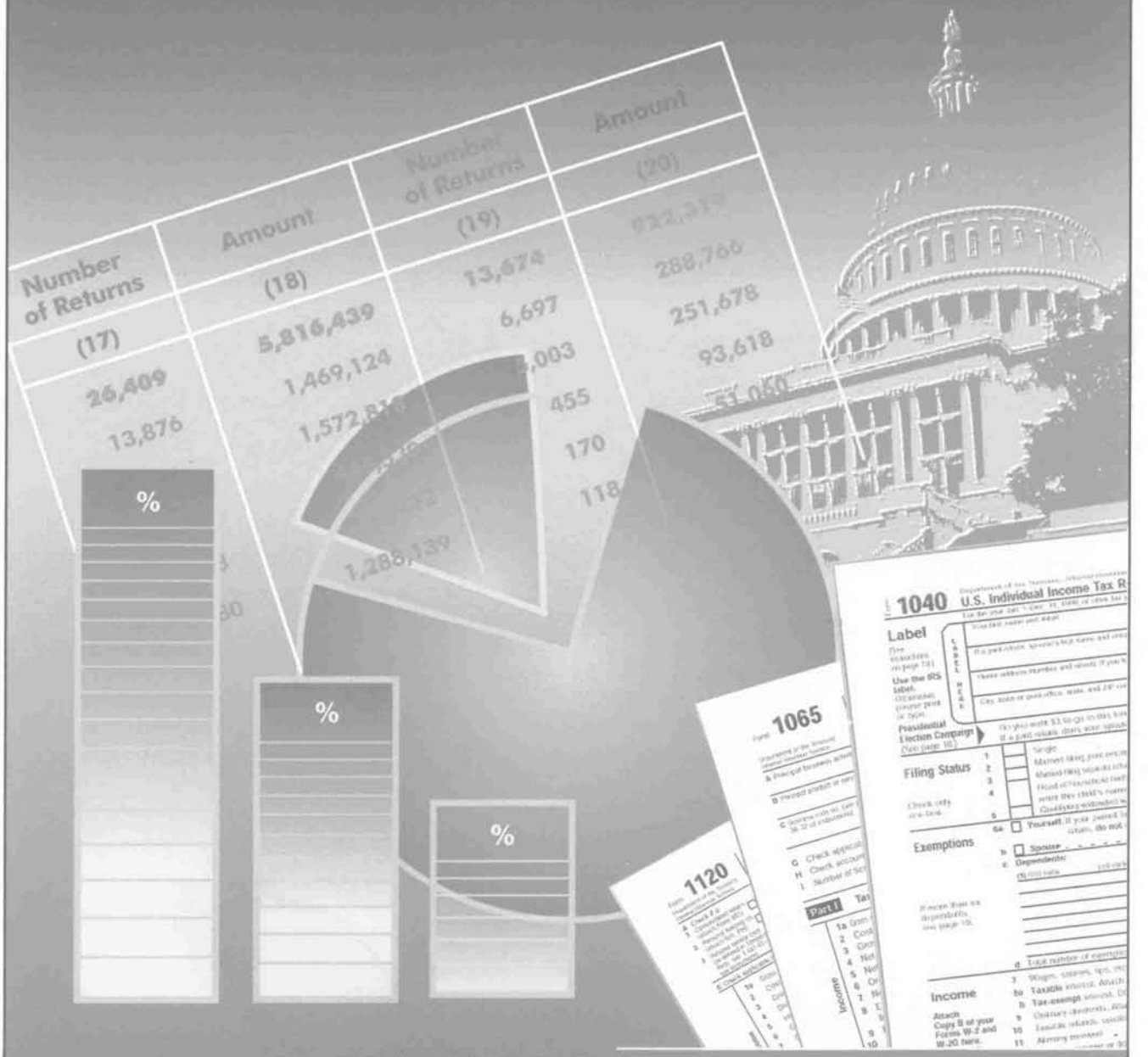
Note: ***The publication you are looking for is included in this file.***

The IRS released more than one revision of this publication during the calendar year. We have included all revisions in this file so that you can have access to them all.

Statistics of Income

SOI BULLETIN



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SOI BULLETIN

A Quarterly Statistics of Income Report

Volume 24, Number 3

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in March, June, September, and December, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers, and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

The *SOI Bulletin* is prepared under the direction of Beth Kilss, Chief, Statistical Data Section. James Dalton (writer-editor), Lisa Smith (layout and graphics editor), Bobbie Vaira (publishing services coordinator), and Dorothy Wallace (layout and graphics) are the editorial staff who prepare the manuscript. Jim Hobbs, Joe Koshansky, Janet McCubbin, Victor Rehula, and Mike Strudler were the technical reviewers for the articles and tables in this issue. Emily Gross and Eric Henry also made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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This Issue at a Glance

Individual Income Tax Returns, Preliminary Data, 2003

Data Release

For Tax Year 2003, taxpayers filed 130.6 million U.S. individual income tax returns, an increase of 0.3 percent from the 130.2 million returns filed for 2002. For the first time in 3 years, Adjusted Gross Income (AGI) rose, increasing by 2.9 percent to $6.2 trillion for 2003. Tax Year 2003 had several other notable changes. Taxable income increased 2.5 percent to $4.2 trillion, and alternative minimum tax rose 41.9 percent to $8.7 billion. Despite these increases, total income tax fell 6.0 percent to $750.0 billion, and total tax liability decreased 5.6 percent to $787.8 billion. These decreases in tax were partially due to major changes in the law (including the Job and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA)), which increased some adjustments, credits, size of tax brackets, and standard deductions, while lowering tax rates. Other notable changes were: statutory adjustments to total income increased 13.1 percent, from $75.3 billion to $85.1 billion; total deductions increased 4.8 percent to $1,439.4 billion; and total tax credits used to offset income tax liabilities increased 5.4 percent to $41.1 billion. The total earned income credit increased 1.1 percent to $39.1 billion for Tax Year 2003.

Individual Income Tax Rates and Shares, 2002

By Michael Parisi

Taxpayers filed just over 130.0 million returns for Tax Year 2002, of which almost 91.0 million (or 69.9 percent) were classified as taxable returns. This represents a reduction of 4.0 percent in the number of taxable returns from 2001. Adjusted gross income (AGI) on these taxable returns fell 3.5 percent to $5,641 billion for 2002. Total income tax fell 10.2 percent for 2002, a percentage decrease of almost three times that of AGI. This decrease in total income tax was attributable to a decline in income being reported and to tax cuts implemented in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). The average tax rate for taxable returns fell 1.1 percentage points to 14.1 percent. This was the second year in a row there was a decline in average tax rates. The last time that average taxes fell by as much as for Tax Years 2001 and 2002 was for 1987, the first year under the Tax Reform Act of 1986.

Taxpayers with an AGI of at least $285,424, the top 1 percent of taxpayers, accounted for 16.1 percent of AGI. This was the second year of decline in the percent of AGI reported on the top 1 percent of tax returns. These taxpayers accounted for 33.7 percent of the total income tax reported, a decrease from 33.9 percent in 2001. The top 5 percent of taxpayers accounted for 30.6 percent of AGI and 53.8 percent of total income tax. To be included in the top 5 percent, a taxpayer must have had an AGI of $126,525, whereas, in 2001, a taxpayer must have had an AGI of $127,904.

Unrelated Business Income Tax Returns, Tax Year 2001

by Margaret Riley

Overall, 35,540 organizations reported $7.9 billion of gross "unrelated business income" (UBI) on their Tax Year 2001 Forms 990-T, *Exempt Organization Business Income Tax Return*, filed during 2002 and 2003. Compared to Tax Year 2000, 7.8-percent fewer returns were filed, and aggregate gross UBI fell by 6.1 percent. This was the third consecutive tax year for which filings of Form 990-T declined. Unrelated business (positive) taxable income (UBTI) and the associated unrelated business income tax (UBIT) reported on Form 990-T dropped sharply for Tax Year 2001. The $792.0 million of UBTI and the $226.0 million of UBIT represented declines of 44.5 percent and 44.3 percent, respectively, over amounts reported for 2000.

Decreases in the number of returns filed, and in major financial data items reported, for 2001 were widely dispersed across all types of tax-exempt entities and business activities. Form 990-T filings, gross UBI, total deductions, and UBTI fell at the highest rates for certain organizations engaging primarily in unrelated business activities within the finance sector. Tax-exempt organizations reporting unrelated debt-financed activities as their primary source of gross UBI, and those organizations engaged in financial activities within the "funds and trusts" grouping, stand out, with respective decreases in taxable income of 75.9 percent and 66.0 percent.

Split-Interest Trusts, 2002

Data Release

More than 121,000 returns for split-interest trusts (hybrid trusts having both charitable and noncharitable beneficiaries) were filed for Tax Year 2002, an increase of 1.2 percent over the number filed for 2001.

The total net income of charitable remainder trusts, which is the sum of net ordinary income and net short- and long-term capital gain or loss, decreased by 54.7 percent, to $5.3 billion in 2002. This is largely due to an even more dramatic decrease in the total net capital gains. By 2002, total net capital gains had decreased 69.9 percent from $9.3 billion to $2.8 billion. This sharp drop could be partially explained by the decline of international stock markets that began in 2000 and continued into 2002 and the resulting capital losses. The total book value of assets for all split-interest trusts at the end of the year for 2002 was $105.6 billion, a decrease of 5.0 percent from 2001. The decrease in overall trust value is in alignment with the 11.7-percent decrease in distributions to beneficiaries, which equaled $7.1 million in 2002.

Reconciling Corporation Book and Tax Net Income, Tax Years 1995-2001

Data Release

Generally Accepted Accounting Principles (GAAP), used in financial reporting to shareholders and the market, set out different accounting rules to measure income than those used for tax reporting. The differences in accounting rules lead to different amounts of income being calculated under each method. The Schedule M-1 of the corporation income tax return provides a reconciliation of these two measures.

This data release provides detailed information about the magnitude of these accounting differences for all active corporations for Tax Years 1995 to 2001 (excluding pass-through entities filing Forms 1120S, 1120-REIT, and 1120-RIC). During this period, aggregate pretax book income, the amount reported to shareholders, peaked at $853.7 billion in 1999, falling to $221.3 billion in 2001. Aggregate tax net income peaked in 1997 at $607.5 billion, declining to $270.8 billion in 2001. In all years but 2001, aggregate pretax book income exceeded tax net income, reaching a maximum dollar difference of $318.4 billion in 1999.

Behind the Scenes

2004 Overview

The SOI Statistical Information Services Office received just over 2,500 direct requests for information in the 12-month period ending December 31, 2004. About 1,232 requests (or 49.2 percent of the total) were by telephone. Some 48.0 percent of the requests were by e-mails or faxes, and about 2.8 percent of the requests were from letters or face-to-face meetings with "walk-in" visitors.

Who were the requesters we responded to in 2004? About 20.1 percent of requests were from consultants, 17.2 percent were from private citizens, and 10.0 percent were from other IRS offices. After these categories, the next most frequent requesters were: corporations (9.7 percent); universities (9.3 percent); State and local governments (5.9 percent); students (5.8 percent); media (5.7 percent); and Federal agencies (5.4 percent). The remaining requests came from nonprofit organizations; associations; law firms; accounting firms; Congress; banks; foreign government organizations, embassies, or corporations; and public libraries, which together accounted for 10.9 percent of the total.

While the level of direct requests has stayed fairly constant in the past few years, Internet downloads appear to have increased this past year. The grand total of Year 2004 downloads from "Tax Stats" (www.irs.gov/taxstats) was 2,270,885. This was an average of 189,240 downloads per month, up from about 153,409 downloads per month in 2003. Over 53.4 percent of all downloads from Tax Stats are accounted for by two items—data on individuals and the *IRS Data Book*. About 751,663 downloads (or 33.1 percent of the grand total) were for individual income tax return data, and 460,990 downloads (or 20.3 percent of the total) were for the *IRS Data Book*. As always, all data are provided free from any identifying information, since we are prohibited by law from releasing names or data for specific taxpayers.

If you are not familiar with our Statistical Information Services office or our Tax Stats Web site, you may be interested in the Projects and Contacts and Products and Services sections of the *Bulletin*, which appear in the back of this issue and every issue of this quarterly publication. The former provides the most recent list of SOI specialists, along with a description of SOI projects; the latter provides an overview of the Web site and a list of products and services available from SOI Division. To learn more about us or if you have questions about the information provided in this

issue, call (202-874-0410), email (sis@irs.gov), or fax (202-874-0964). In any case, be sure to visit our Web site at: (http://www.irs.gov/taxstats/index.html.

Sometimes, we receive requests for IRS data other than SOI data. If we have the data or know who does, we will make every effort to help you. In fact, according to the second Statistical Information Services (SIS) Customer Satisfaction Survey, the SIS office has maintained its customer satisfaction level at about 96.0 percent for 2004. We are continuing the survey in 2005 and will provide an update in a future issue.

Leadership Training

SOI Director **Tom Petska** completed 4 weeks of intensive leadership training at the Federal Executive Institute (FEI) in Charlottesville, VA, from January 2-28. FEI is the Federal Government's key executive training facility, run by the Office of Personnel Management. The leadership course has a multidimensional focus, including the Constitutional underpinnings of the workings of today's Federal Governmental operations; differences between managing, leading, and influencing; the importance of understanding historical and global contexts; and the value of managing all aspects of one's existence, including personal life and health, nutrition, and fitness. Attendees included a broad cross section of executives and senior managers from the Departments of Agriculture and Commerce, the Environmental Protection Agency, the Federal Aviation Administration, the Departments of Health and Human Services and Labor, the National Aeronautics and Space Administration (NASA), the National Science Foundation, and the Veteran's Administration, with over a third in the various branches of the Department of Defense.

As one of just three current executives in his class of 70, Tom was asked to participate in a panel discussion on what it is like, and what one needs to do, to go from manager to executive. Other classes focused on tools and means for recognizing stakeholders and their needs and on designing systems for better collaboration and cooperation. Clearly, these are useful skills for making SOI an even more accomplished statistical organization.

Luxembourg Wealth Study Workshop

SOI's **Barry Johnson**, Chief of the Special Studies Special Projects Section, traveled to Perugia, Italy, as a guest of the Banca d'Italia, the central bank of Italy, to participate in the Luxembourg Wealth Study (LWS) workshop, "Construction and Usage of Comparable Micro Data on Household Wealth." The goal of the workshop was to bring together researchers from the 14 countries that are cooperating to create the LWS to plan for the 2006 release of this international wealth research database.

SOI data are used in a variety of ways to estimate wealth and were integral to several workshop presentations. For example, SOI data on nonprofit and private foundation asset holdings reported on Forms 990 and 990-PF are used to calculate adjustments needed to make estimates of personal wealth holding from National Accounts macrodata. Second, estate tax data from Form 706 can be used to estimate the wealth holdings of the Nation's wealthiest living individuals. Third, SOI has provided data support for the Federal Reserve Board of Governors' Survey of Consumer Finances (SCF) sample since 1983 in order to ensure it adequately represents all U.S. households. The SCF is the most comprehensive household financial survey that will be included in the LWS, both in terms of data content and population coverage, and has served as a model for many of the European surveys that will also be a part of the LWS database.

Barry and his co-author, Kevin Moore of the Federal Reserve Board, presented a paper examining similarities and differences between data from administrative records and survey data, focusing on estimates of wealth and income derived from SOI estate and income tax return data and survey estimates from the SCF. Comparing data from these two disparate sources proved challenging since the units of observation are not consistent between the two data sets; the SCF is a household survey while tax returns can be filed for individuals, or in the case of income tax returns, married couples. Overall, it did appear that wealth estimates were comparable between the two datasets and that economic trends evident in the SCF data were confirmed by the estate tax based estimates. Income data in the survey, overall,

matched fairly well to SOI data from Form 1040, but there were significant differences in estimates of income and deduction components between the two sources. Sir Anthony Atkinson, author of the seminal work on estimating wealth from estate tax records, was the discussant for the paper. His comments focused primarily on the potential for using national account data to improve estimates of wealth derived from estate tax data. He also pointed out that data from estate tax returns may be better for studying the very wealthy than survey data, but that many important economic questions required data on the entire wealth distribution, particularly the very poor, only available from surveys.

Barry's paper, "Consider the Source: Differences in Estimates of Income and Wealth From Survey and Tax Data," will appear in *Special Studies in Federal Tax Statistics,* Publication 1299, which SOI publishes annually and will be available in late May 2005. The paper will also be posted to the Tax Stats Web site at: http://www.irs.gov/taxstats/productsandpubs/article/0,,id=125133,00.html. Then click on Special Studies in Federal Tax Statistics.

Farewell to Some Respected Colleagues

In the past 3 years, we have begun to witness the first wave of the Baby Boomer retirements. In early 2005, we lost a number of persons whose accomplishments are deep, and whose talents will be particularly difficult to replace. Four of them will be mentioned here:

- **Louise Cole** logged nearly 39 years of combined Federal experience, 16 of them in SOI. Louise had many responsibilities in SOI, including working as Division coordinator for Requests for Information Services, developing databases for better managing training and supply procurements, and programming statistical compilations of returns by ZIP Code and statistics on nonfilers. In addition, she was involved in interagency work with Social Security for obtaining age of individual filers and the joint project with the Bureau of the Census for County and Migration Data. Despite her multitude of project responsibilities, Louise notes that she was fortunate to have much challenging work, which allowed her to do what she liked to do, such as setting up an Oracle database for the tape library.

- **Victor Rehula** began his Federal career in 1970 at the Bureau of Mines before coming to SOI in 1972. Victor spent almost his entire IRS career in SOI except for details to the Returns Processing Division and Treasury's Office of Tax Analysis. He began his SOI career as a procedures writer and later moved to the Corporation program, where he rose through the ranks to become Team Leader. Later, he moved to the Individual Branch and helped innovate the online processing systems associated with Sole Proprietorship returns and the Sales of Capital Assets.

- **Linda Taylor** completed nearly 35 years in SOI. Linda first worked as an Economist on the Sole Proprietorship program and later managed sections responsible for studies on unincorporated businesses, IRA's, business linkage studies, and geocoding. She helped develop the "080 system," whereby Master File data were first used in the SOI edit process. She also served as the SOI Service Center Statistician Coordinator and had a number of other responsibilities involving IRS field offices, including work planning and writing sections of the Internal Revenue Manual. For over the past 20 years, she worked on building SOI's Distributed Processing System. In 1983, there were no readily available means to access data to support analytical work of any kind. There were no repositories with years of SOI study data. Our customers at OTA and JCT had no access to our systems. However, through the efforts of Linda and her colleagues, we are now providing data access and images of source documents and capturing e-filed data. In the process of doing this, Linda helped develop outstanding technical staffs here and in the field. We have all benefited from her efforts.

- **Bonnye Walker** accumulated about 30 years Data Releaseof Federal Government service and came to SOI in 1981 to begin her 20+year tenure as a Mathematical Statistician. In 1987, Bonnye became the lead Mathematical Statistician for the Individual SOI program, a position that she held until her retirement. In her 23

years of SOI experience, she was a leader in redesigning the Individual sample and worked with the Individual Branch and Treasury staff to design and develop many individual longitudinal studies that became models for work throughout SOI.

In addition to our National Office people, we have lost two longtime SOI programmers in Ogden:

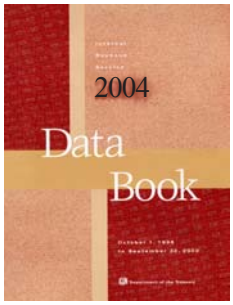
- **Larry Bennington** retired at the end of 2004 after 36 years of Federal service. Larry began his IRS career in 1967 as an editor in Ogden Service Center, while working his way through college. In 1970, he graduated and received a commission in the U.S. Army Reserve and continued as an IRS editor until January 1980, when he came to Washington, DC, and trained to become a programmer. He worked in what is now MITS until he moved to Ogden in 1983 to work at Hill Air Force Base and later at the Federal Trade Commission. In 1987, he returned to SOI as a programmer on various projects and later became the lead programmer of the Corporation project. Beginning in 1994, he worked exclusively on the Individual SOI program, taking on some of the most difficult programming assignments.

- **Vern Peeke** worked for IRS for nearly 37 years, starting in 1967 as a tax examiner and beginning IT work in the Ogden computer room in 1970. In 1982, Vern programmed the first minicomputers in the Service, and he was involved in design and programming from then on. His first SOI project was the Intergenerational Wealth Study in 1985, in which large wealth transfers were tracked. Then, in 1987, he began work on SOI's first Oracle applications on the new DPS system. Later, he became heavily involved in design and programming using Oracle and Unix and later applications including STARTS and SEIN, SOI's first imaging system.

We wish all these retirees the very best and want to thank them for many years of service to SOI. Their collective years of exemplary commitment exemplify why SOI has grown to become the outstanding program that it is. Best of luck!

What's New

2004 IRS Data Book



The latest issue of the *IRS Data Book* is a statistical snapshot of IRS operations. Tables are grouped according to the following categories: returns filed, tax collections, and refunds; examination coverage; delinquency and enforcement activity; appeals; criminal investigation; employee plan and tax-exempt organization information; taxpayer assistance; information reporting; penalties; Chief Counsel activities; and administrative costs and personnel summaries. The report also includes lists of IRS officials and an organizational chart of the IRS itself. Tables in Excel and the entire publication in PDF format appear on the IRS Web site at http://www.irs.gov/taxstats/article/0,,id=102174,00.html.

The IRS Research Bulletin

This 254-page volume presents selected papers from the IRS Research Conference, held on June 2-3, 2004, in Washington, DC, and sponsored by the Office of Research, Analysis, and Statistics. The sessions include measuring and influencing voluntary compliance; tax administration and compliance in other countries; issues in IRS management/administration of the tax system; measuring taxpayer compliance burdens; new developments in IRS enforcement strategies; and compliance with the earned income credit. The 10 papers in the report are available on the IRS Web site (http://www.irs.gov/taxstats/article/0,,id=122790,00.html).

Individual Income Tax Returns, 2002

The newest report from the Individual Statistics Branch, *Statistics of Income—Individual Income Tax Returns, 2002*, Publication 1304, contains data on sources of income, adjusted gross income,

exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and tax payments. Classifications are by tax status, size of adjusted gross income, marital status, and type of computation.

The 168-page report has six sections--Introduction and Changes in Law; Description of the Sample; Basic Tables (aggregate statistics on individual income tax returns); Explanation of Terms; 2002 (Individual Tax) Forms; and an Index. The published report is available for sale through the Government Printing Office by calling (202) 512-1800. The first four sections are also available on the Tax Stats portion of the IRS Web site at http://www.irs.gov/taxstats/article/0,,id=134951,00.html.

For ordering instructions or questions regarding these publications and any other SOI data, call the SOI Statistical Information Services office at (202) 874-0410, fax (202) 874-0964, or e-mail at sis@irs.gov.

Upcoming Features

The following articles or data releases are tentatively planned for inclusion in the Spring 2005 issue of the *Statistics of Income Bulletin* scheduled to be published in June 2005:

- High-Income Tax Returns, 2002;
- S Corporation Returns, 2002;
- Taxable REIT Subsidiaries: Analysis of the First 2 Years of Returns, 2001 and 2002; and
- Boycott Study, 2000-2001.

Individual Income Tax Returns, Preliminary Data, 2003

Data Release

For 2003, taxpayers filed 130.6 million U.S. individual income tax returns, an increase of 0.3 percent from the 130.2 million returns filed for 2002. For the first time in 3 years, Adjusted Gross Income (AGI) rose, increasing by 2.9 percent to $6.2 trillion for 2003. Tax Year 2003 had several other notable changes. Taxable income increased 2.5 percent to $4.2 trillion, and alternative minimum tax rose 41.9 percent to $8.7 billion. Despite these increases, total income tax fell 6.0 percent to $750.0 billion, and total tax liability decreased 5.6 percent to $787.8 billion. These decreases in tax were partially due to major changes in the law (including the Job and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA)), which increased some adjustments, credits, size of tax brackets, and standard deductions, while lowering tax rates (see Changes in Law section for details).

Figure A shows that the largest component of AGI, salaries and wages, increased 2.2 percent to $4,696.5 billion for Tax Year 2003, while the next largest component of AGI, taxable pensions and annuities, rose 4.3 percent to $378.6 billion. Net capital gains also rose 16.9 percent to $288.6 billion. Declining income items were led by taxable interest, which decreased by 17.0 percent to $115.7 billion. Other income items with notable percentage changes included capital gain distributions, which declined 13.6 percent from $5.5 billion in 2002 to $4.7 billion in 2003, and dividends, which increased 12.3 percent to $110.9 billion. Of this dividend total, about 71.5 percent were reported as qualified dividends. The qualified dividends, introduced for the first time under JGTRRA, were taxed at lower rates (as were long-term capital gains). These qualified dividends were reported on 22.5 million returns and totaled $79.2 billion (see Changes in Law section for details). Also, business or profession net income increased by 5.0 percent from Tax Year 2002 to $261.4 billion.

For the first time in 3 years, Adjusted Gross Income (AGI) rose, increasing by 2.9 percent to $6.2 trillion for 2003.

This data release was written by Brian Balkovic, an economist with the Individual Statistics Branch Returns Analysis Section, under the direction of Jeff Hartzok, Chief.

Statutory adjustments to total income increased 13.1 percent to $85.1 billion for Tax Year 2003. The largest increase was in the self-employed health insurance deduction, which increased 55.4 percent to $15.6 billion. This $5.6-billion increase represented more than half of the total increase in statutory adjustments and was partially due to a change in the law increasing the amount that could be deductible (see Change in Law section for details). The largest statutory adjustment was the deduction for self-employment tax, representing 22.3 percent of the total. This adjustment to income increased 5.6 percent to $19.0 billion. Payments to self-employed retirement plans rose 8.4 percent to $16.9 billion, while payments to an Individual Retirement Arrangement (IRA) increased 5.5 percent to $10.2 billion. The deduction for tuition and fees increased 8.2 percent to $6.7 billion. Tax Year 2003 was just the second year that these were deductible as an adjustment to income.

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation) equaled $1,439.4 billion, an increase of 4.8 percent from Tax Year 2002. The number of returns claiming the standard deductions increased 2.4 percent, accounting for 65.0 percent of all returns filed and 38.8 percent of the total deductions amount. Due to the expanded standard deduction for married couples filing joint returns (see Changes in Law) and inflation indexing for all filing statuses, the average standard deduction (including both the basic and additional standard deductions) increased 10.3 percent from $5,963 for 2002 to $6,579 for 2003. Itemized deductions were claimed on 33.6 percent of all returns filed for 2003 and represented 61.2 percent of the total deductions amount [1]. The average total for itemized deductions (after limitation) was $20,076, a 4.1-percent increase from the 2002 average of $19,293. Due to the AGI limitation on itemized deductions, 5.2 million higher-income taxpayers were unable to deduct $28.0 billion in itemized deductions, an increase of 6.7 percent from 2002. The interest paid deduction was the largest deduction, comprising 36.5 percent of total itemized deductions (before limitations). For 2003, it decreased 3.3 percent to $332.0 billion. The taxes

Figure A

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2002 and 2003

[Money amounts are in thousands of dollars]

Item	2002	2003	Percentage change
	(1)	(2)	(3)
Number of returns, total	**130,201,415**	**130,571,319**	**0.3**
Form 1040 returns	80,490,588	80,193,301	-0.4
Form 1040A returns	28,906,249	29,827,251	3.2
Form 1040EZ returns [1]	20,804,579	20,550,767	-1.2
Electronically-filed returns [1,2]	53,719,882	62,180,894	15.8
Adjusted gross income (less deficit)	**6,039,405,382**	**6,212,974,067**	**2.9**
Salaries and wages:			
Number of returns	111,350,158	111,350,057	(Z)
Amount	4,594,558,226	4,696,501,144	2.2
Taxable interest:			
Number of returns	63,740,332	59,591,835	-6.5
Amount	139,294,544	115,682,836	-17.0
Tax-exempt interest: [3]			
Number of returns	4,451,532	4,525,688	1.7
Amount	53,883,081	51,795,259	-3.9
Dividends:			
Number of returns	31,405,307	30,450,215	-3.0
Amount	98,758,800	110,863,179	12.3
Qualified dividends:			
Number of returns	N/A	22,470,605	N/A
Amount	N/A	79,229,288	N/A
State income tax refunds:			
Number of returns	23,919,233	24,748,822	3.5
Amount	22,653,944	22,170,414	-2.1
Alimony received:			
Number of returns	428,548	427,110	-0.3
Amount	6,321,174	6,095,856	-3.6
Business or profession net income:			
Number of returns	13,736,189	14,407,862	4.9
Amount	248,994,633	261,375,371	5.0
Business or profession net loss:			
Number of returns	4,852,573	4,990,662	2.8
Amount	34,527,253	38,380,163	11.2
Net capital gain: [4]			
Number of returns	10,816,038	10,085,562	-6.8
Amount	246,831,535	288,629,772	16.9
Capital gain distributions: [4]			
Number of returns	7,616,563	7,311,132	-4.0
Amount	5,471,012	4,726,887	-13.6
Net capital loss:			
Number of returns	13,297,296	12,808,729	-3.7
Amount	29,898,639	28,921,930	-3.3
Sales of property other than capital assets, net gain:			
Number of returns	774,613	784,336	1.3
Amount	6,702,014	7,521,982	12.2
Sales of property other than capital assets, net loss:			
Number of returns	882,024	902,097	2.3
Amount	8,983,762	7,048,185	-21.5
Taxable Individual Retirement Arrangement distributions:			
Number of returns	8,367,444	8,677,735	3.7
Amount	88,699,036	88,599,170	-0.1
Taxable pensions and annuities:			
Number of returns	23,033,571	23,058,944	0.1
Amount	363,178,764	378,632,948	4.3
Rent and royalty net income:			
Number of returns	5,582,242	5,582,974	(Z)
Amount	61,749,654	64,468,069	4.4
Rent and royalty net loss:			
Number of returns	4,893,695	4,838,985	-1.1
Amount	35,623,474	37,999,493	6.7

Footnotes at end of figure.

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2002 and 2003--Continued

[Money amounts are in thousands of dollars]

Item	2002	2003	Percentage change
	(1)	(2)	(3)
Partnership and S Corporation net income:			
Number of returns	4,014,896	4,139,385	3.1
Amount	284,700,191	301,171,011	5.8
Partnership and S Corporation net loss:			
Number of returns	2,201,777	2,371,920	7.7
Amount	56,029,034	56,220,101	0.3
Estate and trust net income:			
Number of returns	508,734	460,487	-9.5
Amount	10,556,522	11,494,374	8.9
Estate and trust net loss:			
Number of returns	36,687	29,622	-19.3
Amount	633,567	562,851	-11.2
Farm net income:			
Number of returns	560,357	595,750	6.3
Amount	6,537,448	7,560,081	15.6
Farm net loss:			
Number of returns	1,431,285	1,402,196	-2.0
Amount	20,219,702	19,513,364	-3.5
Unemployment compensation:			
Number of returns	10,423,027	10,133,305	-2.8
Amount	43,411,772	44,185,367	1.8
Taxable Social Security benefits:			
Number of returns	10,829,281	11,098,826	2.5
Amount	94,696,163	99,080,506	4.6
Total statutory adjustments:			
Number of returns	28,868,674	30,352,239	5.1
Amount	75,291,939	85,137,579	13.1
Educator expenses:			
Number of returns	2,918,977	3,275,128	12.2
Amount	719,526	813,913	13.1
Payments to an Individual Retirement Arrangement:			
Number of returns	3,323,683	3,462,006	4.2
Amount	9,639,868	10,166,576	5.5
Student loan interest deduction:			
Number of returns	6,679,730	7,031,160	5.3
Amount	4,483,269	4,470,823	-0.3
Tuition and fees deduction:			
Number of returns	3,473,139	3,603,729	3.8
Amount	6,224,780	6,737,825	8.2
Medical savings account deduction:			
Number of returns	63,897	63,450	-0.7
Amount	128,367	119,800	-6.7
Moving expenses adjustment:			
Number of returns	942,457	1,029,309	9.2
Amount	2,204,827	2,483,169	12.6
Self-employment tax deduction:			
Number of returns	14,567,832	15,253,702	4.7
Amount	17,985,927	18,986,750	5.6
Self-employed health insurance deduction:			
Number of returns	3,452,308	3,658,160	6.0
Amount	10,019,154	15,569,662	55.4
Payments to a self-employed retirement (Keogh) plan:			
Number of returns	1,181,103	1,193,324	1.0
Amount	15,590,116	16,899,066	8.4
Penalty on early withdrawal of savings:			
Number of returns	810,755	734,368	-9.4
Amount	195,551	153,102	-21.7
Alimony paid:			
Number of returns	591,534	582,671	-1.5
Amount	7,060,478	7,303,956	3.4

Footnotes at end of figure.

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2002 and 2003--Continued

[Money amounts are in thousands of dollars]

Item	2002	2003	Percentage change
	(1)	(2)	(3)
Total deductions:			
Number of returns	128,482,042	128,796,092	0.2
Amount	1,373,598,790	1,439,376,664	4.8
Basic standard deduction:			
Number of returns	82,909,453	84,934,121	2.4
Amount	479,281,798	542,758,782	13.2
Additional standard deduction:			
Number of returns	10,986,607	11,335,359	3.2
Amount	15,079,165	16,064,490	6.5
Total itemized deductions (after limitation):			
Number of returns	45,572,589	43,861,971	-3.8
Amount	879,237,828	880,553,392	0.1
Itemized deductions in excess of limitation:			
Number of returns	5,199,946	5,237,245	0.7
Amount	26,240,256	28,010,193	6.7
Medical and dental expenses deduction:			
Number of returns	8,527,941	8,630,911	1.2
Amount	51,873,191	55,003,108	6.0
Taxes paid deduction:			
Number of returns	44,742,669	42,996,756	-3.9
Amount	298,629,419	307,102,902	2.8
Interest paid deduction:			
Number of returns	37,509,263	36,105,945	-3.7
Amount	343,191,909	331,988,244	-3.3
Charitable contributions deduction:			
Number of returns	40,443,074	38,642,066	-4.5
Amount	136,356,466	139,666,085	2.4
Taxable income:			
Number of returns	102,462,477	101,669,737	-0.8
Amount	4,099,015,901	4,202,698,688	2.5
Alternative minimum tax:			
Number of returns	1,916,291	2,379,473	24.2
Amount	6,156,281	8,737,246	41.9
Income tax before credits:			
Number of returns	102,479,207	101,686,410	-0.8
Amount	836,773,441	791,129,805	-5.5
Total tax credits: [5]			
Number of returns	40,636,192	41,219,145	1.4
Amount	38,985,352	41,108,685	5.4
Child care credit:			
Number of returns	6,194,033	6,340,695	2.4
Amount	2,710,432	3,222,404	18.9
Credit for the elderly or disabled:			
Number of returns	134,742	125,555	-6.8
Amount	21,317	20,600	-3.4
Child tax credit:			
Number of returns	25,975,097	25,741,752	-0.9
Amount	21,562,208	22,815,814	5.8
Education tax credits:			
Number of returns	6,529,334	7,358,503	12.7
Amount	4,933,542	5,900,877	19.6
Retirement savings contributions credit:			
Number of returns	5,370,533	5,383,851	0.2
Amount	1,071,537	1,053,786	-1.7
Adoption credit:			
Number of returns	54,229	62,749	15.7
Amount	213,558	319,185	49.5
Foreign tax credit:			
Number of returns	3,742,101	4,146,797	10.8
Amount	5,216,722	5,014,266	-3.9

Footnotes at end of figure.

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2002 and 2003--Continued

[Money amounts are in thousands of dollars]

Item	2002	2003	Percentage change
	(1)	(2)	(3)
General business credit:			
Number of returns	262,280	239,664	-8.6
Amount	636,282	510,617	-19.7
Prior year minimum tax credit:			
Number of returns	175,592	238,477	35.8
Amount	927,308	882,136	-4.9
Self-employment tax:			
Number of returns	14,567,832	15,253,702	4.7
Amount	35,964,558	37,965,977	5.6
Total earned income credit (EIC):			
Number of returns	21,895,212	22,233,971	1.5
Amount	38,687,554	39,124,190	1.1
EIC used to offset income tax before credits:			
Number of returns	4,208,306	3,642,470	-13.4
Amount	1,125,694	936,451	-16.8
EIC used to offset other taxes:			
Number of returns	4,148,714	4,429,878	6.8
Amount	3,392,664	3,745,552	10.4
Excess EIC, refundable portion:			
Number of returns	18,971,435	19,382,974	2.2
Amount	34,169,197	34,442,188	0.8
Additional child tax credit:			
Number of returns	10,997,600	12,627,142	14.8
Amount	6,452,429	9,131,488	41.5
Total income tax:			
Number of returns	91,078,328	89,103,880	-2.2
Amount	797,791,644	750,024,250	-6.0
Total tax liability:			
Number of returns	94,204,253	92,542,668	-1.8
Amount	834,265,347	787,833,443	-5.6

N/A - Not applicable.

[1] Includes TeleFile returns.

[2] Included in data for Forms 1040, 1040A, and 1040EZ.

[3] Not included in adjusted gross income.

[4] Includes capital gain distributions reported on Form 1040 and Schedule D.

[5] Includes EIC used to offset income tax before credits, shown separately later in this figure.

(Z) Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

paid deduction, accounting for 33.8 percent of the total (before limitations), increased 2.8 percent to $307.1 billion. The charitable contribution deduction increased 2.4 percent to $139.7 billion.

Total tax credits used to offset income tax liabilities increased 5.4 percent to $41.1 billion. About 25.7 million taxpayers claimed $22.8 billion in child tax credits, up 5.8 percent from the $21.6 billion in 2002. For Tax Year 2003, the amount of this credit increased from $600 to $1,000 per eligible child. However, this increase is not fully reflected in the Tax Year 2003 data because many taxpayers received advances of up to $400 per child prior to filing their tax returns. The data for these advances are not included in the statistics for this article. Large percentage increases were reported for education tax credits (totaling $5.9 billion, a 19.6-percent increase from 2002), and the child care credit (totaling $3.2 billion, an 18.9-percent increase from 2002). See Changes in Law section concerning the latter. The credit that declined the largest dollar amount was the foreign tax credit, which decreased 3.9 percent to $5.0 billion.

The total earned income credit (EIC) increased 1.1 percent to $39.1 billion for Tax Year 2003. The portion of the EIC used to offset income tax before credits decreased 16.8 percent to $0.9 billion, and the portion of the EIC used to offset other taxes (such as the self-employment tax) rose 10.4 percent to $3.7 billion. The largest part of the EIC, the refundable portion, was treated as a refund and paid directly to taxpayers who had no tax liability against which to apply the credit. The refundable portion of the EIC increased 0.8 percent to $34.4 billion for 2003.

The comparisons of data for Tax Years 2002 and 2003 in this article are based on the preliminary estimates for both years. A few income and tax items tend to be understated in preliminary estimates; therefore, comparisons based on preliminary estimates for 1 year and final estimates for the previous year could be misleading. Comparisons based entirely on preliminary estimates reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year changes. Final statistics for Tax Year 2002 are available in the Fall 2004 issue of the *Bulletin*.

Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income--2002, Individual Income Tax Returns.* The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2003 preliminary data presented in this article.

Alternative Minimum Tax (AMT).--For Tax Year 2003, the AMT exemption amounts increased by $9,000 for married tax payers filing joint returns and surviving spouses, and by $4,500 for single taxpayers or couples filing separate returns. This increased the AMT exemption amounts to $58,000 for married couples filing a joint return and surviving spouses, $29,000 for married couples filing separate returns, estates, and trusts, and $40,250 for single taxpayers and heads of household.

Child and Dependent Care Credit.--Beginning for 2003, the limit on the amount of qualifying expenses increased to $3,000 for one qualifying individual and to $6,000 for two or more qualifying individuals. Previously, these amounts were $2,400 and $4,800, respectively. Along with this, the maximum credit was also increased to $1,050 for the care of one qualifying person and $2,100 for the care of two or more qualifying persons. These amounts were $800 and $1,600 in Tax Year 2002. Also, the income related phase-down of the Child Care Credit rate was liberalized. For example, for 2002 and previous years, taxpayers with an AGI of $28,000 or more received the 20-percent mimimum percentage amount applied to their child care expenses. For 2003, this was increased to $43,000 of AGI.

Child Tax Credits.--Modifications were made to the child tax credit for 2003. In 2003, taxpayers were allowed a maximum tax credit of $1,000 for each of their qualifying children under the age of 17, whereas, for 2002, the maximum credit was $600 per child. For 2003, up to $400 per eligible child was given in advance to taxpayers based on the age of eligible children and their Tax Year 2002 returns.

Dividends and Capital Gains.--The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) lowered the maximum capital gain tax rates from 8 percent or 10 percent to 5 percent and from 20 percent to 15 percent. These rates applied to most long-term (holding period of more than 1 year) sales, exchanges, and conversions--including installment payments received--after May 5, 2003. There was no change in the rates for gains taxed at 25 percent or 28 percent. Also, JGTRRA applied the

new rates to qualified dividends received after 2002. Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a "qualified" foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP).

Earned Income Credit.--The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to $2,600 from $2,550. The maximum credit for taxpayers with no qualifying children increased to $382 from $376. For these taxpayers, earned income and AGI had to be less than $11,230 ($12,230 if married filing jointly). For taxpayers with one qualifying child, the maximum credit increased $41 to $2,547, and, for taxpayers with two or more qualifying children, the maximum credit increased to $4,204 from $4,140. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than $29,666 ($30,666 for married filing jointly) for one qualifying child, or less than $33,692 ($34,692 for married filing jointly) for two or more qualifying children. Prior to Tax Year 2002, marital status had no effect on the amount of EIC or these income thresholds.

Indexing.--The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. The maximum amount of earnings subject to self-employment tax increased based on the percentage change in average covered earnings.

Individual Retirement Arrangement Deduction.--For 2003, the modified AGI thresholds increased allowing for more taxpayers to deduct contributions to individual retirement plans. A taxpayer or both taxpayers, for taxpayers filing jointly, were able to take an IRA deduction up to $3,000 ($3,500 if age 50 or older) if covered by a retirement plan and their modified AGI was less than $50,000 ($70,000 if married filing jointly or qualifying widow(er)). This was up from the $44,000 ($64,000 if married filing jointly or qualifying widow(er)) set in 2002.

Limit on Itemized Deductions Increased.--If adjusted gross income was above a certain amount, certain itemized deductions were limited. In 2003, the AGI threshold for limitations increased to $139,500 ($69,750 if married filing separately). In 2002, the amount was $137,300 ($68,650 if married filing separately).

Section 179 Deductions.--The maximum section 179 deduction (full expensing of certain depreciable property) that could be elected for property placed in service in 2003 increased from $24,000 to $100,000 for qualified section 179 property ($135,000 for qualified zone property, qualified renewal property, or qualified New York Liberty Zone property). This limit was reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeded $400,000 (increased from $200,000).

Standard Deduction Amount Increased.--The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2003 than it was for 2002. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2003, the standard deduction increased to $9,500 for joint filiers, up from $7,850 in 2002. For single filers and married filing separately, the deduction amount increased to $4,750. For heads of household, the deduction was $7,000.

Tax Rate Reduction.--For tax years beginning after December 31, 2001, a 10-percent regular income tax rate bracket was used for a portion of all taxpayers' taxable incomes. For 2003, the size of this bracket was expanded by $2,000 for married filing joint returns ($1,000 for single or married filing separately). The width of the 15-percent bracket was also expanded for joint returns. For taxable years beginning in 2003, JGTRRA increased the upper end of the 15-percent income tax rate bracket for married taxpayers filing joint returns to twice the upper end of the 15-percent income tax rate bracket for single returns. Also, for Tax Year 2003, there was a reduction of the former tax rates of 27.0 percent, 30.0 percent, 35.0 percent, and 38.6 percent

to 25.0 percent, 28.0 percent, 33.0 percent, and 35.0 percent, respectively.

Self-Employed Health Insurance Deduction.-- A self-employed taxpayer was able to deduct up to 100 percent of health insurance expenses for 2003, up from 70 percent for 2002.

Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ including electronically-filed returns) filed during Calendar Year 2004. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax modeling purposes [2]. Returns were then selected at rates ranging from 0.05 percent to 100 percent. The preliminary Tax Year 2003 data are based on a sample of 148,908 returns and an estimated final population of 131,316,806 returns. The corresponding sample and population for the preliminary 2002 data were 143,577 and 130,462,606 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 2003 returns, between January and late September of 2004. In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include, for example, disproportionately large amounts of investment income, passive losses, and alternative minimum tax.

Notes and References

[1] The remaining 1.4 percent of the returns did not need to claim either a standard deduction or itemized deductions because no AGI was reported.

[2] Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Non-Resident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

Table 1.--Individual Income Tax Returns, Tax Year 2003 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income					
		Under $15,000 [1]	$15,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**130,571,319**	**37,985,339**	**29,738,980**	**24,469,392**	**26,935,410**	**8,901,359**	**2,540,844**
Form 1040 returns	80,193,301	15,260,594	13,213,650	15,638,793	24,638,057	8,901,359	2,540,844
Form 1040A returns	29,827,251	10,403,827	11,453,543	6,142,046	1,827,836	--	--
Form 1040EZ returns [2]	20,550,767	12,320,915	5,071,783	2,688,554	469,517	--	--
Electronically-filed returns [2,3]	62,180,894	17,214,903	16,006,171	12,186,043	12,404,285	3,686,813	682,680
Adjusted gross income (less deficit)	**6,212,974,067**	**211,227,348**	**653,834,424**	**954,681,212**	**1,889,302,141**	**1,174,675,124**	**1,329,253,818**
Salaries and wages:							
Number of returns	111,350,057	29,061,919	25,280,385	21,894,205	24,684,634	8,216,945	2,211,967
Amount	4,696,501,144	220,282,637	522,911,086	787,266,239	1,544,914,162	922,865,476	698,261,544
Taxable interest:							
Number of returns	59,591,835	10,458,876	9,284,126	11,267,331	18,432,372	7,714,263	2,434,866
Amount	115,682,836	12,355,191	13,342,248	13,586,335	25,154,147	18,290,868	32,954,050
Tax-exempt interest: [4]							
Number of returns	4,525,688	535,559	487,630	668,025	1,210,617	867,694	756,164
Amount	51,795,259	2,859,600	2,814,157	4,097,400	9,001,745	9,333,662	23,688,693
Dividends:							
Number of returns	30,450,215	5,179,435	4,084,538	4,836,123	9,191,142	5,104,109	2,054,870
Amount	110,863,179	7,026,723	7,239,002	8,789,068	19,763,450	19,455,784	48,589,150
Qualified dividends:							
Number of returns	22,470,605	3,634,881	2,826,527	3,512,532	6,731,548	3,973,643	1,791,472
Amount	79,229,288	3,438,914	3,771,852	5,076,549	12,651,623	14,462,867	39,827,481
State income tax refunds:							
Number of returns	24,748,822	760,713	2,042,415	5,038,562	11,096,356	4,561,091	1,249,682
Amount	22,170,414	484,218	967,872	2,728,912	7,806,190	4,982,741	5,200,479
Alimony received:							
Number of returns	427,110	84,007	112,828	124,565	83,533	17,444	4,733
Amount	6,095,856	644,282	942,561	1,292,527	1,867,034	638,473	710,978
Business or profession net income:							
Number of returns	14,407,862	4,443,137	2,603,915	2,330,894	3,178,203	1,339,644	512,070
Amount	261,375,371	29,538,291	31,161,082	32,077,709	57,597,773	52,798,932	58,201,583
Business or profession net loss:							
Number of returns	4,990,662	920,409	872,595	1,010,168	1,500,624	521,133	165,735
Amount	38,380,163	12,658,551	5,303,380	5,969,291	7,674,099	3,507,923	3,266,916
Net capital gain reported on Schedule D:							
Number of returns	8,980,717	1,214,156	1,198,963	1,343,911	2,664,331	1,679,316	880,037
Amount	288,296,474	6,057,863	4,267,807	6,304,109	21,683,876	35,529,154	214,453,663
Capital gain distributions reported on Form 1040:							
Number of returns	1,104,846	231,584	163,827	175,367	328,153	164,154	41,759
Amount	333,298	67,034	69,408	20,550	119,833	30,143	26,330
Net capital loss:							
Number of returns	12,808,729	2,540,480	1,478,700	1,904,046	3,595,013	2,251,295	1,039,191
Amount	28,921,930	5,763,100	3,226,933	4,086,205	7,931,562	5,189,804	2,724,326
Sales of property other than capital assets, net gain:							
Number of returns	784,336	112,352	110,269	117,029	211,185	125,744	107,753
Amount	7,521,982	785,393	589,676	769,959	1,554,943	1,091,007	2,731,003
Sales of property other than capital assets, net loss:							
Number of returns	902,097	158,608	79,494	134,113	218,450	147,247	164,184
Amount	7,048,185	3,198,861	212,851	582,944	584,230	621,218	1,848,082
Taxable Individual Retirement Arrangement distributions:							
Number of returns	8,677,735	1,628,339	1,922,871	1,717,923	2,387,862	801,113	219,627
Amount	88,599,170	6,385,505	10,415,678	14,022,452	29,821,253	19,098,016	8,856,266
Taxable pensions and annuities:							
Number of returns	23,058,944	4,349,555	5,197,083	4,709,409	6,304,605	2,018,595	479,697
Amount	378,632,948	27,804,879	61,328,163	75,281,949	134,620,232	60,587,227	19,010,498
Rent and royalty net income:							
Number of returns	5,582,974	891,824	841,016	933,070	1,556,330	862,533	498,201
Amount	64,468,069	4,939,609	4,320,641	5,542,581	13,109,831	12,048,120	24,507,286
Rent and royalty net loss:							
Number of returns	4,838,985	663,485	626,752	888,090	1,616,292	761,109	283,257
Amount	37,999,493	5,918,398	3,802,499	6,049,668	11,364,886	5,999,284	4,864,763
Partnership and S Corporation net income:							
Number of returns	4,139,385	368,687	362,912	492,892	1,120,299	941,930	852,666
Amount	301,171,011	2,923,947	3,531,250	6,714,238	20,116,108	38,063,934	229,821,535

Footnotes at end of table.

Table 1.--Individual Income Tax Returns, Tax Year 2003 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income					
		Under $15,000 [1]	$15,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Partnership and S Corporation net loss:							
Number of returns	2,371,920	458,934	266,144	359,302	611,810	426,082	249,646
Amount	56,220,101	26,296,770	2,464,983	3,643,722	5,911,187	5,450,579	12,452,862
Estate and trust net income:							
Number of returns	460,487	65,053	55,104	69,698	123,023	85,941	61,669
Amount	11,494,374	278,384	307,849	407,352	1,002,991	1,835,475	7,662,321
Estate and trust net loss:							
Number of returns	29,622	5,171	6,275	12	3,661	7,250	7,256
Amount	562,851	213,153	30,886	363	2,728	47,224	268,496
Farm net income:							
Number of returns	595,750	142,304	110,934	126,504	166,137	34,554	15,317
Amount	7,560,081	813,205	970,125	1,457,930	2,213,709	1,126,329	978,780
Farm net loss:							
Number of returns	1,402,196	298,846	256,463	282,013	399,197	114,099	51,577
Amount	19,513,364	5,721,640	2,788,502	2,847,408	4,043,960	1,669,959	2,441,894
Unemployment compensation:							
Number of returns	10,133,305	2,186,154	2,908,833	2,154,680	2,300,641	521,453	61,544
Amount	44,185,367	7,605,049	12,748,825	10,001,972	10,675,356	2,746,058	408,109
Taxable Social Security benefits:							
Number of returns	11,098,826	90,387	2,144,581	3,468,447	3,882,945	1,129,190	383,278
Amount	99,080,506	408,869	3,826,097	20,179,129	49,235,723	18,370,423	7,060,267
Total statutory adjustments:							
Number of returns	30,352,239	6,008,149	5,264,948	5,986,625	8,580,942	3,444,605	1,066,971
Amount	85,137,579	7,232,766	8,880,157	11,789,059	21,674,868	17,997,967	17,562,757
Educator expenses:							
Number of returns	3,275,128	105,499	300,361	726,227	1,492,852	587,925	62,265
Amount	813,913	22,690	71,944	168,419	376,470	159,086	15,304
Payments to an Individual Retirement Arrangement:							
Number of returns	3,462,006	211,972	685,135	938,024	1,078,889	450,660	97,322
Amount	10,166,576	473,303	1,643,493	2,576,759	3,284,477	1,665,299	523,248
Student loan interest deduction:							
Number of returns	7,031,160	652,978	1,436,224	1,930,615	2,546,320	465,023	--
Amount	4,470,823	315,675	801,334	1,300,491	1,830,884	222,439	--
Tuition and fees deduction:							
Number of returns	3,603,729	640,139	469,160	564,812	1,203,027	726,593	--
Amount	6,737,825	1,308,175	787,845	823,012	2,218,873	1,599,920	--
Medical savings account deduction:							
Number of returns	63,450	3,155	12,707	12,050	14,748	10,780	10,011
Amount	119,800	1,574	19,821	17,069	25,827	25,387	30,125
Moving expenses adjustment:							
Number of returns	1,029,309	138,154	197,603	212,729	311,350	136,882	32,591
Amount	2,483,169	269,147	263,596	428,774	855,774	443,335	222,545
Self-employment tax deduction:							
Number of returns	15,253,702	4,461,744	2,699,083	2,408,094	3,356,779	1,552,161	775,841
Amount	18,986,750	2,232,678	2,501,377	2,638,115	4,712,961	3,622,458	3,279,161
Self-employed health insurance deduction:							
Number of returns	3,658,160	620,824	654,965	635,907	854,419	504,571	387,473
Amount	15,569,662	1,802,903	2,132,101	2,312,794	3,558,706	2,909,494	2,853,665
Payments to a self-employed retirement (Keogh) plan:							
Number of returns	1,193,324	27,502	59,319	101,689	319,204	385,042	300,569
Amount	16,899,066	131,127	224,834	674,936	2,627,174	5,208,317	8,032,679
Penalty on early withdrawal of savings:							
Number of returns	734,368	169,802	130,808	138,269	208,592	69,041	17,857
Amount	153,102	46,299	16,375	26,270	46,665	11,548	5,941
Alimony paid:							
Number of returns	582,671	45,223	62,454	99,998	200,059	114,759	60,177
Amount	7,303,956	436,245	331,534	581,586	1,853,599	1,773,710	2,327,280
Total deductions:							
Number of returns	128,796,092	36,222,127	29,730,010	24,466,395	26,935,410	8,901,359	2,540,795
Amount	1,439,376,664	213,531,343	228,870,908	236,326,009	389,202,694	216,169,393	155,276,317
Basic standard deduction:							
Number of returns	84,934,121	34,233,719	24,994,053	15,511,126	9,155,669	870,296	169,256
Amount	542,758,782	181,598,473	163,506,351	111,394,740	77,048,801	7,766,052	1,444,364

Footnotes at end of table.

Table 1.--Individual Income Tax Returns, Tax Year 2003 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income					
		Under $15,000 [1]	$15,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Additional standard deduction:							
Number of returns	11,335,359	4,344,969	3,326,799	1,871,816	1,498,209	244,503	49,064
Amount	16,064,490	5,810,062	4,863,642	2,712,856	2,220,810	382,688	74,432
Total itemized deductions (after limitation):							
Number of returns	43,861,971	1,988,406	4,735,954	8,955,269	17,779,740	8,031,063	2,371,538
Amount	880,553,392	26,122,805	60,500,914	122,218,415	309,933,084	208,020,652	153,757,520
Itemized deductions in excess of limitation:							
Number of returns	5,237,245	--	--	--	102,011	2,764,340	2,370,895
Amount	28,010,193	--	--	--	35,261	2,067,185	25,907,747
Medical and dental expenses deduction:							
Number of returns	8,630,911	1,297,424	2,141,652	2,404,765	2,380,171	368,385	38,513
Amount	55,003,108	10,143,683	13,667,224	12,876,872	13,451,372	3,873,425	990,531
Taxes paid deduction:							
Number of returns	42,996,756	1,788,238	4,449,624	8,764,619	17,631,775	7,996,818	2,365,682
Amount	307,102,902	4,397,970	10,865,245	29,201,558	96,331,926	80,304,485	86,001,720
Interest paid deduction:							
Number of returns	36,105,945	1,171,971	3,214,335	7,112,502	15,513,183	7,093,205	2,000,746
Amount	331,988,244	8,009,166	21,998,484	49,636,439	131,061,634	80,504,466	40,778,054
Charitable contributions deduction:							
Number of returns	38,642,066	1,403,583	3,717,486	7,565,860	16,048,460	7,615,564	2,291,110
Amount	139,666,085	2,025,772	7,509,200	15,628,458	42,777,843	30,459,771	41,265,041
Taxable income:							
Number of returns	101,669,737	12,928,476	26,289,704	24,148,682	26,874,727	8,889,842	2,538,306
Amount	4,202,698,688	40,466,447	265,732,033	561,937,162	1,287,713,965	880,791,014	1,166,058,065
Alternative minimum tax:							
Number of returns	2,379,473	8,121	4,113	17,127	187,913	867,940	1,294,259
Amount	8,737,246	48,329	26,825	20,359	235,844	1,894,654	6,511,235
Income tax before credits:							
Number of returns	101,686,410	12,931,087	26,290,022	24,153,450	26,879,223	8,893,411	2,539,217
Amount	791,129,805	4,139,100	31,257,511	74,410,461	194,064,449	167,955,191	319,303,094
Total tax credits: [5]							
Number of returns	41,219,145	3,021,584	11,320,621	10,205,616	12,367,324	3,375,896	928,105
Amount	41,108,685	494,276	6,529,435	9,981,745	15,424,377	3,446,326	5,232,524
Child care credit:							
Number of returns	6,340,695	80,821	1,190,922	1,481,931	2,488,148	926,569	172,301
Amount	3,222,404	13,589	574,625	829,422	1,230,739	482,792	91,236
Credit for the elderly or disabled:							
Number of returns	125,555	79,636	45,922	--	--	--	--
Amount	20,600	15,497	5,103	--	--	--	--
Child tax credit:							
Number of returns	25,741,752	450,300	6,243,059	7,144,811	9,743,864	**2,159,718	**
Amount	22,815,814	55,495	3,158,620	6,660,626	10,886,691	**2,054,386	**
Education tax credits:							
Number of returns	7,358,503	675,687	1,931,723	2,078,547	2,647,141	25,353	53
Amount	5,900,877	210,683	1,355,430	1,784,981	2,548,286	1,418	79
Retirement savings contributions credit:							
Number of returns	5,383,851	320,731	2,439,181	2,623,940	--	--	--
Amount	1,053,786	79,365	541,485	432,938	--	--	--
Adoption credit:							
Number of returns	62,749	--	990	8,469	35,908	17,379	3
Amount	319,185	--	330	8,833	164,217	145,779	27
Foreign tax credit:							
Number of returns	4,146,797	201,935	384,422	547,772	1,309,991	972,424	730,251
Amount	5,014,266	6,339	32,131	64,440	297,964	517,318	4,096,073
General business credit:							
Number of returns	239,664	2,932	7,329	40,718	90,147	55,617	42,920
Amount	510,617	907	3,398	44,379	126,295	71,025	264,613
Prior year minimum tax credit:							
Number of returns	238,477	427	2,662	14,986	75,132	92,524	52,745
Amount	882,136	73	1,542	17,906	74,593	127,368	660,655
Self-employment tax:							
Number of returns	15,253,702	4,461,744	2,699,083	2,408,094	3,356,779	1,552,161	775,841
Amount	37,965,977	4,463,157	5,001,449	5,275,018	9,424,236	7,244,175	6,557,947

Footnotes at end of table.

Table 1.--Individual Income Tax Returns, Tax Year 2003 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income					
		Under $15,000 [1]	$15,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total earned income credit (EIC):							
Number of returns	22,233,971	12,162,171	9,092,898	978,905	--	--	--
Amount	39,124,190	21,508,875	17,194,661	420,655	--	--	--
EIC used to offset income tax before credits:							
Number of returns	3,642,470	1,244,182	2,157,056	241,231	--	--	--
Amount	936,451	101,483	786,015	48,953	--	--	--
EIC used to offset other taxes:							
Number of returns	4,429,878	2,909,227	1,349,155	171,494	--	--	--
Amount	3,745,552	2,301,344	1,390,195	54,011	--	--	--
Excess EIC, refundable portion:							
Number of returns	19,382,974	10,734,323	7,924,158	724,493	--	--	--
Amount	34,442,188	19,106,050	15,018,450	317,689	--	--	--
Additional child tax credit:							
Number of returns	12,627,142	2,861,541	7,060,922	2,396,377	303,766	4,534	--
Amount	9,131,488	926,370	5,528,081	2,353,095	318,460	5,484	--
Total income tax:							
Number of returns	89,103,880	11,033,988	18,519,724	21,572,242	26,550,789	8,888,831	2,538,303
Amount	750,024,250	3,644,967	24,728,074	64,429,746	178,640,073	164,508,868	314,072,521
Total tax liability:							
Number of returns	92,542,668	13,263,977	19,285,890	21,939,799	26,620,444	8,893,521	2,539,034
Amount	787,833,443	6,002,033	28,302,449	69,941,012	189,457,159	172,740,451	321,390,338

** Data combined to prevent disclosure of specific taxpayer information.

[1] Includes returns with adjusted gross deficit.

[2] Includes TeleFile returns.

[3] Included in data for Forms 1040, 1040A, and 1040EZ.

[4] Not included in adjusted gross income.

[5] Includes EIC used to offset income tax before credits, shown separately later in this table.

NOTE: Detail may not add to totals because of rounding.

Individual Income Tax Rates and Shares, 2002

by Michael Parisi

Taxpayers filed just over 130.0 million returns for Tax Year 2002, of which almost 91.0 million (or 69.9 percent) were classified as taxable returns. This represents a reduction of 4.0 percent in the number of taxable returns from 2001. Adjusted gross income (AGI) on these taxable returns fell 3.5 percent to $5,641 billion for 2002. Total income tax fell 10.2 percent for 2002, a percentage decrease of almost three times that of AGI. This decrease in total income tax was attributable to a decline in income being reported and to tax cuts implemented in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). The average tax rate for taxable returns fell 1.1 percentage points to 14.1 percent. This was the second year in a row there was a decline in average tax rates. The last time that average taxes fell by as much as for Tax Years 2001 and 2002 was for 1987, the first year under the Tax Reform Act of 1986.

Taxpayers with an AGI of at least $285,424, the top 1 percent of taxpayers, accounted for 16.1 percent of AGI. This was the second year of decline in the percent of AGI reported on the top 1 percent of tax returns. These taxpayers accounted for 33.7 percent of the total income tax reported, a decrease from 33.9 percent in 2001. The top 5 percent of taxpayers accounted for 30.6 percent of AGI and 53.8 percent of total income tax. To be included in the top 5 percent, a taxpayer must have had an AGI of $126,525, whereas, in 2001, a taxpayer must have had an AGI of $127,904.

This article discusses the individual income tax rates and tax shares and the computation of "tax generated" for 2002. To put this discussion into perspective, the appendices to the article provide explanations of selected terms used in the article and describe the income tax structure, certain tax law changes, income and tax concepts (the "1979 Income Tax Concept," "modified" taxable income, and marginal tax rates), the computation of "alternative minimum taxable income," and the data sources and limitations.

Michael Parisi is an economist with the Individual Statistics Branch Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

Income Tax Rates

Discussions of income tax rates generally center on measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are calculated by dividing some measure of tax by some measure of income. For the statistics in this article, the average tax rate is "tax generated" (see Appendix A: Explanation of Selected Terms) divided by AGI reported on returns showing some income tax liability. Measures of marginal tax rates, on the other hand, focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is the statutory rate at which the last dollar of taxable income is taxed. (See Appendix D for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of the average and marginal tax rates in more detail, and discuss the statistics based on these rates for 2002.

Average Tax Rates

Figure A presents statistics for 1986 through 2002 on income (based on each year's definition of AGI and on the common 1979 Income Concept) and taxes reported. (See Appendix D for an explanation of the 1979 Income Concept.) These tax years can be partitioned into seven distinct periods:

(1) Tax Year 1986 was the last year under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation, and the maximum tax rate was 50 percent.

(2) Tax Year 1987 was the first year under Tax Reform Act of 1986 (TRA86). For 1987, a 1-year, transitional, five-rate tax bracket structure was established with a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.

(3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure [1]. The phase-in of the provisions of TRA86 continued with a maximum tax rate of 33 percent.

(4) Tax Years 1991 and 1992 brought a three-rate tax bracket structure (with a maximum tax rate

Figure A

Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1986-2002

[Money amounts are in billions of dollars, except where indicated]

Tax year	Total number of returns	Taxable returns								
		Number of returns	As a percentage of total returns [1]	Adjusted gross income (less deficit)	Total income tax	Average tax rate (percent)[2,3]	Average per return (whole dollars) [3]			
							Current dollars		Constant dollars [4]	
							Adjusted gross income (less deficit)	Total income tax	Adjusted gross income (less deficit)	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Using each tax year's adjusted gross income									
1986	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991
1987	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747
1988	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005
1989	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915
1990	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807
1991	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711
1992	113,604,503	86,731,946	76.3	3,484	476	13.7	40,168	5,491	28,630	3,914
1993	114,601,819	86,435,367	75.4	3,564	503	14.1	41,233	5,817	28,535	4,026
1994	115,943,131	87,619,446	75.6	3,737	535	14.3	42,646	6,104	28,776	4,119
1995	118,218,327	89,252,989	75.5	4,008	588	14.7	44,901	6,593	29,463	4,326
1996	120,351,208	90,929,350	75.6	4,342	658	15.2	47,750	7,239	30,433	4,614
1997	122,421,991	93,471,200	76.4	4,765	731	15.3	50,980	7,824	31,763	4,875
1998	124,770,662	93,047,898	74.6	5,160	789	15.3	55,458	8,475	33,836	5,171
1999	127,075,145	94,546,080	74.4	5,581	877	15.7	59,028	9,280	35,431	5,570
2000	129,373,500	96,817,603	74.8	6,083	981	16.1	62,832	10,129	36,488	5,882
2001	130,255,237	94,763,530	72.8	5,847	888	15.2	61,702	9,370	34,840	5,291
2002	130,076,443	90,963,896	69.9	5,641	797	14.1	62,015	8,762	34,472	4,870
	Using 1979 Income Concept[5]									
1986	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991
1987	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747
1988	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005
1989	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915
1990	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807
1991	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711
1992	113,604,503	86,731,946	76.3	3,553	476	13.4	40,964	5,491	29,198	3,914
1993	114,601,819	86,435,367	75.4	3,625	503	13.9	41,938	5,817	29,023	4,026
1994	115,943,131	87,619,446	75.6	3,796	535	14.1	43,322	6,104	29,232	4,119
1995	118,218,327	89,252,989	75.5	4,075	588	14.4	45,655	6,593	29,957	4,326
1996	120,351,208	90,929,350	75.6	4,418	658	14.9	48,582	7,239	30,964	4,614
1997	122,421,991	93,471,200	76.4	4,849	731	15.1	51,875	7,824	32,321	4,875
1998	124,770,662	93,047,898	74.6	5,299	789	14.9	56,947	8,475	34,745	5,171
1999	127,075,145	94,546,080	74.4	5,736	877	15.3	60,666	9,280	36,414	5,570
2000	129,373,500	96,817,603	74.8	6,294	981	15.6	65,012	10,129	37,754	5,882
2001	130,255,237	94,763,530	72.8	5,943	888	14.9	62,716	9,370	35,413	5,291
2002	130,076,443	90,963,896	69.9	5,758	797	13.8	63,297	8,762	35,184	4,870

[1] Number of taxable returns (column 2) divided by total number of returns (column 1).

[2] Average tax rate is "total income tax" (column 5) divided by adjusted gross income less deficit (AGI) (column 4).

[3] The average adjusted gross income (less deficit), average total income tax and average tax rate were calculated from unrounded data.

[4] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 2 of this article for further details.

[5] These statistics are based on adjusted gross income less deficit (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see Statistics of Income--Individual Income Tax Returns, for 1986-2002. See Figure G for components of the 1979 Income Concept.

of 31 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions.

(5) Tax Years 1993 through 1996 had a five-rate tax bracket structure (with a maximum statutory tax rate of 39.6 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions.

(6) Tax Years 1997 through 2000 were subject to the Taxpayer Relief Act of 1997 which added three new capital gain tax rates to the previous rate structure to form a new eight-rate tax bracket structure (with maximum statutory tax rate of 39.6 percent). See Appendix C for a more detailed description of the capital gains rates.

(7) Tax Years 2001 and 2002 were affected by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This law included a new 10-percent tax rate bracket, one-half percentage point reductions for 2001 and one percentage point reduction for 2002 in ordinary marginal tax rates higher than the 15-percent rate, increases in the child tax credit, and an increase in alternative minimum tax exemptions.

Almost 91.0 million, or 69.9 percent, of the nearly 130.1 million individual returns filed for 2002 were classified as taxable returns. This was a 4.0-percent reduction in the number of taxable returns from 2001. Total AGI reported on taxable returns decreased 3.5 percent to $5,641 billion. This was the second year in a row that AGI declined on taxable returns. (Total income on taxable returns fell using the 1979 Income Concept as well, dropping 3.1 percent to $5,758 billion for 2002.) Total income tax fell for the second consecutive year, declining by almost $91 billion to $797 billion for 2002. This 10.2-percent decline in income tax was nearly three times the rate of decline in AGI for 2002. The steeper drop in tax was partially attributable to the disproportionately large reduction in income that occurred in the higher tax rate brackets (Figure B), as well as the tax cuts implemented in EGTRRA.

Average AGI for taxable returns rose to $62,015 for 2002, a 0.5-percent increase from 2001, but average income tax fell for 2002 by 6.5 percent to $8,762. This relatively large reduction in average income tax, in conjunction with the small increase in average AGI, suggests that tax law changes contributed to the lower tax generated.

In order to analyze the average tax rate over time, it is necessary to use an alternative measure to AGI because changes in the tax law alter AGI's definition from year to year. The 1979 Income Concept controls for much of this variation in tax law, and its use provides a more consistent estimate of the average tax rate across years. Under the 1979 Concept, the average tax rate for 2002 fell to 13.8 percent from 14.9 percent for 2001. The 1.1-percentage point decline is the second straight year in which the average tax rate declined. The average tax rate had not been less than 14 percent since 1993, the year the Omnibus Reconciliation Act of 1993 passed (OBRA93), which created new 36 percent and 39.6-percent tax rate brackets.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 14.1 percent for 2002. The average tax rate for the AGI-size classes ranged from 2.5 percent for the "$1 under $10,000" AGI-size class to 28.6 percent for the "$1,000,000 or more" AGI-size class. This range highlights the progressive nature of the tax code, as the average tax rate increased in each successively higher AGI-size class. The average tax rate in each AGI-size class, with the exception of the "$1,000,000 or more" class, fell for 2002. Despite the decrease in the highest ordinary marginal rate of 0.5 percent, the average tax rate on the "$1,000,000 or more" AGI-size class increased 0.2 percentage points for 2002. This was partially attributable to the reduction of long-term capital gain income as a share of total income for returns in this class.

The average tax rate of 14.1 percent for 2002 for all income classes combined was a decrease of 1.1 percentage points from the 15.2 percent reported for 2001. This reduction was partially attributable to the implementation of ordinary tax rate reductions under EGTRRA. Also, as in 2001, many of the higher income tax returns of previous years shifted to lower income brackets for 2002 partially due to the reductions in realized capital gain (less loss). Specifically, the number of taxpayers in the top four AGI-size classes declined: by 12.5 percent for the "$1 million or more" AGI-class; by 5.3 percent for the "$500,000 under $1,000,000" AGI-class; by 5.4 percent for the "$200,000 under $500,000" AGI-class; and by 0.6 percent for the "$100,000 under $200,000" AGI-class.

Figure B

Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2001 and 2002

[Number of returns is in thousands--money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income									
		Under $1 [1]	$1 under $10,000	$10,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 under $500,000	$500,000 under $1,000,000	$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tax Year 2002:											
Number of taxable returns	90,964	5	5,316	13,089	12,877	22,482	26,377	8,408	1,906	336	169
Adjusted gross income (less deficit)	5,641,128	-1,130	36,492	198,171	321,667	883,965	1,844,319	1,107,803	548,162	226,745	474,933
Total income tax	796,986	124	915	9,178	21,403	70,769	195,475	175,141	124,765	63,371	135,845
Average tax rate (percent) [2]	14.1	([3])	2.5	4.6	6.7	8.0	10.6	15.8	22.8	27.9	28.6
Tax Year 2001:											
Number of taxable returns	94,764	5	6,460	13,791	14,060	23,153	26,269	8,461	2,016	355	193
Adjusted gross income (less deficit)	5,847,060	-1,817	42,914	209,345	351,885	908,461	1,826,558	1,113,189	577,874	240,493	578,159
Total income tax	887,974	92	1,219	11,999	27,184	82,926	212,798	185,264	134,591	67,781	164,120
Average tax rate (percent) [2]	15.2	([3])	2.8	5.7	7.7	9.1	11.7	16.6	23.3	28.2	28.4
Change in:											
Number of taxable returns	-3,800	(Z)	-1,144	-702	-1,183	-672	107	-53	-110	-19	-24
Percent	-4.0	-10.1	-17.7	-5.1	-8.4	-2.9	0.4	-0.6	-5.4	-5.3	-12.5
Adjusted gross income (less deficit)	-205,932	687	-6,422	-11,174	-30,218	-24,495	17,761	-5,386	-29,712	-13,747	-103,226
Percent	-3.5	-37.8	-15.0	-5.3	-8.6	-2.7	1.0	-0.5	-5.1	-5.7	-17.9
Total income tax	-90,988	32	-304	-2,821	-5,781	-12,157	-17,323	-10,123	-9,826	-4,410	-28,275
Percent	-10.2	35.0	-24.9	-23.5	-21.3	-14.7	-8.1	-5.5	-7.3	-6.5	-17.2
Average tax rate:											
Percentage point change	-1.1	([3])	-0.3	-1.1	-1.1	-1.1	-1.1	-0.8	-0.5	-0.2	0.2

[1] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[2] Average tax rate is "total income tax" as a percentage of adjusted gross income less deficit (AGI). The average tax rate was calculated from unrounded data.

[3] Percentage not computed.

(Z)--Less than 500.

NOTE: Detail may not add to totals because of rounding.

Marginal Tax Rate Classifications

A return's marginal tax rate is the highest statutory tax rate bracket applicable to that tax return. Marginal tax rate statistics are presented in Figure C and Table 1. These statistics are based on individual income tax returns showing a positive taxable income amount based on "tax generated" and items of income that were subject to the regular income tax, generally those included in AGI [2]. Tables 2 and 3 contain additional data based on ordinary marginal tax rates. These tables present statistics on the income and tax generated at each ordinary marginal tax rate by size of AGI (Table 2) and by filing status (Table 3). Appendix D explains the details of the determination of the marginal tax rate bracket into which a return is assumed to fall.

For 2002, the number of individual returns with modified taxable income fell 1.8 percent to 102.3 million. The amount of modified taxable income reported on these returns fell 3.9 percent to $4,102.7 billion [3]. As a result of both the falling level of taxable income and the tax cuts implemented under EGTRRA for 2002, the income tax before credits on taxable returns fell by 10.4 percent to $829.8 billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated (before reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in Appendix D). The ordinary marginal tax rate categories for 2002 are different than those for 2001 due to changes in statutory tax rates resulting from EGTRRA. The tax rates for the four highest ordinary income brackets were each reduced by an additional one half a percentage point for 2002 (that is, by a total of one percentage point from 2000). Also, a 10-percent tax bracket for ordinary income

was introduced for all taxpayers in 2002 (see Changes in Law section for more detail).

The "15-percent" marginal tax rate bracket contained the largest share of returns for 2002, at 45.1 percent. These returns reported 24.5 percent of modified taxable income for 2002 and 15.6 percent of income tax before credits. The third largest group was the returns in the new "10-percent" rate bracket, (now for all taxpayers as opposed to only dependent filers in 2001) who reported 2.3 percent of the modified taxable income and 1.1 percent of the income tax, but included 22.3 percent of returns. Conversely, the 0.7 percent of returns in the "38.6-percent" marginal rate bracket reported 16.1 percent of the modified taxable income and 26.7 percent of the tax. The 25.4 percent of returns in the "27-percent" marginal rate bracket (the second largest group) reported 37.0 percent of the modified taxable income and 32.9 percent of income tax before credits. Returns in the "30-percent" marginal rate bracket reported 10.2 percent of the modified taxable income and 11.6 percent of the income tax. Returns in the "35-percent" marginal rate bracket reported showed 7.4 percent of the modified taxable income and 9.8 percent of the income tax. Returns in the capital gains brackets, 8 percent, 10 percent, 20 percent, 25 percent, and 28 percent, reported 1.6 percent of modified taxable income and 2.1 percent of the income tax.

As shown in Table 2, more tax was generated for 2002 at the 15-percent rate than at any other rate. The 37.2 percent of income taxed at this rate was reported by 76.4 percent of returns with modified taxable income, generating 27.6 percent of tax generated. The 27-percent rate generated the next largest amount of income tax liability. Tax in that bracket was reported on 30.9 percent of returns, and 19.3 percent of modified taxable income was taxed at this rate, to generate 25.8 percent of tax generated. Only 0.7 percent of returns with taxable income were taxed at the 38.6-percent rate. However, 8.9 percent of all income was taxed at this rate, generating 17.0 percent of the tax generated.

Components of Total Income Tax

Regular Tax

Regular tax is generally tax determined from a taxpayer's taxable income based on statutory tax rates less any applicable tax credits. It does not

Figure C

Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate, Tax Year 2002

[Money amounts are in thousands of dollars]

Marginal tax rate classes	Number of returns		Modified taxable income		Tax generated	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
All rates	**102,266,930**	**100.0**	**4,102,691,211**	**100.0**	**829,830,846**	**100.0**
8 percent	186,712	0.2	1,348,993	([2])	107,917	([2])
10 percent	22,771,304	22.3	93,468,737	2.3	9,347,969	1.1
10 percent (capital gains)	848,788	0.8	7,174,493	0.2	685,731	0.1
10 percent (Form 8814) [1]	14,500	([2])	12,067	([2])	1,207	([2])
15 percent	46,103,690	45.1	1,005,358,934	24.5	129,822,016	15.6
20 percent	567,994	0.6	82,253,950	2.0	14,501,478	1.7
25 percent	55,503	0.1	8,115,911	0.2	1,575,213	0.2
27 percent	25,963,506	25.4	1,516,325,851	37.0	273,393,414	32.9
28 percent	27,972	([2])	2,412,153	0.1	477,505	0.1
30 percent	3,489,656	3.4	418,825,168	10.2	96,504,350	11.6
35 percent	1,344,542	1.3	305,587,062	7.4	81,514,365	9.8
38.6 percent	766,125	0.7	660,699,590	16.1	221,610,233	26.7
Form 8615 [3]	126,639	0.1	1,108,301	([2])	289,448	([2])

[1] Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between $700 and $7,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income.

[2] Less than 0.05 percent.

[3] Form 8615 was filed for a child under age 14 to report the child's investment income in excess of $1,500. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

include the "alternative minimum tax" (AMT). Figure D illustrates the derivation of aggregate tax generated for 2002 returns with modified taxable income. Table 1 includes two tax amounts: "tax generated" and "income tax after credits." Tables 5 through 8 and Figures A and B include an additional measure of tax, "total income tax."

As shown (Figure D and column 5 of Table 1), the tax generated by applying statutory ordinary income tax rates to modified taxable income was $829.8 billion, a 10.4-percent decrease from 2001 [4]. For most taxpayers, tax generated was equal to income tax before credits. However, for some taxpayers, income tax before credits included the alternative minimum tax (AMT) and/or special taxes on lump-sum distributions from qualified retirement plans (when a 10-year averaging method was used) [5]. The AMT increased 1.4 percent to $6.9 billion for 2002. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC that is refundable to the taxpayer because it exceeds the taxpayer's liability and any portion of the EIC used to reduce taxes other than income taxes are excluded from the computation of income tax after credits [6]. Income tax after credits (Figure D) totaled $797.0 billion, a 10.2-percent decline from 2001. Total income tax, the sum of income tax after credits and tax on trusts accumulation distributions, also totaled $797.0 billion for 2002.

Table 4 provides estimates by the type of tax computation for returns with modified taxable income. For 2002, the number of children under age 14 on the parents' or guardians' tax return with Form 8615 for reporting investment income over $1,500 decreased 37.3 percent to about 127,000. Using Form 8615 to compute their tax (as if their incomes were treated as the marginal incomes of their parents or guardians), these children generated just over $289.4 million (column 7) of tax revenue which is $59.7 million (column 8) more than the $229.7 million (column 6) of tax that would have been generated using ordinary tax computations.

For 2002, the 6.7 million returns which included the Schedule D capital gain tax computation generated $161.2 billion in tax (column 7). If long-term capital gains had been taxed the same as ordinary income, the amount of income tax before credits (regular tax computation) for these same taxpayers would have been $186.5 billion (column 6). Thus, use of the Schedule D tax computation resulted in $25.3 billion (column 8) less tax for 2002, a fall from the $36.1-billion reduction for 2001 (column 4) when 10.2 million taxpayers received some benefit from lower capital gain taxes (column 1). However, the average tax savings for those who had these capital gains rose from $3,537 per return for 2001 to $3,770 for 2002.

Figure D

Derivation of Tax Year 2002 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Tax generated from tax rate schedules or tax table	**829.8**
PLUS:	
Tax on lump-sum distributions from qualified retirement plans	0.2
Alternative minimum tax	6.9
EQUALS:	
Income tax before credits	**836.8**
LESS: Tax credits, total [1]	39.9
Child-care credit	2.7
Child tax credit [1]	21.5
Education credit	4.9
Foreign tax credit	5.9
General business credit	0.8
Earned income credit (limited to the amount needed to reduce total income tax to zero)	1.1
Credit for prior-year minimum tax	1.0
Retirement savings contribution credit	1.1
Other credits [2]	0.9
EQUALS:	
Income tax after credits	**797.0**
PLUS: Trusts accumulation distribution	0.01
EQUALS:	
Total income tax	**797.0**

[1] Does not include the additional child tax credit that for 2002 was $6.4 billion which was refunded to taxpayers and not included in total income tax.

[2] Includes the elderly or disabled credit, empowerment zone employment credit, mortgage interest credit, adoption credit, nonconventional source fuel credit, and other credits.

NOTE: Detail may not add to totals because of rounding.

Alternative Minimum Tax

The Revenue Act of 1978 established the alternative minimum tax to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The AMT provisions may recapture some of the tax reductions under the ordinary income tax. Form 6251, *Alternative Minimum Tax--Individuals*, is used to calculate AMT. (See

Appendix E for an explanation of the computation of income for AMT purposes.)

Figure E presents statistics, by size of AGI, on the AMT reported by taxpayers filing Form 6251 with their returns. For 2002, AMT liability rose 1.4 percent to $6.9 billion from $6.8 billion in 2001. The rise in AMT coincided with a large increase in the number of returns that were subject to paying the AMT, increasing 70.6 percent to 1.9 million returns, and a 3.4-percent decrease in Alternative Minimum Taxable Income (AMTI) for 2002.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2002. Much of the variation in the number of taxpayers affected by the AMT and in the amount of AMT liability during the mid-to-late 1980's and early 1990's was attributable to tax law changes such as TRA86, RRA90 (Revenue Reconciliation Act of 1990), and OBRA93, which were the source of regular and AMT tax rate changes. Since then, the impact of the AMT has increased partially because the AMT exemptions have not been indexed annually for the effects of inflation, whereas various parameters of the ordinary income tax (such as tax brackets, exemptions, etc.) have been indexed annually for inflation, and under, EGTRA, ordinary tax rates declined. For 2001, AMT exemption amounts were increased statutorily by EGTRRA, but they were not increased further for 2002.

Figure E

Returns with Alternative Minimum Tax Computation Reported on Form 6251: Total Adjustments and Preferences, and Alternative Minimum Taxable Income and Tax, by Size of Adjusted Gross Income, Tax Years 2001 and 2002

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total adjustments and preferences [1]		Alternative minimum taxable income		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
	Tax Year 2002					
All returns	**4,351,676**	**92,817,141**	**4,915,873**	**852,499,465**	**1,910,789**	**6,853,901**
Under $1 [2]	89,661	1,139,356	105,639	-12,845,896	4,681	126,779
$1 under $10,000	96,393	282,949	224,201	427,960	3,343	2,088
$10,000 under $20,000	127,818	355,733	200,091	1,964,179	2,886	3,385
$20,000 under $30,000	116,233	546,831	193,305	4,141,410	4,478	9,093
$30,000 under $40,000	156,417	903,125	208,941	6,106,526	16,117	23,210
$40,000 under $50,000	167,426	1,330,419	199,004	7,632,853	33,881	34,067
$50,000 under $75,000	552,458	5,593,137	643,985	35,315,779	188,847	253,778
$75,000 under $100,000	598,657	8,064,548	631,321	48,810,310	284,050	365,363
$100,000 under $200,000	1,360,074	23,872,135	1,392,342	174,922,118	759,476	1,665,869
$200,000 under $500,000	858,729	24,226,709	882,647	232,989,048	546,501	2,564,164
$500,000 under $1,000,000	140,940	7,976,686	145,547	90,777,648	46,304	742,837
$1,000,000 or more	86,871	18,525,516	88,851	262,257,528	20,224	1,063,267
	Tax Year 2001					
All returns	**4,592,037**	**100,771,657**	**4,597,132**	**882,736,264**	**1,120,047**	**6,756,705**
Under $1 [2]	106,190	1,889,581	106,544	-7,726,068	4,649	94,531
$1 under $10,000	309,982	1,046,724	310,030	1,122,367	341	4,225
$10,000 under $20,000	256,655	1,153,904	256,655	2,880,714	4,010	8,267
$20,000 under $30,000	210,848	1,163,511	210,871	4,399,782	1,472	6,680
$30,000 under $40,000	198,549	1,282,994	198,609	5,826,148	4,596	7,002
$40,000 under $50,000	207,675	1,664,953	207,795	8,045,248	20,688	17,702
$50,000 under $75,000	566,150	5,425,665	567,004	30,916,546	93,712	131,362
$75,000 under $100,000	537,308	7,012,547	538,453	41,370,355	143,871	277,858
$100,000 under $200,000	1,149,155	20,361,438	1,150,178	143,838,113	418,268	1,169,972
$200,000 under $500,000	775,973	23,668,224	776,911	209,328,128	352,603	2,332,675
$500,000 under $1,000,000	165,906	9,538,219	166,203	103,946,143	50,676	892,284
$1,000,000 or more	107,647	26,563,897	107,878	338,788,788	25,159	1,814,144

[1] See Figures I-1and I-2 for the calculation of alternative minimum taxable income and the list of alternative minimum tax adjustments and preferences.

[2] Includes returns with adjusted gross deficit.

NOTE: Detail may not add to totals because of rounding.

Figure F

Alternative Minimum Tax, Tax Years 1986-2002

[Tax rates are in percentages--money amounts are in thousands of dollars]

Tax year	Highest statutory alternative minimum tax rate	Alternative minimum tax	
		Number of returns	Amount
	(1)	(2)	(3)
1986	20	608,907	6,713,149
1987	21	139,779	1,674,898
1988	21	113,562	1,027,884
1989	21	117,483	831,012
1990	21	132,103	830,313
1991	24	243,672	1,213,426
1992	24	287,183	1,357,063
1993	28	334,615	2,052,790
1994	28	368,964	2,212,094
1995	28	414,106	2,290,576
1996	28	477,898	2,812,746
1997	28 [1]	618,072	4,005,101
1998	28 [1]	853,433	5,014,549
1999	28 [1]	1,018,063	6,477,697
2000	28 [1]	1,304,197	9,600,840
2001	28 [1]	1,120,047	6,756,705
2002	28 [1]	1,910,789	6,853,901

[1] Top rate on most long-term capital gains was 20 percent.

Income and Tax Shares

Historical statistics on income and tax by cumulative percentiles (based on numbers of returns) are presented in Tables 5 through 8. Distributions of AGI, as defined for each year and tax or income item, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, among years within the ERTA81 period (i.e., Tax Years 1982 through 1986), and among years within the post-TRA86 period (i.e., Tax Years 1987 through 2002). Since TRA86 redefined AGI, Tables 5 and 6 are not as useful for comparisons between pre- and post-TRA86 years. Thus, Tables 7 and 8, which are based on a consistent definition of income (i.e., the 1979 Income Concept), are included to facilitate such comparisons.

Tables 5 and 7 are based on percentiles of returns cumulated downward from the highest income returns. The data in Tables 5 and 7 are shown for the top 1, 5, 10, 25, and 50 percent of returns. Tables 6 and 8 are based on returns cumulated upward for the lowest income returns. Data are shown for the bottom 50, 75, 90, 95, and 99 percent of all returns.

Consider, for example, the data in Table 5 for the 128.3 million returns filed for 2002 with positive AGI [7]. The average tax rate for these returns was 13.03 percent, a 1.2-percentage point decrease from 2001. This was the third time in the last 11 years that the average tax rate has fallen, the others being in 1998 and 2001. The average tax rate on the 1, 5, 10, 25 and 50 percentiles decreased from 2001. The 1, 5, 10, 25, and 50 percentiles also recorded a larger share of the income tax burden than their respective shares of AGI. For 2002, the returns in the top 1 percentile reported 16.1 percent of total AGI and 33.7 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was $285,424. For 2001, the returns in this percentile group (i.e., those with at least $292,913 in AGI) reported 17.5 percent of total AGI and 33.9 percent of income tax generated. The fall in the share of AGI, income tax, and average tax rate for the top 1 percentile was partially attributable to the reduction in long-term net capital gains (less losses) reported by the higher income taxpayers.

For 2002, the returns in the top 5 percentile group (returns reporting AGI of $126,525 or more) reported 30.6 percent of total AGI and 53.8 percent of income tax, compared to 32.0 percent and 53.3 percent, respectively, for 2001 (when the AGI floor was $127,904). For 2002, returns in the top 10-percentile group (returns with AGI of at least $92,663) earned 41.8 percent of AGI and paid 65.7 percent of income tax. For 2001, the returns in this percentile group (with AGI of $92,754 or more) reported 43.1 percent of total AGI and 64.9 percent of income tax. The top 50-percentile group (earning $28,654 or more) accounted for 85.8 percent of income and paid almost all (96.5 percent) of the income tax for 2002.

The statistics by percentile in Tables 5 and 6 for years prior to 1991 and in Tables 7 and 8 for years prior to 1994 were estimated, using a mathematical technique called "osculatory interpolation," applied to aggregated data tabulated by income-size classes, in order to distribute the tax returns within each class [8]. For 1991 and later years, the statistics by percentiles in Tables 5 and 6, and Tables 7 and 8 for 1994 through 2002 were computed based on an actual ranking of the returns in the statistical sample that served as the basis for Individual Statistics of Income

estimates. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable.

Appendix A: Explanation of Selected Terms

This appendix provides brief explanations of the major tax concepts discussed. For more extensive definitions, see *Individual Income Tax Returns 2002*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

Adjusted Gross Income.--Adjusted gross income is "total income," as defined by the tax code, less "statutory adjustments" (primarily business, investment, or certain other deductions, such as payments to a Keogh self-employed retirement plan, certain deductible contributions to an Individual Retirement Arrangement (IRA), self-employed health insurance deductions, and one-half of Social Security taxes for the self-employed). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and net amounts from such sources as business income, rents and royalties, and sales of capital assets.

Difference Due to Special Tax Computation.--For this article, the tax difference is the amount of tax resulting from using provisions of one of the special tax computations (Form 8615 or Schedule D), less the amount of tax that would have resulted from not having used any of these provisions (regular tax computation).

Form 8615 Tax Computation.--Form 8615 was used to compute the tax on investment income of children under age 14 who had investment income of more than $1,500. Generally, such income was taxed as the marginal income of the parents.

Income Tax Before Credits.--This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, Schedule J, or Form 8615, plus Form (s) 8814, and any additional taxes from Form 4972. Beginning for Tax Year 2001, this amount also included the Alternative Minimum Tax.

Income Tax Before Credits (Regular Tax Computation).--This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional tax (tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was payable on investment income of children, for this concept, all the income was taxed at the child's rate rather than at the rate of the parents. When the Schedule D tax was payable on net long-term capital gains, the tax was based on the regular tax rates rather than the 8, 10, 20, 25, or 28-percent tax rate for capital gains. This is in contrast to the computation of Income Tax Before Credits (see above) in which special tax computations such as those involved on Form 8615 and Schedule D are taken into account. See Table 4.

Marginal Tax Rate.--See Appendix D.

Modified Taxable Income.--See Appendix D.

Regular Tax Computation.--Depending on marital status and size of taxable income, the taxpayer used one of the four tax rate schedules (or an approximation from the tax table) to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Schedule D Tax Computation.--Schedule D was used to compute the 8-percent, 10-percent, 20-percent, 25-percent, and 28-percent taxes on net long-term capital gains (in excess of net short-term capital losses), if such computations were beneficial to the taxpayer. Any investment interest allocated to long-term capital gains (on Form 4952) was excluded from this computation.

Taxable Income.--Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for nonitemizers or total itemized deductions. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

Taxable Returns.--A return is classified as "taxable" based on the presence of "tax generated." The following additional taxes were not taken into account for this purpose: self-employment, household employment, Social Security, and Railroad Retirement Tax Act (RRTA) taxes, tax from recomputing prior-year investment or low-income housing credits, penalty taxes on Individual Retirement Arrangements, section 72 penalty taxes, advance earned income credit payments, or "golden parachute" payments (made to key employees as compensation under certain circumstances).

Tax Generated.--This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated

does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special tax on lump-sum distributions from qualified retirement plans or alternative minimum tax), tax generated equals "income tax before credits."

Total Income Tax.--This is the sum of income tax after credits and tax on accumulated trusts distribution from Form 4970, less the portion of the EIC used to offset other taxes as well as the refundable portion of the EIC.

Appendix B: Income Tax Structure

Taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 2002 generally were based on the amount of "gross income," filing status, age, and, to a lesser extent, dependency and blindness [9]. Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer or taxpayers (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 2002 if they had net earnings from self-employment of at least $400; liability for Social Security or Medicare tax on unreported tip income; Social Security, Medicare, or Railroad Retirement tax on reported tip income or group-term life insurance; "alternative minimum tax"; tax on qualified retirement plan distributions, including an Individual Retirement Arrangement (IRA) or a Medical Savings Account (MSA); tax on the recapture of investment credit or low-income housing credit; recapture tax on the disposition of a home purchased with a Federally-subsidized mortgage; any advance earned income credit payments; or wages of $108.28 or more from a church or qualified church-controlled organization that was exempt from Social Security taxes.

Gross income includes all income received as money, goods, property, or services that was not expressly exempt from tax [10]. Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses [11]. "Taxable income," the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers.

Income tax before credits is calculated from taxable income using: tax table or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children's investment income; Schedule D worksheet for net long-term capital gains; or some combination of the above [12]. For 2002, the tax rates for each filing status were 8, 10, 15, 20, 25, 26, 27, 28, 30, 35, and 38.6 percent [13]. The tax rates of 8, 20, 25, and 28 percent were only for net long-term capital gains (in excess of net short-term capital losses). Income tax before credits includes any alternative minimum tax. (See Appendix C for further details on these rates)

To calculate their Federal income tax liability for 2002, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than $100,000 were required to use the tax table, while those with taxable income of $100,000 or more were required to use the tax rate schedules. The tax table was based on income tax "brackets" up to $50 wide [14]. The tax within each bracket was based on the tax calculated at the midpoint of the bracket and then rounded to the nearest whole dollar. As a result, the tax table and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. Use of the tax table could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules. For taxpayers using the tax table with taxable income that was subject to the 35-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was $8.50 [15]. However, for most taxpayers, the actual difference in tax was smaller.

Appendix C: Changes in Law for 2002

Earned Income Credit.--There were changes for 2002 that expanded and simplified the earned income credit (EIC). Beginning in 2002, taxable earned income and AGI were used to determine the EIC rather than the previous use of the sum of taxable and nontaxable earned income and modified AGI. Also, alternative minimum tax no longer reduced the amount of the credit. New rules applied if

a child met the conditions to be a qualifying child of more than one person and also the length of time a foster child had to live with the taxpayer. The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could earn and still claim the credit increased to $2,550 from $2,450. The maximum credit for taxpayers with no qualifying children increased to $376 from $364. For these taxpayers, earned income and AGI had to be less than $11,060 ($12,060 if married filing jointly). For taxpayers with one qualifying child, the maximum credit increased $78 to $2,506, and, for taxpayers with two or more qualifying children, the maximum credit increased to $4,140 from $4,008. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than $29,201 ($30,201 for married filing jointly) for one qualifying child, or less than $33,178 ($34,178 for married filing jointly) for two or more qualifying children. Prior to 2002, marital status had no effect on the amount of EIC or these income thresholds.

Educator Expenses.--A taxpayer who was an eligible educator in kindergarten through grade 12 was able to deduct up to $250 of expenses in the calculation of AGI. Approximately 2.9 million taxpayers took advantage of this new provision, taking adjustments totaling $0.7 billion for 2002.

Foreign Earned Income Exclusion.--For Tax Tear 2002, the amount of foreign earned income that could have been excluded from income per taxpayer increased from $78,000 to $80,000.

Indexing.--The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. The maximum amount of earnings subject to self-employment tax increased based on the percentage change in average covered earnings.

Individual Retirement Arrangement Deduction.--For 2002, a taxpayer (both taxpayers for taxpayers filing jointly) were able to take an IRA deduction up to $3,000 ($3,500 if age 50 or older) if not covered by a retirement plan, or if covered by a retirement plan but their modified AGI was less than $44,000 ($64,000 if married filing jointly or qualifying widow(er)). For 2001, the maximum deduction was $2,000 per taxpayer (regardless of age), and the income thresholds for taxpayers already covered by a retirement plan were $1,000 lower.

Interest on Student Loans.--For Tax Year 2002, income thresholds for eligible taxpayers to deduct up to $2,500 of interest paid on qualified higher educational loans were increased. These loans must have gone towards qualified expenses of either the taxpayer, taxpayer's spouse, or any dependent of the taxpayer at the time the debt was incurred. The taxpayer's modified AGI must have been less than: $65,000 if single, head of household, or qualifying widow(er) ($55,000 for 2001); or $130,000 if married filing jointly ($75,000 for 2001). The provision that limited the deduction to interest paid in the first 60 months was eliminated.

Retirement Savings Contributions Credit.--A taxpayer could take a credit of up to $1,000 for qualified retirement savings contributions, if his or her adjusted gross income was less than $25,000 ($37,500 if head of household, $50,000 if married filing jointly). Approximately 5.4 million taxpayers took this new credit reducing their income tax by about $1.1 billion for 2002.

Tax Rate Reduction.--For tax years beginning after December 31, 2001, a 10-percent regular income tax rate bracket was used for a portion of all taxpayers' taxable incomes. Also for Tax Year 2002, there was a one-half percentage point reduction of the former tax rates of 27.5 percent, 30.5 percent, 35.5 percent, and 39.1 percent to 27.0 percent, 30.0 percent, 35.0 percent, and 38.6 percent, respectively.

Tuition and Fees Deduction.--A taxpayer was able to deduct up to $3,000 of the qualified tuition and fees paid for himself or hersekf, a spouse, or dependents if the taxpayer's modified AGI was under $65,000 ($130,000 if married filing jointly). This deduction could not be taken if the person could be claimed as a dependent on another taxpayer's return or if the taxpayer claimed the education credit for the same student. Approximately 3.5 million taxpayers took this new adjustment, deducting $6.2 billion from income for 2002.

Self-Employed Health Insurance Deduction.--A self-employed taxpayer was able to deduct up to 70 percent of health insurance expenses for 2002, up from 60 percent for 2001.

Appendix D: Income and Tax Concepts

As discussed in Appendix B, gross income is all income received that is not specifically excluded. Total income is the net amount of gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the law changes, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 2002 includes many income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes some nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns and disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept [16].

Modified Taxable Income

This concept is relevant only for "prior-year returns" (about 3.8 million returns) or certain farm sole proprietor returns using income averaging of Schedule J (about 24 thousand returns). For all other returns, modified taxable income is identical to taxable income.

This is the term used for the statistics to describe "income subject to tax," the actual base on which tax is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the *Statistics of Income* sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year's tax law (which may reflect different tax rates and income concepts). For the statistics in this article, the taxable income reported on these prior-year returns is modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates.

Marginal Tax Rates

Under the progressive U.S. income tax rate structure, different portions of taxable income are taxed at different rates. Figure H illustrates how income tax is determined for a single taxpayer with AGI of

Figure G

Components of the 1979 Income Concept, Tax Year 2002

Income or Loss:
Salaries and wages [1]
Interest [1]
Dividends [1]
Taxable refunds [1]
Alimony received [1]
Capital gain distributions not reported on Schedule D [1]
Capital gains reported on Schedule D minus allowable losses [1]
Other gains and losses (Form 4797) [1]
Business net income or loss [1]
Farm net income or loss [1]
Rent net income or loss [1]
Royalty net income or loss [1]
Partnership net income or loss [1]
S Corporation net income or loss [1]
Farm rental net income or loss [1]
Estate or trust net income or loss [1]
Unemployment compensation [1]
Depreciation in excess of straight-line depreciation [2]
Total pension income [3, 5]
Other net income or loss [4, 5]
Net operating loss [1]
Deductions:
Disallowed passive losses (Form 8582) [6]
Moving expenses [1]
Alimony paid [1]
Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2002.
[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.
[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.
[4] Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."
[5] Not fully included in AGI for Tax Year 2002.
[6] Not included in AGI for Tax Year 2002.

Figure H

Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2002

[Money amounts are in whole dollars]

Item	Amount
Adjusted gross income	329,000
Less: Exemption amount	0[1]
Standard deduction amount	4,700
Equals: Taxable income	324,300
Tax based on tax rates for single taxpayers:	
First $6,000 taxed at 10 percent	600
Next $21,950 taxed at 15 percent	3,293
Next $39,750 taxed at 27 percent	10,733
Next $73,550 taxed at 30 percent	22,065
Next $165,800 taxed at 35 percent	58,030
Next $21,950 taxed at 38.6 percent	8,473
Total tax from tax rate schedule	103,193

[1] The exemption amount was phased out completely because AGI exceeded $259,800.

$329,000 who used the standard deduction. As shown in the example, six different tax rates were applied to the taxable income to arrive at total tax. The first $6,000 of taxable income were taxed at the 10-percent rate; the next $21,950 of taxable income were taxed at the 15-percent rate; the next $39,750 were taxed at the 27-percent rate; the next $73,550 were taxed at the 30-percent rate; the next $165,800 were taxed at the 35-percent rate; and the remaining $21,950 were taxed at the 38.6-percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. In the example, the marginal tax rate is 38.6 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes which are not subject to the same treatment under tax laws, the marginal tax rate is not always apparent. For instance, investment income of a dependent under age 14 in excess of a specific amount is treated differently than salaries and wages of the same dependent. The investment income in excess of $1,500 was taxed at the marginal tax rate of the parents, whereas the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends both on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received "last." Additional complexity is added by the presence of such items as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal rate was the "last" income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows:

(1) If a return showed taxable income, the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed.

(2) If the return had no taxable income except for net long-term capital gains and that amount was less than or equal to the 15-percent tax bracket limit, the return was defined as having an "8 or 10-percent rate" marginal tax rate. If the return had taxable income (from other than net long-term capital gains) to which only the 15-percent tax rate applied, as well as net long-term capital gains to which the 20-percent or 25-percent rate on the net gain applied, the return was defined as having a marginal tax rate equal to the maximum rate at which the net gains were taxed. If the return had taxable income (from other than net long-term capital gains) to which the 27-percent tax rate applied as the highest rate, as well as net long-term capital gains to which the maximum 28-percent rate on net gain applied, the return was defined as having a "28-percent" marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 27-percent applied, as well as net long-term capital gains to which the 28-percent rate on the net gain applied, the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed.

(3) For returns of dependents with a Form 8615 attached, when the use of this form resulted in the taxation of some of the dependent's income as if it were that of the parents, the return was classified as having a "Form 8615" marginal tax rate (the returns in the Form 8615 classification are not distributed by tax rate).

(4) For returns of parents choosing to report interest and dividend income of their dependents under age 14 on their own (i.e., the parents') return using Form 8814, when the dependent's income generated the only tax liability on the parent's return, the return was classified with a "Form 8814" marginal tax rate.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of net short-term capital losses), and presence of Form 8615 or Form 8814. Returns were classified into one of the following thirteen mutually exclusive marginal tax rate categories: (1) 8-percent rate; (2) 10-percent rate; (3) 10-percent (capital gains); (4) Form 8814 (10-percent rate with no tax liability other than that generated by the dependent's income); (5) 15-percent rate; (6) 20-percent rate; (7) 25-percent rate; (8) 27-percent rate; (9) 28-percent rate; (10) 30-percent rate; (11) 35-percent rate; (12) 38.6-percent rate; and (13) Form 8615 (with income taxed at any rate) [17].

Table 1 presents statistics by marginal tax rate classification and filing status for returns with modified taxable income. For each marginal rate classification, modified taxable income and "income tax generated" were computed "at all rates" and " at marginal rate." The "at all rates" computations (columns 3 and 5) show the total amount of modified taxable income or tax generated, tabulated by the marginal tax rate specified; each tax rate classification is mutually exclusive. The "at marginal rate" computations (columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications.

The alternative minimum tax was not included in the statistics by marginal tax rate. For example, consider returns in the "joint returns and returns of surviving spouses" filing status that were included in the "38.6-percent" marginal tax rate classification. The total modified taxable income for the 652,912 returns in this classification "at all rates" was $555.4 billion (column 3), and the total tax generated was $185.8 billion (column 5). Approximately $303.7 billion (column 4) of the modified taxable income were subject to tax at the marginal tax rate of 38.6 percent. This modified taxable income generated $117.2 billion (column 6) in tax at the 38.6-percent tax rate, with the remainder generated at some or all of the lower nine tax rates.

Table 2 provides statistics on the tax generated, in total and at each marginal tax rate bracket, for returns with modified taxable income. Returns in this table are classified by size of AGI rather than by the marginal tax rate classifications used in Table 1. The tax generated at each marginal tax rate was computed based on the modified taxable income for each individual return.

For example, the 1.9 million returns included in the "$200,000 under $500,000" income-size classification showed total modified taxable income of $457.7 billion and generated total tax of $123.9 billion. Of the $457.7 billion of modified taxable income, $0.8 billion were taxed at 8 percent, $21.2 billion were taxed at 10 percent (ordinary income), $61.6 billion were taxed at 15 percent, $31.2 billion were taxed at 20 percent, $1.8 billion were taxed at 25 percent, $113.9 billion were taxed at 27 percent, $101.1 billion were taxed at 30 percent, $106.1 billion were taxed at 35 percent, and $19.5 billion were taxed at 38.6 percent, with the remainder consisting of income related to special capital gain tax rates and Forms 8814 and 8615. Approximately $0.07 billion of the total tax generated were from the 8-percent rate, $2.1 billion of the total tax generated were from the 10-percent rate, $9.2 billion were from the 15-percent rate, $6.2 billion were from the 20-percent rate, $0.5 billion were from the 25-percent rate, $30.7 billion were from the 27-percent rate, $30.3 billion were from the 30-percent rate, $37.1 billion were from the 35-percent rate, and $7.5 billion were generated at the 38.6-percent rate, with the remainder from tax related to special capital gain tax rates and Forms 8814 and 8615.

Table 3 presents statistics on the income and tax generated at each marginal tax rate (as in Table 2, columns 5 through 43) by filing status, instead of size of AGI, for returns with modified taxable income. Almost 0.7 million of the 44.7 million returns with modified taxable income filed jointly had some income taxed at the 38.6-percent tax rate. For these returns, the taxable income subject to this rate was $303.7 billion, and the tax generated was $117.2 billion.

Appendix E: Computation of Alternative Minimum Taxable Income (AMTI)

AMTI was computed by adding certain "tax preferences" (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and "adjustments" (i.e., regular tax deduction amounts recomputed or excluded for AMT purposes) to taxable income before any deductions were taken for personal exemptions (Figures I-1 and I-2). Although itemized deductions for some taxpayers were limited for regular tax purposes, the full amounts of such itemized deductions were included as adjustments. (To compensate for this, the overall limitation on itemized deductions was then subtracted from taxable income for AMT purposes.) The "net operating loss deduction" was recomputed to allow for the exclusion of the "tax preference items" and "adjustments" used to reduce regular tax liability. The recomputed net operating loss deduction, termed the "alternative net operating loss deduction," was limited to 90 percent of AMTI (with certain minor exceptions for 2002).

AMTI was reduced by an exemption amount which depended on the filing status of the individual and which was subject to phaseout at higher AMTI levels. The AMTI exemption for single filers (and heads of households) was $35,750; for joint filers and surviving spouses, $49,000; and for married persons filing separately, $24,500. The exemption was reduced (but not below zero) by 25 percent of the amount by which the AMTI exceeded threshold levels of $112,500 for single filers and heads of households, $150,000 for joint filers, and $75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single or head of household, married filing jointly, and married filing separately, at $255,500, $346,0007, and $173,000, of AMTI, respectively.

After reduction by the exemption, the first $175,000 ($87,500 if married filing separately) of the remaining AMTI were subject to tax at a 26-percent rate, with any excess taxed at a 28-percent rate. However, capital gains (recalculated for AMT purposes) that were taxed at lower rates (8 percent, 10 percent, 20 percent, and 25 percent) were taxed at these same rates for the AMT, with the rest of AMTI being taxed at the rates mentioned above (26 percent or 28 percent). The resulting tax was reduced by the "alternative minimum tax foreign tax credit," which produced a "tentative minimum tax." Tentative minimum tax was further reduced by the individual's regular tax before credits (excluding tax on lump-sum distributions from qualified retirement plans), less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 14 with investment income over a certain amount who filed their own returns were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid if the parents included the dependents' incomes on their own tax returns. (Dependents filing their own returns were limited to an AMT exemption of $5,500 plus their "earned income." The dependent's AMT could be reduced if the parents had regular tax greater than the child's own tentative minimum tax, or if any other dependent under age 14 of the same parents had regular tax greater than this dependent's own tentative minimum tax.)

Figure I-1

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2002

	Taxable income before deduction for personal exemptions
PLUS:	Adjustments and preferences (see Figure I-2)
PLUS:	Net operating loss deduction
MINUS:	Overall itemized deductions limitation
MINUS:	Alternative tax net operating loss deduction[1]
EQUALS:	Alternative minimum taxable income

[1] Limited to 90 percent of AMTI, except when depletion is present on Form 6251. In this case, AMTI is recalculated, and the alternative tax net operating loss deduction is limited to 90 percent of the recomputed amount.

Appendix F: Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically-filed returns) filed during Calendar Year 2003. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes [18]. Returns were then selected at rates ranging from 0.05 percent to 100 percent. The 2002 data are based on a sample of 175,566 returns and an estimated final population

Figure I-2

Alternative Minimum Tax Adjustments and Preferences, Tax Year 2002

- Standard deduction
- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI)
- Deductions for State and local income, real estate, personal property, and foreign taxes
- Deductions for interest on certain home mortgages not used to buy, build, or improve the taxpayer's main home or second home
- Miscellaneous itemized deductions subject to the 2-percent-of-AGI limitation
- Refunds of State and local income, real estate, personal property, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax (AMT) purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Adjustment of gain or loss on property, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for AMT purposes (the result could be negative)
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Passive activity gains and losses allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account AMT adjustments and preference items and any AMT prior-year unallowed losses (the result could be negative)
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for AMT purposes (the result could be negative)
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over the adjusted basis (the result could be negative)
- Excess of accelerated depreciation on property placed in service before 1987 over straight-line depreciation as refigured for AMT purposes
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result could be negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs were capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas, and geothermal wells, with exceptions for independent oil producers and royalty owners
- Amount of net section 1231 gain or loss other than due to casualty or theft from large partnerships
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account AMT adjustments and preference items (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Adjustment for taxable distributions received from a cooperative (total AMT patronage dividend and per-unit retain allocation adjustment)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excluded gain, under the section 1202 gain on qualified small business stock held more than 5 years, multiplied by 42 percent
- Adjustment for refigured tax shelter farm losses, taking into account AMT adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, including section 179 expense deduction, expenses for business or rental use of the home, conservation expenses, taxable IRA distributions, self-employed health insurance deduction, Keogh retirement plan or self-employed SEP deduction, and IRA deductions (the result could be negative)

of 130,540,073 returns. The corresponding sample and population for the 2001 data were 191,975 and 130,571,421 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. Figure J shows estimated CV's for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

Notes and References

[1] For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to a 33-percent tax rate to phase out the benefit of the 15-percent tax bracket (as compared to the 28-percent rate) and the deduction for personal exemptions. At the taxable income level where these benefits were completely phased out, the tax rate returned to 28 percent.

[2] Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, in some situations, the receipt of some forms of tax-exempt income, such as tax-exempt interest, could have influenced the taxability of other income, in particular, Social Security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

Figure J

Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2002

[Coefficients of variation are percentages]

Size of adjusted gross income	Modified taxable income		Tax generated	Income tax after credits	Total income tax
	Number of returns	Amount			
	(1)	(2)	(3)	(4)	(5)
Total	**0.17**	**0.16**	**0.19**	**0.20**	**0.20**
Under $2,000 [1]	7.05	8.54	8.76	8.94	8.94
$2,000 under $4,000	7.08	8.56	8.78	8.90	8.90
$4,000 under $6,000	3.94	5.35	6.11	6.14	6.14
$6,000 under $8,000	3.58	4.10	4.33	4.37	4.37
$8,000 under $10,000	2.59	3.32	3.46	3.95	3.95
$10,000 under $12,000	2.51	2.79	2.82	2.99	2.99
$12,000 under $14,000	2.45	2.71	2.77	3.00	3.00
$14,000 under $16,000	2.27	2.56	2.61	2.90	2.90
$16,000 under $18,000	2.11	2.46	2.52	2.81	2.81
$18,000 under $20,000	2.08	2.35	2.43	2.81	2.81
$20,000 under $25,000	1.30	1.46	1.52	1.81	1.81
$25,000 under $30,000	1.39	1.51	1.57	1.80	1.80
$30,000 under $40,000	1.05	1.12	1.16	1.26	1.26
$40,000 under $50,000	1.08	1.13	1.20	1.29	1.29
$50,000 under $75,000	0.77	0.82	0.87	0.92	0.92
$75,000 under $100,000	0.96	0.99	1.04	1.08	1.08
$100,000 under $200,000	1.00	0.94	0.94	0.94	0.94
$200,000 under $500,000	1.10	0.98	0.98	0.97	0.97
$500,000 under $1,000,000	1.19	1.07	1.07	1.08	1.08
$1,000,000 under $1,500,000	1.45	1.38	1.41	1.41	1.41
$1,500,000 under $2,000,000	1.27	1.30	1.33	1.33	1.33
$2,000,000 under $5,000,000	0.66	0.58	0.60	0.60	0.60
$5,000,000 under $10,000,000	0.72	0.59	0.62	0.62	0.62
$10,000,000 or more	--	--	--	--	--

[1] Includes returns with adjusted gross deficit.

[3] 2001 data from Campbell, David and Parisi, Michael ,"Individual Income Tax Rates and Shares, 2001," *Statistics of Income Bulletin,* Spring 2004, Volume 23, Number 4, pp. 8-46.

[4] Tax generated does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the Social Security tax on income from self-employment), the Social Security tax on certain tip income, tax from the recapture of prior-year investment or low-income housing credits, tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans, tax on trusts, accumulation, and distributions, and household employment taxes. The statistics for "total tax liability," shown in Parisi and Hollenbeck, "Individual Income Tax Returns: 2002," *Statistics of Income Bulletin*, Fall 2004, Volume 24, Number 2, include these taxes. For Tax Year 2002, total tax liability reported on 94.2 million returns was $834.9 billion.

[5] The income amounts on which these special computations for lump-sum distributions were based were not reflected in current-year AGI or current-year taxable income.

[6] For 2002, the total earned income credit was $38.2 billion. This amount includes the amount used to reduce the income tax ($1.1 billion), the amount used to reduce other taxes reported on individual income tax returns ($3.3 billion), and the amount refunded to taxpayers ($33.7 billion). Table 4 in Parisi and Hollenbeck, "Individual Income Tax Returns: 2002," *Statistics of Income Bulletin*, Fall 2004, Volume 24, Number 2, shows these amounts.

[7] The percentile groupings of tax filers exclude returns with zero or negative AGI.

[8] For an explanation of the osculatory interpolation technique, see Oh, H. Lock, "Osculatory Interpolation with a Monotonicity Constraint," *1977 Proceedings of the American Statistical Association, Section on Statistical Computing,* 1978.

[9] Taxpayers fall into one of five filing statuses: single; married filing jointly; married filing separately; head of household; or surviving spouse. Being age 65 or older or being legally blind affects the amount of the standard deduction and, hence, the filing requirements. Taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements, see Parisi and Hollenbeck, "Individual Income Tax Returns: 2002," *Statistics of Income Bulletin*, Fall 2004, Volume 24, Number 2.

[10] As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross income from sole proprietorships and farming, income from partnerships and S corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, *U.S. Individual Income Tax Return*, concept of "total income," which is a component of the adjusted gross income (AGI) calculation on Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from such items as business income and rents and royalties.

[11] As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, moving expenses, or the health insurance deduction for certain self-employed taxpayers.

[12] Income tax before credits includes tax on lump-sum distributions from qualified retirement plans.

[13] The 26-percent tax rate is for AMT purposes only.

[14] For taxable income between $0 and $5 and between $5 and $25, the tax brackets were $5 and $10 wide, respectively. For taxable income between $25 and $3,000, the brackets were $25 wide. Brackets for taxable income above $3,000 were $50 wide.

[15] For example, assume a taxpayer filing as "married filing separately" reported taxable income of $98,000. Using the tax table, the tax would be $25,215, but, using the tax rate schedules, the tax would be $25,206.50, a difference of $8.50.

[16] For more details on the income computation under the 1979 Income Concept for 2002, see *Individual Income Tax Returns 2002,* Statistics of Income Division, Internal Revenue Service, Publication 1304.

[17] For some taxpayers, the statutory marginal tax rate may differ from the effective marginal tax rate. For example, extra income received by certain taxpayers may result in the phaseout of their personal exemptions, as well as some of their itemized deductions. Therefore, an extra $1 of income could add more than $1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 30 percent, the effective marginal rate faced by the taxpayer would be somewhat higher.

[18] Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

Table 1.--Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate, Tax Year 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Highest marginal rate at which tax was computed	Number of returns	Adjusted gross income (less deficit)	Modified taxable income		Tax generated		Income tax after credits		
			Taxed at all rates	Taxed at marginal rate	At all rates	At marginal rate	Total	As a percentage of-- Adjusted gross income (less deficit)	As a percentage of-- Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	**102,266,930**	**5,901,809,634**	**4,102,691,211**	**1,727,863,339**	**829,830,846**	**425,438,009**	**796,546,471**	**13.5**	**19.4**
8 percent	186,712	4,872,694	1,348,993	1,348,989	107,917	107,919	95,332	2.0	7.1
10 percent	22,771,304	382,410,545	93,468,737	93,456,527	9,347,969	9,345,653	4,706,182	1.2	5.0
10 percent (capital gains)	848,788	19,627,891	7,174,493	2,431,884	685,731	243,188	606,410	3.1	8.5
10 percent (Form 8814) [1]	14,500	-410,754	12,067	12,067	1,207	1,207	435	(X)	3.6
15 percent	46,103,690	1,705,548,306	1,005,358,934	586,536,066	129,822,016	87,980,410	110,758,133	6.5	11.0
20 percent	567,994	104,685,376	82,253,950	59,959,192	14,501,478	11,991,838	14,945,625	14.3	18.2
25 percent	55,503	9,610,831	8,115,911	1,824,398	1,575,213	456,100	1,602,686	16.7	19.7
27 percent	25,963,506	2,051,440,371	1,516,325,851	471,345,259	273,393,414	127,263,220	266,965,218	13.0	17.6
28 percent	27,972	3,019,514	2,412,153	272,933	477,505	76,421	501,084	16.6	20.8
30 percent	3,489,656	520,130,400	418,825,168	76,871,405	96,504,350	23,061,422	96,849,476	18.6	23.1
35 percent	1,344,542	361,337,841	305,587,062	67,358,193	81,514,365	23,575,368	81,807,620	22.6	26.8
38.6 percent	766,125	738,249,063	660,699,590	365,426,371	221,610,233	141,054,579	217,420,540	29.5	32.9
Form 8615 [2]	126,639	1,287,558	1,108,301	1,020,056	289,448	280,684	287,732	22.3	26.0
Joint returns and returns of surviving spouses									
Total	**44,729,064**	**3,919,942,995**	**2,778,534,271**	**1,135,278,692**	**588,074,558**	**298,166,786**	**565,149,839**	**14.4**	**20.3**
8 percent	90,763	3,351,029	912,875	912,875	73,030	73,030	58,893	1.8	6.5
10 percent	6,433,539	163,830,843	38,192,308	38,187,584	3,819,506	3,818,758	1,864,977	1.1	4.9
10 percent (capital gains)	407,967	13,578,583	4,878,297	1,621,904	465,164	162,190	405,443	3.0	8.3
10 percent (Form 8814) [1]	7,334	-444,902	8,450	8,450	845	845	435	(X)	5.1
15 percent	19,075,950	973,938,225	559,079,518	326,917,771	72,223,639	49,037,666	59,415,385	6.1	10.6
20 percent	334,099	71,829,707	56,208,695	40,595,006	9,890,289	8,119,001	10,165,869	14.2	18.1
25 percent	36,127	7,127,512	5,949,016	1,326,814	1,150,369	331,704	1,171,669	16.4	19.7
27 percent	14,708,410	1,429,383,465	1,038,805,235	326,120,423	187,511,150	88,052,514	181,657,388	12.7	17.5
28 percent	17,120	2,273,593	1,805,755	214,358	356,583	60,020	378,159	16.6	20.9
30 percent	1,944,297	346,273,774	274,933,604	44,036,947	62,720,991	13,211,084	62,962,623	18.2	22.9
35 percent	1,020,547	288,087,316	242,356,906	51,664,959	64,027,107	18,082,736	64,304,368	22.3	26.5
38.6 percent	652,912	620,713,850	555,403,613	303,671,601	185,835,885	117,217,238	182,764,630	29.4	32.9
Form 8615 [2]	--	--	--	--	--	--	--	(X)	(X)
Returns of married persons filing separately									
Total	**2,038,854**	**101,096,798**	**74,543,541**	**33,882,590**	**16,698,549**	**9,549,922**	**16,152,756**	**16.0**	**21.7**
8 percent	965	14,940	1,688	1,688	135	135	132	0.9	7.8
10 percent	238,773	3,006,860	731,159	731,159	73,129	73,116	58,602	1.9	8.0
10 percent (capital gains)	5,702	130,449	51,750	34,056	5,172	3,406	5,085	3.9	9.8
10 percent (Form 8814) [1]	--	--	--	--	--	--	--	(X)	(X)
15 percent	906,492	22,832,314	13,341,277	7,878,774	1,727,988	1,181,816	1,562,344	6.8	11.7
20 percent	10,057	2,843,209	2,250,099	2,014,150	428,751	402,830	441,638	15.5	19.6
25 percent	878	202,278	153,483	47,933	31,810	11,983	29,928	14.8	19.5
27 percent	717,755	34,159,449	25,460,600	8,176,128	4,611,950	2,207,555	4,546,256	13.3	17.9
28 percent	--	--	--	--	--	--	--	(X)	(X)
30 percent	81,103	7,196,231	5,727,329	887,385	1,303,882	266,216	1,317,276	18.3	23.0
35 percent	50,355	7,021,113	5,919,782	1,225,119	1,560,554	428,792	1,555,251	22.2	26.3
38.6 percent	26,774	23,689,955	20,906,376	12,886,199	6,955,177	4,974,073	6,636,244	28.0	31.7
Form 8615 [2]	--	--	--	--	--	--	--	(X)	(X)

Footnotes at end of table.

Table 1.--Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate, Tax Year 2002 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Highest marginal rate at which tax was computed	Number of returns	Adjusted gross income (less deficit)	Modified taxable income		Tax generated		Income tax after credits		
			Taxed at all rates	Taxed at marginal rate	At all rates	At marginal rate	Total	As a percentage of-- Adjusted gross income (less deficit)	As a percentage of-- Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Returns of heads of households									
Total	**12,768,324**	**450,863,397**	**243,249,460**	**116,163,462**	**37,901,691**	**20,642,014**	**30,768,780**	**6.8**	**12.6**
8 percent	5,395	209,590	42,178	42,178	3,374	3,374	6,182	2.9	14.7
10 percent	5,485,812	109,695,684	26,383,818	26,376,333	2,638,671	2,637,633	330,841	0.3	1.3
10 percent (capital gains)	24,177	610,632	219,840	90,866	21,342	9,087	11,107	1.8	5.1
10 percent (Form 8814) [1]	7,165	34,147	3,617	3,617	362	362	--	(X)	(X)
15 percent	5,816,684	210,069,242	117,457,493	59,081,606	14,697,638	8,862,241	10,317,538	4.9	8.8
20 percent	19,361	2,794,472	2,219,325	1,491,356	378,471	298,271	393,475	14.1	17.7
25 percent	1,263	260,497	226,727	42,320	44,473	10,580	45,246	17.4	20.0
27 percent	1,284,760	93,662,461	67,816,624	18,790,814	11,836,200	5,073,520	11,448,861	12.2	16.9
28 percent	--	--	--	--	--	--	--	(X)	(X)
30 percent	75,865	11,554,849	9,368,278	1,675,715	2,177,411	502,715	2,212,642	19.1	23.6
35 percent	34,654	8,854,909	7,600,292	1,757,507	2,053,795	615,127	2,080,401	23.5	27.4
38.6 percent	13,187	13,116,914	11,911,268	6,811,151	4,049,954	2,629,104	3,922,488	29.9	32.9
Form 8615 [2]	--	--	--	--	--	--	--	(X)	(X)
Returns of single persons									
Total	**42,730,687**	**1,429,906,444**	**1,006,363,939**	**442,538,595**	**187,156,048**	**97,079,287**	**184,475,096**	**12.9**	**18.3**
8 percent	89,589	1,297,135	392,251	392,248	31,378	31,380	30,124	2.3	7.7
10 percent	10,613,180	105,877,158	28,161,452	28,161,452	2,816,663	2,816,145	2,451,762	2.3	8.7
10 percent (capital gains)	410,943	5,308,227	2,024,606	685,059	194,053	68,506	184,775	3.5	9.1
10 percent (Form 8814) [1]	--	--	--	--	--	--	--	(X)	(X)
15 percent	20,304,564	498,708,525	315,480,647	192,657,916	41,172,751	28,898,687	39,462,866	7.9	12.5
20 percent	204,477	27,217,987	21,575,832	15,858,679	3,803,966	3,171,736	3,944,643	14.5	18.3
25 percent	17,235	2,020,545	1,786,687	407,331	348,561	101,833	355,844	17.6	19.9
27 percent	9,252,580	494,234,996	384,243,392	118,257,894	69,434,114	31,929,631	69,312,713	14.0	18.0
28 percent	10,851	745,921	606,398	58,575	120,923	16,401	122,924	16.5	20.3
30 percent	1,388,391	155,105,545	128,795,957	30,271,357	30,302,066	9,081,407	30,356,936	19.6	23.6
35 percent	238,986	57,374,504	49,710,083	12,710,608	13,872,909	4,448,713	13,867,600	24.2	27.9
38.6 percent	73,252	80,728,344	72,478,333	42,057,420	24,769,217	16,234,164	24,097,177	29.8	33.2
Form 8615 [2]	126,639	1,287,558	1,108,301	1,020,056	289,448	280,684	287,732	22.3	26.0

[1] Form 8814 was filed for a dependent child under age 14 for whom the parents made the election to report the child's investment income (if it was from interest or dividends totaling between $700 and $7,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income.

[2] Form 8615 was filed for a child under age 14 to report the child's investment income in excess of $1,500. The returns in this rate classification are not distributed by tax rate.

(X) Percentage not computed.

NOTE: Detail may not add to totals because of rounding.

Table 2.--Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					8 percent			10 percent		
					Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	**102,266,930**	**4,096,109,117**	**4,102,691,211**	**829,830,846**	**2,016,454**	**10,600,529**	**848,020**	**101,831,455**	**821,153,951**	**82,115,395**
Under $2,000 [1]	328,733	160,272	161,711	16,642	36,921	8,399	672	300,833	140,100	14,010
$2,000 under $4,000	319,257	388,941	399,366	45,161	42,836	20,233	1,616	302,890	326,028	32,603
$4,000 under $6,000	1,212,250	949,285	957,118	102,949	13,646	15,464	1,237	1,206,418	877,386	87,739
$6,000 under $8,000	1,435,157	2,809,014	2,826,842	294,062	23,460	31,959	2,558	1,427,332	2,706,568	270,657
$8,000 under $10,000	2,647,281	5,316,383	5,397,737	545,140	40,976	47,186	3,774	2,629,961	5,269,108	526,911
$10,000 under $12,000	2,787,615	9,523,083	9,702,053	982,344	45,128	55,439	4,434	2,767,531	9,382,196	938,220
$12,000 under $14,000	2,932,836	13,544,865	13,755,695	1,421,976	40,213	50,278	4,018	2,923,389	12,837,784	1,283,778
$14,000 under $16,000	3,395,739	18,958,033	19,112,464	2,070,601	57,407	110,697	8,853	3,373,472	15,738,716	1,573,872
$16,000 under $18,000	3,865,471	24,395,943	24,638,463	2,817,446	59,757	63,628	5,091	3,840,466	17,493,259	1,749,326
$18,000 under $20,000	3,981,831	30,633,371	30,868,400	3,596,051	80,843	125,906	10,074	3,960,446	20,428,847	2,042,885
$20,000 under $25,000	9,397,602	96,349,490	96,939,910	11,582,249	175,672	371,499	29,712	9,361,180	58,424,440	5,842,444
$25,000 under $30,000	8,335,701	121,068,621	121,780,941	15,079,322	169,355	386,279	30,898	8,306,943	62,867,460	6,286,746
$30,000 under $40,000	13,770,550	284,041,793	285,196,293	37,324,746	277,382	907,021	72,566	13,740,538	116,399,382	11,639,938
$40,000 under $50,000	10,471,835	296,662,439	297,341,227	42,612,342	265,544	1,074,525	85,957	10,445,625	97,653,056	9,765,306
$50,000 under $75,000	17,334,862	716,798,721	717,753,081	110,360,137	410,569	2,975,414	238,027	17,294,466	178,267,424	17,826,742
$75,000 under $100,000	9,230,292	561,237,747	561,705,151	98,700,327	116,672	1,324,601	105,968	9,207,246	101,836,274	10,183,627
$100,000 under $200,000	8,410,057	832,980,233	833,537,172	176,419,717	109,508	1,853,952	148,318	8,367,414	93,843,584	9,384,358
$200,000 under $500,000	1,905,423	457,567,015	457,727,417	123,912,146	37,716	837,431	66,995	1,883,868	21,161,919	2,116,192
$500,000 under $1,000,000	335,991	199,225,455	199,290,214	63,700,073	7,827	194,537	15,563	329,379	3,702,064	370,206
$1,000,000 under $1,500,000	77,855	83,569,923	83,594,888	27,802,676	1,778	49,581	3,966	75,700	841,197	84,120
$1,500,000 under $2,000,000	31,224	48,059,469	48,061,521	16,131,938	911	27,607	2,209	30,169	336,263	33,626
$2,000,000 under $5,000,000	44,083	116,903,427	116,939,280	39,423,204	1,526	45,993	3,679	42,107	466,766	46,677
$5,000,000 under $10,000,000	10,001	61,268,835	61,281,596	20,389,135	402	11,686	935	9,373	103,168	10,317
$10,000,000 or more	5,283	113,696,760	113,722,669	34,500,461	407	11,213	897	4,709	50,961	5,096

Footnotes at end of table.

Table 2.--Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate--continued								
	10 percent (capital gains)			10 percent (from Form 8814) [2]			15 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total	**2,221,357**	**9,363,545**	**936,470**	**110,021**	**94,305**	**9,438**	**78,162,006**	**1,527,087,376**	**229,063,106**
Under $2,000 [1]	23,484	5,684	570	**1,689	**1,309	**131	--	--	--
$2,000 under $4,000	19,343	8,646	867	**	**	**	--	--	--
$4,000 under $6,000	*7,760	*4,809	*481	*2,957	*2,301	*230	*1,993	*2,247	*337
$6,000 under $8,000	16,521	17,109	1,710	*964	*1,446	*145	*11,580	*8,324	*1,249
$8,000 under $10,000	30,507	22,523	2,253	*3,916	*2,040	*204	22,769	42,661	6,399
$10,000 under $12,000	41,935	49,699	4,973	*1,343	*1,007	*101	264,394	176,406	26,461
$12,000 under $14,000	41,207	38,851	3,888	*965	*1,447	*145	577,342	786,930	118,040
$14,000 under $16,000	57,564	92,482	9,251	*1,454	*1,119	*112	2,022,971	3,156,766	473,515
$16,000 under $18,000	81,729	95,464	9,556	*3,922	*3,665	*366	2,164,538	6,953,105	1,042,966
$18,000 under $20,000	91,127	123,622	12,369	*2,958	*3,054	*306	2,061,317	10,169,448	1,525,417
$20,000 under $25,000	192,772	362,294	36,234	*2,736	*1,678	*168	5,151,089	37,707,328	5,656,099
$25,000 under $30,000	186,997	406,526	40,664	*5,738	*4,608	*461	6,201,696	58,080,694	8,712,104
$30,000 under $40,000	346,580	978,199	97,842	*5,056	*4,516	*451	12,507,142	162,887,855	24,433,178
$40,000 under $50,000	312,991	912,163	91,229	13,066	14,489	1,449	10,127,582	172,271,919	25,840,788
$50,000 under $75,000	542,976	2,376,801	237,711	17,168	17,927	1,794	17,152,280	432,951,895	64,942,784
$75,000 under $100,000	126,202	1,374,845	137,487	16,114	8,964	895	9,185,798	291,242,582	43,686,387
$100,000 under $200,000	74,378	1,679,456	167,947	17,779	14,932	1,497	8,341,000	273,028,505	40,954,276
$200,000 under $500,000	18,586	512,406	51,241	7,125	5,890	589	1,878,349	61,575,426	9,236,314
$500,000 under $1,000,000	4,605	155,745	15,575	2,983	2,218	224	328,399	10,783,375	1,617,506
$1,000,000 under $1,500,000	1,584	52,402	5,240	993	783	78	75,552	2,460,284	369,043
$1,500,000 under $2,000,000	587	20,968	2,097	347	294	29	30,127	983,497	147,525
$2,000,000 under $5,000,000	1,192	44,233	4,423	513	416	42	42,018	1,365,436	204,815
$5,000,000 under $10,000,000	387	15,359	1,536	149	124	12	9,365	302,927	45,439
$10,000,000 or more	342	13,258	1,326	86	80	8	4,704	149,765	22,465

Footnotes at end of table.

Table 2.--Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate--continued								
	20 percent			25 percent			27 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	**4,065,361**	**193,221,465**	**38,644,289**	**328,314**	**7,156,420**	**1,789,142**	**31,589,487**	**791,415,764**	**213,682,256**
Under $2,000 [1]	--	--	--	--	--	--	--	--	--
$2,000 under $4,000	--	--	--	--	--	--	--	--	--
$4,000 under $6,000	--	--	--	--	--	--	--	--	--
$6,000 under $8,000	--	--	--	--	--	--	--	--	--
$8,000 under $10,000	--	--	--	--	--	--	--	--	--
$10,000 under $12,000	--	--	--	--	--	--	--	--	--
$12,000 under $14,000	--	--	--	--	--	--	--	--	--
$14,000 under $16,000	--	--	--	--	--	--	--	--	--
$16,000 under $18,000	--	--	--	--	--	--	--	--	--
$18,000 under $20,000	--	--	--	--	--	--	--	--	--
$20,000 under $25,000	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	--	--	--	--	--	--	14,910	24,703	6,670
$30,000 under $40,000	90,989	82,862	16,578	*2,811	*3,131	*784	1,778,187	3,897,499	1,052,325
$40,000 under $50,000	208,146	455,174	91,032	*6,824	*7,518	*1,880	3,384,998	24,912,459	6,726,364
$50,000 under $75,000	758,341	2,913,873	582,784	34,366	108,898	27,227	7,711,772	97,996,401	26,459,028
$75,000 under $100,000	925,616	5,369,506	1,073,890	67,078	397,650	99,419	8,211,922	154,439,294	41,698,609
$100,000 under $200,000	1,382,099	22,520,738	4,504,146	126,824	1,817,336	454,346	8,160,413	366,356,997	98,916,389
$200,000 under $500,000	516,440	31,167,355	6,233,467	63,923	1,829,442	457,371	1,844,155	113,865,333	30,743,640
$500,000 under $1,000,000	112,523	21,008,093	4,201,619	16,300	1,182,959	295,742	323,417	20,097,562	5,426,342
$1,000,000 under $1,500,000	30,310	12,321,868	2,464,373	4,315	432,076	108,020	74,467	4,576,889	1,235,760
$1,500,000 under $2,000,000	13,170	8,189,326	1,637,865	1,977	303,872	75,968	29,751	1,838,604	496,423
$2,000,000 under $5,000,000	19,523	23,874,788	4,774,958	2,597	497,224	124,306	41,543	2,558,638	690,832
$5,000,000 under $10,000,000	5,053	15,849,508	3,169,902	818	249,265	62,316	9,287	569,730	153,827
$10,000,000 or more	3,152	49,468,375	9,893,675	481	327,048	81,762	4,664	281,656	76,047

Footnotes at end of table.

Table 2.--Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate--continued								
	28 percent			30 percent			35 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Total	**42,001**	**764,197**	**213,975**	**5,600,323**	**203,882,805**	**61,164,842**	**2,110,668**	**171,504,428**	**60,026,550**
Under $2,000 [1]	--	--	--	--	--	--	--	--	--
$2,000 under $4,000	--	--	--	--	--	--	--	--	--
$4,000 under $6,000	--	--	--	--	--	--	--	--	--
$6,000 under $8,000	--	--	--	--	--	--	--	--	--
$8,000 under $10,000	--	--	--	--	--	--	--	--	--
$10,000 under $12,000	--	--	--	--	--	--	--	--	--
$12,000 under $14,000	--	--	--	--	--	--	--	--	--
$14,000 under $16,000	--	--	--	--	--	--	--	--	--
$16,000 under $18,000	--	--	--	--	--	--	--	--	--
$18,000 under $20,000	--	--	--	--	--	--	--	--	--
$20,000 under $25,000	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	--	--	--	--	--	--	--	--	--
$30,000 under $40,000	--	--	--	--	--	--	--	--	--
$40,000 under $50,000	*2,755	*1,698	*476	--	--	--	--	--	--
$50,000 under $75,000	*9,891	*4,307	*1,205	22,046	72,085	21,626	--	--	--
$75,000 under $100,000	*8,920	*7,158	*2,005	670,016	5,692,420	1,707,726	*3,043	*11,857	*4,150
$100,000 under $200,000	13,485	31,657	8,864	2,663,980	68,840,839	20,652,252	174,446	3,262,898	1,142,014
$200,000 under $500,000	5,034	110,885	31,048	1,771,997	101,130,990	30,339,297	1,470,529	106,078,097	37,127,334
$500,000 under $1,000,000	870	97,364	27,262	315,700	18,804,976	5,641,493	309,042	41,398,215	14,489,375
$1,000,000 under $1,500,000	317	25,715	7,200	72,632	4,340,943	1,302,283	71,059	9,627,592	3,369,657
$1,500,000 under $2,000,000	255	75,807	21,226	29,223	1,741,006	522,302	28,632	3,851,899	1,348,165
$2,000,000 under $5,000,000	309	165,872	46,444	40,909	2,438,649	731,595	40,251	5,432,262	1,901,292
$5,000,000 under $10,000,000	89	134,525	37,667	9,192	546,629	163,989	9,067	1,222,758	427,965
$10,000,000 or more	77	109,208	30,578	4,629	274,269	82,281	4,599	618,850	216,598

Footnotes at end of table.

Table 2.--Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate--continued					
	38.6 percent			Form 8615 [3]		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(38)	(39)	(40)	(41)	(42)	(43)
Total	**766,125**	**365,426,371**	**141,054,579**	**126,639**	**1,020,056**	**280,684**
Under $2,000 [1]	--	--	--	32,242	6,220	1,230
$2,000 under $4,000	--	--	--	41,744	44,458	10,058
$4,000 under $6,000	--	--	--	16,043	54,912	12,863
$6,000 under $8,000	--	--	--	12,722	61,436	17,667
$8,000 under $10,000	--	--	--	*1,993	*14,219	*5,488
$10,000 under $12,000	--	--	--	*3,833	*37,306	*8,004
$12,000 under $14,000	--	--	--	*3,583	*40,405	*11,986
$14,000 under $16,000	--	--	--	*958	*12,683	*4,896
$16,000 under $18,000	--	--	--	*1,917	*29,341	*10,032
$18,000 under $20,000	--	--	--	*958	*17,524	*4,881
$20,000 under $25,000	--	--	--	*3,833	*72,671	*17,182
$25,000 under $30,000	--	--	--	*959	*10,672	*1,596
$30,000 under $40,000	--	--	--	*959	*35,829	*10,928
$40,000 under $50,000	--	--	--	*918	*38,226	*7,717
$50,000 under $75,000	--	--	--	*1,883	*68,058	*21,329
$75,000 under $100,000	--	--	--	--	--	--
$100,000 under $200,000	3,871	40,612	15,676	*1,977	*245,666	*69,477
$200,000 under $500,000	320,235	19,451,169	7,508,151	*6	*1,075	*415
$500,000 under $1,000,000	293,441	81,863,103	31,599,158	--	--	--
$1,000,000 under $1,500,000	68,722	48,801,709	18,837,460	*57	*63,848	*15,472
$1,500,000 under $2,000,000	27,548	30,653,785	11,832,361	*25	*38,594	*12,141
$2,000,000 under $5,000,000	38,953	79,990,878	30,876,479	*20	*58,124	*17,659
$5,000,000 under $10,000,000	8,834	42,227,063	16,299,646	*9	**68,790	**19,663
$10,000,000 or more	4,522	62,398,052	24,085,648	**	**	**

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data combined to prevent disclosure of information for specific taxpayers.

[1] Includes returns with adjusted gross deficit.

[2] Form 8814 was filed for a dependent child under age 14 for whom the parents made the election to report the child's investment income (if it was from interest or dividends totaling between $700 and $7,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' incomes.

[3] Form 8615 was filed for a child under age 14 to report the child's investment income in excess of $1,500. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

Table 3.--Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Marginal Tax Rate and by Filing Status, Tax Year 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Marginal tax rate classes	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All tax rates	**102,266,930**	**4,102,691,211**	**829,828,621**	**44,729,064**	**2,778,534,271**	**588,073,773**	**2,038,854**	**74,543,541**	**16,698,460**
8 percent	2,016,454	10,600,529	848,042	1,122,105	7,187,327	574,986	9,730	62,571	5,006
10 percent	101,831,455	821,153,951	82,115,395	44,512,512	493,017,330	49,301,733	2,034,866	11,486,288	1,148,629
10 percent (capital gains)	2,221,357	9,363,545	936,355	1,288,124	6,438,276	643,828	17,749	127,093	12,709
10 percent (Form 8814) [1]	110,021	94,305	9,438	74,778	66,536	6,661	95	83	8
15 percent	78,162,006	1,527,087,376	229,063,106	37,710,202	970,327,248	145,549,087	1,789,417	23,160,846	3,474,127
20 percent	4,065,361	193,221,465	38,644,293	2,750,400	142,927,017	28,585,403	79,437	7,022,599	1,404,520
25 percent	328,314	7,156,420	1,789,105	232,163	5,613,146	1,403,287	7,707	186,890	46,722
27 percent	31,589,487	791,415,764	213,682,256	18,341,923	565,837,345	152,776,083	875,988	13,409,660	3,620,608
28 percent	42,001	764,197	213,975	26,249	636,710	178,279	*361	*1,060	*296
30 percent	5,600,323	203,882,805	61,164,842	3,617,756	142,938,391	42,881,517	158,232	3,166,549	949,965
35 percent	2,110,668	171,504,428	60,026,550	1,673,459	139,873,344	48,955,670	77,129	3,033,704	1,061,797
38.6 percent	766,125	365,426,371	141,054,579	652,912	303,671,601	117,217,238	26,774	12,886,199	4,974,073
Form 8615 [2]	126,639	1,020,056	280,684	--	--	--	--	--	--

Marginal tax rate classes	Returns of heads of households			Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates	**12,768,324**	**243,249,460**	**37,901,258**	**42,730,687**	**1,006,363,939**	**187,155,130**
8 percent	72,593	391,157	31,293	812,026	2,959,473	236,758
10 percent	12,746,236	98,872,411	9,887,241	42,537,840	217,777,922	21,777,792
10 percent (capital gains)	80,951	337,802	33,780	834,533	2,460,374	246,037
10 percent (Form 8814) [1]	33,099	26,150	2,615	*2,048	*1,536	*153
15 percent	7,239,147	98,007,018	14,701,053	31,423,240	435,592,264	65,338,840
20 percent	98,959	4,169,916	833,983	1,136,565	39,101,933	7,820,387
25 percent	8,320	227,361	56,840	80,125	1,129,023	282,256
27 percent	1,408,466	26,120,392	7,052,506	10,963,111	186,048,367	50,233,059
28 percent	*9	*3,180	*890	15,382	123,247	34,509
30 percent	123,706	4,541,404	1,362,421	1,700,629	53,236,461	15,970,938
35 percent	47,841	3,741,518	1,309,531	312,238	24,855,863	8,699,552
38.6 percent	13,187	6,811,151	2,629,104	73,252	42,057,420	16,234,164
Form 8615 [2]	--	--	--	126,639	1,020,056	280,684

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between $700 and $7,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income.

[2] Form 8615 was filed for a child under age 14 to report the child's investment income in excess of $1,500. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

Table 4.--Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2001 and 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2001				Tax Year 2002			
	Income tax before credits (regular tax computation)[1]		Tax generated	Difference due to special tax computation[2]	Income tax before credits (regular tax computation)[1]		Tax generated	Difference due to special tax computation[2]
	Number of returns	Amount	Amount		Number of returns	Amount	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with regular tax computation only								
Total	**93,152,594**	**671,189,255**	**671,077,406**	**--**	**95,006,533**	**660,142,161**	**660,083,613**	**--**
Under $5,000 [3]	1,215,336	76,202	76,690	--	863,865	54,179	54,854	--
$5,000 under $10,000	5,189,271	1,131,398	1,132,780	--	4,768,480	859,126	859,911	--
$10,000 under $15,000	7,236,117	4,683,435	4,683,439	--	7,172,217	3,253,482	3,253,477	--
$15,000 under $20,000	9,522,535	9,914,889	9,915,938	--	9,281,861	7,295,005	7,294,518	--
$20,000 under $25,000	9,011,201	14,571,046	14,572,908	--	9,100,242	11,206,471	11,206,430	--
$25,000 under $30,000	7,898,393	17,957,705	17,957,002	--	8,032,558	14,592,733	14,592,420	--
$30,000 under $40,000	12,676,957	40,804,023	40,804,153	--	13,162,528	35,718,891	35,718,641	--
$40,000 under $50,000	9,575,407	44,816,573	44,817,422	--	9,845,728	40,123,616	40,123,249	--
$50,000 under $75,000	15,430,947	108,348,416	108,336,649	--	15,909,314	101,181,342	101,175,544	--
$75,000 under $100,000	7,440,554	86,777,825	86,766,038	--	8,195,014	87,546,568	87,539,685	--
$100,000 under $200,000	6,400,614	139,588,296	139,560,574	--	6,979,731	144,876,877	144,865,318	--
$200,000 under $500,000	1,265,642	85,780,631	85,744,602	--	1,377,068	90,716,998	90,703,589	--
$500,000 under $1,000,000	199,530	40,757,089	40,737,622	--	221,717	44,163,303	44,153,661	--
$1,000,000 under $1,500,000	43,536	17,074,614	17,072,667	--	47,078	18,122,445	18,120,554	--
$1,500,000 under $2,000,000	17,072	9,774,976	9,770,655	--	17,748	9,979,765	9,974,473	--
$2,000,000 under $5,000,000	22,648	22,802,314	22,799,337	--	24,371	24,110,384	24,109,537	--
$5,000,000 under $10,000,000	4,755	11,140,719	11,139,824	--	4,901	11,378,370	11,375,150	--
$10,000,000 or more	2,079	15,189,105	15,189,105	--	2,110	14,962,608	14,962,603	--
Returns with Form 8615 tax computation								
Total	**201,902**	**320,206**	**418,758**	**98,551**	**126,639**	**229,749**	**289,448**	**59,699**
Under $5,000 [3]	127,771	25,420	46,783	21,362	81,579	13,515	22,631	9,116
$5,000 under $10,000	34,121	22,383	50,143	27,760	23,166	12,593	32,305	19,711
$10,000 under $15,000	20,214	27,024	52,428	25,405	*8,374	*11,901	*25,465	*13,564
$15,000 under $20,000	11,458	23,866	45,513	21,648	*2,875	*6,437	*15,093	*8,656
$20,000 under $25,000	*1,923	*5,025	*10,974	*5,949	*3,833	*9,997	*17,348	*7,352
$25,000 under $30,000	*1,923	*7,325	*10,291	*2,966	*959	*1,312	*1,596	*284
$30,000 under $40,000	*929	*2,338	*2,577	*240	*959	*6,366	*10,988	*4,622
$40,000 under $50,000	*931	*7,025	*11,138	*4,113	*918	*7,151	*7,787	*635
$50,000 under $75,000	*931	*10,967	*19,934	*8,967	*1,883	*11,543	*21,329	*9,787
$75,000 under $100,000	*8	*138	*235	*98	--	--	--	--
$100,000 under $200,000	*801	*25,824	*32,563	*6,739	*1,977	*62,724	*69,550	*6,827
$200,000 under $500,000	*642	*52,943	*47,814	*-5,130	*6	*295	*415	*119
$500,000 under $1,000,000	*141	*32,600	*25,971	*-6,629	--	--	--	--
$1,000,000 under $1,500,000	*78	*32,765	*28,290	*-4,475	*57	*23,307	*15,475	*-7,832
$1,500,000 under $2,000,000	*8	*4,463	*2,741	*-1,722	*25	*14,317	*12,143	*-2,174
$2,000,000 under $5,000,000	*15	*20,286	*11,384	*-8,901	*20	*21,952	*17,660	*-4,292
$5,000,000 under $10,000,000	**7	**19,816	**19,978	**163	**9	**26,340	**19,663	**-6,676
$10,000,000 or more	**	**	**	**	**	**	**	**

Footnotes at end of table.

Table 4.--Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2001 and 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2001				Tax Year 2002			
	Income tax before credits (regular tax computation)[1]		Tax generated	Difference due to special tax computation[2]	Income tax before credits (regular tax computation)[1]		Tax generated	Difference due to special tax computation[2]
	Number of returns	Amount	Amount		Number of returns	Amount	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with Schedule D tax computation								
Total	**10,207,370**	**281,489,962**	**245,382,758**	**-36,107,205**	**6,718,343**	**186,541,944**	**161,211,206**	**-25,330,738**
Under $5,000 [3]	141,650	20,540	19,398	-1,142	57,594	6,560	6,127	-434
$5,000 under $10,000	155,992	43,780	41,108	-2,672	82,409	25,730	23,702	-2,028
$10,000 under $15,000	274,600	185,342	168,583	-16,759	151,722	75,128	70,596	-4,532
$15,000 under $20,000	419,142	455,412	423,163	-32,249	252,796	221,993	207,723	-14,269
$20,000 under $25,000	425,040	699,151	654,316	-44,834	259,022	358,546	338,440	-20,105
$25,000 under $30,000	466,176	1,012,066	955,369	-56,697	274,385	490,748	466,680	-24,068
$30,000 under $40,000	942,612	3,156,551	3,017,921	-138,630	577,051	1,637,956	1,558,206	-79,750
$40,000 under $50,000	946,764	4,603,587	4,445,393	-158,194	598,978	2,554,882	2,438,032	-116,850
$50,000 under $75,000	2,024,262	15,372,771	14,792,744	-580,027	1,385,152	9,512,110	9,057,340	-454,771
$75,000 under $100,000	1,425,787	17,390,529	16,760,688	-629,841	1,012,232	11,495,459	11,008,782	-486,677
$100,000 under $200,000	2,015,951	49,578,743	47,069,522	-2,509,221	1,386,719	32,883,305	30,984,697	-1,898,608
$200,000 under $500,000	727,104	52,459,517	47,535,632	-4,923,885	506,800	36,158,488	32,360,059	-3,798,428
$500,000 under $1,000,000	148,029	31,115,256	26,772,415	-4,342,841	107,662	22,130,298	18,899,231	-3,231,068
$1,000,000 under $1,500,000	39,011	15,538,348	13,119,807	-2,418,541	28,622	11,254,706	9,296,093	-1,958,613
$1,500,000 under $2,000,000	17,920	10,416,628	8,629,210	-1,787,418	12,405	7,157,939	5,863,288	-1,294,651
$2,000,000 under $5,000,000	26,834	27,700,646	22,495,270	-5,205,376	17,730	17,941,699	14,329,554	-3,612,145
$5,000,000 under $10,000,000	6,603	15,867,936	12,395,700	-3,472,236	4,467	10,616,955	8,284,390	-2,332,565
$10,000,000 or more	3,892	35,873,158	26,086,517	-9,786,642	2,599	22,019,443	16,018,266	-6,001,177

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to prevent disclosure of certain taxpayer information.

[1] Includes special tax not included in tax generated.

[2] The difference between the amount of tax resulting from using provisions of one of the special tax computations and the amount of tax resulting from the regular tax computation.

[3] Includes returns with adjusted gross deficit.

NOTE: Detail may not add to totals because of rounding.

Table 5.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986-2002

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns: [1]						
1986	102,087,623	1,020,876	5,104,381	10,208,762	25,521,906	51,043,811
1987	106,154,761	1,061,548	5,307,738	10,615,476	26,538,690	53,077,380
1988	108,872,859	1,088,729	5,443,643	10,887,286	27,218,214	54,436,429
1989	111,312,721	1,113,127	5,565,636	11,131,272	27,828,181	55,656,361
1990	112,812,262	1,128,123	5,640,613	11,281,226	28,203,066	56,406,132
1991	113,804,104	1,138,041	5,690,205	11,380,410	28,451,026	56,902,052
1992	112,652,759	1,126,528	5,632,638	11,265,276	28,163,190	56,326,380
1993	113,681,387	1,136,814	5,684,069	11,368,139	28,420,347	56,840,694
1994	114,989,920	1,149,899	5,749,496	11,498,992	28,747,480	57,494,960
1995	117,274,186	1,172,742	5,863,709	11,727,419	29,318,546	58,637,093
1996	119,441,767	1,194,418	5,972,088	11,944,177	29,860,442	59,720,884
1997	121,503,284	1,215,033	6,075,164	12,150,328	30,375,821	60,751,642
1998	123,775,831	1,237,758	6,188,792	12,377,583	30,943,958	61,887,915
1999	126,008,974	1,260,090	6,300,449	12,600,897	31,502,244	63,004,487
2000	128,227,143	1,282,271	6,411,357	12,822,714	32,056,786	64,113,572
2001	128,817,051	1,288,171	6,440,853	12,881,705	32,204,263	64,408,526
2002	128,323,986	1,283,240	6,416,199	12,832,399	32,080,997	64,161,993
Adjusted gross income floor on percentiles (current dollars):						
1986	N/A	118,818	62,377	48,656	32,242	17,302
1987	N/A	139,289	68,414	52,921	33,983	17,768
1988	N/A	157,136	72,735	55,437	35,398	18,367
1989	N/A	163,869	76,933	58,263	36,839	18,993
1990	N/A	167,421	79,064	60,287	38,080	19,767
1991	N/A	170,139	81,720	61,944	38,929	20,097
1992	N/A	181,904	85,103	64,457	40,378	20,803
1993	N/A	185,715	87,386	66,077	41,210	21,179
1994	N/A	195,726	91,226	68,753	42,742	21,802
1995	N/A	209,406	96,221	72,094	44,207	22,344
1996	N/A	227,546	101,141	74,986	45,757	23,174
1997	N/A	250,736	108,048	79,212	48,173	24,393
1998	N/A	269,496	114,729	83,220	50,607	25,491
1999	N/A	293,415	120,846	87,682	52,965	26,415
2000	N/A	313,469	128,336	92,144	55,225	27,682
2001	N/A	292,913	127,904	92,754	56,085	28,528
2002	N/A	285,424	126,525	92,663	56,401	28,654
Adjusted gross income floor on percentiles (constant dollars):						
1986	N/A	108,411	56,913	44,394	29,418	15,786
1987	N/A	122,614	60,224	46,585	29,915	15,641
1988	N/A	132,828	61,484	46,861	29,922	15,526
1989	N/A	132,152	62,043	46,986	29,709	15,317
1990	N/A	128,096	60,493	46,126	29,135	15,124
1991	N/A	124,919	60,000	45,480	28,582	14,756
1992	N/A	129,654	60,658	45,942	28,780	14,828
1993	N/A	128,522	60,475	45,728	28,519	14,657
1994	N/A	132,069	61,556	46,392	28,841	14,711
1995	N/A	137,406	63,137	47,306	29,007	14,661
1996	N/A	145,026	64,462	47,792	29,163	14,769
1997	N/A	156,222	67,320	49,353	30,014	15,198
1998	N/A	164,427	69,999	50,775	30,877	15,553
1999	N/A	176,119	72,537	52,630	31,792	15,855
2000	N/A	182,038	74,527	53,510	32,070	16,075
2001	N/A	165,394	72,221	52,374	31,669	16,108
2002	N/A	158,657	70,331	51,508	31,351	15,928

Footnotes at end of Table 6.

Table 5.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income (millions of dollars):						
1986	2,524,124	285,197	608,467	886,510	1,490,173	2,103,569
1987	2,813,728	346,635	722,221	1,038,221	1,709,389	2,373,869
1988	3,124,156	473,527	890,702	1,232,536	1,950,860	2,657,865
1989	3,298,858	468,079	918,421	1,286,539	2,054,478	2,805,235
1990	3,451,237	483,252	953,337	1,338,032	2,144,177	2,932,537
1991	3,516,142	456,603	943,350	1,343,202	2,174,765	2,984,003
1992	3,680,552	523,586	1,031,093	1,443,784	2,299,401	3,131,400
1993	3,775,578	520,586	1,048,252	1,474,463	2,357,953	3,212,299
1994	3,961,146	546,700	1,103,084	1,552,205	2,481,074	3,371,352
1995	4,244,607	619,610	1,222,723	1,704,513	2,689,820	3,627,542
1996	4,590,527	736,545	1,393,805	1,909,149	2,952,637	3,944,383
1997	5,023,457	872,826	1,597,107	2,151,401	3,267,600	4,327,992
1998	5,469,211	1,010,245	1,796,647	2,393,716	3,589,600	4,721,430
1999	5,909,329	1,152,820	2,011,763	2,652,835	3,927,308	5,126,164
2000	6,423,977	1,336,773	2,267,403	2,955,386	4,313,786	5,589,755
2001	6,241,036	1,094,296	1,996,492	2,690,589	4,071,034	5,379,286
2002	6,113,778	985,781	1,867,787	2,553,475	3,935,504	5,244,029
Total income tax (millions of dollars): [2]						
1986	366,979	94,491	156,240	200,703	278,976	343,289
1987	369,046	91,559	159,642	205,230	283,857	346,655
1988	412,761	113,841	188,303	236,411	321,297	389,145
1989	432,838	109,259	190,188	241,458	334,258	407,599
1990	447,061	112,338	195,088	247,514	344,340	421,075
1991	448,349	111,267	194,480	250,282	346,511	423,759
1992	476,163	131,156	218,479	276,213	373,700	452,070
1993	502,720	145,836	238,083	297,808	398,516	478,563
1994	534,754	154,337	254,106	317,902	425,402	509,256
1995	588,331	178,035	287,741	357,402	472,808	561,225
1996	658,124	212,626	335,433	411,404	535,164	629,684
1997	727,303	241,239	377,241	459,639	594,007	696,161
1998	788,452	274,009	424,506	512,836	651,964	755,240
1999	877,292	317,419	486,464	583,002	732,890	842,168
2000	980,521	366,929	553,670	660,150	823,706	942,179
2001	887,882	300,898	472,823	576,163	736,053	852,642
2002	796,862	268,608	428,680	523,812	668,558	768,963
Average tax rate (percentage): [3]						
1986	14.54	33.13	25.68	22.64	18.72	16.32
1987	13.12	26.41	22.10	19.77	16.61	14.60
1988	13.21	24.04	21.14	19.18	16.47	14.64
1989	13.12	23.34	20.71	18.77	16.27	14.53
1990	12.95	23.25	20.46	18.50	16.06	14.36
1991	12.75	24.37	20.62	18.63	15.93	14.20
1992	12.94	25.05	21.19	19.13	16.25	14.44
1993	13.32	28.01	22.71	20.20	16.90	14.90
1994	13.50	28.23	23.04	20.48	17.15	15.11
1995	13.86	28.73	23.53	20.97	17.58	15.47
1996	14.34	28.87	24.07	21.55	18.12	15.96
1997	14.48	27.64	23.62	21.36	18.18	16.09
1998	14.42	27.12	23.63	21.42	18.16	16.00
1999	14.85	27.53	24.18	21.98	18.66	16.43
2000	15.26	27.45	24.42	22.34	19.09	16.86
2001	14.23	27.50	23.68	21.41	18.08	15.85
2002	13.03	27.25	22.95	20.51	16.99	14.66

Footnotes at end of Table 6.

Table 5.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income share (percentage):						
1986	100.00	11.30	24.11	35.12	59.04	83.34
1987	100.00	12.32	25.67	36.90	60.75	84.37
1988	100.00	15.16	28.51	39.45	62.44	85.07
1989	100.00	14.19	27.84	39.00	62.28	85.04
1990	100.00	14.00	27.62	38.77	62.13	84.97
1991	100.00	12.99	26.83	38.20	61.85	84.87
1992	100.00	14.23	28.01	39.23	62.47	85.08
1993	100.00	13.79	27.76	39.05	62.45	85.08
1994	100.00	13.80	27.85	39.19	62.64	85.11
1995	100.00	14.60	28.81	40.16	63.37	85.46
1996	100.00	16.04	30.36	41.59	64.32	85.92
1997	100.00	17.38	31.79	42.83	65.05	86.16
1998	100.00	18.47	32.85	43.77	65.63	86.33
1999	100.00	19.51	34.04	44.89	66.46	86.75
2000	100.00	20.81	35.30	46.01	67.15	87.01
2001	100.00	17.53	31.99	43.11	65.23	86.19
2002	100.00	16.12	30.55	41.77	64.37	85.77
Total income tax share (percentage):						
1986	100.00	25.75	42.57	54.69	76.02	93.54
1987	100.00	24.81	43.26	55.61	76.92	93.93
1988	100.00	27.58	45.62	57.28	77.84	94.28
1989	100.00	25.24	43.94	55.78	77.22	94.17
1990	100.00	25.13	43.64	55.36	77.02	94.19
1991	100.00	24.82	43.38	55.82	77.29	94.52
1992	100.00	27.54	45.88	58.01	78.48	94.94
1993	100.00	29.01	47.36	59.24	79.27	95.19
1994	100.00	28.86	47.52	59.45	79.55	95.23
1995	100.00	30.26	48.91	60.75	80.36	95.39
1996	100.00	32.31	50.97	62.51	81.32	95.68
1997	100.00	33.17	51.87	63.20	81.67	95.72
1998	100.00	34.75	53.84	65.04	82.69	95.79
1999	100.00	36.18	55.45	66.45	83.54	96.00
2000	100.00	37.42	56.47	67.33	84.01	96.09
2001	100.00	33.89	53.25	64.89	82.90	96.03
2002	100.00	33.71	53.80	65.73	83.90	96.50

Footnotes at end of Table 6.

Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986-2002

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns: [1]						
1986	102,087,623	51,043,811	76,565,717	91,878,861	96,983,242	101,066,747
1987	106,154,761	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213
1988	108,872,858	54,436,429	81,654,643	97,985,572	103,429,215	107,784,129
1989	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596
1990	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141
1991	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063
1992	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231
1993	113,681,387	56,840,693	85,261,040	102,313,248	107,997,318	112,544,573
1994	114,989,920	57,494,960	86,242,440	103,490,928	109,240,424	113,840,021
1995	117,274,186	58,637,093	87,955,640	105,546,767	111,410,477	116,101,444
1996	119,441,767	59,720,883	89,581,325	107,497,590	113,469,679	118,247,349
1997	121,503,284	60,751,642	91,127,463	109,352,956	115,428,120	120,288,251
1998	123,775,831	61,887,916	92,831,873	111,398,248	117,587,039	122,538,073
1999	126,008,974	63,004,487	94,506,731	113,408,077	119,708,525	124,748,884
2000	128,227,143	64,113,572	96,170,357	115,404,429	121,815,786	126,944,872
2001	128,817,051	64,408,526	96,612,788	115,935,346	122,376,198	127,528,880
2002	128,323,986	64,161,993	96,242,990	115,491,587	121,907,787	127,040,746
Adjusted gross income (millions of dollars):						
1986	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927
1987	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093
1988	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629
1989	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779
1990	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985
1991	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539
1992	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966
1993	3,775,578	563,279	1,417,625	2,301,115	2,727,326	3,254,992
1994	3,961,146	589,795	1,480,073	2,408,941	2,858,063	3,414,447
1995	4,244,607	617,065	1,554,788	2,540,094	3,021,884	3,624,997
1996	4,590,527	646,144	1,637,891	2,681,378	3,196,723	3,853,983
1997	5,023,457	695,465	1,755,857	2,872,056	3,426,350	4,150,631
1998	5,469,211	747,781	1,879,611	3,075,495	3,672,564	4,458,967
1999	5,909,329	783,164	1,982,021	3,256,494	3,897,565	4,756,509
2000	6,423,977	834,222	2,110,190	3,468,590	4,156,573	5,087,204
2001	6,241,036	861,750	2,170,001	3,550,447	4,244,543	5,146,740
2002	6,113,778	869,750	2,178,274	3,560,303	4,245,991	5,127,997
Total income tax (millions of dollars): [2]						
1986	366,979	23,690	88,002	166,276	210,739	272,488
1987	369,046	22,391	85,189	163,816	209,404	277,488
1988	412,761	23,616	91,464	176,350	224,459	298,920
1989	432,838	25,239	98,580	191,380	242,650	323,579
1990	447,061	25,986	102,721	199,547	251,973	334,723
1991	448,349	24,554	101,837	198,067	253,869	337,081
1992	476,163	24,093	102,463	199,950	257,683	345,007
1993	502,720	24,157	104,203	204,912	264,637	356,884
1994	534,754	25,499	109,353	216,852	280,648	380,418
1995	588,331	27,106	115,523	230,929	300,590	410,296
1996	658,124	28,440	122,960	246,720	322,691	445,498
1997	727,303	31,134	133,296	267,664	350,062	486,064
1998	788,452	33,212	136,488	275,615	363,946	514,442
1999	877,292	35,126	144,402	294,290	390,828	559,874
2000	980,521	38,343	156,816	320,371	426,851	613,592
2001	887,882	35,239	151,826	311,719	415,059	586,984
2002	796,862	27,899	128,304	273,050	368,182	528,254

Footnotes at end of table.

Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Average tax rate (percentage): [3]						
1986	14.54	5.63	8.51	10.15	11.00	12.17
1987	13.12	5.09	7.71	9.23	10.01	11.25
1988	13.21	5.06	7.80	9.32	10.05	11.28
1989	13.12	5.11	7.92	9.51	10.19	11.43
1990	12.95	5.01	7.86	9.44	10.09	11.28
1991	12.75	4.61	7.59	9.12	9.87	11.04
1992	12.94	4.39	7.42	8.94	9.73	10.93
1993	13.32	4.29	7.35	8.90	9.70	10.96
1994	13.50	4.32	7.39	9.00	9.82	11.14
1995	13.86	4.39	7.43	9.09	9.95	11.32
1996	14.34	4.40	7.51	9.20	10.09	11.56
1997	14.48	4.48	7.59	9.32	10.22	11.71
1998	14.42	4.44	7.26	8.96	9.91	11.54
1999	14.85	4.49	7.29	9.04	10.03	11.77
2000	15.26	4.60	7.43	9.24	10.27	12.06
2001	14.23	4.09	7.00	8.78	9.78	11.41
2002	13.03	3.21	5.89	7.67	8.67	10.30
Adjusted gross income share (percentage):						
1986	100.00	16.66	40.96	64.88	75.89	88.70
1987	100.00	15.63	39.25	63.10	74.33	87.68
1988	100.00	14.93	37.56	60.55	71.49	84.84
1989	100.00	14.96	37.72	61.00	72.16	85.81
1990	100.00	15.03	37.87	61.23	72.38	86.00
1991	100.00	15.13	38.15	61.80	73.17	87.01
1992	100.00	14.92	37.53	60.77	71.99	85.77
1993	100.00	14.92	37.55	60.95	72.24	86.21
1994	100.00	14.89	37.36	60.81	72.15	86.20
1995	100.00	14.54	36.63	59.84	71.19	85.40
1996	100.00	14.08	35.68	58.41	69.64	83.96
1997	100.00	13.84	34.95	57.17	68.21	82.63
1998	100.00	13.67	34.37	56.23	67.15	81.53
1999	100.00	13.25	33.54	55.11	65.96	80.49
2000	100.00	12.99	32.85	53.99	64.70	79.19
2001	100.00	13.81	34.77	56.89	68.01	82.47
2002	100.00	14.23	35.63	58.23	69.45	83.88
Total income tax share (percentage):						
1986	100.00	6.46	23.98	45.31	57.43	74.25
1987	100.00	6.07	23.08	44.39	56.74	75.19
1988	100.00	5.72	22.16	42.72	54.38	72.42
1989	100.00	5.83	22.78	44.22	56.06	74.76
1990	100.00	5.81	22.98	44.64	56.36	74.87
1991	100.00	5.48	22.71	44.18	56.62	75.18
1992	100.00	5.06	21.52	41.99	54.12	72.46
1993	100.00	4.81	20.73	40.76	52.64	70.99
1994	100.00	4.77	20.45	40.55	52.48	71.14
1995	100.00	4.61	19.64	39.25	51.09	69.74
1996	100.00	4.32	18.68	37.49	49.03	67.69
1997	100.00	4.28	18.33	36.80	48.13	66.83
1998	100.00	4.21	17.31	34.96	46.16	65.25
1999	100.00	4.00	16.46	33.55	44.55	63.82
2000	100.00	3.91	15.99	32.67	43.53	62.58
2001	100.00	3.97	17.10	35.11	46.75	66.11
2002	100.00	3.50	16.10	34.27	46.20	66.29

N/A-- Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Tables 5 and 6. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2002, there were 4,734 returns with no adjusted gross income that reported income tax, mostly alternative minimum tax, totaling $126.7 million.

[2] Total income tax is the sum of income tax after credits and alternative minimum tax for 1999 and prior years (for 2000 and later years alternative minimum tax is included in income tax before credits) on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1 and Figure D.

[3] The average tax rate was computed by dividing total income tax (see footnote 2) by (positive) adjusted gross income.

Table 7.--Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986-2002

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
1986	101,988,805	1,019,888	5,099,440	10,198,881	25,497,201	50,994,402
1987	106,191,624	1,061,916	5,309,581	10,619,162	26,547,906	53,095,812
1988	108,879,154	1,088,792	5,443,958	10,887,915	27,219,788	54,439,577
1989	111,328,835	1,113,288	5,566,442	11,132,884	27,832,209	55,664,418
1990	112,717,959	1,127,180	5,635,898	11,271,796	28,179,490	56,358,980
1991	113,823,123	1,138,231	5,691,156	11,382,312	28,455,781	56,911,562
1992	112,687,747	1,126,877	5,634,387	11,268,775	28,171,937	56,343,874
1993	113,721,706	1,137,217	5,686,085	11,372,171	28,430,426	56,860,853
1994	115,061,112	1,150,611	5,753,056	11,506,111	28,765,278	57,530,556
1995	117,333,779	1,173,338	5,866,689	11,733,378	29,333,445	58,666,889
1996	119,487,813	1,194,878	5,974,391	11,948,781	29,871,953	59,743,906
1997	121,555,156	1,215,552	6,077,758	12,155,516	30,388,789	60,777,578
1998	123,852,016	1,238,520	6,192,601	12,385,202	30,963,004	61,926,008
1999	126,107,596	1,261,076	6,305,380	12,610,760	31,526,899	63,053,798
2000	128,340,271	1,283,403	6,417,014	12,834,027	32,085,068	64,170,135
2001	128,863,007	1,288,630	6,443,150	12,886,301	32,215,752	64,431,504
2002	128,415,184	1,284,152	6,420,759	12,841,518	32,103,796	64,207,592
Income floor on percentiles (current dollars):						
1986	N/A	147,863	68,362	52,035	33,623	17,909
1987	N/A	145,624	69,222	53,094	34,165	17,959
1988	N/A	161,774	73,451	55,532	35,432	18,534
1989	N/A	169,603	77,542	58,429	36,783	19,152
1990	N/A	174,813	80,400	60,623	38,026	19,947
1991	N/A	180,268	83,300	62,413	38,913	20,302
1992	N/A	197,031	87,370	65,283	40,423	21,041
1993	N/A	199,698	88,992	66,685	41,013	21,390
1994	N/A	210,742	93,186	69,118	42,480	22,000
1995	N/A	224,523	98,420	72,210	43,860	22,575
1996	N/A	246,268	103,489	75,574	45,508	23,378
1997	N/A	268,889	110,949	79,598	47,738	24,551
1998	N/A	301,513	120,262	84,904	50,232	25,612
1999	N/A	332,253	126,643	89,172	52,399	26,487
2000	N/A	353,945	134,128	93,715	54,592	27,647
2001	N/A	323,861	131,728	93,633	55,203	28,404
2002	N/A	315,937	132,253	93,833	55,695	28,541
Income floor on percentiles (constant dollars): [1]						
1986	N/A	134,912	62,374	47,477	30,678	16,340
1987	N/A	128,190	60,935	46,738	30,075	15,809
1988	N/A	136,749	62,089	46,942	29,951	15,667
1989	N/A	136,777	62,534	47,120	29,664	15,445
1990	N/A	133,751	61,515	46,383	29,094	15,262
1991	N/A	132,355	61,160	45,825	28,571	14,906
1992	N/A	140,436	62,274	46,531	28,812	14,997
1993	N/A	138,199	61,586	46,149	28,383	14,803
1994	N/A	142,201	62,879	46,638	28,664	14,845
1995	N/A	147,325	64,580	47,382	28,780	14,813
1996	N/A	156,959	65,959	48,167	29,004	14,900
1997	N/A	167,532	69,127	49,594	29,743	15,297
1998	N/A	183,962	73,375	51,802	30,648	15,627
1999	N/A	199,432	76,016	53,525	31,452	15,899
2000	N/A	205,543	77,891	54,422	31,703	16,055
2001	N/A	182,869	74,381	52,870	31,171	16,038
2002	N/A	175,618	73,515	52,158	30,959	15,865

Footnotes at end of Table 8.

Table 7.--Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Income (millions of dollars):						
1986	2,804,691	427,513	796,935	1,097,550	1,732,231	2,368,620
1987	2,856,118	363,880	749,240	1,067,438	1,741,747	2,411,715
1988	3,153,639	484,675	911,170	1,255,108	1,973,061	2,683,524
1989	3,336,571	486,976	947,363	1,317,619	2,085,003	2,838,481
1990	3,497,118	504,687	987,582	1,376,162	2,182,091	2,973,847
1991	3,577,337	478,756	985,590	1,390,924	2,224,979	3,038,428
1992	3,763,002	556,421	1,090,019	1,509,728	2,369,701	3,206,490
1993	3,849,532	554,075	1,105,014	1,537,285	2,422,475	3,278,866
1994	4,033,642	579,564	1,161,972	1,617,250	2,544,400	3,436,167
1995	4,317,506	653,717	1,284,726	1,772,890	2,754,988	3,692,267
1996	4,670,644	772,868	1,462,979	1,984,931	3,025,107	4,015,461
1997	5,112,706	918,007	1,679,877	2,242,353	3,353,245	4,409,075
1998	5,626,390	1,072,779	1,925,214	2,542,399	3,742,006	4,869,467
1999	6,082,931	1,236,081	2,166,370	2,825,789	4,099,929	5,290,805
2000	6,601,494	1,424,436	2,430,957	3,138,299	4,495,910	5,758,808
2001	6,361,523	1,159,037	2,121,055	2,828,677	4,202,776	5,491,703
2002	6,262,714	1,057,775	2,005,658	2,712,226	4,092,069	5,383,263
Total income tax (millions of dollars): [2]						
1986	366,763	93,128	155,553	198,862	277,578	342,296
1987	368,924	89,908	158,485	204,050	282,970	346,228
1988	412,549	112,208	186,793	235,121	320,152	388,631
1989	432,643	107,508	188,588	240,229	333,285	407,106
1990	446,906	110,530	192,991	245,856	342,926	420,345
1991	448,177	107,926	192,548	246,745	345,168	423,180
1992	476,067	127,361	216,303	272,361	372,352	451,494
1993	502,638	142,329	235,908	294,238	397,261	477,997
1994	534,693	150,133	250,770	314,909	423,743	508,540
1995	588,292	173,877	284,036	354,427	471,035	560,748
1996	658,059	208,071	331,404	407,726	532,750	628,918
1997	731,123	238,978	376,046	459,674	595,060	699,131
1998	783,437	262,464	413,303	503,577	644,182	749,547
1999	877,199	307,382	479,531	577,903	729,679	841,172
2000	980,459	355,911	546,102	654,155	819,937	941,304
2001	887,770	291,907	466,057	570,430	732,094	851,539
2002	796,763	259,192	420,834	517,937	664,670	767,890
Average tax rate (percentage): [3]						
1986	13.08	21.78	19.52	18.12	16.02	14.45
1987	12.92	24.71	21.15	19.12	16.25	14.36
1988	13.08	23.15	20.50	18.73	16.23	14.48
1989	12.97	22.08	19.91	18.23	15.98	14.34
1990	12.78	21.90	19.54	17.87	15.72	14.13
1991	12.53	22.54	19.54	17.74	15.51	13.93
1992	12.65	22.89	19.84	18.04	15.71	14.08
1993	13.06	25.69	21.35	19.14	16.40	14.58
1994	13.26	25.90	21.58	19.47	16.65	14.80
1995	13.63	26.60	22.11	19.99	17.10	15.19
1996	14.09	26.92	22.65	20.54	17.61	15.66
1997	14.30	26.03	22.39	20.50	17.75	15.86
1998	13.92	24.47	21.47	19.81	17.21	15.39
1999	14.42	24.87	22.14	20.45	17.80	15.90
2000	14.85	24.99	22.46	20.84	18.24	16.35
2001	13.96	25.19	21.97	20.17	17.42	15.51
2002	12.72	24.50	20.98	19.10	16.24	14.26

Footnotes at end of Table 8.

Table 7.--Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Income share (percentage):						
1986	100.00	15.24	28.41	39.13	61.76	84.45
1987	100.00	12.74	26.23	37.37	60.98	84.44
1988	100.00	15.37	28.89	39.80	62.56	85.09
1989	100.00	14.60	28.39	39.49	62.49	85.07
1990	100.00	14.43	28.24	39.35	62.40	85.04
1991	100.00	13.38	27.55	38.88	62.20	84.94
1992	100.00	14.79	28.97	40.12	62.97	85.21
1993	100.00	14.39	28.71	39.93	62.93	85.18
1994	100.00	14.37	28.81	40.09	63.08	85.19
1995	100.00	15.14	29.76	41.06	63.81	85.52
1996	100.00	16.55	31.32	42.50	64.77	85.97
1997	100.00	17.96	32.86	43.86	65.59	86.24
1998	100.00	19.07	34.22	45.19	66.51	86.55
1999	100.00	20.32	35.61	46.45	67.40	86.98
2000	100.00	21.58	36.82	47.54	68.10	87.23
2001	100.00	18.22	33.34	44.47	66.07	86.33
2002	100.00	16.89	32.03	43.31	65.34	85.96
Total income tax share (percentage):						
1986	100.00	25.39	42.41	54.22	75.68	93.33
1987	100.00	24.37	42.96	55.31	76.70	93.85
1988	100.00	27.20	45.28	56.99	77.60	94.20
1989	100.00	24.85	43.59	55.53	77.03	94.10
1990	100.00	24.73	43.18	55.01	76.73	94.06
1991	100.00	24.08	42.96	55.06	77.02	94.42
1992	100.00	26.75	45.44	57.21	78.21	94.84
1993	100.00	28.32	46.93	58.54	79.04	95.10
1994	100.00	28.08	46.90	58.90	79.25	95.11
1995	100.00	29.56	48.28	60.25	80.07	95.32
1996	100.00	31.62	50.36	61.96	80.96	95.57
1997	100.00	32.69	51.43	62.87	81.39	95.62
1998	100.00	33.50	52.76	64.28	82.23	95.67
1999	100.00	35.04	54.67	65.88	83.18	95.89
2000	100.00	36.30	55.70	66.72	83.63	96.01
2001	100.00	32.88	52.50	64.25	82.46	95.92
2002	100.00	32.53	52.82	65.01	83.42	96.38

Footnotes at end of Table 8.

Table 8.--Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986-2002

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
1986	101,988,805	50,994,402	76,491,604	91,789,924	96,889,365	100,968,917
1987	106,191,624	53,095,812	79,643,718	95,572,462	100,882,043	105,129,708
1988	108,879,154	54,439,577	81,659,366	97,991,239	103,435,196	107,790,362
1989	111,328,835	55,664,417	83,496,626	100,195,951	105,762,393	110,215,547
1990	112,717,959	56,358,980	84,538,469	101,446,163	107,082,061	111,590,779
1991	113,823,123	56,911,562	85,367,342	102,440,811	108,131,967	112,684,892
1992	112,687,747	56,343,874	84,515,810	101,418,972	107,053,360	111,560,870
1993	113,721,706	56,860,853	85,291,280	102,349,535	108,035,621	112,584,489
1994	115,061,112	57,530,556	86,295,834	103,555,001	109,308,056	113,910,501
1995	117,333,779	58,666,890	88,000,334	105,600,401	111,467,090	116,160,441
1996	119,487,813	59,743,907	89,615,860	107,539,032	113,513,422	118,292,935
1997	121,555,156	60,777,578	91,166,367	109,399,640	115,477,398	120,339,604
1998	123,852,016	61,926,008	92,889,012	111,466,814	117,659,415	122,613,496
1999	126,107,596	63,053,798	94,580,697	113,496,836	119,802,216	124,846,520
2000	128,340,271	64,170,135	96,255,203	115,506,243	121,923,257	127,056,868
2001	128,863,007	64,431,504	96,647,255	115,976,706	122,419,857	127,574,377
2002	128,415,184	64,207,592	96,311,388	115,573,666	121,994,425	127,131,032
Income (millions of dollars):						
1986	2,804,691	436,071	1,072,460	1,707,142	2,007,756	2,377,178
1987	2,856,118	444,403	1,114,372	1,788,680	2,106,878	2,492,238
1988	3,153,639	470,115	1,180,578	1,898,531	2,242,469	2,668,964
1989	3,336,571	498,089	1,251,567	2,018,952	2,389,207	2,849,595
1990	3,497,118	523,271	1,315,027	2,120,956	2,509,535	2,992,431
1991	3,577,337	538,910	1,352,358	2,186,413	2,591,748	3,098,582
1992	3,763,002	556,512	1,393,300	2,253,273	2,672,983	3,206,581
1993	3,849,532	570,666	1,427,057	2,312,247	2,744,518	3,295,456
1994	4,033,642	597,475	1,489,242	2,416,392	2,871,670	3,454,078
1995	4,317,506	625,239	1,562,518	2,544,615	3,032,780	3,663,789
1996	4,670,644	655,183	1,645,537	2,685,713	3,207,665	3,897,777
1997	5,112,706	703,631	1,759,461	2,870,353	3,432,828	4,194,699
1998	5,626,390	756,923	1,884,384	3,083,991	3,701,176	4,553,611
1999	6,082,931	792,125	1,983,002	3,257,142	3,916,561	4,846,850
2000	6,601,494	842,686	2,105,584	3,463,195	4,170,537	5,177,058
2001	6,361,523	869,820	2,158,748	3,532,846	4,240,468	5,202,486
2002	6,262,714	879,451	2,170,646	3,550,488	4,257,056	5,204,939
Total income tax (millions of dollars): [2]						
1986	366,763	24,467	89,186	167,901	211,210	273,635
1987	368,924	22,696	85,954	164,874	210,439	279,016
1988	412,549	23,918	92,397	177,429	225,756	300,341
1989	432,643	25,537	99,358	192,414	244,055	325,135
1990	446,906	26,562	103,980	201,050	253,915	336,376
1991	448,177	24,997	103,009	201,432	255,629	340,251
1992	476,067	24,573	103,715	203,706	259,764	348,706
1993	502,638	24,641	105,377	208,400	266,730	360,309
1994	534,693	26,153	110,950	219,783	283,923	384,560
1995	588,292	27,544	117,257	233,864	304,256	414,415
1996	658,059	29,142	125,310	250,333	326,655	449,988
1997	731,123	31,992	136,063	271,450	355,078	492,146
1998	783,437	33,889	139,249	279,860	370,134	520,973
1999	877,199	36,027	147,520	299,294	397,669	569,817
2000	980,459	39,155	160,521	326,304	434,357	624,548
2001	887,770	36,230	155,676	317,341	421,713	595,863
2002	796,763	28,872	132,093	278,827	375,930	537,571

Footnotes at end of table.

Table 8.--Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986-2002--Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Average tax rate (percentage): [3]						
1986	13.08	5.61	8.32	9.84	10.52	11.51
1987	12.92	5.11	7.71	9.22	9.99	11.20
1988	13.08	5.09	7.83	9.35	10.07	11.25
1989	12.97	5.13	7.94	9.53	10.21	11.41
1990	12.78	5.08	7.91	9.48	10.12	11.24
1991	12.53	4.64	7.62	9.21	9.86	10.98
1992	12.65	4.42	7.44	9.04	9.72	10.87
1993	13.06	4.32	7.38	9.01	9.72	10.93
1994	13.26	4.38	7.45	9.10	9.89	11.13
1995	13.63	4.41	7.50	9.19	10.03	11.31
1996	14.09	4.45	7.62	9.32	10.18	11.54
1997	14.30	4.55	7.73	9.46	10.34	11.73
1998	13.92	4.48	7.39	9.07	10.00	11.44
1999	14.42	4.55	7.44	9.19	10.15	11.76
2000	14.85	4.65	7.62	9.42	10.41	12.06
2001	13.96	4.17	7.21	8.98	9.95	11.45
2002	12.72	3.28	6.09	7.85	8.83	10.33
Income share (percentage):						
1986	100.00	15.55	38.24	60.87	71.59	84.76
1987	100.00	15.56	39.02	62.63	73.77	87.26
1988	100.00	14.91	37.44	60.20	71.11	84.63
1989	100.00	14.93	37.51	60.51	71.61	85.40
1990	100.00	14.96	37.60	60.65	71.76	85.57
1991	100.00	15.06	37.80	61.12	72.45	86.62
1992	100.00	14.79	37.03	59.88	71.03	85.21
1993	100.00	14.82	37.07	60.07	71.29	85.61
1994	100.00	14.81	36.92	59.91	71.19	85.63
1995	100.00	14.48	36.19	58.94	70.24	84.86
1996	100.00	14.03	35.23	57.50	68.68	83.45
1997	100.00	13.76	34.41	56.14	67.14	82.04
1998	100.00	13.45	33.49	54.81	65.78	80.93
1999	100.00	13.02	32.60	53.55	64.39	79.68
2000	100.00	12.77	31.90	52.46	63.18	78.42
2001	100.00	13.67	33.93	55.53	66.66	81.78
2002	100.00	14.04	34.66	56.69	67.97	83.11
Total income tax share (percentage):						
1986	100.00	6.67	24.32	45.78	57.59	74.61
1987	100.00	6.15	23.30	44.69	57.04	75.63
1988	100.00	5.80	22.40	43.01	54.72	72.80
1989	100.00	5.90	22.97	44.47	56.41	75.15
1990	100.00	5.94	23.27	44.99	56.82	75.27
1991	100.00	5.58	22.98	44.94	57.04	75.92
1992	100.00	5.16	21.79	42.79	54.56	73.25
1993	100.00	4.90	20.96	41.46	53.07	71.68
1994	100.00	4.89	20.75	41.10	53.10	71.92
1995	100.00	4.68	19.93	39.75	51.72	70.44
1996	100.00	4.43	19.04	38.04	49.64	68.38
1997	100.00	4.38	18.61	37.13	48.57	67.31
1998	100.00	4.33	17.77	35.72	47.24	66.50
1999	100.00	4.11	16.82	34.12	45.33	64.96
2000	100.00	3.99	16.37	33.28	44.30	63.70
2001	100.00	4.08	17.54	35.75	47.50	67.12
2002	100.00	3.62	16.58	34.99	47.18	67.47

N/A--Not applicable.

[1] For Table 7, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 2 of this article for further details.

[2] Total income tax is the sum of income tax after credits and the alternative minimum tax for 1999 and prior years. For 2000 and following years, alternative minimum tax is included in income tax before credits. (See Figure E.)

[3] Average tax rate was computed by dividing total income tax (see footnote 2) by income, using the 1979 income concept (see text and Figure G).

Unrelated Business Income Tax Returns, Tax Year 2001

by Margaret Riley

Tax Year 2001 marked the third consecutive year for which filings of Form 990-T, *Exempt Organization Business Income Tax Return*, declined. Overall, 35,540 organizations reported $7.9 billion of gross "unrelated business income" (UBI) on Tax Year 2001 Forms 990-T filed during 2002 and 2003, which represented 8-percent fewer filers and 6-percent less in gross UBI, compared to Tax Year 2000. For each of Tax Years 1999 and 2000, the number of returns filed declined by 9 percent. However, gross UBI increased for both of those years, by 2 percent and 9 percent, respectively. Unrelated business income is subject to taxation under the Internal Revenue Code. It is the portion of an otherwise Federally tax-exempt organization's total income that is produced from activities that are considered "not substantially related" to the stated mission for which the organization received the exemption.

Unrelated business (positive) taxable income (UBTI) and the associated unrelated business income tax (UBIT) reported on Form 990-T dropped sharply for Tax Year 2001. UBTI of $792.0 million and UBIT of $226.0 million were a respective 45-percent and 44-percent lower than UBTI and UBIT amounts reported for 2000. The number of returns filed with UBTI dropped 21 percent between the 2 years. After adjusting UBIT with certain credits and other taxes, the resulting total tax reported on Form 990-T was $221.5 million, a 45-percent decrease between 2000 and 2001 [1]. Figure A contains these and other statistics for selected major financial data items reported on Forms 990-T for Tax Years 2000 and 2001.

Total tax takes into account $226.0 million of unrelated business income tax, plus $0.5 million of alternative minimum tax, $1.4 million of "proxy tax" on certain nondeductible lobbying and political expenditures, and $0.02 million of "other" taxes, minus $6.4 million of tax credits [2, 3]. Tax credits included the foreign tax credit ($3.3 million), general business credit ($1.7 million), credit for prior-year minimum tax ($0.2 million), and "other" credits ($1.2 million).

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Figure A

Selected Items from Forms 990-T, Exempt Organization Business Income Tax Returns, Tax Years 2000-2001

[Money amounts are in thousands of dollars]

Item	2000	2001	Percentage change
	(1)	(2)	(3)
Number of returns, total	**38,567**	**35,540**	**-7.8**
With gross unrelated business income of $10,000 or less[1]	15,069	12,653	-16.0
With gross unrelated business income over $10,000 [1]	23,498	22,888	-2.6
With unrelated business taxable income	19,336	15,277	-21.0
Without unrelated business taxable income [2]	19,231	20,264	5.4
Gross unrelated business income	**8,413,385**	**7,900,464**	**-6.1**
Total deductions [3]	**7,703,052**	**7,882,907**	**2.3**
Unrelated business taxable income (less deficit)	**710,333**	**17,557**	**-97.5**
Unrelated business taxable income	1,427,441	791,963	-44.5
Deficit	717,109	774,406	8.0
Unrelated business income tax	**405,826**	**226,032**	**-44.3**
Total tax	**402,904**	**221,532**	**-45.0**

[1] Organizations with gross unrelated business income (UBI) between $1,000 (the filing threshold) and $10,000 were not required to report itemized expenses and deductions, or to complete return schedules. Those with gross UBI over $10,000 were required to fill out a more detailed "complete" return.

[2] Includes returns with deficits and "breakeven" returns with equal amounts of gross unrelated business income and total deductions.

[3] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services (GPSS). GPSS is a component of gross unrelated business income (on which the filing requirement is based). Total cost of sales and services was $2.3 billion for both 2000 and 2001.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

Background

Definition of Unrelated Business Income

Nonprofit organizations that are granted Federal tax exemption based on their mission-related purposes are allowed, within certain limits, to generate income from unrelated business activities; however, the income from these activities is subject to taxation. Unrelated business income is produced from an activity that is both conducted on a regular basis and not directly related to an organization's tax-exempt mission. The fact that the income may be used for furthering an organization's exempt purposes does

not alter the definition [4]. Any profits from an organization's unrelated business activities are taxed at regular corporate or trust income tax rates [5]. There are certain exclusions to this income taxation; some examples are engaging in business activities in which substantially all of the work is performed by volunteer labor; selling merchandise that the organization received as a gift or contribution; and operating certain games of chance, as specified in the Internal Revenue Code (IRC).

Form 990-T Filing Requirements

Organizations that are described in IRC sections 220(e), 401(a), 408(e), 408A, 501(c)(2)-(27), 529(a), and 530(a) must file a Form 990-T if they received $1,000 or more of gross income from business activities that were considered unrelated to the purposes for which they received tax-exempt status. (The various types of tax-exempt organizations subject to the unrelated business income tax provisions are described, by Code section, in the Appendix to this article.) IRC section 501(d) religious and apostolic organizations, farmers' cooperatives, and section 4941(a)(1) "nonexempt charitable trusts" report taxes on forms other than Form 990-T.

Most tax-exempt organizations are required to file an annual Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax* (used by organizations with annual gross receipts of less than $100,000 and total end-of-year assets of less than $250,000) [6]. The Form 990-T is required only for a tax year in which an organization has unrelated business income. While specific taxpayer information reported on an exempt organization's Form 990/990-EZ "information return" can be disclosed to the public, specific taxpayer information reported on its Form 990-T "tax return" cannot. Under disclosure rules governing the release of taxpayer information, only aggregate totals from Form 990-T can be presented in this article.

The Internal Revenue Service required organizations having accounting periods beginning in 2001 (and, therefore, ending between December 2001 and November 2002, for full-year return filers) to file a 2001 Form 990-T to report unrelated business income of $1,000 (the filing threshold) or more. The associated required due dates for filing Tax Year 2001 Forms 990-T generally spanned May 2002 to April 2003, but extensions of time to file beyond this period routinely were granted to many organizations. For all Internal Revenue Code (IRC) section 220(e), 401(a), 408(e), 408A, and 530(a) trusts, the required accounting period was Calendar Year 2001, and the filing date was April 15, 2002. Corresponding to the required filing dates, the Tax Year 2001 study sample was drawn from Forms 990-T processed by IRS throughout Calendar Years 2002 and 2003. (See the Data Sources and Limitations section of this article for detailed information on the study sample.) Because of the various accounting periods of the organizations filing a 2001 return, the financial activities covered in this article span the period January 2001 through November 2002, although 54 percent of Form 990-T filers had Calendar Year 2001 accounting periods.

Any returns filed by organizations with gross unrelated business income (UBI) below the $1,000 filing requirement threshold were excluded from the statistics presented in this article. Some of these returns were filed inadvertently; others were filed for a specific reason, such as to claim a refund of tax withheld erroneously on interest or dividend payments (reported on Form 1099) because the payer did not realize that the payee was a tax-exempt organization. Organizations with gross UBI between $1,000 and $10,000 were required to report only totals for expenses and deductions (except for the "specific deduction" and "net operating loss deduction," which all organizations reported separately). Organizations with gross UBI over $10,000 were required to report more detailed expense and deduction information.

Statistical Tables

At the end of this article, Tax Year 2001 statistics covering selected financial data (including gross UBI, total deductions, unrelated business taxable income (UBTI), and total income tax) are shown in Tables 1-5. Tables 6 and 7 provide data on detailed sources of UBI and deductions, respectively. Statistics shown in Table 1 are distributed by type of organization based on Internal Revenue Code sections. Tables 2, 4, 6, and 7 are distributed by size of gross UBI; Table 4 is also distributed by type of entity. Table 3 is distributed by size of UBTI, while Table 5 is distributed by unrelated business activity or industrial grouping.

Declines in Form 990-T Filings

The diminishing number of returns filed for Tax Years 1999-2001 was driven primarily by small income-size organizations, those with gross UBI of $10,000 or less. Their Form 990-T filings dropped 20 percent for 1999, 15 percent for 2000, and 16 percent for 2001. The composition of the small-income size filers, according to type of organization described in the Internal Revenue Code, differs greatly from that of their larger income-size counterparts.

Section 408(e) traditional Individual Retirement Accounts (IRA's) historically have accounted for a large portion of filers having gross UBI of $10,000 or less. As shown in Figure B, they accounted for 52 percent of Forms 990-T filed by small-income size organizations for 1998. Their representation within this group dwindled each consecutive tax year, falling to 18 percent for 2001. Other types of organizations that predominated in the smaller income-size group were section 501(c)(3) nonprofit "charitable" organizations, 501(c)(6) business leagues, chambers of commerce, and real estate boards, and 501(c)(7) recreational and social clubs [7].

As for larger income-size organizations, those having gross UBI over $10,000, the section 501(c)(3) charitable organizations consistently were the biggest group of filers, followed by the section 501(c)(6) and 501(c)(7) organizations. For 2001, the charities filed 42 percent of larger income-size returns (and 35 percent-36 percent of larger income-size returns for 1998-2000), and the section 501(c)(6) and 501(c)(7) filers accounted for 15 percent and 17 percent, respectively. Over the 1998-2001 period, the charitable organizations' proportions of total return filings grew each year in both income-size classes. In contrast to their significant representation in the smaller income-size group, the section 408(e) IRA's accounted for 5 percent or less of all larger income-size Forms 990-T in any year over the 4-year period.

While there may have been many factors affecting overall declines in the number of Form 990-T returns filed and amounts of taxable income reported over the Tax Year 2001 period, poor performance of U.S. equities markets played a large role in these declines for certain types of organizations. (As discussed in the Form 990-T Filing Requirements section, above, financial activities conducted by organizations filing Tax Year 2001 returns, in aggregate, spanned the period January 2001 through November 2002.) Throughout Calendar Years 2001 and 2002, the "Wilshire 5000 Composite Index" tracked numerous spikes of rising and falling index values, but, overall, equity market values declined substantially from the beginning of 2001 to the end of 2002 [8].

The types of Form 990-T filers most likely to be affected by market performance swings are organizations that pool securities and other assets in trusts operated on behalf of shareholders, or beneficiaries of employee benefit funds. A large part of this group is comprised of smaller income-size section 408(e) IRA trusts, which rely heavily on investments as an income source. It appears that the annual number of Forms 990-T filed by IRA trusts is closely tied with annual financial market fluctuations. (All trust filers have calendar-year accounting periods; so, their IRS tax year corresponds to annual market indexes.) Their filings rise and fall in tandem with the performances of their investments. Growing investment losses sustained from the end of 1999 through 2001 may be the principal reason why they filed fewer returns for each successive year, as the filing thresh-

Figure B

Form 990-T Filings of Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, by Size of Gross Unrelated Business Income (UBI), Tax Years 1998-2001

Selected Internal Revenue Code section, by size of gross UBI	1998	1999	2000	2001
	(1)	(2)	(3)	(4)
GROSS UBI OF $10,000 OR LESS				
Number of returns	**22,124**	**17,781**	**15,069**	**12,653**
	Percentage of returns filed			
408(e)	51.8	43.7	32.4	17.6
501(c)(3)	11.6	16.4	19.4	24.1
501(c)(6)	9.8	11.6	15.4	16.4
501(c)(7)	14.7	14.9	18.4	24.3
Percentage total	87.9	86.6	85.6	82.4
GROSS UBI OVER $10,000				
Number of returns	**24,084**	**24,369**	**23,498**	**22,888**
	Percentage of returns filed			
408(e)	4.9	3.8	2.7	1.2
501(c)(3)	34.6	35.7	36.5	41.8
501(c)(6)	16.9	16.8	16.0	15.2
501(c)(7)	14.9	16.4	17.2	17.2
Percentage total	71.3	72.7	72.4	75.4

NOTE: See the appendix to this article for a listing of the types of tax-exempt organizations, by the Internal Revenue Code section describing them.

old for Form 990-T is based on gross unrelated business income of $1,000 or more.

Selected Financial Data Distributions

Selected distributions of the Tax Year 2001 Form 990-T data show that decreases in major financial data items were widely dispersed. Figures C, D, and F contain Form 990-T data distributed by type of entity and size of gross UBI; type of organization, classified by Internal Revenue Code (IRC); and type of unrelated business activity or industrial grouping. Each of these figures compares Tax Years 2000 and 2001 amounts of gross unrelated business income, total deductions, and unrelated business taxable income.

Type of Entity and Size of Gross Unrelated Business Income (UBI)

The cross section of organizations in Figure C is distributed by type of entity, either tax-exempt corporation or tax-exempt trust, and size of gross UBI. The unrelated business taxable income of both corporate and trust filers of Form 990-T fell substantially from 2000 to 2001. In addition, across all income-size classes, the trusts had far higher rates of decline in gross UBI than the corporate entities for 2001.

Characteristically, the tax-exempt corporate entities account for disproportionately large shares of returns filed, gross UBI, and total deductions reported on Form 990-T, but more modest shares of UBTI. For the 5 years preceding Tax Year 2001, incorporated tax-exempt organizations' gross UBI was between 66 percent and 74 percent of the total reported by all organizations, and their UBTI ranged between 40 percent to 51 percent of aggregate total taxable income. Tax-exempt trusts accounted for the remaining 49 percent to 60 percent of aggregate UBTI during those years. For 2001, the tax-exempt corporations accounted for nearly three-fifths of UBTI. The tax-exempt trusts' shares of aggregate gross UBI and aggregate UBTI for 2001 were only 9 percent and 41 percent, respectively.

Overall, the trust entities filed 48-percent fewer Forms 990-T for 2001, compared to a slight increase in returns filed by corporate entities. Corporations reporting gross UBI of $10,000 or less filed nearly 7-percent more Form 990-T returns for 2001, com-

Figure C

Selected Form 990-T Financial Data Items, by Type of Entity and Size of Gross Unrelated Business Income (UBI), Tax Years 2000-2001

[Money amounts are in thousands of dollars]

Type of entity and size of gross unrelated business income (UBI)	Number of returns			Gross unrelated business income (UBI)			Total deductions			Unrelated business taxable income (UBTI) [1]		
	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All entities	**38,567**	**35,540**	**-7.8**	**8,413,385**	**7,900,464**	**-6.1**	**7,703,052**	**7,882,907**	**2.3**	**1,427,441**	**791,963**	**-44.5**
Tax-exempt corporations	**31,245**	**31,697**	**1.4**	**7,219,027**	**7,202,952**	**-0.2**	**7,203,007**	**7,486,872**	**3.9**	**714,035**	**469,167**	**-34.3**
$1,000 under $10,001[2]	9,474	10,102	6.6	44,324	45,108	1.8	50,874	49,129	-3.4	11,643	11,446	-1.7
$10,001 under $100,000[2]	13,992	13,861	-0.9	546,655	504,316	-7.7	542,103	538,075	-0.7	92,987	73,003	-21.5
$100,000 under $500,000	5,619	5,653	0.6	1,235,499	1,228,568	-0.6	1,287,214	1,299,717	1.0	126,603	104,492	-17.5
$500,000 under $1,000,000	1,051	993	-5.5	735,159	695,916	-5.3	730,279	721,172	-1.2	69,786	53,360	-23.5
$1,000,000 or more	1,109	1,088	-1.9	4,657,391	4,729,044	1.5	4,592,536	4,878,779	6.2	413,017	226,866	-45.1
Tax-exempt trusts	**7,322**	**3,843**	**-47.5**	**1,194,357**	**697,512**	**-41.6**	**500,045**	**396,035**	**-20.8**	**713,407**	**322,796**	**-54.8**
$1,000 under $10,001[2]	5,594	2,551	-54.4	16,467	5,745	-65.1	9,226	9,602	4.1	7,973	1,877	-76.5
$10,001 under $100,000[2]	1,160	798	-31.2	36,697	25,176	-31.4	29,743	14,150	-52.4	18,757	11,659	-37.8
$100,000 under $500,000	325	318	-2.2	76,152	67,436	-11.4	38,918	44,960	15.5	39,923	31,179	-21.9
$500,000 under $1,000,000	91	61	-33.0	64,289	43,923	-31.7	25,738	29,563	14.9	38,980	17,756	-54.4
$1,000,000 or more	152	116	-23.7	1,000,752	555,232	-44.5	396,420	297,759	-24.9	607,773	260,325	-57.2

[1] Unrelated business taxable income (UBTI) is tabulated from returns where the result of gross unrelated business income (UBI) minus total deductions is positive. Returns with deficits and "breakeven" returns with equal amounts of gross UBI and total deductions are excluded.

[2] The gross unrelated business income (UBI) brackets of "$1,000 under $10,001" and "$10,001 under $100,000" reflect the different filing requirements for organizations with gross UBI of $10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below $1,000 were not required to file Form 990-T.

NOTE: Detail may not add to totals because of rounding.

Figure D

Selected Form 990-T Financial Data Items, by Selected Internal Revenue Code Sections, Tax Years 2000-2001

[Money amounts are in thousands of dollars]

Selected Internal Revenue Code section	Number of returns			Gross unrelated business income (UBI)			Total deductions			Unrelated business taxable income (UBTI)[1]		
	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All sections	**38,567**	**35,540**	**-7.8**	**8,413,385**	**7,900,464**	**-6.1**	**7,703,052**	**7,882,907**	**2.3**	**1,427,441**	**791,963**	**-44.5**
401(a)	566	300	-47.0	176,647	92,887	-47.4	64,174	43,393	-32.4	114,242	58,500	-48.8
408(e)	5,516	2,499	-54.7	44,905	13,599	-69.7	15,381	3,879	-74.8	30,066	9,814	-67.4
501(c)(2)	245	250	2.0	83,538	105,164	25.9	83,594	95,881	14.7	10,135	24,016	137.0
501(c)(3)	11,497	12,618	9.8	4,780,148	4,811,839	0.7	4,828,648	5,080,304	5.2	469,089	292,308	-37.7
501(c)(4)	1,480	1,487	0.5	331,351	419,441	26.6	342,431	430,220	25.6	12,394	12,098	-2.4
501(c)(5)	2,484	2,213	-10.9	239,430	235,027	-1.8	234,413	233,862	-0.2	24,150	21,892	-9.3
501(c)(6)	6,086	5,569	-8.5	901,135	859,635	-4.6	882,345	860,503	-2.5	80,787	62,112	-23.1
501(c)(7)	6,825	6,997	2.5	561,235	504,800	-10.1	493,097	474,924	-3.7	106,452	72,491	-31.9
501(c)(8)	674	583	-13.5	104,702	109,454	4.5	103,490	111,948	8.2	6,957	4,688	-32.6
501(c)(9)	611	672	10.0	941,207	497,213	-47.2	410,645	285,679	-30.4	547,915	212,618	-61.2
All other sections	2,583	2,352	-8.9	249,087	251,405	0.9	244,834	262,314	7.1	25,254	21,426	-15.2

[1] Unrelated business taxable income (UBTI) is tabulated from returns where the result of gross unrelated business income (UBI) minus total deductions is positive. Returns with deficits and "breakeven" returns with equal amounts of gross UBI and total deductions are excluded.

NOTE: Detail may not add to totals because of rounding. See the appendix to this article for a listing of the types of tax-exempt organizations, by the Internal Revenue Code section describing them.

pared to a 54-percent decline in return filings by trusts in the same income bracket. Also, corporations in this income bracket had the smallest percentage decrease in taxable income, only 2 percent.

Type of Organization, Classified by Internal Revenue Code Section

Tax-exempt organizations classified by the IRC section describing them are shown in Figure D. Section 408(e) traditional Individual Retirement Accounts experienced the largest percentage decrease in the number of returns filed for 2001, followed by section 401(a) pension, profit-sharing, and stock-bonus plans. These tax-exempt trusts also had large percentage declines in gross UBI, total deductions, and UBTI, although their shares of the aggregate total of each of these financial items are comparatively small.

Voluntary employees' beneficiary associations (VEBA's), described under section 501(c)(9), also had sizable percentage decreases in these three items for 2001. Most VEBA's are formed as trusts, and, like the section 401(a) and 408(e) trusts, a large portion of their unrelated business incomes come from investments. Section 501(c)(7) recreational and social clubs were also somewhat affected by poor equity market performance during their Tax Year 2001 accounting periods. Investment income (less loss) made up 20 percent of their gross UBI for 2000, and then declined to 15 percent of their gross UBI for 2001. Between the 2 years, the amount of income (less loss) from their investments dropped 33 percent.

Any income received by section 408(e) and section 401(a) organizations from investments that were "debt-financed" (i.e., purchased with funds obtained from loans) is subject to taxation and must be reported on Form 990-T. All investment income of section 501(c)(9) VEBA's (and also section 501(c)(7) organizations) is taxed under the UBIT provisions, without regard to whether or not it was debt-financed. For 2001, virtually all of IRA trusts' gross UBI consisted of capital gain net income, combined partnership and S corporation income (less loss), and "other" unrelated debt-financed income. For the pension, profit-sharing, and stock bonus plans, these three Form 990-T income components accounted for 77 percent of gross UBI. Seventy-seven percent of VEBA's gross UBI was attributable to investment income (less loss).

The section 501(c)(2) holding companies and 501(c)(4) "social service" organizations experienced the largest percentage increases in gross UBI and

total deductions among the organizations shown in Figure D, but the number of returns they filed for 2001 was about the same as the number filed for 2000. The section 501(c)(2) title holding companies were the only group of organizations that realized a percentage increase in taxable income between 2000 and 2001.

Section 501(c)(3) nonprofit charitable organizations, which generally command more public interest than any other type of organization granted exemption from Federal income tax by the IRS, filed nearly 10-percent more returns for 2001. While their aggregate gross UBI was virtually unchanged, they reported total deductions that were, overall, 5-percent larger than those reported for 2000. For the 4,408 charitable organizations collectively reporting $292.3 million of total taxable UBI for 2001, aggregate UBTI dropped 38 percent from the amount reported for 2000. These charities reported 65 percent less in capital gain net income and 43 percent less in income (less loss) from partnerships and S corporations from 2000 to 2001. However, these two sources of income, combined, accounted for only 4 percent of charities' total gross UBI reported for 2001.

The group of charitable organizations with gross UBI above $10,000 (the income size requiring the reporting of detailed deductions on Form 990-T) accounted for nearly all of the total deductions claimed by section 501(c)(3) filers altogether, and their percentage changes in deductions and gross UBI mirrored those of the entire population of charitable organizations shown in Figure D. Section 501(c)(3) organizations with gross UBI above $10,000 are featured in Figure E, which shows selected itemized deductions reported for Tax Years 2000 and 2001. Reviewed individually, some aggregate itemized deductions increased, and others decreased over amounts reported for 2000.

For instance, salaries and wages, the second largest itemized deduction reported by charitable organizations for 2001, rose 14 percent, while advertising costs, the third largest, fell 8 percent. The catch-all "other deductions" item, which contains all amounts that were not included on more specifically defined lines on Form 990-T, was larger than any other itemized deduction amount reported by charities with gross UBI above $10,000, accounting for 45 percent of the total. Organizations are required to attach a schedule detailing items included in other deductions, but some organizations provide only a lump-sum amount, often described as "operating expenses." In these cases, the other deductions amount likely includes items that should have been reported on one of the more specifically defined Form 990-T deduction lines.

Figure E

Itemized Deductions of Internal Revenue Code Section 501(c)(3) Nonprofit Charitable Organizations With Gross Unrelated Business Income Over $10,000, Tax Years 2000-2001

[Money amounts are in thousands of dollars]

Deduction item	2000	2001	Percentage change
	(1)	(2)	(3)
Number of returns	**8,577**	**9,570**	**11.6**
Total deductions	**4,808,738**	**5,064,297**	**5.3**
Allocable to rental income	108,275	115,351	6.5
Allocable to unrelated debt-financed income	286,323	303,607	6.0
Direct advertising costs	432,771	397,697	-8.1
Salaries and wages	925,250	1,054,662	14.0
Depreciation	122,277	134,362	9.9
Contributions to employee benefit programs	139,353	152,640	9.5
Net operating loss deduction	124,909	100,213	-19.8
Excess exempt expenses [1]	156,455	146,035	-6.7
Other deductions	2,113,896	2,266,076	7.2
Deductions not shown	399,229	393,654	-1.4

[1] See the Explanation of Selected Terms section of this article for a definition of Excess Exempt Expenses.

NOTE: Detail may not add to totals because of rounding.

Primary Unrelated Business Activity or Industrial Grouping

Figure F presents Form 990-T data for selected primary unrelated business activities or industrial groupings, based on self-reported activity codes from the North Atlantic Industrial Classification System (NAICS) [9]. Organizations involved primarily in health care and controlled-organization activities, along with those conducting unrelated insurance and advertising activities, had fairly large percentage increases in gross UBI for 2001. The number of returns filed by organizations that reported advertising services as their primary unrelated business activity increased by 25 percent between 2000 and 2001, but the other three primary activities mentioned above experienced declines in the number of returns on which they were reported. Even though the aggregate gross UBI of organizations engaged in insurance and advertising activities increased, their aggregate

Figure F

Selected Form 990-T Financial Data Items, by Selected Primary Unrelated Business Activities or Industrial Groupings, Tax Years 2000-2001

[Money amounts are in thousands of dollars]

Selected primary unrelated business activity or industrial grouping	Number of returns			Gross unrelated business income (UBI)			Total deductions			Unrelated business taxable income (UBTI)[1]		
	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change	2000	2001	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All activities and groupings	**38,567**	**35,540**	**-7.8**	**8,413,385**	**7,900,464**	**-6.1**	**7,703,052**	**7,882,907**	**2.3**	**1,427,441**	**791,963**	**-44.5**
Finance, total	10,576	7,438	-29.7	1,760,222	1,096,504	-37.7	888,982	737,592	-17.0	919,238	401,627	-56.3
Investment activities of Code section 501(c)(7), (9), and (17) organizations [2,3]	3,783	3,656	-3.4	1,118,865	638,263	-43.0	542,962	401,753	-26.0	596,826	241,432	-59.5
Unrelated debt-financed activities, other than rental of real estate [3]	1,255	744	-40.7	241,918	88,662	-63.4	98,781	65,207	-34.0	150,358	36,237	-75.9
Passive income activities with controlled organizations [3]	419	308	-26.5	180,755	216,467	19.8	150,665	173,549	15.2	42,114	60,048	42.6
Funds and trusts [4]	4,100	1,793	-56.3	116,821	46,267	-60.4	43,320	23,021	-46.9	74,877	25,456	-66.0
Other finance	1,019	937	-8.0	101,863	106,845	4.9	53,255	74,062	39.1	55,064	38,454	-30.2
Insurance	1,583	1,279	-19.2	457,922	524,008	14.4	457,397	523,881	14.5	30,916	19,762	-36.1
Real estate and rental and leasing	5,283	5,986	13.3	827,943	838,648	1.3	806,280	843,248	4.6	114,595	95,766	-16.4
Professional, scientific, and technical services, total	6,812	8,026	17.8	1,603,908	1,734,111	8.1	1,592,894	1,805,501	13.3	112,592	71,199	-36.8
Advertising services	5,563	6,958	25.1	1,099,128	1,318,387	19.9	1,067,954	1,355,721	26.9	88,971	54,354	-38.9
Health care	902	822	-8.9	958,038	1,167,568	21.9	1,045,450	1,251,625	19.7	37,479	42,761	14.1
Arts, entertainment, and recreation	4,379	3,918	-10.5	609,856	585,665	-4.0	635,198	623,605	-1.8	37,886	24,904	-34.3
Accommodation and food services	2,818	2,897	2.8	526,734	525,752	-0.2	526,734	586,223	11.3	23,334	18,453	-20.9
All other activities and groupings	6,214	5,174	-16.7	1,668,762	1,428,208	-14.4	1,750,117	1,511,232	-13.6	151,401	117,491	-22.4

[1] Unrelated business taxable income (UBTI) is tabulated from returns where the result of gross unrelated business income (UBI) minus total deductions is positive. Returns with deficits and "breakeven" returns with equal amounts of gross UBI and total deductions are excluded.

[2] Section 501(c)(7) organizations are social and recreational clubs; section 501(c)(9) organizations are voluntary employees' beneficiary associations; and section 501(c)(17) organizations are supplemental unemployment benefit trusts.

[3] See the Explanation of Selected Terms section of this article for definitions of Investment Income (Less Loss), Unrelated Debt-Financed Income, and Income from Controlled Organizations.

[4] The Funds and trusts grouping is comprised of legal entities (funds, plans, accounts, trusts, programs) organized to pool securities or other assets on behalf of shareholders or beneficiaries of employee benefit or other trust funds. For Form 990-T filers, an overwhelming majority of organizations included in this grouping were section 408(e) traditional Individual Retirement Accounts (IRA's).

NOTE: Detail may not add to totals because of rounding.

taxable income fell by a respective 36 percent and 39 percent.

Once again, large declines in UBTI from 2000 to 2001 are prevalent in Figure F for most of the primary unrelated business activities or industrial groupings shown. Healthcare activities and the special Form 990-T category of passive income activities with controlled organizations are the only two types of primary activities included in Figure F to show increases in UBTI. Notable is the fact that the unrelated business income tax rules for investment income from debt-financed property owned directly by an exempt organization did not apply to debt-financed investment income received indirectly, as a "pass-through," by an exempt organization from a controlled organization (a subsidiary). Therefore, the total amount of income (generally, annuities, interest, rents, and royalties) from controlled organizations that was reported on Form 990-T did not include any debt-financed investment income received as a pass-through. Accordingly, any losses connected with debt-financed investments of controlled organizations were not taken into account in figuring UBTI on the controlling exempt organization's Form 990-T. (For additional information on controlled organizations, see the definition of Income from Controlled Organiza-

tions in the Explanation of Selected Terms section of this article.)

Form 990-T filings, gross UBI, total deductions, and UBTI fell at the highest rates for certain organizations within the finance sector. Tax-exempt entities reporting unrelated debt-financed activities as their primary source of gross UBI and organizations engaged in financial activities within the funds and trusts grouping stand out, with respective decreases in taxable income of 76 percent and 66 percent. Again, these types of organizations, which rely heavily on passive income from investments, are highly susceptible to downturns in equities markets, adversely affecting their financial activities during the Tax Year 2001 period. In contrast to the declines in UBI and UBTI shown in Figure F for the unrelated debt-financed activities classification, the growth in UBI and UBTI for the passive income activities with controlled organizations classification can be largely attributed to the absence of losses from debt-financed investments. As noted, any investment income and losses associated with debt-financed property owned by a controlled organization are not reported by a controlling exempt organization on its Form 990-T.

It is often assumed that aggregate total gross UBI amounts reported on Form 990-T (and published by the IRS each year) are generated from direct involvement in commercial activities that are competitive with similar activities conducted by for-profit organizations, but this is not true for the entire population of organizations reporting UBI. Historically, especially when equities markets have performed well, large proportions of unrelated business taxable income and tax were attributable to trust entities that engaged in noncompetitive investment activities.

As noted in the discussion of Figure D, passive income from investments comprises most of the gross UBI of IRA trusts; pension, profit-sharing, and stock-bonus plans; and voluntary employees' beneficiary associations (VEBA's). For the majority of corporate tax-exempt entities, (debt-financed) investment activities are secondary to other types of activities that generate UBI, and these entities are more likely to be involved in activities that are deemed competitive with those conducted by for-profit organizations. The section 501(c)(3) charities, 98 percent of which were corporate entities for 2001, are a good example of this. In terms of the highest frequencies of a specific NAICS primary activity code being reported by the charities, the top three activities for 2001 were "medical and diagnostic laboratories," "advertising and related services," and "lessors of residential buildings and dwellings." Their top three primary NAICS activities, ranked by the largest amounts of gross UBI generated, were "medical and diagnostic laboratories," "advertising and related services," and "pharmacies and drug stores."

Summary

Overall, 35,540 organizations reported $7.9 billion of gross "unrelated business income" (UBI) on their 2001 Forms 990-T, *Exempt Organization Business Income Tax Returns*, which represented 8-percent fewer filers and 6-percent less in gross UBI, compared to Tax Year 2000. This was the third consecutive tax year for which filings of Form 990-T declined. Unrelated business (positive) taxable income (UBTI) and the associated unrelated business income tax (UBIT) reported on Form 990-T dropped sharply for Tax Year 2001. The $792.0 million of UBTI and the $226.0 million of UBIT represented declines of 45 percent and 44 percent, respectively, over amounts reported for 2000.

Figures C, D, and F in this article contain Form 990-T data for Tax Years 2000 and 2001, distributed, respectively, by type of tax-exempt entity (corporation or trust) and size of gross UBI; type of organization (classified by Internal Revenue Code section); and type of unrelated business activity or industrial grouping. Decreases in Forms 990-T filed, and in major financial data items reported, for 2001 were widely dispersed among each of these distributions, although certain types of organizations experienced much larger declines than others. Tax-exempt entities organized as trusts filed 48-percent fewer Forms 990-T and reported sizable decreases in gross UBI and UBTI. Trust entities in the smallest income bracket, those with $1,000 (the filing threshold) to $10,000 of gross UBI, filed 54-percent fewer returns for 2001, and their gross UBI and UBTI amounts were a respective 65-percent and 77-percent lower than comparable amounts reported for the previous year.

Section 408(e) traditional Individual Retirement Account (IRA) trusts filed 55-percent fewer returns for 2001, and they reported decreases of 70 percent in gross UBI and 67 percent in unrelated business taxable income (UBTI). Similarly, the number of

returns filed by section 401(a) pension, profit-sharing, and stock-bonus plans dropped 47 percent, and their total gross UBI and UBTI dropped a respective 47 percent and 49 percent. Section 501(c)(3) nonprofit charitable organizations filed nearly 10-percent more Forms 990-T for 2001. Their gross UBI grew by less than 1 percent, and their total deductions increased by slightly more than 5 percent. Thirty-eight percent of the charitable organizations had unrelated business income that was taxable, and the amount of taxable income was 38 percent less than total UBTI reported for 2000.

Form 990-T filings, gross UBI, total deductions, and UBTI fell at the highest rates for certain organizations engaging primarily in unrelated business activities within the finance sector. Tax-exempt organizations reporting unrelated debt-financed activities as their primary source of gross UBI, and those organizations engaged in financial activities within the "funds and trusts" grouping stand out, with respective decreases in taxable income of 76 percent and 66 percent. These types of organizations, which rely heavily on passive income from investments, were more likely to be adversely affected by poor equity market performance during Tax Year 2001.

Form 990-T filings, gross UBI, total deductions, and UBTI fell at the highest rates for certain organizations engaging primarily in unrelated business activities within the finance sector.

Data Sources and Limitations

The Tax Year 2001 Form 990-T study incorporated a two-stage sample design consisting of a stratified random sample and a special "integrated" sample. The integrated sample was designed to gather information on "related" (tax-exempt) and "unrelated" (taxable) income and expenses for section 501(c)(3) organizations that filed both Form 990, *Return of Organization Exempt from Income Tax* (or Form 990-EZ, the short-form version of this information return), and Form 990-T. This integrated sampling program ensured that the Statistics of Income sample of Forms 990-T included any unrelated business income tax returns (with gross UBI of $1,000 or more) filed by organizations whose Form 990 or Form 990-EZ information returns were selected for the separate sample of section 501(c)(3) nonprofit charitable organizations. Organizations exempt under other Code sections were not subjected to the integrated sampling program.

The Form 990-T returns were initially divided into strata, based on gross UBI, and selected using Bernouli sampling. Section 501(c)(3) returns not selected randomly were then matched to returns in the Forms 990/990-EZ sample. These matched returns, along with any randomly selected Forms 990-T that also had counterparts in the Forms 990/990-EZ sample, formed the "integrated" IRC section 501(c)(3) portion of the Form 990-T sample [10].

As shown in Figure G, the designed sampling rates ranged from a minimum of 2 percent (Form 990-T gross UBI less than $20,000, with either no Form 990/990-EZ match or a match to a Code section 501(c)(3) Form 990/990-EZ with total assets under $1,000,000) to a maximum of 100 percent (either Form 990-T gross UBI of $300,000 or more, or Form 990-T with any amount of gross UBI and a match to a section 501(c)(3) Form 990 with total assets of $30,000,000 or more). Other Forms 990-T were selected at rates ranging from 4 percent to 30 percent. In addition to designed sample rates, Figure G contains population counts, sample counts, and achieved sample rates, by size of gross unrelated business income reported on Form 990-T and size of total assets reported on Form 990 or Form 990-EZ.

The population from which the 2001 Form 990-T sample was drawn consisted of Form 990-T records posted to the IRS Business Master File system during 2002 and 2003. Returns filed after Calendar Year 2003 were not included in the sample, unless a return was considered a large income-size case (over $300,000 or more of gross UBI). The returns in the sample were stratified based on the size of gross unrelated business income (UBI). A sample of 6,846 returns was selected from a population of 35,672. After excluding returns that were selected for the sample but later rejected, the resulting sample size was 6,808 returns, and the estimated population size was 35,540. Rejected returns included those that had gross UBI below the $1,000 filing threshold; were filed only to claim a refund or report the "proxy tax"; were filed for a part-year accounting period for 2001, and a full-year return was also filed for that year; or were filed for a part-year accounting period that began in a year other than 2001. For example, a final

Figure G

Population and Sample Counts, and Designed and Achieved Sample Rates, by Sample Group, Tax Year 2001

Sample group number	Size of gross unrelated business income (UBI) on Form 990-T and size of total assets on matching IRC section 501(c)(3) Form 990 or Form 990-EZ[1]	Population counts	Sample counts	Designed sample rate	Achieved sample rate
				Percentages	
		(1)	(2)	(3)	(4)
1	Gross UBI $1,000 under $20,000 and total assets under $1,000,000, or Gross UBI $1,000 under $20,000 and no matching Form 990 or Form 990-EZ	15,496	313	2.00	2.02
2	Gross UBI $1,000 under $20,000 and total assets $1,000,000 under $2,500,000, or Gross UBI $20,000 under $60,000 and total assets under $2,500,000, or Gross UBI $20,000 under $60,000 and no matching Form 990 or Form 990-EZ	7,070	309	4.00	4.37
3	Gross UBI $1,000 under $60,000 and total assets $2,500,000 under $10,000,000, or Gross UBI $60,000 under $150,000 and total assets under $10,000,000, or Gross UBI $60,000 under $150,000 and no matching Form 990 or Form 990-EZ	5,464	545	10.00	9.97
4	Gross UBI $1,000 under $150,000 and total assets $10,000,000 under $30,000,000, or Gross UBI $150,000 under $300,000 and total assets under $30,000,000, or Gross UBI $150,000 under $300,000 and no matching Form 990 or Form 990-EZ	2,918	955	30.00	32.73
5	Gross UBI $300,000 or more, or total assets $30,000,000 or more	4,724	4,724	100.00	100.00
	All sample groups [2]	**35,672**	**6,846**	**N/A**	**N/A**

N/A - Not applicable.

[1]The Form 990-T sample included returns that were initially selected based on independent Form 990-T sampling criteria, and additional returns that were not initially selected but were subsequently matched to returns in the Forms 990 and 990-EZ sample of IRC section 501(c)(3) filers. Form 990-EZ may be completed by smaller organizations, those with gross receipts of less than $100,000 and end-of-year assets of less than $250,000.

[2]After excluding returns that were originally selected for the sample but later rejected, the sample size was 6,808, and the estimated population size was 35,540.

return filed for the short period of January 2002-June 2002 may have been initially selected for the 2001 sample based on the criterion of an accounting period that ended between December 2001 and November 2002, but it was later rejected because, in actuality, it was a Tax Year 2002 return.

The information presented in this article was obtained from returns as originally filed with the Internal Revenue Service. The data were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. In most cases, due to time constraints, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the database.

Because the data are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account. Figure H shows CV's for selected financial data. CV's are not shown for

Figure H

Coefficients of Variation for Selected Items, by Size of Gross Unrelated Business Income, Tax Year 2001

Size of gross unrelated business income	Number of returns	Gross unrelated business income	Total deductions	Unrelated business taxable income	Total tax
	Coefficient of variation (percentages)				
	(1)	(2)	(3)	(4)	(5)
Total	**0.12**	**0.21**	**0.32**	**0.98**	**0.88**
$1,000 under $10,001 [1]	3.11	4.91	12.28	10.46	11.20
$10,001 under $100,000 [1]	2.78	2.18	3.34	6.78	8.07
$100,000 under $300,000	2.39	1.89	2.28	6.11	7.33
$300,000 or more	N/A	N/A	N/A	N/A	N/A

N/A - Not applicable because the achieved sample rate was 100 percent.

[1] Organizations with gross unrelated business income (UBI) between $1,000 (the filing threshold) and $10,000 were not required to report itemized expenses and deductions, or to complete return schedules. Those with gross UBI over $10,000 were required to fill out a more detailed "complete" return.

returns with gross UBI of $300,000 or more because they were sampled at a 100-percent rate and, therefore, are not subject to sampling variability. A discussion of the reliability of estimates based on samples and methods for evaluating both the magnitude of sampling and nonsampling error and the precision of sample estimates can be found in the general Appendix, located near the back of this issue of the *SOI Bulletin*.

Explanation of Selected Terms

In some of the following explanations, tax-exempt organizations are cited by the Internal Revenue Code section under which they are described. The various types of tax-exempt organizations subject to the unrelated business income tax provisions are described by Code section in the Appendix to this article. In addition to helping the reader understand the terms contained in the written content of this article, these explanations are also helpful when using Tables 1 through 7 at the end of the article.

Advertising Income.--Gross income realized by a tax-exempt organization from the sale of advertising in a periodical was gross income from an unrelated trade or business activity involving the "exploitation of an exempt activity," namely, the circulation and readership of the periodical developed by producing and distributing the readership content of that periodical. Advertising income was reported separately from other types of "exploited exempt activity income." (See the explanation of Exploited Exempt Activity Income.) Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported gross advertising income, as well as other types of "exploited exempt activity income," as part of gross receipts from sales and services. All other organizations reported this income separately.

Capital Gain Net Income.--Generally, organizations required to file Form 990-T (except organizations tax-exempt under Internal Revenue Code sections 501(c)(7), (9), and (17)) were not taxed on net gains from the sale, exchange, or other disposition of property. However, capital gain net income on sales of debt-financed property, certain gains on the cutting of timber (section 1231), and gains on sales of certain depreciable property (described in sections 1245, 1250, 1252, 1254, and 1255) were taken into account in computing capital gain net income. Also, any gain or loss passed through from a partnership or S corporation, or any gain or loss on the disposition of S corporation stock by a "qualified tax-exempt" (defined in the explanation of Income (Less Loss) from Partnerships and S Corporations), was taxed as a capital gain or loss. (See the explanation of Investment Income (Less Loss) for information regarding investment income of section 501(c)(7), (9), and (17) organizations.)

Contributions.--To the extent permissible under the Internal Revenue Code, a deduction was allowed for contributions or gifts actually paid within the tax year to, or for the use of, another entity that was a charitable or Governmental organization described in Code section 170(c). A tax-exempt corporation was allowed a deduction for charitable contributions up to 10 percent of its unrelated business taxable income (UBTI) computed without regard to the deduction for contributions. A tax-exempt trust was generally allowed a deduction for charitable contributions under the rules applicable to individual taxpayers, except that the limit on the deduction was determined in relation to UBTI computed without regard to the contributions deduction, rather than in relation to adjusted gross income. Contributions in excess of the respective corporate or trust limitations may be carried over to the next 5 taxable years, subject to certain rules. The contributions deduction was allowed whether or not directly connected with the carrying on of a trade or business.

Cost of Sales and Services.--Cost of sales and services was reported as a lump-sum total, but may have included depreciation, salaries and wages, and certain other types of deductible items. For this reason, the total amount shown for some of the separately reported components of total deductions, such as "salaries and wages," may be understated. Cost of sales and services was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services, which is a component of gross unrelated business income (UBI). Because Form 990-T filing requirements are based on gross UBI, and cost of sales and services is factored into the computation of gross income, the deduction for cost of sales and services is reported in the gross income section of Form 990-T, not the deductions section.

Deductions Directly Connected With Unrelated Business Income.--These were deductions allowed in computing net income, if they otherwise

qualified as income tax deductions under the Internal Revenue Code and if they had a "proximate and primary" relationship to carrying on an unrelated trade or business. Allowable deductions included those allocable to rental of personal property; those allocable to unrelated debt-financed income; those allocable to investment income of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; those allocable to interest, annuities, royalties, and rents received from "controlled organizations" (see definition of Income from Controlled Organizations); those allocable to "exploited exempt activity income" other than advertising; direct advertising costs; compensation of officers, directors, and trustees; salaries and wages; repairs and maintenance; bad debts; interest; taxes and licenses; depreciation (unless deducted elsewhere); depletion; contributions to deferred compensation plans; contributions to employee benefit plans; the "net operating loss deduction"; and "other deductions." Tax-exempt organizations with gross unrelated business income (UBI) above $10,000 were required to report each deduction component separately. Organizations with gross UBI between $1,000 (the filing threshold) and $10,000 reported a single total of the first five types of directly-connected expenses listed above (those described as "allocable to") and a single total for all other types of deductions (both deductions directly connected with UBI and those not directly connected, each defined elsewhere in this section), except for two items that were required to be reported separately: the "net operating loss deduction" (directly connected) and the "specific deduction" (not directly connected), both also defined below.

Deductions Not Directly Connected With Unrelated Business Income.--The component deductions were "set-asides," "excess exempt expenses," charitable contributions, and the "specific deduction." The specific deduction was reported, when applicable, by all organizations with positive taxable income; the other types of deductions not directly connected with UBI were reported separately, when applicable, only by tax-exempt organizations with gross UBI above $10,000. (See, also, the explanations of Set-Asides, Excess Exempt Expenses, Contributions, and the Specific Deduction.)

Excess Exempt Expenses.--The two types of "excess" expenses allowed as deductions from unrelated business income were (1) excess exempt expenses attributable to commercial exploitation of exempt activities, and (2) excess exempt expenses attributable to advertising income. In the case of "exploited" exempt activity income (see the explanation of Exploited Exempt Activity Income, Except Advertising, below), if the expenses of the organization's exempt activity exceeded the income from the exempt activity, then the excess expenses could be used to offset any positive net unrelated business income produced from exploiting the exempt activity, to the extent that it did not result in a loss. Excess expenses of a commercially exploited exempt activity could not be used to offset income from another type of unrelated business activity if the unrelated activity did not exploit that particular exempt activity. In the case of excess exempt expenses attributable to advertising income, if the expenses attributable to producing and distributing the readership content of a periodical exceeded the circulation income, then the excess of readership costs over circulation income could be used to offset any net gain from advertising (gross advertising income less direct advertising costs), to the extent that it did not result in a loss.

Exploited Exempt Activity Income, Except Advertising.--In some cases, exempt activities create goodwill or other intangibles that are capable of being exploited in a commercial manner. When an organization exploited such an intangible in commercial activities that did not contribute importantly to the accomplishment of an exempt purpose, the income it produced was gross income from an unrelated trade or business. An example of this type of activity would be an exempt scientific organization with an excellent reputation in the field of biological research that exploits its reputation regularly by selling endorsements of laboratory equipment to manufacturers. Endorsing laboratory equipment would not have contributed importantly to the accomplishment of any purpose for which tax exemption was granted to the organization. Accordingly, the income from selling such endorsements is gross unrelated business income. Exploited exempt activity income from advertising was reported separately from other types of exploited exempt activity income (see the explanation of Advertising Income). Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported

income from exploited exempt activities as part of gross receipts from sales and services. All other organizations reported this income separately.

Gross Profit (Less Loss) from Sales and Services.--This was the gross profit (less loss) from any unrelated trade or business regularly carried on that involved the sale of goods or performance of services. It did not include income from unrelated business activities that were required to be reported separately on any of the tax form's supporting schedules. For example, an Internal Revenue Code section 501(c)(7) social club would include gross restaurant and bar receipts from nonmembers in the calculation of gross profit (less loss) from sales and services, but would report its investment income from sales of securities on the required supporting schedule. Gross profit (less loss) from sales and services is computed as gross receipts from sales or services, less returns and allowances, minus cost of sales and services.

Gross Unrelated Business Income (UBI).--This was the total gross unrelated business income prior to reduction by allowable deductions used in computing unrelated business taxable income. All organizations were required to report detailed sources of gross UBI. The components of gross UBI were gross profit (less loss) from sales and services; capital gain net income; net gain (less loss) from sales of noncapital assets; net capital loss deduction (trusts only); income (less loss) from partnerships and S corporations; rental income; unrelated debt-financed income; investment income (less loss) of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; income (annuities, interest, rents, and royalties) from controlled organizations; "exploited exempt activity" income, except advertising; advertising income; and "other" income (less loss). (For an explanation of these sources of income, see the separate explanations of each component.)

A tax-exempt organization's income was treated as unrelated business income if it was from a trade or business that was regularly carried on by the organization and that was not substantially related to the performance of the organization's exempt purpose or function (other than that the organization needed the profits derived from the unrelated activity). The term "trade or business" generally comprised any activities carried on for the production of income from selling goods or performing services. These activities did not lose their identity as trades or businesses merely because they were carried on within a larger aggregate of similar activities or within a larger complex of other endeavors that may, or may not, have been related to the exempt purposes of the organization. For example, soliciting, selling, or publishing commercial advertising is identified as a trade or business even though the advertising is published in an exempt organization's periodical that contains editorial matter related to the organization's exempt purpose.

Income from Controlled Organizations.--When an exempt organization controls another organization, the entire amount of gross annuities, interest, rents, and royalties (termed "specified payments") received from the controlled organization is included in the gross UBI of the controlling organization, to the extent that the specified payments were claimed as a deduction from the controlled organization's own UBI (in the case of an exempt controlled organization) or the "equivalent" of UBI (in the case of a nonexempt controlled organization). The equivalent of UBI was computed as if the nonexempt controlled organization were exempt and had the same exempt purpose as the controlling organization. "Control" meant: (a) for a stock corporation, the ownership (by vote or value) of more than 50 percent of the stock; (b) for a partnership, ownership of more than 50 percent of the profits or capital interests; or (c) for any other organization, ownership of more than 50 percent of the beneficial interests. All deductions "directly connected" with a Form 990-T filer's gross controlled-organization income were allowed. The rules for debt-financed property did not apply to passive income (generally, investment income) from controlled organizations. (See the definition of Unrelated Debt-Financed Income.)

Income (Less Loss) from Partnerships and S Corporations.--If an organization was a partner in any partnership that carried on an unrelated trade or business, this income item included the organization's share of partnership gross unrelated business income less its share of partnership deductions that were directly connected with the unrelated income. If an organization was a "qualified tax-exempt" that held stock in an S corporation, this income item included the income or loss from the stock interest. The stock interest was treated as an unrelated trade or business, and all items of income, loss, or deduction were

taken into account in computing unrelated business taxable income. A "qualified tax-exempt" was an organization described in Internal Revenue Code section 401(a) (qualified stock bonus, pension, or profit-sharing plan) or section 501(c)(3), and exempt from tax under section 501(a).

Investment Income (Less Loss).--This income was reported only by organizations exempt under Internal Revenue Code sections 501(c)(7), (9), and (17) and included such income as gross unrelated debt-financed income, gross income from the ownership or sale of securities, and set-asides deducted from investment income in previous years that were subsequently used for a purpose other than that for which a deduction was allowed. (See, also, the explanation of Set-Asides.) All gross rents (except those that were exempt-function income) of section 501(c)(7), (9), and (17) organizations were treated as unrelated business income and were reported as "rental income." Organizations exempt under sections other than 501(c)(7), (9), and (17) did not report "investment income (less loss)." Generally, these organizations' investment income (dividends, interest, rents, and annuities) and royalty income were not taxed as unrelated business income, unless it was income, other than dividends, from a controlled organization or debt-financed income, or the rents were of the type described in the explanation of rental income. (See explanations of Income from Controlled Organizations, Rental Income, and Unrelated Debt-Financed Income.)

Net Capital Loss (Trusts Only).--If a trust had a net loss from sales or exchanges of capital assets, it was allowed a deduction for the amount of the net loss or $3,000, whichever was lower. (Tax-exempt corporations were not allowed to deduct any excesses of capital losses over capital gains.) Tax-exempt trusts reported the net capital loss deduction on Form 990-T as a component of gross unrelated business income, and it was subtracted when computing total gross UBI.

Net Gain (Less Loss), Sales of Noncapital Assets.--This was the gain or loss from the sale or exchange of business property, as reported on Form 4797, *Sales of Business Property*. Property other than capital assets generally included property of a business nature, in contrast to personal and investment properties, which were capital assets.

Net Operating Loss Deduction (NOLD).--The net operating loss carryover or carryback (as described in Internal Revenue Code section 172) was allowed as a deduction (limited to the current-year excess of receipts over deductions, prior to applying the NOLD) in computing unrelated business taxable income. However, the net operating loss carryover or carryback (allowed only to or from a tax year for which the organization was subject to tax on unrelated business income) was determined without taking into account any amount of exempt-function income or deductions that had been excluded from the computation of unrelated business taxable income. A "net operating loss" represented the excess of deductions over receipts for a specified year for which an organization reported an overall deficit from its unrelated trade or business activities. The net operating loss deduction statistics in this article represent only net operating loss carryovers from prior years because carrybacks from future years would be reported in a later year on an amended return, not on the return as initially filed (which served as the basis for the statistics).

Other Deductions.--This included all types of unrelated business deductions that were not specifically required to be reported elsewhere on the tax return. Examples are fees for accounting, legal, consulting, or financial management services; insurance costs (if not for employee-related benefits); equipment costs; mailing costs; office expenses, such as janitorial services, supplies, or security services; rent; travel expenses; educational expenses; and utilities.

Other Income (Less Loss).--This included all types of unrelated business income that were not specifically required to be reported elsewhere on the tax return. Examples are insurance benefit fees; member support fees; commissions; returned contributions that were deducted in prior years; income from insurance activities that was not properly set aside in prior years; recoveries of bad debts; and refunds of State or local government tax payments, if the payments were previously reported as a deduction.

Proxy Tax.--This was a tax on certain nondeductible lobbying and political expenditures. A membership organization that was tax-exempt under Internal Revenue Code sections 501(c)(4), 501(c)(5), or 501(c)(6) was liable for the proxy tax if the organi-

zation did not notify its members of the shares of their dues that were allocated to the nondeductible lobbying and political expenditures, or if the notice did not include the entire amount of dues that was allocated. The proxy tax was computed as 35 percent of the aggregate amount of nondeductible lobbying expenditures that was not included in the notices sent to the organization's members. The proxy tax was required to be reported on Form 990-T and was included in total tax; however, there was no connection between the proxy tax and the taxation of income from an organization's unrelated business activities.

Rental Income.--For organizations tax-exempt under Internal Revenue Code sections other than 501(c)(7), (9), and (17), this was the amount of (1) gross rents from personal property (e.g., computer equipment or furniture) leased with real property, if the rental income from the personal property was more than 10 percent, but not more than 50 percent, of the total rents from all leased property; or (2) gross rents from both real property and personal property leased with real property if the personal property was more than 50 percent of the total rents from all leased property. Except for the second situation covered above, gross rents from real property were generally excluded in computing unrelated business taxable income. In addition, gross rents from personal property that did not exceed 10 percent of the total rents from all leased property were excluded (and not included in gross UBI). Any rents not covered by the explanation of "rental income" had to be considered in terms of their taxability as unrelated business income from controlled organizations or unrelated debt-financed income, in that order. For organizations tax-exempt under sections 501(c)(7), (9), and (17), rental income included all gross rents (except those that were exempt-function income), with no exclusions. (See explanations of Income from Controlled Organizations and Unrelated Debt-Financed Income.)

Set-Asides.--This deduction from investment income was allowed to social and recreational clubs (Internal Revenue Code section 501(c)(7)), voluntary employees' beneficiary associations (section 501(c)(9)), and supplemental unemployment benefit trusts (section 501(c)(17)). The deduction was equal to the amount of passive income (generally, investment income) that these organizations set aside (1) to be used for charitable purposes or (2) to provide payment of life, health, accident, or other insurance benefits (section 501(c)(9) and (17) organizations only). However, any amounts set aside that exceeded the "qualified asset account" limit, as figured under section 419A, were not allowed as a deduction from unrelated business investment income; they were treated as taxable investment income. A section 419A qualified asset account is any account consisting of assets set aside to provide for the payment of disability benefits, medical benefits, severance pay benefits, or life insurance benefits.

Specific Deduction.--The specific deduction was $1,000 or the amount of positive taxable income, whichever was less. The amount deducted was considered "not directly connected" with gross unrelated business income and was allowed to all organizations that had positive taxable income after all other types of deductions were taken. This deduction provided the equivalent benefit of the $1,000 gross unrelated business income filing threshold under which some organizations were exempted from filing a return and paying the unrelated business income tax.

Total Deductions.--Total deductions included both deductions reported on the main part of Form 990-T and expense items reported on any of six supporting schedules, which were also part of the tax form. It excluded cost of sales and services ($2.3 billion for 2001), which was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services, which is a component of gross unrelated business income (UBI). (See the explanation of Cost of Sales and Services.)

Total Tax.--Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the "proxy tax" on certain lobbying and political expenditures, the "alternative minimum tax," and "other" taxes.

Unrelated Business Income (UBI).--See definition of Gross Unrelated Business Income (UBI).

Unrelated Business Income Tax.--This was the tax imposed on unrelated business taxable income. It was determined based on the regular corporate or trust income tax rates that were in effect for the 2001 Tax Year, as shown in the following schedules.

Tax Rates for Corporations

Amount of unrelated business taxable income is:

Over—	But not over—	Tax is:	Of the amount over—
$ 0	$50,000	15%	$0
50,000	75,000	$7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	10,000,000	113,900 + 34%	335,000
10,000,000	15,000,000	3,400,000 + 35%	10,000,000
15,000,000	18,333,333	5,150,000 + 38%	15,000,000
18,333,333	--	35%	0

Tax Rates for Trusts

Amount of unrelated business taxable income is:

Over—	But not over—	Tax is:	Of the amount over—
$ 0	$1,800	15%	$0
1,800	4,250	$262.50 + 27.5%	1,800
4,250	6,500	934.50 + 30.5%	4,250
6,500	8,900	1,601.00 + 35.5%	6,500
8,900	--	2,482.00 + 39.1%	8,900

Unrelated Business Taxable Income (Less Deficit).--This was gross income derived from any unrelated trade or business regularly carried on by an exempt organization, less deductions directly connected with carrying on the trade or business and less other allowable deductions not directly connected. On a return-by-return basis, the result of this computation was either positive (unrelated business taxable income), negative (deficit), or zero. Taxable income was subject to the unrelated business income tax. (See, also, explanations of Deductions Directly Connected With Unrelated Business Income and Deductions Not Directly Connected With Unrelated Business Income.)

Unrelated Debt-Financed Income.--Gross income from investment property for which acquisition indebtedness was outstanding at any time during the tax year was subject to the unrelated business income (UBI) tax. The percentage of investment income to be included as gross UBI was proportional to the ratio of average acquisition indebtedness to the average adjusted basis of the property. Various types of passive income (generally, investment income) were considered to be unrelated debt-financed income, but only if the income arose from property acquired or improved with borrowed funds and if the production of income was unrelated to the organization's tax-exempt purpose. When any property held for the production of income by an organization was disposed of at a gain during the tax year, and there was acquisition indebtedness outstanding at any time during the 12-month period prior to the date of disposition, the property was considered debt-financed property, and the gain was treated as unrelated debt-financed income. Income from debt-financed property did not include rents from personal property (e.g., computers or furniture) leased with real property, certain passive income (generally, investment income) from controlled organizations, and other amounts that were otherwise included in computing unrelated business taxable income. Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported all debt-financed income as "Investment Income (Less Loss)." All other organizations reported debt-financed income separately.

Notes and References

[1] Organizations with unrelated business income tax liability may have been liable for the alternative minimum tax (AMT) on certain adjustments and tax preference items. In addition to reporting AMT on Form 990-T, tax-exempt trusts with AMT were required to attach Form 1041, Schedule I, *Alternative Minimum Tax*, and tax-exempt corporations with AMT were required to attach Form 4626, *Alternative Minimum Tax--Corporations*.

[2] The proxy tax is required to be reported on Form 990-T and is included in total tax, but it has no connection to the unrelated business income tax or an organization's involvement in unrelated business activities. A tax-exempt membership organization was liable for the proxy tax on certain nondeductible lobbying and political expenditures if the organization did not notify its members of the shares of their dues that were

allocated to the nondeductible expenditures, or if the notice did not include the entire amount of dues that was allocated. (See "Proxy Tax" in the Explanation of Selected Terms section of this article for more information.) The $1.4 million of proxy tax shown in the total tax computation is only that reported by Form 990-T filers with gross unrelated business income above the $1,000 filing threshold, a criterion for selection for the Statistics of Income (SOI) sample. Proxy tax reported by organizations that had no UBI or those that had UBI below the filing threshold is not included.

[3] The amount of total tax liability originally reported on Forms 990-T, as stated in these statistics, may not necessarily be the amount ultimately paid to the Internal Revenue Service (IRS). Changes in tax liability assessments can be made after the original return is filed, either by the taxpayer on an amended return, by the IRS after examination, or by rulings of the U.S. tax courts after litigation.

[4] A business activity is considered unrelated if it does not contribute importantly (other than the production of funds) to accomplishing an organization's charitable, educational, or other purpose that is the basis for the organization's tax exemption. In determining whether activities contribute importantly to the accomplishment of an exempt purpose, the size and extent of the activities involved must be considered in relation to the nature and extent of the exempt function that they intend to serve. To the extent an activity is conducted on a scale larger than is reasonably necessary to perform an exempt purpose, it does not contribute importantly to the accomplishment of the exempt purpose. The part of the activity that is more than needed to accomplish the exempt purpose is an unrelated trade or business. Whether an activity contributes importantly depends in each case on the facts involved. See IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*, for additional information on unrelated business income and tax.

The following is a case example from Publication 598. An American folk art museum operates a shop in the museum that sells reproductions of works in the museum's own collection and also works from the collections of other art museums. In addition, the museum sells souvenir items of the city where the museum is located. The sale of the reproductions, regardless of which museum houses the original works, is considered to be "related" because it contributes importantly to the achievement of the museum's exempt educational purpose by making works of art familiar to a broader segment of the public, thereby enhancing the public's understanding and appreciation of art. However, the sale of souvenir items depicting the city in which the museum is located is considered to be "unrelated" because it has no causal relationship to art or to artistic endeavor, and, therefore, does not contribute importantly to the accomplishment of the museum's exempt educational purposes.

[5] The unrelated business income tax (UBIT) for nonprofit corporations was determined based on the regular corporate income tax rates in effect for the tax year of the Form 990-T filing. Nonprofit trusts were generally taxed at the regular individual (single status) income tax rates established for estates and trusts for the tax year of the Form 990-T filing. Trusts that were eligible for the maximum 28-percent tax rate on capital gain net income figured their tax based on Schedule D of Form 1041, *U.S. Income Tax Return for Estates and Trusts*. The corporate and trust tax-rate schedules for Tax Year 2001 are included in the definition of Unrelated Business Income Tax, found in the Explanation of Selected Terms section of this article.

[6] Churches, which are tax-exempt under Internal Revenue Code section 501(c)(3), are not required to apply for exemption unless they desire to obtain an Internal Revenue Service ruling, and they do not have to file a Form 990 information return. However, these churches are required to file Form 990-T if they received $1,000 or more of gross income from business activities that were considered unrelated to the purposes for which they received tax-exempt status. Private foundations and certain charitable trusts file an information return on Form 990-PF, *Return of Private Foundation or*

Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation. For the most recent Form 990 annual data on organizations tax-exempt under Internal Revenue Code sections 501(c)(3) (excluding private foundations and most religious organizations) through 501(c)(9), see Arnsberger, Paul D., "Charities and Other Tax-Exempt Organizations, 2001," *Statistics of Income Bulletin,* Fall 2004, Volume 24, Number 2. For the most recent annual data on private foundations, see Ludlum, Melissa, "Domestic Private Foundations and Charitable Trusts, 2001," *Statistics of Income Bulletin*, Fall 2004, Volume 24, Number 2. Both of these articles are available from the IRS Tax Stats Web site at http://www.irs.gov/taxstats/index.html.

[7] The term "charitable" refers to tax-exempt organizations with purposes that are charitable, educational, scientific, literary, or religious in nature, or organizations that test for public safety or prevent cruelty to children or animals. The term also covers organizations that otherwise qualified for tax-exempt status under the Income Tax Regulations issued for Internal Revenue Code section 501(c)(3).

[8] The Wilshire 5000 Total Market Index was used for analyzing possible effects of financial markets on unrelated business taxable income and tax. This index can be accessed from www.wilshire.com/quote.html.

[9] See Executive Office of the President, Office of Management and Budget, *North American Industry Classification System: United States, 1997,* Berman Press, Lanham, MD, 1998.

[10] For additional information on the Forms 990 and 990-T integrated sample design, see Harte, James M. and Hilgert, Cecelia H., "Enriching One Sample While Improving Another: Linking Differently Stratified Samples of Documents Filed by Exempt Organizations," *Statistics of Income: Turning Administrative Systems Into Information Systems*, 1993.

Appendix
Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section

Code section	Description of organization	General nature of activities
220(e)	Archer Medical Savings Accounts (MSA's)	Fiduciary agent for accounts used in conjunction with high-deductible health plans to save funds for future medical expenses
401(a)	Qualified pension, profit-sharing, or stock bonus plans	Fiduciary agent for pension, profit-sharing, or stock bonus plans
408(e)	Traditional Individual Retirement Accounts (IRA's)	Fiduciary agent for retirement funds
408A	Roth Individual Retirement Accounts (IRA's)	Fiduciary agent for retirement funds; subject to same rules as traditional IRA's, except contributions are not tax-deductible and qualified distributions are tax-free
501(c)(2)	Title-holding corporations for exempt organizations	Holding title to property for exempt organizations
(3)	Religious, educational, charitable, scientific, or literary organizations; testing for public safety organizations. Also, organizations preventing cruelty to children or animals, or fostering national or international amateur sports competition	Activities of a nature implied by the description of the class of organization
(4)	Civic leagues, social welfare organizations, and local associations of employees	Promotion of community welfare and activities from which net earnings are devoted to charitable, educational, or recreational purposes
(5)	Labor, agricultural, and horticultural organizations	Educational or instructive groups whose purpose is to improve conditions of work, products, and efficiency
(6)	Business leagues, chambers of commerce, real estate boards, and like organizations	Improving conditions in one or more lines of business
(7)	Social and recreational clubs	Pleasure, recreation, and social activities
(8)	Fraternal beneficiary societies and associations	Lodges providing for payment of life, health, accident, or other insurance benefits to members
(9)	Voluntary employees' beneficiary associations (including Federal employees' voluntary beneficiary associations formerly covered by section 501(c)(10))	Providing for payment of life, health, accident, or other insurance benefits to members
(10)	Domestic fraternal beneficiary societies and associations	Lodges, societies, or associations devoting their net earnings to charitable, fraternal, and other specified purposes, without life, health, or accident insurance benefits to members
(11)	Teachers' retirement fund associations	Fiduciary associations providing for payment of retirement benefits

Appendix
Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section--Continued

Code section	Description of organization	General nature of activities
501(c)(12)	Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, and like organizations	Activities of a mutually beneficial nature implied by the description of the class of organization
(13)	Cemetery companies	Arranging for burials and incidental related activities
(14)	State-chartered credit unions and mutual insurance or reserve funds	Providing loans to members or providing insurance of, or reserve funds for, shares or deposits in certain banks or loan associations
(15)	Mutual insurance companies or associations other than life, if written premiums for the year do not exceed $350,000	Providing insurance to members, substantially at cost
(16)	Corporations organized to finance crop operations	Financing crop operations in conjunction with activities of a marketing or purchasing association
(17)	Supplemental unemployment benefit trusts	Fiduciary agent for payment of supplemental unemployment compensation benefits
(18)	Employee-funded pension trusts (created before June 25, 1959)	Providing for payments of benefits under a pension plan funded by employees
(19)	Posts or organizations of past or present members of the armed forces	Providing services to veterans or their dependents; advocacy of veteran's issues; and promotion of patriotism and community service programs
(21)	Black Lung Benefit Trusts	Created by coal mine operators to satisfy their liability for disability or death due to black lung disease
(22)	Withdrawal liability payment funds	Providing funds to meet the liability of employers withdrawing from a multiemployer pension fund
(23)	Associations of past and present members of the armed forces founded before 1880	Providing insurance and other benefits to veterans or their dependents
(24)	Trusts described in section 4049 of the Employee Retirement Income Security Act of 1974	Providing funds for employee retirement income
(25)	Title-holding corporations or trusts with no more than 35 shareholders or beneficiaries and only one class of stock or beneficial interest	Acquiring real property and remitting all income earned from such property to one or more exempt organizations; pension, profit-sharing, or stock bonus plans; or governmental units

Appendix
Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section--Continued

Code section	Description of organization	General nature of activities
501(c)(26)	State-sponsored health plans	Providing coverage for medical care on a not-for-profit basis to residents with pre-existing medical conditions that resulted in denied or exorbitantly priced traditional medical care coverage
(27)	State-sponsored workers' compensation plans	Pooled employers' funds providing reimbursements to employees for losses arising under workers' compensation acts; also, State-created, -operated, and -controlled organizations providing workers' compensation insurance to employers
529(a)	Qualified State Tuition Plans	State- and agency-maintained plans that allow individuals to purchase credits or certificates, or make contributions to an account, to pay for future educational expenses
530(a)	Coverdell Education Savings Accounts	Fiduciary agent for accounts created for the purpose of paying qualified higher education expenses of a designated beneficiary

NOTE: Corporations that are organized under an Act of Congress, and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation. Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax-exempt effective with tax years beginning after June 30, 1992.

Table 1.--Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Internal Revenue Code Section Describing Type of Tax-Exempt Organization, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Internal Revenue Code section	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit)		Unrelated business taxable income	Total tax [4]	
			Number of returns	Amount	Number of returns [3]	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All sections	**35,540**	**7,900,464**	**35,466**	**7,882,907**	**27,781**	**17,557**	**791,963**	**15,308**	**221,532**
220(e)	--	--	--	--	--	--	--	--	--
401(a)	300	92,887	300	43,393	269	49,495	58,500	187	16,437
408(e)	2,499	13,599	2,499	3,879	2,450	9,720	9,814	2,400	2,823
408A	--	--	--	--	--	--	--	--	--
501(c)(2) [5]	250	105,164	250	95,881	232	9,283	24,016	121	8,057
501(c)(3)	12,618	4,811,839	12,607	5,080,304	9,943	-268,465	292,308	4,361	84,597
501(c)(4)	1,487	419,441	1,486	430,220	1,102	-10,779	12,098	389	3,263
501(c)(5)	2,213	235,027	2,212	233,862	1,682	1,164	21,892	734	5,648
501(c)(6)	5,569	859,635	5,569	860,503	3,717	-867	62,112	1,718	18,031
501(c)(7)	6,997	504,800	6,948	474,924	5,863	29,876	72,491	4,040	14,713
501(c)(8)	583	109,454	583	111,948	396	-2,494	4,688	206	1,059
501(c)(9)	672	497,213	660	285,679	409	211,534	212,618	333	61,520
501(c)(10)	202	18,119	202	19,990	181	-1,871	563	*66	*85
501(c)(11)	--	--	--	--	--	--	--	--	--
501(c)(12)	188	65,461	188	70,393	99	-4,932	7,898	64	2,589
501(c)(13)	*66	*2,515	*66	*1,468	*66	*1,047	*1,047	*66	*263
501(c)(14)	105	33,066	105	39,529	104	-6,464	3,010	66	882
501(c)(15)	--	--	--	--	--	--	--	--	--
501(c)(16)	--	--	--	--	--	--	--	--	--
501(c)(17)	--	--	--	--	--	--	--	--	--
501(c)(18)	--	--	--	--	--	--	--	--	--
501(c)(19)	1,738	127,753	1,738	126,874	1,265	879	8,089	556	1,248
501(c)(21) [6]	--	--	--	--	--	--	--	--	--
501(c)(22)	--	--	--	--	--	--	--	--	--
501(c)(23)	--	--	--	--	--	--	--	--	--
501(c)(24)	**	**	**	**	**	**	**	**	**
501(c)(25)	**	**	**	**	**	**	**	**	**
501(c)(26)	--	--	--	--	--	--	--	--	--
501(c)(27)	**	**	**	**	**	**	**	**	**
529(a)	--	--	--	--	--	--	--	--	--
530(a)	--	--	--	--	--	--	--	--	--

*Estimate should be used with caution because of the small number of sample returns on which it is based.

**Data deleted to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was $2.3 billion.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Excludes returns with unrelated business taxable income (less deficit) equal to zero.

[4] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the $1,000 filing threshold, total proxy tax was $1.4 million.

[5] Corporations that are organized under an Act of Congress and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation.

[6] Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax-exempt, beginning with tax years after June 30, 1992. Therefore, these organizations are not listed in this table.

NOTES: Detail may not add to totals because of rounding. See the Appendix to this article for a listing of the types of tax-exempt organizations, by the Internal Revenue Code section describing them.

Table 2.--Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Size of Gross UBI, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of gross unrelated business income (UBI)	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit)		Unrelated business taxable income	Total tax [4]	
			Number of returns	Amount	Number of returns [3]	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	**35,540**	**7,900,464**	**35,466**	**7,882,907**	**27,781**	**17,557**	**791,963**	**15,308**	**221,532**
$1,000 under $10,001 [5]	12,653	50,853	12,600	58,731	9,676	-7,878	13,323	6,642	2,077
$10,001 under $100,000 [5]	14,659	529,493	14,645	552,226	11,551	-22,733	84,662	5,649	15,490
$100,000 under $500,000	5,971	1,296,005	5,967	1,344,677	4,784	-48,672	135,671	2,228	35,239
$500,000 under $1,000,000	1,054	739,839	1,052	750,735	835	-10,897	71,116	397	22,069
$1,000,000 under $5,000,000	960	1,953,814	958	1,927,386	750	26,427	205,823	311	65,397
$5,000,000 or more	244	3,330,462	244	3,249,152	185	81,310	281,369	80	81,260

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was $2.3 billion.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Excludes returns with unrelated business taxable income (less deficit) equal to zero.

[4] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the $1,000 filing threshold, total proxy tax was $1.4 million.

[5] The gross unrelated business income (UBI) brackets of "$1,000 under $10,001" and "$10,001 under $100,000" reflect the different filing requirements for organizations with gross UBI of $10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below $1,000 were not required to file Form 990-T.

NOTE: Detail may not add to totals because of rounding.

Table 3.--Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Size of Unrelated Business Taxable Income or Deficit, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of unrelated business taxable income or deficit	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit)		Total tax [3]	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**35,540**	**7,900,464**	**35,466**	**7,882,907**	**27,781**	**17,557**	**15,308**	**221,532**
Deficit	12,505	3,710,819	12,505	4,485,226	12,505	-774,406	83	717
Zero [4]	7,759	1,611,981	7,759	1,611,981	--	--	116	445
$1 under $1,000	3,279	59,366	3,279	57,866	3,279	1,500	3,254	224
$1,000 under $10,000	6,640	233,114	6,588	205,390	6,640	27,724	6,579	4,217
$10,000 under $100,000	4,469	720,383	4,455	583,089	4,469	137,294	4,397	25,192
$100,000 under $500,000	676	625,745	672	479,783	676	145,962	669	45,855
$500,000 under $1,000,000	87	168,685	85	108,404	87	60,281	87	20,501
$1,000,000 or more	125	770,371	123	351,169	125	419,202	123	124,381

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was $2.3 billion.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the $1,000 filing threshold, total proxy tax was $1.4 million.

[4] The Zero category includes "breakeven" returns with equal amounts of gross unrelated business income and total deductions.

NOTE: Detail may not add to totals because of rounding.

Table 4.--Returns with Positive Unrelated Business Taxable Income: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income, and Total Tax, by Type of Entity and Size of Gross UBI, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Type of entity and size of gross unrelated business income (UBI)	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income	Total tax [3]	
			Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALL ENTITIES							
Total	**15,277**	**2,577,664**	**15,202**	**1,785,700**	**791,963**	**15,109**	**220,371**
$1,000 under $10,001 [4]	6,596	23,841	6,543	10,518	13,323	6,593	2,074
$10,001 under $100,000 [4]	5,652	190,599	5,638	105,937	84,662	5,581	15,052
$100,000 under $500,000	2,225	506,451	2,221	370,780	135,671	2,161	34,871
$500,000 under $1,000,000	411	287,229	409	216,112	71,116	392	22,018
$1,000,000 under $5,000,000	316	633,493	314	427,670	205,823	307	65,328
$5,000,000 or more	77	936,052	77	654,683	281,369	76	81,027
TAX-EXEMPT CORPORATIONS							
Total	**12,174**	**2,116,138**	**12,112**	**1,646,970**	**469,167**	**12,013**	**127,352**
$1,000 under $10,001 [4]	4,345	19,672	4,292	8,226	11,446	4,342	1,766
$10,001 under $100,000 [4]	5,093	175,746	5,089	102,743	73,003	5,021	11,493
$100,000 under $500,000	2,042	466,579	2,038	362,088	104,492	1,979	23,683
$500,000 under $1,000,000	377	263,250	376	209,889	53,360	359	15,911
$1,000,000 under $5,000,000	256	507,279	255	395,354	111,925	250	35,560
$5,000,000 or more	62	683,611	62	568,671	114,941	61	38,939
TAX-EXEMPT TRUSTS							
Total	**3,103**	**461,526**	**3,091**	**138,730**	**322,796**	**3,097**	**93,019**
$1,000 under $10,001 [4]	2,251	4,168	2,251	2,292	1,877	2,251	308
$10,001 under $100,000 [4]	559	14,853	549	3,194	11,659	559	3,559
$100,000 under $500,000	184	39,871	184	8,692	31,179	182	11,189
$500,000 under $1,000,000	34	23,979	33	6,223	17,756	33	6,107
$1,000,000 under $5,000,000	60	126,214	59	32,317	93,897	57	29,768
$5,000,000 or more	15	252,440	15	86,012	166,428	15	42,088

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For exempt organizations reporting positive unrelated business taxable income, cost of sales and services was $707.5 million, of which $697.8 million were attributable to tax-exempt corporations.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting positive unrelated business taxable income, total proxy tax was $0.7 million.

[4] The gross unrelated business income (UBI) brackets of "$1,000 under $10,001" and "$10,001 under $100,000" reflect the different filing requirements for organizations with gross UBI of $10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below $1,000 were not required to file Form 990-T.

NOTE: Detail may not add to totals because of rounding.

Table 5.--Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Primary Unrelated Business Activity or Industrial Grouping, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Primary unrelated business activity or industrial grouping	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit)		Unrelated business taxable income	Total tax [4]	
			Number of returns	Amount	Number of returns [3]	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All activities and groupings	**35,540**	**7,900,464**	**35,466**	**7,882,907**	**27,781**	**17,557**	**791,963**	**15,308**	**221,532**
Agriculture, forestry, hunting, and fishing	253	41,703	252	28,857	170	12,846	16,241	133	5,327
Mining	183	23,666	183	19,977	178	3,690	8,457	124	2,546
Utilities	23	22,135	23	24,318	23	-2,182	*1,281	*16	*396
Construction	63	6,835	63	7,242	*50	*-407	*613	*36	*92
Manufacturing	225	56,775	223	64,764	175	-7,989	9,690	77	3,265
Wholesale trade	*126	*3,512	*126	*13,486	*116	*-9,974	*223	*53	*33
Retail trade	1,515	420,287	1,515	451,599	1,207	-31,312	21,339	487	5,940
Transportation and warehousing	45	9,481	45	10,663	44	-1,182	*1,756	*17	*550
Information	735	179,854	733	186,825	572	-6,971	18,919	316	7,106
Finance and insurance, total	8,718	1,620,512	8,656	1,261,473	7,357	359,038	421,390	6,140	117,056
Unrelated debt-financed activities, other than rental of real estate [5]	744	88,662	744	65,207	708	23,455	36,237	515	11,388
Investment activities of Code section 501(c)(7), (9), and (17) organizations [5,6]	3,656	638,263	3,596	401,753	2,866	236,510	241,432	2,520	66,026
Passive income activities with controlled organizations [5]	308	216,467	308	173,549	238	42,918	60,048	165	13,603
Other finance and insurance	4,009	677,120	4,008	620,965	3,545	56,155	83,672	2,940	26,038
Real estate and rental and leasing, total	5,986	838,648	5,985	843,248	4,795	-4,600	95,766	2,389	27,083
Rental of personal property	521	97,743	520	101,067	395	-3,324	4,286	211	829
Other real estate and rental and leasing	5,465	740,905	5,465	742,181	4,400	-1,276	91,480	2,178	26,254
Professional, scientific, and technical services	8,026	1,734,111	8,026	1,805,501	5,091	-71,390	71,199	2,181	19,402
Management of companies and enterprises	34	25,002	33	15,318	33	9,684	9,684	34	3,368
Administrative and support and waste management and remediation services	700	267,841	700	294,664	543	-26,823	14,279	228	4,104
Educational services	61	19,843	61	23,523	52	-3,681	*948	*39	*409
Healthcare and social assistance	994	1,290,692	991	1,382,559	833	-91,867	43,570	298	13,973
Arts, entertainment, and recreation	3,918	585,665	3,915	623,605	3,149	-37,940	24,904	1,423	4,380
Accommodation and food services	2,897	525,752	2,897	586,223	2,502	-60,471	18,453	777	3,502
Other services	602	151,437	602	160,418	524	-8,981	6,196	313	1,313
Exploited exempt activities	194	57,259	194	57,010	131	249	4,937	108	1,316
Not allocable	241	19,453	241	21,634	237	-2,181	2,116	121	372

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was $2.3 billion.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Excludes returns with unrelated business taxable income (less deficit) equal to zero.

[4] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the $1,000 filing threshold, total proxy tax was $1.4 million.

[5] See the Explanation of Selected Terms section of this article for definitions of Unrelated Debt-Financed Income, Investment Income (Less Loss), and Income from Controlled Organizations.

[6] Section 501(c)(7) organizations are social and recreational clubs; section 501(c)(9) organizations are voluntary employees' beneficiary associations, and section 501(c)(17) organizations are supplemental unemployment benefit trusts.

NOTE: Detail may not add to totals because of rounding.

Table 6.--Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of gross unrelated business income (UBI)	Gross unrelated business income (UBI)		Sources of gross unrelated business income (UBI) [1]			
			Gross profit (less loss) from sales and services		Capital gain net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**35,540**	**7,900,464**	**14,816**	**4,330,117**	**941**	**218,567**
$1,000 under $10,001 [2]	**12,653**	**50,853**	**2,564**	**9,765**	***203**	***575**
$10,001 or more, total [2,3]	**22,888**	**7,849,612**	**12,252**	**4,320,353**	**737**	**217,992**
$10,001 under $100,000	14,659	529,493	6,984	226,757	525	8,891
$100,000 under $500,000	5,971	1,296,005	3,779	692,028	116	11,640
$500,000 under $1,000,000	1,054	739,839	693	398,226	32	11,955
$1,000,000 under $5,000,000	960	1,953,814	625	1,059,691	44	41,610
$5,000,000 or more	244	3,330,462	171	1,943,650	20	143,896

Size of gross unrelated business income (UBI)	Sources of gross unrelated business income (UBI) [1]--Continued					
	Net capital loss (trusts only)		Net gain (less loss), sales of noncapital assets [4]		Income (less loss) from partnerships and S corporations	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Total	**135**	**388**	**342**	**3,554**	**4,020**	**176,583**
$1,000 under $10,001 [2]	**--**	**--**	***51**	***160**	**2,538**	**5,042**
$10,001 or more, total [2,3]	**135**	**388**	**292**	**3,394**	**1,482**	**171,541**
$10,001 under $100,000	*72	*171	173	345	896	20,087
$100,000 under $500,000	31	90	76	1,601	294	26,970
$500,000 under $1,000,000	11	33	16	-301	97	13,320
$1,000,000 under $5,000,000	15	79	16	2,994	128	42,346
$5,000,000 or more	5	15	11	-1,245	67	68,819

Size of gross unrelated business income (UBI)	Sources of gross unrelated business income (UBI) [1]-- Continued					
	Rental income [5]		Unrelated debt-financed income		Investment income (less loss) [6]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Total	**4,303**	**229,816**	**3,269**	**438,475**	**5,928**	**457,759**
$1,000 under $10,001 [2]	**1,289**	**5,892**	**857**	**3,396**	**2,674**	**9,012**
$10,001 or more, total [2,3]	**3,014**	**223,924**	**2,412**	**435,079**	**3,254**	**448,746**
$10,001 under $100,000	2,099	49,748	1,574	42,345	1,918	29,897
$100,000 under $500,000	684	56,715	604	86,568	1,045	62,469
$500,000 under $1,000,000	108	31,456	91	40,120	174	33,109
$1,000,000 under $5,000,000	95	44,388	114	104,148	100	127,793
$5,000,000 or more	28	41,617	29	161,899	17	195,478

Footnotes at end of table.

Table 6.--Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2001 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of gross unrelated business income (UBI)	Sources of gross unrelated business income (UBI) [1]--Continued							
	Income from controlled organizations [7]		Exploited exempt activity income, except advertising		Advertising income		Other income (less loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Total	**1,236**	**212,181**	**793**	**134,117**	**8,092**	**1,247,507**	**5,246**	**452,177**
$1,000 under $10,001 [2]	***203**	***603**	***176**	***955**	**3,138**	**12,682**	**1,237**	**2,771**
$10,001 or more, total [2,3]	**1,033**	**211,578**	**617**	**133,162**	**4,954**	**1,234,825**	**4,009**	**449,406**
$10,001 under $100,000	592	9,346	316	6,735	2,978	85,822	2,395	49,693
$100,000 under $500,000	282	23,575	161	15,841	1,419	220,385	1,130	98,303
$500,000 under $1,000,000	49	11,318	57	17,597	264	135,417	206	47,656
$1,000,000 under $5,000,000	74	54,148	64	57,870	234	293,554	224	125,351
$5,000,000 or more	37	113,191	19	35,120	59	499,648	53	128,404

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] For definitions of the sources of gross unrelated business income, see the Explanation of Selected Terms section of this article.

[2] The gross unrelated business income (UBI) brackets of "$1,000 under $10,001" and "$10,001 under $100,000" reflect the different filing requirements for organizations with gross UBI of $10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below $1,000 were not required to file Form 990-T.

[3] All organizations were required to report each income item, as shown in columns 3 through 26. However, only organizations with gross UBI over $10,000 were required to report each deduction shown in columns 14 through 45, 48, 49, and 54 through 59 of Table 7. Income totals for these larger organizations with gross UBI over $10,000 are shown in order to facilitate comparison with Table 7.

[4] Property other than capital assets generally included property of a business nature, in contrast to personal and investment property, which were capital assets.

[5] Income from real property and personal property leased with real property.

[6] Reported by Internal Revenue Code section 501(c)(7), (9), and (17) organizations only.

[7] Annuities, interest, rents, and royalties.

NOTE: Detail may not add to totals because of rounding.

Table 7.--Types of Deductions, by Size of Gross Unrelated Business Income (UBI), Tax Year 2001

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of gross unrelated business income (UBI)	All organizations			Organizations with gross unrelated business income (UBI) of $1,000 under $10,001 [3]					
	Total number of returns	Total deductions [1,2]		Total deductions [2,4]		Net operating loss deduction		Specific deduction	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	**35,540**	**35,466**	**7,882,907**	**12,600**	**58,731**	**593**	**750**	**7,911**	**7,276**
$1,000 under $10,001 [3]	12,653	12,600	58,731	12,600	58,731	593	750	7,911	7,276
$10,001 under $100,000 [3]	14,659	14,645	552,226	--	--	--	--	--	--
$100,000 under $500,000	5,971	5,967	1,344,677	--	--	--	--	--	--
$500,000 under $1,000,000	1,054	1,052	750,735	--	--	--	--	--	--
$1,000,000 under $5,000,000	960	958	1,927,386	--	--	--	--	--	--
$5,000,000 or more	244	244	3,249,152	--	--	--	--	--	--

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]								
	Total deductions [2,5]		Deductions directly connected with UBI						
			Total		Allocable to rental income [6]		Allocable to unrelated debt-financed income [6]		Allocable to investment income [6,7]
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	**21,427**	**7,234,405**	**21,427**	**7,234,405**	**1,553**	**145,392**	**2,317**	**421,624**	**943**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	13,432	515,929	13,432	515,929	1,140	30,301	1,515	45,856	382
$100,000 under $500,000	5,808	1,271,997	5,808	1,271,997	293	34,934	580	92,928	400
$500,000 under $1,000,000	1,027	696,558	1,027	696,558	49	15,985	86	38,996	103
$1,000,000 under $5,000,000	925	1,778,278	925	1,778,278	56	31,550	108	95,610	53
$5,000,000 or more	235	2,971,642	235	2,971,642	15	32,622	28	148,234	5

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]--Continued								
	Deductions directly connected with UBI--Continued								
	Allocable to investment income [6,7] --Continued	Allocable to income from controlled organizations [6]		Allocable to exploited exempt activity income, except advertising [6]		Direct advertising costs [6]		Compensation of officers, directors, and trustees	
	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Total	**25,192**	**440**	**145,445**	**550**	**124,954**	**4,476**	**915,440**	**1,762**	**38,620**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	3,352	178	4,805	283	5,575	2,640	65,225	961	7,489
$100,000 under $500,000	3,572	162	17,356	139	16,234	1,312	168,398	569	12,142
$500,000 under $1,000,000	6,253	28	6,504	53	15,218	247	101,281	103	3,744
$1,000,000 under $5,000,000	3,429	47	35,087	59	55,869	223	209,170	102	9,102
$5,000,000 or more	8,587	25	81,694	16	32,059	54	371,366	27	6,143

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]--Continued							
	Deductions directly connected with UBI--Continued							
	Salaries and wages		Repairs and maintenance		Bad debts		Interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
Total	**10,221**	**1,471,734**	**6,859**	**106,782**	**739**	**39,958**	**2,991**	**68,263**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	5,455	113,578	3,572	15,786	156	141	1,546	11,768
$100,000 under $500,000	3,449	333,788	2,364	29,986	308	1,459	1,037	17,669
$500,000 under $1,000,000	614	172,730	447	13,049	107	3,194	192	7,584
$1,000,000 under $5,000,000	557	375,230	380	23,430	115	7,784	157	19,089
$5,000,000 or more	146	476,408	97	24,531	53	27,381	59	12,152

Footnotes at end of table.

Table 7.--Types of Deductions, by Size of Gross Unrelated Business Income (UBI), Tax Year 2001 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]--Continued							
	Deductions directly connected with UBI--Continued							
	Taxes and licenses paid deduction		Depreciation		Depletion		Contributions to deferred compensation plans	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
Total	**10,637**	**165,455**	**7,396**	**209,574**	**110**	**4,383**	**746**	**9,208**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	6,282	23,015	3,891	24,711	78	721	251	211
$100,000 under $500,000	3,261	63,922	2,481	54,487	23	942	333	1,623
$500,000 under $1,000,000	571	27,519	460	29,131	} 9	2,720 {	86	1,268
$1,000,000 under $5,000,000	410	27,256	441	49,389			60	2,493
$5,000,000 or more	113	23,743	123	51,855			15	3,614

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]--Continued							
	Deductions directly connected with UBI--Continued						Deductions not directly connected with UBI	
	Contributions to employee benefit programs		Net operating loss deduction		Other deductions		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
Total	**4,966**	**188,558**	**3,240**	**153,418**	**13,847**	**3,000,404**	**11,575**	**589,770**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	2,115	7,756	1,957	17,612	7,980	138,029	7,491	36,296
$100,000 under $500,000	1,889	28,742	876	28,138	4,198	365,679	2,958	72,679
$500,000 under $1,000,000	406	18,160	181	16,281	776	219,541	544	54,177
$1,000,000 under $5,000,000	431	59,391	168	44,266	694	728,196	460	149,108
$5,000,000 or more	125	74,510	58	47,121	199	1,548,959	122	277,510

Size of gross unrelated business income (UBI)	Organizations with gross unrelated business income (UBI) of $10,001 or more [3]--Continued							
	Deductions not directly connected with UBI--Continued							
	Specific deduction		Contributions		Set-asides [7]		Excess exempt expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
Total	**9,202**	**8,935**	**1,702**	**50,450**	**404**	**247,004**	**2,330**	**283,381**
$1,000 under $10,001 [3]	--	--	--	--	--	--	--	--
$10,001 under $100,000 [3]	6,112	5,909	1,024	3,927	*221	*5,545	1,292	20,916
$100,000 under $500,000	2,294	2,236	464	5,801	109	19,206	676	45,438
$500,000 under $1,000,000	412	408	85	12,072	21	11,359	158	30,338
$1,000,000 under $5,000,000	307	305	96	6,879	43	64,105	156	77,819
$5,000,000 or more	77	77	34	21,772	10	146,790	48	108,871

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was $2.3 billion.

[2] Includes both deductions reported on the main part of the tax return and expense items reported on supporting schedules.

[3] Organizations with gross UBI between $1,000 (the filing threshold) and $10,000 were required to report only totals for expenses and deductions (except for the specific deduction and net operating loss deduction, which all organizations reported separately). Organizations with gross UBI over $10,000 were required to report each expense and deduction item separately, as shown in columns 14 through 45, 48, 49, and 54 through 59.

[4] Excludes $45.7 million of cost of sales and services reported by organizations with gross UBI of $10,000 or less. See footnote 1 for explanation.

[5] Excludes $2.2 billion of cost of sales and services reported by organizations with gross UBI over $10,000. See footnote 1 for explanation.

[6] This deduction was required to be reported as a lump-sum total only and may have included component deductions that were of the same type shown elsewhere in this table. For example, if deductions "allocable to rental income" included depreciation, then that amount of depreciation would not be included in the separately reported item, "depreciation." Therefore, the total amount shown for some of the separately reported deductions may be understated.

[7] Reported by Internal Revenue Code section 501(c)(7), (9), and (17) organizations only.

NOTE: Detail may not add to totals because of rounding.

Split-Interest Trusts, 2002

Data Release

Split-interest trusts make distributions to both charitable and noncharitable beneficiaries. While the Internal Revenue Service does not classify split-interest trusts as tax-exempt entities, or charities, the trusts offer many of the same benefits to their donors [1]. There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income trusts. All such trusts are required to complete a Split-Interest Trust Information Return, Form 5227, each year. The purpose of Form 5227 is to disclose the financial activities of the trust, as well as to determine if the trust is a private foundation. The Split-Interest Trust Information Return is not used to determine the taxability of trust income.

A total of 121,309 split-interest trust returns were filed for 2002, an increase of 1.2 percent over the number filed for 2001 (Figure A). In contrast, total net income and asset values fell dramatically between 2001 and 2002. The total net income reported by charitable remainder trusts, which is the sum of net ordinary income and net short- and long-term capital gains or losses, decreased by 54.7 percent to $5.3 billion in 2002. This is largely due to a large decrease in the total net capital gains component of income. Between 2001 and 2002, total net capital gains decreased 69.9 percent, from $9.3 billion in 2001 to $2.8 billion. This sharp drop is consistent with the decline of international stock markets, including those in the United States, which began during the first quarter of 2000 and continued into 2002. The decrease in value of the U.S. stock market resulted in a loss of nearly $7.0 trillion in equity wealth [2]. This decline translated into substantial increases in capital losses claimed, which would appear on Form 5227 as a decrease in the net amount of capital gains. The total book value of assets for all split-interest trusts was $105.6 billion at the end of 2002, a decrease of 5.0 percent from 2001. Distributions to beneficiaries, which totaled more than $7.1 million in 2002, decreased by 11.7 percent from 2001 totals.

This data release was written by Lisa M. Schreiber, an economist with the Special Studies Special Projects Section, under the direction of Barry Johnson, Chief.

Charitable Remainder Trusts

An income stream is distributed by the trust to one or more noncharitable beneficiaries for a defined period of time under a charitable remainder trust agreement. After the completion of the time period, which is not to exceed the lesser of 20 years or the life of the income beneficiary, the remaining value of the trust is transferred to a charitable beneficiary. At the time of trust creation, the donor receives a tax deduction based on an estimate of the charitable distribution, which must be at least 10.0 percent of the fair market value of the initial trust assets [3]. The two forms of charitable remainder trusts, annuity trusts and unitrusts, differ in the structure of payments made by the trusts to beneficiaries. An annuity trust pays a series of fixed payments, while a unitrust pays a fixed percentage of the fair market value of the trust each year.

The number of annuity trusts that filed in 2002 decreased slightly from 2001, while there was a slight increase in the number of filing unitrusts. Net ordinary income of annuity trusts fell by 23.3 percent (to $0.2 billion), and net capital gains fell by 26.4 percent (to $0.5 billion). In contrast, net ordinary income of unitrusts rose by 7.8 percent (to $2.3 billion), while net capital gains or losses fell by 73.5 percent (to $2.3 billion). Distributions paid by annuity trusts fell by 17.6 percent (to $809.1 million), while distributions of unitrusts fell by 13.0 percent (to $5.3 billion). Book value of total assets at the end of the year decreased marginally for both types of trusts in 2002, falling by 5.7 percent for annuity trusts, and by 3.2 percent for unitrusts. Fair market value of unitrusts declined by 15.5 percent.

Charitable Lead Trusts

Charitable lead trusts are essentially the reverse of charitable remainder trusts. Lead trusts distribute a sequence of payments to a charitable beneficiary for a period of time, after which the remaining trust assets are transferred to a noncharitable beneficiary. The lead trust may be an annuity trust that distributes a fixed amount or a unitrust that distributes a payment that fluctuates with the value of the assets in the trust. Between 2001 and 2002, charitable lead trusts filings increased 3.6 percent, more than any other type of split-interest trust. Distributions for these trusts changed very little, increasing from

Figure A

Profile of Split-Interest Trusts, by Type of Trust, 2001 and 2002

[All money amounts are in thousands of dollars]

Item	2001	2002	Percentage change	Charitable remainder trusts					
				Annuity trusts			Unitrusts		
				2001	2002	Percentage change	2001	2002	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	**119,821**	**121,309**	**1.2**	**22,958**	**22,783**	**-0.8**	**89,874**	**91,371**	**1.7**
Total net income [1]	**N/A**	**N/A**	**N/A**	**1,024,754**	**763,863**	**-25.5**	**10,661,493**	**4,526,145**	**-57.5**
Net ordinary income [2]	N/A	N/A	N/A	305,674	234,505	-23.3	2,094,723	2,257,780	7.8
Total net capital gains (losses) [3]	N/A	N/A	N/A	719,080	529,358	-26.4	8,566,769	2,268,364	-73.5
Value of distributions [4]	8,070,995	7,124,082	-11.7	981,394	809,130	-17.6	6,043,095	5,257,671	-13.0
Total assets at end of year:									
Book value [5]	111,230,212	105,620,903	-5.0	10,177,555	9,596,835	-5.7	84,282,040	81,564,412	-3.2
Fair market value [6]	N/A	N/A	N/A	N/A	N/A	N/A	100,268,578	84,697,749	-15.5

Item	Charitable lead trusts			Pooled income funds		
	2001	2002	Percentage change	2001	2002	Percentage change
	(10)	(11)	(12)	(13)	(14)	(15)
Number of returns	**5,292**	**5,481**	**3.6**	**1,698**	**1,675**	**-1.4**
Total net income [1]	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Net ordinary income [2]	N/A	N/A	N/A	N/A	N/A	N/A
Total net capital gains (losses) [3]	N/A	N/A	N/A	N/A	N/A	N/A
Value of distributions [4]	917,700	940,159	2.4	128,807	117,123	-9.1
Total assets at end of year:						
Book value [5]	15,075,433	12,781,399	-15.2	1,695,183	1,678,256	-1.0
Fair market value [6]	N/A	N/A	N/A	N/A	N/A	N/A

N/A--Not applicable.

[1] Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

[2] Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[3] Calculated as the sum of "net short-term capital gain (loss)" (line 16) and "net long-term capital gain (loss)" (line 19).

[4] In the case of charitable remainder annuity trusts, distributions are taken from 'total annuity amounts for all recipients' (line 48b) in Part V-A of Form 5227. For charitable remainder unitrusts, distributions are taken from 'unitrust distributions' (line 52) in Part V-B. In the case of charitable lead trusts, distributions have been calculated as the sum of "excess income required to be paid for charitable purposes" (line 2), "annuity or unitrust payment required to be paid to charitable beneficiaries" (line 3), and "annuity or unitrust payments required to be paid to private beneficiaries" (line 4) from Form 5227, Part VII, Section A, the Questionnaire for Charitable Lead Trusts. In the case of pooled income funds, distributions were calculated as "amount required to be distributed to satisfy the remainder interest" (line 2), less "amounts required to be distributed to the remainder beneficiary that remain undistributed" (line 3), plus "amount required to be paid to private beneficiaries" (line 4), plus "amount required to be paid to the charitable remainder beneficiary" (line 5) from Form 5227, Part VII, Section B, the Questionnaire for Pooled Income Funds.

[5] Taken from Form 5227, (see footnote # 4 of Table 3) Part IV, line 37, column (b).

[6] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

$917.7 million to $940.2 million (2.4 percent) in 2002. The book value of assets at the end of the year decreased by 15.2 percent, resulting in $12.8 billion in 2002. This is the largest percentage decrease in the book value of assets of all the split-interest trust types.

Pooled Income Funds

Pooled income funds are similar to mutual funds and are created and maintained by charitable organizations. Donors to the charity contribute assets to the fund and receive income payments for the remainder of their lifetimes. The pooled assets are invested as a group, and the income stream to each donor is based on the ratio of his or her contribution to the total value of the investment pool. After the death of the donor, his or her prorated share of the investment pool is withdrawn and given to the charitable organization. The donor receives a tax deduction based on the estimated final contribution to charity. The number of pooled income returns decreased by 23, or 1.4 percent, in 2002. The value of distributions fell by 9.1 percent to $117.1 million. The end-of-year book value of assets decreased by 1.0 percent between 2001 and 2002.

Data Sources and Limitations

The data presented in this article were extracted from a sample of Forms 5227, Split-Interest Trust Information Return, filed during Calendar Year 2003. All charitable remainder trusts, charitable lead trusts, and pooled income funds that had financial activity during Calendar Year 2002 were required to file this form. Partial-year returns, for either initial or final reporting periods, were included in the sample. The sample also includes returns for reporting periods other than 2002, including any late-filed returns for prior reporting periods, as well as early-filed returns for subsequent reporting periods. All returns included in the sample were computer-designated at the IRS Ogden Submission Processing Center after posting to the IRS Master File.

For Study Year 2002, a sample of 11,313 returns was drawn from a population of 121,717 trusts that filed Form 5227. The sample size excludes returns that were selected for the sample but later rejected. Returns could be rejected if they were not one of the four types of trusts included in the study, if no money amounts were reported, or if there were overwhelming reporting errors. The sample was drawn based on the type of the trust (charitable remainder annuity trust, charitable remainder unitrust, charitable lead trust, or pooled income fund) and on the reported end-of-year total assets (book value). Each of the types of trusts was divided into four separate asset strata, resulting in 16 total strata. The four asset strata were based on the size of total assets: less than $1.0 million, $1.0 million to less than $10.0 million, and $10.0 million or more in total assets. A fourth asset category included all trusts that reported end-of-year book value of total assets as less than $10.0 million, but reported end-of-year fair market value of total assets in excess of $50.0 million. There were an estimated 22,783 charitable remainder annuity trusts, which were sampled at rates ranging from 5.2 percent (for the smallest) to 100.0 percent (for the largest), resulting in a sample of 2,081 returns. There were an estimated 91,371 charitable remainder unitrusts, sampled at rates from 4.2 percent to 100.0 percent, creating a sample of 8,546 returns. There were an estimated 5,481 charitable lead trusts, from which a sample of 507 was drawn. Lead trusts were sampled at rates ranging from 1.6 percent to 100.0 percent. There were 1,675 pooled income funds, of which 179 were included in the sample. Pooled income funds had sample rates from 3.9 percent to 100.0 percent. For all trust types, trusts in the fourth asset category were sampled at 100.0 percent. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure B.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All edited returns were subject to comprehensive testing and data verification procedures to ensure the highest quality of data. Changes that were made to the return after filing, either by the taxpayer in the form of amended returns or by IRS administrative processing, were not generally incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude for both sampling and nonsampling error, and the precision of the sample estimates can be found in the Appendix in this issue of the *SOI Bulletin*.

Figure B

Coefficients of Variation for Selected Items of Split-Interest Trusts, by Type of Trust, 2002

Item	Charitable remainder trusts		Charitable lead trusts	Pooled income funds
	Annuity trusts	Unitrusts		
	(1)	(2)	(3)	(4)
	Percentages			
Net ordinary income [1]	3.80	1.75	N/A	N/A
Net short-term capital gain (loss) [2]	5.58	36.59	N/A	N/A
Net long-term capital gain (loss) [3]	54.25	8.87	N/A	N/A
End-of-year:				
Total assets:				
Book value [4]	1.63	0.57	1.70	3.18
FMV [5]	N/A	0.64	N/A	N/A
Total liabilities				
Book value [6]	11.50	4.72	33.68	12.08
FMV [7]	N/A	4.34	N/A	N/A

N/A--Not applicable.

[1] Taken from Form 5227, Part I, line 13.

[2] Taken from Form 5227, Part I, line 16.

[3] Taken from Form 5227, Part I, line 19.

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

[6] Taken from Form 5227, Part IV, line 43, column (b).

[7] Taken from estimated end-of-year fair market value.

NOTE: "FMV" is the abbreviation for fair market value.

Explanation of Selected Terms

Annuity trust.--An annuity trust is a trust in which the payments for the duration of the trust, either to a private or charitable beneficiary, are of a fixed amount. In the context of this article, an annuity trust can be either a charitable remainder trust (with a noncharitable (private) income beneficiary) or charitable lead trust (with a charitable income beneficiary). The payment amount is determined by multiplying a specified percentage by the fair market value of the assets initially placed in the trust.

Beneficiary(ies).--Beneficiary(ies) refers to the person, persons, or organization that receive payments or assets from a trust. *Recipient* is used interchangeably with beneficiary. Beneficiaries can be either charitable or noncharitable (private), and can be either an income beneficiary or a remainder beneficiary.

Book value.--Book value is generally the cost basis of an asset, or the price at which an asset is acquired. All trusts must report the beginning and end-of-year book values of their assets on Part IV, Balance Sheet, Columns A and B, of Form 5227. All book value amounts referred to in this article are end-of-year book value amounts.

Charitable lead trusts.--Charitable lead trusts are split-interest trusts in which a designated charitable organization receives an income stream from the assets in trust; one or more private beneficiaries receive the remainder interest of the trust.

Charitable remainder annuity trust.--A charitable remainder annuity trust is a charitable remainder trust in which the annual income payments to the private beneficiary are fixed. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets initially placed in the trust.

Charitable remainder trusts.--Charitable remainder trusts are split-interest trusts in which a private, or noncharitable, beneficiary receives a stream of income for the duration of the trust, and a designated charity receives the remainder interest of the trust. Charitable remainder trusts can be either annuity trusts or unitrusts, depending on the method used to calculate the payment amounts. Further, unitrusts can have special provisions allowing them to distribute only their net income given certain situations.

Charitable remainder unitrust.--A charitable remainder unitrust is a charitable remainder trust in which the income payments to the private beneficiary fluctuate with the annual value of the assets in the trust. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets as they are valued each year. Unitrusts can have special provisions allowing them to distribute only their net income given certain situations.

Charity or charitable organization.--A charity or charitable organization refers to a tax-exempt organization with purposes that are charitable, educational, scientific, literary, or religious in nature, or it otherwise qualifies as 501(c)(3) organization.

Donor.--A donor, also referred to as a grantor or contributor, is the individual who transfers personal assets into the trust or fund.

Income beneficiary.--The income beneficiary of a split-interest trust is the recipient of the stream of payments made over the duration of the trust. The income beneficiary of charitable remainder trusts and pooled income funds is the private (noncharitable) beneficiary; in charitable lead trusts, the income beneficiary is the designated charitable organization.

Income interest.--Income interest refers to the payments made to beneficiaries during the life of the trust. Income is paid to the income beneficiary.

Pooled income fund.--A pooled income fund is a fund established and maintained by a charity to invest and manage assets donated by multiple donors. Income from the assets is distributed annually on a prorated basis to the named beneficiaries. On the termination of an income interest (due to the death of one of the beneficiaries), a prorated part of the basis of the fund is removed and given to the charity.

Remainder beneficiary.--The remainder beneficiary of a split-interest trust is the recipient of the trust's assets at the termination of the trust. In the case of charitable remainder trusts, the remainder beneficiary is the selected charity; in charitable lead trusts, the remainder beneficiary is the designated private beneficiary.

Remainder interest.--The remainder interest of a trust is the assets remaining at the termination of the trust, after all liabilities have been settled and prior payments to beneficiaries have been made. This interest is then distributed to the remainder beneficiary.

Split-interest trust.--According to the *2002 Instructions for Form 5227,* a split-interest trust is a trust that "is not exempt from tax under Internal Revenue Code section 501(a); has some unexpired

interests that are devoted to purposes other than religious, charitable, or similar purposes described in Code section 170(c)(2)(B); and has amounts transferred in trust after May 26, 1969, for which a deduction was allowed under one of the Code sections listed in section 4947(a)(2)."

Trust.--A trust is a legal arrangement between its creator (donor or grantor), the manager of the trust (trustee), and the beneficiary or beneficiaries of the trust. Trusts are legal entities in their own right, and can be responsible for any tax liabilities separate from the liabilities of the grantor and beneficiary. The conditions and provisions of a trust are defined in the trust document.

Unitrust.--A unitrust is a trust in which the income interest, paid either to a private or charitable beneficiary, varies with the annual fair market value of the total assets of the trust in a given year. In the context of this article, a unitrust can be either a charitable remainder trust (with income payments to a private beneficiary) or a charitable lead trust (with income payments to a charitable beneficiary). The payment amount is determined by multiplying a specified percentage by the fair market value of the assets of the trust as they are valued annually.

Notes and References

[1] For all split-interest trusts, at the time of trust creation, the donor receives an income tax deduction in the amount of the charitable contribution. For charitable lead trusts, which distribute to charity at the time of creation, this is the value of the contribution. For trusts that distribute to charity at some date in the future, the amount of the contribution must be calculated using annuity tables provided by the IRS.

[2] *Economic Report of the President*, February 2003, United States Government Printing Office, Washington, DC, p.28.

[3] Directions for estimating the future charitable distribution of a charitable remainder trust are detailed in Internal Revenue Code Section 7520.

Table 1.--Charitable Remainder Annuity Trusts: Income and Deduction Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets					
		Zero or not reported [1]	$1 under $500,000	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	**22,783**	**1,283**	**17,544**	**2,145**	**1,407**	**319**	**85**
Total net income [2]	**763,863**	**383,712**	**41,474**	**23,011**	**54,692**	**85,163**	**175,811**
Net ordinary income [3]	**234,505**	**-794**	**54,158**	**37,736**	**50,497**	**48,045**	**44,864**
Total ordinary income [4]	**293,735**	**2,522**	**70,373**	**48,634**	**63,192**	**56,630**	**52,384**
Interest income	158,905	1,552	34,072	28,868	30,845	28,025	35,543
Dividends and business income (loss)	115,747	1,031	30,920	17,780	27,646	19,034	19,336
Other Income [5]	19,083	*-61	5,380	*1,986	4,701	9,571	-2,494
Total deductions allocable to ordinary income [6]	**59,229**	**3,316**	**16,214**	**10,898**	**12,695**	**8,585**	**7,520**
Interest	717	--	*336	*187	11	*113	69
Taxes	1,024	--	366	*307	104	135	112
Other deductions	57,489	3,316	15,512	10,403	12,581	8,337	7,340
Net short-term capital gain (loss) [7]	**-96,222**	**-887**	**-16,909**	**-17,044**	**-23,043**	**-14,483**	**-23,856**
Total short-term capital gain (loss)	-96,068	-884	-16,892	-17,044	-23,028	-14,478	-23,742
Deductions allocable to short-term capital gain (loss)	155	*3	17	--	15	*5	115
Net long-term capital gain (loss) [8]	**625,580**	**385,394**	**4,225**	**2,319**	**27,238**	**51,601**	**154,804**
Total long-term capital gain (loss) [9]	628,047	385,394	4,932	2,618	27,816	52,389	154,898
Deductions allocable to long-term capital gain (loss)	2,467	--	707	300	578	789	94

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

[3] Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part I, line 8

[5] Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

[6] Taken from Form 5227, Part I, line 12.

[7] Taken from Form 5227, Part I, line 16. Includes losses.

[8] Taken from Form 5227, Part I, line 19. Includes losses.

[9] Taken from Form 5227, Part I, line 17a. Includes losses.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 2.--Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousandsof dollars]

Item	Total	Size of book value of total assets					
		Zero or not reported[1]	$1 under $500,000	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	**22,783**	**1,283**	**17,544**	**2,145**	**1,407**	**319**	**85**
Total accumulations [2]	**6,040,322**	**515,043**	**1,095,009**	**803,395**	**1,224,536**	**1,093,158**	**1,309,182**
Net ordinary income	544,199	19,175	98,028	50,924	112,003	142,159	121,910
Net short-term capital gain (loss)	-70,775	2,278	-1,410	-17,432	-23,490	-11,820	-18,900
Net long-term capital gain (loss)	5,305,213	425,149	950,216	753,300	1,080,565	904,602	1,191,381
Nontaxable income	261,685	68,440	48,175	16,604	55,458	58,217	14,791
Prior-year undistributed income [3]	**5,246,098**	**130,548**	**1,044,698**	**774,322**	**1,162,386**	**1,000,700**	**1,133,443**
Net ordinary income	309,693	19,970	43,870	13,187	61,506	94,114	77,046
Net short-term capital gain (loss)	24,943	3,165	15,448	-404	-421	2,285	4,872
Net long-term capital gain (loss)	4,698,268	39,757	947,309	753,865	1,058,249	856,032	1,043,056
Nontaxable income	213,194	67,657	38,072	7,674	43,052	48,270	8,469
Current-year net income [4]	**814,786**	**384,473**	**53,597**	**33,458**	**67,158**	**93,966**	**182,133**
Net ordinary income	230,430	-812	53,552	36,974	48,990	46,863	44,864
Net short-term capital gain (loss)	-94,062	-883	-16,049	-17,308	-22,024	-13,943	-23,856
Net long-term capital gain (loss)	629,926	385,384	5,991	4,863	27,787	51,098	154,804
Nontaxable income	48,491	784	10,103	8,929	12,406	9,947	6,322
Undistributed at end of year [5]	**4,875,947**	**8,629**	**923,341**	**689,483**	**1,088,018**	**994,435**	**1,172,041**
Net ordinary income	270,398	*496	39,611	11,273	61,638	93,601	63,778
Net short-term capital gain (loss)	-34,331	*-44	730	-6,630	-10,841	-3,634	-13,912
Net long-term capital gain (loss)	4,484,475	8,129	843,531	676,744	991,638	851,920	1,112,514
Nontaxable income	155,405	*48	39,469	8,097	45,582	52,549	9,660

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part II, Line 22.

[3] Taken from Form 5227, Part II, Line 20.

[4] Taken from Form 5227, Part II, Line 21.

[5] Taken from Form 5227, Part II, Line 23.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 3.--Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under $500,000[1]	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	**22,783**	**18,827**	**2,145**	**1,407**	**319**	**85**
Total net assets [2]	**9,451,131**	**2,059,975**	**1,574,453**	**2,158,019**	**1,543,678**	**2,115,005**
Total liabilities and net assets [3]	**9,600,126**	**2,119,570**	**1,584,809**	**2,193,469**	**1,557,377**	**2,144,901**
Total assets [4]	**9,596,835**	**2,114,658**	**1,584,809**	**2,194,744**	**1,557,723**	**2,144,901**
Cash	124,032	25,342	26,873	32,247	30,243	9,327
Savings and temporary cash investments	760,036	112,576	96,664	159,220	175,640	215,937
Receivables due [5]	417,644	107,681	118,000	63,254	49,781	78,928
Inventories and prepaid expenses	150	*32	--	*106	*11	--
Total investments	8,115,613	1,812,571	1,338,446	1,871,556	1,277,745	1,815,294
Securities	6,469,526	1,375,499	1,145,226	1,551,616	1,056,876	1,340,309
Government obligations	1,592,457	247,963	296,478	376,980	330,310	340,727
Corporate stock	3,668,348	838,013	656,749	901,081	524,105	748,399
Corporate bonds	1,208,721	289,524	191,999	273,555	202,461	251,183
Land, buildings, and equipment	99,786	28,494	--	49,854	*21,434	*4
Other investments	1,546,300	408,578	193,220	270,086	199,435	474,981
Charitable purpose land, buildings, and equipment	31,434	*10,933	--	19,157	*1,344	--
Other assets	147,923	45,521	4,825	49,203	22,959	25,415
Total liabilities [6]	**119,354**	**54,969**	**10,356**	**22,838**	**13,698**	**17,493**
Accounts payable, accrued expenses, and deferred revenue	55,388	22,574	6,325	8,007	9,734	8,748
Loans from disqualified persons, mortgages, and notes payable	7,822	*4,450	*67	*2,888	*417	--
Other liabilities	56,144	27,945	3,964	11,943	3,547	*8,744

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes 1,283 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part IV, line 46, column (b).

[3] Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

[6] Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 4.--Charitable Remainder Unitrusts: Income and Deduction Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets					
		Zero or not reported[1]	$1 under $500,000	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	**91,371**	**2,119**	**61,761**	**14,782**	**9,311**	**2,737**	**661**
Total net income [2]	**4,526,145**	**270,651**	**58,169**	**251,196**	**385,255**	**395,590**	**3,165,283**
Net ordinary income [3]	**2,257,780**	**17,550**	**241,279**	**238,840**	**319,392**	**305,635**	**1,135,085**
Total ordinary income [4]	**2,918,431**	**24,548**	**337,668**	**319,762**	**418,659**	**379,401**	**1,438,393**
Interest income	997,287	17,408	127,632	127,579	182,098	146,967	395,602
Dividend and business income (loss)	1,552,504	6,824	178,469	149,019	212,220	208,144	797,827
Other income [5]	368,638	*316	31,564	43,163	24,341	24,290	244,963
Total deductions allocable to ordinary income [6]	**660,648**	**6,998**	**96,387**	**80,922**	**99,267**	**73,767**	**303,308**
Interest	56,714	--	1,219	1,279	1,454	1,394	51,366
Taxes	8,207	*2	886	740	1,776	875	3,928
Other deductions	595,728	6,996	94,282	78,903	96,036	71,497	248,013
Net short-term capital gain (loss) [7]	**-226,628**	**70,425**	**-139,228**	**-132,823**	**-239,311**	**-227,236**	**441,544**
Total short-term capital gain (loss)	-189,593	97,170	-138,712	-132,523	-238,287	-226,837	449,596
Deductions allocable to short-term capital gain (loss)	37,036	*26,745	515	300	1,024	399	8,052
Net long-term capital gain (loss) [8]	**2,494,993**	**182,677**	**-43,882**	**145,179**	**305,174**	**317,191**	**1,588,653**
Total long-term capital gain (loss) [9]	2,534,936	185,080	-37,883	153,860	311,265	322,677	1,599,937
Deductions allocable to long-term capital gain (loss)	39,944	*2,403	5,999	8,681	6,091	5,485	11,284

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

[3] Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part I, line 8

[5] Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

[6] Taken from Form 5227, Part I, line 12.

[7] Taken from Form 5227, Part I, line 16. Includes losses.

[8] Taken from Form 5227, Part I, line 19. Includes losses.

[9] Taken from Form 5227, Part I, line 17a. Includes losses.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 5.--Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of book value of total assets					
		Zero or not reported[1]	$1 under $500,000	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	**91,371**	**2,119**	**61,761**	**14,782**	**9,311**	**2,737**	**661**
Total accumulations [2]	**64,106,682**	**1,391,926**	**6,759,945**	**7,177,493**	**10,618,744**	**10,960,916**	**27,197,658**
Net ordinary income	3,620,533	38,072	346,561	335,490	478,694	484,832	1,936,884
Net short-term capital gain (loss)	1,752,533	80,235	-106,067	-57,739	-110,215	-88,350	2,034,669
Net long-term capital gain (loss)	58,360,815	1,247,786	6,479,958	6,855,432	10,143,956	10,465,477	23,168,205
Nontaxable income	372,802	25,833	39,493	44,311	106,309	98,957	57,900
Prior year undistributed income [3]	**59,832,480**	**1,122,001**	**6,715,603**	**6,938,133**	**10,280,230**	**10,624,087**	**24,152,426**
Net ordinary income	1,362,752	20,522	105,282	96,650	159,302	179,198	801,799
Net short-term capital gain (loss)	1,979,693	9,810	33,192	75,330	128,810	138,886	1,593,666
Net long-term capital gain (loss)	56,197,996	1,066,268	6,546,550	6,735,811	9,907,087	10,231,261	21,711,018
Nontaxable income	292,039	25,400	30,580	30,343	85,031	74,742	45,944
Current year net income [4]	**4,585,637**	**271,096**	**65,661**	**265,078**	**403,154**	**412,512**	**3,168,137**
Net ordinary income	2,232,212	17,561	237,361	234,499	315,565	303,535	1,123,692
Net short-term capital gain (loss)	-215,834	70,425	-137,710	-130,289	-235,341	-224,426	441,508
Net long-term capital gain (loss)	2,488,495	182,677	-42,903	146,901	301,651	309,189	1,590,980
Nontaxable income	80,763	*433	8,914	13,968	21,278	24,214	11,956
Undistributed at end of year [5]	**55,244,104**	**11,093**	**5,994,099**	**6,430,383**	**9,644,373**	**10,126,628**	**23,037,528**
Net ordinary income	1,977,428	16,777	69,078	95,326	138,593	229,209	1,428,446
Net short-term capital gain (loss)	2,027,149	*6,537	-46,981	17,127	24,543	27,944	1,997,980
Net long-term capital gain (loss)	50,941,864	-12,339	5,941,110	6,283,989	9,387,856	9,782,257	19,558,989
Nontaxable income	297,663	*118	30,891	33,942	93,381	87,219	52,113

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part II, Line 22.

[3] Taken from Form 5227, Part II, Line 20.

[4] Taken from Form 5227, Part II, Line 21.

[5] Taken from Form 5227, Part II, Line 23.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 6.--Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under $500,000[1]	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	**91,371**	**63,880**	**14,782**	**9,311**	**2,737**	**661**
Total net assets (end-of-year) [2]	**77,567,343**	**11,269,547**	**10,302,451**	**14,847,984**	**13,470,765**	**27,676,595**
Total liabilities and net assets (end-of-year) [3]	**81,439,038**	**11,430,589**	**10,397,584**	**15,072,966**	**13,700,190**	**30,837,710**
Total assets (end-of-year)	**81,564,412**	**11,455,375**	**10,457,328**	**15,115,656**	**13,696,696**	**30,839,358**
Cash	1,307,886	220,521	183,025	294,693	252,891	356,756
Savings and temporary cash investments	8,297,297	705,429	709,512	1,011,775	1,194,669	4,675,911
Receivables due [4]	2,405,101	564,388	515,506	662,949	361,586	300,672
Inventories and prepaid expenses	3,044	*149	*616	1,285	659	335
Total investments	66,561,136	9,284,750	8,688,656	12,483,422	11,286,736	24,817,571
Securities	46,736,954	7,244,287	7,122,028	10,072,266	8,390,840	13,907,534
Government obligations	5,009,206	509,205	706,942	1,085,221	1,067,779	1,640,059
Corporate stock	33,854,874	5,353,603	5,257,912	7,391,255	6,106,022	9,746,082
Corporate bonds	7,872,874	1,381,478	1,157,174	1,595,791	1,217,039	2,521,393
Land, buildings, and equipment	825,025	113,522	135,056	230,854	231,309	114,284
Other investments	18,999,157	1,926,942	1,431,572	2,180,303	2,664,587	10,795,754
Charitable purpose land, buildings, and equipment	337,644	60,670	*26,585	87,709	61,300	101,380
Other assets	2,652,287	619,455	333,425	573,821	538,854	586,732
Total liabilities (end of year)	**967,416**	**110,120**	**133,676**	**197,763**	**213,049**	**312,809**
Accounts payable, accrued expenses, and deferred revenue	335,383	46,360	66,381	66,302	58,491	97,850
Loans from disqualified persons, mortgages, and notes payable	79,716	2,021	*23,051	9,951	*21,301	23,390
Other liabilities	552,317	61,738	44,243	121,510	133,257	191,569

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes 2,119 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities.

[3] Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 7.--Charitable Remainder Unitrusts: Fair Market Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under $500,000[1]	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	**91,371**	**63,880**	**14,782**	**9,311**	**2,737**	**661**
Total assets [2]	**84,697,749**	**12,323,748**	**10,358,710**	**15,022,329**	**13,317,010**	**33,675,952**
Cash	1,323,979	218,364	184,223	295,263	275,345	350,783
Savings and temporary cash investments	8,289,863	728,050	707,145	999,358	1,182,849	4,672,461
Receivables due [3]	2,276,232	533,631	486,230	616,889	338,619	300,863
Inventories and prepaid expenses	2,966	*148	*616	1,125	743	334
Total investments	69,614,379	9,928,612	8,617,936	12,471,857	10,964,902	27,631,071
Securities	48,523,897	7,322,923	7,032,244	9,973,104	8,193,626	16,002,000
Government obligations	5,199,689	540,097	725,086	1,130,410	1,150,873	1,653,224
Corporate stock	35,124,685	5,416,071	5,131,192	7,202,825	5,849,852	11,524,745
Corporate bonds	8,199,523	1,366,755	1,175,966	1,639,869	1,192,901	2,824,031
Land, buildings, and equipment	1,363,772	504,305	147,439	321,596	283,540	106,892
Other investments	19,726,710	2,101,385	1,438,253	2,177,157	2,487,736	11,522,179
Charitable purpose land, buildings, and equipment	527,887	157,097	*63,169	90,236	68,725	148,661
Other assets	2,662,418	757,828	299,387	547,597	485,826	571,780
Total liabilities [4]	**1,058,402**	**100,782**	**129,264**	**203,761**	**213,033**	**411,562**
Accounts payable, accrued expenses, and deferred revenue	336,361	42,707	63,717	64,985	57,736	107,216
Loans from disqualified persons, mortgages, and notes payable	79,900	2,021	*23,051	9,951	*21,486	23,390
Other liabilities	642,140	56,054	42,495	128,824	133,810	280,956

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes 2,119 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part IV, line 37, column (b).

[3] Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

[4] Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 8.--Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under $500,000[1]	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	**5,481**	**2,573**	**1,208**	**1,050**	**464**	**186**
Total net assets [2]	**12,210,956**	**572,296**	**690,394**	**1,730,290**	**2,300,416**	**6,917,561**
Total liabilities and net assets [3]	**12,784,411**	**575,898**	**904,824**	**1,785,208**	**2,364,889**	**7,153,593**
Total assets [4]	**12,781,399**	**575,898**	**898,631**	**1,787,409**	**2,364,889**	**7,154,573**
Cash	148,958	9,312	*16,083	51,280	11,577	60,705
Savings and temporary cash investments	972,460	67,598	147,301	146,144	126,151	485,266
Receivables due [5]	281,615	*11,253	*23,300	40,768	135,069	71,225
Inventories and prepaid expenses	1,728	*50	--	*51	*1,215	411
Total investments	10,621,684	480,838	711,801	1,490,323	2,016,016	5,922,706
Securities	6,730,505	432,917	486,971	1,156,288	1,315,083	3,339,246
Government obligations	788,234	32,825	*10,286	160,170	125,927	459,025
Corporate stock	5,404,900	376,807	440,522	898,289	1,011,717	2,677,565
Corporate bonds	537,372	*23,285	*36,163	97,828	177,439	202,656
Other investments [6]	3,891,179	47,921	224,830	334,036	700,933	2,583,459
Other assets [7]	754,955	*6,847	*145	58,842	74,862	614,259
Total liabilities [8]	**558,778**	**3,602**	***214,429**	**54,918**	**49,797**	**236,032**

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities.

[3] Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

[6] Calculated as the sum of "investments--land, buildings, and equipment" (line 33) and "investments--other" (line 34).

[7] Calculated as the sum of "charitable purpose land, buildings, and equipment" (line 35) and "other assets" (line 36).

[8] Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Table 9.--Pooled Income Funds: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under $500,000[1]	$500,000 under $1,000,000	$1,000,000 under $3,000,000	$3,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	**1,675**	**1,309**	***103**	**160**	**79**	**25**
Total net assets (end-of-year) [2]	**1,510,399**	**146,523**	***79,294**	**237,121**	**358,558**	**688,904**
Total liabilities and net assets (end-of-year) [3]	**1,678,194**	**150,005**	***79,294**	**267,820**	**434,677**	**746,397**
Total assets (end-of-year)	**1,678,256**	**150,005**	***79,294**	**267,883**	**434,677**	**746,397**
Cash	10,416	892	--	2,324	4,372	2,827
Savings and temporary cash investments	81,917	6,766	--	7,748	14,832	52,571
Receivables due [4]	4,634	*194	--	*3,309	*349	*783
Inventories and prepaid expenses	169	--	--	--	*169	*0
Total investments	1,522,073	135,898	*61,113	240,441	404,312	680,309
Securities	974,304	95,028	*43,530	167,671	326,541	341,534
Government obligations	196,106	*11,534	*22,164	18,087	46,847	97,474
Corporate stock	363,701	21,737	--	48,268	126,262	167,433
Corporate bonds	414,497	61,757	*21,365	101,315	153,432	76,627
Other investments [5]	547,769	40,869	*17,583	72,770	77,772	338,775
Other assets [6]	59,048	*6,256	*18,182	*14,061	*10,643	9,906
Total liabilities (end-of-year)	**18,217**	***593**	**--**	**591**	**5,012**	**12,021**

* Estimate should be used with caution because of the small number of sample returns on which it is based.

Total assets at end of year:

[1] Includes returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

[2] Taken from Form 5227, Part IV, line 46, column (b).

[3] Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

[5] Calculated as the sum of "investments--land, buildings, and equipment" (line 33) and "investments--other" (line 34).

[6] Calculated as the sum of "charitable purpose land, buildings, and equipment" (line 35) and "other assets" (line 36).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Reconciling Corporation Book and Tax Net Income, Tax Years 1995-2001

Data Release

Differences in accounting rules for financial (book) and tax reporting purposes can lead to differences in the amount of income reported to shareholders and tax authorities. The differences in book and taxable income are reconciled for tax reporting purposes in Schedule M-1 of Form 1120. The Spring 2002 *Statistics of Income Bulletin* contained a detailed explanation of Schedule M-1 reconciliation with data for Tax Years 1996–1998 [1]. This article provides an overview of an updated and expanded set of Schedule M-1 tabulations for Tax Years 1995–2001.

Schedule M-1 Reconciliation

Figure A lists the line items of Form 1120 Schedule M-1. Schedule M-1 begins with a company's "net income (loss) per books," which represents the after-tax amount of income reported to shareholders. The next line is the company's Federal income tax expense per books, which is added back to the company's book net income to obtain the amount of pretax book income. Other additions are then made for items included in taxable net income but not included in book net income, and for book expenses that do not reduce taxable net income in the current year. The first of the income items is the "excess of capital losses over capital gains," and represents losses on the sale of capital assets (such as securities) that a company is not permitted to deduct for tax purposes in the current year, but which are fully reflected as a loss in a company's book income.

On the other income item line, "income subject to tax not recorded on books this year," corporations report income which is currently recognized for tax purposes but not for financial accounting. For tax purposes, when a payment is received, a company generally recognizes it as income. However, for financial reporting, the company is required to recognize payments received in advance as income during the future periods when the company provides the service or goods. An example of this type of transaction is rental payments that a company receives in advance. Under financial accounting rules, a company is required to recognize the advance rental payments as income pro-rata over the time period of the lease, while tax rules classify the entire amount as income in the current period. If the rental period spanS more than one accounting period, a temporary difference arises but reverses in a later tax year, leading to a difference in that later tax year, which the company reports on another line on Schedule M-1 as "income recorded on books this year not included on this return."

As part of "expenses recorded on books this year not deducted on this return," corporations report expenses or the portion of expenses that are greater for book income than for taxable income. An example of such a transaction is any book expense for travel and entertainment in excess of the deductible limits set for tax reporting. Also reported here, and separately identified, is any difference in depreciation to the extent book depreciation exceeds tax depreciation. Such differences in depreciation are usually due to the reversal of previous excess tax depreciation, and will be discussed in more detail below.

While the first set of items in the first column of Schedule M-1 captures accounting differences that lead to higher levels of taxable than book income, at least in the near term, the second set of items records other aspects of tax and financial reporting, which result in a decrease in taxable income. On line 7, "income recorded on books this year not included on this return," a company records items of book income that are not recognized as taxable net income in the current year. Examples of such income include tax-exempt interest (which by definition is excluded from the calculation of taxable net income, though fully recognized as income for financial accounting purposes) and income recognized as taxable in a prior period that was not considered income under Generally Accepted Accounting Principles (GAAP), such as prepaid rent.

The final set of accounting differences reported on Schedule M-1 (Line 8) is the amount by which tax deductions exceed their respective charges against book income. An important element of these types of expenses is depreciation, which is itemized on Schedule M-1. For financial reporting purposes, property, plant, and equipment are generally depreciated, using

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Reconciling Corporation Book and Tax Net Income, Tax Years 1995-2001

Figure A

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

1 Net income (loss) per books (after-tax)
Additions:
2 Federal income tax (expense per books)
3 Excess of capital losses over capital gains
4 Income subject to tax not recorded on books this year
5 Expenses recorded on books this year not deducted on this return
Depreciation
Travel and entertainment
Contributions carryover
6 Equals: Book income after additions

Subtractions:
7 Income recorded on books this year not included on this return
Tax-exempt interest
8 Deductions on this return not charged against book income this year
Depreciation
Contributions carryover
9 Equals: Total subtractions

10 Book income (after additions and subtractions) equal to tax net income before net operating loss deduction and special deductions

NOTE: Schedule M-1 line numbers are included for reference. Line 10 should equal tax net income reported on line 28, page 1, Form 1120; see text for discussion.

the straight-line method over an estimate of each asset's expected useful life, to some residual value. In calculating taxable net income, corporations can use accelerated methods of depreciation following procedures given by the tax code, typically over a shorter life and to no residual value. In the near term, other things equal, taxable income is less than financial accounting income because the tax deduction for depreciation is greater than the depreciation expense charged against earnings. However, at some point, the amount of depreciation allowed for tax purposes on these assets will fall below that reported for financial accounting purposes, reversing the relation between the two measures of income. Such reversals are reported as "expenses recorded on books this year not deducted on this return" and included in the itemization for depreciation.

Included as a deduction not charged as an expense are the effects of the differential treatment of stock-based compensation. When employees exercise stock options the difference between the exercise price and the market price is treated as compensation for tax purposes and is deductible. However, under certain circumstances, GAAP through 2004 did not require these expenses to be recognized as compensation in the calculation of book net income. In such cases, the reduction in taxes payable from the allowed tax deduction is treated as a contribution of capital to the corporation, and is not recognized as a reduction of tax expense [2].

The Schedule M-1 reconciliation does not include the net operating loss deduction or other special deductions, such as the deduction for dividends received, because these two items are subtracted from tax net income in order to determine "income subject to tax," the actual tax base. Unlike pre-tax book income or tax net income, income subject to tax is not negative. These deductions create a larger difference between book income and income subject to tax for companies with positive tax net income. A company's ultimate tax liability is calculated by applying the rate schedule to income subject to tax, with additional taxes potentially levied (for example, by the alternative minimum tax) and offset by the use of credits (such as the foreign tax credit).

The Magnitude of Book Tax Adjustments, 1995-2001

Figure B provides annual totals for each line item in any Schedule M-1 for all active corporation returns (other than Forms 1120S, 1120-REIT, and 1120-RIC) and for the subset of returns with net income, as well as additional information on total assets, net operating loss deductions, special deductions, and income tax before and after credits. Figure C provides a plot of pre-tax book income (the sum of Schedule M-1 lines 1 and 2) and tax net income [3]. The values provided for tax net income, taken from line 28 of Form 1120, do not match the values reported in the Spring 2002 *Statistics of Income Bulletin* article. In the previous article, tax net income was calculated from Schedule M-1. Recent research has shown that the value for tax net income derived from Schedule M-1 can differ from line 28 due to the presence of intercompany dividends, the imputation of Schedule M-1 lines 1 and 2 for businesses filing Form 1120-L, and returns filed with a blank Schedule M-1 [4]. Because these inconsistencies affect the reported amount of tax net income on Schedule M-1, aggregate comparisons of book tax differences should use tax net income as reported on Form 1120, page 1, line 28, and available in SOI's Publication 16, *Corporation Income Tax Returns*. These accounting inconsistencies can lead to Schedule M-1 tax net income, as determined by adding and subtracting adjustments to book net income, differing from tax net income reported on line 28. As a result, the details of Schedule M-1 may not add to the difference between book net income and tax net income as reported in these tables.

During the 7-year period from 1995–2001, pretax book income, measured as the sum of "net income (loss) per books" and "Federal income tax," grew from $628.7 billion in 1995 to a peak of $853.7 billion in 1999. However, Tax Years 2000 and 2001 show a dramatic change from prior years. In 2000, pretax book income declined to $784.1 billion, and fell further to $221.3 billion in 2001, a 1-year decline of 71.8 percent. During this same period, tax net income, as reported on line 28 of Form 1120, peaked 2 years earlier than pretax book income, in 1997, at $607.5 billion, declined to $517.9 billion in 2000, and then fell to $270.8 billion in 2001, a 1-year decline of 47.7 percent. In the aggregate, the steep decline in book profits during 2001 led to tax net income exceeding book income for the year.

For firms with positive net income [5], the peak patterns in book and taxable net income are more similar than for all firms. Book pretax income peaked in 2000 (at $1,110.6 billion dollars) as did tax net income (at $859.5 billion). While both book pretax income and tax net income decline sharply in 2001 (to $814.9 billion and $709.0 billion, respectively, 1-year declines of 26.6 percent and 17.5 percent), aggregate book pretax income for firms with positive net income remains larger than aggregate tax net income. In contrast to the aggregate decline in pretax book income of all firms of 71.8 percent, the decline in pretax book income of firms with positive net income is only 26.6 percent. This suggests that the incidence of tax net income exceeding book pretax income is primarily due to firms with current-year losses, which contemporaneously reported even larger losses to their shareholders.

The pattern of decline in 2000 and 2001 has also been identified in analyses using publicly available data. Hanlon and Shevlin (2004), in an analysis of the financial statements of publicly traded firms, estimate taxable income exceeds book income in both 2001 and 2002. They also report that this pattern is only temporary, with book income exceeding taxable income by more than 50 percent in 2003 [6].

Recent Developments

On January 28, 2004, the IRS proposed a new Schedule M-3, which will require a more detailed reconciliation of the sources and characteristics of differences between book and tax net income than contained in Schedule M-1. In addition to greater

Figure B

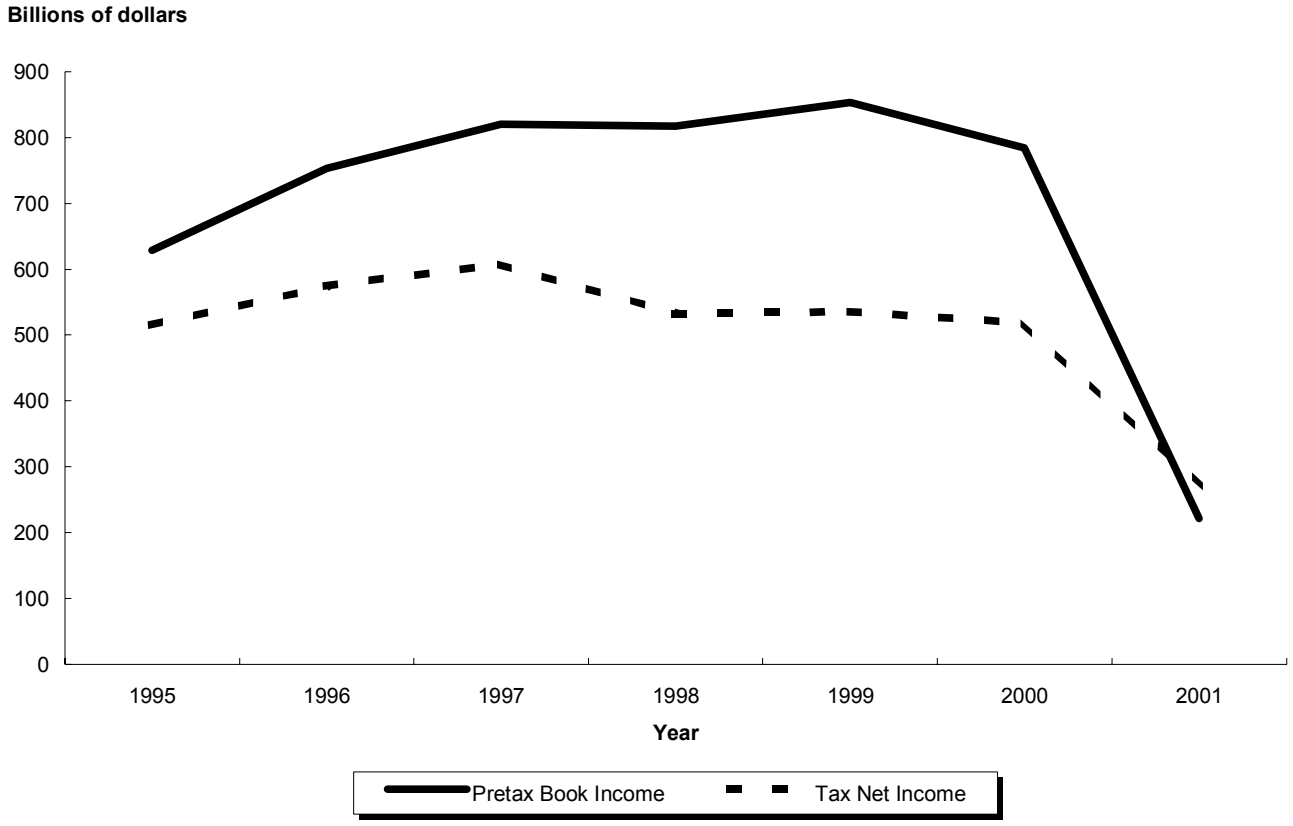
Returns of Active Corporations, Other than Forms 1120S, 1120-REIT, and 1120-RIC: Selected Schedule M-1 and Tax Return Items, Tax Years 1995-2001

[Money amounts are in thousands of dollars]

Item	1995	1996	1997	1998	1999	2000	2001
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns							
Number of returns	**2,312,332**	**2,317,886**	**2,248,065**	**2,249,970**	**2,198,740**	**2,172,705**	**2,136,756**
Total assets	21,739,741	23,511,429	26,398,629	29,539,701	32,202,634	36,892,293	39,088,341
Net income (loss) per books	455,690	553,497	599,870	600,319	600,127	516,667	59,728
Federal income tax	172,965	199,197	219,712	216,419	253,537	267,409	161,591
Excess of capital losses over capital gains	7,781	8,646	14,204	15,404	21,785	20,869	35,177
Income subject to tax not recorded on books this year	254,185	298,656	348,626	372,892	405,478	501,662	499,598
Expenses recorded on books this year not deducted on this return	504,461	525,583	590,910	697,518	733,155	958,393	1,126,614
Depreciation	98,622	97,709	111,705	125,235	126,499	141,009	156,072
Travel and entertainment	8,084	8,771	9,127	9,914	10,002	10,747	9,948
Income recorded on books this year not included on this return	278,249	320,284	384,592	472,270	523,506	677,680	522,330
Tax-exempt interest	21,010	20,492	20,123	22,455	22,972	22,205	21,112
Deductions on this return not charged against book income this year	517,522	574,240	656,745	743,899	809,100	944,726	955,829
Depreciation	151,985	154,489	177,232	205,270	212,646	229,469	270,189
Net Income (less deficit)	514,751	574,554	607,541	532,246	535,289	517,937	270,774
Net operating loss deduction	57,090	55,019	60,289	52,638	64,781	77,079	60,332
Special deductions	23,612	20,750	24,258	24,109	30,910	27,060	21,824
Total Income tax before credits	198,578	223,454	239,134	230,913	241,431	265,645	220,496
Total Income tax after credits	156,184	170,362	183,916	181,058	192,473	203,408	166,334
Returns with net income							
Number of returns	**1,262,386**	**1,284,278**	**1,239,047**	**1,239,493**	**1,199,747**	**1,144,496**	**1,088,221**
Total assets	19,294,749	21,143,256	23,547,359	24,862,404	27,241,130	30,458,794	30,086,819
Net income (loss) per books	551,056	658,001	709,870	721,440	780,385	841,566	614,563
Federal income tax	174,834	203,015	222,707	218,735	252,014	269,053	200,322
Excess of capital losses over capital gains	5,439	5,701	10,176	7,322	14,377	9,574	14,276
Income subject to tax not recorded on books this year	224,352	272,190	314,768	330,463	348,358	430,593	384,616
Expenses recorded on books this year not deducted on this return	411,969	420,309	458,480	509,786	543,027	596,561	578,231
Depreciation	87,839	85,147	94,311	98,229	98,303	96,816	94,149
Travel and entertainment	6,398	7,078	7,286	7,722	7,606	7,672	6,541
Income recorded on books this year not included on this return	235,242	272,121	333,587	361,581	440,941	529,503	376,333
Tax-exempt interest	19,547	19,430	19,050	20,428	20,589	19,844	15,954
Deductions on this return not charged against book income this year	410,163	464,393	510,575	546,366	587,916	649,077	603,086
Depreciation	126,922	130,761	144,746	149,908	165,103	159,406	165,329
Net Income	641,754	714,272	765,753	736,810	783,499	859,531	709,004
Net operating loss deduction	57,087	55,015	59,718	52,636	64,767	77,061	60,299
Special deductions	22,105	19,915	23,211	22,144	28,543	24,513	16,754
Total Income tax before credits	198,087	223,159	238,609	230,073	240,682	265,166	219,759
Total Income tax after credits	155,703	170,076	183,460	180,277	191,841	202,986	165,807

Figure C

Pretax Book and Tax Net Income for Active Corporations, Tax Years 1995-2001



detail on the source of the financial statement income number and the items causing differences in reported income amounts, the form requires firms to separately identify temporary and permanent components of the differences. Schedule M-3 is applicable only to firms with total assets of $10 million or more and is effective with Tax Year 2004 filings [7].

Data Sources and Limitations, Form 1120, Tax Years 1995–2001

Estimates for Tax Years 1995–2001 are based on samples of corporation income tax returns with accounting periods ending July of one year through June of the following year. For example, Tax Year 1996 includes accounting periods of July 1996 to June 1997. These returns represent domestic corporations filing Form 1120 or 1120-A; foreign corporations with income "effectively connected" with a U.S. business filing Form 1120-F; life insurance companies filing Form 1120-L; and property and casualty insurance companies filing Form 1120-PC. While life insurance companies are included in the tabulations, Form 1120-L does not include a Schedule M-1, and these returns will report a book-tax difference in the aggregate. Form 1120S (S corporation returns), regulated investment companies filing Form 1120-RIC, and real estate investment trusts filing Form 1120-REIT were excluded from the tabulations.

A stratified probability sample was used to produce the statistics. Sample sizes vary by year with stratifications based on combinations of total assets and a measure of income at rates ranging from 0.25 percent to 100 percent. More detail for individual years is available in S*tatistics of Income--Corporation Income Tax Returns*, Publication 16.

Notes and References

[1] Plesko, G. A., "Reconciling Corporation Book and Tax Net Income, Tax Years 1996-1998," *SOI Bulletin,* Spring 2002, pp. 1-16.

[2] The financial accounting rules were changed in 2004 and become effective during 2005. See Financial Accounting Standards Board, *Statement of Financial Accounting Standards, Number 123 (Revised 2004), Share-Based Payment* Number 263-C, (Norwalk, Financial Accounting Standards Board) December 2004.

[3] Schedule M-1 tax net income (after additions and subtractions to pre-tax book income) should equal the amount of tax net income reported on line 28, page 1, Form 1120. In practice, however, this is often not the case. See Boynton, C.; DeFilippes, P.; Lisowsky, P.; and Mills, L., Consolidation Anomalies in Form 1120 Corporate Tax Return Data, 104 *Tax Notes*, July 26, 2004 pp. 405- 417, particularly the discussion (page 407) of the editing by SOI of page 1 line 28 tax net income to correct for improper inclusion of intercompany dividends that should have been eliminated in consolidation.

[4] SOI computes amounts for Schedule M-1 lines 1 and 2 for Form 1120-L from the statutory accounting statement (NAIC Annual Statement) filed with Form 1120-L. SOI does not compute any Schedule M-1 book-tax differences for Form 1120-L.

[5] Consistent with other SOI corporation income tax return tabulations, the classification into "firms with Net Income" is based on the value of tax net income reported on Form 1120, page 1, line 28.

[6] See Hanlon, M. and Shevlin, T., "Book-Tax Conformity for Corporate Income: An Introduction to the Issues," forthcoming Tax Policy and the Economy #18, Cambridge, MA, National Bureau of Economic Research.

[7] For a critical examination of Schedule M-1 see Mills, L. and Plesko, G.A., "Bridging the Reporting Gap: A Proposal for More Informative Reconciling of Book and Tax Income," *National Tax Journal* 56:4, December 2003, pp. 865 – 893. A description of the development and benefits of Schedule M-3 can be found in Boynton, C. and Mills, L., "The Evolving Schedule M-3: A New Era of Corporate Show and Tell?," *National Tax Journal*, September 2004, pp. 757-769.

SOI Abstracts

The following abstracts are provided to keep readers up to date on the latest analytical, descriptive, or methodological papers written by Statistics of Income (SOI) Division personnel or researchers during the past year. These papers, which either use SOI data or are about SOI data, were presented at the 2004 Joint Statistical Meetings of the American Statistical Association (ASA) and will be published in the IRS Methodology Report series, *Special Studies in Federal Tax Statistics*. These papers also appear in the *2004 Proceedings of the American Statistical Association*. The abstracts below are listed by the title of the session in which the paper was presented and the ASA section(s) that sponsored the session. To obtain copies of the papers, you may write to Statistical Information Services (SIS), Statistics of Income Division (RAS:S:SS:SD), P.O. Box 2608, Washington, DC 20013-2608; send a fax to SIS on (202) 874-0964; e-mail us at: sis@irs.gov; or call (202) 874-0410. These papers may also be accessed directly from the Tax Stats Web site, http://www.irs.gov/taxstats/article/0,,id=131260,00.html.

Recent Developments in Statistics of Income Research

Sponsored by the Section on Government Statistics

The 1979-2002 SOI Continuous Work History Sample Individual Income Tax Panel

Michael E. Weber

Each year, SOI produces a cross-sectional microdata file of individual income tax returns. Since 1979, multiple CWHS Social Security Number (SSN) series have been included as part of the cross-sectional sampling process. When the CWHS portion of these yearly cross-sectional samples are linked together using the primary SSN listed on the tax return, a longitudinal sample of individual income tax returns can be created. In the past, a limited data set of such longitudinal income tax data was released in a public-use format. Unfortunately, this public-use file was discontinued in 1990 due to disclosure concerns. However, the yearly cross-sectional files have continued to accumulate, and the SOI Individual Income Tax Return CWHS Panel file now spans 1979-2002. In addition, the current version includes information on gender and age. This paper explains how the SOI Individual Income Tax Return CWHS Panel is created and "cleaned," provides some basic tabulations that can guide future users of the panel, and discusses how economists can use this file for tax policy research.

Further Analysis of the Distribution of Income and Taxes

Michael Strudler, Tom Petska, and Ryan Petska

Administrative records from tax returns are a reliable source of information on the distribution of personal income and tax burdens. This paper is the sixth in a series examining trends in the distribution of individual income and taxes based on a consistent and comprehensive measure of income derived from individual income tax returns. It examines changes in income distribution and tax burdens between 1979-1999, including the effects of Federal income and Social Security payroll taxes on the after-tax distribution of income. In addition to analysis of the basic data, it estimates Lorenz curves and Gini coefficients to see how income inequalities change over time. It also uses a panel of returns to study how incomes and taxes change for individuals over time. It looks at after-tax earnings over the whole time period to get a better understanding of the nature of income inequalities and concludes with thoughts on historical trends in pre- and post-tax distributions and burdens.

Use of Individual Retirement Arrangements To Save for Retirement, 1996-2001—Results from a Matched File of Tax Returns and Information Documents

Peter J. Sailer and Sarah A. Holden

By combining tax returns and information returns in one database, the Statistics of Income (SOI) Division has made it possible to study trends in contributions to Individual Retirement Arrangements (IRA's), as well as the participation in other types of retirement plans, by individual taxpayers. In this paper, the authors compare the

number of taxpayers using traditional deductible IRA's, nondeductible IRA's, and Roth IRA's to the number of taxpayers eligible to use them. For the nonusers, coverage by other types of plans is shown as well. Trends in retirement savings by various age and income groups are also discussed.

Customer Satisfaction Initiatives within the Statistics of Income of the Internal Revenue Service

Kevin Cecco

Measuring Customer Satisfaction continues to play an important role for many of the Federal statistical agencies. The Statistics of Income (SOI) Division of the Internal Revenue Service relies on results from a number of customer satisfaction surveys to assess customer feedback and improve the information and services provided to our customers. SOI has made a commitment to administer satisfaction surveys to its primary customers at the Office of Tax Analysis, the Joint Committee on Taxation, and the Bureau of Economic Analysis, as well as to internal employees and customers within the IRS. As a critical source of valuable information, the surveys allow SOI to tailor data dissemination efforts more effectively. This paper focuses on highlighting and summarizing results from these customer surveys, documents the process for collecting this information, and discusses future plans for expanding customer satisfaction initiatives within SOI.

Poster Session: Computational Statistics and Numerical Methods

Some New Tables for Upper Probability Points of the Largest Root of a Determinantal Equation with Seven and Eight Roots

William W. Chen

The Fisher-Girshick-Hsu-Roy distribution (1939) has interested statisticians for more than 6 decades. Instead of using K.C.S. Pillai's method of neglecting higher order terms of the cumulative distribution function(c.d.f.) of the largest root to approximate the percentage points, this paper keeps the whole c.d.f. and applies its natural nondecreasing property to calculate the exact probabilities. At the duplicated percentage points, it finds the computed percentage points to be consistent with existing tables. However, its tabulations greatly extend the existing tables.

Quality Assessment of Administrative Records Data

Sponsored by Section on Quality and Productivity, Social Statistics Section, Section on Survey Research Methods, and Section on Government Statistics

Assessing Industry Codes on the Business Master File

Paul McMahon

The Internal Revenue Service uses a variation on the North American Industry Classification System (NAICS) Codes that generally collapses the 6-digit classifications to reduce respondent burden. The data are self-reported and subject to data abstraction errors, but those that are among the list of codes IRS uses are retained on the Business Master File. This paper compares these validated codes to the values assigned during the Statistics of Income Programs' data abstraction process. In addition, some of the "invalid" codes may, in fact, be NAICS Codes from the full Census listing, and the paper investigates whether this is confirmed by the SOI data edits.

Data Interpretation Across Sources: A Study of Form 990-PF Information Collected from Multiple Databases

Melissa R. Ludlum

Many private foundation data come from a single source, the information return, Form 990-PF. Forms 990-PF are available to the public for analysis and inspection via the Internet. Additional statistics are created by the National Center for Charitable Statistics at the Urban Institute and are based on annual extracts from the IRS Returns Transaction File (RTF), which are provided to NCCS by IRS staff. A third resource is the Statistics of Income study of private foundations, which is based on a weighted annual sample of Forms 990-PF that are key-entered by IRS staff and reviewed for mathematical and reporting errors. However, the statistics derived from Forms 990-PF may vary widely, depending on the manner in which the data are collected. This paper compares Form 990-PF data on the SOI sample file to those from the annual RTF extracts and attempts to explain discrepancies. Additionally, it examines data compiled at both aggregate and microlevels to determine the effects of IRS data entry and correction procedures.

The Effect of Content Errors on Bias and Nonsampling Error in Estimates Derived from Samples of Administrative Records

Barry W. Johnson and Darien B. Jacobson

The Statistics of Income Division of the IRS uses a number of methods for ensuring the quality and integrity of the data it produces for tax administration research. As a first line of quality assurance, codes and mathematically related fields are extensively tested as they are entered into computer systems. In addition, for a subsample of returns selected and processed in most studies, SOI assigns a second employee to enter and edit the data. Values from the original and second versions are then computer-matched. A supervisor resolves discrepancies discovered during the match. The original value, second value, and correct values are all collected as part of the quality review system, along with a set of codes that describe the cause of the error. This paper uses quality review data from Federal estate tax returns selected into the Calendar Year 2002 Statistics of Income (SOI) estate tax sample to study editor errors in the SOI data. It examines the effects of these nonsampling errors on the final estimates, with particular focus on identifying patterns that can be addressed during editor training.

Editor Judgment Effect: Modeling a Key Component of Nonsampling Error in Administrative Data

Kimberly Henry, Yahia Ahmed, and Ellen Legel

The presence of sampling and nonsampling errors can significantly affect an agency's national estimates. Nonsampling errors can be classified into random errors with no cumulative effect and systematic errors with relatively fixed effects that result in bias. The abstraction of statistical information from Form 1120 tax returns places SOI's editors in a position to make judgments while recording, cleaning, and processing the data. Editor judgment is required because editors transcribe administrative data collected for tax liability, which is subject to different corporate accounting practices, under study standards created for statistical purposes. Errors created from these judgments are the largest source of nonsampling error in the corporate sample. This paper uses bias and variance component models to produce net difference rate and index of inconsistency estimates for certain corporate tax variables as modest measures of the editor judgment effect on the corporate sample's data quality.

The Evolution of IRS Telephone Quality Measures

Laura Rosage

The Internal Revenue Service has been measuring the quality of the services it provides to taxpayers since the late 1980's. The way in which telephone quality is measured has evolved over the years from test calls, to live monitoring of telephone calls, and soon to whole contact recording. This paper details the Service's latest move from a pass/fail method of measurement to a defects-per-opportunity methodology. It discusses the strengths and limitations of each method, the overall impact on quality rates, and future plans for improving the measurement process.

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Notice: The data on the following pages represent the most recent and most accurate information available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns [1]	**113,717,138**	**118,218,327**	**127,075,145**	**129,373,500**	**130,255,237**	**130,076,443**	**130,571,319**
Form 1040 returns [1]	69,270,236	64,774,724	74,165,814	78,846,102	80,500,011	80,748,948	80,193,301
Form 1040A returns [1]	25,917,288	24,463,262	26,961,302	28,826,589	28,293,817	28,714,328	29,827,251
Form 1040EZ returns [1]	18,529,614	21,644,177	20,752,420	21,700,809	21,461,409	20,613,167	20,550,767
Form 1040PC returns [1]	N/A	7,102,740	5,195,609	N/A	N/A	N/A	N/A
Electronically-filed returns [1]	8,755,040	14,724,219	35,495,320	40,078,595	46,861,486	52,798,823	62,180,894
Returns by filing status:							
Joint returns	48,377,437	49,036,410	49,900,030	50,268,249	51,034,384	51,302,089	51,759,705
Returns of married persons filing separately	2,195,510	2,627,963	2,385,646	2,486,719	2,441,481	2,330,723	2,251,811
Returns of heads of households	13,159,596	15,551,213	17,781,482	18,208,359	18,493,710	19,170,266	19,562,275
Returns of surviving spouses	111,478	115,370	80,870	63,800	74,242	73,577	84,286
Returns of single persons	49,873,116	50,887,371	56,927,117	58,346,372	58,211,420	57,199,788	56,913,241
Returns with Presidential Election Campaign Fund checkoff: [2]							
Number of returns	22,512,682	14,935,134	14,208,181	13,958,259	14,240,945	13,143,595	12,309,867
Amount	32,463	67,860	61,090	60,685	60,801	56,567	52,918
Number of boxes checked	32,496,958	21,443,077	18,306,408	19,741,877	20,266,894	18,857,672	17,639,378
Adjusted gross income (AGI) [3]	**3,405,427,348**	**4,189,353,615**	**5,855,467,909**	**6,365,376,648**	**6,170,603,942**	**6,033,585,532**	**6,212,974,067**
Salaries and wages:							
Number of returns	96,729,912	101,138,551	108,183,782	110,168,714	111,227,450	110,938,441	111,350,057
Amount	2,599,401,271	3,201,456,569	4,132,473,459	4,456,167,438	4,565,229,218	4,559,690,903	4,696,501,144
Taxable interest received: [4]							
Number of returns	70,369,662	67,028,830	67,218,877	68,046,458	67,479,816	63,584,806	59,591,835
Amount	227,083,888	154,780,536	175,675,236	199,321,670	198,177,814	149,024,899	115,682,836
Tax-exempt interest: [5]							
Number of returns	3,916,925	5,006,129	4,801,877	4,658,345	4,557,381	4,453,829	4,525,688
Amount	40,228,405	48,518,428	52,513,007	53,951,877	55,582,376	54,564,465	51,795,259
Dividends in AGI: [6]							
Number of returns	22,904,441	26,214,195	32,226,492	34,140,605	32,621,151	31,409,759	30,450,215
Amount	80,168,536	94,592,325	132,465,522	146,987,679	119,533,324	103,241,332	110,863,179
Qualified dividends in AGI: [6]							
Number of returns	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22,470,605
Amount	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	79,229,288
Business or profession net income:							
Number of returns	11,221,925	12,217,261	13,165,318	13,312,586	13,611,559	13,750,982	14,407,862
Amount	161,657,252	191,809,620	233,746,237	244,598,112	249,507,231 r	256,878,740 r	261,375,371
Business or profession net loss:							
Number of returns	3,415,666	3,955,590	4,146,807	4,287,423	4,406,790	4,846,323	4,990,662
Amount [7]	20,227,059	22,466,293	25,332,170	30,732,759	32,734,734	36,095,167	38,380,163
Net capital gain in AGI: [6,8]							
Number of returns	9,217,141	14,829,385	22,497,646	22,645,728	12,630,577	9,969,731	10,085,562
Amount	123,783,047	180,130,460	552,604,872	644,284,795	348,132,997	268,202,336	288,629,772
Net capital loss in AGI: [6,9]							
Number of returns	5,070,741	5,133,540	5,202,857	6,875,037	10,839,824	13,279,894	12,808,729
Amount	9,551,854	9,715,254	9,846,756	13,742,364	22,964,034	29,833,878	28,921,930
Sales of property other than capital assets, net gain: [10]							
Number of returns	866,359	802,688	834,575	827,490	772,632	789,392	784,336
Amount	6,299,921	5,734,820	6,557,503	7,445,007	7,208,365	7,291,728	7,521,982
Sales of property other than capital assets, net loss: [10]							
Number of returns	825,018	974,545	898,350	872,562	843,253	938,985	902,097
Amount	4,828,713	8,744,858	8,269,794	8,364,141	9,105,361	9,678,258	7,048,185
Pensions and annuities in AGI: [11]							
Number of returns	17,014,091	18,414,601	21,343,646	21,765,211	22,262,774	22,794,417	23,058,944
Amount	159,294,448	221,053,045	304,310,714	325,827,702	338,745,409	357,840,960	378,632,948
Unemployment compensation in AGI: [12]							
Number of returns	8,014,136	7,985,322	6,775,723	6,478,292	8,799,886	10,334,639	10,133,305
Amount	15,453,147	19,336,423	17,530,779	16,913,305	26,890,925	43,129,155	44,185,367

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Adjusted gross income (AGI)--continued							
Social Security benefits in AGI: [13]							
Number of returns	5,082,575	6,598,033	9,459,189	10,608,572	10,779,280	10,702,502	11,098,826
Amount	19,686,539	45,715,361	75,078,976	89,964,021	93,559,363	93,459,494	99,080,506
Rent net income: [14]							
Number of returns	3,933,823	4,358,760	4,355,533	4,200,588	4,226,121	4,228,529	4,055,730
Amount	25,886,388	35,165,713	43,459,764	45,099,159	47,307,618	49,265,943	48,603,223
Rent net loss: [14]							
Number of returns	5,163,186	4,903,387	4,616,526	4,520,263	4,504,545	4,500,788	4,439,491
Amount	33,450,215	27,437,709	28,341,505	30,309,122	31,057,269	34,253,712	37,520,944
Royalty net income: [15]							
Number of returns	1,170,627	1,096,821	1,117,408	1,103,851	1,133,409	1,118,018	1,194,913
Amount	4,534,436	5,010,334	6,482,226	7,997,803	10,630,523	8,013,942	9,348,529
Royalty net loss: [15]							
Number of returns	49,133	36,680	46,926	36,033	46,313	38,389	30,821
Amount	125,855	84,550	131,699	100,895	89,482	140,775	93,978
Partnership and S corporation net income: [16]							
Number of returns	3,210,384	3,566,632	4,154,776	4,179,537	4,356,933	4,329,316	4,139,385
Amount	112,029,507	166,418,667	269,757,830	285,424,865	301,558,966	314,665,137	301,171,011
Partnership and S corporation net loss: [16]							
Number of returns	2,767,074	2,055,062	2,121,841	2,120,784	2,139,574	2,394,105	2,371,920
Amount [7]	45,007,276	40,666,189	58,685,867	72,511,266	76,448,871	76,697,948	56,220,101
Estate or trust net income:							
Number of returns	444,953	506,584	516,024	556,534	493,247	539,946	460,487
Amount	4,633,163	6,870,734	10,975,854	12,134,000	12,378,332	12,459,427	11,494,374
Estate or trust net loss:							
Number of returns	74,127	41,050	40,071	39,026	44,096	41,508	29,622
Amount	467,976	816,719	1,092,143	1,127,838	2,158,566	1,219,102	562,851
Farm net income:							
Number of returns	996,360	726,065	725,782	703,083	649,173	556,331	595,750
Amount	11,395,305	8,192,174	9,201,162	8,270,319	7,656,704	6,324,051	7,560,081
Farm net loss:							
Number of returns	1,324,793	1,493,178	1,320,526	1,358,701	1,357,698	1,438,741	1,402,196
Amount [7]	11,829,067	16,041,814	15,444,078	17,305,037	18,661,484	20,743,770	19,513,364
Total statutory adjustments:							
Number of returns [17]	16,648,032	18,208,887	22,659,973	23,197,425	23,497,092	28,911,078	30,352,239
Amount [17]	33,974,231	41,139,577	56,698,800	58,609,518	60,572,768	77,161,432	85,137,579
Educator expenses:							
Number of returns	N/A	N/A	N/A	N/A	N/A	2,884,403	3,275,128
Amount	N/A	N/A	N/A	N/A	N/A	712,505	813,913
Individual Retirement Arrangements: [18]							
Number of returns	5,223,737	4,300,722	3,687,149	3,505,032	3,448,457	3,277,671	3,462,006
Amount	9,858,219	8,338,014	7,883,438	7,477,074	7,406,866	9,462,404	10,166,576
Student loan interest deduction:							
Number of returns	N/A	N/A	4,136,505	4,477,986	4,405,667	6,640,784	7,031,160
Amount	N/A	N/A	2,254,531	2,639,472	2,711,733	4,469,546	4,470,823
Tuition and fees deduction:							
Number of returns	N/A	N/A	N/A	N/A	N/A	3,444,941	3,603,729
Amount	N/A	N/A	N/A	N/A	N/A	6,154,145	6,737,825
Medical savings account deduction: [19]							
Number of returns	N/A	N/A	50,393	65,415	69,957	61,118	63,450
Amount	N/A	N/A	81,977	120,330	123,296	121,282	119,800
Keogh and self-employed retirement plans:							
Number of returns	824,327	1,032,102	1,264,007	1,287,706	1,290,496	1,186,947	1,193,324
Amount	6,777,645	8,734,145	11,928,242	12,475,396	13,114,412	16,349,738	16,899,066
Deduction for self-employment tax:							
Number of returns	11,006,093	12,849,084	14,029,609	14,300,141	14,574,036	14,664,473	15,253,702
Amount	9,921,387	13,341,810	16,689,650	17,392,967	18,134,959	18,687,162	18,986,750

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total statutory adjustments--continued							
Self-employed health insurance:[20]							
Number of returns	2,754,040	3,011,145	3,491,539	3,564,624	3,559,792	3,571,152	3,658,160
Amount	1,627,356	2,601,145	6,755,071	7,569,198	8,177,397	10,494,247	15,569,662
Exemptions:							
Number of exemptions, total	227,549,246	237,164,486	248,657,119	252,332,427	256,186,046	258,716,374	261,657,429
Amount[21]	465,985,366	584,509,487	669,241,317	690,109,474	727,554,990	761,440,430	782,990,551
Number of boxes checked for taxpayer's age 65 or over[21]	18,716,746	19,450,417	21,785,802	22,475,999	22,825,923	22,948,745	23,423,068
Primary taxpayer	13,458,931	13,875,464	15,760,847	16,159,749	16,443,262	16,444,649	16,764,131
Spouse	5,257,815	5,574,953	6,024,955	6,316,250	6,382,661	6,504,096	6,658,937
Total deductions:							
Number of returns[22]	112,795,712	117,230,454	125,999,671	128,204,824	128,800,540	128,302,742	128,796,092
Amount[22]	789,941,575	940,958,666	1,205,337,338	1,293,181,391	1,366,435,851	1,390,114,852	1,439,376,664
Standard deductions:[23]							
Number of returns	80,620,774	83,222,737	85,755,366	85,670,504	84,238,233	82,655,191	84,934,121
Amount	331,456,520	413,584,632	463,960,491	470,820,881	466,971,032	477,170,045	542,758,782
Returns with additional standard deductions for age 65 or over or blindness:							
Number of returns	10,954,167	10,809,600	11,200,024	11,330,554	11,116,629	10,857,098	11,335,359
Amount	10,615,715	12,319,288	14,264,309	14,735,998	14,936,559	14,897,487	16,064,490
Itemized deductions:							
Number of returns[24]	32,174,938	34,007,717	40,244,305	42,534,320	44,562,308	45,647,551	43,861,971
Amount[24]	458,485,055	527,374,034	741,376,847	822,360,510	884,528,260	898,047,320	880,553,392
Medical and dental expense:[25]							
Number of returns	5,090,958	5,351,066	5,884,418	6,513,104	7,571,522	8,547,481	8,630,911
Amount	21,456,587	26,964,295	35,375,998	39,251,004	47,071,726	52,276,395	55,003,108
Taxes paid:[26]							
Number of returns	31,594,114	33,530,277	39,564,240	41,823,555	43,797,188	44,793,590	42,996,756
Amount	140,011,461	188,643,888	265,365,133	294,711,547	307,974,817	302,653,989	307,102,902
Interest paid:[27]							
Number of returns	29,394,600	28,704,828	33,705,780	35,405,336	36,800,610	37,637,017	36,105,945
Amount	208,354,360	215,077,974	291,552,907	322,931,506	349,900,751	351,495,773	331,988,244
Home mortgage interest paid:							
Number of returns	26,679,450	28,350,260	33,267,570	34,914,116	36,331,190	37,216,044	35,717,686
Amount	189,233,477	203,074,312	272,148,740	299,963,368	330,692,376	336,570,649	320,947,215
Charitable contributions:							
Number of returns	29,230,265	30,540,637	35,523,471	37,524,825	39,386,782	40,399,695	38,642,066
Amount	57,242,757	74,991,519	125,798,548	140,681,631	139,241,476	140,571,365	139,666,085
Taxable income:[28]							
Number of returns	93,148,332	94,612,292	102,845,571	105,259,292	104,174,654	102,275,969	101,669,737
Amount	2,263,661,230	2,813,826,386	4,136,119,714	4,544,242,424	4,268,506,425	4,096,127,651	4,202,698,688
Income tax before credits:[29, 30]							
Number of returns	93,089,368	94,497,909	102,834,362	105,277,966	104,195,834	102,293,722	101,686,410
Amount	453,127,579	596,168,654	906,811,755	1,018,218,948	933,567,474	836,842,718	791,129,805
Tax credits:							
Number of returns[31,32]	12,483,535	15,240,064	36,621,595	37,736,095	49,792,710	40,614,049	41,219,145
Total amount[31,32]	6,831,187	10,040,198	35,892,344	37,722,293	45,631,198	39,862,411	41,108,685
Child care credit:							
Number of returns	6,143,590	5,964,253	6,182,193	6,368,101	6,184,507	6,185,855	6,340,695
Amount	2,549,004	2,517,962	2,675,147	2,793,860	2,721,061	2,706,539	3,222,404
Credit for the elderly or disabled:							
Number of returns	339,818	251,524	181,813	155,796	139,097	133,538	125,555
Amount	61,898	48,028	33,629	32,608	30,496	21,119	20,600
Child tax credit:[33]							
Number of returns	N/A	N/A	26,016,019	26,404,521	26,452,875	25,939,801	25,741,752
Amount	N/A	N/A	19,398,625	19,689,359	22,427,229	21,520,271	22,815,814
Education credits:							
Number of returns	N/A	N/A	6,436,654	6,815,316	7,212,554	6,475,134	7,358,503
Amount	N/A	N/A	4,772,443	4,851,178	5,156,254	4,882,853	5,900,877

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax credits--continued							
Retirement savings contributions credit:							
Number of returns	N/A	N/A	N/A	N/A	N/A	5,307,176	5,383,851
Amount	N/A	N/A	N/A	N/A	N/A	1,058,219	1,053,786
Foreign tax credit:							
Number of returns	772,143	1,730,566	3,266,544	3,935,699	3,942,604	3,748,974	4,146,797
Amount	1,682,307	2,965,313	4,941,010	5,990,360	6,254,559	5,933,600	5,014,266
General business credit:							
Number of returns	262,573	267,527	287,658	275,116	269,648	284,720	239,664
Amount	616,288	702,906	783,920	764,253	713,974	750,855	510,617
Income tax after credits: [29]							
Number of returns	89,844,225	89,233,118	94,511,758	96,815,794	94,763,163	90,963,775	89,103,872
Amount	446,296,392	586,128,456	870,919,411	980,496,655	887,936,276	796,980,307	750,021,120
Total income tax: [34]							
Number of returns	89,862,434	89,252,989	94,546,080	96,817,602	94,763,530	90,963,896	89,103,880
Amount	447,126,703	588,419,030	877,401,489	980,645,201	887,973,968	796,986,268	750,024,250
Alternative minimum tax: [35]							
Number of returns	132,103	414,106	1,018,063	1,304,198	1,120,047	1,910,789	2,379,473
Amount	830,313	2,290,576	6,477,697	9,600,840	6,756,705	6,853,901	8,737,246
Earned income credit: [36]							
Number of returns	12,541,651	19,334,397	19,258,715	19,277,225	19,593,122	21,703,187	22,233,971
Amount	7,542,231	25,955,575	31,901,107	32,296,341	33,375,971	38,198,572	39,124,190
Used to offset income tax before credits:							
Number of returns	5,702,209	7,850,841	5,352,300	5,416,246	4,412,721	4,168,977	3,642,470
Amount	1,616,812	3,145,736	1,918,065	1,968,680	1,470,200	1,114,948	936,451
Used to offset other taxes:							
Number of returns	1,354,955	2,909,053	3,137,122	3,147,876	3,506,426	4,106,193	4,429,878
Amount	659,341	1,980,998	2,378,860	2,523,703	2,862,938	3,346,682	3,745,552
Excess earned income credit (refundable):							
Number of returns	8,698,475	15,177,901	16,049,812	16,125,542	16,631,224	18,780,033	19,382,974
Amount	5,266,077	20,828,840	27,604,182	27,803,959	29,042,833	33,736,942	34,442,188
Tax payments, total:							
Number of returns [37]	104,815,832	111,098,864	119,809,259	122,243,874	123,451,339	120,083,021	123,842,184
Amount [37]	495,921,666	670,131,074	981,100,157	1,084,868,447	1,076,500,696	953,697,397	959,359,745
Income tax withheld: [38]							
Number of returns	97,747,178	102,436,220	111,193,931	113,733,442	114,798,386	114,861,744	115,413,654
Amount	386,525,674	495,484,153	695,526,980	763,901,388	773,325,891	717,492,263	716,987,284
Excess Social Security tax withheld:							
Number of returns	931,283	1,033,189	1,377,613	1,640,582	1,436,746	1,145,352	1,130,095
Amount	905,327	1,081,454	1,712,649	2,184,849	1,915,349	1,564,478	1,579,971
Estimated tax payments: [39]							
Number of returns	12,805,826	11,903,592	13,169,356	13,326,669	13,167,855	12,434,579	11,528,283
Amount	91,607,397	122,489,252	196,915,946	221,621,893	220,195,712	198,177,595	174,083,477
Payments with requests for extension of filing time: [40]							
Number of returns	1,304,663	1,368,994	1,510,206	1,610,937	1,448,214	1,235,156	828,413
Amount	16,704,169	24,929,343	53,984,319	63,396,711	42,495,018	36,321,934	18,291,620
Tax due at time of filing:							
Number of returns	26,986,948	29,734,331	29,200,902	30,624,423	24,581,130	22,818,761	20,033,306
Amount	56,561,150	71,153,015	119,091,512	134,944,362	91,822,703	82,287,723	80,106,909
Tax overpayments, total: [41]							
Number of returns	83,507,580	85,348,771	94,827,237	95,921,082	102,310,896	103,462,884	105,880,546
Amount	88,479,352	119,462,121	182,049,186	196,198,780	236,982,082	239,784,002	245,563,031
Overpayment refunds:							
Number of returns	80,514,484	82,744,440	91,600,741	93,000,030	99,011,975	100,143,606	102,722,772
Amount	78,103,385	104,537,379	155,513,635	167,577,365	202,274,032	205,987,348	219,859,438

See notes at end of this section.

Table 3.--Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2001-2003

[All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Number of returns			Adjusted gross income or deficit		
	2001	2002	2003p	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**130,255,237**	**130,076,443**	**130,571,319**	**6,170,603,942**	**6,033,585,532**	**6,212,974,067**
No adjusted gross income [1,2]	1,438,187	1,752,457	1,759,110	-70,431,606	-80,192,750	-63,308,110
$1 under $1,000 [2]	1,837,978	1,812,110	1,665,403	1,055,221	1,028,189	932,942
$1,000 under $3,000 [2]	5,370,910	4,832,988	4,885,212	10,773,315	9,835,110	9,739,562
$3,000 under $5,000 [2]	5,383,155	5,163,776	5,084,627	21,469,839	20,664,036	20,309,563
$5,000 under $7,000	4,954,876	5,019,326	5,073,858	29,752,585	30,092,034	30,354,093
$7,000 under $9,000	4,975,444	4,977,282	5,119,316	39,738,309	39,783,173	40,873,047
$9,000 under $11,000	4,903,020	5,061,799	4,994,352	49,014,583	50,702,341	50,046,811
$11,000 under $13,000	4,666,912	4,748,173	4,655,865	56,048,919	56,974,191	55,769,269
$13,000 under $15,000	4,757,038	4,808,347	4,747,596	66,611,416	67,289,532	66,510,171
$15,000 under $17,000	4,655,768	4,632,156	4,673,255	74,393,134	74,014,744	74,698,747
$17,000 under $19,000	4,688,595	4,508,626	4,457,124	84,303,762	81,156,450	80,204,470
$19,000 under $22,000	6,379,736	6,522,571	6,334,996	130,782,945	133,706,690	129,748,224
$22,000 under $25,000	5,724,238	5,650,213	5,723,068	134,364,721	132,575,256	134,379,682
$25,000 under $30,000	8,563,035	8,574,575	8,550,537	235,155,806	234,951,863	234,803,301
$30,000 under $40,000	13,843,639	13,980,104	13,980,972	480,541,398	485,696,239	485,560,267
$40,000 under $50,000	10,612,617	10,550,457	10,488,420	475,360,387	472,821,957	469,120,945
$50,000 under $75,000	17,559,778	17,396,916	17,352,692	1,074,476,035	1,066,616,794	1,064,837,216
$75,000 under $100,000	8,903,894	9,247,839	9,582,718	764,115,039	794,489,072	824,464,925
$100,000 under $200,000	8,469,199	8,422,603	8,901,359	1,114,318,617	1,109,689,065	1,174,675,124
$200,000 under $500,000	2,018,372	1,908,466	2,002,600	578,592,628	548,814,753	578,017,378
$500,000 under $1,000,000	355,617	336,684	355,554	240,863,950	227,044,247	240,607,376
$1,000,000 under $1,500,000	85,479	78,121	82,433	103,192,473	94,072,610	99,750,994
$1,500,000 under $2,000,000	36,491	31,316	34,038	62,634,095	53,782,124	58,495,126
$2,000,000 under $5,000,000	52,157	44,205	48,856	154,967,884	130,305,117	143,406,926
$5,000,000 under $10,000,000	12,266	10,026	11,302	83,519,500	68,251,296	77,418,306
$10,000,000 or more	6,836	5,309	6,061	174,988,989	129,421,398	131,557,712

Size of adjusted gross income	Personal exemptions and total deductions			Taxable income [3]		
	2001	2002	2003p	2001	2002	2003p
	(7)	(8)	(9)	(10)	(11)	(12)
Total	**2,093,990,841**	**2,151,555,282**	**2,222,367,215**	**4,268,506,425**	**4,096,127,651**	**4,202,698,688**
No adjusted gross income [1,2]	7,109,989	8,370,181	8,429,178	--	--	--
$1 under $1,000 [2]	8,351,543	8,855,810	9,608,807	13,321	9,896	8,558
$1,000 under $3,000 [2]	27,951,839	28,389,468	30,557,201	566,382	353,201	262,740
$3,000 under $5,000 [2]	40,080,189	39,960,916	41,822,831	697,584	395,581	315,141
$5,000 under $7,000	42,742,160	45,600,646	47,790,495	2,395,647	2,025,806	1,886,976
$7,000 under $9,000	48,603,257	50,502,811	53,737,194	4,430,092	3,745,836	3,577,143
$9,000 under $11,000	52,224,587	56,969,639	56,773,999	7,951,737	7,217,563	7,314,623
$11,000 under $13,000	51,532,471	54,002,395	55,152,796	12,131,861	11,611,674	10,855,525
$13,000 under $15,000	53,492,523	57,353,476	57,755,638	17,764,670	16,184,372	16,245,741
$15,000 under $17,000	53,971,666	55,605,184	59,309,718	23,392,154	21,888,062	20,210,221
$17,000 under $19,000	56,218,518	56,509,518	58,599,386	30,149,938	27,351,521	25,183,938
$19,000 under $22,000	77,817,748	83,630,471	84,845,210	55,009,880	52,623,811	47,985,721
$22,000 under $25,000	71,723,065	74,641,180	78,585,840	63,955,539	59,627,203	57,992,968
$25,000 under $30,000	109,869,726	115,640,897	122,649,893	126,824,811	121,068,620	114,359,185
$30,000 under $40,000	193,830,419	203,827,001	213,502,977	288,448,814	284,041,793	274,281,796
$40,000 under $50,000	171,668,365	176,949,588	182,365,776	305,197,261	296,662,439	287,655,366
$50,000 under $75,000	343,601,152	350,940,396	357,772,776	731,935,622	716,811,409	707,741,748
$75,000 under $100,000	217,971,128	233,730,324	244,834,645	546,501,718	561,237,747	579,972,217
$100,000 under $200,000	271,710,613	277,447,089	294,561,946	843,411,444	832,980,233	880,791,014
$200,000 under $500,000	96,875,261	91,780,608	92,169,120	482,712,954	457,567,015	486,164,694
$500,000 under $1,000,000	29,953,997	28,020,122	26,723,378	211,318,031	199,225,455	213,984,702
$1,000,000 under $1,500,000	11,936,828	10,634,396	9,463,930	91,492,389	83,569,923	90,310,642
$1,500,000 under $2,000,000	7,028,843	5,776,814	5,349,638	55,760,182	48,059,469	53,192,659
$2,000,000 under $5,000,000	16,780,880	13,542,781	12,009,194	138,523,230	116,903,427	131,421,689
$5,000,000 under $10,000,000	9,200,677	7,027,686	6,390,865	74,551,405	61,268,835	71,029,181
$10,000,000 or more	21,743,397	15,845,882	11,604,783	153,369,759	113,696,760	119,954,498

See notes at end of this section.

Table 3.--Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2001-2003--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Total income tax			Percentage of returns showing no total income tax		
	2001	2002	2003p	2001	2002	2003p
	(13)	(14)	(15)	(16)	(17)	(18)
Total	**887,973,968**	**796,986,268**	**750,024,250**	**27.2**	**30.1**	**31.8**
No adjusted gross income [1,2]	92,152	124,380	39,363	99.6	99.7	99.8
$1 under $1,000 [2]	1,276	898	16,549	93.5	95.4	95.7
$1,000 under $3,000 [2]	74,603	39,664	24,154	87.4	91.2	92.9
$3,000 under $5,000 [2]	83,183	43,481	28,448	85.5	89.9	92.1
$5,000 under $7,000	251,677	215,288	189,314	69.0	70.4	72.0
$7,000 under $9,000	445,506	352,620	333,830	60.2	68.3	70.5
$9,000 under $11,000	845,943	642,801	629,825	46.6	51.0	49.9
$11,000 under $13,000	1,400,684	1,090,930	964,590	46.4	47.8	49.8
$13,000 under $15,000	2,057,126	1,470,430	1,418,894	42.8	49.9	48.5
$15,000 under $17,000	2,699,816	2,085,024	1,787,256	37.6	39.7	47.7
$17,000 under $19,000	3,431,541	2,633,409	2,234,811	36.3	38.4	43.1
$19,000 under $22,000	6,223,990	4,944,001	4,368,910	33.4	58.8	39.9
$22,000 under $25,000	7,335,315	5,648,796	5,308,833	26.8	35.4	36.4
$25,000 under $30,000	15,551,507	12,329,287	11,028,264	17.6	23.8	28.7
$30,000 under $40,000	38,460,994	32,654,711	29,767,654	7.2	10.9	15.1
$40,000 under $50,000	44,464,949	38,114,016	34,662,092	2.9	4.9	7.5
$50,000 under $75,000	114,051,713	101,820,331	94,174,874	1.0	1.3	1.9
$75,000 under $100,000	98,746,758	93,655,145	84,465,199	0.3	0.4	0.6
$100,000 under $200,000	185,263,807	175,140,747	164,508,868	0.1	0.2	0.1
$200,000 under $500,000	134,590,608	124,764,596	121,662,898	0.1	0.1	0.1
$500,000 under $1,000,000	67,781,194	63,370,780	60,548,583	0.2	0.1	0.1
$1,000,000 under $1,500,000	30,259,886	27,479,397	26,201,037	0.2	0.2	0.1
$1,500,000 under $2,000,000	18,477,684	15,890,811	15,588,579	0.2	0.2	0.1
$2,000,000 under $5,000,000	45,841,881	38,692,291	38,111,840	0.2	0.1	0.1
$5,000,000 under $10,000,000	24,207,787	20,044,370	20,279,524	0.3	0.2	--
$10,000,000 or more	45,332,386	33,738,065	31,680,060	0.2	0.2	--

Size of adjusted gross income	Returns showing total income tax					
	Average tax (whole dollars)			Tax as a percentage of AGI		
	2001	2002	2003p	2001	2002	2003p
	(19)	(20)	(21)	(22)	(23)	(24)
Total	**9,370**	**8,762**	**8,417**	**15.2**	**14.1**	**13.1**
No adjusted gross income [1,2]	17,469	26,274	12,172	([4])	([4])	([4])
$1 under $1,000 [2]	11	11	233	1.2	1.2	27.3
$1,000 under $3,000 [2]	111	94	70	5.9	4.8	3.9
$3,000 under $5,000 [2]	106	84	71	2.5	1.9	1.6
$5,000 under $7,000	164	145	133	2.8	2.4	2.3
$7,000 under $9,000	225	224	221	2.8	2.7	2.7
$9,000 under $11,000	323	259	252	3.2	2.6	2.5
$11,000 under $13,000	560	441	413	4.7	3.7	3.4
$13,000 under $15,000	756	611	581	5.4	4.4	4.1
$15,000 under $17,000	929	747	732	5.8	4.7	4.6
$17,000 under $19,000	1,149	948	881	6.4	5.3	4.9
$19,000 under $22,000	1,464	1,214	1,148	7.1	5.9	5.6
$22,000 under $25,000	1,751	1,548	1,458	7.4	6.6	6.2
$25,000 under $30,000	2,205	1,886	1,809	8.0	6.9	6.6
$30,000 under $40,000	2,994	2,622	2,508	8.6	7.5	7.2
$40,000 under $50,000	4,314	3,800	3,572	9.6	8.5	8.0
$50,000 under $75,000	6,558	5,931	5,532	10.7	9.7	9.0
$75,000 under $100,000	11,124	10,169	8,864	13.0	11.8	10.3
$100,000 under $200,000	21,896	20,831	18,507	16.6	15.8	14.0
$200,000 under $500,000	66,764	65,452	60,815	23.3	22.8	21.1
$500,000 under $1,000,000	190,893	188,463	170,448	28.1	27.9	25.2
$1,000,000 under $1,500,000	354,659	352,318	318,225	29.3	29.3	26.3
$1,500,000 under $2,000,000	507,211	508,213	458,312	29.5	29.6	26.7
$2,000,000 under $5,000,000	880,863	876,541	780,516	29.6	29.7	26.6
$5,000,000 under $10,000,000	1,978,569	2,003,435	1,795,125	29.0	29.4	26.2
$10,000,000 or more	6,642,108	6,370,481	5,227,733	27.4	26.1	24.1

See notes at end of this section.

Table 4.--Comparison of Personal Income in the National Income and Product Accounts (NIPA) with Adjusted Gross Income (AGI), for Specified Tax Years, 1985-2003

[All figures are estimates--money amounts are in billions of dollars]

Income and adjustment items	1985	1990	1995	2000	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)
Personal income (per NIPA) [1]	**3,526.7**	**4,878.6**	**6,152.3**	**8,429.7**	**8,878.9**	**9,161.8**
Less: Portion of personal income not included in AGI	**1,248.2**	**1,669.9**	**2,234.2**	**2,971.3**	**3,240.2**	**n.a.**
Nontaxable transfer payments	401.9	551.2	797.5	962.0	1,123.0	n.a.
Employer contributions to employee pension and insurance funds	281.5	377.8	493.6	609.9	729.6	n.a.
Imputed income [2]	84.9	114.1	186.7	265.8	316.8	n.a.
Investment income of life insurance carriers and pension plans	204.2	304.2	369.1	497.3	407.1	n.a.
Investment income received by nonprofit institutions or retained by fiduciaries	37.5	51.6	60.0	75.6	65.6	n.a.
Net differences in accounting treatment (NIPA vs. IRS)	83.4	110.4	83.8	159.4	153.2	n.a.
Other excluded or tax-exempt income	154.8	160.6	243.4	401.4	444.8	n.a.
Plus: Portion of AGI not included in personal income	**353.1**	**589.7**	**841.7**	**1,667.1**	**1,356.0**	**n.a.**
Personal contributions for social insurance	133.6	203.7	268.8	359.2	384.7	396.7
Net gain from the sale of assets	69.8	115.7	167.4	645.4	236.4	n.a.
Taxable pensions	145.0	215.9	293.2	414.2	465.6	n.a.
Small business corporation income	6.3	36.4	79.2	128.2	153.3	n.a.
Other types of income	-1.7	18.1	33.2	120.0	116.0	n.a.
Equals: BEA-derived adjusted gross income	**2,631.6**	**3,798.4**	**4,759.8**	**7,125.4**	**6,994.6**	**n.a.**
Adjusted gross income, IRS	**2,306.0**	**3,405.4**	**4,189.4**	**6,365.4**	**6,033.6**	**6,213.0** [p]
Adjusted gross income (AGI) gap [3]	**325.6**	**393.0**	**570.4**	**760.1**	**961.1**	**n.a.**
AGI gap as a percentage of BEA-derived AGI	**12.4**	**10.3**	**12.0**	**10.7**	**13.7**	**n.a.**
AGI of IRS as a percentage of BEA-derived AGI	**87.6**	**89.7**	**88.0**	**89.3**	**86.3**	**n.a.**

See notes at end of this section.

Table 5.--Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1950-2002

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) [1, 2]	Total adjusted gross income (AGI) (per NIPA) [1, 2, 3]	Difference	
			Amount [2, 3]	Percentage of personal income [2, 3]
	(1)	(2)	(3)	(4)
1950	229.0	202.5	26.5	11.6
1951	258.0	229.3	28.7	11.1
1952	275.4	241.6	33.8	12.3
1953	291.9	256.1	35.8	12.3
1954	294.5	257.3	37.2	12.6
1955	316.1	278.7	37.4	11.8
1956	339.6	299.4	40.2	11.8
1957	358.7	312.6	46.1	12.9
1958	369.0	315.8	53.2	14.4
1959	392.8	341.8	51.0	13.0
1960	411.5	354.0	57.5	14.0
1961	429.0	368.0	61.0	14.2
1962	456.7	390.0	66.7	14.6
1963	479.6	411.0	68.6	14.3
1964	514.6	443.9	70.7	13.7
1965	555.7	480.6	75.1	13.5
1966	603.9	521.2	82.7	13.7
1967	648.3	551.3	97.0	15.0
1968	712.0	605.6	106.4	14.9
1969	778.5	659.8	118.7	15.2
1970	838.8	696.4	142.4	17.0
1971	903.5	742.8	160.7	17.8
1972	992.7	824.5	168.2	16.9
1973	1,110.7	925.0	185.7	16.7
1974	1,222.6	1,003.5	219.1	17.9
1975	1,335.0	1,046.8	288.2	21.6
1976	1,474.8	1,168.0	306.8	20.8
1977	1,633.2	1,296.1	337.1	20.6
1978	1,837.7	1,466.4	371.3	20.2
1979	2,062.2	1,654.1	408.1	19.8
1980	2,307.9	1,830.3	477.6	20.7
1981	2,591.3	2,016.3	575.0	22.2
1982	2,775.3	2,098.6	676.7	24.4
1983	2,960.7	2,225.6	735.1	24.8
1984	3,289.5	2,472.6	816.9	24.8
1985	3,526.7	2,631.6	895.1	25.4
1986	3,722.4	2,853.2	869.2	23.4
1987	3,947.4	3,121.1	826.3	20.9
1988	4,253.7	3,411.9	841.8	19.8
1989	4,587.8	3,649.7	938.1	20.4
1990	4,878.6	3,798.4	1,080.2	22.1
1991	5,051.0	3,856.8	1,194.2	23.6
1992	5,362.0	4,092.0	1,270.0	23.7
1993	5,558.5	4,245.4	1,313.1	23.6
1994	5,842.5	4,473.7	1,368.8	23.4
1995	6,152.3	4,759.8	1,392.5	22.6
1996	6,520.6	5,144.5	1,376.1	21.1
1997	6,915.1	5,578.0	1,337.1	19.3
1998	7,423.0	6,120.2	1,302.8	17.6
1999	7,802.4	6,553.5	1,248.9	16.0
2000	8,429.7	7,125.4	1,304.3	15.5
2001	8,724.1	7,005.0	1,719.1	19.7
2002	8,878.9	6,994.6	1,884.3	21.2

See notes at end of this section.

Table 6.--Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and as Reported on Individual Income Tax Returns per Statistics of Income (SOI), Tax Years 1950-2002

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) [2]	Reported on tax returns (per SOI)	Amount [3]	Percentage of total (per NIPA) [3]
	(1)	(2)	(3)	(4)
1950	202.5	179.1	23.4	11.6
1951	229.3	202.3	27.0	11.8
1952	241.6	215.3	26.3	10.9
1953	256.1	228.7	27.4	10.7
1954	257.3	229.2	28.1	10.9
1955	278.7	248.5	30.2	10.8
1956	299.4	267.7	31.7	10.6
1957	312.6	280.3	32.3	10.3
1958	315.8	281.2	34.6	11.0
1959	341.8	305.1	36.7	10.7
1960	354.0	315.5	38.5	10.9
1961	368.0	329.9	38.1	10.4
1962	390.0	348.7	41.3	10.6
1963	411.0	368.8	42.2	10.3
1964	443.9	396.7	47.2	10.6
1965	480.6	429.2	51.4	10.7
1966	521.2	468.5	52.7	10.1
1967	551.3	504.8	46.5	8.4
1968	605.6	554.4	51.2	8.5
1969	659.8	603.5	56.3	8.5
1970	696.4	631.7	64.7	9.3
1971	742.8	673.6	69.2	9.3
1972	824.5	746.0	78.5	9.5
1973	925.0	827.1	97.9	10.6
1974	1,003.5	905.5	98.0	9.8
1975	1,046.8	947.8	99.0	9.5
1976	1,168.0	1,053.9	114.1	9.8
1977	1,296.1	1,158.5	137.6	10.6
1978	1,466.4	1,302.4	164.0	11.2
1979	1,654.1	1,465.4	188.7	11.4
1980	1,830.3	1,613.7	216.6	11.8
1981	2,016.3	1,772.6	243.7	12.1
1982	2,098.6	1,852.1	246.5	11.7
1983	2,225.6	1,942.6	283.0	12.7
1984	2,472.6	2,139.9	332.7	13.5
1985	2,631.6	2,306.0	325.6	12.4
1986	2,853.2	2,481.7	371.5	13.0
1987	3,121.1	2,773.8	347.3	11.1
1988	3,411.9	3,083.0	328.9	9.6
1989	3,649.7	3,256.4	393.3	10.8
1990	3,798.4	3,405.4	393.0	10.3
1991	3,856.8	3,464.5	392.3	10.2
1992	4,092.0	3,629.1	462.9	11.3
1993	4,245.4	3,723.3	522.1	12.3
1994	4,473.7	3,907.5	566.2	12.7
1995	4,759.8	4,189.4	570.4	12.0
1996	5,144.5	4,536.0	608.5	11.8
1997	5,578.0	4,969.9	608.1	10.9
1998	6,120.2	5,416.0	704.2	11.5
1999	6,553.5	5,855.5	698.0	10.7
2000	7,125.4	6,365.4	760.0	10.7
2001	7,005.0	6,170.6	834.4	11.9
2002	6,994.6	6,033.6	961.0	13.7

See notes at end of this section.

Table 7.--Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1950-2003

[All figures are estimates based on samples--number of returns is in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Total deductions		Standard deduction		Itemized deductions	
		Amount [1]	As a percentage of adjusted gross income (AGI) [2]	Number of returns [3]	Amount [4]	Number of returns [3]	Amount [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950	53.1	21.9	12.2	42.7	12.0	10.3	9.9
1951	55.4	25.2	12.5	43.9	13.3	11.6	11.9
1952	56.5	27.3	12.7	43.7	13.7	12.8	13.6
1953	57.8	29.8	13.0	43.4	14.2	14.4	15.6
1954	56.7	30.7	13.4	41.0	13.3	15.7	17.4
1955	58.3	33.6	13.5	40.9	13.6	16.9	20.0
1956	59.2	36.4	13.6	40.3	13.8	18.5	22.6
1957	59.8	39.5	14.1	39.3	13.8	20.2	25.7
1958	59.1	40.7	14.5	37.9	13.2	20.8	27.5
1959	60.3	45.4	14.9	37.3	13.4	22.5	32.0
1960	61.0	48.4	15.3	36.5	13.1	24.1	35.3
1961	61.5	51.3	15.6	35.8	12.9	25.3	38.4
1962	62.7	54.8	15.7	35.8	13.1	26.5	41.7
1963	63.9	59.2	16.1	35.4	13.1	28.2	46.1
1964	65.4	67.0	16.9	38.0	20.2	26.9	46.8
1965	67.6	71.4	16.6	39.3	20.6	27.9	50.7
1966	70.2	76.4	16.3	41.2	21.8	28.6	54.6
1967	71.7	81.7	16.2	41.5	22.1	29.8	59.6
1968	73.7	91.3	16.5	41.3	22.1	32.0	69.2
1969	75.8	101.8	16.9	40.5	21.6	34.9	80.2
1970	74.3	120.5	19.1	38.4	32.4	35.4	88.2
1971	74.6	139.9	20.8	43.5	48.1	30.7	91.9
1972	77.6	166.4	22.3	50.2	69.8	27.0	96.7
1973	80.7	180.6	21.8	52.2	73.6	28.0	107.0
1974	83.3	195.5	21.6	53.2	76.1	29.6	119.4
1975	82.2	233.2	24.6	55.5	100.9	26.1	122.3
1976	84.7	247.6	23.5	58.2	113.8	26.0	133.9
1977	86.6	276.2	23.8	58.8	137.7	22.9	138.5
1978	89.8	304.3	23.4	59.5	139.8	25.8	164.4
1979	92.7	333.0	22.7	60.7	148.8	26.5	184.2
1980	93.9	364.0	22.6	59.5	146.0	29.0	218.0
1981	95.4	401.2	22.6	58.7	144.7	31.6	256.4
1982	95.3	425.2	23.0	56.9	140.2	33.4	284.5
1983	96.3	448.7	23.1	56.2	138.5	35.2	309.6
1984	99.4	499.6	23.3	56.7	139.5	38.2	358.9
1985	101.7	554.7	24.1	57.0	145.0	39.8	405.0
1986	103.0	611.3	24.6	56.5	151.0	40.7	447.1
1987	107.0	607.2	21.9	69.1	215.2	35.6	392.0
1988	109.7	686.0	22.3	76.5	289.6	31.9	395.2
1989	112.1	740.4	22.7	79.3	309.4	32.0	431.0
1990	113.7	789.9	23.2	80.6	331.5	32.2	458.5
1991	114.7	818.8	23.6	81.3	351.1	32.5	467.7
1992	113.6	848.5	23.4	80.1	366.5	32.5	481.9
1993	114.6	872.5	23.4	80.8	382.1	32.8	490.4
1994	115.9	890.8	22.8	81.9	397.1	33.0	493.7
1995	118.2	941.0	22.5	83.2	413.6	34.0	527.4
1996	120.4	998.6	22.0	84.0	426.1	35.4	572.5
1997	122.4	1,062.5	21.4	84.8	441.7	36.6	620.8
1998	124.8	1,135.9	21.0	85.6	459.5	38.2	676.5
1999	127.1	1,205.3	20.6	85.8	464.0	40.2	741.4
2000	129.4	1,293.2	20.3	85.7	470.8	42.5	822.4
2001	130.3	1,366.4	22.1	84.2	467.0	44.6	884.5
2002	130.1	1,390.1	23.0	82.7	477.2	45.6	898.0
p2003	130.6	1,439.4	23.2	84.9	542.8	43.9	880.6

See notes at end of this section.

Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per Statistics of Income (SOI), Tax Years 1950-2003

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA)[1, 2]	Taxable income (per SOI)[3, 4]		Total income tax (per SOI)[4]		
		Amount	As a percentage of personal income	Amount	As a percentage of-- Personal income	As a percentage of-- Taxable income [3]
	(1)	(2)	(3)	(4)	(5)	(6)
1950	229.0	84.3	36.8	18.4	8.0	21.8
1951	258.0	99.2	38.4	24.2	9.4	24.4
1952	275.4	107.2	38.9	27.8	10.1	25.9
1953	291.9	114.3	39.2	29.4	10.1	25.7
1954	294.5	115.3	39.2	26.7	9.1	23.2
1955	316.1	128.0	40.5	29.6	9.4	23.1
1956	339.6	141.5	41.7	32.7	9.6	23.1
1957	358.7	149.4	41.7	34.4	9.6	23.0
1958	369.0	149.3	40.5	34.3	9.3	23.0
1959	392.8	166.5	42.4	38.6	9.8	23.2
1960	411.5	171.6	41.7	39.5	9.6	23.0
1961	429.0	181.8	42.4	42.2	9.8	23.2
1962	456.7	195.3	42.8	44.9	9.8	23.0
1963	479.6	209.1	43.6	48.2	10.1	23.1
1964	514.6	229.9	44.7	47.2	9.2	20.5
1965	555.7	255.1	45.9	49.6	8.9	19.4
1966	603.9	286.3	47.4	56.1	9.3	19.6
1967	648.3	315.1	48.6	63.0	9.7	20.0
1968	712.0	352.8	49.6	76.7	10.8	21.7
1969	778.5	388.8	49.9	86.6	11.1	22.3
1970	838.8	401.2	47.8	83.9	10.0	20.9
1971	903.5	414.0	45.8	85.4	9.5	20.6
1972	992.7	447.6	45.1	93.6	9.4	20.9
1973	1,110.7	511.9	46.1	108.1	9.7	21.1
1974	1,222.6	573.6	46.9	123.6	10.1	21.5
1975	1,335.0	595.5	44.6	124.5	9.3	20.9
1976	1,474.8	674.9	45.8	141.8	9.6	21.0
1977	1,633.2	733.8	44.9	159.8	9.8	21.8
1978	1,837.7	846.4	46.1	188.2	10.2	22.2
1979	2,062.2	926.6	44.9	214.5	10.4	23.2
1980	2,307.9	1,045.2	45.3	250.3	10.8	23.0
1981	2,591.3	1,170.1	45.2	284.1	11.0	24.3
1982	2,775.3	1,231.9	44.4	277.6	10.0	22.5
1983	2,960.7	1,300.2	43.9	274.2	9.3	21.1
1984	3,289.5	1,447.0	44.0	301.9	9.2	20.9
1985	3,526.7	1,550.5	44.0	325.7	9.2	21.0
1986	3,722.4	1,665.6	44.7	367.3	9.9	22.1
1987	3,947.4	1,850.6	46.9	369.2	9.4	20.0
1988	4,253.7	2,070.0	48.7	412.9	9.7	19.9
1989	4,587.8	2,173.3	47.4	432.9	9.4	19.9
1990	4,878.6	2,263.7	46.4	447.1	9.2	19.8
1991	5,051.0	2,284.1	45.2	448.4	8.9	19.6
1992	5,362.0	2,395.7	44.7	476.2	8.9	19.9
1993	5,558.5	2,453.5	44.1	502.8	9.0	20.5
1994	5,842.5	2,598.0	44.5	534.9	9.2	20.6
1995	6,152.3	2,813.8	45.7	588.4	9.6	20.9
1996	6,520.6	3,089.7	47.4	658.2	10.1	21.3
1997	6,915.1	3,429.1	49.6	731.3	10.6	21.3
1998	7,423.0	3,780.8	50.9	788.5	10.6	20.9
1999	7,802.4	4,136.1	53.0	877.4	11.2	21.2
2000	8,429.7	4,544.2	53.9	980.6	11.6	21.6
2001	8,724.1 [r]	4,268.5	48.9	888.0	10.2	20.8
2002	8,878.9	4,096.1	46.1	797.0	9.0	19.5
p2003	9,161.8	4,202.7	45.9	750.0	8.2	17.8

See notes at end of this section.

Table 9.--Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1950-2003

[All figures are estimates based on samples--number of returns is in millions]

Tax year	Total number of returns	Number of returns with--		
		Tax due at time of filing	Overpayments [1]	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1950	53.1	14.3	32.0	6.8
1951	55.4	18.6	31.0	5.8
1952	56.5	19.3	32.1	5.1
1953	57.8	19.0	32.7	6.2
1954	56.7	16.6	35.2	5.0
1955	58.3	18.7	35.4	4.2
1956	59.2	19.4	36.1	3.7
1957	59.8	18.6	37.6	3.6
1958	59.1	18.1	37.4	3.6
1959	60.3	19.1	38.4	2.8
1960	61.0	18.1	39.4	3.5
1961	61.5	18.6	40.0	2.9
1962	62.7	18.7	40.9	3.1
1963	63.9	19.3	41.4	3.3
1964	65.4	22.5	39.3	3.5
1965	67.6	20.0	44.3	3.2
1966	70.2	17.8	49.4	3.0
1967	71.7	17.5	51.2	3.0
1968	73.7	20.3	50.6	2.8
1969	75.8	17.9	54.9	3.0
1970	74.3	16.5	55.3	2.5
1971	74.6	17.0	55.3	2.4
1972	77.6	11.9	63.3	2.3
1973	80.7	14.2	64.2	2.2
1974	83.3	15.4	65.8	2.1
1975	82.2	15.8	63.8	2.6
1976	84.7	16.9	65.0	2.8
1977	86.6	17.8	66.0	2.8
1978	89.8	21.6	65.5	2.7
1979	92.7	18.8	71.4	2.4
1980	93.9	21.8	69.9	2.3
1981	95.4	23.0	70.0	2.4
1982	95.3	20.3	72.4	2.6
1983	96.3	18.5	75.0	2.9
1984	99.4	21.2	75.6	2.7
1985	101.7	21.2	77.4	3.0
1986	103.0	21.5	78.1	3.5
1987	107.0	23.8	79.8	3.4
1988	109.7	27.2	79.1	3.4
1989	112.1	28.0	80.9	3.2
1990	113.7	27.0	83.5	3.2
1991	114.7	25.6	85.6	3.5
1992	113.6	29.0	81.0	3.6
1993	114.6	28.6	82.4	3.6
1994	115.9	27.6	85.1	3.2
1995	118.2	29.7	85.3	3.2
1996	120.4	30.6	86.5	3.3
1997	122.4	31.2	88.3	2.9
1998	124.8	28.4	93.4	3.0
1999	127.1	29.2	94.8	3.1
2000	129.4	30.6	95.9	2.9
2001	130.3	24.6	102.3	3.4
2002	130.1	22.8	103.5	3.8
p2003	130.6	20.0	105.9	4.7

See notes at end of this section.

Table 10.--Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns with nonfarm business net income or deficit, total [1]	**14,782,738**	**16,423,872**	**17,408,809**	**17,575,643**	**17,904,731**	**18,338,190**	**18,925,517**
Number with nonfarm business net income	11,221,925	12,213,472	13,080,498	13,165,318	13,307,842	13,603,907	13,750,798
Number of nonfarm businesses	**16,596,384**	**18,391,237**	**19,369,091**	**19,516,047**	**19,863,507**	**20,378,335**	**20,972,642**
Business receipts, total	**730,606,020**	**807,363,638**	**918,268,196**	**969,347,038**	**1,020,957,283**	**1,016,834,678**	**1,029,691,760**
Income from sales and operations	719,007,636	796,597,098	905,137,974	955,392,128	1,007,948,354	1,002,205,953	1,015,363,541
Total deductions [2]	**589,249,583**	**638,126,845**	**716,157,430**	**761,427,577**	**806,386,102**	**799,633,110**	**808,900,651**
Cost of goods sold	291,010,060	306,958,514	341,132,831	370,079,223	387,381,087	363,355,614	351,785,009
Inventory, beginning-of-year	29,024,992	31,167,684	30,801,698	31,540,485	32,412,471	34,176,255	34,291,721
Inventory, end-of-year	30,421,844	33,355,750	32,881,518	33,835,064	34,342,365	35,732,488	36,279,786
Purchases	210,225,158	219,305,493	231,404,960	255,539,328	268,789,953	246,541,135	227,085,757
Cost of labor	22,679,507	24,383,409	27,447,822	28,723,302	29,278,688	28,022,289	30,389,028
Materials and supplies	30,195,388	34,427,096	42,161,782	41,757,379	43,195,524	43,798,283	45,589,230
Advertising	6,574,743	8,309,645	9,413,989	9,453,659	10,148,700	10,774,079	11,237,979
Car and truck expenses	21,765,531	32,784,939	39,715,702	40,786,963	45,711,214	47,351,940	50,489,359
Commissions	8,816,233	9,591,619	10,722,131	11,228,396	11,621,490	12,130,077	14,066,786
Depletion	816,131	457,480	380,149	387,000	684,974	693,669	461,938
Depreciation	23,734,507	26,233,844	29,135,616	30,637,555	32,196,159	33,425,567	36,642,027
Pension and profit-sharing plans	586,394	649,043	756,924	870,362	892,873	991,892	1,085,247
Employee benefit programs	1,056,604	1,298,834	1,560,404	1,663,528	1,871,875	2,040,639	2,284,368
Insurance	13,357,568	12,977,567	12,938,411	13,219,821	13,623,759	14,367,018	16,004,335
Interest paid, total	13,311,670	10,056,583	11,159,401	11,224,488	12,232,846	12,509,547	11,439,539
Mortgage interest	6,256,506	4,076,344	4,882,248	4,736,127	5,250,896	5,456,226	5,006,864
Other interest	7,055,164	5,980,239	6,277,153	6,488,361	6,981,950	7,053,321	6,432,675
Legal and professional services	5,880,163	6,340,021	6,669,029	6,818,392	7,312,694	7,482,619	8,365,930
Meals and entertainment expenses before limitation	5,329,281	6,353,157	7,526,850	7,987,445	9,183,825	9,314,840	10,020,243
Meals and entertainment deduction	4,262,870	3,208,742	3,796,350	4,031,523	4,664,694	4,735,312	5,088,083
Office expenses	6,896,758	8,344,181	9,611,633	9,921,297	10,456,415	10,604,805	11,331,733
Rent paid, total	23,391,608	27,502,981	30,460,020	31,417,502	33,222,458	33,641,132	34,854,754
On machinery	3,754,492	6,218,381	7,545,390	8,227,000	8,880,267	8,522,008	8,543,257
On other business property	19,637,116	21,284,600	22,914,630	23,190,502	24,342,191	25,119,124	26,311,497
Repairs	8,940,657	10,171,788	11,349,751	11,697,341	12,280,525	12,129,756	12,669,141
Net salaries and wages (not deducted elsewhere)	46,998,029	54,470,725	58,864,773	61,204,430	63,485,540	63,826,020	66,067,965
Supplies	n.a.	16,902,055	19,725,440	21,654,319	21,793,962	23,074,836	24,615,763
Taxes paid	10,341,654	13,471,220	13,730,731	14,000,359	13,955,919	14,214,082	14,901,431
Travel	5,605,961	6,504,973	7,624,311	8,089,635	8,457,317	8,657,266	9,110,193
Utilities (including telephone)	13,538,612	17,205,789	18,431,400	18,466,170	19,381,881	20,482,680	20,674,727
Bad debts	1,038,756	996,588	925,866	1,111,178	983,868	1,176,324	1,055,722
Business use of home	n.a.	3,337,929	4,138,364	4,785,849	5,642,543	5,981,403	6,474,145
Net income (less deficit) [2]	**141,430,193**	**169,262,336**	**202,274,720**	**207,946,977**	**214,715,298**	**217,385,116**	**221,113,286**
Net income [2]	161,657,252	191,728,953	226,189,570	233,404,991	245,230,626	250,178,322	257,292,855
Deficit [2]	20,227,059	22,466,617	23,914,850	25,458,013	30,515,328	32,793,206	36,179,568

See notes at end of this section.

Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total number of active partnerships	**1,553,529**	**1,580,900**	**1,855,348**	**1,936,919**	**2,057,500**	**2,132,117**	**2,242,169**
Number with net income	853,676	955,166	1,171,187	1,225,916	1,261,420	1,301,040	1,325,008
Number with balance sheets [1]	1,081,224	1,053,139	1,303,970	1,392,405	1,504,978	1,591,450	1,682,072
Number of partners	**17,094,966**	**15,605,686**	**15,663,372**	**15,353,154**	**13,659,967**	**14,231,604**	**14,328,108**
Number of limited partnerships [2]	**285,769**	**295,304**	**342,726**	**354,295**	**348,973**	**369,150**	**376,963**
Number of partners	11,986,542	10,223,901	9,325,111	8,944,693	6,468,292	7,023,431	6,918,515
Number of limited liability companies [2]	**n.a.**	**118,559**	**470,657**	**589,403**	**718,704**	**808,692**	**946,130**
Number of partners [2]	n.a.	712,781	1,879,382	2,256,062	2,699,227	3,231,921	3,737,899
Total assets [3]	**1,735,285,033**	**2,718,647,742**	**5,126,548,007**	**5,998,952,883**	**6,694,142,838**	**8,428,217,379**	**8,866,560,101**
Depreciable assets (net)	681,409,780	766,778,033	1,153,222,498	1,314,251,428	1,487,182,018	1,646,477,441	1,791,511,841
Inventories, end of year	56,507,062	88,050,194	175,963,423	174,078,288	149,875,359	208,165,141	202,669,386
Land	214,757,035	221,172,841	291,171,287	326,371,562	358,625,577	392,090,094	423,177,429
Total liabilities [3]	**1,415,247,893**	**1,886,488,062**	**3,150,848,369**	**3,453,186,389**	**3,695,508,180**	**4,835,135,071**	**4,972,036,919**
Accounts payable	66,747,965	90,603,965	190,689,535	243,769,049	229,893,243	361,748,491	346,350,802
Short-term debt [4]	88,092,149	123,961,301	229,922,243	231,808,501	252,226,751	289,248,638	282,684,863
Long-term debt [5]	497,560,607	544,253,482	884,452,445	988,667,751	1,132,180,865	1,286,392,538	1,375,077,274
Nonrecourse loans	470,139,911	465,744,743	523,403,560	582,151,975	639,417,006	699,883,406	770,277,980
Partners' capital account [3]	**320,037,140**	**832,159,680**	**1,975,699,638**	**2,545,766,494**	**2,998,634,658**	**3,593,082,308**	**3,894,523,181**
Total receipts [6]	**566,212,218**	**890,431,963**	**1,603,027,268**	**1,907,171,104**	**2,405,356,195**	**2,665,156,204**	**2,772,829,505**
Business receipts	483,417,504	760,617,695	1,356,655,904	1,615,762,245	2,061,764,235	2,278,200,526	2,414,187,093
Interest received [7]	20,799,631	31,240,619	51,454,743	61,769,762	82,322,875	84,801,548	70,225,315
Total deductions [6]	**549,602,678**	**783,602,767**	**1,416,322,641**	**1,678,732,999**	**2,136,365,436**	**2,388,821,379**	**2,502,162,335**
Cost of goods sold	242,448,195	395,322,385	737,235,839	902,157,018	1,225,628,897	1,338,114,656	1,430,213,629
Purchases	140,521,621	256,546,960	461,144,704	585,068,938	797,038,243	887,515,286	903,589,600
Cost of labor	13,924,993	20,080,458	33,411,962	42,089,216	46,714,175	53,029,403	58,736,031
Net salaries and wages (not deducted elsewhere)	56,025,118	80,292,538	142,910,961	169,905,010	201,350,844	230,874,139	237,882,426
Taxes paid	9,339,396	13,151,513	23,813,223	26,896,235	31,145,304	34,626,540	36,416,569
Interest paid	29,617,935	42,775,881	73,406,067	74,428,567	92,751,748	97,278,387	68,127,690
Depreciation [8]	60,204,443	62,266,537	88,646,144	102,786,520	116,040,441	138,412,382	154,542,874
Net income (less deficit)	**16,609,540**	**106,829,196**	**186,704,627**	**228,438,105**	**268,990,758**	**276,334,824**	**270,667,169**
Net income	116,317,801	178,650,951	297,875,299	348,467,958	409,972,787	446,069,172	439,761,741
Deficit	99,708,261	71,821,755	111,170,672	120,029,853	140,982,029	169,734,347	169,094,572

See notes at end of this section.

Table 12.--Number of Business Income Tax Returns, by Size of Business for Specified Income Years, 1990-2002 [1]

[All figures are estimates based on samples--number of businesses is in thousands]

Type and size of business	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CORPORATIONS							
Total	**3,716.7**	**4,474.2**	**4,848.9**	**4,935.9**	**5,045.3**	**5,135.6**	**5,266.6**
Receipt size [2]							
Under $25,000 [3]	878.7	1,030.0	1,168.1	1,188.7	1,220.0	1,248.2	1,282.5
$25,000 under $50,000	252.0	288.4	289.0	296.9	305.4	295.8	314.3
$50,000 under $100,000	358.9	446.8	459.9	486.5	477.4	484.5	514.4
$100,000 under $250,000	661.7	736.1	839.7	823.9	837.1	877.1	893.9
$250,000 under $500,000	500.0	623.9	645.5	676.1	677.5	672.6	688.8
$500,000 under $1,000,000	416.0	512.7	553.1	546.2	581.9	601.5	610.7
$1,000,000 or more	649.4	803.3	893.5	917.5	946.0	955.9	962.1
Asset size [4]							
Under $100,000 [5]	2,111.5	2,615.0	2,813.7	2,845.7	2,911.3	n.a.	n.a.
Under $500,000 [5]	n.a.	n.a.	n.a.	n.a.	n.a.	4,289.8	4,415.3
$100,000 under $1,000,000	1,246.3	1,438.0	1,562.7	1,600.2	1,631.0	n.a.	n.a.
$500,000 under $1,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	342.2	344.5
$1,000,000 under $10,000,000	303.8	256.6	399.8	413.3	422.5	424.0	427.1
$10,000,000 under $25,000,000	25.2	29.1	33.0	35.0	37.0	36.4	36.8
$25,000,000 under $50,000,000	11.0	12.4	13.0	13.6	14.4	14.1	13.9
$50,000,000 under $100,000,000	7.4	8.4	8.9	9.3	9.6	9.5	9.3
$100,000,000 under $250,000,000	5.8	7.2	8.2	8.4	8.7	8.7	8.6
$250,000,000 or more, total	5.6	7.5	9.7	10.4	10.9	11.0	11.1
$250,000,000 under $500,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	4.2	4.2
$500,000,000 under $2,500,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	4.9	4.9
$2,500,000,000 or more	n.a.	n.a.	n.a.	n.a.	n.a.	1.9	2.0
PARTNERSHIPS							
Total	**1,553.5**	**1,580.9**	**1,855.3**	**1,936.9**	**2,057.5**	**2,132.1**	**2,242.2**
Receipt size [6]							
Under $25,000 [3]	962.6	931.3	1,037.6	1,036.3	1,105.1	1,129.9	1,203.7
$25,000 under $50,000	126.0	133.5	157.3	169.5	183.0	182.6	185.3
$50,000 under $100,000	133.4	142.3	156.8	187.4	187.3	192.1	195.1
$100,000 under $250,000	139.9	158.6	206.4	212.4	225.8	233.9	248.5
$250,000 under $500,000	82.5	86.5	113.8	125.8	127.0	139.4	145.3
$500,000 under $1,000,000	52.1	59.4	76.6	83.8	92.4	102.8	105.0
$1,000,000 or more	57.1	69.3	106.8	121.6	136.9	151.4	159.3
Asset size							
Under $25,000 [5]	737.9	733.7	794.4	793.3	827.9	825.5	865.5
$25,000 under $50,000	99.3	79.1	92.5	93.3	105.3	104.7	104.9
$50,000 under $100,000	99.5	106.7	122.3	135.4	128.4	130.7	132.7
$100,000 under $250,000	194.1	184.5	210.7	216.4	229.5	239.1	252.3
$250,000 under $500,000	128.6	134.2	162.0	175.8	196.5	205.9	205.5
$500,000 under $1,000,000	105.2	123.8	162.9	175.2	183.0	202.6	226.4
$1,000,000 or more	188.9	218.9	310.5	347.5	386.9	423.7	454.9

See notes at end of this section.

Table 12.--Number of Business Income Tax Returns, by Size of Business for Specified Income Years, 1990-2002[1]--Continued

[All figures are estimates based on samples--number of businesses is in thousands]

Type and size of business	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NONFARM SOLE PROPRIETORSHIPS[7]							
Total	**14,782.7**	**16,423.9**	**17,408.8**	**17,575.6**	**17,904.7**	**18,338.2**	**18,925.5**
Receipt size							
Under $2,500 [3]	3,750.1	4,139.5	4,246.4	4,295.6	4,333.1	3,769.4	4,546.4 [r]
$2,500 under $5,000	1,714.5	1,954.1	2,055.6	1,972.6	1,933.9	1,989.3	2,043.8
$5,000 under $10,000	2,011.7	2,254.4	2,407.0	2,350.2	2,395.7	2,523.1	2,604.6
$10,000 under $25,000	2,719.8	2,969.3	3,058.3	3,202.2	3,334.0	3,448.4	3,521.6
$25,000 under $50,000	1,660.2	1,982.7	2,111.9	2,227.0	2,246.7	2,239.3	2,357.8
$50,000 under $100,000	1,282.1	1,392.6	1,590.1	1,558.5	1,644.8	1,704.0	1,751.8
$100,000 under $200,000	857.2	916.3	1,019.7	1,020.3	1,052.9	1,109.7	1,115.4
$200,000 under $500,000	587.0	597.7	666.6	681.4	680.4	649.2	687.8
$500,000 under $1,000,000	142.7	147.4	175.1	182.2	189.5	197.8	203.3
$1,000,000 or more	57.3	69.9	78.1	85.7	91.7	92.9	93.0

See notes at end of this section.

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990[1]	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total [1]	**3,716,650**	**4,474,167**	**4,848,888**	**4,935,904**	**5,045,274**	**5,135,591**	**5,266,607**
Number with net income [1]	1,910,670	2,455,492	2,760,814	2,812,175	2,819,153	2,822,302	2,800,517
Consolidated returns [1,2,3]	71,769	65,617	60,812	57,144	56,603	56,507	52,743
S corporation returns [1,3,4]	1,575,092	2,153,119	2,588,088	2,725,775	2,860,478	2,986,486	3,154,377
DISC returns [1,5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FSC returns [1,6]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total assets [7]	**18,190,057,609**	**26,013,689,001**	**37,347,352,986**	**41,464,152,854**	**47,026,871,874**	**49,154,424,202**	**50,413,501,942**
Cash	771,086,440	962,083,261	1,336,424,483	1,596,525,490	1,819,788,484	1,926,059,284	1,923,414,875
Notes and accounts receivable	4,198,016,230	5,306,570,583	7,061,547,469	7,744,960,605	8,754,425,366	8,755,544,213	8,885,603,717
Less: Allowance for bad debts	110,059,993	121,339,912	128,129,657	139,597,391	148,289,201	180,317,404	184,924,054
Inventories [8]	893,586,141	1,045,010,082	1,139,210,381	1,198,184,825	1,271,967,443	1,208,206,944	1,221,112,550
Investments in U.S. Government obligations [8]	921,193,216	1,363,454,504	1,365,651,984	1,340,484,175	1,236,229,842	1,392,035,604	1,527,139,020
Tax-exempt securities [9]	380,320,504	839,783,392	958,653,471	957,099,790	973,317,816	1,057,398,071	1,203,096,628
Other current assets	1,164,582,476	1,835,051,182	2,738,441,339	2,639,764,762	3,206,693,449	3,663,607,042	3,509,562,061
Loans to shareholders	94,866,044	92,774,645	135,052,180	126,016,307	157,029,888	189,958,748	194,543,759
Mortgage and real estate loans	1,537,899,636	1,713,312,936	2,414,901,336	2,554,658,266	2,821,508,159	3,228,970,528	3,687,181,263
Other investments [8]	4,136,891,162	7,429,369,054	13,201,119,823	15,799,039,436	17,873,853,425	18,343,524,687	18,727,600,926
Depreciable assets	4,317,781,452	5,571,142,501	6,541,280,743	6,935,503,013	7,291,998,758	7,613,590,480	7,677,626,201
Less: Accumulated depreciation	1,848,022,862	2,600,545,415	3,031,634,536	3,227,243,753	3,369,214,883	3,549,239,594	3,699,383,948
Depletable assets	129,370,543	153,542,647	192,668,634	183,593,413	191,353,340	198,775,908	226,336,112
Less: Accumulated depletion	55,075,300	70,960,211	92,307,154	85,660,310	87,437,339	92,093,245	110,296,199
Land	209,579,296	242,340,731	271,489,857	286,497,086	302,831,910	319,953,637	325,689,411
Intangible assets (amortizable)	491,252,807	749,166,777	1,376,300,094	1,717,251,430	2,246,509,413	2,474,758,111	2,353,465,751
Less: Accumulated amortization	95,754,475	165,020,215	232,743,976	280,555,798	364,363,888	483,180,189	480,835,477
Other assets	1,052,544,294	1,667,952,459	2,099,426,516	2,117,631,510	2,848,669,891	3,086,871,379	3,426,569,347
Total liabilities [7]	**18,190,057,609**	**26,013,689,001**	**37,347,352,986**	**41,464,152,854**	**47,026,871,874**	**49,154,424,202**	**50,413,501,942**
Accounts payable [10]	1,094,001,051	1,749,573,601	2,501,289,043	2,792,333,967	3,758,177,869	3,927,350,604	4,073,664,265
Mortgages, notes, and bonds payable in less than 1 year	1,802,732,358	2,033,602,027	3,215,524,383	3,658,308,770	4,019,704,844	4,131,856,961	3,814,481,517
Other current liabilities [10]	5,197,682,027	6,782,699,365	8,809,999,920	9,103,186,192	10,307,362,766	10,811,930,775	11,181,118,658
Loans from shareholders	268,559,197	311,675,047	361,234,088	394,938,632	451,461,831	549,016,868	541,170,351
Mortgages, notes, and bonds payable in 1 year or more	2,665,098,250	3,335,426,303	4,813,249,719	5,448,156,416	6,183,999,343	6,781,681,427	7,184,589,809
Other liabilities	2,423,067,175	3,668,771,655	4,537,780,597	4,704,367,882	4,957,514,852	5,337,844,395	6,073,368,168
Net worth	4,738,917,551	8,131,941,003	13,108,275,236	15,362,860,996	17,348,650,369	17,614,743,174	17,545,109,175
Capital stock	1,584,840,863	2,194,368,322	3,244,023,916	3,521,992,715	3,966,282,789	4,253,450,013	3,999,980,176
Additional paid-in capital	2,814,210,083	5,445,997,437	8,610,169,238	10,186,395,658	12,264,818,660	13,919,963,504	15,286,648,711
Retained earnings, appropriated [11]	60,978,729	105,683,587	185,163,160	210,792,152	181,838,405	140,283,315	116,673,731
Retained earnings, unappropriated	1,349,027,584	2,085,712,657	3,187,402,691	3,759,001,185	3,445,346,327	1,991,453,794	1,060,109,067
Adjustments to shareholders' equity	N/A	N/A	-3,006,539	17,108,266	-3,382,272	-33,277,666	-66,214,884
Less: Cost of treasury stock	1,070,139,706	1,699,820,997	2,118,483,766	2,315,320,710	2,506,253,537	2,690,407,452	2,852,087,624
Total receipts [12]	**11,409,520,074**	**14,539,050,114**	**17,323,955,004**	**18,892,385,694**	**20,605,808,071**	**20,272,957,624**	**19,749,426,052**
Business receipts [12,13]	9,860,441,633	12,785,797,708	15,010,264,802	16,313,971,385	17,636,551,349	17,504,288,630	17,297,125,146
Interest on State and local Government obligations	35,164,734	46,323,344	49,128,679	51,780,203	51,940,598	49,227,853	48,212,626
Other interest [14]	942,237,940	993,173,428	1,227,640,206	1,301,772,282	1,576,100,843	1,499,683,236	1,233,298,115
Dividends received from domestic corporations [12,14]	13,413,839	22,842,877	20,010,007	20,679,644	20,869,880	18,964,132	17,382,452
Dividends received from foreign corporations [12]	33,261,669	35,418,063	49,232,904	64,905,407	60,203,391	49,997,670	45,580,553
Rents [12]	100,642,848	87,120,169	106,686,977	117,644,823	131,301,498	134,013,856	136,156,000
Royalties [12]	32,142,258	57,982,610	93,600,002	105,741,540	122,513,266	116,989,820	115,860,138
Net short-term capital gain reduced by net long-term capital loss	4,110,745	40,083,929	37,302,058	94,913,405	85,003,779	20,770,292	14,655,834
Net long-term capital gain reduced by net short-term capital loss	50,935,859	60,852,565	125,012,968	146,520,147	173,758,106	117,443,499	76,266,064
Net gain, noncapital assets [13]	32,275,111	42,987,930	69,519,362	64,698,446	70,035,992	61,890,648	69,144,256
Other receipts	304,893,438	366,467,491	535,557,040	609,758,412	677,529,368	699,687,988	695,744,869

See notes at end of this section.

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Specified Income Years, 1990-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990[1]	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total deductions[12]	**11,032,574,630**	**13,821,277,581**	**16,489,425,015**	**17,966,972,060**	**19,691,591,726**	**19,682,982,949**	**19,198,882,118**
Cost of goods sold[12]	6,610,769,883	8,206,073,365	9,362,392,237	10,284,098,039	11,135,287,909	11,041,533,030	10,607,404,004
Compensation of officers	205,403,164	303,636,318	356,850,517	373,735,141	401,416,310	382,813,379	381,235,331
Repairs	95,887,821	118,597,690	130,298,655	133,209,853	139,591,861	144,239,688	132,998,715
Bad debts	83,690,549	67,769,341	86,371,104	100,202,508	107,679,638	142,196,860	168,045,866
Rent paid on business property	184,771,540	232,104,107	308,317,657	347,245,365	380,083,953	398,045,240	410,639,197
Taxes paid	250,928,813	325,838,495	354,578,692	371,183,229	390,067,116	392,458,476	396,571,738
Interest paid	825,372,164	744,764,676	966,659,473	1,018,972,484	1,271,678,744	1,203,045,923	912,751,562
Contributions or gifts	4,752,406	7,425,566	8,667,513	10,732,153	10,657,214	11,414,505	10,334,666
Amortization	31,503,958	45,998,611	74,336,292	86,124,690	98,333,079	110,454,488	115,006,680
Depreciation	332,781,754	436,581,144	542,490,397	583,799,587	614,372,700	649,988,724	710,881,312
Depletion[15]	9,646,712	9,998,046	9,685,686	9,803,284	10,244,959	9,803,354	9,418,123
Advertising	126,417,097	162,777,591	198,214,266	216,066,879	234,000,558	219,834,114	218,035,603
Pension, profit-sharing, stock bonus, and annuity plans[15]	42,233,693	81,791,802	71,689,478	76,779,560	85,788,656	85,523,682	132,414,263
Employee benefit programs[15]	113,320,117	165,112,064	195,453,372	203,531,897	231,325,484	245,747,438	249,904,744
Net loss, noncapital assets[12,13]	22,330,746	28,033,601	21,309,505	29,065,260	31,314,500	40,969,394	51,879,801
Other deductions[15]	2,092,764,214	2,884,775,167	3,802,110,171	4,122,422,135	4,549,749,050	4,604,914,658	4,691,360,514
Total receipts less total deductions[12,16]	**376,945,444**	**717,772,533**	**834,529,989**	**925,413,634**	**914,216,344**	**589,974,675**	**550,543,934**
Constructive taxable income from related foreign corporations[17]	36,776,886	42,744,182	52,822,281	55,322,097	65,249,771	62,876,530	61,325,249
Net income (less deficit)[12,16,17,18]	**370,632,632**	**714,193,371**	**838,223,591**	**928,955,528**	**927,525,517**	**603,623,352**	**563,656,558**
Net income[18]	552,526,789	880,653,345	1,091,150,050	1,229,295,911	1,336,619,605	1,112,480,550	1,053,126,217
Deficit[18]	181,894,157	166,459,975	252,926,459	300,340,383	409,094,088	508,857,198	489,469,660
Income subject to tax:[19]							
Number of returns	846,064	912,851	894,446	868,820	828,470	780,223	696,230
Amount[20]	366,352,857	564,733,017	663,385,528	693,735,694	760,404,334	635,257,416	600,553,517
Total income tax	**128,185,666**	**198,786,648**	**231,399,671**	**241,987,588**	**266,281,801**	**220,874,245**	**209,691,130**
Regular and alternative tax[21]	119,434,430	193,564,219	228,021,519	238,722,344	262,232,738	218,675,610	207,056,104
Recapture of prior-year investment credit	126,600	11,605	3,356	8,754	9,594	20,924	9,189
Minimum tax and alternative minimum tax:[22]							
Number of returns	32,458	25,834	18,360	14,901	13,135	7,101	7,066
Amount	8,104,269	4,281,827	3,324,799	3,051,869	3,874,845	1,800,595	2,532,224
Tax credits:[23]							
Total	**31,780,141**	**42,362,992**	**49,796,436**	**48,959,947**	**62,238,013**	**54,162,256**	**56,078,260**
Foreign tax credit:[24]							
Number of returns	5,203	6,716	5,922	5,864	5,937	5,488	4,726
Amount[24]	24,989,922	30,420,276	37,396,469	38,389,989	48,505,841	41,063,165	42,021,526
U.S. possessions tax credit	3,194,481	3,056,017	2,393,331	1,485,261	1,438,549	1,268,616	1,191,217
Nonconventional source fuel credit	81,790	732,031	1,029,728	886,835	1,516,990	1,806,406	2,189,943
Qualified electric vehicle credit	N/A	120	702	1,191	1,246	231	6,102
Qualified zone academy bond credit	N/A	N/A	N/A	2,170	14,542	28,151	80,289
Prior-year minimum tax credit	667,036	4,797,001	3,432,896	3,431,478	5,169,159	3,254,175	2,027,542
General business credit	2,833,701	3,388,423	5,601,399	4,763,022	5,591,686	6,741,513	8,561,641
Empowerment zone employment credit	N/A	N/A	19,118	21,645	23,501	23,401	59,776
General business current year credit items:[25]							
Investment credit	N/A	N/A	187,934	315,225	357,607	359,179	449,893
Work opportunity credit/jobs credit	N/A	N/A	261,936	253,886	266,341	233,563	258,428
Alcohol fuel credit	N/A	N/A	15,520	15,817	11,825	9,224	8,467
Research activities credit	N/A	N/A	5,342,779	5,410,932	7,235,621	6,518,136	5,818,383
Orphan drug credit	15,637	N/A	80,392	109,435	112,954	134,846	146,900
Total income tax after credits[26]	**96,403,099**	**156,392,780**	**181,545,146**	**193,027,641**	**204,043,788**	**166,711,988**	**153,612,870**

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
ALL INDUSTRIAL DIVISIONS [1]					
Number of returns, total [2]	3,277,219	3,716,650	4,474,167	4,631,370	4,710,083
Number with net income [2]	1,820,120	1,910,670	2,455,492	2,588,424	2,647,474
Total assets [3]	12,773,093,888	18,190,057,609	26,013,689,001	28,642,263,127	33,029,652,126
Net worth [3]	3,303,698,576	4,738,917,553	8,131,941,003	9,495,226,103	11,353,013,694
Total receipts [4]	8,398,278,426	11,409,520,074	14,539,050,114	15,525,718,006	16,609,707,302
Business receipts [4,5]	7,369,538,953	9,860,441,633	12,785,797,708	13,659,470,309	14,460,928,695
Interest received [4,6]	637,786,939	977,402,674	1,039,496,772	1,082,071,703	1,186,893,564
Total deductions [4]	8,158,144,126	11,032,574,630	13,821,277,581	14,728,089,018	15,704,242,236
Cost of goods sold [4]	4,894,254,081	6,610,769,883	8,206,073,365	8,707,100,240	9,114,245,646
Interest paid	568,645,475	825,372,164	744,764,676	770,885,334	866,474,183
Net income (less deficit) [4]	240,119,020	370,632,632	714,193,371	806,484,990	915,396,637
Net income [4]	363,867,384	552,526,789	880,653,345	986,782,683	1,117,825,239
Deficit [4]	123,748,365	181,894,157	166,459,975	180,297,692	202,428,602
Total income tax [7]	111,340,839	128,185,666	198,786,648	223,712,985	239,394,206
Regular and alternative tax [8]	109,106,358	119,434,430	193,564,219	219,756,610	235,325,362
Total income tax after credits	63,348,204	96,403,099	156,392,780	170,620,945	184,175,993
AGRICULTURE, FORESTRY, AND FISHING [1]					
Number of returns, total [2]	103,156	126,423	147,527	158,963	163,114
Number with net income [2]	52,776	70,965	79,320	90,012	91,984
Total assets [3]	52,651,197	68,338,381	86,298,574	94,140,118	91,984,030
Net worth [3]	15,406,221	23,360,455	30,102,131	32,757,173	32,990,807
Total receipts [4]	70,491,486	88,101,065	107,581,973	119,737,058	117,387,555
Business receipts [4]	65,419,402	82,114,836	100,630,952	111,727,224	107,930,422
Interest received [4,6]	775,383	681,127	640,032	759,958	601,918
Total deductions [4]	70,559,478	86,883,128	105,967,360	117,166,334	114,673,629
Cost of goods sold [4]	45,085,526	52,758,720	56,765,231	63,581,911	60,245,509
Interest paid	2,758,952	2,852,242	2,892,302	3,008,936	2,978,589
Net income (less deficit) [4]	-74,270	1,156,269	1,604,481	2,614,131	2,673,835
Net income [4]	2,930,905	4,328,433	5,402,335	6,262,057	6,310,262
Deficit [4]	3,005,175	3,172,164	3,797,857	3,647,926	3,636,427
Total income tax [7]	540,641	589,866	661,579	764,345	659,642
Regular and alternative tax [8]	531,787	569,812	640,696	748,862	647,752
Total income tax after credits	344,626	554,818	611,254	659,991	599,082
MINING [1]					
Number of returns, total [2]	41,426	39,674	35,123	35,799	32,996
Number with net income [2]	18,031	18,436	18,776	18,098	17,281
Total assets [3]	240,815,996	219,197,640	268,690,014	299,106,231	324,294,826
Net worth [3]	104,772,797	110,339,579	132,123,209	151,720,805	165,095,652
Total receipts [4]	142,038,595	111,444,457	126,760,491	141,278,092	150,318,265
Business receipts [4]	126,710,610	97,321,579	114,163,493	127,583,639	134,379,404
Interest received [4,6]	3,584,890	3,849,674	2,985,957	3,096,278	3,708,511
Total deductions [4]	145,389,514	106,466,509	121,397,443	133,385,823	141,046,419
Cost of goods sold [4]	87,972,035	62,070,361	70,550,767	78,022,883	78,465,626
Interest paid	7,789,995	6,674,114	6,071,863	6,179,872	6,768,047
Net income (less deficit) [4]	-2,543,487	5,302,223	5,530,975	8,152,607	9,728,562
Net income [4]	6,166,623	9,071,733	9,364,612	12,112,260	14,191,366
Deficit [4]	8,710,110	3,769,511	3,833,637	3,959,653	4,462,804
Total income tax [7]	1,810,559	2,223,977	2,119,370	2,525,467	3,141,128
Regular and alternative tax [8]	1,736,952	1,897,245	1,900,482	2,348,394	2,951,254
Total income tax after credits	557,519	1,348,333	1,170,119	1,350,676	2,019,716

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
CONSTRUCTION [1]					
Number of returns, total [2]	318,276	406,874	449,882	471,230	487,783
Number with net income [2]	185,613	223,434	275,375	300,890	307,733
Total assets [3]	215,297,771	243,829,026	265,812,616	284,595,206	314,551,349
Net worth [3]	54,687,270	63,865,550	86,553,081	92,427,338	99,144,660
Total receipts [4]	387,232,953	534,654,044	637,090,195	710,467,223	779,014,473
Business receipts [4]	374,590,273	522,586,199	627,463,416	699,596,890	768,122,399
Interest received [4,6]	3,851,628	3,621,561	2,068,327	2,089,412	2,079,884
Total deductions [4]	382,823,113	527,800,795	622,621,984	692,581,515	758,429,123
Cost of goods sold [4]	295,803,244	407,448,745	483,881,784	537,067,796	589,184,488
Interest paid	6,407,652	7,368,430	5,280,750	5,473,796	5,949,039
Net income (less deficit) [4]	4,370,924	6,824,608	14,458,024	17,878,460	20,522,439
Net income [4]	11,053,145	15,859,977	20,986,981	25,036,702	27,816,466
Deficit [4]	6,682,220	9,035,370	6,528,956	7,158,242	7,294,027
Total income tax [7]	2,312,856	2,092,196	2,462,222	2,958,069	2,953,440
Regular and alternative tax [8]	2,243,786	1,983,902	2,358,661	2,847,146	2,846,960
Total income tax after credits	1,662,563	1,906,537	2,281,929	2,667,923	2,817,961
MANUFACTURING [1]					
Number of returns, total [2]	276,545	301,669	319,699	325,689	325,045
Number with net income [2]	159,778	167,509	185,590	191,254	195,038
Total assets [3]	2,644,393,424	3,921,323,756	4,941,072,530	5,425,184,573	5,966,306,398
Net worth [3]	1,099,645,876	1,392,233,318	1,739,529,985	1,966,848,773	2,110,695,629
Total receipts [4]	2,831,062,496	3,688,693,895	4,585,549,761	4,902,669,122	5,177,663,770
Business receipts [4]	2,656,345,750	3,434,141,360	4,290,704,760	4,567,209,064	4,794,291,330
Interest received [4,6]	47,753,626	81,135,811	86,746,437	102,537,639	116,819,943
Total deductions [4]	2,733,105,346	3,545,121,842	4,354,564,077	4,652,960,523	4,910,704,056
Cost of goods sold [4]	1,797,852,805	2,377,226,499	2,932,256,224	3,125,013,437	3,241,577,938
Interest paid	90,452,072	151,214,835	145,509,470	156,862,195	175,064,011
Net income (less deficit) [4]	113,758,645	171,373,726	260,909,947	286,059,822	305,958,154
Net income [4]	142,541,119	212,936,099	297,458,397	325,291,340	352,453,829
Deficit [4]	28,782,474	41,562,373	36,548,450	39,231,518	46,495,675
Total income tax [7]	56,687,476	64,385,522	83,817,532	95,502,448	101,849,787
Regular and alternative tax [8]	55,553,921	60,664,655	81,476,502	93,646,267	100,318,010
Total income tax after credits	25,382,459	38,971,197	54,302,936	58,883,875	64,307,381
TRANSPORTATION AND PUBLIC UTILITIES [1]					
Number of returns, total [2]	138,337	160,353	194,456	205,777	209,412
Number with net income [2]	69,938	81,418	107,285	111,811	110,657
Total assets [3]	1,246,426,899	1,522,045,738	1,903,213,778	2,069,453,023	2,219,019,293
Net worth [3]	490,481,127	508,667,821	633,131,635	714,120,889	762,083,589
Total receipts [4]	772,358,188	936,277,062	1,156,709,979	1,257,010,639	1,330,726,431
Business receipts [4]	733,943,970	874,111,070	1,086,623,231	1,183,959,691	1,247,593,251
Interest received [4,6]	12,310,594	18,194,729	22,314,329	23,432,987	26,135,120
Total deductions [4]	747,836,158	900,960,832	1,084,676,405	1,182,369,290	1,260,911,843
Cost of goods sold [4]	381,028,354	405,924,209	405,708,040	453,455,420	482,982,473
Interest paid	44,880,858	59,190,735	61,601,762	64,006,991	69,385,093
Net income (less deficit) [4]	25,087,629	35,413,596	72,911,176	75,400,172	70,984,769
Net income [4]	37,880,144	51,490,850	87,557,007	93,129,707	95,097,536
Deficit [4]	12,792,516	16,077,254	14,645,831	17,729,536	24,112,767
Total income tax [7]	15,214,129	17,114,547	27,186,351	28,376,759	28,506,843
Regular and alternative tax [8]	14,881,470	15,228,031	26,305,839	27,775,587	27,790,676
Total income tax after credits	8,432,924	15,882,038	24,836,272	25,963,903	25,582,369

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
WHOLESALE AND RETAIL TRADE [1]					
Number of returns, total [2]	917,301	1,023,057	1,132,409	1,142,491	1,149,132
Number with net income [2]	510,825	527,128	626,022	652,504	656,288
Total assets [3]	1,009,965,739	1,447,296,828	1,919,717,823	2,016,232,163	1,947,931,949
Net worth [3]	286,260,274	354,827,439	533,870,160	568,677,377	613,532,103
Total receipts [4]	2,473,865,453	3,308,988,336	4,310,346,947	4,490,073,608	4,703,816,853
Business receipts [4]	2,408,174,933	3,216,861,660	4,206,376,331	4,383,103,174	4,588,802,594
Interest received [4,6]	21,633,480	29,851,239	30,425,682	31,317,702	31,259,696
Total deductions [4]	2,440,403,373	3,279,066,687	4,247,560,773	4,418,321,110	4,624,196,186
Cost of goods sold [4]	1,869,766,621	2,482,483,270	3,255,845,728	3,378,472,096	3,523,438,346
Interest paid	38,217,998	63,914,431	59,945,319	61,708,013	65,839,595
Net income (less deficit) [4]	33,126,702	30,094,078	63,566,712	73,353,268	81,584,637
Net income [4]	51,434,500	65,383,876	97,018,112	107,999,874	117,042,233
Deficit [4]	18,307,798	35,289,798	33,451,401	34,646,606	35,457,596
Total income tax [7]	16,392,896	13,839,310	20,301,551	22,694,239	23,871,953
Regular and alternative tax [8]	16,130,885	13,324,360	20,030,374	22,435,178	23,550,018
Total income tax after credits	13,396,555	12,615,991	18,475,921	20,732,232	21,959,617
FINANCE, INSURANCE, AND REAL ESTATE [1]					
Number of returns, total [2]	518,432	609,138	683,211	723,754	744,545
Number with net income [2]	285,273	269,667	317,410	341,136	344,625
Total assets [3]	7,029,452,681	10,193,295,357	15,677,286,629	17,360,053,164	20,905,619,903
Net worth [3]	1,161,968,009	2,142,041,011	4,668,579,685	5,605,211,611	7,155,654,580
Total receipts [4]	1,182,034,309	1,954,709,651	2,278,103,923	2,406,855,250	2,711,269,836
Business receipts [5]	501,993,840	900,908,453	1,094,870,564	1,176,179,679	1,282,307,615
Interest received [4,6]	541,268,193	830,451,126	879,763,014	901,666,932	987,114,539
Total deductions [4]	1,104,572,202	1,809,867,575	1,985,795,615	2,076,613,597	2,304,339,835
Cost of goods sold [4]	237,577,803	526,244,728	614,755,680	632,948,266	661,222,720
Interest paid	363,009,417	506,921,011	433,479,978	439,762,655	501,112,985
Net income (less deficit) [4]	60,670,526	109,901,881	256,810,767	299,149,193	373,482,032
Net income [4]	90,546,934	158,458,842	295,423,415	337,822,090	413,000,341
Deficit [4]	29,876,408	48,556,962	38,612,648	38,672,897	39,518,308
Total income tax [7]	13,598,201	22,556,387	51,874,358	58,301,659	63,604,700
Regular and alternative tax [8]	13,369,981	20,709,720	50,691,121	57,556,938	62,650,267
Total income tax after credits	10,193,877	20,511,294	45,988,431	50,181,634	54,777,098
SERVICES [1]					
Number of returns, total [2]	939,390	1,029,447	1,504,230	1,557,401	1,592,854
Number with net income [2]	529,337	546,268	843,922	881,427	921,533
Total assets [3]	330,982,941	572,842,266	950,737,457	1,092,310,137	1,259,381,543
Net worth [3]	89,852,365	143,154,346	307,630,801	363,120,124	413,665,895
Total receipts [4]	534,587,609	779,329,609	1,335,694,559	1,496,215,552	1,638,587,903
Business receipts [4]	497,980,990	726,041,364	1,263,790,767	1,408,716,487	1,536,597,024
Interest received [4,6]	6,561,301	9,526,124	14,541,126	17,157,456	19,166,408
Total deductions [4]	528,685,613	769,035,909	1,297,475,364	1,453,204,496	1,589,010,688
Cost of goods sold [4]	176,070,808	290,965,307	385,562,425	437,521,006	476,468,909
Interest paid	15,027,259	27,188,190	29,967,579	33,871,749	39,371,150
Net income (less deficit) [4]	5,883,782	10,616,792	38,407,562	43,952,204	50,470,448
Net income [4]	21,124,460	34,850,560	67,389,184	79,102,121	91,879,768
Deficit [4]	15,240,678	24,233,768	28,981,622	35,149,916	41,409,320
Total income tax [7]	4,742,347	5,368,531	10,358,678	12,588,705	14,804,587
Regular and alternative tax [8]	4,621,875	5,041,377	10,155,538	12,397,017	14,568,298
Total income tax after credits	3,343,830	4,597,561	8,720,911	10,179,417	12,110,639

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
ALL INDUSTRIAL SECTORS [1]					
Number of returns, total [2]	4,848,888	4,935,904	5,045,274	5,135,591	5,266,607
Number with net income [2]	2,760,814	2,812,175	2,819,153	2,822,302	2,800,517
Total assets [3]	37,347,352,986	41,464,152,854	47,026,871,874	49,154,424,202	50,413,501,942
Net worth [3]	13,108,275,236	15,362,860,996	17,348,650,369	17,614,743,174	17,545,109,175
Total receipts [4]	17,323,955,004	18,892,385,694	20,605,808,071	20,272,957,624	19,749,426,052
Business receipts [4,5]	15,010,264,802	16,313,971,385	17,636,551,349	17,504,288,630	17,297,125,146
Interest received [4,6]	1,276,768,885	1,353,552,485	1,628,041,441	1,499,683,236	1,233,298,115
Total deductions [4]	16,489,425,015	17,966,972,060	19,691,591,726	19,682,982,949	19,198,882,118
Cost of goods sold [4]	9,362,392,237	10,284,098,039	11,135,287,909	11,041,533,030	10,607,404,004
Interest paid	966,659,473	1,018,972,484	1,271,678,744	1,203,045,923	912,751,562
Net income (less deficit) [4]	838,223,591	928,955,528	927,525,517	603,623,352	563,656,558
Net income [4]	1,091,150,050	1,229,295,911	1,336,619,605	1,112,480,551	1,053,126,217
Deficit [4]	252,926,459	300,340,383	409,094,088	508,857,198	489,469,660
Total income tax [7]	231,399,671	241,987,588	266,281,801	220,874,245	209,691,130
Regular and alternative tax [8]	228,021,519	238,722,344	262,232,738	218,675,610	207,056,104
Total income tax after credits	181,545,146	193,027,641	204,043,788	166,711,988	153,612,870
AGRICULTURE, FORESTRY, HUNTING, AND FISHING [1]					
Number of returns, total [2]	135,107	141,678	140,851	140,806	140,223
Number with net income [2]	71,439	73,861	79,678	74,106	65,499
Total assets [3]	96,299,993	102,896,414	105,715,035	104,902,187	105,500,630
Net worth [3]	36,418,247	37,991,103	38,692,638	36,636,289	35,767,420
Total receipts [4]	110,588,698	115,897,645	117,135,698	115,434,441	119,151,243
Business receipts [4]	100,398,430	104,645,084	106,085,760	102,909,416	107,931,393
Interest received [4,6]	627,434	677,020	622,013	541,280	374,767
Total deductions [4]	110,125,234	114,521,646	115,914,854	114,621,084	119,774,426
Cost of goods sold [4]	56,835,616	58,439,010	59,844,373	54,841,323	60,121,105
Interest paid	3,117,877	3,460,472	3,580,884	3,280,134	2,923,041
Net income (less deficit) [4]	529,117	1,388,996	1,220,273	1,064,909	-587,571
Net income [4]	5,485,926	5,938,589	6,135,371	5,981,691	4,852,284
Deficit [4]	4,956,809	4,549,592	4,915,098	4,916,782	5,439,855
Total income tax [7]	620,915	602,018	563,797	619,708	403,902
Regular and alternative tax [8]	610,268	592,430	553,484	615,617	399,926
Total income tax after credits	547,808	544,293	553,231	514,046	386,944
MINING [1]					
Number of returns, total [2]	31,467	30,849	32,578	31,776	30,287
Number with net income [2]	16,045	15,291	18,430	18,942	15,095
Total assets [3]	344,842,939	358,374,736	410,747,979	448,910,140	449,429,859
Net worth [3]	170,579,986	178,084,613	198,479,943	231,706,800	233,250,469
Total receipts [4]	131,071,579	124,847,341	158,618,629	169,539,555	157,298,844
Business receipts [4]	116,905,970	109,685,715	140,917,053	151,151,906	142,247,484
Interest received [4,6]	3,873,591	4,710,874	4,926,125	4,088,184	3,225,286
Total deductions [4]	130,388,596	125,494,571	149,060,709	160,816,530	156,911,742
Cost of goods sold [4]	66,380,586	63,289,692	75,033,998	80,548,021	78,092,277
Interest paid	7,911,568	9,008,339	10,125,194	9,923,985	9,016,218
Net income (less deficit) [4]	1,091,102	-134,901	10,355,698	9,406,304	1,344,239
Net income [4]	8,826,382	8,519,139	15,616,089	16,240,479	9,851,990
Deficit [4]	7,735,280	8,654,040	5,260,391	6,834,176	8,507,752
Total income tax [7]	2,116,331	1,770,981	3,231,554	3,026,385	2,087,504
Regular and alternative tax [8]	1,987,944	1,615,297	3,091,343	2,900,460	1,993,356
Total income tax after credits	1,382,782	1,064,375	2,050,087	2,064,114	1,010,103

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
UTILITIES [1]					
Number of returns, total [2]	8,067	7,044	7,968	7,802	7,863
Number with net income [2]	4,556	4,620	4,276	3,855	3,934
Total assets [3]	1,034,143,980	1,171,606,471	1,556,911,256	1,515,428,318	1,458,642,427
Net worth [3]	345,181,633	374,868,607	382,030,374	381,352,597	381,185,739
Total receipts [4]	475,839,324	516,184,353	756,808,494	1,051,655,475	578,342,692
Business receipts [4]	450,830,225	478,836,511	707,815,083	1,004,358,112	537,883,736
Interest received [4,6]	7,797,767	9,222,895	12,932,306	13,035,317	12,550,519
Total deductions [4]	445,297,488	477,659,203	728,553,279	1,036,080,852	580,005,825
Cost of goods sold [4]	276,406,488	301,858,130	517,574,723	795,765,082	340,182,014
Interest paid	28,451,377	30,445,753	39,224,772	42,280,631	41,316,770
Net income (less deficit) [4]	31,509,342	39,017,164	29,169,974	16,804,566	-1,046,609
Net income [4]	37,950,376	42,332,613	35,279,980	28,734,461	22,596,105
Deficit [4]	6,441,034	3,315,449	6,110,006	11,929,895	23,642,715
Total income tax [7]	12,854,663	14,087,853	10,617,977	9,151,930	6,504,039
Regular and alternative tax [8]	12,763,441	13,916,825	10,420,441	9,071,527	6,382,751
Total income tax after credits	11,257,262	12,912,267	9,383,513	7,718,038	5,296,222
CONSTRUCTION [1]					
Number of returns, total [2]	551,935	580,302	597,902	624,478	648,535
Number with net income [2]	350,586	374,809	373,746	376,822	382,349
Total assets [3]	415,679,597	463,072,728	504,719,698	525,704,293	540,502,611
Net worth [3]	124,212,135	139,215,432	149,948,101	150,498,208	163,014,462
Total receipts [4]	875,357,103	990,661,562	1,051,896,139	1,102,724,183	1,098,818,871
Business receipts [4]	859,139,558	973,521,174	1,034,087,166	1,084,579,920	1,080,555,117
Interest received [4,6]	2,858,133	3,050,095	3,466,222	3,062,738	2,474,298
Total deductions [4]	846,846,638	957,850,706	1,019,743,542	1,070,080,498	1,070,369,680
Cost of goods sold [4]	646,521,716	734,146,024	776,692,461	809,614,689	799,324,059
Interest paid	8,234,453	8,717,303	10,202,001	10,270,932	9,289,390
Net income (less deficit) [4]	28,385,998	32,654,317	32,067,010	32,537,032	28,357,934
Net income [4]	37,355,248	42,285,794	43,775,887	46,179,690	45,359,266
Deficit [4]	8,969,250	9,631,477	11,708,877	13,642,657	17,001,332
Total income tax [7]	3,848,773	4,375,585	4,460,645	4,543,459	4,221,133
Regular and alternative tax [8]	3,720,221	4,280,010	4,373,768	4,497,744	4,178,296
Total income tax after credits	3,671,586	4,142,447	4,308,656	4,435,401	4,104,446
MANUFACTURING [1]					
Number of returns, total [2]	309,912	297,714	288,506	278,995	280,185
Number with net income [2]	187,502	184,923	168,580	147,291	149,710
Total assets [3]	6,407,878,676	6,812,198,288	7,830,525,859	8,100,072,543	8,202,169,904
Net worth [3]	2,176,868,544	2,347,201,417	2,919,128,199	2,949,917,887	2,975,211,477
Total receipts [4]	4,967,763,340	5,207,025,164	5,741,290,322	5,315,598,814	5,257,106,442
Business receipts [4]	4,591,071,027	4,801,823,220	5,259,173,394	4,862,174,424	4,822,650,951
Interest received [4,6]	110,421,209	113,423,902	136,081,123	130,752,374	119,947,354
Total deductions [4]	4,758,096,862	4,996,507,899	5,514,263,661	5,228,295,401	5,178,748,932
Cost of goods sold [4]	3,128,946,941	3,278,506,854	3,646,003,664	3,402,032,548	3,353,642,529
Interest paid	172,772,207	184,827,327	216,950,701	210,704,804	184,028,822
Net income (less deficit) [4]	246,022,462	247,281,612	271,917,037	129,096,121	119,275,059
Net income [4]	300,629,903	311,008,480	355,433,559	269,346,456	245,134,412
Deficit [4]	54,607,441	63,726,868	83,516,521	140,250,335	125,859,352
Total income tax [7]	85,160,606	87,650,593	102,107,461	76,141,754	68,531,196
Regular and alternative tax [8]	84,044,758	86,663,477	100,717,097	75,778,613	67,606,219
Total income tax after credits	51,821,656	56,836,653	62,146,298	43,292,557	34,400,275

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
WHOLESALE AND RETAIL TRADE [1]					
Number of returns, total [2]	956,803	948,371	959,575	963,403	964,523
Number with net income [2]	562,107	567,059	547,118	552,571	514,346
Total assets [3]	1,955,833,869	2,136,070,543	2,307,635,980	2,311,538,349	2,412,864,112
Net worth [3]	630,317,171	697,058,437	752,937,787	775,273,224	812,930,683
Total receipts [4]	4,626,956,885	4,913,443,742	5,397,024,981	5,312,289,788	5,403,353,886
Business receipts [4]	4,516,670,915	4,789,438,632	5,267,581,834	5,183,197,415	5,278,843,887
Interest received [4,6]	23,303,872	25,791,809	27,158,306	21,959,651	19,509,672
Total deductions [4]	4,541,306,580	4,823,250,170	5,314,154,542	5,239,282,835	5,318,817,046
Cost of goods sold [4]	3,500,642,975	3,713,954,583	4,116,888,584	4,036,920,370	4,083,064,952
Interest paid	56,868,644	59,036,213	68,090,598	59,251,050	50,534,463
Net income (less deficit) [4]	86,950,940	91,938,690	85,176,192	75,366,514	87,018,582
Net income [4]	119,780,848	133,647,997	139,241,630	128,763,355	135,027,304
Deficit [4]	32,829,908	41,709,307	54,065,438	53,396,841	48,008,722
Total income tax [7]	25,333,188	27,897,471	29,752,161	26,419,726	27,469,057
Regular and alternative tax [8]	25,050,231	27,586,344	29,389,721	26,309,437	27,296,326
Total income tax after credits	23,551,505	25,958,590	27,782,180	24,749,298	25,568,842
TRANSPORATION AND WAREHOUSING [1]					
Number of returns, total [2]	159,646	160,195	160,437	164,492	177,745
Number with net income [2]	94,327	85,618	84,271	84,837	91,226
Total assets [3]	460,299,605	495,262,107	531,565,047	531,565,543	536,270,300
Net worth [3]	157,718,753	168,809,002	166,587,366	156,710,830	144,702,207
Total receipts [4]	488,074,225	506,307,909	527,167,358	516,415,672	533,613,159
Business receipts [4]	469,626,605	485,223,550	505,713,781	493,765,699	510,816,998
Interest received [4,6]	5,211,712	4,952,614	5,821,233	4,819,977	3,982,958
Total deductions [4]	472,624,631	496,110,964	519,789,746	523,754,808	542,412,614
Cost of goods sold [4]	145,243,592	144,954,534	162,300,008	143,664,961	151,927,768
Interest paid	12,890,808	14,114,833	15,623,451	14,544,173	19,266,450
Net income (less deficit) [4]	15,813,288	10,441,695	7,913,968	-7,061,072	-8,648,139
Net income [4]	21,950,223	18,783,289	19,125,558	14,117,899	14,490,713
Deficit [4]	6,136,935	8,341,594	11,211,590	21,178,971	23,138,852
Total income tax [7]	5,220,126	4,556,134	4,328,980	3,061,717	2,915,569
Regular and alternative tax [8]	4,974,510	4,442,795	4,238,681	2,965,899	2,817,395
Total income tax after credits	4,465,867	3,944,800	3,745,610	2,836,333	2,725,995
INFORMATION [1]					
Number of returns, total [2]	100,977	107,628	118,073	115,435	120,271
Number with net income [2]	46,604	50,591	51,357	47,156	49,492
Total assets [3]	1,657,751,562	2,321,203,242	3,034,923,999	3,149,915,940	2,993,759,005
Net worth [3]	630,069,085	967,927,509	1,343,743,493	1,361,280,253	1,273,397,574
Total receipts [4]	759,064,134	889,706,510	967,190,036	946,598,108	909,195,188
Business receipts [4]	667,610,273	760,824,421	817,186,647	815,772,817	799,441,224
Interest received [4,6]	26,513,904	31,706,595	40,293,352	37,267,880	32,097,945
Total deductions [4]	728,192,854	851,795,719	963,202,354	986,220,330	946,955,633
Cost of goods sold [4]	184,295,336	202,700,271	220,902,262	213,276,295	205,183,275
Interest paid	52,171,340	61,139,001	73,850,231	76,883,082	69,536,498
Net income (less deficit) [4]	32,662,060	39,705,442	5,888,634	-37,658,246	-33,996,597
Net income [4]	68,476,679	94,470,726	92,587,270	59,616,076	48,623,452
Deficit [4]	35,814,619	54,765,284	86,698,635	97,274,322	82,620,049
Total income tax [7]	20,501,328	25,266,589	25,616,216	16,406,635	12,104,214
Regular and alternative tax [8]	20,274,203	25,200,587	24,990,024	16,309,070	12,076,847
Total income tax after credits	18,440,210	23,070,009	21,997,317	11,797,175	7,795,636

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
FINANCE AND INSURANCE [1]					
Number of returns, total [2]	218,193	217,780	221,394	220,895	224,352
Number with net income [2]	139,109	134,024	140,245	140,018	141,771
Total assets [3]	17,305,086,833	19,824,587,927	20,812,549,796	21,088,851,299	21,937,110,016
Net worth [3]	7,518,173,882	8,940,180,581	9,508,950,313	9,559,259,468	9,422,754,290
Total receipts [4]	2,357,691,805	3,008,131,381	2,915,539,562	2,621,771,654	2,605,571,614
Business receipts [4,5]	1,285,017,559	1,740,167,487	1,525,629,096	1,430,898,834	1,573,271,535
Interest received [4,6]	720,794,899	811,320,049	936,422,920	806,514,689	660,002,353
Total deductions [4]	2,037,238,331	2,610,951,725	2,499,971,633	2,321,050,152	2,324,723,707
Cost of goods sold [4]	744,162,763	1,162,852,049	875,995,480	828,320,672	835,466,854
Interest paid	344,911,753	392,893,417	474,253,886	421,275,484	291,740,227
Net income (less deficit) [4]	285,178,258	360,667,738	379,017,708	268,142,171	247,012,845
Net income [4]	317,490,397	393,580,700	422,936,185	328,604,216	304,543,767
Deficit [4]	32,312,139	32,912,962	43,918,477	60,462,045	57,530,922
Total income tax [7]	40,155,581	40,300,522	43,609,913	39,068,012	41,867,335
Regular and alternative tax [8]	39,623,438	39,435,856	42,763,433	37,998,253	40,872,057
Total income tax after credits	35,809,588	33,861,687	36,939,212	34,189,718	36,100,698
REAL ESTATE AND RENTAL AND LEASING [1]					
Number of returns, total [2]	521,917	521,447	532,426	539,965	570,639
Number with net income [2]	212,436	207,998	212,683	203,699	207,925
Total assets [3]	496,174,007	555,038,279	562,512,765	553,968,402	538,584,064
Net worth [3]	138,405,897	148,473,459	155,887,764	151,968,943	147,198,160
Total receipts [4]	205,765,416	215,874,696	235,179,818	239,598,864	230,647,035
Business receipts [4,5]	175,701,248	185,450,183	204,519,672	207,454,856	205,206,751
Interest received [4,6]	6,601,541	6,782,681	5,525,181	4,864,674	4,046,822
Total deductions [4]	196,769,688	209,273,861	228,930,442	234,230,846	227,363,978
Cost of goods sold [4]	44,622,040	44,747,394	50,813,666	48,227,121	50,124,303
Interest paid	15,839,859	16,981,007	18,199,502	19,896,544	14,123,528
Net income (less deficit) [4]	8,872,883	6,486,094	6,137,855	5,360,069	3,253,378
Net income [4]	19,183,985	17,966,220	19,286,447	18,754,185	18,134,864
Deficit [4]	10,311,103	11,480,126	13,148,592	13,394,117	14,881,486
Total income tax [7]	2,789,218	2,530,093	2,454,250	2,361,366	2,012,011
Regular and alternative tax [8]	2,615,409	2,377,866	2,376,474	2,321,058	1,974,547
Total income tax after credits	2,664,038	2,395,153	2,347,572	2,218,940	1,958,106
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES [1]					
Number of returns, total [2]	623,784	657,153	689,412	709,837	736,005
Number with net income [2]	384,536	409,951	409,706	416,900	429,535
Total assets [3]	299,636,432	373,290,013	499,987,766	483,351,824	484,691,832
Net worth [3]	110,823,199	139,391,301	213,025,814	189,543,565	171,783,018
Total receipts [4]	563,742,939	604,083,026	658,747,358	665,085,183	683,879,755
Business receipts [4]	540,924,209	576,276,292	623,368,137	631,691,343	651,992,903
Interest received [4,6]	3,875,671	4,427,474	7,621,540	6,196,145	4,668,720
Total deductions [4]	545,623,562	591,035,814	666,570,144	671,016,867	681,976,681
Cost of goods sold [4]	185,899,820	183,976,411	202,015,796	189,914,383	199,415,154
Interest paid	6,192,565	7,612,211	10,317,850	9,404,961	9,040,336
Net income (less deficit) [4]	18,166,687	13,263,768	-7,551,100	-5,614,567	2,463,356
Net income [4]	36,794,790	39,516,735	42,508,155	41,323,639	42,831,929
Deficit [4]	18,628,103	26,252,968	50,059,255	46,938,207	40,368,574
Total income tax [7]	4,892,809	4,784,997	4,910,603	3,943,006	3,769,108
Regular and alternative tax [8]	4,848,521	4,735,208	4,879,740	3,931,563	3,736,566
Total income tax after credits	4,277,480	4,088,564	4,394,637	3,277,227	3,191,317

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
MANAGEMENT OF COMPANIES (HOLDING COMPANIES) [1]					
Number of returns, total [2]	30,931	43,246	47,542	47,866	48,053
Number with net income [2]	14,278	17,304	20,979	19,818	21,267
Total assets [3]	6,036,081,553	5,936,042,852	7,917,530,297	9,356,898,892	9,739,201,697
Net worth [3]	794,827,208	937,394,942	1,237,344,020	1,386,169,730	1,482,596,398
Total receipts [4]	550,818,360	518,531,619	693,453,386	788,062,467	689,799,466
Business receipts [4]	90,497,966	91,583,476	127,242,280	175,450,783	170,514,329
Interest received [4,6]	354,245,184	327,262,346	435,503,757	457,053,813	361,954,366
Total deductions [4]	491,555,673	457,651,453	613,412,225	702,054,817	602,603,758
Cost of goods sold [4]	4,093,481	1,341,171	7,403,101	18,585,287	11,077,288
Interest paid	227,006,009	198,179,812	293,846,786	290,735,669	186,561,412
Net income (less deficit) [4]	56,727,056	58,098,072	78,208,116	83,216,188	84,572,187
Net income [4]	61,617,002	63,362,066	83,529,280	89,526,734	94,494,581
Deficit [4]	4,889,946	5,263,994	5,321,164	6,310,546	9,922,394
Total income tax [7]	19,773,001	20,151,630	26,800,031	28,535,815	30,444,748
Regular and alternative tax [8]	19,528,114	20,060,393	26,708,372	28,461,711	30,408,844
Total income tax after credits	16,608,717	17,557,723	21,745,792	23,256,377	24,905,354
ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES [1]					
Number of returns, total [2]	200,449	205,011	211,993	223,999	231,412
Number with net income [2]	122,276	120,197	128,738	135,234	134,003
Total assets [3]	188,316,699	203,660,243	218,894,160	231,139,131	258,705,414
Net worth [3]	68,348,928	63,853,465	61,423,215	64,950,551	77,291,090
Total receipts [4]	277,178,204	296,911,229	325,399,872	352,935,179	350,216,846
Business receipts [4]	263,655,627	283,700,509	313,932,798	339,002,912	338,209,323
Interest received [4,6]	3,181,418	2,466,255	2,281,559	1,790,626	1,881,731
Total deductions [4]	270,127,054	290,332,899	321,181,269	345,441,035	345,261,614
Cost of goods sold [4]	124,986,629	132,743,416	138,959,356	152,621,002	149,702,110
Interest paid	5,863,680	6,037,846	7,500,383	7,002,692	6,199,583
Net income (less deficit) [4]	7,311,477	7,193,907	4,337,453	7,609,771	5,036,076
Net income [4]	12,520,454	12,185,525	12,211,170	14,784,895	13,491,618
Deficit [4]	5,208,977	4,991,618	7,873,717	7,175,123	8,455,542
Total income tax [7]	2,060,959	1,759,550	1,544,394	1,951,046	1,605,012
Regular and alternative tax [8]	2,030,934	1,724,934	1,530,854	1,928,166	1,586,118
Total income tax after credits	1,768,277	1,345,004	1,278,157	1,520,665	1,393,675
EDUCATIONAL SERVICES [1]					
Number of returns, total [2]	36,959	35,196	36,756	38,480	41,317
Number with net income [2]	24,011	22,139	23,516	19,336	20,525
Total assets [3]	12,015,998	13,290,030	15,347,835	16,497,219	16,492,830
Net worth [3]	4,711,049	4,890,418	5,899,320	6,192,337	6,195,219
Total receipts [4]	25,845,444	23,083,618	25,236,070	26,922,736	25,972,274
Business receipts [4]	23,196,929	20,532,679	22,021,416	25,148,309	24,509,009
Interest received [4,6]	93,441	108,347	159,191	113,946	90,703
Total deductions [4]	25,001,911	22,520,730	24,488,516	26,509,597	24,969,680
Cost of goods sold [4]	5,567,853	4,264,602	4,195,289	4,820,315	3,955,244
Interest paid	247,281	288,455	346,595	338,259	322,399
Net income (less deficit) [4]	841,910	559,735	743,338	420,744	1,005,660
Net income [4]	1,363,597	1,303,279	1,758,495	1,641,837	1,877,456
Deficit [4]	521,687	743,543	1,015,157	1,221,094	871,796
Total income tax [7]	172,739	176,634	297,442	229,931	264,236
Regular and alternative tax [8]	170,401	175,768	296,332	229,079	263,846
Total income tax after credits	160,680	169,169	287,334	218,742	248,573

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
HEALTH CARE AND SOCIAL ASSISTANCE [1]					
Number of returns, total [2]	307,258	303,499	306,352	327,338	334,305
Number with net income [2]	178,952	179,919	188,153	207,968	209,306
Total assets [3]	217,705,783	216,011,347	220,349,973	213,775,949	214,329,877
Net worth [3]	70,205,539	65,619,372	64,661,550	56,901,435	61,960,368
Total receipts [4]	372,531,571	385,912,697	417,490,766	443,351,714	463,253,527
Business receipts [4]	357,156,938	371,442,071	403,580,914	429,190,484	448,427,967
Interest received [4,6]	1,768,297	1,808,445	2,067,609	1,798,075	1,320,255
Total deductions [4]	368,324,288	380,770,874	409,842,606	430,956,238	446,522,542
Cost of goods sold [4]	45,407,694	46,030,202	53,847,300	54,435,340	54,589,386
Interest paid	7,379,882	7,731,279	8,324,621	7,640,537	6,462,090
Net income (less deficit) [4]	4,133,910	5,076,755	7,649,931	12,335,681	16,631,149
Net income [4]	13,914,520	15,190,047	17,011,710	20,364,434	23,695,054
Deficit [4]	9,780,610	10,113,292	9,361,779	8,028,753	7,063,905
Total income tax [7]	1,769,004	1,779,862	1,663,812	1,774,653	2,059,337
Regular and alternative tax [8]	1,751,998	1,762,161	1,651,580	1,771,057	2,053,582
Total income tax after credits	1,732,053	1,726,157	1,559,356	1,741,421	2,011,275
ARTS, ENTERTAINMENT, AND RECREATION [1]					
Number of returns, total [2]	92,966	93,922	97,866	102,631	110,609
Number with net income [2]	45,831	44,376	44,318	48,884	53,390
Total assets [3]	73,334,657	81,870,705	75,631,069	78,565,805	79,600,495
Net worth [3]	18,208,673	22,987,987	19,953,303	19,144,846	19,238,866
Total receipts [4]	67,273,020	76,849,223	70,085,901	75,491,312	78,918,432
Business receipts [4]	60,387,702	70,756,712	64,157,666	69,089,923	72,674,159
Interest received [4,6]	1,016,055	1,001,877	1,067,454	1,000,658	811,809
Total deductions [4]	65,413,634	76,004,686	69,649,259	75,071,517	78,066,513
Cost of goods sold [4]	13,913,998	15,558,840	14,012,402	14,108,775	15,445,331
Interest paid	2,859,173	3,153,120	3,133,918	3,330,751	2,936,172
Net income (less deficit) [4]	1,864,448	821,493	413,339	402,181	852,149
Net income [4]	5,242,957	4,931,288	5,038,654	5,233,174	5,346,441
Deficit [4]	3,378,510	4,109,794	4,625,314	4,830,992	4,494,292
Total income tax [7]	613,745	498,551	508,011	396,641	349,418
Regular and alternative tax [8]	588,320	452,837	494,747	392,960	344,655
Total income tax after credits	535,839	452,800	447,722	351,460	294,113
ACCOMMODATION, FOOD SERVICES, AND DRINKING PLACES [1]					
Number of returns, total [2]	245,334	252,113	257,525	259,465	271,527
Number with net income [2]	118,510	122,757	134,231	134,539	136,427
Total assets [3]	257,795,912	307,607,229	326,257,810	344,864,784	352,661,519
Net worth [3]	82,797,524	97,933,991	99,048,857	103,668,236	108,766,030
Total receipts [4]	317,528,271	342,083,590	375,040,371	353,715,274	399,787,328
Business receipts [4]	295,686,536	318,528,271	346,989,626	328,552,525	372,418,853
Interest received [4,6]	3,649,732	3,924,941	4,529,172	3,978,882	3,834,780
Total deductions [4]	309,897,224	332,848,457	364,913,806	345,725,252	391,952,542
Cost of goods sold [4]	126,010,805	131,317,833	143,111,384	122,785,758	152,332,352
Interest paid	11,177,826	12,290,148	14,325,258	13,229,659	12,583,288
Net income (less deficit) [4]	7,895,034	10,066,516	10,316,662	8,198,950	8,033,793
Net income [4]	15,097,570	16,629,585	17,113,147	15,491,509	15,772,353
Deficit [4]	7,202,537	6,563,069	6,796,485	7,292,559	7,738,560
Total income tax [7]	2,679,119	3,128,707	3,104,821	2,623,444	2,567,514
Regular and alternative tax [8]	2,608,377	3,036,759	3,049,904	2,576,230	2,551,626
Total income tax after credits	2,051,196	2,315,528	2,390,708	1,947,518	1,740,440

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
OTHER SERVICES [1]					
Number of returns, total [2]	300,313	305,725	316,138	325,602	321,134
Number with net income [2]	180,851	183,395	182,268	187,784	173,951
Total assets [3]	87,416,961	90,106,610	93,844,830	98,164,009	92,666,071
Net worth [3]	30,679,258	30,783,792	30,704,809	33,548,788	27,827,023
Total receipts [4]	148,369,892	151,673,526	170,060,184	174,835,529	164,353,067
Business receipts [4]	143,395,451	146,498,454	164,175,721	168,989,458	159,401,281
Interest received [4,6]	928,360	907,132	1,561,266	840,414	522,003
Total deductions [4]	143,776,511	147,324,436	165,502,185	170,800,214	161,284,099
Cost of goods sold [4]	60,956,443	61,680,640	68,810,776	70,937,697	63,754,139
Interest paid	2,731,937	2,844,964	3,748,882	3,035,734	2,472,820
Net income (less deficit) [4]	4,591,932	4,317,819	4,547,256	4,039,477	3,094,837
Net income [4]	7,237,035	7,191,706	7,811,408	7,750,193	6,976,867
Deficit [4]	2,645,103	2,873,886	3,264,152	3,710,716	3,882,031
Total income tax [7]	824,431	665,085	697,705	616,629	515,266
Regular and alternative tax [8]	817,298	658,064	694,957	614,779	513,131
Total income tax after credits	785,562	637,689	674,380	580,567	480,323

See notes at end of this section.

Table 15.--Corporation Profits Before Tax per National Income and Product Accounts (NIPA) and per Statistics of Income (SOI), and Income Subject to Tax per SOI, Income Years 1960-2002

[All figures are estimates--money amounts are in billions of dollars]

Income year	Profits before tax (per NIPA) [1, 2]	Net income (less deficit) (per SOI) [3]	Income subject to tax (per SOI) [3, 4]
	(1)	(2)	(3)
1960	51.6	43.5	47.2
1961	51.6	45.9	47.9
1962	57.0	49.6	51.7
1963	62.1	54.3	54.3
1964	69.1	61.6	60.4
1965	80.2	73.9	70.8
1966	86.7	80.5	77.1
1967	83.5	78.2	74.8
1968	92.4	86.0	81.4
1969	91.4	80.2	81.2
1970	81.0	65.9	72.4
1971	92.9	79.7	83.2
1972	107.8	96.8	95.1
1973	134.8	120.4	115.5
1974	147.8	148.2	144.0
1975	145.5	142.6	146.6
1976	179.7	185.4	183.5
1977	210.4	219.2	212.5
1978	246.1	246.9	239.6
1979	271.9	284.6	279.4
1980	253.5	239.0	246.6
1981	243.7	213.6	241.5
1982	198.5	154.3	205.2
1983	233.9	188.3	218.7
1984	268.6	232.9	257.1
1985	257.4	240.1	266.1
1986	246.0	269.5	276.2
1987	317.6	328.2	311.8
1988	386.1	413.0	383.2
1989	383.7	389.0	371.1
1990	409.5	370.6	366.4
1991	423.0	344.9	350.0
1992	461.1	402.0	377.9
1993	517.1	498.2	436.8
1994	577.1	577.3	494.0
1995	674.3	714.2	564.7
1996	733.0	806.5	639.8
1997	798.2	915.4	683.8
1998	718.3	838.2	663.4
1999	775.9	929.0	693.7
2000	773.4	927.5	760.4
2001	707.9	603.6	635.3
2002	758.0	563.7 [r]	600.6 [r]

See notes at end of this section.

Table 16.--Nonprofit Charitable Organization and Domestic Private Foundation Information Returns, and Tax-Exempt Organization Business Income Tax Returns: Selected Financial Data, 1994-2001

[All figures are estimates based on samples--money amounts are in millions of dollars]

Type of return, item	1994	1995	1996	1997	1998	1999	2000	2001
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NONPROFIT CHARITABLE ORGANIZATION INFORMATION RETURNS [1]								
Number of returns	174,918	180,931	192,059	198,957	207,272	211,615	230,159	240,569
Total assets, book value [2]	993,381	1,143,079	1,293,439	1,438,977	1,351,541	1,453,675	1,562,536	1,631,719
Total liabilities [2]	464,034	512,383	564,566	624,978	459,188	481,444	539,367	611,390
Total fund balance or net worth [2]	529,347	630,696	728,873	813,998	892,353	972,232	1,023,169	1,020,329
Total revenue	589,102	663,371	704,346	754,616	752,044	800,676	866,208	896,974
Program service revenue [3]	422,413	443,052	467,559	486,407	502,832	518,111	579,081	630,817
Contributions, gifts, and grants	110,724	127,743	137,666	146,171	161,751	174,992	199,076	212,427
Membership dues and assessments	6,439	6,148	6,347	6,823	6,952	6,331	6,660	7,239
Other	49,526	86,428	92,774	115,215	80,508	101,242	81,392	46,491
Total expenses	548,166	604,645	637,917	677,143	684,566	714,487	796,434	862,721
Excess of revenue over expenses (net)	40,936	58,725	66,429	77,473	67,478	86,189	69,775	34,253
DOMESTIC PRIVATE FOUNDATION INFORMATION RETURNS								
Number of returns, total	45,801	47,917	50,774	55,113	56,658	62,694	66,738	70,787
Nonoperating foundations	41,983	43,966	46,066	50,541	52,460	58,840	61,501	63,650
Operating foundations	3,818	3,951	4,708	4,572	4,198	3,854	5,238	7,137
Total assets, book value [2]	169,287	195,570	232,565	280,920	325,672	384,565	409,524	413,577
Total assets, fair market value [2]	203,644	242,917	288,588	342,689	397,084	466,863	471,646	455,423
Investments in securities [2]	158,934	190,739	225,087	272,412	317,900	363,442	361,418	329,353
Total revenue	26,503	30,814	48,247	55,460	59,735	83,286	72,780	45,264
Total expenses	15,708	17,189	19,852	22,414	25,902	33,876	37,434	36,661
Contributions, gifts, and grants paid [4]	11,755	12,256	14,519	16,421	19,394	22,763	27,564	27,383
Excess of revenue over expenses (net)	10,795	13,626	28,395	33,046	33,833	49,410	35,346	8,602
Net investment income [5]	14,978	20,355	26,189	34,801	39,313	57,142	48,830	25,719
TAX-EXEMPT ORGANIZATION UNRELATED BUSINESS INCOME TAX RETURNS [6]								
Number of returns, total	35,657	36,394	40,621	39,302	46,208	42,151	38,567	35,540
With unrelated business taxable income	18,588	18,157	19,511	20,827	24,332	20,718	19,336	15,277
Without unrelated business taxable income	17,070	18,237	21,109	18,475	21,876	21,433	19,231	20,264
Gross unrelated business income [7]	5,380	6,280	7,295	7,809	7,585	7,722	8,413	7,900
Total deductions [7, 8, 9]	5,117	5,787	6,619	6,903	6,484	6,835	7,703	7,883
Unrelated business taxable income (less deficit) [8]	263	493	676	906	1,100	887	710	18
Unrelated business taxable income	643	893	1,170	1,375	1,670	1,485	1,427	792
Deficit [8]	380	400	494	469	569	598	717	774
Unrelated business income tax	191	277	372	418	506	423	406	226
Total tax [10]	195	277	373	423	464	422	403	222

See notes at end of this section.

Table 17.--Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-2001

[Money amounts are in thousands of dollars[1]]

Selected year of death [2]	Total adult deaths [3]	Taxable estate tax returns [4, 5]			
		Number	Percentage of adult deaths	Total gross estate at date of death	Estate tax after credits
	(1)	(2)	(3)	(4)	(5)
1934	983,970	8,655	0.88	2,197,941	153,763
1935	1,172,245	9,137	0.78	2,084,269	195,301
1936	1,257,290	12,010	0.96	2,561,906	305,784
1937	1,237,585	13,220	1.07	2,844,112	314,620
1938	1,181,275	12,720	1.08	2,564,072	276,707
1939	1,205,072	12,907	1.07	2,441,960	250,360
1940	1,237,186	13,336	1.08	2,578,314	291,758
1941	1,216,855	13,493	1.11	2,550,473	308,342
1942	1,211,391	12,726	1.05	2,452,340	362,164
1943	1,277,009	12,154	0.95	2,720,000	404,638
1944	1,238,917	13,869	1.12	3,245,624	531,052
1946	1,239,713	18,232	1.47	3,993,298	621,966
1947	1,278,856	19,742	1.54	4,445,326	714,707
1948	1,283,601	17,469	1.36	4,271,852	567,421
1949	1,285,684	17,411	1.35	4,126,358	483,520
1950	1,304,343	18,941	1.45	4,655,892	577,401
1953	1,237,741	24,997	2.02	6,287,867	778,504
1954	1,332,412	25,143	1.89	6,387,246	778,342
1956	1,289,193	32,131	2.49	8,903,611	1,176,710
1958	1,358,375	38,515	2.84	9,995,884	1,185,620
1960	1,426,148	45,439	3.19	12,733,459	1,618,548
1962	1,483,846	55,207	3.72	14,713,504	1,840,972
1965	1,578,813	67,404	4.27	18,820,065	2,414,310
1969	1,796,055	93,424	5.20	23,459,524	2,999,965
1972	1,854,146	120,761	6.51	33,293,565	4,153,250
1976	1,819,107	139,115	7.65	40,578,379	4,979,112
1982	1,897,820	34,426	1.81	31,903,845	4,937,216
1983	1,945,913	34,899	1.79	33,434,470	5,073,787
1984	1,968,128	30,436	1.55	34,201,557	5,012,750
1985	2,015,070	22,326	1.11	35,168,822	6,044,292
1986	2,033,978	21,923	1.08	37,799,304	6,276,800
1987	2,053,084	18,157	0.88	40,907,217	6,392,989
1988	2,096,704	20,864	1.00	43,413,056	7,432,376
1989	2,079,035	23,096	1.11	51,062,975	8,953,181
1990	2,079,034	24,647	1.19	53,698,028	9,217,499
1991	2,101,746	26,680	1.27	55,363,655	9,617,366
1992	2,111,617	27,235	1.29	59,707,135	10,474,949
1993	2,204,366	32,062	1.45	72,047,377	12,559,769
1994	2,216,736	32,565	1.47	69,492,783	12,312,421
1995	2,252,471	36,651	1.63	78,756,293	14,259,048
1996	2,314,254	41,714	1.80	95,003,317	16,336,256
1997	2,258,366	47,800	2.12	104,860,580	19,957,705
1998	2,282,055	49,913	2.19	117,965,303	22,676,230
1999	2,336,840	53,819	2.30	135,076,422	24,809,821
2000	2,349,361	51,159	2.18	126,095,812	24,032,595
2001	2,363,100	49,911	2.11	132,301,775	23,393,255

See notes at end of this section.

Table 18.--Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2004

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
				Excise taxes			
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FISCAL YEAR 1987, TOTAL [4]	**886,290**	**465,452**	**102,859**	**33,311**	**([4])**	**277,000**	**7,668**
October 1986 - December 1986	180,580	92,346	22,466	8,281	N/A	55,615	1,872
January 1987 - March 1987	209,032	105,483	22,649	7,925	N/A	71,156	1,819
April 1987 - June 1987	285,477	164,008	29,748	8,493	N/A	81,139	2,089
July 1987 - September 1987 [4]	211,201	103,615	27,996	8,612	([4])	69,090	1,888
FISCAL YEAR 1988, TOTAL	**945,614**	**473,667**	**109,683**	**25,934**	**10,507**	**318,039**	**7,784**
October 1987 - December 1987	200,006	97,479	24,828	6,475	2,911	66,500	1,813
January 1988 - March 1988	222,784	111,215	22,006	5,304	2,337	80,161	1,761
April 1988 - June 1988	298,938	160,018	35,991	6,550	2,763	91,426	2,190
July 1988 - September 1988	223,886	104,955	26,858	7,605	2,496	79,952	2,020
FISCAL YEAR 1989, TOTAL	**1,024,718**	**515,732**	**117,015**	**25,977**	**11,397**	**345,626**	**8,973**
October 1988 - December 1988	216,503	104,522	29,551	6,657	2,985	70,632	2,156
January 1989 - March 1989	238,279	114,475	20,760	6,098	2,395	92,587	1,964
April 1989 - June 1989	334,878	180,947	40,825	6,899	3,401	100,077	2,729
July 1989 - September 1989	235,059	115,788	25,879	6,324	2,615	82,329	2,124
FISCAL YEAR 1990, TOTAL	**1,066,600**	**540,228**	**110,017**	**27,139**	**10,235**	**367,219**	**11,762**
October 1989 - December 1989	222,867	110,077	26,390	6,184	2,790	74,982	2,444
January 1990 - March 1990	251,924	127,277	21,433	5,868	2,187	92,868	2,291
April 1990 - June 1990	343,976	181,180	37,398	8,143	2,690	110,281	4,284
July 1990 - September 1990	247,833	121,694	24,796	6,944	2,568	89,088	2,743
FISCAL YEAR 1991, TOTAL	**1,099,746**	**546,877**	**113,599**	**30,452**	**12,895**	**384,451**	**11,473**
October 1990 - December 1990	242,792	118,047	29,248	6,363	2,753	83,646	2,735
January 1991 - March 1991	257,078	119,891	22,974	7,107	2,919	101,569	2,618
April 1991 - June 1991	338,591	181,949	35,953	7,545	3,545	106,426	3,173
July 1991 - September 1991	261,284	126,990	25,423	9,436	3,678	92,810	2,947
FISCAL YEAR 1992, TOTAL	**1,134,195**	**557,723**	**117,951**	**33,566**	**13,395**	**400,081**	**11,479**
October 1991 - December 1991	249,845	117,980	28,571	8,238	3,572	88,749	2,735
January 1992 - March 1992	266,984	136,220	19,751	8,159	2,823	97,425	2,606
April 1992 - June 1992	348,986	173,437	41,930	8,311	3,539	118,503	3,266
July 1992 - September 1992	268,380	130,086	27,699	8,858	3,461	95,404	2,872
FISCAL YEAR 1993, TOTAL	**1,190,673**	**585,774**	**131,548**	**34,962**	**13,987**	**411,511**	**12,891**
October 1992 - December 1992	262,404	124,812	30,324	8,388	3,581	92,284	3,015
January 1993 - March 1993	285,925	154,596	21,124	8,317	3,074	96,042	2,772
April 1993 - June 1993	354,070	168,977	47,920	8,739	3,776	120,767	3,891
July 1993 - September 1993	288,274	137,389	32,180	9,518	3,556	102,418	3,213
FISCAL YEAR 1994, TOTAL	**1,290,246**	**619,819**	**154,205**	**43,005**	**13,779**	**443,831**	**15,607**
October 1993 - December 1993	282,891	132,790	36,088	9,907	3,525	97,012	3,569
January 1994 - March 1994	309,746	160,382	24,883	9,932	3,009	108,037	3,503
April 1994 - June 1994	386,403	182,996	55,652	10,629	3,592	128,665	4,869
July 1994 - September 1994	311,205	143,651	37,582	12,536	3,653	110,117	3,666
FISCAL YEAR 1995, TOTAL	**1,390,048**	**675,779**	**174,422**	**44,981**	**14,317**	**465,405**	**15,144**
October 1994 - December 1994	301,238	138,454	40,811	11,029	3,791	103,537	3,616
January 1995 - March 1995	329,624	169,977	26,137	10,791	2,982	116,503	3,234
April 1995 - June 1995	432,556	214,105	65,995	11,116	3,603	133,357	4,380
July 1995 - September 1995	326,630	153,243	41,479	12,045	3,941	112,008	3,914

See notes at end of this section.

Table 18.--Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2004--Continued

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
				Excise taxes			
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FISCAL YEAR 1996, TOTAL	**1,500,351**	**745,313**	**189,055**	**42,222**	**13,805**	**492,365**	**17,592**
October 1995 - December 1995	320,038	148,203	46,823	11,409	3,411	106,200	3,992
January 1996 - March 1996	349,683	184,419	27,971	9,939	2,959	120,783	3,612
April 1996 - June 1996	474,823	242,754	68,509	9,835	3,532	144,825	5,368
July 1996 - September 1996	355,808	169,937	45,752	11,039	3,903	120,557	4,620
FISCAL YEAR 1997, TOTAL	**1,637,157**	**825,021**	**204,492**	**44,806**	**13,883**	**528,597**	**20,356**
October 1996 - December 1996	345,447	157,767	49,612	10,052	3,261	120,284	4,471
January 1997 - March 1997	379,827	197,477	31,359	10,762	3,052	132,838	4,339
April 1997 - June 1997	526,490	285,884	75,093	11,600	3,524	144,048	6,341
July 1997 - September 1997	385,392	183,893	48,428	12,393	4,046	131,426	5,206
FISCAL YEAR 1998, TOTAL	**1,782,997**	**928,066**	**213,270**	**45,643**	**13,588**	**557,799**	**24,631**
October 1997 - December 1997	381,995	180,507	56,228	12,424	3,181	124,315	5,340
January 1998 - March 1998	412,808	216,994	33,640	11,424	2,968	142,512	5,270
April 1998 - June 1998	578,540	319,050	75,714	12,575	3,581	159,632	7,988
July 1998 - September 1998	409,655	211,515	47,688	9,220	3,858	131,341	6,033
FISCAL YEAR 1999, TOTAL	**1,917,643**	**1,002,186**	**216,325**	**58,586**	**13,490**	**598,670**	**28,386**
October 1998 - December 1998	410,884	192,843	56,474	18,017	3,216	133,695	6,639
January 1999 - March 1999	444,224	239,680	33,958	12,179	2,915	149,408	6,084
April 1999 - June 1999	616,626	351,720	72,904	13,366	3,457	166,086	9,093
July 1999 - September 1999	445,908	217,943	52,989	15,023	3,903	149,480	6,570
FISCAL YEAR 2000, TOTAL	**2,112,755**	**1,137,078**	**235,655**	**54,811**	**15,838**	**639,652**	**29,722**
October 1999 - December 1999	442,745	222,369	57,122	12,611	3,523	139,310	7,810
January 2000 - March 2000	490,661	265,193	39,584	13,107	3,540	162,816	6,421
April 2000 - June 2000	690,101	403,071	79,583	13,608	4,217	180,645	8,977
July 2000 - September 2000	489,248	246,445	59,366	15,484	4,558	156,881	6,514
FISCAL YEAR 2001, TOTAL	**2,144,654**	**1,178,210**	**186,732**	**52,419**	**15,822**	**682,223**	**29,248**
October 2000 - December 2000	466,710	228,483	64,597	12,574	3,782	150,175	7,099
January 2001 - March 2001	523,566	285,417	38,239	13,436	3,472	176,339	6,663
April 2001 - June 2001	709,403	425,471	64,709	12,369	4,137	193,561	9,156
July 2001 - September 2001	444,976	238,839	19,187	14,040	4,531	162,148	6,331
FISCAL YEAR 2002, TOTAL	**2,033,661**	**1,037,734**	**211,438**	**52,137**	**17,034**	**688,077**	**27,242**
October 2001 - December 2001	477,215	235,729	71,783	8,070	3,756	151,079	6,798
January 2002 - March 2002	494,506	250,689	38,760	15,632	3,957	178,982	6,486
April 2002 - June 2002	599,650	324,735	55,496	13,486	4,480	194,045	7,408
July 2002 - September 2002	462,289	226,580	45,399	14,949	4,841	163,971	6,549
FISCAL YEAR 2003, TOTAL	**1,969,648**	**987,209**	**194,146**	**52,771**	**16,719**	**695,976**	**22,827**
October 2002 - December 2002	444,259	209,947	51,821	12,461	3,791	160,448	5,792
January 2003 - March 2003	480,840	252,412	31,309	12,017	3,808	175,609	5,684
April 2003 - June 2003	596,078	310,723	67,381	12,821	4,336	194,902	5,916
July 2003 - September 2003	448,471	214,128	43,636	15,473	4,783	165,016	5,435
FISCAL YEAR 2004, TOTAL	**2,035,472**	**990,249**	**230,619**	**54,807**	**16,970**	**717,247**	**25,579**
October 2003 - December 2003	453,625	211,414	59,746	12,613	3,957	159,894	6,000
January 2004 - March 2004	489,927	253,054	33,289	13,018	3,745	180,871	5,950
April 2004 - June 2004	612,808	308,822	81,800	13,554	4,481	197,486	6,665
July 2004 - September 2004	479,112	216,958	55,784	15,623	4,786	178,996	6,965

See notes at end of this section.

Table 19.--Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2004

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1987, TOTAL	**96,969**	**73,583**	**19,891**	**1,381**	**1,900**	**214**
October 1986 - December 1986	8,668	3,406	4,789	111	312	50
January 1987 - March 1987	28,422	22,198	5,296	479	393	56
April 1987 - June 1987	50,063	42,858	5,948	332	869	57
July 1987 - September 1987	9,816	5,121	3,858	459	326	52
FISCAL YEAR 1988, TOTAL	**94,480**	**74,399**	**16,477**	**1,114**	**2,263**	**227**
October 1987 - December 1987	7,701	3,437	3,727	207	275	55
January 1988 - March 1988	27,798	21,744	5,248	198	553	55
April 1988 - June 1988	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988	9,776	5,449	3,654	288	321	67
FISCAL YEAR 1989, TOTAL	**93,613**	**73,597**	**14,921**	**2,054**	**2,771**	**269**
October 1988 - December 1988	8,380	3,362	4,461	118	359	80
January 1989 - March 1989	32,041	26,759	4,462	182	570	67
April 1989 - June 1989	43,538	38,895	3,849	350	381	63
July 1989 - September 1989	9,654	4,581	2,149	1,404	1,461	59
FISCAL YEAR 1990, TOTAL	**99,656**	**76,065**	**18,324**	**2,261**	**2,677**	**329**
October 1989 - December 1989	8,487	3,094	4,605	300	409	79
January 1990 - March 1990	37,121	31,367	4,922	342	423	67
April 1990 - June 1990	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990	10,740	4,652	4,588	1,070	353	77
FISCAL YEAR 1991, TOTAL	**104,380**	**82,877**	**17,440**	**1,188**	**2,471**	**404**
October 1990 - December 1990	8,284	3,367	4,148	344	323	102
January 1991 - March 1991	38,020	32,811	4,286	293	538	92
April 1991 - June 1991	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991	10,114	5,061	4,258	325	361	109
FISCAL YEAR 1992, TOTAL	**113,108**	**88,624**	**19,688**	**1,997**	**2,398**	**401**
October 1991 - December 1991	10,072	3,607	5,639	379	346	101
January 1992 - March 1992	44,657	38,183	5,750	201	430	93
April 1992 - June 1992	47,817	42,231	4,596	476	399	115
July 1992 - September 1992	10,562	4,603	3,703	941	1,223	92
FISCAL YEAR 1993, TOTAL	**93,580**	**74,234**	**16,035**	**958**	**1,969**	**384**
October 1992 - December 1992	7,891	3,081	4,190	208	324	88
January 1993 - March 1993	37,213	31,503	4,971	239	396	104
April 1993 - June 1993	39,325	35,353	3,195	290	397	90
July 1993 - September 1993	9,151	4,297	3,679	221	852	102
FISCAL YEAR 1994, TOTAL	**96,980**	**75,935**	**16,251**	**1,877**	**2,477**	**441**
October 1993 - December 1993	7,329	2,322	4,176	394	324	113
January 1994 - March 1994	34,614	27,859	5,800	403	445	107
April 1994 - June 1994	43,804	40,876	2,109	333	393	93
July 1994 - September 1994	11,233	4,878	4,165	747	1,315	128
FISCAL YEAR 1995, TOTAL	**108,035**	**84,056**	**19,350**	**2,223**	**1,972**	**434**
October 1994 - December 1994	9,086	3,440	4,909	319	304	114
January 1995 - March 1995	35,791	27,642	6,370	926	753	101
April 1995 - June 1995	53,388	47,433	4,904	500	443	108
July 1995 - September 1995	9,770	5,541	3,167	478	472	111

See notes at end of this section.

Table 19.--Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2004--Continued

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1996, TOTAL	**132,710**	**107,361**	**19,201**	**2,075**	**3,584**	**489**
October 1995 - December 1995	11,149	4,133	5,391	361	1,152	112
January 1996 - March 1996	48,625	41,633	6,103	239	538	112
April 1996 - June 1996	61,612	56,319	4,363	355	454	121
July 1996 - September 1996	11,324	5,276	3,344	1,120	1,440	144
FISCAL YEAR 1997, TOTAL	**142,599**	**113,083**	**24,046**	**1,790**	**3,104**	**576**
October 1996 - December 1996	13,306	4,460	8,082	155	433	176
January 1997 - March 1997	58,345	51,442	5,771	493	552	87
April 1997 - June 1997	57,421	51,980	4,399	375	522	146
July 1997 - September 1997	13,525	5,201	5,794	767	1,596	167
FISCAL YEAR 1998, TOTAL	**153,828**	**119,499**	**27,560**	**1,600**	**4,562**	**609**
October 1997 - December 1997	10,680	4,369	5,496	165	499	151
January 1998 - March 1998	66,516	56,124	9,326	266	670	130
April 1998 - June 1998	59,172	52,613	5,506	188	683	182
July 1998 - September 1998	17,460	6,393	7,232	981	2,708	146
FISCAL YEAR 1999, TOTAL	**185,282**	**146,406**	**34,062**	**1,690**	**2,470**	**654**
October 1998 - December 1998	15,684	5,010	9,885	143	455	191
January 1999 - March 1999	77,493	65,467	10,648	508	741	129
April 1999 - June 1999	76,729	68,418	7,139	369	646	157
July 1999 - September 1999	15,376	7,511	6,390	670	628	177
FISCAL YEAR 2000, TOTAL	**195,751**	**157,837**	**30,382**	**1,802**	**4,957**	**773**
October 1999 - December 1999	16,453	6,590	8,844	176	613	230
January 2000 - March 2000	94,728	84,290	8,933	539	791	175
April 2000 - June 2000	67,353	59,386	6,625	388	773	181
July 2000 - September 2000	17,217	7,571	5,980	699	2,780	187
FISCAL YEAR 2001, TOTAL	**252,787**	**205,690**	**37,941**	**1,948**	**6,283**	**925**
October 2000 - December 2000	17,859	6,685	10,148	232	549	245
January 2001 - March 2001	102,741	87,193	13,984	468	897	199
April 2001 - June 2001	75,813	66,964	7,409	465	789	186
July 2001 - September 2001	56,374	44,848	6,400	783	4,048	295
FISCAL YEAR 2002, TOTAL	**257,644**	**183,891**	**66,758**	**2,248**	**3,944**	**803**
October 2001 - December 2001	26,567	8,665	16,659	321	700	222
January 2002 - March 2002	94,761	76,571	16,658	545	821	166
April 2002 - June 2002	107,211	87,192	18,498	625	668	228
July 2002 - September 2002	29,105	11,463	14,942	758	1,754	188
FISCAL YEAR 2003, TOTAL	**296,064**	**223,317**	**65,332**	**2,026**	**4,445**	**944**
October 2002 - December 2002	32,964	11,292	20,580	215	609	268
January 2003 - March 2003	126,113	105,124	19,587	526	685	191
April 2003 - June 2003	98,530	81,958	14,958	607	789	217
July 2003 - September 2003	38,457	24,943	10,207	677	2,362	268
FISCAL YEAR 2004, TOTAL	**270,893**	**218,667**	**45,850**	**1,955**	**3,638**	**783**
October 2003 - December 2003	30,851	10,930	18,913	220	562	226
January 2004 - March 2004	127,181	116,146	9,528	580	755	172
April 2004 - June 2004	92,443	81,049	10,062	499	646	188
July 2004 - September 2004	20,418	10,542	7,347	656	1,675	198

See notes at end of this section.

Table 20.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years of Offset, 1986-2003[1]

[Money amounts are in thousands of dollars]

Selected program or agency	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]
	1986		1987		1988	
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**882,797**	**456,998**	**1,150,365**	**566,175**	**1,194,901**	**637,504**
Department of Health and Human Services[4]	604,425	307,764	664,534	342,523	737,731	407,815
Child support (TANF)[5]	533,051	258,192	556,312	269,212	604,645	320,298
Child support (non-TANF)[6]	71,374	49,572	108,160	73,216	132,875	87,201
Program support center[7]	N/A	N/A	62	95	211	316
Social Security Administration[4]	N/A	N/A	N/A	N/A	N/A	N/A
Department of Veterans Affairs	17,027	8,241	129,466	54,302	52,602	23,268
Department of Education	243,135	127,585	278,490	137,425	315,742	167,990
Small Business Administration	8,642	6,521	5,834	4,031	3,949	2,530
Department of Housing and Urban Development	7,673	5,630	9,501	6,604	10,653	7,948
Department of Agriculture	1,895	1,256	6,505	3,446	4,838	2,669
Food and Consumer Service	N/A	N/A	N/A	N/A	N/A	N/A
Department of Defense[8]	N/A	N/A	54,950	17,561	59,533	18,202
All other	N/A	N/A	1,085	282	9,853	6,951
	1989		1990		1991	
	(7)	(8)	(9)	(10)	(11)	(12)
Total	**1,259,297**	**708,545**	**1,402,111**	**804,906**	**1,565,432**	**946,210**
Department of Health and Human Services[4]	779,554	449,627	831,966	483,474	869,941	523,953
Child support (TANF)[5]	627,403	350,598	651,893	365,613	672,801	392,802
Child support (non-TANF)[6]	151,680	98,407	179,611	117,249	196,381	130,348
Program support center[7]	471	622	462	612	759	803
Social Security Administration[4]	N/A	N/A	N/A	N/A	N/A	N/A
Department of Veterans Affairs	56,085	27,209	50,004	23,265	38,987	17,684
Department of Education	334,740	191,940	432,139	257,392	575,578	363,968
Small Business Administration	3,816	2,648	3,403	2,307	2,374	1,640
Department of Housing and Urban Development	11,441	8,602	10,850	8,076	11,250	8,380
Department of Agriculture	66,269	24,189	7,548	6,056	8,559	7,551
Food and Consumer Service	N/A	N/A	N/A	N/A	N/A	N/A
Department of Defense[8]	61,804	21,622	57,952	19,777	49,085	18,116
All other	7,392	4,330	8,249	4,559	9,628	4,918
	1992		1993		1994	
	(13)	(14)	(15)	(16)	(17)	(18)
Total	**1,921,944**	**1,262,622**	**1,758,162**	**1,160,397**	**2,009,877**	**1,379,675**
Department of Health and Human Services[4]	1,070,999	683,656	947,133	619,648	1,017,452	701,529
Child support (TANF)[5]	737,254	464,462	701,598	448,560	749,269	507,047
Child support (non-TANF)[6]	254,435	178,198	244,780	170,404	267,546	193,939
Program support center[7]	618	646	755	684	637	543
Social Security Administration[4]	78,692	40,350	28,791	13,931	19,722	10,297
Department of Veterans Affairs	29,103	13,122	33,844	10,914	35,368	9,973
Department of Education	720,326	516,213	651,056	472,928	781,829	582,662
Small Business Administration	2,218	1,609	1,853	1,355	2,228	1,834
Department of Housing and Urban Development	13,520	10,815	11,399	8,963	10,454	9,090
Department of Agriculture	20,262	12,034	28,969	13,075	73,452	33,382
Food and Consumer Service	9,740	3,061	21,828	7,213	66,726	27,618
Department of Defense[8]	54,509	19,198	46,125	14,829	59,459	25,345
All other	11,007	5,975	8,992	4,754	9,913	5,563

See notes at end of this section.

Table 20.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years of Offset, 1986-2003[1]--Continued

[Money amounts are in thousands of dollars]

Selected program or agency	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]
	1995		1996		1997	
	(19)	(20)	(21)	(22)	(23)	(24)
Total	**2,188,257**	**1,505,736**	**2,120,935**	**1,678,504**	**2,162,102**	**1,758,154**
Department of Health and Human Services[4]	1,165,444	828,631	1,241,395	1,019,612	1,303,676	1,108,125
Child support (TANF)[5]	848,166	591,854	879,143	716,637	902,766	764,700
Child support (non-TANF)[6]	316,707	236,198	361,453	302,146	400,198	342,696
Program support center[7]	571	579	799	829	712	729
Social Security Administration[4]	16,092	8,696	30,190	17,961	27,996	17,584
Department of Veterans Affairs	45,761	11,830	49,989	12,743	45,479	12,476
Department of Education	778,446	571,280	573,308	517,169	518,844	482,241
Small Business Administration	2,567	2,359	3,503	3,638	3,952	4,206
Department of Housing and Urban Development	10,676	9,745	6,228	6,738	6,876	7,602
Department of Agriculture	73,644	30,295	93,884	42,504	115,076	53,680
Food and Consumer Service	66,449	24,166	87,203	35,843	108,612	47,162
Department of Defense[8]	85,023	35,970	111,207	53,404	127,103	63,052
All other	10,594	6,930	11,231	4,735	13,100	9,188
	1998		1999		2000	
	(25)	(26)	(27)	(28)	(29)	(30)
Total	**2,375,081**	**1,963,834**	**2,764,424**	**2,606,366**	**2,869,130**	**2,763,530**
Department of Health and Human Services[4]	1,309,352	1,130,941	1,440,993	1,479,598	1,426,635	1,479,598
Child support (TANF)[5]	876,609	754,205	936,622	953,682	885,635	902,037
Child support (non-TANF)[6]	432,101	376,171	503,589	525,002	540,342	581,805
Program support center[7]	642	565	782	914	658	1,210
Less: Child support reversals	n.a.	n.a.	116,742	131,913	53,051	64,819
Social Security Administration[4]	62,487	39,282	77,672	52,080	102,480	81,891
Department of Veterans Affairs	43,290	11,430	51,861	15,467	50,409	16,106
Department of Education	653,997	623,914	963,409	1,084,905	853,175	932,575
Small Business Administration	4,036	4,504	571	776	2,227	3,834
Department of Housing and Urban Development	6,032	7,679	10,909	15,382	10,565	15,988
Department of Agriculture	159,633	78,056	208,794	103,252	214,279	120,238
Food and Consumer Service	146,127	65,476	192,312	86,927	196,366	97,389
Department of Defense[8]	129,409	62,770	201,756	100,280	140,588	71,008
All other	6,845	5,259	7,467	5,143	68,772	36,838
Less: Reversals, except child support	n.a.	n.a.	82,266	118,604	54,247	80,064
	2001		2002		2003	
	(31)	(32)	(33)	(34)	(35)	(36)
Total	**4,307,006**	**3,101,507**	**2,921,769**	**2,608,905**	**3,236,882**	**2,824,433**
Department of Health and Human Services[4]	2,200,333	1,714,968	1,402,665	1,511,070	1,611,570	1,618,028
Child support (TANF)[5]	1,262,018	965,864	774,281	802,393	829,999	799,569
Child support (non-TANF)[6]	937,381	746,668	627,927	707,504	781,274	817,971
Program support center[7]	934	2,436	457	1,172	297	488
Less: Child support reversals	51,037	59,379	49,118	58,072	-44,024	-60,757
Social Security Administration[4]	153,134	100,759	96,621	86,752	87,075	80,421
Department of Veterans Affairs	139,526	33,717	97,371	26,871	127,502	32,900
Department of Education	1,217,876	1,029,539	696,006	772,975	753,690	818,264
Small Business Administration	2,105	2,478	1,591	2,924	3,170	5,173
Department of Housing and Urban Development	16,062	16,593	8,310	12,058	9,150	12,030
Department of Agriculture	41,255	37,272	27,663	30,416	29,489	25,175
Food and Consumer Service	175,177	80,438	157,737	74,575	152,034	69,711
Department of Defense[8]	210,102	100,654	123,325	78,471	166,798	97,272
All other	255,334	118,883	410,617	140,054	384,898	197,376
Less: Reversals, except child support	52,861	74,414	51,019	69,189	-44,470	-71,160

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year								
	1997	1998	1999	2000	2001	2002	2003		
							Total	by quarter ending--	
								December 2002	March 2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total excise tax collections	**58,690,000**	**59,231,000**	**72,076,000**	**70,648,000**	**68,241,000**	**69,171,000**	**69,490,000**	**16,252,000**	**15,825,000**
Excise tax collections or liabilities reported by the Internal Revenue Service[1]									
Total excise tax collections	**44,805,621**	**45,642,716**	**58,585,763**	**54,810,038**	**52,418,848**	**52,136,835**	**52,771,160**	**12,460,522**	**12,016,833**
Tax liabilities by type of excise tax, total	**45,533,817**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Retail excise taxes:									
Luxury taxes:									
Passenger vehicles (expired, January 1, 2003)	440,347	428,471	401,535	407,222	341,981	252,834	65,162	58,109	3,254
Boats (repealed, January 1, 1993)	--	283	--	--	19	--	--	3	-3
Aircraft (repealed, January 1, 1993)	19	3	--	--	--	--	--	--	--
Jewelry (repealed, January 1, 1993)	-5	--	--	--	--	--	--	--	--
Furs (repealed, January 1, 1993)	5	--	12	--	1	--	--	--	--
Dyed diesel fuel used in trains:									
Total, excluding floor stocks	152,700	206,617	170,463	170,960	167,161	147,408	162,654	46,733	42,535
Floor stocks	4	--	7	--	--	1	--	--	--
Dyed diesel fuel for certain intercity or local buses	-4,589	2,589	2,458	2,317	2,380	1,731	1,266	405	340
Special motor fuels:									
Total, excluding floor stocks	37,300	18,745	23,757	19,535	18,404	17,570	14,226	4,662	4,299
Floor stocks	--	--	-17	-1	--	--	--	--	--
Compressed natural gas	1,047	1,025	865	1,145	1,026	895	1,735	273	506
Alcohol fuels [2]	28	258	-377	807	5,462	408	-9,986	96	-5,399
Fuels used commercially on inland waterways	120,687	117,313	121,903	118,666	114,110	111,311	111,058	26,559	28,094
Truck, trailer, and semitrailer chassis and bodies, and tractors	1,785,700	2,119,063	2,956,880	2,775,788	1,573,968	1,574,947	1,608,208	420,084	342,858
Manufacturer's excise taxes:									
Gas guzzlers [2]	48,155	47,687	68,327	70,788	78,157	79,705	126,685	32,266	34,305
Highway-type tires [2]	368,500	388,594	416,658	420,299	354,769	372,800	403,892	84,812	100,061
Aviation gasoline [3]	43,909	60,741	57,832	58,472	49,687	62,574	57,953	15,706	17,900
Gasoline except for use in gasohol:									
Total, excluding floor stocks	20,836,000	20,644,998	21,236,659	21,040,777	20,619,195	20,942,138	20,169,608	5,374,086	4,559,590
Floor stocks	-1,491	1	-65	2	-21	2	--	--	--
Diesel fuel, except for trains and intercity buses:									
Total, excluding floor stocks [2]	7,160,800	7,497,816	7,895,919	8,229,762	8,208,994	8,214,559	8,581,467	2,210,917	2,015,820
Floor stocks	105	-66	121	-133	--	--	--	--	--
Gasoline for use in gasohol by alcohol content:									
Total, excluding floor stocks:									
5.7 percent under 7.7 percent	1,390	741	42	65	9	77	2,320	91	-12
7.7 percent under 10 percent	4,498	3,792	13,228	4,266	4,839	4,835	946	608	234
10 percent or more	214,090	241,946	231,114	265,273	243,702	302,407	358,002	92,347	81,670
Floor stocks	-3	--	--	--	1	-1	--	--	--
Gasohol by alcohol content:									
Total, excluding floor stocks:									
5.7 percent under 7.7 percent	107,114	68,917	81,873	25,934	297,763	406,578	1,296,991	99,240	359,369
7.7 percent under 10 percent	180,575	123,441	180,025	59,104	146,196	176,148	91,017	44,600	42,850
10 percent or more	1,060,250	1,511,363	1,537,235	2,039,428	1,918,995	1,932,347	2,313,542	602,994	595,349
Floor stocks	--	--	--	--	-4	--	--	--	--
Aviation fuel (except gasoline), noncommercial use:									
Total, excluding floor stocks	157,900	195,772	173,117	159,314	187,318	287,664	286,559	71,209	73,215
Floor stocks	14,202	-472	58	1	--	--	--	-10	10
Aviation fuel (except gasoline) for commercial use (other than foreign trade)	566,860	609,750	649,900	667,647	620,044	509,944	453,361	121,822	104,186
Kerosene (effective July 1, 1998)	N/A	N/A	77,726	79,591	90,331	62,857	72,128	27,250	33,349

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year 2003 by quarter ending-- June 2003	2003 by quarter ending-- September 2003	2004 Tax rates in effect on October 1, 2003	2004 by quarter ending-- December 2003	2004 by quarter ending-- March 2004	2004 by quarter ending-- June 2004
	(10)	(11)	(12)	(13)	(14)	(15)
Total excise tax collections	**17,157,000**	**20,256,000**	**various**	**16,570,000**	**16,763,000**	**18,035,000**
Excise tax collections or liabilities reported by the Internal Revenue Service[1]						
Total excise tax collections	**12,820,617**	**15,473,188**	**various**	**12,612,579**	**13,017,627**	**13,554,146**
Tax liabilities by type of excise tax, total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Retail excise taxes:						
Luxury taxes:			3 percent of price in excess of--			
Passenger vehicles (expired, January 1, 2003)	2,332	1,467	$40,000, expired 1/1/03	594	746	1,159
Boats (repealed, January 1, 1993)	--	--	$100,000, repealed 1/1/93	--	--	--
Aircraft (repealed, January 1, 1993)	--	--	$250,000, repealed 1/1/93	--	--	--
Jewelry (repealed, January 1, 1993)	--	--	$10,000, repealed 1/1/93	--	--	--
Furs (repealed, January 1, 1993)	--	--	$10,000, repealed 1/1/93	--	--	--
Dyed diesel fuel used in trains:						
Total, excluding floor stocks	42,250	31,136	$0.044 per gallon	39,762	25,096	31,002
Floor stocks	--	--	$0.044 per gallon based on 10/1/93 inventory	1	--	--
Dyed diesel fuel for certain intercity or local buses	412	100	$0.074 per gallon	166	293	358
Special motor fuels:						
Total, excluding floor stocks	1,625	3,640	$0.184 per gallon	4,128	4,092	1,783
Floor stocks	--	--	$0.043 per gallon based on 10/1/93 inventory	--	--	--
Compressed natural gas	488	468	$0.4854 per 1000 cubic feet	351	316	389
Alcohol fuels [2]	548	-5,231	various	367	5,986	500
Fuels used commercially on inland waterways	29,057	27,348	$0.244 per gallon	29,674	22,200	31,921
Truck, trailer, and semitrailer chassis and bodies, and tractors	422,402	422,864	12 percent of price	490,223	497,982	614,379
Manufacturer's excise taxes:						
Gas guzzlers [2]	34,285	25,829	various	42,879	32,666	32,236
Highway-type tires [2]	108,542	110,477	various	103,967	98,299	110,328
Aviation gasoline [3]	12,184	12,163	$0.194 per gallon	9,296	9,916	12,786
Gasoline except for use in gasohol:						
Total, excluding floor stocks	5,034,475	5,201,457	$0.184 per gallon	4,539,083	4,246,443	4,694,503
Floor stocks	--	--	$0.043 per gallon	-1	1	--
Diesel fuel, except for trains and intercity buses:						
Total, excluding floor stocks [2]	2,127,782	2,226,948	$0.244 per gallon	2,201,765	2,162,101	2,315,153
Floor stocks	--	--	$0.244 per gallon based on 10/1/93 inventory	--	--	--
Gasoline for use in gasohol by alcohol content:						
Total, excluding floor stocks:						
5.7 percent under 7.7 percent	1,076	1,165	$0.16369 per gallon	2,943	3,308	4,958
7.7 percent under 10 percent	71	33	$0.15596 per gallon	328	271	11
10 percent or more	93,552	90,433	$0.14666 per gallon	83,101	75,659	72,789
Floor stocks	--	--	$0.043 per gallon based on 10/1/93 inventory	--	--	--
Gasohol by alcohol content:						
Total, excluding floor stocks:						
5.7 percent under 7.7 percent	413,259	425,123	$0.15436 per gallon	543,395	605,483	603,316
7.7 percent under 10 percent	2,613	954	$0.14396 per gallon	52,551	43,140	180
10 percent or more	550,332	564,867	$0.132 per gallon	714,646	747,967	711,412
Floor stocks	--	--	$0.043 per gallon based on 10/1/93 inventory	--	--	--
Aviation fuel (except gasoline), noncommercial use:						
Total, excluding floor stocks	68,877	73,258	$0.219 per gallon	65,557	99,473	78,971
Floor stocks	--	--	$0.175 per gallon	--	--	--
Aviation fuel (except gasoline) for commercial use (other than foreign trade)	113,975	113,378	$0.044 per gallon	121,302	124,051	128,396
Kerosene (effective July 1, 1998)	5,589	5,940	$0.244 per gallon	22,565	34,299	4,116

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year								
	1997	1998	1999	2000	2001	2002	2003		
							Total	by quarter ending--	
								December 2002	March 2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Manufacturer's excise taxes--continued:									
Coal:									
Mined underground:									
At 4.4 percent of sales price	179,911	183,445	190,133	197,478	183,531	155,966	134,588	29,983	33,793
At $1.10 per ton	224,409	220,426	162,442	115,291	135,189	149,366	147,646	17,900	40,482
Surface mined:									
At 4.4 percent of sales price	71,028	69,855	78,397	79,842	90,122	103,502	109,537	27,690	26,048
At $0.55 per ton	149,282	146,476	138,019	132,526	140,004	139,634	125,760	33,043	30,958
Certain vaccines [2]	174,818	153,108	169,046	163,528	152,349	161,764	179,009	37,616	44,169
Sport fishing equipment	93,500	94,571	97,548	100,539	100,642	97,901	97,986	19,183	29,710
Electric outboard motors, sonar devices	1,956	2,042	1,922	2,022	2,477	2,725	2,585	245	729
Bows and arrows	20,173	20,278	19,792	20,502	19,094	20,297	20,947	3,253	4,322
Taxes on facilities and services:									
Telephone and teletypewriter services	4,706,800	4,747,227	5,248,965	5,645,239	5,737,027	5,803,631	5,809,503	1,471,335	1,335,902
Transportation of persons by air	4,284,600	6,168,727	6,588,088	6,963,617	6,670,357	6,157,264	6,185,415	1,537,468	1,412,804
Use of international air travel facilities	240,200	1,119,156	1,272,725	1,323,558	1,450,458	1,406,192	1,452,015	355,482	350,816
Transportation of property by air	295,300	373,049	371,487	520,576	400,286	372,119	455,209	142,185	121,659
Taxes on policies issued by foreign insurers	**141,200**	**122,664**	**117,584**	**131,672**	**152,221**	**195,634**	**292,897**	**71,209**	**67,376**
Taxes related to wagering:									
Certain wagers [2]	20,668	10,146	13,805	10,726	([4])	([4])	([4])	([4])	([4])
Occupational taxes [2]	1,268	([4])	([4])	([4])	([4])	([4])	([4])	([4])	([4])
Certain other excise taxes:									
Passenger transportation by water	19,900	18,269	25,554	24,922	27,919	31,069	33,252	7,557	8,784
Use tax on heavy vehicles [1,2]	934,532	804,947	849,226	893,457	867,345	899,367	911,445	59,262	218,340
Environmental taxes:									
Domestic petroleum (Superfund) (expired effective January 1, 1996)	-2,500	-2,741	-3,637	4	14	-4	1	1	--
Imported petroleum (Superfund) (expired effective January 1, 1996)	-400	-18	1,071	2,660	337	641	-4	--	--
Domestic petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	-900	3	-128	-3	6	--	--	--	--
Imported petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	--	-13	13	253	--	--	--	--	--
Certain chemicals (Superfund) (expired effective January 1, 1996) [2]	9,700	3,331	12,687	2,395	-2,258	-2,842	-687	1	11
Certain imported substances (Superfund) (expired effective January 1, 1996) [2]	1,200	-334	-322	349	-492	-7	--	--	--
Ozone-depleting chemicals: [2]									
Total, excluding floor stocks	98,000	109,150	120,400	42,552	12,076	3,995	7,519	6,047	923
Floor stocks	8,200	11,594	6,306	2,273	1,313	1,182	905	4	28
Imported taxable products containing or manufactured using ozone-depleting chemicals [2]	-24,400	27,072	-6,166	17,580	11,978	-945	6,869	2,504	2,227
Taxes on Private Foundations:									
Net investment income [5]	297,134	364,629	502,675	503,453	720,047	490,425	262,662	134,100	37,260
Additional excise taxes [6]	1,091	1,209	1,951	2,445	3,072	4,520	5,059	1,094	649
Taxes on Black Lung Benefit Trusts [2]	**131**	**-25**	**2**	**2**	**-1**	**--**	**--**	**--**	**--**
Taxes on qualified pension and other plans:									
Failure to meet minimum funding standards	11,464	6,467	5,307	388	652	1,851	54	8	-2
Nondeductible contributions	5,807	3,842	3,770	38	12,145	-25	6	--	3
Excess contributions to Individual Retirement Accounts and others	6,508	7,407	8,279	10,228	([4])	([4])	([4])	([4])	([4])
Prohibited transactions	6,341	9,484	576	432	1,091	207	1,476	1,358	39

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year 2003 by quarter ending-- June 2003	2003 by quarter ending-- September 2003	2004 Tax rates in effect on October 1, 2003	2004 by quarter ending-- December 2003	2004 by quarter ending-- March 2004	2004 by quarter ending-- June 2004
	(10)	(11)	(12)	(13)	(14)	(15)
Manufacturer's excise taxes--continued:						
Coal:						
Mined underground:						
At 4.4 percent of sales price	34,249	36,563	4.4 percent of value	33,226	29,179	32,373
At $1.10 per ton	44,722	44,542	$1.10 per ton if less than 4.4 percent of value	44,292	49,975	49,968
Surface mined:						
At 4.4 percent of sales price	27,067	28,732	4.4 percent of value	28,602	29,058	29,992
At $0.55 per ton	31,299	30,460	$0.55 per ton if less than 4.4 percent of value	32,583	28,897	33,359
Certain vaccines [2]	45,052	52,172	$0.75 per dose	40,554	43,896	42,513
Sport fishing equipment	28,859	20,234	10 percent of sales price	19,777	31,782	30,969
Electric outboard motors, sonar devices	1,156	455	3 percent of sales price	728	965	1,152
Bows and arrows	5,623	7,749	11-12.4 percent of sales price	3,309	5,535	6,634
Taxes on facilities and services:						
Telephone and teletypewriter services	1,467,099	1,535,167	3 percent	1,442,640	1,414,587	1,483,447
Transportation of persons by air	1,594,634	1,640,509	7.5 percent of the price plus $3.05 flight segment for non-rural airports [7]	1,606,388	1,555,141	1,800,660
Use of international air travel facilities	362,541	383,176	$13.40 per person, $6.70 for domestic segments beginning in Alaska or Hawaii [8]	318,338	393,095	455,310
Transportation of property by air	93,643	97,722	6.25 percent	160,352	106,904	107,582
Taxes on policies issued by foreign insurers	**72,102**	**82,210**	**1 percent or 4 percent of premium paid**	**79,271**	**85,329**	**85,894**
Taxes related to wagering:						
Certain wagers [2]	([4])	([4])	$0.25 or 2.0 percent of wager	([4])	([4])	([4])
Occupational taxes [2]	([4])	([4])	$50 or $500 per person per year	([4])	([4])	([4])
Certain other excise taxes:						
Passenger transportation by water	8,262	8,649	$3.00 per passenger	8,137	8,820	9,053
Use tax on heavy vehicles [1,2]	162,037	471,806	$75-$550 per vehicle per year	86,663	205,962	137,589
Environmental taxes:						
Domestic petroleum (Superfund) (expired effective January 1, 1996)	--	--	$0.097 per barrel	-19	-2	--
Imported petroleum (Superfund) (expired effective January 1, 1996)	--	-4	$0.097 per barrel	-12	-1	2
Domestic petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	--	--	$0.05 per barrel	-4	--	--
Imported petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	--	--	$0.05 per barrel	-3	--	--
Certain chemicals (Superfund) (expired effective January 1, 1996) [2]	-697	-2	$0.22-$4.87 per ton	-49	-2	-1
Certain imported substances (Superfund) (expired effective January 1, 1996) [2]	--	--	various, per ton	-1	--	--
Ozone-depleting chemicals: [2]						
Total, excluding floor stocks	657	-108	various, per pound	254	419	1,114
Floor stocks	899	-26	various, per pound	191	311	371
Imported taxable products containing or manufactured using ozone-depleting chemicals [2]	1,154	984	various	23,680	-19,412	1,681
Taxes on Private Foundations:						
Net investment income [5]	77,579	13,723	1 or 2 percent	100,481	20,653	78,908
Additional excise taxes [6]	1,332	1,984	various	1,542	427	1,444
Taxes on Black Lung Benefit Trusts [2]	**--**	**--**	**various**	**--**	**--**	**--**
Taxes on qualified pension and other plans:						
Failure to meet minimum funding standards	48	--	5 or 10 percent	3	--	--
Nondeductible contributions	3	--	10 percent	--	--	--
Excess contributions to Individual Retirement Accounts and others	([4])	([4])	6 percent	([4])	([4])	([4])
Prohibited transactions	79	--	5 percent	5	--	--

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year								
	1997	1998	1999	2000	2001	2002	2003		
							Total	by quarter ending--	
								December 2002	March 2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Taxes on qualified pension and other plans --continued:									
Certain excess contributions	8,964	8,168	6,281	1,696	542	34	17	3	3
Reversion of qualified plan assets to employer	27,340	46,791	22,258	46,392	2,127	175	80	--	1
Penalties [2]	8,861	7,847	3,662	1,857	3,958	1,887	2,446	--	--
Taxes on undistributed income of qualified investment entities:									
Real Estate Investment Trusts	1,287	2,183	324	62	249	73	152	--	--
Regulated Investment Companies	5,499	8,666	5,412	42	6,068	1,872	3,892	42	413
Windfall profits tax on domestic crude oil (repealed August 23, 1988) [1]	**-10,394**	**-117**	**79**	**--**	**--**	**--**	**--**	**--**	**--**
Miscellaneous IRS taxes [2]	**31,250**	**-532,553**	**47,385**	**40,226**	**131,718**	**106,214**	**35,543**	**7,306**	**14,584**
Unclassified [9]	**N/A**	**-2,983,100**	**6,204,178**	**1,191,890**	**335,652**	**369,406**	**318,582**	**-840,219**	**-199,578**
Internal Revenue Service collections less reported amounts	**-728,196**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Excise tax collections or liabilities reported by the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau									
Total excise tax collections	**13,884,379**	**13,588,284**	**13,490,237**	**15,837,962**	**15,822,152**	**17,034,165**	**16,718,840**	**3,791,478**	**3,808,167**
Tax liabilities by type of excise tax [10]	**13,772,806**	**13,531,855**	**13,478,757**	**15,636,428**	**15,771,195**	**16,989,022**	**16,678,174**	**3,785,124**	**3,792,028**
Distilled spirits:									
Domestic	2,927,554	2,857,430	2,974,674	3,043,375	3,004,527	3,138,705	3,132,583	793,023	664,353
Imported	687,249	682,280	758,726	816,922	892,230	901,173	982,016	256,628	239,012
Wine:									
Domestic	479,720	480,265	504,042	517,812	498,537	513,559	534,941	152,187	120,366
Imported	159,559	153,877	154,876	174,327	168,675	193,737	215,803	57,049	49,031
Beer:									
Domestic	3,146,491	3,147,823	3,168,158	3,216,402	3,171,384	3,236,231	3,189,576	671,179	710,128
Imported	241,372	272,645	321,317	350,924	383,793	414,895	415,280	88,692	93,635
Tobacco products: [11]									
Domestic [11]	5,819,552	5,608,259	5,189,723	7,019,884	7,120,255	7,879,499	7,435,498	1,598,638	1,752,444
Cigarettes [11]	5,898,191	5,583,318	5,147,438	6,684,265	7,015,291 r	7,644,560 r	7,293,298	1,765,990 r	1,759,028 r
Cigars [11]	59,754	62,844	69,497	95,204	116,371	140,763 r	156,057	35,096	37,826 r
Papers/tubes [11]	772	802	1,201	1,318	929	954	1,203	295	293
Chewing tobacco and snuff [11]	29,193	29,876	29,853	40,565 r	43,747	49,439	52,218	12,850	12,199 r
Pipe/roll-your-own tobacco [11]	4,053	3,698	3,917	12,511	13,919	15,416	17,979	4,395	4,139
Floor stocks	35	2	--	261,917	528	115,835	1,628	169	996
Imported	53,806	64,649	114,524	196,141	252,229	404,308	475,278	117,211	114,942
Firearms and ammunition	**150,803**	**158,383**	**187,977**	**197,840**	**175,959**	**205,025**	**193,420**	**48,167**	**44,168**
Special occupations	**106,700**	**106,244**	**104,740**	**102,801**	**103,606**	**101,890**	**103,779**	**2,350**	**3,949**
Alcohol and Tobacco Tax and Trade Bureau and Customs Service collections less reported amounts	**111,573**	**56,429**	**11,480**	**201,534**	**50,957**	**45,143**	**40,666**	**6,354**	**16,139**
Total collections less reported amounts	**-616,623**	**56,429**	**11,480**	**201,534**	**50,957**	**45,143**	**40,666**	**6,354**	**16,139**

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year 2003 by quarter ending-- June 2003	Fiscal year 2003 by quarter ending-- September 2003	Tax rates in effect on October 1, 2003	Fiscal year 2004 by quarter ending-- December 2003	Fiscal year 2004 by quarter ending-- March 2004	Fiscal year 2004 by quarter ending-- June 2004
	(10)	(11)	(12)	(13)	(14)	(15)
Taxes on qualified pension and other plans --continued:						
Certain excess contributions	11	--	10 percent	-18	--	--
Reversion of qualified plan assets to employer	79	--	20 percent	--	--	--
Penalties [2]	2,446	--	various	--	--	--
Taxes on undistributed income of qualified investment entities:						
Real Estate Investment Trusts	152	--	4 percent	--	--	--
Regulated Investment Companies	3,437	--	4 percent	--	--	--
Windfall profits tax on domestic crude oil (repealed August 23, 1988) [1]	**--**	**--**	**--**	--	**--**	**--**
Miscellaneous IRS taxes[2]	**6,269**	**7,384**	**various**	**104**	**--**	**--**
Unclassified [9]	**-316,911**	**1,675,290**	**various**	**-487,078**[r]	**186,321**	**-286,514**
Internal Revenue Service collections less reported amounts	**N/A**	**N/A**	**--**	**N/A**	**N/A**	**N/A**
Excise tax collections or liabilities reported by the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau						
Total excise tax collections	**4,336,383**	**4,782,812**	**various**	**3,957,421**	**3,745,373**	**4,480,854**
Tax liabilities by type of excise tax[10]	**4,326,213**	**4,774,808**	**various**	**3,954,142**	**3,739,604**	**4,474,406**
Distilled spirits:						
Domestic	811,458	863,749	$13.50 per proof gallon	839,117	671,371	862,892
Imported	240,066	246,310	$13.50 per proof gallon	304,961	238,219	242,703
Wine:						
Domestic	124,374	138,014	$1.07 to $13.50 per gallon	154,080	122,977	128,592
Imported	55,597	54,125	$1.07 to $3.40 per proof gallon	62,051	46,892	53,159
Beer:						
Domestic	841,134	967,136	$7 or $18 per barrel	672,199	716,930	869,662
Imported	113,446	119,506	$18 per barrel	102,958	95,765	107,736
Tobacco products:[11]						
Domestic[11]	1,911,184	2,173,232	various	1,647,004	1,682,899	1,977,821
Cigarettes[11]	1,927,366[r]	1,840,914[r]	$19.50 to $40.95 per thousand	1,777,204[r]	1,714,163[r]	1,910,427
Cigars[11]	41,146	41,989[r]	$1.828 to $48.75 per thousand	39,724[r]	39,759[r]	45,539
Papers/tubes[11]	259	356	$0.0122 to $0.0244 per 50	325[r]	352[r]	332
Chewing tobacco and snuff[11]	13,555	13,614	$0.195 to $0.585 per pound	12,468	13,080[r]	13,497
Pipe/roll-your-own tobacco[11]	4,638	4,806[r]	$1.0969 per pound	3,975	4,371[r]	4,611
Floor stocks	463	--	various	--	--	--
Imported	124,237	118,888	various	115,596	110,147	119,876
Firearms and ammunition	**46,660**	**54,425**	**10 or 11 percent of sales price**	**54,095**	**51,694**	**50,725**
Special occupations	**58,057**	**39,423**	**$250 to $1,000 per dealer or manufacturer**	**2,081**	**2,710**	**61,240**
Alcohol and Tobacco Tax and Trade Bureau and Customs Service collections less reported amounts	**10,170**	**8,004**	**N/A**	**3,279**	**5,769**	**6,448**
Total collections less reported amounts	**10,170**	**8,004**	**N/A**	**3,279**	**5,769**	**6,448**

See notes at end of this section.

Table 22.--Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1980-2005

Type of return or form	Number filed in calendar year--					
	1980	1985	1990	1995	1998	1999
	(1)	(2)	(3)	(4)	(5)	(6)
Individual income [1]	**93,196,100**	**99,704,200**	**112,596,000**	**116,466,900**	**123,049,600**	**125,389,700**
Forms 1040, 1040A, 1040EZ, and 1040PC	93,052,300	99,528,900	112,305,000	116,059,700	122,546,900	124,887,100
Paper returns	93,052,300	99,528,900	108,100,900	104,252,800	97,966,600	95,557,600
Electronically-filed returns	N/A	N/A	4,204,200	11,806,900	24,580,300	29,329,500
Business returns	11,402,900	14,136,800	16,170,200	18,058,600	19,031,300	19,176,200
Schedule C or C-EZ	8,944,300	11,767,300	14,149,000	16,157,000	17,183,700	17,377,100
Schedule F	2,458,600	2,369,400	2,021,300	1,901,600	1,847,600	1,799,200
Nonbusiness returns	81,649,400	85,392,100	96,134,800	98,001,100	103,515,700	105,710,900
Forms 1040C, 1040NR, 1040PR, and 1040SS	143,800	175,300	291,000	407,200	502,700	502,500
Corporation income [2]	**2,675,700**	**3,437,300**	**4,319,500**	**4,817,900**	**5,241,200**	**5,398,300**
Form 1120	2,115,500	2,432,300	2,334,600	2,197,000	2,207,600	2,202,400
Form 1120A	N/A	199,700	332,000	319,100	272,500	260,800
Form 1120S	528,100	736,900	1,536,100	2,161,000	2,599,800	2,767,000
Other	32,100	68,400	116,800	140,800	161,300	168,100
Partnership, Forms 1065 and 1065B [3]	**1,401,600**	**1,755,300**	**1,750,900**	**1,580,300**	**1,861,000**	**1,974,700**
Estate and trust income, Forms 1041 and 1041S [4]	**1,881,800**	**2,125,000**	**2,680,900**	**3,190,900**	**3,397,600**	**3,403,300**
Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T) [5]	**147,300**	**80,800**	**60,800**	**81,400**	**110,100**	**116,400**
Gift tax, Form 709	**214,800**	**97,700**	**147,700**	**216,200**	**261,200**	**291,900**
Tax-exempt organizations [6]	**442,600**	**454,100**	**487,400**	**572,600**	**618,300**	**692,600**
Forms 990 and 990EZ	362,600	365,500	359,700	406,400	412,000	458,100
Form 990-PF	33,100	32,000	44,700	51,300	61,800	64,900
Form 990-T	23,500	26,200	39,100	49,800	50,200	62,800
Forms 990C, 4720, and 5227	23,400	30,400	43,900	65,100	94,300	106,800
Employment [7]	**26,387,000**	**27,409,300**	**28,911,300**	**28,654,900**	**29,106,400**	**28,973,600**
Forms 940, 940EZ, 940PR	4,702,000	4,813,000	5,367,400	5,482,600	5,483,300	5,479,100
Forms 941, 941PR/SS/M	18,854,000	20,304,200	21,632,100	22,219,100	23,098,500	22,985,100
Forms 943, 943PR	423,000	399,100	385,400	354,700	330,900	316,200
Other	2,408,000	1,893,000	1,526,400	598,500	193,700	193,200
Excise [8]	**875,000**	**1,160,500**	**852,000**	**788,600**	**821,900**	**822,300**
Form 2290	444,000	709,200	440,700	490,300	562,500	577,800
Form 720	366,000	416,200	339,100	225,300	194,000	183,800
Other	65,000	35,100	72,200	73,000	65,400	60,700

See notes at end of this section.

Table 22.--Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1980-2005--Continued

Type of return or form	Number filed in calendar year--					
	2000	2001	2002	2003[r]	2004 (projected)	2005 (projected)
	(7)	(8)	(9)	(10)	(11)	(12)
Individual income [1]	**127,657,400**	**130,094,300**	**130,977,500**	**130,836,700**	**131,182,000**	**132,643,300**
Forms 1040, 1040A, 1040EZ, and 1040PC	127,097,200	129,444,900	130,341,200	130,134,300	130,459,600	131,887,300
Paper returns	91,695,100	89,238,100	83,505,100	77,265,300	69,252,500	63,725,600
Electronically-filed returns	35,402,200	40,206,800	46,836,100	52,869,000	61,207,100	68,161,700
Business returns	19,350,400	19,664,500	20,072,000	20,658,500	22,348,100	22,650,900
Schedule C or C-EZ	17,570,500	17,904,900	18,336,500	18,944,500	20,667,500	21,005,400
Schedule F	1,779,900	1,759,600	1,735,500	1,713,900	1,680,600	1,645,500
Nonbusiness returns	107,746,800	109,780,500	110,269,100	109,475,800	108,111,600	109,236,500
Forms 1040C, 1040NR, 1040PR, and 1040SS	560,200	649,300	636,400	702,400	722,400	756,100
Corporation income [2]	**5,469,600**	**5,561,300**	**5,738,800**	**5,919,600**	**6,094,400**	**6,261,300**
Form 1120	2,161,700	2,128,700	2,131,900	2,119,000	2,109,600	2,100,200
Form 1120A	245,500	235,800	229,700	225,300	220,600	217,900
Form 1120S	2,887,100	3,022,600	3,191,100	3,369,100	3,545,600	3,718,300
Other	175,300	174,200	186,200	206,200	218,600	224,900
Partnership, Forms 1065 and 1065B [3]	**2,066,800**	**2,165,000**	**2,271,800**	**2,405,400**	**2,543,500**	**2,684,100**
Estate and trust income, Forms 1041 and 1041S [4]	**3,528,900**	**3,918,900**	**3,658,000**	**3,705,000**	**3,779,300**	**3,853,600**
Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T).[5]	**123,600**	**122,400**	**114,000**	**87,100**	**74,400**	**63,800**
Gift tax, Form 709	**308,600**	**303,800**	**282,600**	**284,900**	**289,200**	**292,100**
Tax-exempt organizations.[6]	**699,100**	**724,200**	**744,400**	**818,200**	**828,800**	**857,400**
Forms 990 and 990EZ	461,700	481,000	495,000	548,000	559,800	581,200
Form 990-PF	70,000	73,300	76,900	86,000	89,800	94,300
Form 990-T	52,600	48,200	46,400	55,200	47,800	47,800
Forms 990C, 4720, and 5227	114,900	121,700	126,200	129,000	131,400	134,000
Employment [7]	**28,841,200**	**28,935,800**	**29,514,200**	**30,091,200**	**30,328,400**	**30,611,200**
Forms 940, 940EZ, 940PR	5,463,100	5,545,400	5,546,300	5,705,600	5,731,600	5,757,600
Forms 941, 941PR/SS/M	22,890,300	22,919,800	23,510,100	23,942,300	24,168,900	24,437,900
Forms 943, 943PR	305,500	291,000	283,300	276,600	268,000	259,300
Other	182,300	179,600	174,600	166,700	160,000	156,400
Excise.[8]	**852,500**	**815,100**	**836,400**	**844,500**	**843,400**	**850,000**
Form 2290	610,800	588,700	615,200	642,400	653,400	670,000
Form 720	174,700	164,900	161,100	142,100	132,800	124,100
Other	67,100	61,500	60,000	59,900	57,200	55,900

See notes at end of this section.

Table 23.--Taxpayers Receiving Assistance, Paid and Unpaid, Specified Tax Years 1998-2003

[Some estimates based on samples--all data are in thousands]

Type of assistance	Tax year					
	1998	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with paid preparer signature:[1]						
All returns	66,551	69,250	69,115	72,477	72,519	78,567
Form 1040EZ	701	761	958	2,096	1,953	1,742
Form 1040A	4,239	3,746	4,180	3,854	3,460	3,549
Form 1040, total	61,611	64,743	63,977	66,526	67,106	73,276
Form 1040 Business, total	14,130	14,198	13,855	14,194	14,461	15,867
Nonfarm	12,347	12,462	12,154	12,517	12,805	14,141
Farm	1,783	1,735	1,701	1,677	1,656	1,726
Form 1040 Nonbusiness, total	47,482	50,546	50,121	52,332	52,644	57,409
With itemized deductions	18,140	19,239	19,678	20,889	21,252	21,525
Without itemized deductions	29,342	31,307	30,444	31,443	31,392	35,884
Electronically-filed [2]	18,482	22,894	26,223	30,501	33,810	42,726
Assistance provided by IRS:[3]						
Telephone inquiries (including recorded telephone information)	110,879	93,212	110,524	85,593	88,510	77,579
Office walk-ins, information	9,981	9,663	9,362	9,211	8,589	7,320
Written inquiries	75	61	48	35	27	12
Number of taxpayers assisted by selected special programs:						
Community classes and seminars	528	1,416	577	11,029 [4]	36,957 [5]	72,031 [5]
Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)	3,479	3,790	3,587	3,611	1,607 [6]	1,935 [6]

See notes at end of this section.

General notations and statements

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised or corrected.

* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix--SOI Sampling Methodology and Data Limitations."

** - Not shown to avoid disclosure of information about specific taxpayers. However, the data are combined with data in an adjacent size class, as appropriate, and included in the appropriate totals.

Detail may not add to totals because of rounding. All amounts are in current dollars. Percentages shown in some of the tables are based on dollar amounts rounded to the units indicated in the specific table headings. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

In the data sources listed at the end of the footnotes, which cite a Statistics of Income publication or unpublished table, the following should be noted: Most of the data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data; and specific Statistics of Income reports cited include more complete discussions of sampling error and of other changes affecting comparability of the data.

See, also, the appendix to the *Bulletin* for a general description of "SOI Sampling Methodology and Data Limitations."

Footnotes

Table 1

[1] Year-to-year comparability of the "all returns" total is affected by changes in dollar income filing thresholds, while year-to-year comparability of the number of returns by type of tax form used is affected by changes in the specific filing requirements, including adjustments for inflation, for each form. In general, the filing of "short forms" (mostly Form 1040A; then Form 1040EZ, starting with 1982; and Form 1040-T, for 1995 only) has been encouraged by IRS to simplify both taxpayer filing requirements and IRS processing. Filing requirements for each of the short forms have, therefore, been gradually liberalized to facilitate their use. Increases in the number of short forms by type of form have mostly been at the expense of "long form" 1040 usage (although increases in the number of each of the short forms have often been at the expense of one short form over another). While the number of 1040 (paper) returns has, therefore, increased over the time period shown, the rate of increase has been reduced by the use of the short forms, and, later, by electronic filing options (see below), including, for 1991-1999, use of Form 1040PC. For additional information about the return filing requirements, see the annual reports, *Statistics of Income--Individual Income Tax Returns.*

Forms 1040, 1040A, and 1040EZ include "standard" electronically-filed ("ELF" or "e-file") returns, starting with Tax Year 1985, and Form 1040EZ returns filed electronically by telephone ("TeleFile"), starting with 1991. Prior to Tax Year 1994, data for these forms also include computer-generated "paper" returns (Form 1040PC) that were reclassified as Forms 1040, 1040A, or 1040EZ returns for Statistics of Income, depending on the filing characteristics of each return. Because Form 1040PC returns were not reclassified for Statistics of Income for 1994-1999, data for Forms 1040, 1040A, and 1040EZ for these years are not comparable with the preceding years. (Form 1040PC did not apply after 1999.) (However, some reclassified data for 1994-1999 may be found elsewhere, in most articles presenting projections of returns to be filed, in Winter issues of the *Bulletin*, starting with the 1993-1994 issue, Volume 13, Number 3.)

Included in the "all returns" total for 1995, but not shown separately, are returns filed on Form 1040-T, a "short form" lending itself to IRS optical scanning, which was used for this 1 year only, on an experimental basis.

[2] Starting with 1993, taxpayers could elect to assign $3 of the income tax reported on their income tax returns ($6 on a joint return, if both spouses contributed) to help pay for the cost of Presidential election campaigns. To do so, a taxpayer had to check a box on the tax return. Before 1993, this tax offset was limited to $1 (or $2) per return. The relationship between (a) the number of returns and boxes checked and (b) the dollar amounts shown is only approximate because the frequencies and the amounts were obtained from different sources, the frequencies from Statistics of Income tax return data and the dollar amounts from IRS monthly tax collections, aggregated by calendar year. It should be noted that the frequencies and amounts are related to the tax year for which statistics are shown, even though the designation by the taxpayer occurred in the following year, when the income tax return was filed and processed.

[3] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.

[4] Taxable interest includes “dividends” on deposits and withdrawable shares in mutual savings banks, savings and loan associations, and credit unions, but excludes interest from Regulated Investment Companies on money market mutual funds, which is included in “dividends” in “adjusted gross income” (AGI).

[5] Not included in AGI. Represents interest on State and local government obligations, including tax-exempt interest dividends from Regulated Investment Companies.

[6] Dividends in AGI exclude capital gains and liquidating dividends, reflected in the statistics for net capital gain or loss in AGI, but include interest from Regulated Investment Companies on money market mutual funds. Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a “qualified” foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was apart of an employee stock ownership plan (ESOP).

[7] Starting with 1987, losses are after “passive loss” limitation.

[8] Includes capital gains from the sale of assets held for personal use or investment, and also net gains from the sale of certain business property treated as net capital gains (see also footnote 15) and from "involuntary conversions" of property, such as by casualty or theft. Also includes capital gains received from partnerships and S corporations.

Starting with 1987, data represent total capital gains; previously, represented total capital gains after statutory exclusion. For all years, total includes capital gain distributions from Regulated Investment Companies. For other changes affecting capital gains, see *Statistics of Income--Individual Income Tax Returns*, various years. See also footnote 6.

[9] Includes capital losses (after limitation) from the sale of assets held for personal use or investment, including losses in excess of net gains from the sale of certain business property treated as net capital losses and "involuntary conversions" of property, such as by casualty or theft. Also includes capital losses received from partnerships and S corporations. See also footnotes 6, 15, and 16.

[10] Net gain or loss, not includable in capital gain or loss, from the sale of business property (excluding inventories and certain other assets and "involuntary conversions" of property, such as by casualty or theft). See also footnote 15.

[11] Starting after 1987, excludes Individual Retirement Arrangement (IRA) distributions; for 1980-1986, pensions and IRA distributions in AGI were reported together as a single total on the tax return. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.

[12] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.

[13] Starting with 1994, up to 85 percent of Social Security benefits were taxable; previously, the maximum was 50 percent.

[14] Excludes sole proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.

[15] Excludes certain royalties included in the computations of capital gain or loss and of ordinary gain or loss in sales of noncapital assets.

[16] Excludes capital gains and losses.

[17] Includes adjustments not shown separately in this table. Starting with 1987, total excludes certain business-related expenses, deduction for two-earner married couples, and certain alimony payments, but includes the self-employment health insurance deductions (liberalized effective 1998). (Also, for 1987-1993, excludes employee moving expense deduction.)

[18] Deductible Individual Retirement Arrangement (IRA) contributions were limited, starting with 1987, then liberalized somewhat, starting with 1997 and 1998. Contributions to education and Roth IRA's, new starting with 1998, were nondeductible and are, therefore, not included in the statistics.

[19] The limitation on the deduction was raised, starting with 1999.

[20] Deduction expired during 1994, but was later reinstated retroactively for that year. The deduction was liberalized, starting with 1995, and again starting with 1998.

[21] Exemption amounts were indexed for inflation, starting with 1985. Amounts were also limited for taxpayers with high incomes, starting with 1991. Statistics include exemptions for age and blindness, repealed effective 1987 and replaced by larger standard deduction amounts (see footnote 22). Starting with 1987, a check box on the return was used for taxpayers age 65 or over, in general, for use in establishing claims for the additional standard deductions, but many taxpayers not claiming the additional deductions also used the checkbox.

The amount shown for exemptions excludes amounts in excess of AGI, which were reported but could not be used by the taxpayer. The number of exemptions and amounts also excludes the number and amounts reported on returns with no AGI, which did not figure into the computation of tax as a result.

[22] In general, represents the sum of standard and itemized deductions from AGI to compute "taxable income" (the tax base for the regular income tax), but also includes deductions in excess of AGI that could not be used in the computation. Deductions erroneously reported on returns with no AGI were excluded from the deduction statistics.

Starting with 1987, includes revised itemized deductions (see also footnotes 24-25), "basic" standard deduction, and "additional" standard deductions for age 65 or over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income--Individual Income Tax Returns,* for appropriate years). Starting with 1991, total itemized deductions are after statutory limitation (see footnote 24).

[23] Starting with 1986,standard deduction were indexed for inflation. Starting with 1987, statistics for taxpayers with the additional standard deduction for age 65 or over exclude those who checked the box on tax returns indicating age 65 or over, but then itemized their deductions instead of claiming standard deductions (see footnote 21).

[24] Includes itemized deductions not shown separately in this table, including revised deductions, starting with 1987, for "miscellaneous expenses" after limitation and for employee moving expenses. For the most part, moving expenses are excluded after 1993 (see also footnote 17). In general, total itemized deductions were limited for certain high-income taxpayers, starting with 1991. This limitation was indexed for inflation, thereafter.

[25] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. The definition of expenses was expanded, effective 1997, to include payments for certain long-term care insurance premiums and for the unreimbursed cost of certain long-term care of a chronically ill individual. For changes in the deduction for 1987 and earlier years, see *Statistics of Income--Individual Income Tax Returns*.

[26] Starting with 1987, State sales taxes were no longer deductible.

[27] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited, and, starting with 1991, personal interest was no longer deductible.

[28] For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income--Individual Income Tax Returns*.

[29] Includes "alternative minimum tax" (AMT), starting with 2000. For previous years, AMT was excluded and was reflected only in "total income tax" (see in Table 1).

[30] Different tax rate structures for the regular income tax applied to Tax Years 1985-1986, 1987, 1988-1990, 1991-1992, 1993-2001, 2002 and 2003. Indexing of tax rate boundaries for inflation was introduced, starting with 1985. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished, effective 1987, but a maximum capital gain tax rate less than the maximum regular tax rate continued to apply under certain conditions, starting with 1991; the maximum rate was further reduced, effective 1997. For additional information on changes affecting tax computations, see Table A of the appendix to the historical section of this report and *Statistics of Income--Individual Income Tax Returns.*

[31] Includes that portion of the "earned income credit" used to offset income tax before credits. Earned income credit is shown below in Table 1.

[32] Includes credits such as the political contributions credit (repealed, effective 1987), earned income credit, low-income housing credit (introduced, effective 1987), child adoption credit (introduced, effective 1997), and "empowerment zone employment" (EZE) credit (introduced, effective 1994).

[33] Allowable credit per child was increased, starting with 1999.

[34] The statistics for all years shown are comparable. However, prior to Tax Year 2000, total income tax is the sum of two components, income tax after credits and "minimum tax" or "alternative minimum tax (AMT)"; see footnote 35. Starting with Tax Year 2000, total income tax is, in general, the same as income tax after credits, which was redefined to include AMT. (The small difference between the two amounts for 2000 is due mainly to the inclusion in the statistics for Tax Year 2000 of prior-year returns filed in Calendar Year 2001 that were used as proxies for Tax Year 2000 returns filed after 2001; the AMT on these returns was included in total income tax, but not in income tax before or after credits, consistent with the reporting sequence on the tax return forms for these years. The same is true for Tax Year 2002 for prior returns filed in Calendar Year 2003 for Tax Year 2000 and earlier. To a far lesser extent, the difference between total income tax and income tax after credits represents the tax on accumulation distributions of trusts, which was included in total income tax only.)

Total income tax reflects the amount reported on the tax return and is, therefore, before any examination or enforcement activities by the Internal Revenue Service. It represents the income tax liability that was payable to the U. S. Department of the Treasury.

[35] The "alternative minimum tax" (AMT) on "tax preferences," first applicable for 1979, completely replaced the former "minimum tax," effective 1983. Under AMT, generally high-income taxpayers to which the tax applied were required to pay the larger of the regular income tax or the AMT. Computation of the AMT was revised, effective 1987 (to change the starting point for computing "alternative minimum taxable income" from "adjusted gross income" to

"taxable income," to change or eliminate many of the AMT adjustments to and exclusions from tax, and to increase a single tax rate); again for 1991 (to further increase the single tax rate); then, starting with 1993 (to substitute two higher, graduated rates for the one single rate). An additional change, effective 1987, was the elimination of the capital gain exclusion as a tax preference subject to the AMT. As of 2002, examples of preferences or adjustments subject to recapture through the AMT were accelerated depreciation, incentive stock options, certain itemized deductions, personal exemptions, certain tax-exempt interest, and income loss from tax-shelter farm or "passive" investment activities.

AMT is shown separately in the statistics for all years. However, starting with 2000, AMT is also included in "income tax before credits," as well as in "income tax after credits" and "total income tax." Previously, AMT was only included in "total income tax."

[36] In Table 1, the amounts "used to offset income tax before credits" and "used to offset other taxes" (that are income-related) are reflected in the statistics for "total tax credits"; however, "excess earned income credit (refundable)" is reflected in the statistics for tax "overpayments." The refundable portion of the credit is the amount (in excess of the taxes) that could not be credited, including any "advance earned income credit payments" on those returns that had such an excess. ("Advance earned income credit payments" were made to employees electing to receive such payments currently through their paychecks. Such "payments" are included in the statistics only if the employees also met the tax return filing requirements; advance payments received by those not required to file are, therefore, excluded.)

[37] Represents payments reflecting the sum of "total income tax" (see footnote 34), tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), and Social Security taxes on "self-employment income" and on certain employee tip income, as well as on other income-related taxes applicable to the years shown (see *Statistics of Income--Individual Income Tax Returns)*. The total also includes the following not shown separately below in Table 1: "advance earned income credit payments" and credits for (a) capital gain tax paid by a Regulated Investment Company, but considered paid by shareholders, and (b) part of the purchase price of a diesel-powered highway vehicle.

[38] Represents tax withheld on (a) salaries and wages; (b) certain tip income; (c) pensions and annuities; (d) certain gambling winnings; and (e) distributions from profit-sharing plans, retirement plans, and Individual Retirement Arrangements (IRA's). Also included are taxes withheld as a result of "backup withholding" on certain interest, dividends, and royalty payments, which otherwise were not subject to withholding.

[39] Represents the sum of (a) "estimated tax," generally paid quarterly throughout the tax year by self-employed and certain other taxpayers with insufficient or no tax withheld, and (b) prior-year tax overpayments taxpayers elected to credit to their current-year's "estimated tax" in lieu of requesting a refund.

[40] Represents the sum of payments made with a request for an "automatic" 4-month extension of time in which to file an income tax return, and payments with a request for an additional 2-month extension. Notwithstanding the timing of these requests, full payment of a tax estimate for the year had to be made with the original application; if adjustments to the amount thus paid were later necessitated, the difference was either refundable or payable subject to an interest charge (which is not reflected in the tax statistics).

[41] Includes refunds (shown separately), plus credits to the following year's "estimated tax" and the refundable portion of the "earned income credit" (see footnote 36). The taxes reflected in tax overpayments are the same as those listed in footnote 38.

SOURCE: Except for dollar amounts associated with the Presidential election campaign checkoff, data are from *Statistics of Income--Individual Income Tax Returns,* appropriate years. Depending on the year,

dollar amounts associated with the Presidential election campaign checkoff were accumulated by calendar year either from U.S. Treasury Department, Internal Revenue Service, "Table S-1 Collections, Comparative Summary, Document 7038," Report NO-Treas-103, monthly, or from unpublished monthly data from Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems. See also "General notations and statements," preceding the footnotes section.

Table 2.--Not Presented.

Table 3

[1] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in "adjusted gross income" or "taxable income," which are subject to the "alternative minimum tax" (included in "total income tax"), defined in Table 1, footnote 35.

[2] A study for 1993 showed that about half of all returns with "adjusted gross income" under $5,000 were filed by dependents of other taxpayers.

[3] "Adjusted gross income" (AGI) minus "personal exemptions and total deductions" will not equal "taxable income" because the total of deductions and exemptions could exceed AGI and, therefore, includes amounts that could not be used in computing "taxable income."

[4] Not computed.

SOURCE: *Statistics of Income--Individual Income Tax Returns*, appropriate years. See also "General notations and statements," preceding the footnotes section.

Table 4

[1] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at: http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[2] Consists of imputed rental income of owner-occupied non-farm dwellings (less actual rental income and subsidies); services to individuals furnished without payment by certain financial intermediaries; premium supplements to individuals for property and casualty insurance; farm products consumed on farms; food furnished to employees, including military and domestic service; clothing issued to military personnel; employee's lodging; and imputed income of individuals participating in the construction of their own housing.

[3] Consists of income earned by low-income individuals who are not required to file income tax returns, of unreported income that is included in the NIPA measure, and of errors and omissions which comprise items in the portion of personal income not included in AGI and the portion of AGI not included in personal income. Also includes the net effect of errors in the IRS adjusted gross income and NIPA personal income measures. Such errors can arise from the sample used by the IRS to estimate AGI and from the source data used by BEA to estimate personal income (per NIPA).

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts (NIPA's), Table 7.19: *Comparison of Personal Income in the National Income and Product Accounts with Adjusted Gross Income as Published by the Internal Revenue Service*. This table appears periodically in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp.

Tables 5 and 6

[1] See Table 4 for the differences between "personal income" and "adjusted gross income" (AGI).

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] Data for years 1987 and after are not comparable to pre-1987 data because of major changes in the definition of "adjusted gross income" (AGI).

SOURCE: Data on "personal income" and "adjusted gross income" (AGI) (per NIPA's) are from U.S.

Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts (NIPA's), Table 7.19: *Comparison of Personal Income in the National Income and Product Accounts with Adjusted Gross Income as Published by the Internal Revenue Service.* This table appears periodically in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "adjusted gross income" (AGI) (per SOI) in Table 6 are from *Statistics of Income-Individual Income Tax Returns,* appropriate years.

Table 7

[1] Sum of standard and itemized deductions, plus charitable contributions deduction reported on standard deduction returns for Tax Years 1982-1986. Amount of total deductions for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, using his estimate of the standard deduction for these years (see footnote 4, below) plus the total for itemized deductions published in *Statistics of Income--Part 1* for 1950-1953 and *Statistics of Income--Individual Income Tax Returns* for 1954-1957. Starting with 1958, total deductions were obtained directly from *Statistics of Income--Individual Income Tax Returns*. Deductions exclude amounts shown as "statutory adjustments" in Table 1. For Tax Years 1987-1988, total deductions also include the "zero bracket amount" reported on a small number of returns (see footnote 4). It includes total deductions as reported by taxpayers, even if the total exceeded "adjusted gross income" (AGI) and, therefore, could not be used.

[2] See Tables 5 and 6, footnote 3.

[3] Series revised, starting with the Spring 1997 *Bulletin,* to exclude from the standard deduction statistics the relatively small number of returns with no adjusted gross income and no deductions. Previously, these returns were classified as if they showed a standard deduction. For the 1977-1986 statistics, the standard deduction is the "zero bracket amount" (reported on returns with only a "zero bracket amount"). Such an amount was also included for a small number of returns for 1987-1988 (see footnote 4). For years in which the "zero bracket amount" was in effect, frequencies shown for standard deduction returns were derived by subtracting the number reporting an income tax liability, but no itemized deductions, from the total of all returns. For 1950-1952, returns with itemized deductions include the small number of returns with no deductions and, for 1950-1954, the small number with no income, regardless of whether or not deductions were itemized. For later years, returns in these two categories were excluded from all the deduction statistics in this table.

[4] Amount of standard deduction for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of returns by income class and marital status in *Statistics of Income--Part 1* for 1950-1953 and *Statistics of Income--Individual Income Tax Returns* for 1954-1957, and, starting with 1958, was obtained directly from *Statistics of Income--Individual Income Tax Returns*. It represents the "zero bracket amount" for 1977-1986. Starting with 1987, it represents the sum of "basic" and "additional" standard deductions (for age 65 or over and for blindness); also includes the "zero bracket amount" reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics as proxies for returns due but not received.

[5] For 1977-1986, total itemized deductions are before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see Table 1, footnote 24).

SOURCE: Except as indicated in footnotes 1 and 4, *Statistics of Income--Individual Income Tax Returns* and unpublished tables, appropriate years. Data referred to in footnote 4 which are attributed to Joseph A. Pechman are from Pechman, *Federal Tax Policy,* fifth edition, The Brookings Institution, 1987. See also "General notations and statements," preceding the footnotes section.

Table 8

[1] See Table 4 for differences between "personal income" and "adjusted gross income."

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] Excludes the "zero bracket amount" for 1977-1986; therefore, Table 8 differs from Table 1. Because of major changes in tax law, "taxable income," starting with 1954 and 1987, is not comparable with earlier years. See also Table 1, footnote 28.

[4] Note that the "taxable income" tax base excludes the base for computing both the "minimum tax" and "alternative minimum tax" components of "total income tax." Therefore, the percentages shown in column 6, starting with 1970, are only approximate. See also Table 1, footnote 35. Also, because conceptually "taxable income" did not exist prior to 1954, the taxable income shown for 1950-1953 and the percentages based on it in columns 3 and 6 are estimated, in part, by adjusting available statistics for statutory "net income" for these years.

SOURCE: Data on "Personal income" are from the Bureau of Economic Analysis' National Income and Product Accounts, Table 2.1: *Personal Income and Its Disposition*. This table appears in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "Taxable income (per SOI)" and "Total income tax (per SOI)" are from *Statistics of Income--Individual Income Tax Returns,* appropriate years.

Table 9

[1] Starting with 1975, includes the refundable portion of the "earned income credit."

SOURCE: *Statistics of Income--Individual Income Tax Returns* and unpublished tables, appropriate years. See also "General notations and statements," preceding the footnotes section.

Table 10

[1] Represents the number of returns, even if there was more than one business per return.

[2] "Total deductions" include amounts not shown separately in this table, as well as amounts not itemized separately on Schedule C-EZ (short form) used by certain of the smaller businesses, starting with 1992. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. After 1986, total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, "business receipts" minus "total deductions" do not equal "net income (less deficit)."

NOTE: There are slight differences between: (a) the number of individual income tax returns "with business or profession net income or loss" and the associated amounts, based on the summarized totals on the face of the tax return (Table 1), and (b) the related number of individual income tax returns "with nonfarm business net income or deficit" and the associated amounts, based on data from Schedules C filed in support of the total on the face of the return (Table 10). These differences result from the somewhat larger tax return samples underlying the sole proprietorship statistics for more recent years, and also from the taxpayer reporting variations and inconsistencies, e.g., in the occasional misreporting of farm versus nonfarm business activity on the face of the return compared to what was indicated in supporting schedules, and in the equating of certain partnership income or employee business expenses with the presence of sole proprietorship activity.

SOURCE: *Statistics of Income--Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 11

[1] After 1990, certain small partnerships were not required to file balance sheets.

[2] Number of limited partnerships, limited liability companies, and the associated number of partners are understated because some businesses failed to answer the question about type of partnership on their tax returns as originally

filed. Also, before Tax Year 1993, the question of identifying partnerships as limited liability companies was not present on the returns. No attempt was made to identify these companies for the statistics for earlier years.

[3] Total assets, total liabilities, and partners' capital account represent end-of-year amounts. Moreover, they are understated somewhat because not all partnerships included a complete balance sheet and, for the later years, because of the change in the reporting requirement mentioned in footnote 1, above.

[4] Short-term debt is the abbreviated title for mortgages, notes, and bonds payable in less than 1 year.

[5] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.

[6] "Total receipts" and "total deductions" include amounts not shown separately. Starting with 1981, only the net incomes or deficits from farming, rents, and royalties were tabulated; the positive amounts were included under "total receipts" and the negative amounts under "total deductions." The related expenses were not tabulated. Because of a redesign of the partnership return, starting with 1987, total receipts were computed for the statistics as the sum of "total income from a trade or business"; and the following income distributed directly to partners: "ordinary" gain from sales of property other than "capital assets"; "ordinary" income from estates, trusts, and other partnerships; portfolio income, comprising interest, dividends, royalties, and other portfolio income (excluding net capital gains, see below); and rental real estate income (positive amounts only); and income from other rental activities (positive amounts only). Most, but not all, of these types of income were included in receipts data for 1986 and earlier years. See also footnote 9, below.

Total deductions were computed as the sum of "cost of goods sold," or "cost of sales and operations," "total deductions from a trade or business," and the following, which were allocated directly to partners: "ordinary" loss from sales of property other than "capital assets"; "ordinary" loss from estates, trusts, and other partnerships; rental real estate losses; other rental losses; and portfolio losses (excluding net capital losses).

Portfolio income or loss from sales of "capital assets" was intentionally omitted from receipt and deduction statistics to improve comparability with earlier years. Therefore, the statistics in Table 11 will not agree with statistics in articles on partnerships that appear in prior issues of the *Bulletin.* See also footnote 8, below.

[7] Taxable interest only.

[8] Represents the more complete amounts reported in depreciation computation schedules, rather than the amounts reported as the depreciation deduction.

SOURCE: *Statistics of Income--Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 12

[1] Excludes business income tax returns filed by tax-exempt organizations. See Table 16.

[2] Size classes for corporations are based on "business receipts," i.e., gross amounts from sales and operations, for industries (a) except those in the "finance, insurance, and real estate" industrial division, using the former Standard Industrial Classification or SIC system for years preceding 1998, (b) then, starting with 1998, except those in the "finance and insurance" industrial sector and those in the "management of companies (holding companies)" sector (which includes bank holding companies, as well as other holding companies), using the North American Industrial Classification System or NAICS. For the groupings comprising these two exceptions, "total receipts," which are the sum of business receipts and investment income, were used instead of "business receipts" as the basis for the size classification. Because of the differing treatment of holding companies (other than bank holding companies) and of real estate and rental and

leasing, the statistics, starting with 1998, are not completely comparable with those for earlier years.

[3] Includes returns with no "business receipts" (or no "total receipts" in the case of certain corporations as described in footnote 2).

[4] Beginning Tax Year 2001, size of assets of under $500,000 and $500,000 under $1,000,000 replaced size of assets of under $100,000 and $100,000 under $1,000,000, of earlier years. Also, size of assets of $250,000,000 under $500,000,000; $500,000,000 under $2,500,000,000; and $2,500,000,000 or more are shown beginning with Tax Year 2001.

[5] Includes corporations and partnerships with "zero assets and liabilities." For corporations, returns with zero assets represent final returns of liquidating or dissolving corporations which had disposed of all assets; final returns of merging corporations whose assets were included in the returns of the acquiring corporations; part-year returns of corporations changing accounting periods (except for certain newly-incorporated businesses); and returns of foreign corporations with income "effectively connected" with a U.S. business (except foreign insurance companies providing separate balance sheets for U.S. branches). For partnerships, returns with zero assets include businesses not required to file balance sheets, as well as businesses that failed to provide balance sheets on their returns as originally filed. See also Table 11, footnote 1.

[6] Size classes for partnerships are affected by changes in the definition of receipts. (See Table 11, footnote 6.) Starting with 1988, only partnership net rental income is reflected in the size distribution.

[7] Sole proprietors are not required to provide balance sheet information.

NOTE: Statistics for corporations are for accounting periods ended July of one year through June of the next. Thus, for example, corporation data for 2002 are for accounting periods ended July 2002 through June 2003. Statistics for nonfarm sole proprietorships and partnerships are, in general, for the calendar year.

SOURCE: *Statistics of Income--Corporation Income Tax Returns; Statistics of Income--Partnership Returns*, *Sole Proprietorship Returns,* and *Business Income Tax Returns*, depending on the year; and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 13

[1] Excludes inactive corporation returns. Starting with 1985, "number of returns" excludes taxable farmers' cooperatives; starting with 1987, Real Estate Mortgage Investment Conduits (REMIC's); and, starting with 1988, Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's). See also footnotes 5 and 6, below. "Number of returns" also excludes Personal Service Corporations for 1988-1993. Because of the omission of these categories of returns, annual totals for the income, financial, and tax items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax," and tax credits) are not altogether comparable. (There were 773 IC-DISC returns for 1996 [see Belmonte, Cynthia, "Interest-Charge Domestic International Sales Corporations, 1996," *Statistics of Income Bulletin,* Fall 2000, Volume 20, Number 2]. There were 4,363 FSC returns for 1996 [see Belmonte, Cynthia, "Foreign Sales Corporations, 1996," *Statistics of Income Bulletin,* Spring 2000, Volume 19, Number 4].)

Starting with 1997, corporations that otherwise qualified as S corporations, but that had subsidiaries, could qualify, provided the subsidiaries also qualified as S corporations. These subsidiaries, which previously filed separate returns, are included in the income tax returns of the parent S corporations.

Because of a change in the definition of S corporation net income, starting with 1987, totals for receipts and deductions are slightly understated to the extent that they were not directly related to the "income from a trade or business" reported by these companies. Com-

parability of data for "returns with net income" is also affected by this change, as well as by a change in the Statistics of Income definition of Regulated Investment Company net income for certain years. For additional information about these changes and the estimated effect they have on the net income statistics, see footnote 18, below.

[2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group, and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates. Consolidated returns exclude S corporations (defined in footnote 4), although, starting with 1997, S corporation returns could include subsidiaries that were also S corporations. Returns filed by parent S corporations which include qualifying subsidiaries are included in the S corporation frequencies shown below in Table 13. Consolidated returns also exclude all real estate investment trusts (REIT's).

[3] Included in "number of returns, total" and "number with net income."

[4] In general, certain small qualifying corporations that elected to be taxed at the shareholder level. These corporations could have no more than 75 shareholders (mostly individuals), starting with Income Year 1997; no more than 35 for Income Years 1983-1996. Starting with 1997, S corporation returns could include subsidiaries if the subsidiaries also qualified as S corporations, with income and financial data for both parent and subsidiaries combined on the return of the parent corporation.

[5] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a system of Foreign Sales Corporations (FSC's). See footnote 6. Tax benefits of DISC's remaining after 1984 were limited, and an interest charge for tax-deferred amounts was imposed on the parent shareholders whose DISC subsidiaries were unable to meet the FSC requirements and that elected to continue, instead, as IC-DISC's.

[6] Foreign Sales Corporations (FSC's) generally replaced Domestic International Sales Corporations (DISC's) as a means of promoting U.S. exports. See footnote 5. Under the FSC provisions, a portion of the "foreign trade income" of these subsidiaries was exempt from U.S. income tax.

[7] Balance sheet data are end-of-year amounts.

[8] Starting with 1985, inventories include amounts reported by real estate subdividers and developers previously included in "other investments."

[9] Tax-exempt securities include not only investments in State and local government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.

[10] After 1990, accounts payable of banking and savings and loan institutions could include deposits and withdrawable shares previously reported in "other current liabilities."

[11] Starting with 1998, amounts for "adjustments to shareholders' equity" are reported separately on the tax return.

[12] In general, after 1982, Statistics of Income data for receipts, deductions, and net income (or deficit) of S corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; and deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion, foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179) are not reflected in net income (because they were allocated directly to shareholders instead). See also footnote 4.

Prior to 1992, statistics for the "cost of goods sold" represent the more inclusive "cost of sales and operations." Cost of goods sold applies when inventories are an income-determining

factor, i.e., when the corporation was engaged in the production, manufacture, purchase, or sale of merchandise in the course of its trade or business. Cost of operations applies whenever inventories are not an income-determining factor, as in the case of certain utilities and services (see below). The statistics for the cost of goods sold after 1991, therefore, also exclude estimates of the cost of operations previously constructed for the statistics from expense data reported elsewhere on the tax return (often in "other deductions") by corporations reporting "business receipts" without a corresponding cost of goods sold. These corporations were assumed to have a cost of operations that was not reported as such. Most of the companies involved were classified either in the transportation and public utility or services industries.

For all years, identifiable amounts of depreciation, depletion, amortization, taxes paid, advertising, bad debts, compensation of officers, employee plan contributions, interest paid, and rent found in taxpayer schedules in support of the total cost of goods sold/cost of operations were transferred to their respective deduction headings for the statistics. This enabled more complete statistics for these expenditures to be produced.

[13] After 1986, "business receipts" include the gross proceeds (netting during statistical processing against the cost of these sales) reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers, and operative builders, even when they bought and sold securities, commodities, and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets." If gross amounts were reported by stock and commodity brokers and exchanges, costs and sales proceeds were netted during statistical processing.

[14] "Other interest" includes any dividends reported in combination with interest on the Form 1120S tax return by S corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4).

[15] Identifiable amounts reported on Form 1120-A are included in the statistics for the appropriate deduction. Starting with 1992, "other deductions" include certain amounts previously treated as part of the combined "cost of goods sold/cost of operations" for Statistics of Income. See also footnote 12.

[16] In general, "total receipts less total deductions" include tax-exempt interest on State and local government obligations, but exclude income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represent all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and exclude all income only "constructively" or "deemed" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local government obligations" plus "constructive taxable income from related foreign corporations" equal "net income (less deficit)." For the exception, due to Regulated Investment Companies, see footnote 18.

[17] Represents "income" that was only "constructively" or "deemed" received from foreign corporations and that was taxed to the U. S. corporation. (In general, such income was otherwise subject to U. S. income tax only when actually repatriated as dividends.) For the statistics, it is the sum of "includable income of Controlled Foreign Corporations" and the "foreign dividend gross-up," reported separately on the tax return. The "includable income" was comprised of specific types of undistributed income earned by a Controlled Foreign Corporation that were taxed under certain conditions to the U. S. shareholder corporations unless an actual "minimum distribution" was made. The foreign dividend gross-up represents a share of the foreign taxes paid on the profits of certain foreign subsidiaries out of which they paid dividends to their U. S. parent corporations and for which the parent corporation then claimed a foreign tax credit.

[18] "Net income (less deficit)," "net income," and "deficit" shown for 1990 exclude: (a) net long-term capital gain reduced by net short-term

capital loss reported by Regulated Investment Companies (see footnote 16), and (b) amounts other than from a trade or business, i.e., portfolio and rental income, reported by S corporations (see footnote 4). For comparisons with earlier years, these amounts should, therefore, be added back. Regulated Investment Company net long-term capital gain (reduced by net short-term capital loss) was excluded from net income in the Table 13 statistics, starting with 1990. With respect to Table 13, the amounts excluded were: $7.5 billion for 1990; $57.2 billion for 1995; $192.6 billion for 1998; $252.3 billion for 1999; $296.6 billion for 2000; $41.1 billion for 2001 and $12.9 billion for 2002. Estimates of the prior-year S corporation net income (less deficit) excluded from the statistics in Tables 13-14a were revised for the Summer 2002 *Bulletin* as follows: $22.2 billion for 1995; $56.9 billion for 1998; $56.4 billion for 1999; and $59.4 billion for 2000. Data with which to estimate S corporation net income (less deficit) excluded from the statistics for 1990 were not tabulated. For additional information about S corporation net income, see the various articles on S corporations in the *Bulletin,* starting with 1985.

[19] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined for the statistics as net income minus certain statutory special non-business deductions, such as for intercorporate dividends received and "net operating losses" carried forward from prior years). Profits of Domestic International Sales Corporations or Interest-Charge Domestic International Sales Corporations (depending on the year) were tax-deferred until distributed (actually or constructively) to parent businesses, and those of S corporations were mostly taxed through shareholders (who had to be individuals, estates, or trusts).

[20] Starting with 1985, includes Personal Holding Company tax; after 1987, tax on "branch profits" of foreign corporations with U.S. operations; and, after 1988, certain lesser taxes, including special taxes applicable to Real Estate Investment Trusts (REIT's) and foreign corporations with U.S.-source income. Starting with the statistics shown for 1990, total income tax includes an environmental excise tax reported on the corporation income tax return and collected as part of the corporation income tax. This tax was repealed, effective during 1996.

"Total income tax" more closely represents worldwide income tax liability because it is before subtraction of the foreign tax credit, the largest of the tax credits. To the extent that foreign tax credits adequately reflect the total foreign income tax burden, total income tax includes these taxes. See also footnotes 21, 23, and 26.

[21] Different tax rate structures applied for 1987-1992 and 1993-2002. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a preferential rate for long-term capital gains (as did the somewhat similar, separate tax on long-term capital gains that certain investment companies and insurance businesses were allowed in lieu of alternative tax).

[22] Effective during 1987, the "alternative minimum tax" (AMT) replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"). Under AMT, corporations are required to compute their regular tax liability and their "tentative minimum tax" liability. The difference between the "tentative minimum tax" and the regular tax is the legally defined alternative minimum tax. The AMT was designed to ensure that, at least, a minimum amount of income tax was paid in spite of the legitimate use of exclusions, deductions, and credits. The tax computation formula was modified in 1990. For tax years beginning after 1997, new corporations and certain small corporations were not subject to the AMT.

[23] Tax credits are applied against "regular and alternative tax" only. See also footnote 24.

[24] In prior publications, data in this table for foreign tax credit for 1990, 1995, and 1998, and for U.S. possessions credit for 1995, were revised, based on results of special studies. For this publication, the data have been restored to their original values to be consistent with published corporate data and to be comparable with data for 1999, 2000, 2001, and 2002.

[25] The general business credit includes the following components and their years of implementation, almost all of which were subject to a combined overall limitation, therefore the amounts shown in the table for these credits are tentative: the alcohol fuel credit, the investment credit, the work opportunity credit, (formerly the "jobs credit"), the orphan drug credit (1996), increased research expenditures credit, low-income housing credit, "disabled access" credit (1990), enhanced oil recovery credit (1991), renewable electricity production credit (1992), Indian employment credit (1993), employer social security and Medicare taxes paid on certain employee tips credit (1993), contributions to selected community development corporations credit (1993), the trans-Alaska pipeline liability fund credit, and general credits from an electing large partnership (Schedule K-1 (Form 1065-B)), small employer pension plan startup costs credit (2002), employer-provided child care facilities and services credit (2002), and new markets credit (2002).

The empowerment zone and renewal community employment credit (1994), and New York Liberty Zone business employee credit (not shown separately, 2001), while components of the general business credit, have separate tax liability limits and are not subject to the combined limitation.

For other changes in the definition of components of the general business credit, see *Statistics of Income—Corporation Income Tax Returns*, for the years concerned.

[26] "Total income tax after credits" is before any examination or enforcement activities by the Internal Revenue Service. It is the amount payable to the U.S. Government as reported on the income tax return. Because it is after subtraction of foreign tax credit, this total does not include income taxes paid to foreign governments. In prior publications, amounts shown for 1990, 1995, and 1998 had been revised because of revisions to the foreign tax credit (for each of these years) and to the U.S. possessions credit (for 1995) based on special studies. For this publication, the data have been restored to their original values to be consistent with published corporate data and to be comparable with data for 1999, 2000, 2001, and 2002.

NOTE: Statistics are for corporate accounting periods ended July of one year through June of the next. Thus, for example, data for 2002 are for accounting periods ended July 2002 through June 2003.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*. Additional data on the foreign tax credit and U.S. Possessions Credit from special indepth studies are included in various issues of the *Statistics of Income Bulletin*. See also "General notations and statements," preceding the footnotes section.

Tables 14a and 14b

[1] Industrial classification is based on the product or service accounting for the largest percentage of "total receipts." (Total receipts are the sum of business or gross receipts, plus capital gains and income from investments, including rentals.) Starting with 1998, this classification is based on the North American Industry Classification System (NAICS), which replaced the Standard Industrial Classification (SIC) system. The SIC, in its various versions, was used to classify statistics for the years before 1998. Both systems were intended for Governmentwide use in classifying business statistics. (For information about NAICS and its usage in Canadian, Mexican, and U.S. Government statistics, see the *Statistics of Income Bulletin,* Summer 1997, Volume 17, Number 1, pp. 3-5.) Because there are substantial differences between NAICS and its predecessor SIC system, data by "industrial sector" for years beginning with 1998 (Table 14b) are shown apart from data for earlier years by "industrial division" (Table 14a). As an example of differences between the two systems, using NAICS, Statistics of Income classifies banks that were bank

holding companies in the new "management of companies (holding companies)" sector, instead of in the "finance and insurance" sector. Using the SIC, bank holding companies had previously been classified in the "finance, insurance, and real estate" industrial division. For additional information about breaks in comparability caused by the changeover to NAICS, see *Statistics of Income--1998, Corporation Income Tax Returns.*

If information for the business activity and product was not discernible from the corporation income tax return, the return was classified as with nature of business "not allocable." Data for nature of business "not allocable" are included in the totals for "all industrial divisions" (Table 14a) and "all industrial sectors" (Table 14b), but are not shown separately. Therefore, in addition to rounding differences, the statistics by industrial division or sector will not add to their respective grand totals.

[2] See Table 13, footnote 1.

[3] Balance sheet data are end-of-year amounts. Net worth is the sum of "capital stock," "additional paid-in capital," "retained earnings, appropriated," "retained earnings, unappropriated," and "adjustments to shareholders' equity" minus "cost of treasury stock." (Prior to 1997, data for "retained earnings, unappropriated" included "adjustments to shareholders' equity," not reported separately on the tax return.) Each of these amounts is presented separately in Table 13.

[4] See Table 13, footnotes 12 and 16.

[5] See Table 13, footnote 13.

[6] Interest received is the sum of "interest on State and local government obligations" (i.e., tax-exempt interest) and "other interest" (which includes interest paid by banking and savings institutions). Data for both of these amounts are presented separately in Table 13. See also Table 13, footnote 14.

[7] In addition to regular tax (and alternative tax) for years prior to 1988, includes certain other taxes either shown separately in Table 13 or mentioned in Table 13, footnote 20.

[8] See also Table 13, footnote 21.

NOTE: Statistics are for corporate accounting periods ended July of one year through June of the next. Thus, for example, data for 2002 are for accounting periods ended July 2002 through June 2003.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*. Additional data on the foreign tax credit and U.S. Possessions Credit from special indepth studies are included in various issues of the *Statistics of Income Bulletin*. See also "General notations and statements," preceding the footnotes section.

Table 15

[1] In general, includes profits of U.S. corporations filing income tax returns as recorded in Statistics of Income, but with exceptions and adjustments (see below). Also includes profits of nonprofit institutions that primarily serve business and income of Federal Reserve Banks and Federally-sponsored credit agencies. However, profits of S corporations, only partially included in Statistics of Income data for recent years, are excluded from profits in the National Income and Product Accounts (NIPA) and are treated, instead, as "personal income" (see Table 4). For other corporations excluded in NIPA profits, see footnote 2, below, and footnote 1, Table 13.

Compared to Statistics of Income net income, profits for NIPA purposes are defined to include tax-exempt interest on State and local government obligations, but to exclude capital gains and losses, intercorporate dividends received, depletion, and bad debt losses. Consistent with Statistics of Income, NIPA profits reflect the inventory and depreciation accounting practices used for tax purposes. NIPA profits include income earned abroad by U.S. corporations, but exclude profits earned in the United States by foreign corporations.

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] For Statistics of Income, "net income (less deficit)" and "income subject to tax" exclude taxable cooperatives, starting with the 1985 data; Real Estate Mortgage Investment Conduits (REMIC's), starting with 1987; and Personal Service Corporations for 1988-1993. Net income (less deficit), starting with 1985, excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's). See also Table 13, footnote 1. For changes in the definition of Regulated Investment Company and S corporation net income, see Table 13, footnote 18. For the coverage of corporations and the definition of corporate profits used for the National Income and Product Accounts, see footnote 1, above.

[4] For the definition of "income subject to tax," see Table 13, footnote 19. See also footnote 3, above.

SOURCE: Data on corporate "Profits before tax (per NIPA)" are from the Bureau of Economic Analysis' National Income and Product Accounts, Table 1.12: *National Income by Type of Income.* This table appears in the *Survey of Current Business* and can also be accessed online at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "Net income (less deficit) (per SOI)" and "Income subject to tax (per SOI)" are from *Statistics of Income--Corporation Income Tax Returns,* various years.

Table 16

[1] Includes data reported by organizations described in Internal Revenue Code section 501(c)(3), excluding private foundations and most religious organizations. Organizations with receipts under $25,000 were not required to file.

[2] Balance sheet data are end-of-year amounts.

[3] Represents fees collected by organizations in support of their tax-exempt purposes, and income such as from tuition and fees at educational institutions; hospital patient charges; and admission and activity fees collected by museums and other nonprofit organizations or institutions.

[4] The amounts of contributions, gifts, and grants shown reflects the amount actually disbursed, on a cash basis, for charitable purposes.

[5] Represents income not considered related to a foundation's charitable purpose, e.g., interest, dividends, and capital gains. Foundations could be subject to an excise tax on such income.

[6] Includes returns filed by or for entities described in Internal Revenue Code sections 401(a) (qualified pension, profit-sharing, or stock bonus plans), 408(e) (Individual Retirement Accounts, or IRA's), 408A (Roth IRA's), and 501(c)(2) through (27) (charitable and most other types of tax-exempt organizations).

[7] The primary reason for the drop in gross unrelated business income (UBI) and total deductions between Income Years 1997 and 1998 is the exclusion from the 1998 statistics of one association, which reported relatively large amounts of gross UBI and deductions for 1997 and prior years. The tax-exempt status of this association was terminated, effective 1998. For additional information, see Riley, Margaret, "Unrelated Business Income Tax Returns, 1998," *Statistics of Income Bulletin*, Spring 2002, Volume 21, Number 4.

[8] Aggregate amounts of total deductions, unrelated business taxable income (less deficit), and deficit previously published in various issues of the *SOI Bulletin* have been adjusted in Table 16 for Years prior to 1999. The revisions were required to take into account certain adjustments made to reported amounts of the "net operating loss deduction." During processing of the SOI sample of Tax Year 1999 returns, it was discovered that many Form 990 T filers were deducting the entire amount of any previous years' net operating loss carryover from net income (even when net income was zero or negative), rather than deducting only the part of the carryover amount needed to offset any positive net income amount. Entering the entire amount of the net operating loss carryover, as opposed to entering only the appropriate deduction amount, did not affect a filer's unrelated business income tax liability, but it did inflate the amount of deficit reported.

[9] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services is

a component of "gross unrelated business income" (on which the filing requirement is based).

[10] Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the "proxy tax" on certain lobbying expenditures, tax from recomputing certain prior-year credits ("recapture taxes"), the "alternative minimum tax," and the environmental tax (applicable only to tax years prior to 1996). Beginning with Income Year 2001, total tax can include interest due, computed under the look-back method for certain depreciated property and completed long-term contracts, and "other" taxes, as described by the return filer, such as recapture taxes, which were reported separately prior to Income Year 2001.

SOURCE: *Statistics of Income Bulletin*, various issues. See also "General notations and statements," preceding the footnotes section.

Table 17

[1] Starting with 1965, number of returns, total gross estate at date of death, and estate tax after credits are estimates based on samples.

[2] Prior to 1982, year of death figures were approximated, using data from returns filed in a single calendar year. While many of the returns filed in a given calendar year represent returns of decedents who died in the immediately preceding year, others represent returns of decedents who died in earlier years. Starting with 1982, the statistics are by year of death, using the year of death reported on the estate tax returns filed during periods of at least 3 successive years.

[3] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.

[4] Prior to 1964, a return was taxable if it showed an estate tax before credits. Starting with 1964, the classification was based on estate tax after credits.

[5] Year-to-year comparability of the data is affected by changes in the gross estate filing threshold which is based on year of death: 1934 ($50,000); 1935 ($50,000 changing to $40,000); 1936-1941($40,000); 1942 ($40,000 changing to $60,000); 1943-1976 ($60,000); 1977 ($120,000); 1978 ($134,000); 1979 ($147,000); 1980 ($161,000); 1981 ($175,000); 1982 ($225,000); 1983 ($275,000); 1984 ($325,000); 1985 ($400,000); 1986 ($500,000); 1987-1997 ($600,000); 1998 ($625,000); 1999 ($650,000); 2000-2001 ($675,000); 2002-2003 ($1,000,000); 2004-2005 ($1,500,000); 2006-2008 ($2,000,000); 2009 ($3,500,000); and 2010 (no estate tax).

NOTE: Beginning with 1982, numbers in columns 2-5 have been revised to reflect returns filed more than 3 calendar years after a decedent's death.

SOURCE: Data are shown only for years for which Statistics of Income data are available. For years after 1953, *Statistics of Income--Estate Tax Returns; Estate and Gift Tax Returns;* or *Fiduciary, Estate, and Gift Tax Returns,* depending on the year, and *Statistics of Income Bulletin*, various issues; also unpublished tabulations for certain years. For years prior to 1954, *Statistics of Income--Part I.* Adult deaths are from the Centers for Disease Control and Prevention, National Center for Health Statistics, U.S. Department of Health and Human Services, *Vital Statistics of the United States, Report Number 11, Supplement 2, Table 2*, annual and *National Vital Statistics Report, Volume 50, Number 15, September 2002, Table 3* and *Volume 52, Number 3, September 2003, Table 3*. See also "General notations and statements," preceding the footnotes section.

Table 18

[1] Includes not only taxes collected by the Internal Revenue Service (IRS) but, starting in Fiscal Year 1988 and the second quarter of Fiscal Year 1991, excise taxes collected by the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service, respectively. These excise taxes were formerly administered by IRS. See footnote 4, below, for an explanation of the revisions to the excise tax data, starting with the Summer 1997 issue of the *Bulletin*.

[2] Includes income taxes of estates and trusts which are taxed at the individual income tax rates, but excludes various taxes paid by certain other tax-

exempt organizations. These latter organizations are also taxed at individual income tax rates, but, for classification purposes, are included in the corporation income tax collection statistics because the majority of these organizations are subject to the corporation income tax.

Individual income tax collections include that portion of the individual income tax transferred to the Presidential Election Campaign Fund based on elections made by taxpayers on their income tax returns. Presidential election campaign designations and associated amounts are shown in Table 1 for recent calendar-year tax years; designation amounts in recent fiscal years, without regard to tax year, are as follows:

Fiscal year	Millions of dollars
2004	$55.9
2003	55.2
2002	67.0
2001	58.1
2000	60.7
1999	61.0
1998	63.3
1997	66.9
1996	66.3
1995	68.5
1994	69.7
1993	27.7
1992	29.6
1991	32.3
1990	32.5
1989	32.3
1988	33.2
1987	33.2

Collections of income tax of estates and trusts in fiscal years, without regard to tax year, are as follows:

Fiscal year	Billions of dollars
2004	$10.7
2003	8.4
2002	10.8
2001	17.5
2000	16.7
1999	14.3
1998	14.2
1997	11.2
1996	8.0
1995	5.3
1994	6.2
1993	6.0
1992	6.1
1991	4.8
1990	5.9
1989	6.0
1988	6.5
1987	8.4

[3] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Such taxes also include the taxes paid by certain tax-exempt trusts at individual income tax rates; however, these taxes were combined with the corporation income tax collections when tabulated. Total taxes collected in recent fiscal years, without regard to tax year, from organizations otherwise tax-exempt are as follows:

Fiscal year	Total	Unrelated business income tax
	(Millions of dollars)	
2004	$510.7	$347.1
2003	386.0	270.4
2002	494.5	319.2
2001	652.1	523.3
2000	674.8	553.6
1999	810.8	665.9
1998	689.8	473.2
1997	666.8	484.9
1996	699.9	501.9
1995	484.9	294.3
1994	571.5	372.4
1993	342.7	173.6
1992	379.5	181.6
1991	288.2	155.6
1990	304.0	127.9
1989	271.4	115.6
1988	284.0	137.5
1987	244.3	119.9

[4] Data shown for the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) also

include data for the Customs Service. To preserve the historical time series interrupted by transferring collection of the manufacturers' excise taxes paid on alcohol and tobacco and of the manufacturers' excise taxes on recreational products for the taxes paid on firearms from IRS to TTB, starting in July 1987 and January 1991, respectively, the combined excise taxes for these two Treasury agencies are shown in Table 18 alongside the IRS excise tax collections, for fiscal years beginning with 1988. They have also been added to the total tax collections reported by IRS to show a grand total of all Treasury Department tax collections (with the exception of a cargo excise tax collected by the Customs Service).

Although responsibility for the administration of alcohol and tobacco excise taxes was transferred to the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service, effective July 1, 1987, i.e., with the beginning of the fourth quarter of Fiscal Year 1987, the taxes collected were treated as Internal Revenue Service tax collections (column 4) through September 30, 1987, i.e., through the end of the fourth quarter of Fiscal Year 1987, rather than as TTB/Customs collections (column 5), as a transitional measure.

[5] Employment taxes include:

(a) Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes, i.e., Social Security taxes, levied on salaries and wages (under the Federal Insurance Contributions Act, FICA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$664.9
2003	647.9
2002	639.7
2001	634.2
2000	593.3
1999	555.3
1998	513.9
1997	484.0
1996	455.2
1995	394.4
1994	409.6
1993	381.1
1992	365.2
1991	349.3
1990	336.3
1989	317.8
1988	289.9
1987	252.6

(b) Social Security taxes levied on "self-employment income" (under the Self-Employment Insurance Contributions Act, SECA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$41.2
2003	37.1
2002	37.1
2001	36.3
2000	34.6
1999	32.2
1998	32.6
1997	34.0
1996	26.9
1995	60.9
1994	24.4
1993	20.6
1992	24.4
1991	25.5
1990	21.3
1989	19.0
1988	17.7
1987	14.0

(c) unemployment insurance taxes (under the Federal Unemployment Tax Act, FUTA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$6.7
2003	6.6
2002	6.7
2001	7.1
2000	7.0
1999	6.7
1998	6.5
1997	6.2
1996	6.0
1995	5.8

1994	5.6
1993	5.6
1992	5.8
1991	5.5
1990	5.5
1989	4.7
1988	6.2
1987	6.2

(d) Railroad Retirement (carriers) tax. Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$4.4
2003	4.4
2002	4.6
2001	4.7
2000	4.8
1999	4.5
1998	4.8
1997	4.4
1996	4.3
1995	4.3
1994	4.2
1993	4.3
1992	4.4
1991	4.2
1990	4.2
1989	4.1
1988	4.3
1987	4.2

NOTES: In general, collections represent the gross amounts before refunds and include (a) amounts paid with the tax return, (b) amounts paid prior to filing the return, as applicable (income tax withheld by employers and "estimated tax" payments), and (c) amounts paid subsequent to filing the return (chiefly the result of initial IRS administrative return processing or later examination and enforcement activities). Collections also include interest and penalties, but do not reflect any revisions to the IRS data for specific fiscal years made after the close of the fiscal year. Instead, revisions are reflected in the data for the later fiscal year in which the revision was made. However, revisions to the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and Customs excise tax collections are treated differently. See the "Notes" to Table 21.

Collection statistics reported by the Internal Revenue Service are not altogether comparable to those published by the Financial Management Service, also in the Treasury Department, because of timing differences resulting from the definitions each agency uses. The Internal Revenue Service counts the monies as they are received (to reflect the status of its tax collection operation); the Financial Management Service counts these amounts as received, but only after discrepancies (such as between what the employer reports as tax withheld and the amount actually withheld) are resolved. Also, the Financial Management Service classifies the tax collected according to the Federal Budget account to which the tax receipts are assigned (so that, for example, the former "environmental tax" reported on the corporation income tax return was not included in Treasury's monthly corporation income tax statistics because, by law, collections of this tax were assigned to the environmental "Superfund," rather than to the General Fund to which most income taxes are assigned. In contrast, this tax was classified as a part of the corporation income tax in Internal Revenue Service tax collection statistics).

For purposes of Table 18 (and to facilitate comparisons with Table 21), the grand totals of all excise taxes were obtained by accumulating data from the *Treasury Monthly Statement. S*ee also the citation under "Source," below. Totals for excise taxes collected by IRS were then subtracted from these grand totals to derive the combined totals shown as having been collected by the TTB and the Customs Service. This subtraction is not precise because of definitional differences between the two agencies.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems; and Financial Management Service, *Monthly Statement on Receipts and Outlays of the United States Government*, monthly.

Table 19

[1] Even though the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service have had responsibility for collecting and refunding excise taxes on alcohol

and tobacco since July 1987 and of excise taxes on firearms since January 1991, the Internal Revenue Service (IRS) continues to be responsible for the recording of refunds of these taxes. Consequently, IRS statistics for excise tax refunds include refunds made by TTB and the Customs Service in years subsequent to the dates on which organizational responsibility was transferred. In contrast, TTB and Customs Service excise tax collections are recorded by these two Treasury agencies and are, therefore, shown separately in Table 18 under the heading, Alcohol and Tobacco Tax and Trade Bureau. See also footnote 4.

[2] Includes special statutory refunds, e.g., in 2001, and refunds of taxes paid on the "unrelated business income" of certain tax-exempt trusts. Also, to preserve the year-to-year comparability of the historical series, individual income tax refund data have been revised, as necessary, starting with 1996, to include net refunds due to the "earned income credit" (see also Table 1, footnote 37), in addition to overpayment and other refunds. This credit is already reflected in the refund statistics for previous years. Therefore, refund data may not always agree with those presented in the annual *Internal Revenue Service Data Book,* for certain years starting with 1996, although, conceptually, they agree with refund data published in the Treasury Department's *Monthly Statement of Receipts and Outlays of the United States Government.* See also the citation under "Source," below.

Individual income tax refunds are net of offsets under laws that require the Department of the Treasury to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs. See Table 20 (which, however, is by calendar year rather than by fiscal year).

[3] Includes refunds of taxes on the "unrelated business income" of tax-exempt organizations, except for certain trusts.

[4] See footnote 1. Also, as further explained in the "Notes" to Table 21, taxpayers can offset certain refundable excise tax payments against the tax of subsequent time periods and claim certain other refunds as a credit against income tax; however, these amounts are not reflected in the excise tax refund statistics.

[5] The kinds of employment taxes subject to refund are listed in Table 18, footnote 5.

NOTE: Refund data include interest paid on the refunds by IRS or the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) as shown below. See also the "Notes" to Table 18.

Fiscal year	Total	Individuals	Corporations
	(Billions of dollars)		
2004	$5.1	$.4	$4.6
2003	3.3	.5	2.6
2002	4.2	.6	3.4
2001	2.7	.5	2.0
2000	2.6	.6	2.0
1999	2.7	.4	2.2
1998	2.6	.3	2.1
1997	2.4	.4	1.8
1996	2.2	.3	1.6
1995	2.7	.4	1.7
1994	3.1	.3	2.3
1993	2.1	.4	1.6
1992	3.2	.4	2.1
1991	2.8	.5	2.0
1990	2.4	.5	1.4
1989	1.8	.5	n.a.
1988	1.7	.4	n.a.
1987	2.0	.4	n.a.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems.

Table 20

[1] Represents repayments to specific Federal agencies (or State treasuries) for debts, such as student loans, mortgage and loan foreclosures, dishonored checks, and overpayments of benefits. There was no refund offset program prior to Fiscal Year 1982. Data are shown by year in which the offset was made, regardless of tax year.

Starting January 1999, the IRS tax refund offset program was merged into the Treasurywide offset program. This combined U.S. Government debt collection program is administered by the Financial Management Service (FMS), Department of the Treasury. (The sharp increase in tax refund offsets, starting with 1999--to $2.6 billion in 1999--was attributed by FMS to (1) system enhancements which include offset matching on the Social Security numbers of both husbands and wives as reported on joint individual income tax returns, (2) increased debt referrals for child support and Federal non-tax debt, (3) system flexibility allowing creditor agencies to add and update debt records on a continuous basis, and (4) increases in the average number and amount of tax refund payments due in part to new tax credits. For additional information, see U.S. Department of the Treasury, Financial Management Service, *Annual Report to the Congress: U.S. Government Debt Collection Activities of Federal Agencies,* Fiscal Year 1999.)

[2] After 1990, number of offsets includes adjustments for injured spouse claims filed with the original tax return. See also footnote 1.

[3] For all years, data exclude fees charged by the Internal Revenue Service or the Financial Management Service. For years preceding 1999, data by program or Federal agency represent the net amounts offset against refunds, after injured spouse claims and other types of reversals. Starting with 1999, the totals by program or Federal agency are the gross amounts before injured spouse claims and other types of reversals, with the reversals shown separately as summarized totals. However, the grand totals for 1999 are comparable to those shown for earlier years.

[4] From 1992 through 1994, the Social Security Administration (SSA) participated in the refund offset program as part of the Department of Health and Human Services (HHS), but, starting in 1995, SSA became an independent agency. Nevertheless, SSA refund offsets are shown separately for all these years, and are not included in the HHS totals for 1992-1994.

[5] Represents repayments to State treasuries for funds disbursed to families receiving State assistance and for funds distributed under the Temporary Assistance for Needy Families (TANF) program, before 1997 known as the Aid to Families with Dependent Children (AFDC) program.

[6] Represents repayments to State treasuries for distribution to custodial parents (non-TANF). See also footnote 5, above.

[7] Before 1996, known as the Public Health Service.

[8] Includes affiliated exchange services.

SOURCE: U.S. Department of the Treasury. For years starting with 1999, Financial Management Service. For previous years, Internal Revenue Service.

Table 21

[1] Tax "liability" statistics also include "collections" of the use tax on heavy highway vehicles and of the "crude oil windfall profit tax." See also the "Notes" below.

[2] Represents aggregates for two or more specific taxes for which amounts have either been combined or are not available separately.

[3] This tax is in addition to the regular tax on gasoline.

[4] Revised data for this and certain other taxes are combined and included in the revised totals for excise taxes "unclassified," shown below in Table 21. Revisions for the specific taxes were not separately tabulated.

[5] Based on information obtained from Forms 990-PF as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Excludes data from nonexempt charitable trusts and foreign private foundations that file Form 990-PF.

[6] Based on information obtained from Forms 4720 as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Includes data for initial taxes on self-dealing, required distributions, excess business holdings, jeopardizing investments, and taxable expenditures as reported on Forms 4720 filed by organizations, other than nonexempt charitable trusts, that were also required to file Form 990-PF.

[7] The flight segment charged for nonrural airports changed effective January 1, 2004. The domestic flight segment increased from $3.05 to $3.10 per person. The 7.5-percent rate is still in effect. There is no flight segment tax on rural airports.

[8] The taxes on the use of international air facilities changed, effective January 1, 2004. The rate increased from $13.40 to $13.70 per person. For domestic flight segments beginning or ending in Alaska or Hawaii, the rate increased from $6.70 to $6.90.

[9] Starting with Fiscal Year 1998, includes excise taxes collected through the Federal Tax Deposit (FTD) system, which the Internal Revenue Service had not yet classified by type of excise tax. Classification is based on returns filed in the quarter following tax payment. Negative amounts for "unclassified" taxes result from subsequent classification of the previously unclassified taxes. For fiscal years before 1998, "unclassified" taxes are included in the statistics for "Internal Revenue Service collections less reported amounts." See also the "Notes," below.

[10] Tax "liability" statistics shown for the Customs Service/Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) include tax "collections" on imported items for which the Customs Service is responsible. See also the "Notes," below.

[11] Taxes shown for the different types of domestic tobacco products are before post-filing tax adjustments. Therefore, the statistics by type of tax for domestic tobacco products will not add to the total tax on domestic tobacco products, which is after these adjustments. For additional information, see the "Notes," below, under "Statistics on Excise Taxes Administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service."

NOTES: Grand totals for taxes shown for the Internal Revenue Service (IRS), the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]), and the Customs Service represent tax "collections." (Fees for the Harbor Maintenance tax treated as excise taxes under the Internal Revenue Code are also collected by the Customs Service, but are excluded from Table 21 for consistency with the excise tax definitions and totals published in the Federal Budget. Also excluded is an environmental excise tax reported on the corporation income tax return for 1987 through 1996 and collected as part of the corporation income tax.) Prior to Fiscal Year 1998, all other Table 21 data (with the exceptions noted below) represent tax "liabilities" as reported on excise tax returns, rather than the tax actually collected. For data for Fiscal Years beginning with 1998, see below.

For the grand totals, collections rounded to millions of dollars are all that are available. In general, amounts shown are the gross amounts, i.e., before refunds. However, as explained below, refunds are sometimes claimed as a credit against the tax reported on the excise tax return of a subsequent quarter so that, to this extent, the data are after refunds.

"Floor stocks taxes" are shown separately in Table 21 because they are nonrecurring. They are generally imposed on holders of inventories on the date a new excise tax is imposed or a tax rate increased.

Total collections represent tax payments made during the indicated fiscal year (or quarter), either through: (a) the semimonthly tax deposits required of most taxpayers with significant excise tax liabilities using Federal Tax Deposit (FTD) coupons, in the case of taxes collected by IRS, or Electronic Funds Transfers (EFT's), in the case of taxes collected by TTB/Customs, or (b) payments attached to quarterly excise tax returns. Prior to Fiscal Year 1998, excise tax collections by the Treasury Department were accounted for without identifying the specific types of excise tax to which the payments applied. Therefore, the only statistics on the specific types of tax for these years are for the tax "liabilities," which are reported by type on the excise tax return. There were three exceptions: the use tax on heavy highway vehicles and the former "crude oil windfall profit" tax, both administered by IRS, which taxpayers were required to account for separately when taxes were paid, and the taxes on imports administered by the Customs Service. As a result, "collections," rather than "liabilities," for each of these three types of tax, are included in the Table 21 statistics for all years.

Beginning with Fiscal Year 1998, statistics for both the total for taxes administered by the IRS and the taxes by

type of tax represent tax "collections" (see below). For Fiscal Year 1997, the amounts shown for the total represent tax collections, while the taxes by type of tax represent the tax liability reported on excise tax returns. Also, for these latter years, statistics on the types of tax take into account the normal lag that exists between the time most taxes are collected (through FTD's, the means by which most excise taxes are collected), and the recording of tax liabilities by type of tax as reported on excise tax returns and "certified" by IRS, as described below. For additional information, see the notes to Table 20, *Statistics of Income Bulletin*, Fall 1998, Volume 18, Number 2, and also, "Federal Excise Taxes, Fiscal Years 1994 and 1995," Fall 1996, Volume 16, Number 2.

a. Statistics on excise taxes administered by the Internal Revenue Service:

For years before Fiscal Year 1998, the table entry for IRS "collections less reported amounts" is a balancing amount, representing the difference between the tax collected and the IRS "certified" tax liability. It, therefore, reflects the timing adjustments taken into account for the statistics in recognition of: (1) the lag between time of tax payment and time of filing the return and (2) the previous inability of equating tax payments with the tax liability reported on the excise tax return. Inasmuch as the difference between the certified tax liability and the tax collected was apportioned in order to make the tax liability and the tax collected equal, starting with Fiscal Year 1998, there are no entries for "collections less reported amounts," starting with that year.

Corrections to the IRS data are reflected in the quarter(s) and year in which the corrections were made, rather than in the data for the quarter(s) and year in which the original tax liability arose (unlike the TTB /Customs data). The certified tax is net of refund credits reported on excise tax returns, not only for this reason, but for conformity with the Internal Revenue Code. As examples, tax can be offset for commodities exported that were previously taxed (exports are usually nontaxable), or for the sale of previously-taxed gasoline to a State or local government (or, in the case of TTB taxes, for alcohol used for a nonbeverage purpose). Other taxpayers apply directly for refunds and, for some of the taxes, are allowed to claim refunds by means of a credit against income tax. Because such refundable amounts were not reported on the excise tax return, they are not reflected in the Table 21 totals. (Other corrections to the IRS data for certain specific taxes are assumed to be due to misclassification and have been adjusted for as additions (or subtractions) to "Unclassified IRS taxes.")

b. Statistics on excise taxes administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service:

Excise taxes on alcoholic beverages and tobacco products are collected by both Customs Service (on imports) and TTB (on domestic production). Taxes on firearms and certain occupational taxes are also collected by TTB. TTB tax liability statistics, for all of the years shown in Table 21, are presented in more detail, beginning with the Summer 1998 *Bulletin* (formerly, this table was numbered Table 20). The less detailed TTB statistics shown for each year in previous issues of the *Bulletin* also represent tax "liabilities" on domestic alcohol and tobacco productions, as well as tax "liabilities" on firearms and certain occupations. By contrast, the taxes on imported alcohol and tobacco production reported by the Customs Service are tax "collections" in data for all years.

The grand totals for TTB and Customs Service tax "collections," as presented in Table 21, are residual amounts. They were derived by subtracting total IRS tax collections, which are available before most refunds, from the grand total of all excise tax gross collections reported in the *Monthly Treasury Statement*, rounded to millions of dollars, as shown at the beginning of Table 21. This subtraction is not precise because of definitional differences between IRS and TTB or Customs Service.

In Table 21, TTB data have been rearranged, starting with the Spring 1997 *Bulletin* (then Table 20), so that tax liabilities are matched with tax collections in that same quarter. Previously, tax

liabilities arising in a given quarter were not directly related to reported tax collections during that same quarter. Also, as previously noted, TTB amounts are often revised slightly as late returns are processed or post-filing adjustments are made to the tax. As a result, tax reported for prior periods is updated on a continuing basis, although the updated prior-year data are actually retabulated only for the one, most recent, prior year. Retabulated post-filing tax revisions for these earlier years are included for the first time in Table 21 of the Spring 2002 issue of the *Bulletin* and affect previously published data for fiscal years, beginning with 1996.

However, as stated in footnote 11, above, post-filing revisions to the data for the immediately preceding fiscal year are not available for the detailed types of taxes on domestic tobacco products. Therefore, because revisions are available and are reflected in the total presented as the sum of these taxes, adding up the (unrevised) detail by type of tax will not yield the (revised) total.

SOURCE: U.S. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement of Receipts and Outlays of the United States Government*; Alcohol and Tobacco Tax and Trade Bureau *Statistical Release: Alcohol, Tobacco and Firearms Tax Collections,* quarterly (this release also includes data for the Customs Service), and previously unpublished special tabulations; Internal Revenue Service, *Internal Revenue Service Data Book*, and its predecessor, *Annual Report, Commissioner and Chief Counsel, Internal Revenue Service;* also Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems, *Internal Revenue Report of Excise Taxes*. Also see Davie, Bruce F., "Federal Excise Taxes, Fiscal Years 1994 and 1995," *Statistics of Income Bulletin,* Fall 1996, Volume 16, Number 2. See also (unrevised) data included in Davie, Bruce F., "Excise Taxes, Fiscal Year 1992," *Statistics of Income Bulletin,* Fall 1993, Volume 13, Number 2. Also see data in Francis, Brian D., "Excise Taxes, Fiscal Years 1995-1997," *Statistics of Income Bulletin*, Spring 1998, Volume 17, Number 4, and Francis, Brian D., "Federal Excise Taxes, Including the Slow Death of Expired Taxes," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1. For additional information about the process used to match quarterly excise tax "collections" with excise tax "liabilities" as reported on quarterly excise tax returns, see the "Notes" to Table 20 in the Fall 1998 (Volume 18, Number 2) issue of the *Statistics of Income Bulletin.*

Table 22

[1] Form 1040 is the "long form," and Form 1040A, one of the two (three for Filing Year 1996) "short forms." Starting with Filing Year 1991, use of Form 1040A was expanded to reflect provisions designed to facilitate usage by elderly taxpayers. Prior to 1994, Form 1040EZ, the other "short form" (introduced in 1983), was for single taxpayers with no dependents; starting in 1994, certain married taxpayers with no dependents could also use this form. The types of income that could be reported on Form 1040EZ were also expanded, starting in 1996, to include unemployment compensation. (For Filing Year 1996, the third "short form" was Form 1040-T, an experimental form, discontinued after this one year.) Form 1040PC, introduced in 1992 and discontinued after 2000, was the equivalent of a "paper" Form 1040, 1040A, or 1040EZ return for which an IRS-approved computer software-generated compressed format was used. Schedule C is for reporting nonfarm sole proprietorship business profits, and Schedule F is for reporting farm sole proprietorship business profits.

Starting with Filing Year 1986, the reported data for total Forms 1040, 1040A, 1040EZ, and 1040PC returns, and for Forms 1040-T (for 1996), as well as the totals for nonbusiness and business Form 1040 returns with Schedules C or F attached, are comprised of "paper" returns, plus "standard" electronically-filed ("e-file") returns. Standard e-file returns are filed by authorized third parties, such as paid preparers and, starting in 1994, approved "online" tax filing companies, as well. Starting in 1992, the electronically-filed totals also include returns filed by touch-tone telephone ("TeleFile").

The last category under individual income tax returns is comprised of Form 1040C (departing

alien) for filing years preceding 1992; 1040NR (nonresident alien); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands). Amended returns filed on Form 1040X are excluded.

[2] Form 1120 is the basic corporation income tax return. Form 1120A is the "short form" (introduced in Filing Year 1985; filers formerly used Form 1120). Form 1120S is for S corporations (certain qualifying small corporations electing to be taxed through shareholders; to qualify, such corporations could have no more than 75 shareholders, starting in 1998, no more than 35 shareholders in 1984-1997, no more than 25 in 1983, no more than 15 in 1981-1982, and no more than 10 prior to 1981; also, starting with 1997, S corporation returns could include subsidiaries of a parent S corporation if the subsidiaries were also S corporations). "Other" includes Forms 1120-F (most foreign companies with U.S. income); Forms 1120-L (domestic and foreign life insurance companies), which are combined with Form 1120 statistics for years before 1995; Forms 1120POL (certain political associations); Forms 1120-H (homeowners' associations); Forms 1120-FSC (Foreign Sales Corporations, or FSC's), starting in 1986; Forms 1120-REIT (Real Estate Investment Trusts) and 1120-RIC (Regulated Investment Companies), starting in 1988 (filers formerly used Form 1120); and Forms 1120-PC (Property and Casualty Insurance Companies), starting in 1987 (filers formerly used Forms 1120 or 1120M, described below). "Other" also includes Form 1120DF (for nuclear decommissioning trust funds and related persons), starting in 1988; these funds were then included on Form 1120SF (for certain settlement funds), starting in 1994; and, for years before 1988, Form 1120M (now discontinued) for most mutual nonlife insurance companies that now file Form 1120 or 1120-PC (and are included in the statistics for Form 1120 in the years preceding 1988). After 1985, "other" excludes Form 1120-DISC for Domestic International Sales Corporations, which were discontinued and mostly replaced by FSC's (see above); and Form 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations (which was used by certain other DISC's after 1985). Amended returns filed on Form 1120X are excluded.

[3] Includes Form 1065B for certain large partnerships, starting in 1999.

[4] Form 1041 is the regular income tax return filed for estates and trusts. For 1988-1990, includes former Form 1041S (short form).

[5] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens; Forms 706 GS(D) and 706 GS(T) are for estate tax returns for which the generation-skipping transfer tax applies.

[6] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' co-operatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations, and Form 5227 is for split-interest trusts treated as private foundations.

[7] Form 940 is the annual unemployment (FUTA) tax return filed by employers; Form 940PR is used by employers in Puerto Rico; and Form 940EZ is a shorter version of Form 940. Form 940EZ is only included in the Form 940 totals for 1990 and subsequent years. Form 941 is the employer's quarterly return for income tax withheld; Form 941PR is used by employers in Puerto Rico; and Form 941SS, by employers in the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. Form 941M (monthly tax withholdings) is included with Form 941 in 1980 and prior years. Form 943 is filed to report income tax withheld by employers for agricultural employees. Form 943PR is used by employers in Puerto Rico. "Other" includes Form 945 (annual tax withholding from non-payroll distributions), included in 1995 and subsequent years; Form 942 (quarterly return for household employees) and Form 942PR (quarterly return for household employees filed by Puerto Rico employers, both discontinued after 1995); Form CT-1 (annual Railroad Retirement and unemployment tax return); and Form CT-2

(representative's quarterly railroad tax return), not included in years following 1980.

[8] Form 720 is the IRS quarterly excise tax return and includes related Form 720M for 1980. Form 2290 is the IRS return used to report heavy highway vehicle use tax. "Other" includes Form 730 (tax on wagering); Form 11C (occupational tax and registration return for wagering); Form 4638 (use tax on civil aircraft) in 1982 and prior years; and Form 11B (tax on gaming devices) in 1980. (After 1985, excise tax returns exclude those now filed with the Alcohol and Tobacco Tax and Trade Bureau (TTB), (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives [ATF]), and the Customs Service.)

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Office of Research, Analysis, and Statistics, Office of Research, Projections and Forecasting Group.

Table 23

[1] Number of returns with a paid preparer signature is based on the sample used for *Statistics of Income--Individual Income Tax Returns*.

[2] Data on electronically-filed returns are included in the counts of Form 1040 returns, shown above in Table 23, for all years. Starting with Tax Year 1995, data are based on the full SOI samples of returns filed throughout the entire year.

[3] Data on IRS taxpayer assistance programs are actually for the fiscal year. Assistance rendered in a given fiscal year may be associated with returns due on April 15 of that fiscal year and is, therefore, for the tax year ending with the previous December. Thus, data in Table 23 on taxpayer assistance, shown as for Tax Year 2003, are actually for Fiscal Year 2004.

[4] The number of community classes and seminars increased significantly from Fiscal Year 2001 (shown as Tax Year 2000; see footnote 3). This was a result of both expanded partner activity and a revision in the community classes and seminars classification. "Community classes and seminars" included estimates of both direct (IRS) and indirect (partner) contacts through seminars, training classes, mail-out campaigns, etc.

[5] The number of outreach community sites and outreach taxpayers assisted both increased due to the success of the Stakeholder, Partnership, Education and Communications (SPEC) program in developing partnership relationships and leveraging these relationships to deliver tax return preparation and educational outreach assistance to taxpayers.

[6] Only return preparation activity was captured and reported for VITA and TCE sites. In prior years, the number of taxpayers assisted through VITA and TCE included the number of questions answered and returns prepared.

NOTE: Data on IRS assistance represent taxpayer contacts, unless indicated. Some taxpayers are contacted more than once. The number of taxpayers assisted (versus those contacted) is not known.

SOURCE: Data on paid preparers were obtained from SOI and from Assistant Deputy Commissioner, Modernization/Chief Information Officer. Data on IRS assistance were obtained from the *Internal Revenue Service Data Book,* starting with Fiscal Year 1999and including Fiscal Year 2003.

Table A.--U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2004

[Amounts are in dollars.]

Tax year	Personal exemptions [1]			Tax rates for regular tax--			
				Lowest bracket		Highest bracket	
	Single persons	Married couples	Dependents	Tax rate[2] (percent)	Taxable income under--[3]	Tax rate[2] (percent)	Taxable income over--[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1913	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1914	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1915	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1916	3,000	4,000	N/A	2.0	20,000	15.0	2,000,000
1917	1,000	2,000	200	2.0	2,000	67.0	2,000,000
1918	1,000	2,000	200	6.0	4,000	77.0	1,000,000
1919	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1920	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1921	1,000	2,500 [4]	400	4.0	4,000	73.0	1,000,000
1922	1,000	2,500 [4]	400	4.0	4,000	58.0	200,000
1923	1,000	2,500 [4]	400	3.0[5]	4,000	43.5[5]	200,000
1924	1,000	2,500	400	1.5 [6]	4,000	46.0	500,000
1925	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1926	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1927	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1928	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1929	1,500	3,500	400	0.375 [8]	4,000	24.0	100,000
1930	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1931	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1932	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1933	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1934	1,000	2,500	400	4.0[9]	4,000	63.0	1,000,000
1935	1,000	2,500	400	4.0[9]	4,000	63.0	1,000,000
1936	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1937	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1938	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1939	1,000	2,500	400	4.0 [9]	4,000	79.0	5,000,000
1940	800	2,000	400	4.4[9, 10]	4,000	81.1[10]	5,000,000
1941	750	1,500	400	10.0 [9]	2,000	81.0	5,000,000
1942	500	1,200	350	19.0 [9]	2,000	88.0	200,000
1943	500	1,200	350	19.0 [9]	2,000	88.0	200,000
1944	500 [11]	1,000 [11]	500 [11]	23.0	2,000	94.0 [12]	200,000
1945	500 [11]	1,000 [11]	500 [11]	23.0	2,000	94.0 [12]	200,000
1946	500	1,000	500	19.0 [13]	2,000	86.45[13]	200,000
1947	500	1,000	500	19.0[13]	2,000	86.45[13]	200,000
1948	600 [14]	1,200 [14]	600	16.6 [15]	4,000	82.13[15]	400,000
1949	600 [14]	1,200[14]	600	16.6 [15]	4,000	82.13[15]	400,000
1950	600 [14]	1,200[14]	600	17.4 [16]	4,000	84.36[16]	400,000
1951	600 [14]	1,200[14]	600	20.4	4,000	91.0[17]	400,000
1952	600[14]	1,200 [14]	600	22.2	4,000	92.0[18]	400,000
1953	600[14]	1,200[14]	600	22.2	4,000	92.0[18]	400,000
1954	600[14]	1,200 [14]	600	20.0	4,000	91.0[19]	400,000
1955	600[14]	1,200 [14]	600	20.0	4,000	91.0[19]	400,000

See notes at end of this section.

Table A.--U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2004--Continued

[Amounts are in dollars.]

Tax year	Personal exemptions [1]			Tax rates for regular tax--			
				Lowest bracket		Highest bracket	
	Single persons	Married couples	Dependents	Tax rate[2] (percent)	Taxable income under--[3]	Tax rate[2] (percent)	Taxable income over--[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1956	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1957	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1958	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1959	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1960	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1961	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1962	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1963	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1964	600[14]	1,200[14]	600	16.0	1,000	77.0	400,000
1965	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1966	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1967	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1968	600[14]	1,200[14]	600	14.0	1,000	75.25[20]	200,000
1969	600[14]	1,200[14]	600	14.0	1,000	77.0[21]	200,000
1970	625[14]	1,250[14]	625	14.0	1,000	71.75[22]	200,000
1971	675[14]	1,350[14]	675	14.0	1,000	70.0[23]	200,000
1972	750[14]	1,500[14]	750	14.0	1,000	70.0[24]	200,000
1973	750[14]	1,500[14]	750	14.0	1,000	70.0[24]	200,000
1974	750[14]	1,500[14]	750	14.0[25]	1,000	70.0[24, 25]	200,000
1975	750[14, 26]	1,500[14, 26]	750[26]	14.0	1,000	70.0[24]	200,000
1976	750[14, 27]	1,500[14, 27]	750[27]	14.0	1,000	70.0[24]	200,000
1977	750[14, 27]	1,500[14, 27]	750[27]	14.0[28]	3,200[28]	70.0[24]	203,200
1978	750[14, 27]	1,500[14, 27]	750[27]	14.0[28]	3,200[28]	70.0[24]	203,200
1979	1,000[14]	2,000[14]	1,000	14.0[28]	3,400[28]	70.0[24]	215,400
1980	1,000[14]	2,000[14]	1,000	14.0[28]	3,400[28]	70.0[24]	215,400
1981	1,000[14]	2,000[14]	1,000	13.825[28, 29]	3,400[28]	69.125[24, 29]	215,400
1982	1,000[14]	2,000[14]	1,000	12.0[28]	3,400[28]	50.0	85,600
1983	1,000[14]	2,000[14]	1,000	11.0[28]	3,400[28]	50.0	109,400
1984	1,000[14]	2,000[14]	1,000	11.0[28]	3,400[28]	50.0	162,400
1985	1,040[14, 30]	2,080[14, 30]	1,040[30]	11.0[28]	3,540[28, 31]	50.0	169,020[31]
1986	1,080[14, 30]	2,160[14, 30]	1,080[30]	11.0[28]	3,670[28, 31]	50.0	175,250[31]
1987	1,900[30]	3,800[30]	1,900[30]	11.0	3,000[31]	38.5	90,000[31]
1988	1,950[30, 32, 33]	3,900[30, 32, 33]	1,950[30, 32, 33]	15.0[34, 35]	29,750[31, 35]	28.0[34, 35]	29,750[31, 35]
1989	2,000[30, 32, 33]	4,000[30, 32, 33]	2,000[30, 32, 33]	15.0[34, 35]	30,950[31, 35]	28.0[34, 35]	30,950[31, 35]
1990	2,050[30, 32, 33]	4,100[30, 32, 33]	2,050[30, 32, 33]	15.0[34, 35]	32,450[31, 35]	28.0[34, 35]	32,450[31, 35]
1991	2,150[30, 32]	4,300[30, 32]	2,150[30, 32]	15.0	34,000[31]	31.0	82,150[31]
1992	2,300[30, 32]	4,600[30, 32]	2,300[30, 32]	15.0	35,800[31]	31.0	86,500[31]
1993	2,350[30, 32]	4,700[30, 32]	2,350[30, 32]	15.0	36,900[31]	39.6	250,000[31r]
1994	2,450[30, 32]	4,900[30, 32]	2,450[30, 32]	15.0	38,000[31]	39.6	250,000[31]
1995	2,500[30, 32]	5,000[30, 32]	2,500[30, 32]	15.0	39,000[31]	39.6	256,500[31]
1996	2,550[30, 32]	5,100[30, 32]	2,550[30, 32]	15.0	40,100[31]	39.6	263,750[31]
1997	2,650[30, 32]	5,300[30, 32]	2,650[30, 32]	15.0	41,200[31]	39.6	271,050[31]
1998	2,700[30, 32]	5,400[30, 32]	2,700[30, 32]	15.0	42,350[31]	39.6	278,450[31]
1999	2,750[30, 32]	5,500[30, 32]	2,750[30, 32]	15.0	43,050[31]	39.6	283,150[31]
2000	2,800[30, 32]	5,600[30, 32]	2,800[30, 32]	15.0[36]	43,850[31]	39.6[36]	288,350[31]
2001	2,900[30, 32]	5,800[30, 32]	2,900[30, 32]	10.0[37]	6,000[31, 38]	39.1[37]	297,350[31, 38]
2002	3,000[30, 32]	6,000[30, 32]	3,000[30, 32]	10.0	12,000[31]	38.6	307,050[31]
2003	3,050[30, 32]	6,100[30, 32]	3,050[30, 32]	10.0	14,000[31]	35.0	311,950[31]
2004	3,100[30, 32]	6,200[30, 32]	3,100[30, 32]	10.0	14,300[31]	35.0	319,100[31]

See notes at end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]

Year [2]	Taxable income brackets [3]	Rates (percent)
1909-1913 (February 28)	First $5,000	--
	Over $5,000	1.00
1913 (March 1)-1915	All taxable income	1.00
1916	All taxable income	2.00
1917 [4]	All taxable income	6.00
1918 [4]	First $2,000	--
	Over $2,000	12.00
1919-1921 [4]	First $2,000	--
	Over $2,000	10.00
1922-1924 [4]	First $2,000	--
	Over $2,000	12.50
1925	First $2,000	--
	Over $2,000	13.00
1926-1927	First $2,000	--
	Over $2,000	13.50
1928	First $3,000	--
	Over $3,000	12.00
1929	First $3,000	--
	Over $3,000	11.00
1930-1931	First $3,000	--
	Over $3,000	12.00
1932-1935 [5]	All taxable income	13.75
1936-1937 [5,6]	First $2,000	8.00
	Over $2,000, not over $15,000	11.00
	Over $15,000, not over $40,000	13.00
	Over $40,000	15.00
1938-1939 [5]	Taxable income $25,000 or less:	
	First $5,000	12.50
	Next $15,000	14.00
	Next $5,000	16.00
	Taxable income over $25,000	19.00
1940 [5,7]	Taxable income $31,964.30 or less:	
	First $5,000	14.85 [8]
	Next $15,000	16.50 [8]
	Next $5,000	18.70 [8]
	Next $6,964.30	38.30 [8]
	Taxable income over $31,964.30, not over $38,565.84:	
	First $5,000	15.40 [8]
	Next $15,000	16.90 [8]
	Next $5,000	18.90 [8]
	Next $13,565.84	36.90 [8]
	Taxable income over $38,565.84	24.00 [8]
1941 [5,7]	Taxable income $38,461.54 or less:	
	First $5,000	21.00 [9]
	Next $15,000	23.00 [9]
	Next $5,000	25.00 [9]
	Next $13,461.54	44.00 [9]
	Taxable income over $38,461.54	31.00 [9]

See notes at the end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]--Continued

Year [2]	Taxable income brackets [3]	Rates (percent)
1942-1945 [5, 7]	Taxable income $50,000 or less:	
	First $5,000	25.00 [9]
	Next $15,000	27.00 [9, 10]
	Next $5,000	29.00 [9, 10]
	Next $25,000	53.00 [9, 10]
	Taxable income over $50,000	40.00 [9, 10]
1946-1949	Taxable income $50,000 or less:	
	First $5,000	21.00 [9]
	Next $15,000	23.00 [9]
	Next $5,000	25.00 [9]
	Next $25,000	53.00 [9, 10]
	Taxable income over $50,000	38.00 [9, 10]
1950 [11]	First $25,000	23.00
	Over $25,000	42.00 [10]
1951 [11]	First $25,000	28.75 [12]
	Over $25,000	50.75 [12]
1952-1963 [11]	First $25,000	30.00 [13]
	Over $25,000	52.00 [13]
1964	First $25,000	22.00
	Over $25,000	50.00 [13]
1965-1967	First $25,000	22.00
	Over $25,000	48.00 [13]
1968-1969 [14]	First $25,000	24.20 [15]
	Over $25,000	52.80 [13, 15]
1970 [14]	First $25,000	22.55 [16]
	Over $25,000	49.20 [16, 17]
1971-1974 [14]	First $25,000	22.00
	Over $25,000	48.00 [18]
1975-1978 [14]	First $25,000	20.00
	$25,000-$50,000	22.00
	Over $50,000	48.00 [19]
1979-1981 [14]	First $25,000	17.00
	$25,000-$50,000	20.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1982 [14]	First $25,000	16.00
	$25,000-$50,000	19.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1983 [14, 21]	First $25,000	15.00
	$25,000-$50,000	18.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1984-1986 [14]	First $25,000	15.00
	$25,000-$50,000	18.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	$100,000-$1,000,000	46.00 [20]
	$1,000,000-$1,405,000	51.00 [20]
	Over $1,405,000	46.00 [20]

See notes at the end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]--Continued

Year [2]	Taxable income brackets [3]	Rates (percent)
1987 [22, 23]	First $25,000	15.00
	$25,000-$50,000	16.50
	$50,000-$75,000	27.50
	$75,000-$100,000	37.00[24]
	$100,000-$335,000	42.50[24]
	$335,000-$1,000,000	40.00[24]
	$1,000,000-$1,405,000	42.50[24]
	Over $1,405,000	40.00[24]
1988-1992	First $50,000	15.00
	$50,000-$75,000	25.00
	$75,000-$100,000	34.00
	$100,000-$335,000	39.00
	Over $335,000	34.00
1993-2003	First $50,000	15.00
	$50,000-$75,000	25.00
	$75,000-$100,000	34.00
	$100,000-$335,000	39.00
	$335,000-$10,000,000	34.00
	$10,000,000-$15,000,000	35.00
	$15,000,000-$18,333,333	38.00
	Over $18,333,333	35.00

See notes at the end of this section.

Footnotes

Table A

N/A—Not applicable.

[1] Personal exemption amounts were deducted at different points in the tax computation, depending on the tax year. For some of the earlier years, they were deducted only from the statutory "net income" subject to the basic "normal tax," for other years, only from the "net income" subject to the "surtax," and, for still other years, from the "net income" subject to both normal tax and surtax. (Footnote 2, below, includes a description of "normal tax" and "surtax.") For more recent years, personal exemptions have been deducted in computing "taxable income," the current tax base for "regular" tax purposes.

[2] Tax rates shown in this table are for the "regular" income tax, i.e., for "normal tax" and "surtax," applicable to U.S. citizens and residents. Therefore, the rates exclude provisions unique to nonresident aliens. Tax rates exclude the effect of tax credits (which reduce the tax liability), except as noted, and several specific add-on or other taxes applicable to all or some tax years. Excluded are the "war excess profits tax" (1917), "victory tax" (1942-1943), Social Security "self-employment tax" (starting with 1951), tax under the "income averaging" provisions (1964-1986) and under the farm income averaging provisions (starting with 1998), and the "recapture taxes" resulting from having to recompute and pay back certain tax credits in later years (starting with 1963), the "maximum tax" on "earned income" or on "personal service income"(1971-1981), the "minimum tax" on "tax preferences" (1970-1983), and the "alternative minimum tax" on "tax preferences" (starting with 1979). Also excluded are such other taxes as the tax on recipients of accumulation distributions of trusts (starting with 1954) and the "special averaging tax" or "multiple recipient special averaging tax" on recipients of lump-sum distributions from qualified retirement plans (starting with 1974).

In addition, Table 1 excludes the taxes associated with the preferential treatment of capital gains, starting with 1922 (although certain gains received preferential treatment as early as 1918). At various times, these treatments have taken the form of special tax rates; special definitions; different asset holding periods; ceilings on taxes; and exclusions from income. Included among these special treatments were "alternative tax" (1938-1986) and its variations for the earlier years, although all of these taxes were in some way tied to the tax structure for regular tax.

Until 1948, a single set of tax rates applied to all taxpayers, regardless of marital or filing status, and married couples filing joint returns were taxed on the combined income of each spouse. However, a second, lower set of rates was introduced, starting with 1948, for married couples filing jointly. (To simplify the Table 1 presentation for these more recent years, only the lowest and highest tax rates for married persons filing jointly are shown.) Under this change, the combined tax of husband and wife became twice the combined tax that would have applied if their combined "taxable income" ("net income" for years before 1954) were cut in half. Thus, taxpayers using the joint return filing status "split" their incomes for tax purposes, in effect doubling the width of their taxable income (or net income) size "brackets." The lowest and highest tax rate brackets shown in columns 4 and 6 in Table 1 are, therefore, the brackets for married couples filing jointly that result from taking into account this doubling of the bracket widths.

Starting with 1952, a third set of rates was introduced (not shown) for "heads of household," i.e., for unmarried individuals who paid over half the cost of maintaining a home for a qualifying person (e.g., a child or parent), or for certain married individuals who had lived apart from their spouses for the last 6 months of the tax year. This filing status was liberalized, starting with 1970, and provides approximately half the advantage of the income-splitting described above.

Starting with 1954, the full benefits of income splitting allowed married couples filing jointly (i.e., the same tax rates and taxable income brackets) were extended to a new, fourth filing status, "surviving spouse" (i.e., individuals widowed for 1 to 2 years following the death of a spouse, provided they had a dependent child and had not remarried). The remaining filing status was for "single persons," who used the rates formerly applicable to taxpayers in general. However, these latter rates were moderated, starting with 1969, by limiting the tax so that it would not exceed 20 percent more than the tax on married couples filing jointly. One result of the 1969 law change was that certain married couples filing jointly had to pay more tax than they would have paid if each spouse had filed separately. To help mitigate this effect, a special deduction in computing adjusted gross income was allowed for 1982-1986 for two-earner couples filing jointly. This deduction was initially 5 percent of the lesser of $30,000 or the "earned income" of the spouse with the lesser earnings. The percentage was increased to 10 percent, starting with 1983. The deduction provision was repealed, starting with 1987, when new, lower rates and a reduced number of tax brackets began.

For tax years preceding 1954, the lowest tax rate, as shown in Table 1, was either the rate for the basic "normal tax" (if there was just one rate for normal tax) or the lowest of the several rates for "normal tax" (if there was more than one rate for normal tax). The highest tax rate was the sum of the uppermost of the graduated rates (if any) for normal tax, plus the uppermost of the additional, graduated "surtax" rates, provided that both rates were applied to the same income. For example, for 1932, there were two graduated rates for normal tax, 4 percent (on the first $4,000 of income) and 8 percent (on all income over $4,000), and graduated rates for "surtax" that ranged from 1 percent to 55 percent. In Table 1, the lowest rate for 1932 is, therefore, shown as 4 percent (the lower of the two normal tax rates) and the highest rate as 63 percent (the sum of the 8-percent higher, graduated rate for normal tax on income over $4,000, plus 55 percent, the highest of the graduated, surtax rates, on income over $1 million.). As another example, for 1941, there was just one rate for normal tax, 4 percent, but it applied to all income. The lowest of the surtax rates, 6 percent, was applied to all income under $2,000, so that income under $2,000 was taxed at both the 4-percent normal tax rate and the 6-percent surtax rate. Therefore, the lowest rate shown in Table 1 for 1941 is 10 percent, the sum of these two tax rates. The highest rate is the sum of the 4-percent normal tax on total statutory "net income," plus the highest graduated surtax rate, 77 percent on income over $5 million, so that income over $5 million was taxed at 81.0 percent, the sum of the two rates. For tax years starting with 1954, normal tax and surtax rates were, in effect, combined into a single rate structure.

[3] The definition of the income base (and, thus, the tax "bracket" boundaries) to which the tax rates were applied differs over the years, depending on how the following were determined and figured: statutory adjustments to or exclusions from income; personal exemptions; itemized deductions (which, for certain expenditures, were sometimes described as income "credits"); standard deductions; the various thresholds and ceilings; and statutory "taxable income" (and its predecessor "net income"). Therefore, the lowest and highest taxable income amounts, as shown in Table 1, are not comparable for all years, and the amounts described as for statutory taxable income for tax years preceding 1954 are actually for statutory net income. (Statutory net income was income after subtracting deductions but, for most years, was before subtracting personal exemptions. Statutory taxable income was after subtracting both deductions and personal exemptions. Taxable income is the tax base for recent years. Net income required certain adjustments to arrive at the tax base, depending on whether the income was subject to normal tax, surtax, or both). See also footnote 2, above.

[4] For 1921-1923, the personal exemption amount for married couples (column 2) increased to

$2,000 if statutory "net income" exceeded $5,000.

[5] For 1923, the tax rates shown (columns 4 and 6) are after a 25-percent statutory credit or refund.

[6] For 1924, the lowest tax rate (column 4) is after reduction by an "earned income credit," equal to 25 percent of the "normal tax" on the first $5,000 of total statutory "net income" and the normal tax on the first $10,000 of "earned net income," but limited to 25 percent of the normal tax on total net income.

[7] For 1925-1927, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first $5,000 of total statutory "net income" and the total tax on the first $20,000 of "earned net income," but limited to 25 percent of the total tax on earned net income (not to exceed 25 percent of the sum of "normal tax" on total net income plus the "surtax" on earned net income.)

[8] For 1928-1931, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first $5,000 of total statutory "net income" and the total tax on the first $30,000 of "earned net income," but subject to the same limitations described in footnote 7, above. For 1929 only there was a special reduction in normal tax rates as provided for in a joint resolution of congress.

[9] For 1934-1943, the tax rate (column 4) excludes the effect of an "earned income credit," allowed as a *deduction* equal to 10 percent of the first $14,000 of "earned net income" (before credit) and the first $3,000 of total statutory "net income" (before credit), but limited to 10 percent of earned net income (not to exceed 10 percent of total net income).

[10] For 1940, tax rates (columns 4 and 6) include "defense tax," computed as 10 percent of the total "regular" tax, but limited to 10 percent of statutory "net income" in excess of the total regular tax.

[11] For 1944-1945, the personal exemption amounts (columns 1-3) were for "surtax" purposes only. The exemption for basic "normal tax" purposes was $500 per tax return, augmented by the "earned income" of the spouse, up to $500, on joint returns.

[12] For 1944-1945, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 90 percent of statutory "net income."

[13] For 1946-1947, tax rates (columns 4 and 6) are the effective rates after a statutory 5-percent reduction of combined "tentative normal tax and surtax." The highest rate (column 6) was subject to a maximum effective rate limitation equal to 85.5 percent of statutory "net income."

[14] For 1948-1986, in addition to the personal exemptions (columns 1-2), there were additional personal exemptions for blind taxpayer(s) and for taxpayers(s) age 65 or over.

[15] For 1948-1949, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 17.0 percent of the first $400 of combined "tentative normal tax and surtax" to 9.75 percent of combined tentative normal tax and surtax over $100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 77.0 percent of statutory "net income."

[16] For 1950, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 13.0 percent of the first $400 of combined "tentative normal tax and surtax" to 7.3 percent of combined tentative normal tax and surtax over $100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent of statutory "net income."

[17] For 1951, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.2 percent of statutory "net income."

[18] For 1952-1953, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 88.0 percent of statutory "net income."

[19] For 1954-1963, the highest tax rate (column 6) was subject to a maximum effective rate

limitation equal to 87.0 percent of statutory "taxable income."

[20] For 1968, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 7.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[21] For 1969, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 10 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[22] For 1970, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 2.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[23] For 1971, "earned net income" was subject to a "maximum tax" of 60 percent (not shown in column 6).

[24] For 1972-1981, "earned net income" (broadened to become "personal service net income" after 1976) was subject to a "maximum tax" of 50 percent (not shown in column 6).

[25] For 1974, tax rates (columns 4 and 6) do not take into account a statutory rebate of 10 percent of total income tax after credits. In general, the minimum rebate was $100 and the maximum, $200, but could not exceed the tax liability.

[26] For 1975, a $30-per-capita tax credit was allowed in addition to the personal exemptions shown in columns 1-3.

[27] For 1976-1978, a tax credit was allowed, in addition to the personal exemptions shown in columns 1-3, that was equal to the larger of $35 per capita or 2 percent of the first $9,000 of statutory "taxable income."

[28] For 1977-1986, in order to help preserve the conceptual comparability of the amounts shown with those for earlier and later years, the lowest tax rates in column 4 and the lowest "taxable income" amounts in column 5 exclude the so-called "zero tax rate" and the "zero bracket amount," which were unique to the tax computation for these 10 years.

[29] For 1981, tax rates (columns 4 and 6) are after a 1.25-percent statutory tax credit.

[30] Starting with 1985, the personal exemption amounts (columns 1-3) reflect annual adjustments for inflation, using the U.S. Department of Labor Consumer Price Index for Urban Consumers ("CPS-U").

[31] Starting with 1985, tax "bracket" boundaries (columns 5 and 7) were indexed for inflation, using the U.S. Department of Labor Consumer Price Index (as described in footnote 30).

[32] Starting with 1988, the amount eligible to be deducted for personal exemptions (columns 1-3) was phased out for certain high-income taxpayers. For 1988-1990, this was accomplished as part of the tax computation (see footnote 34, below).

[33] For 1988-1990, excludes the effect on certain high-income taxpayers of the phaseout of the amount deductible for personal exemptions (columns 1-3).

[34] For 1988-1990, the tax rates (columns 4 and 6) exclude the effects on certain high-income taxpayers of the phaseout both of the benefit of the 15-percent tax rate (compared to the 28-percent rate) and the amount deductible for personal exemptions. This phaseout was accomplished by imposing an additional, 5-percent tax on income above certain levels, based on filing status, thus creating a "temporary" 33-percent tax rate. At the point where the taxpayer had completely phased out the two benefits by use of the 33-percent rate, the tax rate on any remaining taxable income above the phaseout range returned to 28 percent (see also footnote 35). As Table 1 shows, beginning with 1991, this phaseout was replaced by including an additional, 31-percent, graduated rate for taxable incomes above certain levels. Two other, higher, graduated rates were subsequently added, starting with 1993, the higher of which is shown in Table 1.

[35] For 1988-1990, the 15-percent tax rate (column 4), which applied to the first $29,750 of statutory "taxable income"(column 5), gradually increased to the top "brackets" rate, 28 percent (column 6), when taxable income (included in column 7) reached between $71,900 and $149,250. This was the range at which the 15-percent rate was phased out for certain high-income taxpayers, all of whose income was then effectively taxed at the higher 28-percent rate through use of the "temporary" 33-percent rate (see footnote 34, above, for additional information). The boundaries of the phaseout range were adjusted for inflation for 1989-1990, although the top tax rate on the taxable income above that covered by the phaseout range remained 28 percent. Therefore, the top taxable income and top tax bracket rate shown in Table 1 for 1988-1990 do not take into account the higher, 33-percent, "temporary" phaseout rate.

[36] For 2000, the tax rates (columns 4 and 6) do not reflect a special statutory refund, partially offset for 2001, of between $300 and $600, depending on the size of income tax for 2000 and filing status. See also footnote 37, below.

[37] For 2001, the tax rate (columns 4 and 6) does not reflect a 5-percent tax credit of up to $300, $500, or $1,000, depending on the filing status. This credit effectively reduced the lowest rate on the income shown in column 5 from 15 percent to 10 percent, in lieu of an explicit 10-percent rate. However, the credit was reduced by the amount of the special statutory refund made in 2001 (based on tax for 2000), described in footnote 36, above. The 10 percent rate was only for dependents.

[38] For the change in the lowest tax "bracket" boundary (columns 5 and 7) for 2001, see footnotes 36 and 37, above.

SOURCE: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, Volume I, Budget Processes and Tax Systems, 1995, September 1996 (based, in part, on *Tax Foundation, Facts and Figures on Government Finance*, 1988-89 edition, 1988); Pechman, Joseph A., *Federal Tax Policy*, fifth edition, The Brookings Institution, 1987 (based on relevant public laws and reports prepared by the Congressional Joint Economic Committee, including *The Federal Revenue System: Facts and Problems*, 1961, and *The Federal Tax System: Facts and Problems*, 1964); Statistics of Income—Part I (in particular, the historical synopses of laws included as appendices in the reports for 1949-1953) and *Statistics of Income—Individual Income Tax Returns* (annually, for 1954-1988); and relevant public laws and reports issued by the Congressional Joint Committee on Taxation for subsequent years, as well as reports, such as *Overview of the Federal Tax System* for 1990, 1991, and 1994, Committee on Ways and Means, U.S. House of Representatives, and reports issued by the Congressional Joint Committee on Taxation for subsequent years, including *Overview of Present Law and Economic Analysis Relating to Marginal Tax Rates and the President's Individual Income Tax Rate Proposals,* 2001.

Table B

[1] The rates shown are the "standard" or "ordinary" rates, applying to all taxable corporate net income unless otherwise provided. However, there have always been numerous exceptions and special rates based on the type of corporation, the type of income, and other factors. In addition, there have been, at various times, additional taxes related to income that increased the statutory rates. When possible, these are noted in other footnotes to this table for the years for which they were effective. Credits, deductions, and other alterations in the definition of taxable income also effectively alter the tax rate, but these are too numerous and too frequent to include in a table such as this.

The most important types of corporations to which these rates have not always applied, or not applied as they did to other corporations, are: *Section 501(c) and similar nonprofit corporations*: Corporations not organized or operated for profit are generally exempt from the corporation income tax except, since 1950, on business income unrelated to their exempt

purposes. *Mutual and cooperative organizations*: Most of these were treated as nonprofits in the early days of the income tax. Most have long since been made taxable as ordinary corporations, but there are still some exceptions. Credit unions and small mutual property insurance companies are exempt. Rural electrical and telephone cooperatives are exempt on income generated in transactions with their members. Farmers' cooperatives are not taxed on income distributed to their members. *Insurance companies*: Because of the nature of insurance, determining taxable income has often been a problem for the tax system. Insurance companies have been subjected to a number of different tax structures since 1921, including special rates and complete exemption of premium income. They are currently taxed at the same rates as other corporations on income calculated using reserve deductions (which other corporations are not allowed). *Regulated Investment Companies (since 1936) and Real Estate Investment Trusts (since 1961)*: These investment companies are not taxed on profits distributed to shareholders if they distribute substantially all of their incomes annually. *S Corporations*: Since 1958, certain closely held corporations could elect to be taxed through their shareholders, as partnerships are, and not pay the corporate tax at all (except in special, unusual circumstances). *Foreign corporations*: Companies incorporated outside the U.S. are taxed on business income earned in the U.S. at the regular corporate rates, but may be taxed on investment income at special statutory or treaty rates. *U. S. corporations with foreign-source income*: The U.S. taxes the worldwide income of U.S. corporations; however, since 1918, taxes paid to foreign governments on foreign-source income can be credited against the U.S. tax otherwise due on that income. (Before 1918, the foreign taxes were allowed as a deduction against worldwide income.) *U.S. Possessions Corporations*: Since 1921, corporations earning most of their incomes in a U.S. possession were subject to reduced taxes. From 1921 to 1976, they were taxable only on U.S.-source income; since 1976, they have received a credit for manufacturing income earned in a possession (including Puerto Rico). The credit is now being phased out and is scheduled to end after 2005. *Affiliated groups*: Corporations that are closely affiliated through stock ownership have usually been allowed to consolidate their financial statements for tax purposes and file one return for the group, but there have always been restrictions and, sometimes, they have been charged an additional tax for the privilege. In 1932 and 1933, consolidated returns were subject to an additional tax of .75 percent. In 1934 and 1935, only railroad companies were allowed to file consolidated returns, and the additional tax was 1 percent. From 1936 to 1941, there was no additional tax, but the privilege was restricted to railroads and a few other companies. From 1942 to 1964, most domestic affiliated groups that met the stock ownership and other requirements could file consolidated returns, but the surtax on such a group was increased by 2 percentage points. The additional tax on consolidated returns was repealed, effective December 31, 1963.

The most important type of income to have received special rates was "long-term" capital gains. From 1942 through 1987, the tax rate was capped at a maximum rate lower than the highest corporate rate. (The rates are noted in footnotes to the table.) Although there is currently no special rate for corporations' capital gains, long-term capital gains are still treated separately from other income in the tax code.

During World War I, the Great Depression, World War II, and the Korean War, additional taxes were imposed on what were called "war profits" or "excess profits." These are noted in the table in footnotes to the applicable years.

In addition to taxes based on net income, there have been from time to time taxes based on accumulated earnings that were not distributed to shareholders, designed to limit tax avoidance at the individual stockholder level. Taxes on "undue" accumulations have been imposed (though seldom paid) since the inception of the income tax. These were supplemented, since 1934, by a "personal holding company" tax, equal to the highest individual income tax rate,

on the undistributed earnings of closely held companies accumulating investment income. There was also a Depression-era tax on accu mulated earnings (noted below).

In recent years, there have also been "minimum taxes" designed to supplement the regular taxes. These have the effect of a separate set of tax rates. These are noted in footnotes to the table.

[2] Calendar year unless otherwise noted. Taxpayers whose fiscal years spanned years with different rates were required to prorate the year's income between the two rate structures. Before 1933, the proration was based on the number of months in each year; after 1932, it was based on the number of days in each year.

[3] "Taxable income" is used here to mean the amount of income to which the rates shown were applied. The concept has had various names and various meanings over the years covered; so, brackets for one year are not necessarily comparable with those for another.

[4] An additional tax on "excess profits" and /or "war profits" was in effect from 1917 to 1922. It was allowed as a deduction in computing income tax.

[5] An additional "declared value" excess profits tax, based on profits in excess of a percentage of the value of corporate stock, was in effect from 1933 through 1945. It was a deduction for income tax purposes.

[6] An additional surtax ranging from 7 percent to 27 percent was imposed on undistributed profits.

[7] From June 1940 to the end of 1945, a tax on profits in excess of average prewar earnings was also imposed. It was taken into account, as either a deduction or a credit, for the income tax and the other excess profits tax.

[8] The rates for 1940 include extra "defense tax" rates that are integrated with the regular rates in later years.

[9] These rates are the sum of the "normal tax" rates and the "surtax" rates, which actually applied to slightly different definitions of taxable income.

[10] Beginning with Tax Year 1942, gains on the sale of assets held for more than 6 months (long-term capital gains) could be treated separately from other taxable income and taxed at a maximum rate of 25 percent.

[11] An excess profits tax was also in effect from July 1950 through Calendar Year 1953. The tax was 30 percent of an adjusted profits figure reduced by credits for the level of prewar profits. It was not offset against income tax, but the sum of income and excess profits taxes was capped at a given percentage of income (from 62 percent to 70 percent).

[12] These rates reflect a tax increase (for the Korean War), effective March 31, 1951. The maximum capital gains tax rate was also increased to 26 percent.

[13] From April 1, 1954, through Calendar Year 1969, the maximum tax rate on capital gains was 25 percent.

[14] From 1969 through 1986, corporations were also subject to an "add-on minimum tax" on certain "tax preference" items (such as percentage depletion, accelerated depreciation, etc.) above a certain amount. For Tax Years 1969 through 1976, the tax was 10 percent of tax preferences in excess of $30,000; after 1976, the tax was 15 percent of preferences in excess of the greater of $10,000 or regular income tax.

[15] Rates include the Vietnam War surcharge of 10 percent.

[16] Includes a 2.5-percent Vietnam War surcharge.

[17] The maximum tax rate on long-term capital gains was increased to 28 percent.

[18] The maximum tax rate on long-term capital gains was increased to 30 percent.

[19] The holding period for long-term capital gain treatment of assets was increasedfrom 6 to 9 months in 1977 and 12 months in 1978. The rate remained at 30 percent.

[20] The maximum tax rate on long-term capital gains was 28 percent.

[21] Beginning in 1983, incorporated professional practices ("personal service corporations") have been taxed on all taxable income at the corporate tax rate applicable to the highest income bracket.

[22] The Tax Reform Act of 1986 (TRA86) established a new rate structure effective for Tax Year 1988 and made the rates for Transition Year 1987 an average of the pre-TRA rates for 1986 and the post-TRA rates for 1988.

[23] A new "alternative minimum tax" (AMT) replaced the add-on minimum tax, effective in 1987. It required a calculation of an alternative measure of taxable income that reduced or eliminated many tax preference items. The tax was 20 percent of the excess of this "alternative minimum taxable income" (AMTI) over $40,000. The $40,000 exemption was reduced by 25 percent of the excess of AMTI over $150,000. AMT in excess of regular tax could be carried over as a credit against regular tax in future years. In 1998, "small" corporations (generally, those with average gross receipts of less than $5 million) were exempted from the AMT.

[24] The maximum tax rate on capital gains was capped at 34 percent for 1987, which was to be the rate on the highest corporate tax bracket in 1988 and after, according to TRA86. The maximum capital gain rate was raised to 35 percent when the highest corporate rate bracket was increased in 1993.

SOURCE: Blakey, Roy G. and Blakey, Gladys C. (1940), *The Federal Income Tax,* New York. Gravelle, Jane G. (1994), *The Economic Effects of Taxing Capital Income*, Appendix A, History of Capital Income Taxation in the United States. MIT. Internal Revenue Service, *Form 1120 series and Instructions,* various years. Internal Revenue Service, *Statistics of Income for 1949, Part 2,* Appendix A. U. S. Congress, Joint Committee on Taxation, Explanations of various tax acts, published after each major tax act since the 1960's. U. S. Senate, Committee on the Budget, *Tax Expenditures: Compendium of Background Materials on Individual Provisions,* published periodically.

SOI Sampling Methodology and Data Limitations

Appendix

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see page 212 at the end of this *Bulletin*). More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed, and various income factors or other measures of economic size (total assets, for example, are among the criteria used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years--3 for corporations because of the incidence of fiscal (non-calendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated processing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. Weights are used to adjust for the various sampling rates used, relative to the population--the lower the rate, the larger the weight.

For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight.

Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.

Information for this appendix was compiled under the direction of Beth Kilss, Chief, Statistical Data Section. Major contributions were made by Paul McMahon, Statistical Computing Branch, and Robert Wilson, private contractor.

To produce the tabulated estimates, the weighted data are summed to produce the published statistical totals.

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

150,000	(sample estimate)
x0.02	(coefficient of variation)
=3,000	(standard error of estimate)

then:

150,000	(sample estimate)
+ or - 3,000	(standard error)
={147,000, 153,000}	(68-percent confidence interval).

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose; or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns and previously transcribed as part of processing for the IRS Master Files are subject to

validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, usually through published errata.

Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A dash, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a dash indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Americans Living Abroad:		This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
2001 Program	Jeff Curry Maureen Keenan Kahr	
Controlled Foreign Corporations:		This semi-annual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
2001 Program	John Comisky	
2002 Program	Catterson Oh	
2004 Program	Randy Miller	
Controlled Foreign Partnerships:		This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
2000 Program	Bill States	
2004 Program		
Corporation Foreign Tax Credit:		This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
2002 Program	Brian Raub	
2003 Program	Rob Singmaster	
2004 Program	Scott Luttrell	
Corporation Income Tax Returns:		Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
2001 Program	William Rush	
2002 Program	Heather Duffy Ellen Legel	
2003 Program	Glenn Hentz Gabe Schneider	
Entity Classification Election ("Check-the-Box"):	John Comisky	This annual study includes data from all Entity Classification Elections including the type of election, and whether the entity is foreign or domestic.
Estate Tax:		This annual study includes information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than $60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2003.
2004-2006 Program	Martha Eller Lisa Schreiber	
Excise Taxes:	Eric Henry	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by Fiscal Year for 1997-2003, quarterly for 2003, and for the first three quarters of Fiscal Year 2004.

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Exempt Organizations (Charitable and Other, Except Private Foundations): 2001 Program 2002 Program 2003 Program	Paul Arnsberger	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Exempt Organizations (Private Foundations): 2001 Program 2002 Program 2003 Program	Melissa Ludlum	This annual study includes balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Exempt Organizations Unrelated Business Income: 2001 Program 2002 Program 2003 Program	Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Foreign-Controlled Domestic Corporations: 2002 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
Foreign Recipients of U.S. Income: 2002 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
Foreign Sales Corporations (FSC's): 2000 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISC's, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
Foreign Trusts: 2002 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 1998.
Gift Tax: 2004-2005 Program	Darien Jacobson	This annual study will provide data for Gift Year 2003 and Filing Years 2004 and 2005. Data cover type and amount of gift; information on donee; and tax computation items.

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Individual Income Tax Return Public-Use File:	Mario Fernandez Mike Weber	Microdata on CD-ROM's are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
Individual Income Tax Returns: 2002 Program 2003 Program 2004 Program	 Maureen Keenan Kahr Jeff Curry Mike Strudler	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
Individual Income Tax Returns Special Tabulations: Individuals Sole Proprietorships	 Mike Strudler Mario Fernandez	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
Interest-Charge Domestic International Sales Corporations (IC-DISC's): 2000 Program 2004 Program	 Cynthia Belmonte	These corporations replaced the Domestic International Sales Corporations, or DISC's, as of 1985. Balance sheet, income statement, and export-related data are tabulated every four years. The most recent study is for Tax Year 2000.
International Boycott Reports: 2002 Program 2003 Program	 Lawrence Sao	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
Migration Flow and County Income Data:	Emily Gross	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2002-2003.
Occupation Studies:	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
Partnership Returns of Income:	Tim Wheeler Maureen Parsons Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
Partnership Withholding Study: 2001 Program	 Chris Carson	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Personal Wealth Study: 2001 Program	Barry Johnson Martha Eller	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data, 1998, are based on returns filed from 1998 to 2000.
S Corporations:	Kelly Luttrell Matt Scoffic	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
Sales of Capital Assets: 2002 Program 2003 Program 2004 Program	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
Sales of U.S. Real Property Interest by Foreign Persons: 2001 Program	Chris Carson	This annual study provides data on transfers of U.S. real property interests acquired from foreign "persons." Data include the amount realized on transfers, U.S. tax withheld, and countries of foreign persons.
Sole Proprietorships: 2001 Program 2002 Program 2003 Program	Mike Strudler Mike Parisi Kevin Pierce	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C (for nonfarm proprietors), classified by industry group.
Split-Interest Trust Information Return: 2002 Program 2003 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, and, beginning with Study Year 2000, charitable lead trusts and pooled income funds as well. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Tax Year 2002.
Tax-Exempt Bond Issues: 2001 Program 2002 Program 2003 Program	Marvin Schwartz Cynthia Belmonte	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Tax Year 2000 public purpose bonds and private activity bonds.
Taxpayer Usage Study:	Vickie Bryant Mike Weber	Produced annually, this program provides weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population, for returns received during the primary filing season (January through April).

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Transactions of Foreign-Controlled Corporations: 2002 Program	Will Jauquet Heather Duffy	This biennial study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
U.S. Possessions Corporations: 2001 Program 2003 Program	Dan Holik	This periodic study, planned for every 2 years, provides data on income statements, balance sheets, tax, and "possessions tax credit" for qualifying U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)
ZIP Code Area Data:	Emily Gross Mike Weber	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP code. Data are available for 2002 on a reimbursable basis. (Data for Tax Year 1991, 1998, and 2001 are also available, free of charge on the IRS Web site: http://www.irs.gov/taxstats/article/0,,id=96947,00.htm1.)

*Most projects shown are currently in progress and, therefore, may not be completed. Many of the data release dates, i.e., the months in which the Statistics of Income Division expects to release data to users, ahead of publication, on request, are published annually in the Fall issue of the *SOI Bulletin.* For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

SOI Products & Services

Statistics of Income (SOI) data are available in electronic formats and in printed publications. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS) Office:**

Statistical Information Services (sis@irs.gov)
Statistics of Income Division
Internal Revenue Service
P.O. Box 2608 • Washington, DC 20013-2608
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202)622-4000.

Electronic Products and Services

Products Available Free on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including annual *IRS Data Book* tables, Compliance Research projections, and nonprofit Master File microdata records. At present, over 3,400 files reside there.

Web site: www.irs.gov.

There is also a direct link to our web site from FedStats, the gateway to official statistics from the Federal Government: www.fedstats.gov.

From the main IRS web site, click on *Tax Stats* in the upper left-hand corner to access a number of topics:

Announcements

Brief descriptions of recent major additions to Tax Stats.

Tax Stats at a Glance

The Statistics of Income (SOI) program produces data files compiled from samples of tax and information returns filed with the IRS. There is a wealth of information about the financial composition of individuals, business taxpayers, tax-exempt organizations, and more. Look here for some summary statistics from these files, as well as files from other IRS sources.

IRS Statistical Overview

- Collections
- Criminal Enforcement Activities
- Examination Activities
- Number of Returns
- Refunds
- Taxpayer Assistance

Statistics by Topic

- Corporation Taxes
- Employment Taxes
- Estates/Wealth/Gifts
- Excise Taxes
- Individual Taxes
- International Taxes
- Partnerships
- Sole Proprietorship Taxes
- Tax-Exempt/Employee Plans
- Trusts

Statistics by Form

Provides data on a specific topic using selected IRS form numbers and titles.

Products, Publications, and Papers

This section contains information on our many products and publications, as well as papers written by members of the Statistics of Income Division of the IRS and others on related topics. These are also links to information on the following publications:

- *IRS Data Books*
- *SOI Bulletins*
- Individual Complete Reports
- Corporation Complete Reports
- Compendium of Studies of Tax-Exempt Organizations
- *Special Studies in Federal Tax Statistics*
- *Research Bulletins*
- Projections

Statistics of Income

- About SOI
- Careers with SOI
- SOI Products and Services
- SOI Studies
- Other SOI Information

Taxpayer Compliance Research

Find articles and publications on research about taxpayer behavior in complying with the tax laws.

Conference Papers

Papers written by SOI staff and presented at various conferences, as well as papers written by other IRS employees and other outside researchers. This area also includes a report to Congress on tax compliance activities.

Tax Stats Dispatch Mailing List

The place where you can subscribe to get announcements for the most recent tax statistics placed onto the web site.

Products Available From SOI

Many of SOI's data files are available for sale on CD-ROM, diskette, tape, or via e-mail through the Statistical Information Services Office. **Prepayment is required for orders of $100 or more**, with checks made payable to the **IRS Accounting Section.** Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns covering corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

Corporation Income Tax Returns

Corporation Source Book

A magnetic tape, PC-diskettes, or CD-ROM containing the tabular statistics from the *Corporation Source Book*, for years 1996-2001. Price is $1,500. See also *Printed Publications* section below.

Individual Income Tax Returns

Individual Public-Use Microdata Files

These files include individual income tax returns for 1960, 1962, 1964, and 1966-2001. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling (301) 713-6630. Files for 1992 through 2001 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is $4,000 per year.

County-to-County Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households), the number of personal exemptions (which approximates the population), total "adjusted gross income" (starting with 1995-1996), "median adjusted gross income" (starting with 1995-1996), total money income (for years 1992-1993 through 1995-1996), and median total money income (for years 1992-1993 through 1995-1996). Available for 1984-2003. Price is $200 per year for the entire United States or $10 per State per year. (All years for the entire United States are also available for $500.)

State-to-State Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by State for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households), the number of personal exemptions (which approximates the population), total "adjusted gross income" (starting with 1995-1996), "median adjusted gross income" (starting with 1995-1996), total money income (for years 1992-1993 through 1995-1996), and median total money income (for years 1992-1993 through 1995-1996). Available for 1989-2003. Price is $50 per year for the entire United States or $10 per State per year.

County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for

adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for 1989-2002 for the entire United States. Price is $50 per year for the entire United States or $10 per State per year.

ZIP Code Area Data

Statistics are available for Income Year 2002 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with a Schedule A, by State and 5-digit ZIP code. Price is $500 for the entire United States; $25 for a single State. (Data for Income Years 1991, 1998, and 2001 are available free on SOI's internet site.) Go to **www.irs.gov,** click on the **Tax Stats** option; click on Statistics by Topic; click on Individual Tax Statistics; and click on Zip Codes-SOI, under Data by Geographic Areas.

Tax-Exempt Organizations

Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

Microdata Records for Reporting Year 2001

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,788 Internal Revenue Code section 501(c)(3) organizations and 10,267 section 501(c)(4)-(9) organizations. Sampling rates ranged from 1 percent for small-asset classes to 100 percent for large-asset classes (i.e., those with assets $30,000,000 or more). Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Price is $300.

Microdata Records for Reporting Years 1992-2000

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Price is $100 per reporting year.

Private Foundations (and Charitable Trusts)

Microdata Records for Reporting Year 2001

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes approximately 6,300 returns. Sampling rates ranged from 0.2 percent for small-asset classes to 100 percent for large-asset classes. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $300.

Microdata Records for Reporting Year 2000

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes approximately 8,100 returns. Sampling rates ranged from 0.3 percent for small-asset classes to 100 percent for large-asset classes. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $200.

Microdata Records for Reporting Years 1992-1999

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $50 per reporting year.

Printed Publications

Publications Available for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250.** (Credit cards are accepted.) Publications may also be obtained by using the order form at the end of this *Bulletin* or write to:

Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

If you determine from the Government Printing Office that any of the next four items is out of print, telephone the **Statistical Information Services Office on (202) 874-0410** for assistance.

IRS Data Book 2004

Annually, Publication 55B, Stock No. 048-004-02481-1
Price $9

This volume pertains to Fiscal Year 2004-October 1, 2003, through September 30, 2004. The report provides data on collecting the revenue, enforcing the law, assisting the taxpayer, and managing the system, as well as lists and a chart about the structure and administration of the IRS itself.

Statistics of Income (SOI) Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-5
Subscription price: $53; Single copy price: $39

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables include data from SOI, as well as tax collections and refunds by type of tax.

Statistics of Income--2001, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02478-1
Price $45

This report presents more comprehensive data on corporation income tax returns with accounting periods that ended July 2001 through June 2002 than those published earlier in the *SOI Bulletin.*

Presents information on:
- receipts
- deductions
- net income
- taxable income
- income tax
- tax credits
- assets
- liabilities

Classifies data by:
- industry
- accounting period
- size of total assets
- size of business receipts
- size of income tax after credits

Statistics of Income--2002, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02482-9
Price: $24 Foreign $33.60

This report presents more comprehensive and complete data on individual income tax returns for 2001 than those published earlier in the *SOI Bulletin.*

Presents information on:
- sources of income
- exemptions
- itemized deductions
- tax computations

Classifies data by:
- size of adjusted gross income
- marital status
- type of tax computation

Publications Available From SOI

Other SOI periodicals and one-time reports are available for sale from the Statistical Information Services Office. These reports include data from returns covering corporations, exempt organizations, international income and taxes, and estate taxes. The report from the IRS methodology reports series is available free while supplies last.

Corporation Source Book, 2001

Publication 1053--Price: $175, plus $10 for shipping and handling

This 608-page document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for

1963 through present are available at a cost of $30, plus $1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2000, are also for sale at $175 per year, plus $10 for shipping and handling. See also *Electronic Products and Services* section.

Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773--Price: $26, plus $10 for shipping and handling

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

Special Studies in Federal Tax Statistics--2003

Publication 1299--No charge

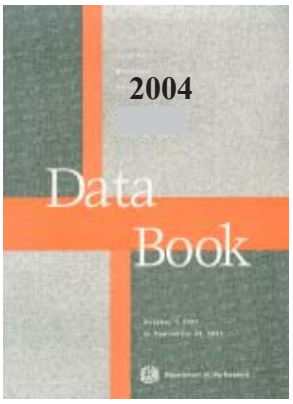
This is the third edition of a new set in the IRS Methodology Report series, now entitled *Special Studies in Federal Tax Statistics* (previous volumes in the series were called *Turning Administrative Systems Into Information Systems* and *Statistics of Income and Related Administrative Record Research)*. The title was changed to more clearly reflect the nature of the papers prepared by SOI as it adapts to better meet the data and information needs of its wide-ranging customers.

This year's compilation has been divided into four major sections, each focusing on a somewhat different area of research:

- are the rich getting richer and the poor getting poorer?;
- recent development in survey methods;
- new developments in tax statistics and administrative records;
- survey nonresponse and imputation.

JUST PUBLISHED!

2004 Internal Revenue Service Data Book

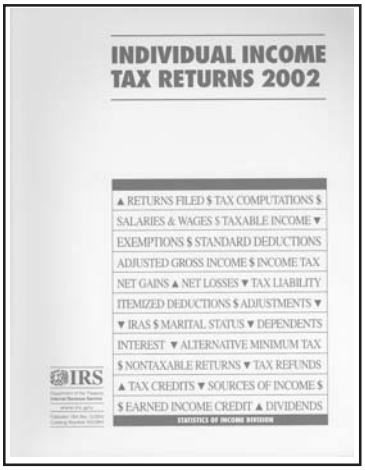


The *Internal Revenue Service Data Book* is issued annually by the Internal Revenue Service and contains statistical tables and organizational information on a fiscal year basis. The latest volume pertains to Fiscal Year 2004 – October 1, 2003, through September 30, 2004. The 62-page report provides data on collecting the revenue, enforcing the law, assisting the taxpayer, and managing the system, as well as lists and a chart about the structure and administration of the IRS itself.

For information on obtaining copies of this report, call SOI's Statistical Information Services Office at (202) 874-0410; send a fax to (202) 874-0964; or email at sis@irs.gov.

You may also download tables from this publication from our world wide web address: www.irs.gov/taxstats.

Announcing Latest IRS Report of Individual Income Tax Statistics



Statistics of Income --2002, Individual Income Tax Returns, Publication 1304, is an annual report which presents more comprehensive and complete data on individual tax returns for Tax Year 2002 than those published earlier in the *SOI Bulletin.*

Presents data on:

- sources of income
- adjusted gross income
- exemptions
- itemized deductions
- taxable income
- income tax
- modified income tax
- tax credits
- self-employment tax
- tax payments

Classifies data by:

- tax status
- size of adjusted gross income
- marital status
- type of tax computation

The report is divided into six sections:

Section 1-- Introduction and Changes in Law
Section 2-- Description of the Sample
Section 3-- Basic Tables (aggregate statistics on individual income tax returns)
Section 4 -- Explanation of Terms
Section 5 -- 2002 (Individual Tax) Forms
Section 6 -- Index.

The 168-page report is available for sale through the Government Printing Office -- by calling (202) 512-1800. Sections 1, 2, and 4 of this report along with all the Tables (section 3) are also available on the Tax Stats portion of the IRS Web site at http://www.irs.gov/taxstats/article/0,,id=134951,00.html. If this (or any other) SOI report is out of print, contact **SOI's Statistical Information Service Office** -- at (202) 874-0410, fax at (202) 874-0964, or send e-mail to sis@irs.gov.

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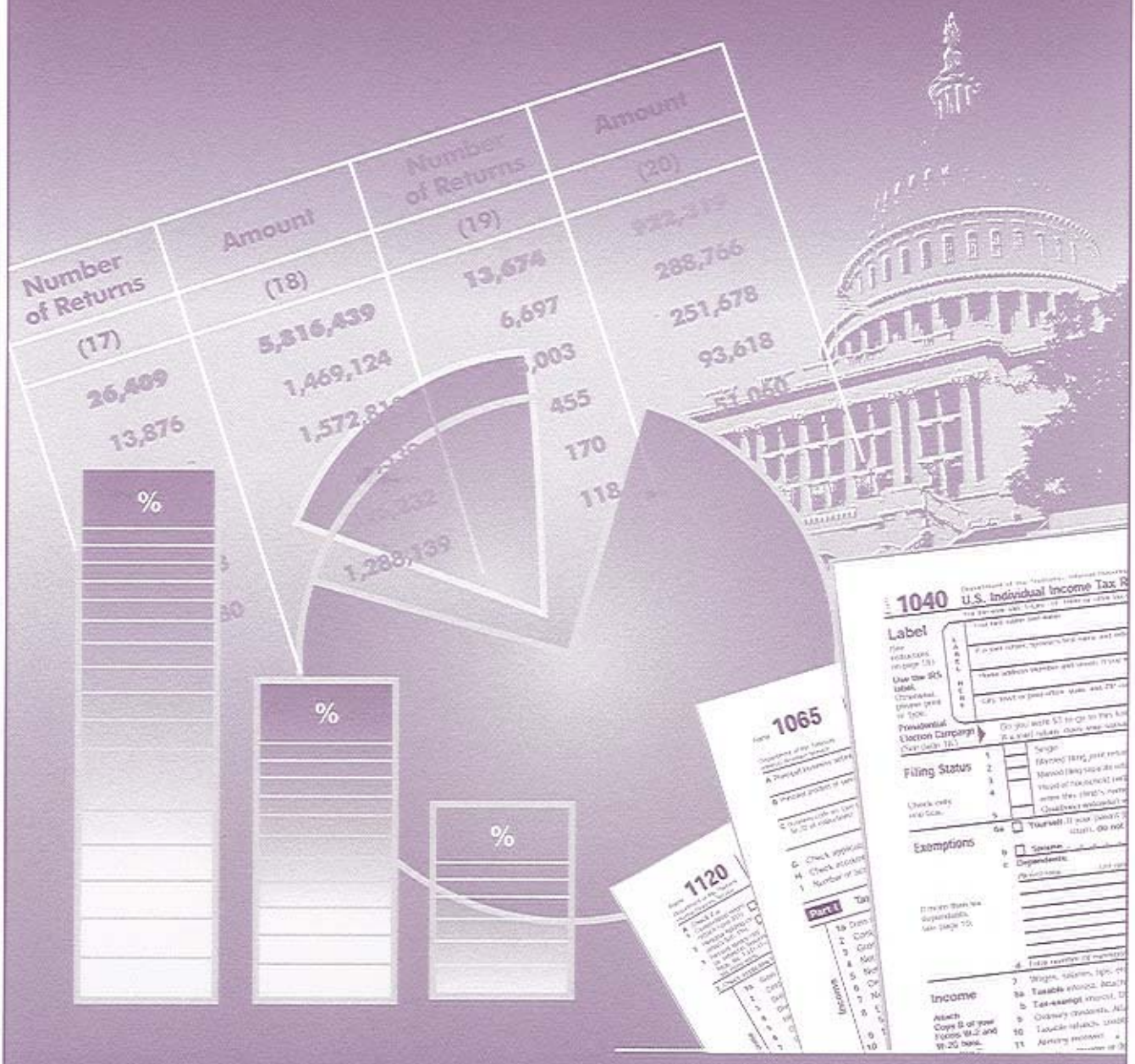

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Bulletin Board

This Issue at a Glance

High-Income Tax Returns for 2002

by Brian Balkovic

For Tax Year 2002, there were 2,414,128 individual income tax returns reporting Adjusted Gross Income (AGI) of $200,000 or more, and 2,464,515 with expanded income of $200,000 or more. These returns represent, respectively, 1.856 percent and 1.895 percent of all returns for 2002. From 1977 to 2000, the number of returns reporting income of $200,000 or more increased at a much greater rate than the total number of returns filed. This pattern was true under both the AGI and expanded income concepts. For 2001, although the total number of returns increased, both the number of high AGI returns and high expanded-income returns fell by over 7 percent. That represented the first decrease under either income concept since the Tax Reform Act of 1976 required that data be published on individual income tax returns reporting $200,000 or more. For 2002, the number of high-income returns decreased again, by 6.0 percent as measured by AGI and by 5.4 percent as measured by expanded income. For 2002, the total number of tax returns decreased 0.1 percent, marking the first decrease in the total number of returns since the early 1990's. Thus, for 2002, both the numbers of high-income returns and their percentage of all returns were lower than in 2000. Of the 2,414,128 income tax returns with AGI of $200,000 or more, 2,959 (0.123 percent) showed no U.S. income tax liability, and 2,551 (0.106 percent) showed no worldwide income tax liability. Of the 2,464,515 tax returns with expanded income of $200,000 or more, 5,650 (0.229 percent) had no U.S. income tax liability, and 4,922 (0.200 percent) had no worldwide income tax liability.

S Corporation Returns, 2002

by Kelly Luttrell

A total of nearly 3.2 million S corporation returns were filed for Tax Year 2002, an increase of 5.6 percent from Tax Year 2001. S corporations, which are not taxed directly, but are taxed by the income or loss distributed to shareholders at the applicable rates, continue to be the single most popular corporate entity choice representing 59.8 percent of all corporate entities. The number of shareholders for S corporations increased to nearly 5.7 million, up 5.8 percent from the previous year. Total net income (less deficit) reported by S corporations decreased to $183.5 billion for Tax Year 2002 from $187.7 billion reported for Tax Year 2001. Nearly two-thirds, 62.0 percent of all S corporations, reported positive total net income. Total assets increased $133.7 billion, to $2,016.7 billion, for Tax Year 2002. Less than half of 1.0 percent of all S corporations reported Federal tax liability, for a total tax liability of $368.2 million.

Taxable REIT Subsidiaries: Analysis of the First Year's Returns, Tax Year 2001

by Thornton Matheson

The Real Estate Investment Trust (REIT) Modernization Act of 1999 provided for the creation of taxable REIT subsidiaries (TRS's), corporations which could be 100-percent owned by REIT's. This article provides data on TRS income, finances, and tax remittances collected from the first year of TRS tax returns. In 2001, 480 firms elected to be TRS's. Of these, 404 TRS's filed corporate income tax returns for Tax Year 2001, reporting total gross income of $8.1 billion and total assets of $19.4 billion, and remitting $85.4 million in total taxes. Some 154 of these TRS's were newly created entities, while the other 250 were preexisting companies that elected conversion to TRS status. Although TRS's tend to be highly leveraged, with 31 percent of those that reported Schedule L data showing negative book equity, loans from shareholders (including parent REIT's) account for only 3.3 percent of total TRS debt.

U.S. Sole Proprietorships: A Gender Comparison, 1985-2000

by Ying Lowrey

A look at one of the small business datasets--1985-2000 U.S. sole proprietorship data provided by Statistics of Income--shows that female businesses grew faster than male businesses in terms of number and net income during 1985-2000. Male businesses were larger and more disparate in terms of business earnings. Gender segregation is apparent in specific business activities but less so across six broad industries. Florida was the most nurturing State for sole proprietorship growth between 1985 and 2000. A higher proportion of female rather than male sole proprietors filed as head of household with dependents. Familial obligations may explain why female sole proprietorships earned less on average than those of their male counterparts.

International Boycott Reports, 2001 and 2002

Data Release

The Ribicoff amendment to the Tax Reform Act of 1976 requires U.S persons to report operations in, with, or related to countries known to participate in unsanctioned boycotts to the Internal Revenue Service. Although the majority of Forms 5713 are filed to report these operations, taxpayers must also report certain types of requests and agreements to participate in an unsanctioned boycott and any resulting loss of tax benefits. After declining for more than a decade, the number of filers receiving boycott requests has remained relatively constant since Tax Year 2000. The total number of requests reported has varied more from year to year, but, as of Tax Year 2002, remains significantly less than the numbers reported in the early nineties. Likewise, the number of U.S. persons reporting boycott agreements and the number of agreements continues its historical decline. The amount of tax consequences, however, increased for Tax Year 2002.

Behind the Scenes

SOI's Advisory Panel Meets at Brookings

SOI's Spring Advisory Panel Meeting was held on April 15 at The Brookings Institution. Approximately 80 people attended from SOI, RAS (Research, Analysis, and Statistics), other IRS Divisions, and about 20 other agencies, organizations, and universities in both the public and private sectors. SOI Director **Tom Petska** opened the all-day meeting by introducing all special guests, speakers, and Panel members, and by announcing the addition of two new members to the Panel--Len Burman of the Urban Institute and Ralph Rector of the Heritage Foundation. Tom also gave some introductory remarks, which covered people and personnel issues; external and internal agency customer satisfaction surveys; "white space" and cross-functional initiatives; research and conference involvement; challenges and concerns SOI faces such as attrition, retirement, and competitive sourcing; the Panel meeting agenda; his personal management principles; and his vision for the future of SOI. Two sessions followed.

The first session, "Current Developments in Individual Income Tax Return Statistics," included a presentation on Tax Day 2005: Current Data on the Filing Season from SOI's Taxpayer Usage Study, by **Victoria Bryant** of the Individual Statistics Branch, and a joint presentation on Noncash Charitable Giving: A Status Report on SOI's New Study, by Mike Udell of the Joint Committee on Taxation and **Janette Wilson** of the Individual Statistics Branch. The second session, "Improving the Quality of Tax Statistics: Experience at the State, Federal, and International Levels," included presentations from Phil Spilberg, Panel member from the California Franchise Tax Board on Ensuring Accurate Data at the State Level; Larry McElroy from Canada Customs and Revenue Agency on Data Quality and Reliability at Canada Customs and Revenue Agency; and **Christopher Artis** of SOI's Statistical Computing Branch on Improving SOI Data Quality Using Split-Screen Technology.

Concurrent with the first half of the lunch break, **Melissa Ludlum** of the Special Studies Branch followed up Chris's talk with a demonstration of SOI's Split-Screen Technology in the main auditorium. Also during the lunch break, meeting attendees were privileged to hear Katherine Wallman, Chief Statistician of the U.S., speak on SOI and the Federal Statistics Community.

Following lunch, the first session, "Uses of SOI Data in the U.S. and International Research Communities" included two presentations--Arthur Kennickell of the Federal Reserve Board spoke on the Sample Design and Management in the Survey of Consumer Finances; and George Plesko, Panel member from the MIT Sloan School of Management, gave a presentation on Additional Analysis of the Corporation M-1 Data. In the final session of the day, "New Developments in Tax Statistics," Phil Spilberg made an announcement about the Tax Amnesty Program in California; Arthur Kennickell made an announcement about his recent attendance at a National Bureau of Economic Research Meeting; and Ralph Rector spoke on How SOI Could Be Affected by Fundamental Tax Reform. After a brief wrap-up session, the meeting was adjourned. The next Advisory Panel Meeting will be in the fall.

Special thanks are due to a number of SOI staff who worked behind the scenes to prepare for the meeting, especially **Bobbie Vaira**, Special Studies

Branch, who coordinated the meeting and was assisted by **Joe Ansaldi, Eric Henry**, and **Jim Kady**, as well as other SOI Division staff.

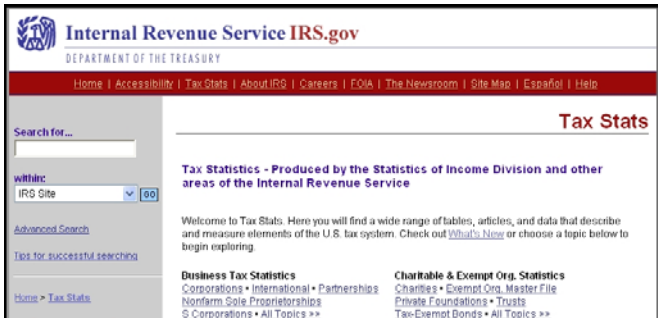
What's New

Tax Stats Has Been Improved!

Congratulations to all those involved in the redesign of the Tax Stats Web site. As many of you know, in the past 2 years, SOI Director **Tom Petska** commissioned several "white space" teams to work on problems and opportunities whose importance was obvious but whose ownership was unclear. One of these initiatives was led by the Tax Stats Team, initially under the leadership of former SOI staff assistant **Dan Trevors**, now retired, but for the past year and a half under the leadership of **Barry Johnson**, Chief of the Special Projects Section, Special Studies Branch. This team, with a great deal of support from many others in SOI, created new WebPages that we believe will improve SOI's efforts to meet customer needs both now and in the future.

In addition to Barry, members of the Tax Stats Team who led this effort include **Lucy Altounian, Cynthia Belmonte, Lori Hentz, Diane Milleville, Matthew Scoffic, Brian Raub, Nina Shumofsky, Amy Strait**, and **James Willis**.

The new design features an expanded home page that allows users to directly access the most frequently requested statistical information. Popular publications and products are prominently displayed. Many more detailed offerings are available from easily accessed "all topics" pages. The team has also added information to each page to help the user understand products available on the site. Newly organized pages include more archival data and other new material. The Tax Stats site is also introducing revised table formats, nearly all in Excel and offered with a free Excel Reader, plus updated report formats, offered with a free Adobe Reader. To minimize inconvenience, new pages are assigned existing Web addresses whenever possible; otherwise, users will be automatically redirected to new pages.



Now that the new site, which was launched on IRS.gov on May 18, is available, SOI Division is interested in knowing how well it serves our users. If you have any comments or questions about the new site, you can direct them to Barry Johnson, at barry.w.johnson@irs.gov, or to Jim Willis, at james.n.willis@irs.gov. They look forward to hearing from you.

Visit the new site today at <http://www.irs.gov/taxstats/index.html>!

SOI Budget Update

The approved SOI budget for Fiscal Year (FY) 2005 has been increased from $39.8 million for FY 2004 to $40.3 million. Much of it will fund SOI's annual statistical programs--on individual, corporation, partnership, tax-exempt organization, and estate tax returns, as well as special studies of gains or losses from sales of "capital assets" by individuals and also the "international taxation" program--which support policy research and revenue estimation needs at Treasury's Office of Tax Analysis. Once again, the budget increase is a go-ahead to continue the computer modernization that enables SOI to provide more files online. The budget increase also reflects SOI's ongoing effort to expand tabulated data for dissemination through the IRS Internet home page (see the previous article).

Under section 6108 of the Internal Revenue Code, SOI augments its budget with monies it receives from outside sources for statistical assistance. Monies received through these efforts increased from $1.7 million in FY 2004 to $1.8 million under the current budget. Outside funding received from the Department of Commerce for the Bureau of Economic Analysis (BEA) accounts for about two-thirds of SOI's reimbursable funding and partially pays for its annual partnership and nonfarm sole proprietorship programs.

Aside from agency funding, SOI continues to undertake small reimbursable projects for private organizations and individuals. These include producing individual public-use data, special tabulations from SOI data files, and measures of population mobility by county and State based on personal exemptions reported on income tax returns and year-to-year changes in the tax return mailing address.

As always, compared to the total statistical budget of the Federal Government, SOI's continues to be small, but still large enough to place it among the leaders. According to the Office of Management and Budget (OMB) report, *Statistical Programs of the United States Government, Fiscal Year 2005*, Federal agency statistical budgets (that amount to $500,000 or more) totaled $5,138.0 million in FY 2005. This includes the $39.1 million original budget request amount reported for SOI. In comparison, for FY 2004, the U.S. total was $4,719.1 million (which includes the original $38.1 million for SOI).

By comparison, the budgets of three organizations alone--the Bureau of the Census, the Bureau of Labor Statistics, and the National Institutes of Health--accounted for about $2,184.8 million, or 42.5 percent, of the total cost of all Federal statistical programs in FY 2005. All these figures are based on mostly comparable reports filed with OMB by the various agencies.

Upcoming Features

The following articles or data releases are tentatively planned for inclusion in the Summer 2005 issue of the *Statistics of Income Bulletin* scheduled to be published in September 2005:

- Sole Proprietorships, 2003;
- Corporation Income Tax Returns, 2002;
- Foreign-Controlled Domestic Corporations, 2002;
- Foreign Trusts, 2002;
- Estate Tax, 2001 Year of Death; and
- Tax-Exempt Governmental and Private Activity Bonds, 1996-2002.

High-Income Tax Returns for 2002

by Brian Balkovic

The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting income of $200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable [1]. This article presents detailed data for the 2.4 million high-income returns for 2002, as well as summary data for the period 1977 to 2001. Detailed data for the years 1974 through 2001 have been published previously [2].

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of adjusted gross income (AGI) and the expanded income concept [3]. Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI plus tax-exempt interest, nontaxable Social Security benefits, the foreign-earned income exclusion, and items of "tax preference" for "alternative minimum tax" purposes; less unreimbursed employee business expenses, moving expenses, investment interest expense to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor [4, 5]. Note that although expanded income is a more comprehensive measure of income than AGI, for some taxpayers, the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

Number of High-Income Returns

Figure A and Table 1 show that, for 2002, there were 2,414,128 individual income tax returns reporting AGI of $200,000 or more, and 2,464,515 returns with expanded income of $200,000 or more. These returns represented 1.856 percent and 1.895 percent, respectively, of all returns for 2002.

From 1977 to 2000, the number of returns reporting income of $200,000 or more increased at a much greater rate than the total number of returns filed. This pattern was true under both income concepts. For 2001, although the total number of returns increased, both the number of high AGI returns and high expanded-income returns fell by over 7 percent. That represented the first decrease under either income concept since the Tax Reform Act of 1976 required that data be published on individual income tax returns reporting $200,000 or more. For 2002, the number of high-income returns decreased again, by 6.0 percent as measured by AGI and by 5.4 percent as measured by expanded income. (For 2002, the total number of tax returns decreased 0.1 percent, marking the first decrease in the total number of returns since the early 1990's.) Thus, for 2002, both the numbers of high-income returns and their percentage of all returns were lower than in 2000.

The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. That change in the definition of AGI made the income concepts of AGI and expanded income more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A, the $200,000 threshold for high-income returns is measured in current-year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold fell over time, and some returns are classified as high-income that would not have been classified as high-income for earlier years. To maintain the comparability of the real threshold over time, the nominal $200,000 threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of high-income tax returns has been recomputed in the lower panel of Figure A [6].

When measured in 1976 constant dollars, under the expanded income concept, the total number of high-income returns for 2002 was only 6.0 times the number for 1977. However, the number of high-income returns for 2002 measured in current-year dollars was 36.5 times as large as for 1977. Since 1977, the percentage of returns with expanded income of $200,000 or more in current dollars increased every year through 2000, when it began to decline slightly. The share of high expanded-income returns in 1976 constant dollars decreased from 2000

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Figure A

All Returns and Returns With Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977-2002

Tax year	All returns	$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.143	0.182
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895

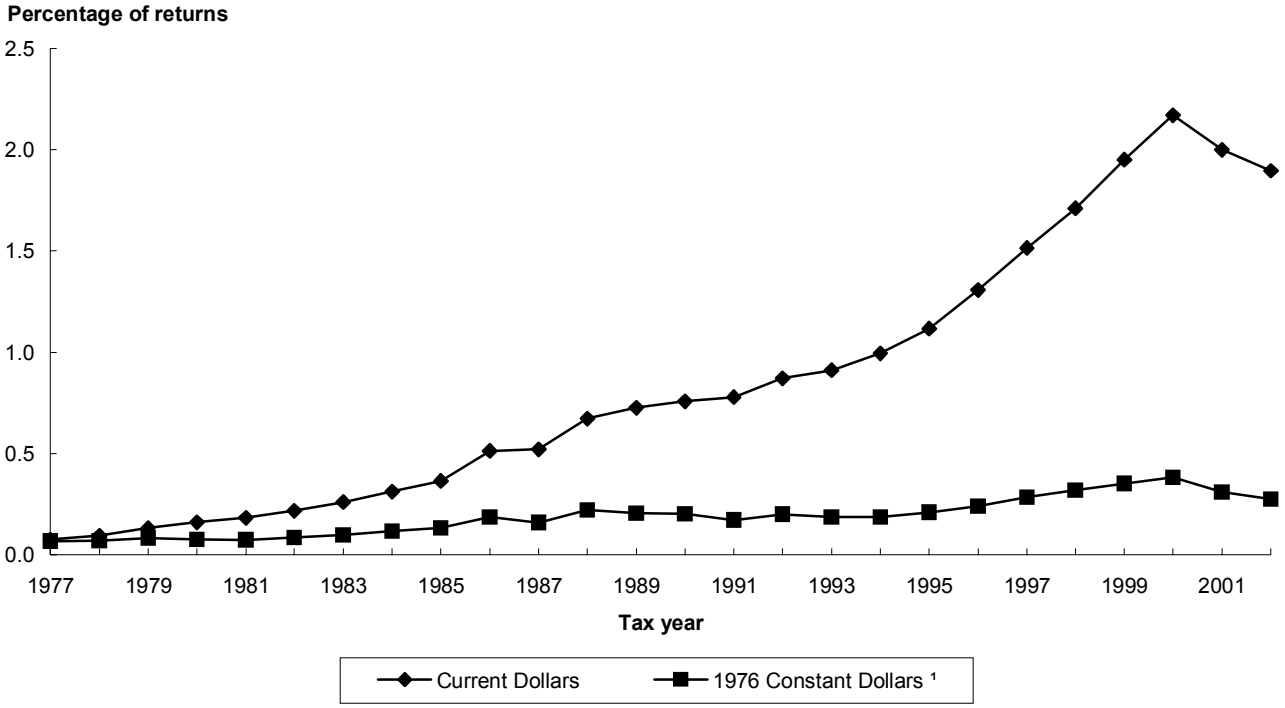
Tax year	Current dollar income threshold equal to $200,000 in 1976 constant dollars (whole dollars)	$200,000 income threshold measured in 1976 constant dollars [1]			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274

[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

NOTE: See Figure G for the derivation of expanded income.

Figure B

Returns With Expanded Income of $200,000 or More: Percentage of All Returns Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977-2002



¹ 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

NOTE: See Figure G for the derivation of expanded income.

to 2002. For 2002, the share of high-expanded income returns in constant dollars was 0.274 percent, a decline from 0.308 percent in 2001 and a peak of 0.381 percent in 2000. Figure B shows the difference between the constant and current-dollar shares of high expanded-income returns.

Based on AGI, the number of high-income returns for 2002 measured in current-year dollars was 45.2 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 2002 was only 7.5 times the number for 1977. For Tax Year 2002, the share of high AGI income returns in constant dollars fell to 0.266 percent from 0.301 percent in 2001 and a peak of 0.373 percent in 2000.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. income tax," is total Federal income tax liability (including the "alternative minimum tax" (AMT)), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept even though income taxes had been paid to a foreign government. The second tax concept, "worldwide income tax," addresses this circumstance by adding to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income [7, 8].

For 2002, of the 2,414,128 income tax returns with AGI of $200,000 or more, 2,959 (0.123 percent) showed no U.S. income tax liability; and 2,551 (0.106 percent) showed no worldwide income tax liability (the top panel of Figure C) [9]. For 2001, of the

Figure C

Nontaxable Returns With Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977-2002

Tax year	$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.067	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200

Tax year	$200,000 income threshold measured in 1976 constant dollars [1]							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.113	0.161	0.104	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.082	0.077	0.069	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149

[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

NOTE: See Figure G for the derivation of expanded income. See Figure H for the Tax Year 2002 derivation of U.S. income tax and worldwide income tax.

2,567,220 returns with AGI of $200,000 and over, 3,385 returns (0.132 percent) had no U.S. income tax liability, and 2,875 returns (0.112 percent) had no worldwide income tax liability.

For 2002, of the 2,464,515 tax returns with expanded income of $200,000 or more, 5,650 (0.229 percent) had no U.S. income tax liability; and 4,922 (0.200 percent) had no worldwide income tax liability. For 2001, of the 2,605,021 returns with expanded income of $200,000 or more, there were 4,910 (0.188 percent) with no U.S. income tax liability and 4,119 (0.158 percent) with no worldwide income tax liability.

Thus, whether measured by absence of U.S. income tax or absence of worldwide income tax, the proportion of nontaxable high-expanded income returns increased between 2001 and 2002. In contrast, the proportion of nontaxable high-AGI returns declined slightly from 2001 to 2002 whether measured by U.S income tax liability or worldwide income tax liability.

Although the number of nontaxable, high expanded-income returns, as measured by absence of U.S. income tax, increased in most years since 1977, that increase was largely attributable to the growth from 1977 through 2000 in the overall number of all returns--taxable and nontaxable--with income of $200,000 or more. As mentioned previously, because of the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987 [10].

Regardless of the income measure (AGI or expanded income) or the tax concept (U.S. income tax or worldwide income tax) used, the numbers of 2002 nontaxable, high-income returns in 1976 constant dollars were much lower than the numbers in current dollars. The percentages of nontaxable returns, however, are not substantially different regardless of whether measured in constant or current dollars. Of returns with AGI of $200,000 or more in current dollars, 0.123 percent reported no U.S. income tax for 2002; and 0.106 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.150; the percentage without worldwide income tax liability was 0.126 (see the lower panel of Figure C).

Of returns with expanded income of $200,000 or more in current dollars, 0.229 percent reported no U.S. income tax for 2002, and 0.200 percent had no worldwide income tax. When looking at these returns using 1976 constant dollars, the percentage without U.S. income tax liability was 0.173; the percentage without worldwide income tax liability was 0.149.

Figure D shows the number of returns with no worldwide income tax and with expanded income of $200,000 or more and their proportion of all high-expanded income returns for 1977 through 2002. These data are shown in both current-year and 1976 constant dollars. In this figure, the spread between the two percentage lines was small for the late 1970's, showed an increase for the early 1980's, and then narrowed before widening again after 1988. The spread also narrowed from 1994 through 1997 and then increased in 1998. The spread narrowed again in 1999 and did not increase significantly until 2002 when 0.200 percent of returns with expanded income were high-income and nontaxable in current dollars and just 0.149 percent in constant dollars.

Note that, because the number of nontaxable returns with expanded income of $200,000 or more is based on samples, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of $200,000 or more may represent sampling variability, in addition to actual changes in the numbers of such returns. Beginning with Tax Year 1991, nontaxable returns with expanded income of $200,000 or more were sampled at higher rates for Statistics of Income, which reduced the sampling variability of these returns and therefore provided improved estimates. Thus, the data for returns prior to 1991 are not entirely comparable with data for more recent years.

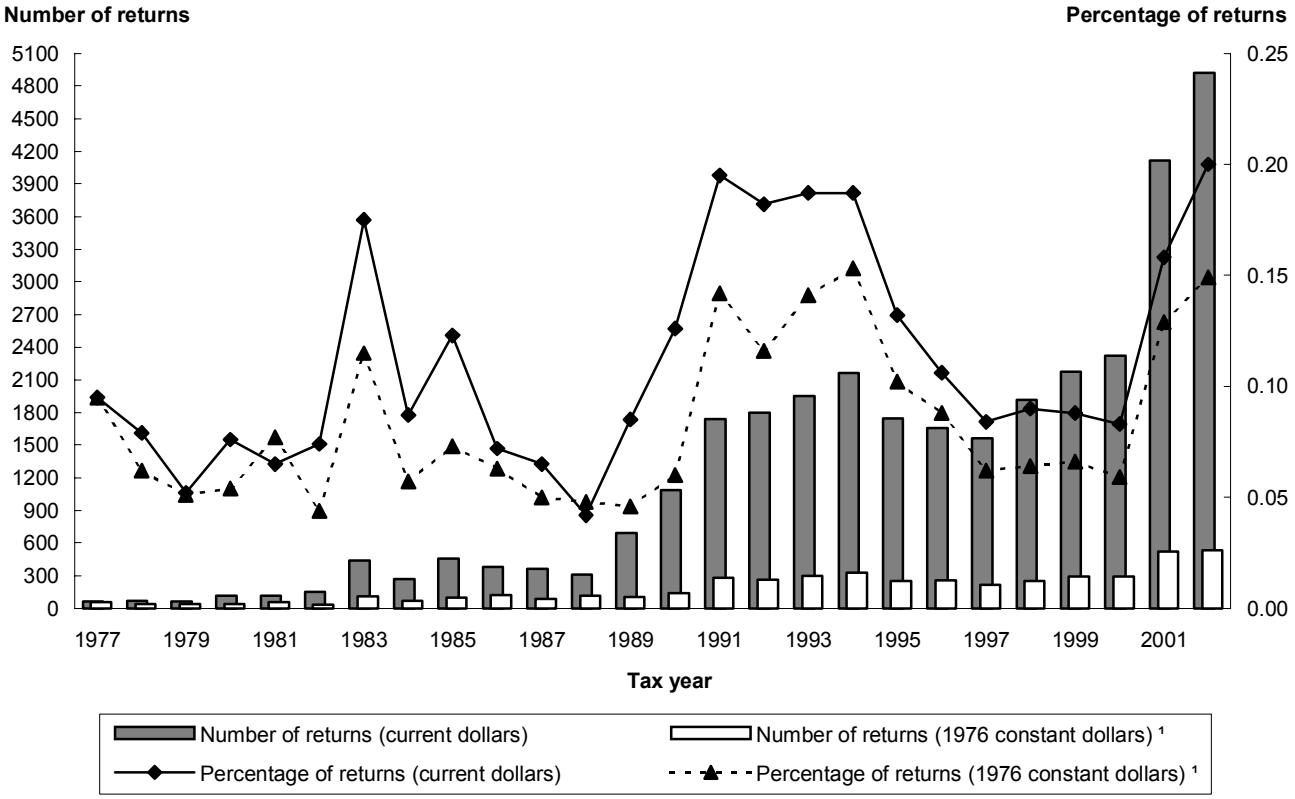
Detailed Data for 2002

Tables 1 through 12 present data based on income tax returns for 2002, mainly those with income of $200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- ❒ The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income-size classes (Tables 1 and 2);

Figure D

Number and Percentage of Returns With No Worldwide Income Tax and With Expanded Income of $200,000 or More, Tax Years 1977-2002



¹ 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

NOTE: See Figure G for the derivation of expanded income. See Figure H for the Tax Year 2002 derivation of U.S. income tax and worldwide income tax.

- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income-size classes (Tables 11 and 12).

Tables 1,3,5,7,9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-

classified by broad AGI and expanded income-size classes. The tables show that most returns fall in the same broad income-size class under both income concepts, but that the number of nontaxable returns is greater in each income class over $50,000 when income is measured by economic income rather than by AGI. Table 1 shows that 2,959 returns with no U.S. income tax had an AGI of $200,000 or more; and 5,650 returns with no U.S. income tax had an expanded income of $200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of "adjusted" taxable income to AGI or expanded income. Taxable income has been "adjusted" for these tables by subtracting from taxable income the deduction equivalents of tax credits and other items [11]. Thus, the tables show the extent to which AGI or expanded income, respectively, are reduced before taxes are imposed on the remaining income. The tables also illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the "expanded income" columns in Table 4.)

- As already described, only a small portion of high-income taxpayers were able to escape all income taxes (0.2 percent).

- Another group of high-income taxpayers--small, but larger than the nontaxable group--was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (Around 0.8 percent of high expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce their taxable incomes to less than 25 percent of their expanded incomes.)

- Overall, a large portion of high-income taxpayers were subject to tax on a large share of their incomes and, consequently, reported very substantial amounts of tax. (65.4 percent of high-expanded income taxpayers had taxable income equal to 80 percent or more of expanded income; and 96.3 percent had taxable income equal to 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both size of income and effective tax rate, i.e., income tax as a percentage of either adjusted gross income or expanded income. These tables show that, on average, high-income taxpayers did have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that, while 2.3 percent of returns with expanded income of $200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of expanded income, 37.2 percent had effective tax rates of 25 percent or more. In addition, 39.1 percent had effective tax rates between 20 percent and 25 percent.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns under the expanded-income concept were much more likely to have tax-exempt interest than were taxable returns, and when they did have it, the average amount was much higher. Similarly, nontaxable returns were much less likely to have any income from salaries and wages.

Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, none of which, by itself, would result in nontaxability. Moreover, some items, which singly or in combination may eliminate "regular tax" liability, i.e., income tax excluding the alternative minimum tax (AMT), cannot eliminate an AMT liability, since these items give rise to adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized

deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) could, by themselves, produce nontaxability [12].

Due to the AMT exemption of $49,000 on joint returns ($35,750 on single and head-of-household returns and $24,500 on returns of married taxpayers filing separately), a return could have been nontaxable, even though it included some items that produced AMT adjustments or preferences [13]. Further, since the starting point for "alternative minimum taxable income" was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative, due to itemized deductions and personal exemptions exceeding AGI, so that the taxpayer's AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that, because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects [14]. For example, Table 7 shows that, on taxable returns with some U.S. income tax and expanded income of $200,000 or more, the taxes paid deduction was the most important item 50.0 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 59.1 percent of the time, and the charitable contributions deduction was the second most important item 26.7 percent of the time.

Table 8 shows that, on returns without any worldwide tax and expanded income of $200,000 or more, the most important item in eliminating tax, on 65.6 percent of returns, was the exclusion for State and local government interest ("tax-exempt interest"). For these returns, the itemized deduction for taxes paid was the second most important item 23.1 percent of the time, and the deduction for medical and dental expenses was the second most important reason 19.1 percent of the time.

The four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (734 returns, or 28.8 percent of the 2,551 tabulated returns with AGI of $200,000 or more and with no worldwide tax liability); investment interest expense deduction (529 returns, or 20.7 percent); "all other" tax credits [15] (369 returns, or 14.5 percent); and medical and dental expense deduction (276 returns, or 10.8 percent). These effects are also shown graphically in Figure E.

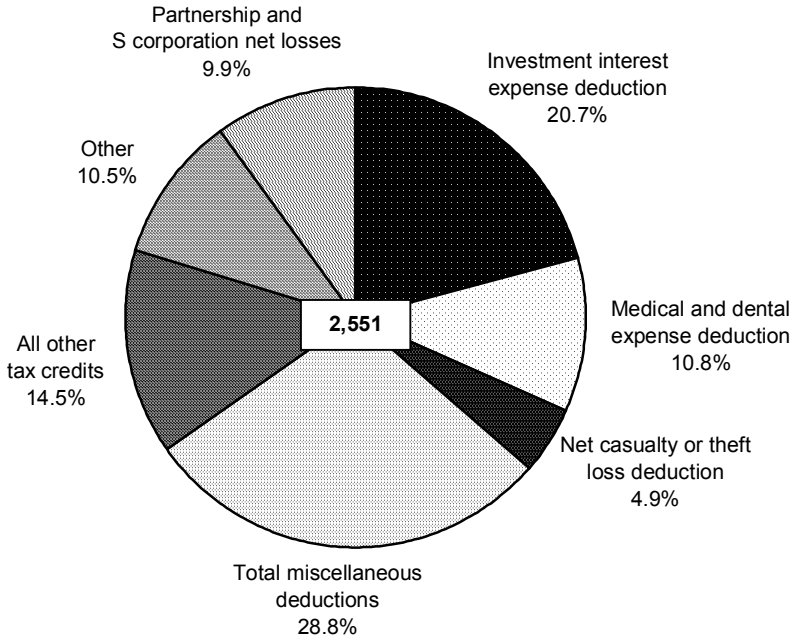
The four categories that most frequently had the largest effect in reducing taxes for high expanded-income returns with no worldwide income tax were tax-exempt interest (3,228 returns, or 65.6 percent of the 4,922 tabulated returns with expanded income of $200,000 or more and with no worldwide tax liability); medical and dental expense deductions (547 returns, or 11.1 percent); "all other" tax credits (366 returns, or 7.4 percent); and Partnership and S corporation net losses (277 returns, or 5.6 percent). These effects are also shown graphically in Figure F.

Table 8 also shows the two items that most frequently had the second largest effect in reducing regular tax liability for high expanded-income returns with no worldwide tax. These were the deduction for taxes paid (1,034 returns, or 21.0 percent) and the deduction for medical and dental expense deduction (653 returns, or 13.3 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different percentages of income. The items shown are the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 83 of the 4,922 returns, but there was no casualty or theft loss deduction on 4,770 returns.

Figure E

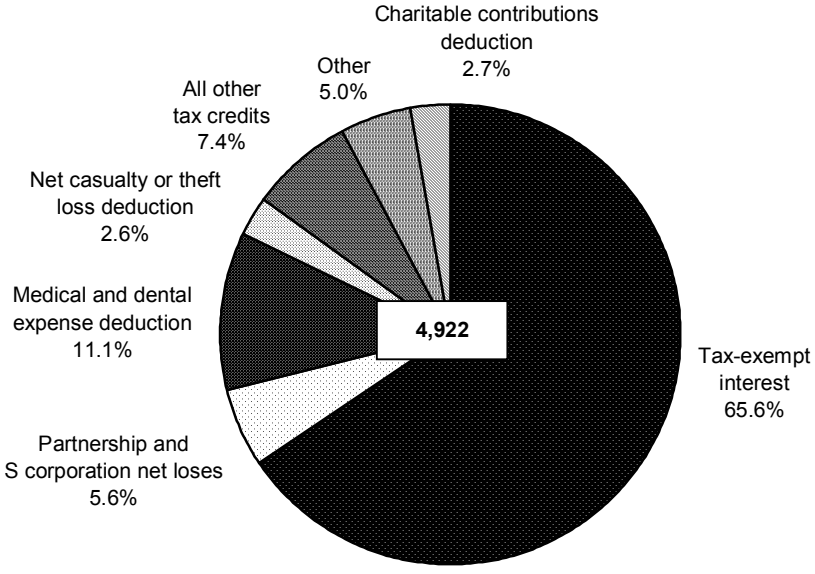
Returns With No Worldwide Income Tax and With Adjusted Gross Income of $200,000 or More: Primary Reasons for Reduced Income Tax Liabilities, Tax Year 2002



NOTE: Percentages may not total to 100 because of rounding.

Figure F

Returns With No Worldwide Income Tax and With Expanded Income of $200,000 or More: Primary Reasons for Reduced Income Tax Liabilities, Tax Year 2002



NOTE: See Figure G for the derivation of expanded income.

Notes and References

[1] The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

[2] Lerman, Allen H., "High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability," U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns," U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns* for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns was published.)

Lerman, Allen H., "High-Income Tax Returns, 1983," *Statistics of Income Bulletin,* Spring 1986, Volume 5, Number 4, pp. 31-61; "High-Income Tax Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29; "High-Income Tax Returns for 1989," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23-50; "High-Income Tax Returns for 1990," *Statistics of Income Bulletin,* Winter 1993-1994, Volume 13, Number 3, pp. 104-132; "High-Income Tax Returns for 1991," *Statistics of Income Bulletin,* Winter 1994-1995, Volume 14, Number 3, pp. 96-130; and "High-Income Tax Returns for 1992," *Statistics of Income Bulletin,* Winter 1995-1996, Volume 15, Number 3, pp. 46-82;

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Cruciano, Therese, "High-Income Tax Returns for 1995," *Statistics of Income Bulletin*, Summer 1998, Volume 18, Number 1, pp. 69-108; "High-Income Tax Returns for 1996," *Statistics of Income Bulletin,* Winter 1998-1999, Volume 18, Number 3, pp. 7-59.

Parisi, Michael, "High-Income Tax Returns for 1997," *Statistics of Income Bulletin*, Winter 1999-2000, Volume 19, Number 3, pp. 6-58.

Balkovic, Brian, "High-Income Tax Returns for 1998," *Statistics of Income Bulletin,* Winter 2000-2001, Volume 20, Number 3, pp. 5-57; "High-Income Tax Returns for 1999," *Statistics of Income Bulletin,* Spring 2002, Volume 21, Number 4, pp. 7-58; "High-Income Tax Returns for 2000," *Statistics of Income Bulletin,* Spring 2003, Volume 22, Number 4, pp. 10-62; "High-Income Tax Returns for 2001," *Statistics of Income Bulletin,* Summer 2004, Volume 24, Number 1, pp. 65-117.

[3] The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest expense not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (90 Stat. at 815) eliminated the requirement to use the last two income concepts.

[4] The definition of adjustments to AGI to obtain the expanded income given in the text is for the current year. See Appendix A for a discussion of AGI and expanded income and a list of adjustments covering all years since 1977.

[5] See Notes to Appendix A, Note A4.

[6] Inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*. The consumer price index represents annual averages of monthly indices and approximates buying patterns of typical urban consumers.

[7] See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income--Individual Income Tax Returns* (see footnote 2), the "U.S. income tax" concept

was described as "total income tax," and the "worldwide income tax" concept was described as "modified total income tax."

[8] The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the year-to-year comparability of data for worldwide income tax. However, the number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.

[9] Includes returns on which income tax was entirely offset by the earned income credit.

[10] Tax-exempt interest had to be reported on the individual income tax return starting with Tax Year 1987 and is included in expanded income starting with that year. Beginning with Tax Year 1991, tax-exempt interest was incorporated into the criteria used for sampling returns for Statistics of Income, thus increasing the reliability of the estimates of expanded income.

[11] See Appendix B for a description of how the deduction equivalent of credits was computed.

[12] The deduction for charitable contributions could also fall into this class if it were not limited to 50 percent of AGI.

[13] The AMT exclusion phases out above certain levels of "alternative minimum taxable income," based on filing status, but, since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable, high-income returns.

[14] Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

[15] "All other" tax credits include: child and dependent care credit, credit for the elderly and disabled, child tax credit, education credits, rate reduction credit, retirement savings contribution credit, adoption credit, minimum tax credit, mortgage interest credit, empowerment zone employment credit, New York Liberty Zone credit, nonconventional source fuel credit, qualified electrical vehicle credit, and DC first-time home buyer credit.

Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This appendix begins by defining "Haig-Simons income," a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts are listed. The final section defines "expanded income," a more comprehensive income measure than AGI, based entirely on tax return data.

Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household's consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed $25,000 and saved $2,000 in a year would be $27,000. Alternatively, the H-S income of a household that consumed $25,000 and had no additions to savings, but had assets that declined in value by $1,000 in a year, would be $24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

- *Labor income.*--This includes all forms of employee compensation (including wages

and salaries), employee fringe benefits (such as employer-provided health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as Social Security taxes). Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits) would be counted in the year it was earned, rather than in the year it was received.

- *Capital income*.--This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

- *Transfer payments*.--These include payments in cash (such as Social Security benefits, workers' compensation, unemployment benefits, Aid to Families with Dependent Children (AFDC), and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pretax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax and so are reported on a pretax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pretax, basis. Income from all tax-preferred sources should be "grossed up" by implicit taxes to properly measure H-S income.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most Social Security benefits, most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes some expenses not related to earning income, such as contributions to self-employed retirement (Keogh) plans, deductible contributions to Individual Retirement Arrangements (IRA's), the portion of Social Security contributions for self-employed workers that is analogous to the employer share of such contributions for employees, and contributions to medical savings accounts. AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then, in some cases, only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on the job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); and expenses attributable to a taxpayer's (passive) investments (as opposed to

active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3]. Note that there are limits on certain types of deductible expenses. In particular, deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, "passive" losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but, in computing AGI, they can only be deducted from "passive" income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains, whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, who include bond owners and owners of bank deposits.

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure G shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI was changed by legislation several times since 1977, and certain reporting requirements also changed, the adjustments differ over the years, as indicated for each item [A4]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and nonincome-producing assets, such

Figure G

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977-2002

Adjusted gross income (AGI)

PLUS:
- o Excluded capital gains (tax years prior to 1987)
- o Tax-exempt interest (1987 and later tax years)
- o Nontaxable Social Security benefits (1987 and later tax years)
- o Tax preferences for alternative minimum tax purposes [A5]
- o Foreign-earned income exclusion (1990 and later tax years)

MINUS:
- o Unreimbursed employee business expenses [A6]
- o Nondeductible rental losses (Tax Year 1987)
- o Moving expense deduction (Tax Years 1987 through 1993) [A7]
- o Investment interest expense deduction to the extent it does not exceed investment income
- o Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)

EQUALS: o Expanded income

NOTE: Footnotes to Figure G are included with the footnotes to Appendix A.

as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expense. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest expense and thus expanded income. Investment interest expenses that do exceed investment income are not deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represent a return of principal to the lender, rather than interest.

[A3] See Notes and References, footnote 4.

[A4] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and, thus, this adjustment was not made in computing expanded income for returns for years after 1986.

Beginning in 1987, taxpayers were required to report on their Federal income tax returns the amounts of their tax-exempt interest income from State and local government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report Social Security benefits. Since 1988, nontaxable Social Security benefits have been included in expanded income. However, if none of a particular taxpayer's Social Security benefits are taxable, then gross Social Security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower- and middle-income taxpayers, Social Security benefits are not included in expanded income.

The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987. All current-year moving expenses beginning with Tax Year 1994 were deducted in the calculation of AGI as a statutory adjustment.

Due to subtracting nonlimited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A5] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S corporations, only the net amounts of which are included in adjusted gross income.

Appendix B: Tax Concepts

This appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in this article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they physically reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (precredit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes--U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., returns showing an income tax liability) or nontaxable (i.e., returns showing no income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax plus the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax, is shown in Figure H.

Figure H

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2002

Tax at regular rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
PLUS:	Alternative minimum tax (Form 6251)
EQUALS:	Income tax before credits
MINUS:	Tax credits
EQUALS:	U.S. income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign-earned income (Form 1116)
EQUALS:	Worldwide income tax

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income that would yield income tax before credits" and "taxable income that would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive, with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax-rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Unaudited Data

Tax return data used for *Statistics of Income* have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been or could be made as a result of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns could be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset precredit U.S. income tax liability with foreign tax credits.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

Table 1.--Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2002

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under $50,000[1]	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**130,076,443**	**92,594,957**	**26,644,756**	**8,422,603**	**2,414,128**
Under $50,000[1]	91,896,545	91,169,538	717,410	6,869	2,728
$50,000 under $100,000	27,403,702	1,386,294	25,698,053	315,191	4,165
$100,000 under $200,000	8,311,681	34,705	223,352	8,006,731	46,893
$200,000 or more	2,464,515	4,421	5,940	93,812	2,360,342
Returns with U.S. income tax					
Total	**93,565,364**	**56,369,959**	**26,376,560**	**8,407,677**	**2,411,169**
Under $50,000[1]	55,761,488	55,086,511	668,444	4,692	1,841
$50,000 under $100,000	27,067,514	1,261,062	25,488,506	313,930	4,017
$100,000 under $200,000	8,277,497	19,766	214,792	7,996,325	46,614
$200,000 or more	2,458,865	2,620	4,818	92,730	2,358,697
Returns without U.S. income tax					
Total	**36,511,079**	**36,224,998**	**268,196**	**14,926**	**2,959**
Under $50,000[1]	36,135,057	36,083,027	48,966	2,177	887
$50,000 under $100,000	336,187	125,232	209,547	1,261	148
$100,000 under $200,000	34,184	14,939	8,560	10,406	279
$200,000 or more	5,650	1,801	1,122	1,082	1,645

[1] Includes returns with adjusted gross deficit or with negative expanded income.

NOTE: Detail may not add to totals because of rounding.

Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2002

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under $50,000[1]	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**130,076,443**	**92,594,957**	**26,644,756**	**8,422,603**	**2,414,128**
Under $50,000[1]	91,896,545	91,169,538	717,410	6,869	2,728
$50,000 under $100,000	27,403,702	1,386,294	25,698,053	315,191	4,165
$100,000 under $200,000	8,311,681	34,705	223,352	8,006,731	46,893
$200,000 or more	2,464,515	4,421	5,940	93,812	2,360,342
Returns with worldwide income tax					
Total	**93,688,357**	**56,474,618**	**26,394,161**	**8,408,001**	**2,411,577**
Under $50,000[1]	55,855,405	55,180,201	668,651	4,704	1,848
$50,000 under $100,000	27,086,829	1,264,961	25,503,913	313,930	4,026
$100,000 under $200,000	8,286,530	26,784	216,648	7,996,460	46,638
$200,000 or more	2,459,593	2,672	4,949	92,907	2,359,065
Returns without worldwide income tax					
Total	**36,388,087**	**36,120,339**	**250,595**	**14,602**	**2,551**
Under $50,000[1]	36,041,140	35,989,337	48,759	2,164	880
$50,000 under $100,000	316,873	121,332	194,140	1,261	139
$100,000 under $200,000	25,152	7,920	6,705	10,272	255
$200,000 or more	4,922	1,749	991	905	1,277

[1] Includes returns with adjusted gross deficit or with negative expanded income.

NOTE: Detail may not add to totals because of rounding.

Table 3.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2002

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**2,414,128**	**100.0**	**100.0**	**2,464,515**	**100.0**	**100.0**
Returns without U.S. income tax	**2,959**	**0.1**	**0.1**	**5,650**	**0.2**	**0.2**
Returns with U.S. income tax:						
Total	**2,411,169**	**99.9**	**--**	**2,458,865**	**99.8**	**--**
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	1,558	0.1	0.2	1,819	0.1	0.3
5 under 10 percent	2,197	0.1	0.3	8,707	0.4	0.7
10 under 15 percent	5,408	0.2	0.5	17,184	0.7	1.4
15 under 20 percent	8,488	0.4	0.9	6,540	0.3	1.6
20 under 25 percent	5,251	0.2	1.1	8,428	0.3	2.0
25 under 30 percent	4,838	0.2	1.3	9,015	0.4	2.3
30 under 35 percent	5,444	0.2	1.5	11,645	0.5	2.8
35 under 40 percent	8,779	0.4	1.9	16,428	0.7	3.5
40 under 45 percent	10,231	0.4	2.3	16,429	0.7	4.1
45 under 50 percent	15,715	0.7	2.9	22,640	0.9	5.1
50 under 60 percent	63,557	2.6	5.6	76,267	3.1	8.1
60 under 70 percent	165,124	6.8	12.4	179,018	7.3	15.4
70 under 80 percent	519,440	21.5	33.9	513,364	20.8	36.2
80 percent or more	1,595,135	66.1	100.0	1,571,376	63.8	100.0

NOTE: Detail may not add to totals because of rounding.

Table 4.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2002

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**2,414,128**	**100.0**	**100.0**	**2,464,515**	**100.0**	**100.0**
Returns without worldwide income tax	**2,551**	**0.1**	**0.1**	**4,922**	**0.2**	**0.2**
Returns with worldwide income tax:						
Total	**2,411,577**	**99.9**	**--**	**2,459,593**	**99.8**	**--**
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	1,747	0.1	0.2	1,440	0.1	0.3
5 under 10 percent	1,462	0.1	0.2	3,068	0.1	0.4
10 under 15 percent	1,979	0.1	0.3	5,917	0.2	0.6
15 under 20 percent	1,651	0.1	0.4	3,736	0.2	0.8
20 under 25 percent	3,643	0.2	0.5	5,578	0.2	1.0
25 under 30 percent	4,294	0.2	0.7	6,259	0.3	1.3
30 under 35 percent	4,074	0.2	0.9	9,180	0.4	1.6
35 under 40 percent	7,531	0.3	1.2	13,551	0.5	2.2
40 under 45 percent	8,490	0.4	1.5	16,527	0.7	2.8
45 under 50 percent	14,722	0.6	2.2	21,443	0.9	3.7
50 under 60 percent	59,017	2.4	4.6	73,618	3.0	6.7
60 under 70 percent	160,136	6.6	11.2	176,932	7.2	13.9
70 under 80 percent	511,861	21.2	32.4	510,920	20.7	34.6
80 percent or more	1,630,970	67.6	100.0	1,611,424	65.4	100.0

NOTE: Detail may not add to totals because of rounding.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	2,096,767	640,711,117	2,095,163	640,356,069	1,604	355,048
Business or profession:						
Net income	492,422	57,533,926	491,977	57,474,599	445	59,326
Net loss	142,056	3,602,104	141,677	3,524,242	379	77,862
Farm:						
Net income	15,099	711,581	15,077	708,335	22	3,246
Net loss	51,541	2,212,697	51,416	2,177,602	125	35,095
Partnership and S corporation net income after Section 179 property deduction: [1]						
Net income	866,285	236,696,136	865,659	236,535,462	626	160,674
Net loss	246,354	18,873,926	245,363	18,262,617	991	611,309
Sales of capital assets:						
Net gain	794,561	193,333,721	793,345	192,531,182	1,216	802,539
Net loss	1,075,959	2,886,808	1,074,746	2,883,334	1,213	3,474
Sales of property other than capital assets:						
Net gain	96,809	2,457,686	96,579	2,432,455	230	25,231
Net loss	173,661	2,421,543	173,286	2,369,681	375	51,862
Taxable interest received	2,324,740	44,346,363	2,322,042	43,627,460	2,698	718,903
Tax-exempt interest	724,565	24,811,811	723,391	24,633,723	1,174	178,088
Dividends	1,979,826	40,988,902	1,977,466	40,693,431	2,360	295,472
Pensions and annuities in adjusted gross income	442,050	17,411,188	441,526	17,385,849	524	25,340
Rent:						
Net income	352,357	17,279,937	351,944	17,245,769	413	34,169
Net loss, total (deductible and nondeductible)	287,732	4,032,287	287,307	4,008,326	425	23,961
Nondeductible rental loss	186,553	2,182,610	186,267	2,172,755	286	9,855
Royalty:						
Net income	115,039	3,671,174	114,725	3,658,323	314	12,851
Net loss	5,748	58,559	5,739	58,336	9	223
Estate or trust:						
Net income	74,517	8,561,384	74,326	8,536,117	191	25,266
Net loss	6,684	486,242	6,619	476,103	65	10,139
State income tax refunds	1,190,910	6,767,364	1,189,948	6,723,558	962	43,806
Alimony received	5,266	818,498	5,262	818,298	4	199
Social Security benefits in adjusted gross income	354,701	6,336,030	353,941	6,323,753	760	12,277
Social Security benefits (nontaxable)	354,731	1,118,442	353,971	1,116,275	760	2,167
Unemployment compensation	52,753	336,609	52,677	336,059	76	550
Other income	321,879	9,632,749	321,361	9,598,854	518	33,895
Other loss	32,721	1,505,933	32,655	1,500,356	66	5,577
Foreign-earned income exclusion	22,958	1,705,502	22,840	1,695,758	118	9,744
Total income	2,414,128	1,267,760,290	2,411,169	1,265,895,060	2,959	1,865,230
Statutory adjustments, total	1,044,245	16,068,745	1,043,323	16,055,168	922	13,577
Payments to Individual Retirement Arrangements	92,014	473,877	91,952	473,595	62	282
Payments to self-employed retirement (Keogh) plans	288,963	7,607,516	288,898	7,605,672	65	1,844
Moving expenses adjustment	27,598	129,917	27,581	129,653	17	264
Adjusted gross income	**2,414,128**	**1,251,691,545**	**2,411,169**	**1,249,839,892**	**2,959**	**1,851,654**
Investment interest expense deduction	495,349	9,368,650	493,749	8,583,767	1,600	784,883
Total tax preferences excluded from adjusted gross income [2]	733,944	27,018,677	732,791	26,836,180	1,153	182,497
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	17,752	2,211,320	17,704	2,206,457	48	4,863
Passive activity loss (alternative minimum tax adjustment)	302,635	573,665	302,088	571,716	547	1,949
Expanded income	**2,414,047**	**1,262,312,253**	**2,411,169**	**1,261,560,402**	**2,878**	**751,850**

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept--Continued						
Exemption amount	1,340,927	7,592,337	1,339,505	7,585,351	1,422	6,986
Itemized deductions:						
Total per adjusted gross income concept	2,268,784	163,957,420	2,265,953	161,903,392	2,831	2,054,028
Charitable contributions deduction	2,189,551	42,360,302	2,187,139	42,129,333	2,412	230,969
Interest paid deduction:						
Total per adjusted gross income concept	1,927,059	46,869,262	1,924,751	46,004,035	2,308	865,227
Total home mortgage interest	1,823,382	37,188,349	1,821,490	37,108,595	1,892	79,754
Medical and dental expense deduction	34,842	932,037	34,416	846,258	426	85,778
Net casualty or theft loss deduction	3,904	391,699	3,770	306,661	134	85,038
Taxes paid deduction	2,260,801	84,583,642	2,258,140	84,408,516	2,661	175,125
Net limited miscellaneous deductions per adjusted gross income concept	381,596	8,011,442	380,438	7,866,223	1,158	145,218
Nonlimited miscellaneous deductions	73,476	5,609,092	72,739	5,104,189	737	504,902
Excess of exemptions and deductions over adjusted gross income	4,212	1,227,631	2,225	684,087	1,987	543,543
Taxable income	2,409,855	1,080,290,885	2,408,944	1,079,957,555	911	333,330
Tax at regular rates	2,409,861	325,859,621	2,408,948	325,777,152	913	82,470
Alternative minimum tax (Form 6251)	613,028	4,370,269	613,023	4,370,169	5	99
Income tax before credits	2,412,082	330,247,541	2,411,168	330,164,972	914	82,569
Tax credits:						
Total	884,134	6,270,320	883,220	6,187,751	914	82,569
Child care credit	137,396	71,655	137,366	71,641	30	14
Minimum tax credit	68,527	760,184	67,868	706,928	659	53,257
Foreign tax credit	680,596	4,787,051	680,189	4,767,106	407	19,945
General business credit	64,535	445,547	64,447	444,577	88	970
U.S. total income tax	2,411,169	323,980,309	2,411,169	323,980,309	--	--
Taxable income which would yield:						
Income tax before credits	2,412,082	1,017,665,027	2,411,168	1,017,401,380	914	263,647
Income tax after credits	2,411,165	1,000,683,485	2,411,165	1,000,683,485	--	--
U.S. total income tax	2,411,169	1,000,691,536	2,411,169	1,000,691,536	--	--
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**2,414,128**	**1,251,691,545**	**2,411,169**	**1,249,839,892**	**2,959**	**1,851,654**
plus: Total tax preferences excluded from adjusted gross income [2]	733,944	27,018,677	732,791	26,836,180	1,153	182,497
Social Security benefits (nontaxable)	354,731	1,118,442	353,971	1,116,275	760	2,167
Foreign-earned income exclusion	22,958	1,705,502	22,840	1,695,758	118	9,744
minus: Investment interest expense deduction	495,349	9,368,650	493,749	8,583,767	1,600	784,883
Nonlimited miscellaneous deductions	73,476	5,609,092	72,739	5,104,189	737	504,902
Unreimbursed employee business expenses	462,334	4,244,171	462,090	4,239,746	244	4,425
Equals: Expanded income	**2,414,047**	**1,262,312,253**	**2,411,169**	**1,261,560,402**	**2,878**	**751,850**

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	2,098,186	639,593,672	2,096,030	639,229,316	2,156	364,356
Business or profession:						
Net income	494,540	57,738,390	493,987	57,700,024	553	38,365
Net loss	140,059	3,611,631	139,559	3,535,465	500	76,166
Farm:						
Net income	15,084	724,764	15,054	724,480	30	284
Net loss	54,278	2,319,567	54,108	2,273,428	170	46,139
Partnership and S corporation net income after Section 179 property deduction: [1]						
Net income	880,957	237,069,870	879,941	236,958,391	1,016	111,479
Net loss	259,241	19,017,772	257,404	18,393,990	1,837	623,781
Sales of capital assets:						
Net gain	822,466	194,050,445	820,657	193,508,428	1,809	542,017
Net loss	1,108,222	2,978,318	1,104,790	2,968,404	3,432	9,915
Sales of property other than capital assets:						
Net gain	99,469	2,459,670	99,138	2,437,176	331	22,494
Net loss	180,602	2,420,676	179,994	2,373,257	608	47,419
Taxable interest received	2,376,746	45,235,506	2,371,264	44,742,307	5,481	493,198
Tax-exempt interest	801,480	32,919,895	796,871	31,441,008	4,608	1,478,887
Dividends	2,041,310	43,582,337	2,036,060	43,224,504	5,249	357,833
Pensions and annuities in adjusted gross income	474,141	18,876,506	472,979	18,843,450	1,162	33,056
Rent:						
Net income	365,071	17,480,249	364,468	17,451,628	603	28,621
Net loss, total (deductible and nondeductible)	288,264	4,055,210	287,631	4,031,267	633	23,943
Nondeductible rental loss	185,397	2,172,087	185,120	2,164,653	277	7,435
Royalty:						
Net income	122,082	3,735,453	121,468	3,720,860	614	14,593
Net loss	5,956	48,564	5,938	48,197	18	367
Estate or trust:						
Net income	80,665	8,620,007	80,195	8,599,922	470	20,085
Net loss	8,725	484,399	8,610	476,699	115	7,700
State income tax refunds	1,212,245	6,858,071	1,210,575	6,813,067	1,670	45,004
Alimony received	4,925	810,342	4,917	810,025	8	317
Social Security benefits in adjusted gross income	411,471	7,369,600	409,176	7,331,908	2,295	37,692
Social Security benefits (nontaxable)	411,502	1,300,850	409,206	1,294,197	2,296	6,653
Unemployment compensation	50,377	323,155	50,305	322,620	72	535
Other income	330,504	9,794,938	329,675	9,774,477	829	20,461
Other loss	40,849	1,731,141	40,676	1,723,352	173	7,789
Foreign-earned income exclusion	38,611	3,005,003	38,268	2,969,323	343	35,680
Total income	2,464,513	1,270,802,642	2,458,865	1,269,601,680	5,648	1,200,962
Statutory adjustments, total	1,048,635	16,153,009	1,047,329	16,133,628	1,306	19,382
Payments to Individual Retirement Arrangements	95,133	483,782	95,015	483,246	118	536
Payments to self-employed retirement (Keogh) plans	289,476	7,640,623	289,380	7,638,180	96	2,443
Moving expenses adjustment	27,055	130,131	27,035	129,868	20	263
Adjusted gross income	**2,464,513**	**1,254,649,633**	**2,458,865**	**1,253,468,052**	**5,648**	**1,181,580**
Investment interest expense deduction	500,066	8,486,652	498,159	8,182,835	1,907	303,817
Total tax preferences excluded from adjusted gross income [2]	813,870	35,426,844	809,284	33,942,381	4,586	1,484,463
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	21,559	2,511,531	21,493	2,505,403	66	6,128
Passive activity loss (alternative minimum tax adjustment)	317,303	580,193	316,384	578,324	918	1,868
Expanded income	**2,464,515**	**1,279,705,622**	**2,458,865**	**1,277,328,354**	**5,650**	**2,377,268**

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept--Continued						
Exemption amount	1,394,879	7,885,867	1,390,060	7,855,722	4,818	30,144
Itemized deductions:						
Total per adjusted gross income concept	2,301,376	161,555,007	2,296,468	160,240,728	4,908	1,314,279
Total per expanded income concept	2,301,214	172,990,297	2,296,307	171,978,344	4,907	1,011,952
Charitable contributions deduction	2,220,766	43,071,674	2,216,292	42,842,468	4,474	229,206
Interest paid deduction:						
Total per adjusted gross income concept	1,927,837	45,795,598	1,924,736	45,396,854	3,101	398,744
Total per expanded income concept	1,818,038	37,308,946	1,815,594	37,214,019	2,444	94,927
Total home mortgage interest	1,815,195	37,003,739	1,812,758	36,909,423	2,437	94,315
Medical and dental expense deduction	48,350	1,296,149	45,950	1,093,035	2,400	203,113
Net casualty or theft loss deduction	4,309	400,978	4,156	313,157	153	87,822
Taxes paid deduction	2,291,640	85,242,587	2,286,881	85,022,551	4,759	220,036
Net limited miscellaneous deductions per adjusted gross income concept	380,273	7,966,942	376,907	7,788,349	3,366	178,593
Nonlimited miscellaneous deductions	61,901	2,500,075	61,730	2,481,186	171	18,889
Excess of exemptions and deductions over adjusted gross income	7,763	1,280,373	3,391	758,438	4,371	521,935
Taxable income	2,456,749	1,085,275,986	2,455,474	1,084,922,257	1,275	353,728
Tax at regular rates	2,456,783	326,935,906	2,455,484	326,849,009	1,299	86,897
Alternative minimum tax (Form 6251)	626,523	4,531,348	626,447	4,531,144	76	203
Income tax before credits	2,460,193	331,484,936	2,458,865	331,397,836	1,328	87,100
Tax credits:						
Total	932,388	6,633,100	931,060	6,545,999	1,328	87,100
Child care credit	137,274	71,524	137,220	71,499	54	25
Minimum tax credit	72,276	766,130	71,548	712,592	728	53,538
Foreign tax credit	727,455	5,142,391	726,729	5,118,227	726	24,165
General business credit	68,535	445,559	68,445	444,653	90	906
U.S. total income tax	2,458,865	324,854,894	2,458,865	324,854,894	--	--
Taxable income which would yield:						
Income tax before credits	2,460,193	1,022,911,244	2,458,865	1,022,626,765	1,328	284,479
Income tax after credits	2,458,861	1,004,596,322	2,458,861	1,004,596,322	--	--
U.S. total income tax	2,458,865	1,004,604,248	2,458,865	1,004,604,248	--	--
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**2,464,513**	**1,254,649,633**	**2,458,865**	**1,253,468,052**	**5,648**	**1,181,580**
plus: Total tax preferences excluded from adjusted gross income [2]	813,870	35,426,844	809,284	33,942,381	4,586	1,484,463
Social Security benefits (nontaxable)	411,502	1,300,850	409,206	1,294,197	2,296	6,653
Foreign-earned income exclusion	38,611	3,005,003	38,268	2,969,323	343	35,680
minus: Investment interest expense deduction	500,066	8,486,652	498,159	8,182,835	1,907	303,817
Nonlimited miscellaneous deductions	61,901	2,500,075	61,730	2,481,186	171	18,889
Unreimbursed employee business expenses	440,368	3,681,874	440,046	3,679,892	322	1,983
Equals: Expanded income	**2,464,515**	**1,279,705,622**	**2,458,865**	**1,277,328,354**	**5,650**	**2,377,268**

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

NOTE: Detail may not add to totals because of rounding.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	2,096,767	640,711,117	2,095,478	640,466,536	1,289	244,580
Business or profession:						
Net income	492,422	57,533,926	492,022	57,481,989	400	51,936
Net loss	142,056	3,602,104	141,711	3,527,772	345	74,331
Farm:						
Net income	15,099	711,581	15,079	708,364	20	3,217
Net loss	51,541	2,212,697	51,426	2,196,714	115	15,983
Partnership and S corporation net income after Section 179 property deduction: [1]						
Net income	866,285	236,696,136	865,736	236,556,059	549	140,077
Net loss	246,354	18,873,926	245,456	18,312,096	898	561,830
Sales of capital assets:						
Net gain	794,561	193,333,721	793,551	192,658,440	1,010	675,281
Net loss	1,075,959	2,886,808	1,074,873	2,883,694	1,086	3,113
Sales of property other than capital assets:						
Net gain	96,809	2,457,686	96,601	2,433,797	208	23,889
Net loss	173,661	2,421,543	173,326	2,372,557	335	48,985
Taxable interest received	2,324,740	44,346,363	2,322,415	43,650,433	2,325	695,930
Tax-exempt interest	724,565	24,811,811	723,542	24,644,075	1,023	167,736
Dividends	1,979,826	40,988,902	1,977,813	40,716,039	2,013	272,863
Pensions and annuities in adjusted gross income	442,050	17,411,188	441,568	17,386,747	482	24,442
Rent:						
Net income	352,357	17,279,937	351,989	17,249,462	368	30,475
Net loss, total (deductible and nondeductible)	287,732	4,032,287	287,351	4,014,567	381	17,720
Nondeductible rental loss	186,553	2,182,610	186,299	2,173,388	254	9,222
Royalty:						
Net income	115,039	3,671,174	114,754	3,661,387	285	9,786
Net loss	5,748	58,559	5,740	58,339	8	220
Estate or trust:						
Net income	74,517	8,561,384	74,342	8,536,518	175	24,866
Net loss	6,684	486,242	6,622	476,112	62	10,130
State income tax refunds	1,190,910	6,767,364	1,190,067	6,729,746	843	37,618
Alimony received	5,266	818,498	5,262	818,298	4	199
Social Security benefits in adjusted gross income	354,701	6,336,030	353,982	6,324,408	719	11,622
Social Security benefits (nontaxable)	354,731	1,118,442	354,012	1,116,391	719	2,051
Unemployment compensation	52,753	336,609	52,690	336,127	63	482
Other income	321,879	9,632,749	321,421	9,600,685	458	32,064
Other loss	32,721	1,505,933	32,684	1,501,456	37	4,476
Foreign-earned income exclusion	22,958	1,705,502	22,954	1,705,272	4	230
Total income	2,414,128	1,267,760,290	2,411,577	1,266,133,030	2,551	1,627,260
Statutory adjustments, total	1,044,245	16,068,745	1,043,426	16,056,845	819	11,900
Payments to Individual Retirement Arrangements	92,014	473,877	91,960	473,640	54	237
Payments to self-employed retirement (Keogh) plans	288,963	7,607,516	288,910	7,605,996	53	1,520
Moving expenses adjustment	27,598	129,917	27,587	129,722	11	195
Adjusted gross income	**2,414,128**	**1,251,691,545**	**2,411,577**	**1,250,076,185**	**2,551**	**1,615,360**
Investment interest expense deduction	495,349	9,368,650	493,935	8,607,994	1,414	760,656
Total tax preferences excluded from adjusted gross income [2]	733,944	27,018,677	732,927	26,848,233	1,017	170,443
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	17,752	2,211,320	17,713	2,208,293	39	3,027
Passive activity loss (alternative minimum tax adjustment)	302,635	573,665	302,151	571,550	484	2,115
Expanded income	**2,414,047**	**1,262,312,253**	**2,411,577**	**1,261,792,469**	**2,470**	**519,784**

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept--Continued						
Exemption amount	1,340,927	7,592,337	1,339,674	7,586,364	1,253	5,974
Itemized deductions:						
Total per adjusted gross income concept	2,268,784	163,957,420	2,266,249	161,964,977	2,535	1,992,443
Charitable contributions deduction	2,189,551	42,360,302	2,187,408	42,142,512	2,143	217,789
Interest paid deduction:						
Total per adjusted gross income concept	1,927,059	46,869,262	1,925,026	46,035,900	2,033	833,361
Total home mortgage interest	1,823,382	37,188,349	1,821,725	37,116,184	1,657	72,165
Medical and dental expense deduction	34,842	932,037	34,426	846,930	416	85,107
Net casualty or theft loss deduction	3,904	391,699	3,771	307,558	133	84,141
Taxes paid deduction	2,260,801	84,583,642	2,258,422	84,422,655	2,379	160,987
Net limited miscellaneous deductions per adjusted gross income concept	381,596	8,011,442	380,552	7,869,656	1,044	141,785
Nonlimited miscellaneous deductions	73,476	5,609,092	72,756	5,105,648	720	503,443
Excess of exemptions and deductions over adjusted gross income	4,212	1,227,631	2,225	684,087	1,987	543,543
Taxable income	2,409,855	1,080,290,885	2,409,352	1,080,130,516	503	160,369
Tax at regular rates	2,409,861	325,859,621	2,409,356	325,823,025	505	36,596
Alternative minimum tax (Form 6251)	613,028	4,370,269	613,028	4,370,269	--	--
Income tax before credits	2,412,082	330,247,541	2,411,576	330,210,901	506	36,640
Tax credits:						
Total	295,057	1,483,269	294,551	1,446,629	506	36,640
Child care credit	137,396	71,655	137,370	71,643	26	13
Minimum tax credit	68,527	760,184	68,071	725,129	456	35,055
Foreign tax credit	--	--	--	--	--	--
General business credit	64,535	445,547	64,477	444,760	58	787
Worldwide total income tax	2,411,577	329,300,252	2,411,577	329,300,252	--	--
Foreign taxes paid	680,597	5,319,943	680,597	5,319,943	--	--
Foreign taxes paid on excluded foreign-earned income (Form 1116)	16,415	532,892	16,415	532,892	--	--
Taxable income which would yield:						
Income tax before credits	2,412,082	1,017,665,027	2,411,576	1,017,542,766	506	122,260
Income tax after credits	2,411,576	1,015,080,350	2,411,576	1,015,080,350	--	--
Worldwide total income tax	2,411,577	1,015,088,340	2,411,577	1,015,088,340	--	--
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**2,414,128**	**1,251,691,545**	**2,411,577**	**1,250,076,185**	**2,551**	**1,615,360**
plus: Total tax preferences excluded from adjusted gross income [2]	733,944	27,018,677	732,927	26,848,233	1,017	170,443
Social Security benefits (nontaxable)	354,731	1,118,442	354,012	1,116,391	719	2,051
Foreign-earned income exclusion	22,958	1,705,502	22,954	1,705,272	4	230
minus: Investment interest expense deduction	495,349	9,368,650	493,935	8,607,994	1,414	760,656
Nonlimited miscellaneous deductions	73,476	5,609,092	72,756	5,105,648	720	503,443
Unreimbursed employee business expenses	462,334	4,244,171	462,124	4,239,969	210	4,202
Equals: Expanded income	**2,414,047**	**1,262,312,253**	**2,411,577**	**1,261,792,469**	**2,470**	**519,784**

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	2,098,186	639,593,672	2,096,585	639,384,623	1,601	209,049
Business or profession:						
Net income	494,540	57,738,390	494,064	57,709,155	476	29,234
Net loss	140,059	3,611,631	139,611	3,539,330	448	72,301
Farm:						
Net income	15,084	724,764	15,055	724,492	29	271
Net loss	54,278	2,319,567	54,122	2,293,119	156	26,447
Partnership and S corporation net income after Section 179 property deduction: [1]						
Net income	880,957	237,069,870	880,050	236,979,185	907	90,685
Net loss	259,241	19,017,772	257,528	18,441,543	1,713	576,229
Sales of capital assets:						
Net gain	822,466	194,050,445	820,915	193,629,963	1,551	420,482
Net loss	1,108,222	2,978,318	1,105,070	2,969,198	3,152	9,120
Sales of property other than capital assets:						
Net gain	99,469	2,459,670	99,172	2,438,550	297	21,120
Net loss	180,602	2,420,676	180,040	2,376,492	562	44,183
Taxable interest received	2,376,746	45,235,506	2,371,916	44,760,768	4,829	474,738
Tax-exempt interest	801,480	32,919,895	797,163	31,481,172	4,316	1,438,723
Dividends	2,041,310	43,582,337	2,036,644	43,247,973	4,665	334,364
Pensions and annuities in adjusted gross income	474,141	18,876,506	473,054	18,844,919	1,087	31,586
Rent:						
Net income	365,071	17,480,249	364,528	17,455,812	543	24,437
Net loss, total (deductible and nondeductible)	288,264	4,055,210	287,726	4,037,812	538	17,398
Nondeductible rental loss	185,397	2,172,087	185,167	2,165,203	230	6,884
Royalty:						
Net income	122,082	3,735,453	121,516	3,723,935	566	11,518
Net loss	5,956	48,564	5,939	48,199	17	364
Estate or trust:						
Net income	80,665	8,620,007	80,229	8,600,488	436	19,519
Net loss	8,725	484,399	8,615	476,715	110	7,684
State income tax refunds	1,212,245	6,858,071	1,210,761	6,819,656	1,484	38,415
Alimony received	4,925	810,342	4,917	810,025	8	317
Social Security benefits in adjusted gross income	411,471	7,369,600	409,264	7,333,369	2,207	36,231
Social Security benefits (nontaxable)	411,502	1,300,850	409,295	1,294,455	2,207	6,394
Unemployment compensation	50,377	323,155	50,321	322,704	56	451
Other income	330,504	9,794,938	329,763	9,777,491	741	17,447
Other loss	40,849	1,731,141	40,775	1,725,697	74	5,443
Foreign-earned income exclusion	38,611	3,005,003	38,595	3,003,251	16	1,752
Total income	2,464,513	1,270,802,642	2,459,593	1,269,855,320	4,920	947,323
Statutory adjustments, total	1,048,635	16,153,009	1,047,516	16,136,086	1,119	16,924
Payments to Individual Retirement Arrangements	95,133	483,782	95,049	483,407	84	375
Payments to self-employed retirement (Keogh) plans	289,476	7,640,623	289,397	7,638,537	79	2,086
Moving expenses adjustment	27,055	130,131	27,043	129,953	12	179
Adjusted gross income	**2,464,513**	**1,254,649,633**	**2,459,593**	**1,253,719,234**	**4,920**	**930,399**
Investment interest expense deduction	500,066	8,486,652	498,362	8,190,386	1,704	296,266
Total tax preferences excluded from adjusted gross income [2]	813,870	35,426,844	809,562	33,984,675	4,308	1,442,169
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	21,559	2,511,531	21,509	2,507,708	50	3,824
Passive activity loss (alternative minimum tax adjustment)	317,303	580,193	316,486	578,477	816	1,716
Expanded income	**2,464,515**	**1,279,705,622**	**2,459,593**	**1,277,647,745**	**4,922**	**2,057,877**

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept--Continued						
Exemption amount	1,394,879	7,885,867	1,390,567	7,859,561	4,311	26,306
Itemized deductions:						
Total per adjusted gross income concept	2,301,376	161,555,007	2,296,960	160,293,400	4,416	1,261,607
Total per expanded income concept	2,301,214	172,990,297	2,296,799	172,026,460	4,415	963,837
Charitable contributions deduction	2,220,766	43,071,674	2,216,712	42,857,519	4,054	214,155
Interest paid deduction:						
Total per adjusted gross income concept	1,927,837	45,795,598	1,925,133	45,413,774	2,704	381,824
Total per expanded income concept	1,818,038	37,308,946	1,815,938	37,223,388	2,100	85,558
Total home mortgage interest	1,815,195	37,003,739	1,813,101	36,918,745	2,094	84,994
Medical and dental expense deduction	48,350	1,296,149	46,032	1,095,620	2,318	200,528
Net casualty or theft loss deduction	4,309	400,978	4,157	314,054	152	86,924
Taxes paid deduction	2,291,640	85,242,587	2,287,335	85,038,639	4,305	203,949
Net limited miscellaneous deductions per adjusted gross income concept	380,273	7,966,942	377,120	7,792,631	3,153	174,311
Nonlimited miscellaneous deductions	61,901	2,500,075	61,741	2,481,684	160	18,391
Excess of exemptions and deductions over adjusted gross income	7,763	1,280,373	3,396	758,532	4,366	521,841
Taxable income	2,456,749	1,085,275,986	2,456,197	1,085,115,403	552	160,583
Tax at regular rates	2,456,783	326,935,906	2,456,210	326,899,272	573	36,635
Alternitve minimum tax (Form 6251)	626,523	4,531,348	626,490	4,531,267	33	81
Income tax before credits	2,460,193	331,484,936	2,459,592	331,448,220	601	36,716
Tax credits:						
Total	303,807	1,490,708	303,206	1,453,992	601	36,716
Child care credit	137,274	71,524	137,248	71,510	26	14
Minimum tax credit	72,276	766,130	71,800	730,993	476	35,137
Foreign tax credit	--	--	--	--	--	--
General business credit	68,535	445,559	68,483	444,810	52	749
Worldwide total income tax	2,459,593	330,877,214	2,459,593	330,877,214	--	--
Foreign taxes paid	727,457	6,022,320	727,457	6,022,320	--	--
Foreign taxes paid on excluded foreign-earned income (Form 1116)	26,679	879,929	26,679	879,929	--	--
Taxable income which would yield:						
Income tax before credits	2,460,193	1,022,911,244	2,459,592	1,022,788,409	601	122,835
Income tax after credits	2,459,593	1,021,328,823	2,459,593	1,021,328,823	--	--
Worldwide total income tax	2,459,593	1,021,336,683	2,459,593	1,021,336,683	--	--
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**2,464,513**	**1,254,649,633**	**2,459,593**	**1,253,719,234**	**4,920**	**930,399**
plus: Total tax preferences excluded from adjusted gross income [2]	813,870	35,426,844	809,562	33,984,675	4,308	1,442,169
Social Security benefits (nontaxable)	411,502	1,300,850	409,295	1,294,455	2,207	6,394
Foreign-earned income exclusion	38,611	3,005,003	38,595	3,003,251	16	1,752
minus: Investment interest expense deduction	500,066	8,486,652	498,362	8,190,386	1,704	296,266
Nonlimited miscellaneous deductions	61,901	2,500,075	61,741	2,481,684	160	18,391
Unreimbursed employee business expenses	440,368	3,681,874	440,101	3,680,114	267	1,760
Equals: Expanded income	**2,464,515**	**1,279,705,622**	**2,459,593**	**1,277,647,745**	**4,922**	**2,057,877**

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

NOTE: Detail may not add to totals because of rounding.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**2,324,918**	**100.0**	**580,732**	**25.0**	**31,635**	**1.4**	**1,262,035**	**54.3**
Interest paid deduction	827,164	35.6	--	--	6,933	21.9	725,174	57.5
Investment interest expense deduction [1]	41,780	1.8	5,555	1.0	--	--	25,632	2.0
Taxes paid deduction	747,717	32.2	499,890	86.1	14,267	45.1	--	--
Charitable contributions deduction	470,309	20.2	52,551	9.0	6,223	19.7	392,312	31.1
Medical and dental expense deduction	4,850	0.2	196	([2])	30	0.1	3,443	0.3
Net casualty or theft loss deduction	896	([2])	--	--	--	--	195	([2])
Total miscellaneous deductions	88,736	3.8	13,561	2.3	1,433	4.5	60,309	4.8
Foreign tax credit	23,365	1.0	1,020	0.2	532	1.7	15,991	1.3
General business credit	8,614	0.4	1,337	0.2	105	0.3	5,426	0.4
All other tax credits	15,233	0.7	2,463	0.4	526	1.7	6,552	0.5
Partnership and S corporation net losses	31,963	1.4	4,008	0.7	1,566	4.9	18,177	1.4
No second largest item	64,293	2.8	150	([2])	19	0.1	8,823	0.7
Returns with expanded income of $200,000 or more								
Total	**2,406,766**	**100.0**	**574,024**	**23.9**	**--**	**--**	**1,202,808**	**50.0**
Interest paid deduction	807,333	33.5	--	--	--	--	711,382	59.1
Tax-exempt interest [3]	120,117	5.0	3,023	0.5	--	--	82,335	6.8
Taxes paid deduction	779,443	32.4	506,187	88.2	--	--	--	--
Charitable contributions deduction	416,251	17.3	53,295	9.3	--	--	321,571	26.7
Medical and dental expense deduction	7,928	0.3	423	0.1	--	--	2,584	0.2
Net casualty or theft loss deduction	1,243	0.1	--	--	--	--	195	([2])
Total miscellaneous deductions	30,404	1.3	1,674	0.3	--	--	13,401	1.1
Foreign tax credit	38,723	1.6	1,016	0.2	--	--	10,996	0.9
General business credit	8,491	0.4	1,329	0.2	--	--	4,387	0.4
All other tax credits	15,181	0.6	2,470	0.4	--	--	6,156	0.5
Partnership and S corporation net losses	37,921	1.6	4,201	0.7	--	--	16,261	1.4
Foreign-earned income exclusion [3]	22,998	1.0	--	--	--	--	105	([2])
AMT tax preference [3]	1,084	([2])	40	([2])	--	--	402	([2])
Nontaxable Social Security benefits [3]	54,541	2.3	217	([2])	--	--	25,539	2.1
No second largest item	65,109	2.7	149	([2])	--	--	7,494	0.6

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns with U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**203,859**	**8.8**	**9,490**	**0.4**	**2,353**	**0.1**	**69,734**	**3.0**
Interest paid deduction	50,370	24.7	671	7.1	704	29.9	19,103	27.4
Investment interest expense deduction [1]	3,592	1.8	430	4.5	--	--	1,020	1.5
Taxes paid deduction	129,784	63.7	6,093	64.2	1,453	61.8	39,320	56.4
Charitable contributions deduction	--	--	646	6.8	189	8.0	8,659	12.4
Medical and dental expense deduction	927	0.5	--	--	--	--	201	0.3
Net casualty or theft loss deduction	698	0.3	--	--	--	--	--	--
Total miscellaneous deductions	8,300	4.1	1,050	11.1	6	0.3	--	--
Foreign tax credit	835	0.4	235	2.5	--	--	270	0.4
General business credit	768	0.4	--	--	--	--	12	([2])
All other tax credits	2,435	1.2	19	0.2	--	--	51	0.1
Partnership and S corporation net losses	4,850	2.4	156	1.6	--	--	1,028	1.5
No second largest item	1,301	0.6	190	2.0	--	--	69	0.1
Returns with expanded income of $200,000 or more								
Total	**190,374**	**7.9**	**10,362**	**0.4**	**2,004**	**0.1**	**12,614**	**0.5**
Interest paid deduction	51,444	27.0	703	6.8	704	35.1	1,400	11.1
Tax-exempt interest [3]	15,604	8.2	2,222	21.4	--	--	2,672	21.2
Taxes paid deduction	108,201	56.8	3,672	35.4	1,104	55.1	6,055	48.0
Charitable contributions deduction	--	--	1,039	10.0	189	9.4	1,784	14.1
Medical and dental expense deduction	873	0.5	--	--	--	--	23	0.2
Net casualty or theft loss deduction	696	0.4	--	--	--	--	--	--
Total miscellaneous deductions	2,652	1.4	1,134	10.9	6	0.3	--	--
Foreign tax credit	343	0.2	--	--	--	--	93	0.7
General business credit	651	0.3	--	--	--	--	--	--
All other tax credits	2,392	1.3	8	0.1	--	--	11	0.1
Partnership and S corporation net losses	4,635	2.4	156	1.5	--	--	528	4.2
Foreign-earned income exclusion [3]	6	([2])	--	--	--	--	--	--
AMT tax preference [3]	191	0.1	--	--	--	--	5	([2])
Nontaxable Social Security benefits [3]	1,712	0.9	1,387	13.4	--	--	41	0.3
No second largest item	974	0.5	41	0.4	--	--	--	--

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Foreign tax credit		General business credit		All other tax credits		Partnership and S corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**66,774**	**2.9**	**6,437**	**0.3**	**18,438**	**0.8**	**73,432**	**3.2**
Interest paid deduction	6,863	10.3	1,098	17.1	3,217	17.4	13,030	17.7
Investment interest expense deduction [1]	934	1.4	415	6.4	1,085	5.9	3,117	4.2
Taxes paid deduction	14,123	21.2	3,342	51.9	6,623	35.9	32,821	44.7
Charitable contributions deduction	1,286	1.9	337	5.2	1,031	5.6	7,074	9.6
Medical and dental expense deduction	--	--	--	--	--	--	52	0.1
Net casualty or theft loss deduction	--	--	--	--	--	--	3	([2])
Total miscellaneous deductions	1,540	2.3	26	0.4	88	0.5	2,424	3.3
Foreign tax credit	--	--	256	4.0	1,368	7.4	2,857	3.9
General business credit	284	0.4	--	--	206	1.1	477	0.6
All other tax credits	1,988	3.0	114	1.8	--	--	1,084	1.5
Partnership and S corporation net losses	1,686	2.5	154	2.4	337	1.8	--	--
No second largest item	38,070	57.0	695	10.8	4,484	24.3	10,492	14.3
Returns with expanded income of $200,000 or more								
Total	**53,153**	**2.2**	**6,060**	**0.3**	**17,510**	**0.7**	**67,302**	**2.8**
Interest paid deduction	3,675	6.9	1,031	17.0	3,432	19.6	13,611	20.2
Tax-exempt interest [3]	1,887	3.6	624	10.3	859	4.9	3,967	5.9
Taxes paid deduction	10,930	20.6	3,073	50.7	6,857	39.2	30,758	45.7
Charitable contributions deduction	965	1.8	363	6.0	1,025	5.9	6,437	9.6
Medical and dental expense deduction	--	--	--	--	--	--	8	([2])
Net casualty or theft loss deduction	--	--	--	--	--	--	4	([2])
Total miscellaneous deductions	152	0.3	31	0.5	17	0.1	1,028	1.5
Foreign tax credit	--	--	298	4.9	683	3.9	1,941	2.9
General business credit	111	0.2	--	--	247	1.4	450	0.7
All other tax credits	366	0.7	120	2.0	--	--	1,741	2.6
Partnership and S corporation net losses	697	1.3	155	2.6	173	1.0	--	--
Foreign-earned income exclusion [3]	22,704	42.7	--	--	--	--	--	--
AMT tax preference [3]	55	0.1	--	--	126	0.7	178	0.3
Nontaxable Social Security benefits [3]	313	0.6	102	1.7	139	0.8	3,050	4.5
No second largest item	11,300	21.3	261	4.3	3,952	22.6	4,128	6.1

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable social security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Returns with U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Interest paid deduction	--	--	--	--	--	--	--	--
Investment interest expense deduction [1]	--	--	--	--	--	--	--	--
Taxes paid deduction	--	--	--	--	--	--	--	--
Charitable contributions deduction	--	--	--	--	--	--	--	--
Medical and dental expense deduction	--	--	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	--	--	--	--
Total miscellaneous deductions	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
All other tax credits	--	--	--	--	--	--	--	--
Partnership and S corporation net losses	--	--	--	--	--	--	--	--
No second largest item	--	--	--	--	--	--	--	--
Returns with expanded income of $200,000 or more								
Total	**13,724**	**0.6**	**202,801**	**8.4**	**13,716**	**0.6**	**40,314**	**1.7**
Interest paid deduction	1,793	13.1	13,705	6.8	3,200	23.3	1,253	3.1
Tax-exempt interest [3]	872	6.4	--	--	438	3.2	5,614	13.9
Taxes paid deduction	1,087	7.9	91,165	45.0	7,343	53.5	3,012	7.5
Charitable contributions deduction	583	4.2	27,266	13.4	723	5.3	1,012	2.5
Medical and dental expense deduction	30	0.2	3,946	1.9	40	0.3	--	--
Net casualty or theft loss deduction	--	--	--	--	348	2.5	--	--
Total miscellaneous deductions	--	--	10,300	5.1	8	0.1	--	--
Foreign tax credit	8,177	59.6	11,843	5.8	36	0.3	3,296	8.2
General business credit	--	--	1,298	0.6	3	(²)	16	(²)
All other tax credits	--	--	1,416	0.7	326	2.4	176	0.4
Partnership and S corporation net losses	467	3.4	8,875	4.4	214	1.6	1,559	3.9
Foreign-earned income exclusion [3]	--	--	17	(²)	166	1.2	--	--
AMT tax preference [3]	--	--	86	(²)	--	--	--	--
Nontaxable Social Security benefits [3]	3	(²)	21,683	10.7	353	2.6	--	--
No second largest item	712	5.2	11,202	5.5	518	3.8	24,377	60.5

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns without U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**2,959**	**100.0**	**75**	**2.5**	**562**	**19.0**	**62**	**2.1**
Interest paid deduction	582	19.7	--	--	74	13.2	**	**
Investment interest expense deduction [1]	338	11.4	16	21.3	--	--	14	22.6
Taxes paid deduction	686	23.2	33	44.0	89	15.8	--	--
Charitable contributions deduction	442	14.9	9	12.0	149	26.5	11	17.7
Medical and dental expense deduction	51	1.7	**	**	8	1.4	**	**
Net casualty or theft loss deduction	5	0.2	**	**	--	--	**	**
Total miscellaneous deductions	240	8.1	7	9.3	64	11.4	7	11.3
Foreign tax credit	15	0.5	**	**	**	**	--	--
General business credit	8	0.3	**	**	**	**	--	--
All other tax credits	67	2.3	**	**	5	0.9	**	**
Partnership and S corporation net losses	317	10.7	3	4.0	163	29.0	11	17.7
No second largest item	208	7.0	--	--	**	**	**	**
Returns with expanded income of $200,000 or more								
Total	**5,650**	**100.0**	**68**	**1.2**	**--**	**--**	**73**	**1.3**
Interest paid deduction	711	12.6	--	--	--	--	**	**
Tax-exempt interest [3]	617	10.9	4	5.9	--	--	**	**
Taxes paid deduction	1,141	20.2	36	52.9	--	--	--	--
Charitable contributions deduction	664	11.8	10	14.7	--	--	10	13.7
Medical and dental expense deduction	672	11.9	**	**	--	--	**	**
Net casualty or theft loss deduction	11	0.2	--	--	--	--	**	**
Total miscellaneous deductions	578	10.2	6	8.8	--	--	6	8.2
Foreign tax credit	129	2.3	**	**	--	--	--	--
General business credit	7	0.1	**	**	--	--	--	--
All other tax credits	84	1.5	3	4.4	--	--	7	9.6
Partnership and S corporation net losses	637	11.3	**	**	--	--	6	8.2
Foreign-earned income exclusion [3]	193	3.4	--	--	--	--	--	--
AMT tax preference [3]	13	0.2	--	--	--	--	--	--
Nontaxable Social Security benefits [3]	77	1.4	**	**	--	--	--	--
No second largest item	116	2.1	--	--	--	--	**	**

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns without U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**157**	**5.3**	**278**	**9.4**	**125**	**4.2**	**738**	**24.9**
Interest paid deduction	27	17.2	17	6.1	45	36.0	194	26.3
Investment interest expense deduction [1]	53	33.8	9	3.2	4	3.2	43	5.8
Taxes paid deduction	16	10.2	50	18.0	41	32.8	223	30.2
Charitable contributions deduction	--	--	111	39.9	16	12.8	71	9.6
Medical and dental expense deduction	22	14.0	--	--	3	2.4	15	2.0
Net casualty or theft loss deduction	**	**	--	--	--	--	**	**
Total miscellaneous deductions	22	14.0	83	29.9	8	6.4	--	--
Foreign tax credit	**	**	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	**	**
All other tax credits	11	7.0	--	--	--	--	5	0.7
Partnership and S corporation net losses	3	1.9	4	1.4	5	4.0	99	13.4
No second largest item	--	--	4	1.4	3	2.4	85	11.5
Returns with expanded income of $200,000 or more								
Total	**151**	**2.7**	**553**	**9.8**	**127**	**2.2**	**91**	**1.6**
Interest paid deduction	28	18.5	15	2.7	47	37.0	7	7.7
Tax-exempt interest [3]	17	11.3	327	59.1	14	11.0	28	30.8
Taxes paid deduction	32	21.2	22	4.0	34	26.8	9	9.9
Charitable contributions deduction	--	--	100	18.1	14	11.0	24	26.4
Medical and dental expense deduction	21	13.9	--	--	3	2.4	7	7.7
Net casualty or theft loss deduction	--	--	--	--	--	--	--	--
Total miscellaneous deductions	24	15.9	68	12.3	**	**	--	--
Foreign tax credit	**	**	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
All other tax credits	**	**	--	--	--	--	--	--
Partnership and S corporation net losses	18	11.9	6	1.1	5	3.9	14	15.4
Foreign-earned income exclusion [3]	--	--	**	**	**	**	**	**
AMT tax preference [3]	--	--	**	**	--	--	--	--
Nontaxable Social Security benefits [3]	--	--	10	1.8	6	4.7	**	**
No second largest item	--	--	3	0.5	--	--	--	--

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Foreign tax credit		General business credit		All other tax credits		Partnership and S corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**149**	**5.0**	**5**	**0.2**	**525**	**17.7**	**283**	**9.6**
Interest paid deduction	27	18.1	**	**	179	34.1	12	4.2
Investment interest expense deduction [1]	4	2.7	--	--	65	12.4	130	45.9
Taxes paid deduction	6	4.0	--	--	198	37.7	30	10.6
Charitable contributions deduction	**	**	**	**	26	5.0	45	15.9
Medical and dental expense deduction	--	--	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	--	--	**	**
Total miscellaneous deductions	**	**	--	--	**	**	35	12.4
Foreign tax credit	--	--	--	--	6	1.1	3	1.1
General business credit	--	--	--	--	**	**	**	**
All other tax credits	6	4.0	**	**	--	--	26	9.2
Partnership and S corporation net losses	8	5.4	--	--	21	4.0	--	--
No second largest item	95	63.8	--	--	16	3.0	--	--
Returns with expanded income of $200,000 or more								
Total	**226**	**4.0**	**6**	**0.1**	**523**	**9.3**	**303**	**5.4**
Interest paid deduction	**	**	**	**	193	36.9	13	4.3
Tax-exempt interest [3]	--	--	--	--	32	6.1	162	53.5
Taxes paid deduction	7	3.1	--	--	200	38.2	23	7.6
Charitable contributions deduction	--	--	**	**	30	5.7	56	18.5
Medical and dental expense deduction	--	--	--	--	--	--	**	**
Net casualty or theft loss deduction	--	--	--	--	--	--	**	**
Total miscellaneous deductions	--	--	--	--	9	1.7	19	6.3
Foreign tax credit	--	--	--	--	5	1.0	3	1.0
General business credit	--	--	--	--	**	**	**	**
All other tax credits	**	**	**	**	--	--	24	7.9
Partnership and S corporation net losses	4	1.8	--	--	23	4.4	--	--
Foreign-earned income exclusion [3]	187	82.7	--	--	**	**	--	--
AMT tax preference [3]	--	--	--	--	9	1.7	--	--
Nontaxable Social Security benefits [3]	--	--	--	--	**	**	--	--
No second largest item	19	8.4	--	--	**	**	--	--

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable social security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Returns without U.S. income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Interest paid deduction	--	--	--	--	--	--	--	--
Investment interest expense deduction [1]	--	--	--	--	--	--	--	--
Taxes paid deduction	--	--	--	--	--	--	--	--
Charitable contributions deduction	--	--	--	--	--	--	--	--
Medical and dental expense deduction	--	--	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	--	--	--	--
Total miscellaneous deductions	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
All other tax credits	--	--	--	--	--	--	--	--
Partnership and S corporation net losses	--	--	--	--	--	--	--	--
No second largest item	--	--	--	--	--	--	--	--
Returns with expanded income of $200,000 or more								
Total	**146**	**2.6**	**3,370**	**59.6**	**13**	**0.2**	**--**	**--**
Interest paid deduction	17	11.6	372	11.0	**	**	--	--
Tax-exempt interest [3]	**	**	--	--	**	**	--	--
Taxes paid deduction	5	3.4	773	22.9	--	--	--	--
Charitable contributions deduction	**	**	417	12.4	--	--	--	--
Medical and dental expense deduction	**	**	635	18.8	--	--	--	--
Net casualty or theft loss deduction	--	--	9	0.3	--	--	--	--
Total miscellaneous deductions	3	2.1	440	13.1	--	--	--	--
Foreign tax credit	117	80.1	**	**	--	--	--	--
General business credit	--	--	4	0.1	--	--	--	--
All other tax credits	--	--	26	0.8	**	76.9	--	--
Partnership and S corporation net losses	--	--	555	16.5	**	**	--	--
Foreign-earned income exclusion [3]	--	--	**	**	--	--	--	--
AMT tax preference [3]	--	--	3	0.1	--	--	--	--
Nontaxable Social Security benefits [3]	--	--	58	1.7	--	--	--	--
No second largest item	--	--	74	2.2	--	--	--	--

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Less than 0.05 percent.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**2,287,161**	**100.0**	**587,629**	**25.7**	**32,606**	**1.4**	**1,276,166**	**55.8**
Interest paid deduction	830,151	36.3	--	--	7,102	21.8	733,966	57.5
Investment interest expense deduction [1]	42,205	1.8	5,691	1.0	--	--	26,431	2.1
Taxes paid deduction	743,253	32.5	506,015	86.1	14,903	45.7	--	--
Charitable contributions deduction	483,381	21.1	53,594	9.1	6,458	19.8	404,897	31.7
Medical and dental expense deduction	5,007	0.2	197	([2])	31	0.1	3,598	0.3
Net casualty or theft loss deduction	896	([2])	--	--	--	--	195	([2])
Total miscellaneous deductions	88,969	3.9	13,655	2.3	1,625	5.0	61,318	4.8
General business credit	8,807	0.4	1,337	0.2	107	0.3	5,651	0.4
All other tax credits	14,310	0.6	2,480	0.4	709	2.2	7,104	0.6
Partnership and S corporation net losses	31,117	1.4	4,052	0.7	1,632	5.0	18,723	1.5
No second largest item	39,065	1.7	608	0.1	39	0.1	14,284	1.1
Returns with expanded income of $200,000 or more								
Total	**2,396,175**	**100.0**	**577,713**	**24.1**	**--**	**--**	**1,213,747**	**50.7**
Interest paid deduction	817,705	34.1	--	--	--	--	718,619	59.2
Tax-exempt interest [3]	122,233	5.1	3,408	0.6	--	--	83,220	6.9
Taxes paid deduction	777,773	32.5	509,922	88.3	--	--	--	--
Charitable contributions deduction	424,749	17.7	53,623	9.3	--	--	328,062	27.0
Medical and dental expense deduction	8,103	0.3	423	0.1	--	--	2,739	0.2
Net casualty or theft loss deduction	1,243	0.1	--	--	--	--	195	([2])
Total miscellaneous deductions	31,791	1.3	1,715	0.3	--	--	14,014	1.2
General business credit	8,712	0.4	1,329	0.2	--	--	4,582	0.4
All other tax credits	17,945	0.7	2,475	0.4	--	--	6,570	0.5
Partnership and S corporation net losses	38,886	1.6	4,207	0.7	--	--	16,697	1.4
Foreign-earned income exclusion [3]	1,018	([2])	57	([2])	--	--	396	([2])
AMT tax preference [3]	1,570	0.1	40	([2])	--	--	419	([2])
Nontaxable Social Security benefits [3]	57,173	2.4	216	([2])	--	--	26,647	2.2
No second largest item	87,275	3.6	298	0.1	--	--	11,587	1.0

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns with worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**205,169**	**9.0**	**9,492**	**0.4**	**2,354**	**0.1**	**71,279**	**3.1**
Interest paid deduction	50,515	24.6	671	7.1	704	29.9	19,490	27.3
Investment interest expense deduction [1]	3,824	1.9	430	4.5	--	--	1,089	1.5
Taxes paid deduction	130,824	63.8	6,133	64.6	1,454	61.8	40,231	56.4
Charitable contributions deduction	--	--	687	7.2	189	8.0	9,015	12.6
Medical and dental expense deduction	927	0.5	--	--	--	--	202	0.3
Net casualty or theft loss deduction	698	0.3	--	--	--	--	--	--
Total miscellaneous deductions	8,574	4.2	1,205	12.7	6	0.3	--	--
General business credit	811	0.4	--	--	--	--	12	([2])
All other tax credits	2,535	1.2	19	0.2	--	--	51	0.1
Partnership and S corporation net losses	4,928	2.4	156	1.6	--	--	1,046	1.5
No second largest item	1,533	0.7	190	2.0	--	--	143	0.2
Returns with expanded income of $200,000 or more								
Total	**191,356**	**8.0**	**10,368**	**0.4**	**2,005**	**0.1**	**12,766**	**0.5**
Interest paid deduction	51,525	26.9	703	6.8	704	35.1	1,412	11.1
Tax-exempt interest [3]	15,874	8.3	2,227	21.5	--	--	2,711	21.2
Taxes paid deduction	108,838	56.9	3,672	35.4	1,105	55.1	6,128	48.0
Charitable contributions deduction	--	--	1,040	10.0	189	9.4	1,866	14.6
Medical and dental expense deduction	873	0.5	--	--	--	--	23	0.2
Net casualty or theft loss deduction	696	0.4	--	--	--	--	--	--
Total miscellaneous deductions	2,675	1.4	1,134	10.9	6	0.3	--	--
General business credit	702	0.4	--	--	--	--	--	--
All other tax credits	2,407	1.3	8	0.1	--	--	11	0.1
Partnership and S corporation net losses	4,841	2.5	156	1.5	--	--	532	4.2
Foreign-earned income exclusion [3]	28	([2])	--	--	--	--	4	([2])
AMT tax preference [3]	191	0.1	--	--	--	--	5	([2])
Nontaxable Social Security benefits [3]	1,722	0.9	1,387	13.4	--	--	42	0.3
No second largest item	983	0.5	41	0.4	--	--	30	0.2

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	General business credit		All other tax credits		Partnership and S corporation net losses		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**6,720**	**0.3**	**20,589**	**0.9**	**75,158**	**3.3**	**--**	**--**
Interest paid deduction	1,107	16.5	3,331	16.2	13,265	17.6	--	--
Investment interest expense deduction [1]	415	6.2	1,118	5.4	3,208	4.3	--	--
Taxes paid deduction	3,435	51.1	6,855	33.3	33,403	44.4	--	--
Charitable contributions deduction	353	5.3	1,051	5.1	7,137	9.5	--	--
Medical and dental expense deduction	--	--	--	--	52	0.1	--	--
Net casualty or theft loss deduction	--	--	--	--	3	([2])	--	--
Total miscellaneous deductions	26	0.4	94	0.5	2,466	3.3	--	--
General business credit	--	--	342	1.7	547	0.7	--	--
All other tax credits	114	1.7	--	--	1,298	1.7	--	--
Partnership and S corporation net losses	171	2.5	409	2.0	--	--	--	--
No second largest item	1,101	16.4	7,389	35.9	13,778	18.3	--	--
Returns with expanded income of $200,000 or more								
Total	**6,170**	**0.3**	**18,035**	**0.8**	**68,029**	**2.8**	**36,752**	**1.5**
Interest paid deduction	1,037	16.8	3,483	19.3	13,821	20.3	7,761	21.1
Tax-exempt interest [3]	795	12.9	1,017	5.6	4,145	6.1	2,710	7.4
Taxes paid deduction	3,161	51.2	6,987	38.7	31,135	45.8	4,287	11.7
Charitable contributions deduction	373	6.0	1,039	5.8	6,491	9.5	2,957	8.0
Medical and dental expense deduction	--	--	--	--	8	([2])	33	0.1
Net casualty or theft loss deduction	--	--	--	--	4	([2])	--	--
Total miscellaneous deductions	31	0.5	24	0.1	1,041	1.5	641	1.7
General business credit	--	--	258	1.4	501	0.7	--	--
All other tax credits	120	1.9	--	--	1,767	2.6	1,917	5.2
Partnership and S corporation net losses	164	2.7	190	1.1	--	--	1,054	2.9
Foreign-earned income exclusion [3]	--	--	75	0.4	67	0.1	--	--
AMT tax preference [3]	--	--	140	0.8	180	0.3	467	1.3
Nontaxable Social Security benefits [3]	110	1.8	170	0.9	3,059	4.5	10	([2])
No second largest item	379	6.1	4,655	25.8	5,810	8.5	14,914	40.6

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable social security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
Returns with worldwide income tax						
Returns with adjusted gross income of $200,000 or more						
Total	**--**	**--**	**--**	**--**	**--**	**--**
Interest paid deduction	--	--	--	--	--	--
Investment interest expense deduction [1]	--	--	--	--	--	--
Taxes paid deduction	--	--	--	--	--	--
Charitable contributions deduction	--	--	--	--	--	--
Medical and dental expense deduction	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	--	--
Total miscellaneous deductions	--	--	--	--	--	--
General business credit	--	--	--	--	--	--
All other tax credits	--	--	--	--	--	--
Partnership and S corporation net losses	--	--	--	--	--	--
No second largest item	--	--	--	--	--	--
Returns with expanded income of $200,000 or more						
Total	**204,830**	**8.5**	**13,777**	**0.6**	**40,627**	**1.7**
Interest paid deduction	14,177	6.9	3,209	23.3	1,253	3.1
Tax-exempt interest [3]	--	--	440	3.2	5,687	14.0
Taxes paid deduction	91,837	44.8	7,371	53.5	3,330	8.2
Charitable contributions deduction	27,358	13.4	723	5.2	1,030	2.5
Medical and dental expense deduction	3,964	1.9	40	0.3	--	--
Net casualty or theft loss deduction	--	--	348	2.5	--	--
Total miscellaneous deductions	10,502	5.1	8	0.1	--	--
General business credit	1,321	0.6	3	([2])	16	([2])
All other tax credits	2,154	1.1	339	2.5	176	0.4
Partnership and S corporation net losses	9,217	4.5	218	1.6	1,609	4.0
Foreign-earned income exclusion [3]	213	0.1	178	1.3	--	--
AMT tax preference [3]	126	0.1	--	--	--	--
Nontaxable Social Security benefits [3]	23,456	11.5	353	2.6	--	--
No second largest item	20,503	10.0	548	4.0	27,527	67.8

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns without worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**2,551**	**100.0**	**68**	**2.7**	**529**	**20.7**	**59**	**2.3**
Interest paid deduction	491	19.2	--	--	63	11.9	6	10.2
Investment interest expense deduction [1]	306	12.0	15	22.1	--	--	14	23.7
Taxes paid deduction	605	23.7	32	47.1	87	16.4	--	--
Charitable contributions deduction	418	16.4	**	**	141	26.7	11	18.6
Medical and dental expense deduction	49	1.9	**	**	7	1.3	**	**
Net casualty or theft loss deduction	5	0.2	**	**	--	--	**	**
Total miscellaneous deductions	225	8.8	6	8.8	62	11.7	7	11.9
General business credit	8	0.3	**	**	3	0.6	--	--
All other tax credits	36	1.4	**	**	3	0.6	6	10.2
Partnership and S corporation net losses	296	11.6	**	**	159	30.1	11	18.6
No second largest item	112	4.4	--	--	4	0.8	**	**
Returns with expanded income of $200,000 or more								
Total	**4,922**	**100.0**	**61**	**1.2**	**--**	**--**	**70**	**1.4**
Interest paid deduction	623	12.7	--	--	--	--	9	12.9
Tax-exempt interest [3]	586	11.9	4	6.6	--	--	29	41.4
Taxes paid deduction	1,034	21.0	34	55.7	--	--	--	--
Charitable contributions deduction	604	12.3	9	14.8	--	--	10	14.3
Medical and dental expense deduction	653	13.3	**	**	--	--	3	4.3
Net casualty or theft loss deduction	11	0.2	--	--	--	--	**	**
Total miscellaneous deductions	555	11.3	5	8.2	--	--	6	8.6
General business credit	5	0.1	**	**	--	--	--	--
All other tax credits	54	1.1	**	**	--	--	5	7.1
Partnership and S corporation net losses	607	12.3	5	8.2	--	--	6	8.6
Foreign-earned income exclusion [3]	5	0.1	--	--	--	--	--	--
AMT tax preference [3]	11	0.2	--	--	--	--	--	--
Nontaxable Social Security benefits [3]	77	1.6	**	**	--	--	--	--
No second largest item	97	2.0	--	--	--	--	**	**

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns without worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**135**	**5.3**	**276**	**10.8**	**124**	**4.9**	**734**	**28.8**
Interest paid deduction	24	17.8	17	6.2	45	36.3	193	26.3
Investment interest expense deduction [1]	50	37.0	9	3.3	4	3.2	41	5.6
Taxes paid deduction	12	8.9	50	18.1	40	32.3	223	30.4
Charitable contributions deduction	--	--	110	39.9	16	12.9	71	9.7
Medical and dental expense deduction	22	16.3	--	--	3	2.4	14	1.9
Net casualty or theft loss deduction	**	**	--	--	--	--	**	**
Total miscellaneous deductions	18	13.3	82	29.7	8	6.5	--	--
General business credit	--	--	--	--	--	--	**	**
All other tax credits	5	3.7	--	--	--	--	5	0.7
Partnership and S corporation net losses	**	**	4	1.4	5	4.0	99	13.5
No second largest item	--	--	4	1.4	3	2.4	85	11.6
Returns with expanded income of $200,000 or more								
Total	**134**	**2.7**	**547**	**11.1**	**126**	**2.6**	**91**	**1.8**
Interest paid deduction	24	17.9	15	2.7	47	37.3	7	7.7
Tax-exempt interest [3]	15	11.2	322	58.9	14	11.1	28	30.8
Taxes paid deduction	29	21.6	22	4.0	33	26.2	**	**
Charitable contributions deduction	--	--	99	18.1	**	**	24	26.4
Medical and dental expense deduction	21	15.7	--	--	3	2.4	7	7.7
Net casualty or theft loss deduction	--	--	--	--	--	--	--	--
Total miscellaneous deductions	23	17.2	68	12.4	3	2.4	--	--
General business credit	--	--	--	--	--	--	--	--
All other tax credits	5	3.7	--	--	--	--	--	--
Partnership and S corporation net losses	17	12.7	6	1.1	5	4.0	14	15.4
Foreign-earned income exclusion [3]	--	--	**	**	**	**	**	**
AMT tax preference [3]	--	--	**	**	--	--	--	--
Nontaxable Social Security benefits [3]	--	--	10	1.8	6	4.8	**	**
No second largest item	--	--	3	0.5	--	--	--	--

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued							
	General business credit		All other tax credits		Partnership and S corporation net losses		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without worldwide income tax								
Returns with adjusted gross income of $200,000 or more								
Total	**5**	**0.2**	**369**	**14.5**	**252**	**9.9**	**--**	**--**
Interest paid deduction	**	**	131	35.5	**	**	--	--
Investment interest expense deduction [1]	--	--	47	12.7	126	50.0	--	--
Taxes paid deduction	--	--	135	36.6	26	10.3	--	--
Charitable contributions deduction	**	**	21	5.7	38	15.1	--	--
Medical and dental expense deduction	--	--	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	**	**	--	--
Total miscellaneous deductions	--	--	7	1.9	35	13.9	--	--
General business credit	--	--	**	**	**	**	--	--
All other tax credits	**	**	--	--	14	5.6	--	--
Partnership and S corporation net losses	--	--	12	3.3	--	--	--	--
No second largest item	--	--	**	**	--	--	--	--
Returns with expanded income of $200,000 or more								
Total	**6**	**0.1**	**366**	**7.4**	**277**	**5.6**	**9**	**0.3**
Interest paid deduction	**	**	142	38.8	12	4.3	5	55.6
Tax-exempt interest [3]	--	--	**	**	157	56.7	**	**
Taxes paid deduction	--	--	140	38.3	21	7.6	**	**
Charitable contributions deduction	**	**	24	6.6	51	18.4	--	--
Medical and dental expense deduction	--	--	--	--	**	**	--	--
Net casualty or theft loss deduction	--	--	--	--	**	**	--	--
Total miscellaneous deductions	--	--	**	**	18	6.5	**	**
General business credit	--	--	**	**	**	**	--	--
All other tax credits	**	**	--	--	15	5.4	--	--
Partnership and S corporation net losses	--	--	14	3.8	--	--	--	--
Foreign-earned income exclusion [3]	--	--	--	--	--	--	--	--
AMT tax preference [3]	--	--	7	1.9	--	--	--	--
Nontaxable Social Security benefits [3]	--	--	**	**	--	--	--	--
No second largest item	--	--	**	**	--	--	--	--

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, item with the second largest tax effect	Item with the largest tax effect--continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable social security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
Returns without worldwide income tax						
Returns with adjusted gross income of $200,000 or more						
Total	**--**	**--**	**--**	**--**	**--**	**--**
Interest paid deduction	--	--	--	--	--	--
Investment interest expense deduction [1]	--	--	--	--	--	--
Taxes paid deduction	--	--	--	--	--	--
Charitable contributions deduction	--	--	--	--	--	--
Medical and dental expense deduction	--	--	--	--	--	--
Net casualty or theft loss deduction	--	--	--	--	--	--
Total miscellaneous deductions	--	--	--	--	--	--
General business credit	--	--	--	--	--	--
All other tax credits	--	--	--	--	--	--
Partnership and S corporation net losses	--	--	--	--	--	--
No second largest item	--	--	--	--	--	--
Returns with expanded income of $200,000 or more						
Total	**3,228**	**65.6**	**7**	**0.1**	**--**	**--**
Interest paid deduction	359	11.1	**	**	--	--
Tax-exempt interest [3]	--	--	--	--	--	--
Taxes paid deduction	745	23.1	--	--	--	--
Charitable contributions deduction	371	11.5	--	--	--	--
Medical and dental expense deduction	617	19.1	--	--	--	--
Net casualty or theft loss deduction	9	0.3	--	--	--	--
Total miscellaneous deductions	428	13.3	--	--	--	--
General business credit	**	**	--	--	--	--
All other tax credits	20	0.6	**	**	--	--
Partnership and S corporation net losses	540	16.7	--	--	--	--
Foreign-earned income exclusion [3]	**	**	--	--	--	--
AMT tax preference [3]	**	**	--	--	--	--
Nontaxable Social Security benefits [3]	58	1.8	--	--	--	--
No second largest item	74	2.3	--	--	--	--

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Less than 0.05 percent.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect.

Table 9.--Returns Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2002

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income: Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	2,959	128	200	180	101	52
Interest paid deduction:						
Total	2,959	651	869	272	123	99
Investment interest per income concept	2,959	1,359	596	85	68	84
Taxes paid deduction	2,959	298	1,737	501	183	82
Charitable contributions deduction	2,959	547	1,538	163	135	160
Medical and dental expense deduction	2,959	2,533	82	16	11	16
Net casualty or theft loss deduction	2,959	2,825	3	**	**	**
Net limited miscellaneous deduction per income concept	2,959	1,801	570	214	88	70
Nonlimited miscellaneous deduction	2,959	2,222	66	9	8	3
Deduction equivalent of:						
Total credits	2,959	2,045	112	39	26	36
Foreign tax credit	2,959	2,552	247	5	**	**
General business credit	2,959	2,871	58	13	8	5
Tax preferences excluded from adjusted gross income	2,959	1,806	676	112	64	39
Expanded income concept						
Total itemized deductions	5,650	754	612	911	643	495
Interest paid deduction:						
Total	5,650	3,209	1,379	601	269	101
Investment interest per income concept	5,650	3,751	1,443	144	80	41
Taxes paid deduction	5,650	897	3,260	926	280	105
Charitable contributions deduction	5,650	1,182	3,282	536	257	127
Medical and dental expense deduction	5,650	3,252	1,166	223	168	161
Net casualty or theft loss deduction	5,650	5,497	8	8	**	5
Net limited miscellaneous deduction per income concept	5,650	2,331	2,191	555	241	104
Nonlimited miscellaneous deduction	5,650	5,480	128	11	10	3
Deduction equivalent of:						
Total credits	5,650	4,322	318	89	65	57
Foreign tax credit	5,650	4,924	369	47	38	19
General business credit	5,650	5,560	64	13	5	**
Tax preferences excluded from adjusted gross income	5,650	1,064	428	140	123	171

Footnotes at end of table.

Table 9.--Returns Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2002--Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income--continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	41	25	20	276	1,936
Interest paid deduction:					
Total	111	88	105	351	290
Investment interest per income concept	102	89	81	283	212
Taxes paid deduction	45	33	17	27	36
Charitable contributions deduction	105	311	--	--	--
Medical and dental expense deduction	21	17	38	108	117
Net casualty or theft loss deduction	**	5	5	35	80
Net limited miscellaneous deduction per income concept	58	38	22	55	43
Nonlimited miscellaneous deduction	6	8	8	276	353
Deduction equivalent of:					
Total credits	51	142	177	329	**
Foreign tax credit	**	4	4	141	**
General business credit	--	**	**	**	--
Tax preferences excluded from adjusted gross income	38	27	28	41	128
Expanded income concept					
Total itemized deductions	378	325	229	517	786
Interest paid deduction:					
Total	24	15	13	23	16
Investment interest per income concept	26	20	22	42	81
Taxes paid deduction	43	38	21	38	42
Charitable contributions deduction	109	53	20	49	35
Medical and dental expense deduction	127	118	101	212	122
Net casualty or theft loss deduction	3	**	7	37	83
Net limited miscellaneous deduction per income concept	71	36	32	51	38
Nonlimited miscellaneous deduction	--	3	**	**	11
Deduction equivalent of:					
Total credits	56	183	261	298	**
Foreign tax credit	14	58	70	111	--
General business credit	**	**	**	**	--
Tax preferences excluded from adjusted gross income	192	305	413	2,300	514

** Data deleted to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

Table 10.--Returns Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2002

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income: Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	2,551	16	116	132	67	33
Interest paid deduction:						
Total	2,551	518	720	224	101	87
Investment interest per income concept	2,551	1,137	468	75	62	79
Taxes paid deduction	2,551	172	1,539	446	166	73
Charitable contributions deduction	2,551	408	1,324	151	127	150
Medical and dental expense deduction	2,551	2,135	76	14	11	16
Net casualty or theft loss deduction	2,551	2,418	3	**	**	**
Net limited miscellaneous deduction per income concept	2,551	1,507	482	193	85	69
Nonlimited miscellaneous deduction	2,551	1,831	56	7	6	3
Deduction equivalent of:						
Total credits	2,551	2,045	67	22	14	20
Foreign tax credit	2,551	2,551	--	--	--	--
General business credit	2,551	2,493	36	7	6	5
Tax preferences excluded from adjusted gross income	2,551	1,534	578	103	58	37
Expanded income concept						
Total itemized deductions	4,922	513	459	771	567	455
Interest paid deduction:						
Total	4,922	2,824	1,134	537	246	94
Investment interest per income concept	4,922	3,223	1,272	131	76	39
Taxes paid deduction	4,922	621	2,907	857	262	95
Charitable contributions deduction	4,922	871	2,947	498	238	117
Medical and dental expense deduction	4,922	2,606	1,106	215	164	157
Net casualty or theft loss deduction	4,922	4,770	8	8	**	5
Net limited miscellaneous deduction per income concept	4,922	1,800	2,019	534	238	104
Nonlimited miscellaneous deduction	4,922	4,763	119	11	9	**
Deduction equivalent of:						
Total credits	4,922	4,321	162	23	14	20
Foreign tax credit	4,922	4,922	--	--	--	--
General business credit	4,922	4,870	32	8	4	**
Tax preferences excluded from adjusted gross income	4,922	614	329	125	117	158

Footnotes at end of table.

Table 10.--Returns Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2002--Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income--continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	19	15	10	207	1,936
Interest paid deduction:					
Total	108	82	96	325	290
Investment interest per income concept	96	84	74	264	212
Taxes paid deduction	44	32	16	27	36
Charitable contributions deduction	96	295	--	--	--
Medical and dental expense deduction	21	17	37	107	117
Net casualty or theft loss deduction	**	5	5	34	80
Net limited miscellaneous deduction per income concept	57	38	22	55	43
Nonlimited miscellaneous deduction	5	8	8	274	353
Deduction equivalent of:					
Total credits	23	90	128	142	--
Foreign tax credit	--	--	--	--	--
General business credit	--	**	**	**	--
Tax preferences excluded from adjusted gross income	36	23	26	38	118
Expanded income concept					
Total itemized deductions	345	313	218	496	785
Interest paid deduction:					
Total	23	14	11	23	16
Investment interest per income concept	24	19	20	41	77
Taxes paid deduction	43	37	20	38	42
Charitable contributions deduction	101	48	19	48	35
Medical and dental expense deduction	125	118	100	209	122
Net casualty or theft loss deduction	3	**	7	36	83
Net limited miscellaneous deduction per income concept	70	36	32	51	38
Nonlimited miscellaneous deduction	--	3	**	**	11
Deduction equivalent of:					
Total credits	**	81	139	143	**
Foreign tax credit	--	--	--	--	--
General business credit	**	**	**	**	--
Tax preferences excluded from adjusted gross income	178	289	386	2,213	513

** Data deleted to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

Table 11.--Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2002

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income		
			Under $50,000 [1]		$50,000 under $100,000
	Number or returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(1)	(2)	(3)	(4)	(5)
All returns	**130,076,443**	**100.0**	**92,594,957**	**100.0**	**26,644,756**
Returns without U.S. income tax	**36,511,079**	**28.1**	**36,224,998**	**39.1**	**268,196**
Returns with U.S. income tax	**93,565,364**	**71.9**	**56,369,959**	**60.9**	**26,376,560**
Effective tax rate:					
Under 5 percent	26,394,740	20.3	23,792,220	25.7	2,497,863
5 under 10 percent	34,863,920	26.8	24,044,654	26.0	10,301,592
10 under 15 percent	20,399,529	15.7	8,101,722	8.7	9,341,375
15 under 20 percent	8,887,738	6.8	397,045	0.4	3,965,826
20 under 25 percent	2,046,960	1.6	14,509	(²)	268,094
25 under 30 percent	665,998	0.5	7,569	(²)	50
30 under 35 percent	256,421	0.2	4,618	(²)	1,272
35 under 40 percent	40,242	(²)	1,933	(²)	--
40 under 45 percent	1,839	(²)	29	(²)	9
45 under 50 percent	786	(²)	455	(²)	3
50 under 60 percent	398	(²)	8	(²)	**
60 under 70 percent	156	(²)	**	**	--
70 under 80 percent	211	(²)	**	**	**
80 percent or more	6,425	(²)	5,190	(²)	470

Tax status, effective tax rate	Size of adjusted gross income--continued				
	$50,000 under $100,000	$100,000 under $200,000		$200,000 or more	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(6)	(7)	(8)	(9)	(10)
All returns	**100.0**	**8,422,603**	**100.0**	**2,414,128**	**100.0**
Returns without U.S. income tax	**1.0**	**14,926**	**0.2**	**2,959**	**0.1**
Returns with U.S. income tax	**99.0**	**8,407,677**	**99.8**	**2,411,169**	**99.9**
Effective tax rate:					
Under 5 percent	9.4	82,433	1.0	22,224	0.9
5 under 10 percent	38.7	495,504	5.9	22,170	0.9
10 under 15 percent	35.1	2,897,351	34.4	59,080	2.4
15 under 20 percent	14.9	4,077,473	48.4	447,394	18.5
20 under 25 percent	1.0	802,146	9.5	962,210	39.9
25 under 30 percent	(²)	47,201	0.6	611,178	25.3
30 under 35 percent	(²)	2,413	(²)	248,118	10.3
35 under 40 percent	--	1,120	(²)	37,189	1.5
40 under 45 percent	(²)	1,008	(²)	793	(²)
45 under 50 percent	(²)	87	(²)	241	(²)
50 under 60 percent	**	93	(²)	294	(²)
60 under 70 percent	--	110	(²)	43	(²)
70 under 80 percent	**	10	(²)	197	(²)
80 percent or more	(²)	728	(²)	37	(²)

Footnotes at end of table.

Table 11.--Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of expanded income		
			Under $50,000 [1]		$50,000 under $100,000
	Number or returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(11)	(12)	(13)	(14)	(15)
All returns	**130,076,443**	**100.0**	**91,896,545**	**70.6**	**27,403,702**
Returns without U.S. income tax	**36,511,079**	**28.1**	**36,135,057**	**39.3**	**336,187**
Returns with U.S. income tax	**93,565,364**	**71.9**	**55,761,488**	**60.7**	**27,067,514**
Effective tax rate:					
Under 5 percent	27,166,329	20.9	24,262,289	26.4	2,751,258
5 under 10 percent	33,929,052	26.1	22,805,966	24.8	10,624,096
10 under 15 percent	20,460,923	15.7	8,175,619	8.9	9,456,243
15 under 20 percent	8,974,348	6.9	475,539	0.5	3,949,313
20 under 25 percent	2,060,993	1.6	18,425	(²)	283,479
25 under 30 percent	675,731	0.5	7,694	(²)	1,947
30 under 35 percent	250,619	0.2	6,508	(²)	392
35 under 40 percent	36,079	(²)	1,933	(²)	18
40 under 45 percent	1,799	(²)	21	(²)	359
45 under 50 percent	1,009	(²)	351	(²)	4
50 under 60 percent	728	(²)	253	(²)	351
60 under 70 percent	36	(²)	3	(²)	3
70 under 80 percent	43	(²)	--	--	--
80 percent or more	7,676	(²)	6,888	(²)	53

Tax status, effective tax rate	Size of expanded income--continued				
	$50,000 under $100,000	$100,000 under $200,000		$200,000 or more	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(16)	(17)	(18)	(19)	(20)
All returns	**21.1**	**8,311,681**	**6.4**	**2,464,515**	**100.0**
Returns without U.S. income tax	**1.2**	**34,184**	**0.4**	**5,650**	**0.2**
Returns with U.S. income tax	**98.8**	**8,277,497**	**99.6**	**2,458,865**	**99.8**
Effective tax rate:					
Under 5 percent	10.0	112,045	1.3	40,736	1.7
5 under 10 percent	38.8	456,790	5.5	42,200	1.7
10 under 15 percent	34.5	2,749,383	33.1	79,678	3.2
15 under 20 percent	14.4	4,093,907	49.3	455,589	18.5
20 under 25 percent	1.0	805,054	9.7	954,035	38.7
25 under 30 percent	(²)	55,798	0.7	610,292	24.8
30 under 35 percent	(²)	2,342	(²)	241,377	9.8
35 under 40 percent	(²)	44	(²)	34,084	1.4
40 under 45 percent	(²)	967	(²)	452	(²)
45 under 50 percent	(²)	435	(²)	219	(²)
50 under 60 percent	(²)	13	(²)	111	(²)
60 under 70 percent	(²)	--	--	30	(²)
70 under 80 percent	--	--	--	43	(²)
80 percent or more	(²)	717	(²)	19	(²)

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

Table 12.--Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2002

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income		
			Under $50,000 [1]		$50,000 under $100,000
	Number or returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(1)	(2)	(3)	(4)	(5)
All returns	**130,076,443**	**100.0**	**92,594,957**	**100.0**	**26,644,756**
Returns without worldwide income tax	**36,388,087**	**28.0**	**36,120,339**	**39.0**	**250,595**
Returns with worldwide income tax	**93,688,357**	**72.0**	**56,474,618**	**61.0**	**26,394,161**
Effective tax rate:					
Under 5 percent	26,416,828	20.3	23,850,293	25.8	2,488,863
5 under 10 percent	34,858,156	26.8	24,064,151	26.0	10,291,330
10 under 15 percent	20,402,182	15.7	8,111,501	8.8	9,352,830
15 under 20 percent	8,905,933	6.8	399,985	0.4	3,976,754
20 under 25 percent	2,062,882	1.6	14,509	(²)	270,191
25 under 30 percent	676,894	0.5	7,459	(²)	1,790
30 under 35 percent	270,848	0.2	4,728	(²)	2,422
35 under 40 percent	51,824	(²)	2,665	(²)	1,808
40 under 45 percent	8,670	(²)	974	(²)	1,725
45 under 50 percent	5,852	(²)	455	(²)	394
50 under 60 percent	6,126	(²)	393	(²)	2,695
60 under 70 percent	2,826	(²)	387	(²)	2,279
70 under 80 percent	614	(²)	388	(²)	9
80 percent or more	18,722	(²)	16,729	(²)	1,072

Tax status, effective tax rate	Size of adjusted gross income--continued				
	$50,000 under $100,000	$100,000 under $200,000		$200,000 or more	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(6)	(7)	(8)	(9)	(10)
All returns	**100.0**	**8,422,603**	**100.0**	**2,414,128**	**100.0**
Returns without worldwide income tax	**0.9**	**14,602**	**0.2**	**2,551**	**0.1**
Returns with worldwide income tax	**99.1**	**8,408,001**	**99.8**	**2,411,577**	**99.9**
Effective tax rate:					
Under 5 percent	9.3	66,907	0.8	10,766	0.4
5 under 10 percent	38.6	485,297	5.8	17,379	0.7
10 under 15 percent	35.1	2,882,402	34.2	55,450	2.3
15 under 20 percent	14.9	4,092,362	48.6	436,831	18.1
20 under 25 percent	1.0	814,634	9.7	963,547	39.9
25 under 30 percent	(²)	49,487	0.6	618,158	25.6
30 under 35 percent	(²)	5,080	0.1	258,617	10.7
35 under 40 percent	(²)	3,980	(²)	43,372	1.8
40 under 45 percent	(²)	2,051	(²)	3,920	0.2
45 under 50 percent	(²)	2,980	(²)	2,023	0.1
50 under 60 percent	(²)	1,812	(²)	1,226	0.1
60 under 70 percent	(²)	115	(²)	44	(²)
70 under 80 percent	(²)	11	(²)	206	(²)
80 percent or more	(²)	883	(²)	38	(²)

Footnotes at end of table.

Table 12.--Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2002--Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of expanded income		
			Under $50,000 [1]		$50,000 under $100,000
	Number or returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(11)	(12)	(13)	(14)	(15)
All returns	**130,076,443**	**100.0**	**91,896,545**	**70.6**	**27,403,702**
Returns without worldwide income tax	**36,388,087**	**28.0**	**36,041,140**	**39.2**	**316,873**
Returns with worldwide income tax	**93,688,357**	**72.0**	**55,855,405**	**60.8**	**27,086,829**
Effective tax rate:					
Under 5 percent	27,184,194	20.9	24,327,010	26.5	2,750,735
5 under 10 percent	33,936,807	26.1	22,829,851	24.8	10,620,815
10 under 15 percent	20,475,752	15.7	8,178,666	8.9	9,467,478
15 under 20 percent	8,989,745	6.9	477,520	0.5	3,959,105
20 under 25 percent	2,083,080	1.6	17,467	(²)	283,481
25 under 30 percent	695,355	0.5	8,542	(²)	3,094
30 under 35 percent	266,349	0.2	6,619	(²)	392
35 under 40 percent	42,732	(²)	1,933	(²)	18
40 under 45 percent	2,339	(²)	21	(²)	359
45 under 50 percent	1,183	(²)	351	(²)	4
50 under 60 percent	1,830	(²)	253	(²)	1,293
60 under 70 percent	44	(²)	3	(²)	3
70 under 80 percent	43	(²)	--	--	--
80 percent or more	8,903	(²)	7,171	(²)	53

Tax status, effective tax rate	Size of expanded income--continued				
	$50,000 under $100,000	$100,000 under $200,000		$200,000 or more	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(16)	(17)	(18)	(19)	(20)
All returns	**21.1**	**8,311,681**	**6.4**	**2,464,515**	**100.0**
Returns without worldwide income tax	**1.2**	**25,152**	**0.3**	**4,922**	**0.2**
Returns with worldwide income tax	**98.8**	**8,286,530**	**99.7**	**2,459,593**	**99.8**
Effective tax rate:					
Under 5 percent	10.0	88,113	1.1	18,336	0.7
5 under 10 percent	38.8	451,116	5.4	35,025	1.4
10 under 15 percent	34.5	2,752,417	33.1	77,191	3.1
15 under 20 percent	14.4	4,104,725	49.4	448,394	18.2
20 under 25 percent	1.0	818,223	9.8	963,910	39.1
25 under 30 percent	(²)	63,022	0.8	620,697	25.2
30 under 35 percent	(²)	5,027	0.1	254,312	10.3
35 under 40 percent	(²)	811	(²)	39,971	1.6
40 under 45 percent	(²)	967	(²)	992	(²)
45 under 50 percent	(²)	435	(²)	393	(²)
50 under 60 percent	(²)	13	(²)	270	(²)
60 under 70 percent	(²)	--	--	38	(²)
70 under 80 percent	--	--	--	43	(²)
80 percent or more	(²)	1,660	(²)	20	(²)

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

S Corporation Returns, 2002

by Kelly Luttrell

As they have been since 1997, S corporations once again are the most prevalent type of corporation filing Form 1120, *U.S. Tax Return for a Corporation*. Since then, S corporation return filings have increased by over 702.1 thousand returns. Nearly 58.9 percent of all corporations filed Form 1120S for 2002. The total number of returns filed by S corporations for Tax Year 2002 increased 5.6 percent to nearly 3.2 million, from nearly 3.0 million reported in 2001.

The long-term growth of S corporation returns was encouraged by four legislative acts: the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1990, the Revenue Reconciliation Act of 1993, and the Small Business Job Protection Act of 1996 [1]. Filings of S corporation returns have increased at an average annual rate of nearly 9.0 percent since the enactment of the Tax Reform Act of 1986 (Figure A). During the same time period, taxable corporations have experienced an average annual decline of 1.3 percent. The term "taxable corporations" refers to corporations other than S corporations [2].

For Tax Year 2002, approximately 333.6 thousand corporations elected subchapter S status for the first time. Of these, 242.8 thousand were newly incorporated businesses. The remaining 90.7 thousand elected to make the conversion from a taxable corporation to an S corporation. For the first time since 1996, there was an increase in the growth rate of all S corporations. At the same time, the number of businesses electing S corporation status increased 11.5 percent. While other measures of size also grew in 2002, number of shareholders grew 5.8 percent and total assets 7.1 percent, total net income (less deficit) showed a decrease of 2.2 percent from the previous year (Figure B).

The growth among S corporations was concentrated in the construction and professional, scientific, and technical services sectors, showing increases of 32.4 thousand and 30.3 thousand respectively. The professional, scientific, and technical sector saw the largest number of newly electing S corporations, with 52.2 thousand. Though small relative to the whole S corporation population, the utilities sector reported the largest percentage decline in number of returns, decreasing 7.8 percent, while the arts, entertainment, and recreation sector displayed the largest percentage increase in number of returns, 10.7 percent.

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S Corporation Basics

Certain corporations may elect to be treated as S corporations for Federal tax purposes. Electing to be treated as an S corporation allows the income and expenses to pass through the corporate structure to the shareholders. Shareholders are generally responsible for any resulting tax liability. The S corporation election allows S corporations and their shareholders to avoid double taxation of the corporation's net income or capital gains. This treatment is unlike taxable corporations, which incur a tax liability first at the corporate level on their net incomes and capital gains and again when profits are distributed to shareholders in the form of dividends. Corporations that are eligible to make a Subchapter S election can achieve considerable tax savings by eliminating double taxation. An S election is equally beneficial for corporations that report net losses, as the losses flow through to the individual shareholders and, for shareholders with active participation in the business, can be used to offset net income from other sources.

A corporation must meet all the criteria in Subchapter S of the Internal Revenue Code for an election and file Form 2553, *Election by a Small Business Corporation*, with the IRS Submission Processing Center where the corporation files its Federal tax forms to qualify under Subchapter S. All shareholders of the corporation must concur with the election on Form 2553, and all eligibility requirements must be met prior to the election [3]. The criteria for Tax Year 2002 were that the corporation:

- ❒ be a domestic corporation (an unincorporated association that is treated as a corporation under Internal Revenue Code section 7702 may elect treatment as an S corporation);
- ❒ have no more than 75 shareholders (a husband and wife (and their estates) are counted as one shareholder for this requirement);
- ❒ have only individuals, estates, certain trusts, and exempt organizations as shareholders [4];

Figure A

Number of Form 1120 Series Returns, by Type of Corporation, Tax Years 1986-2002

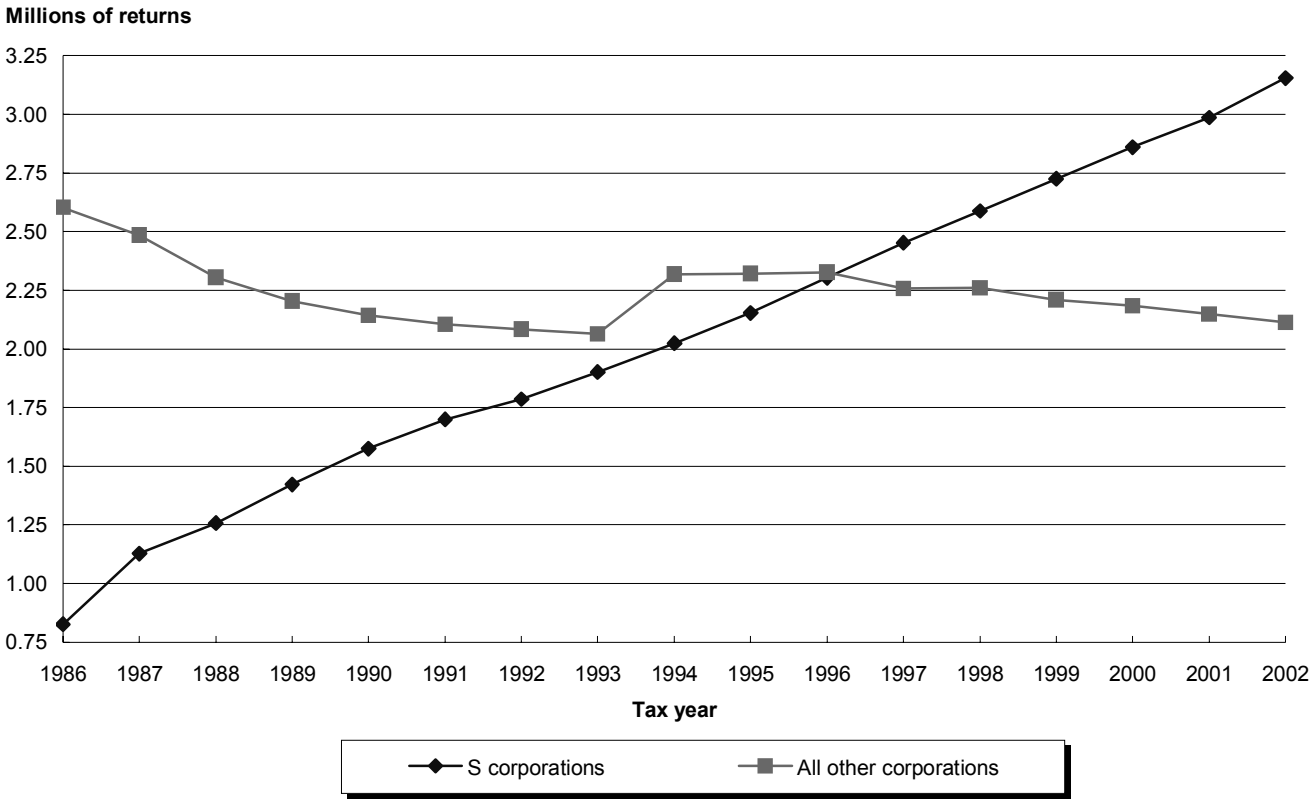


Figure B

S Corporation Annual Percentage Increase or Decrease for Tax Years 1995-2002

Tax year	Number of S corporations	Number of newly elected S corporations [1]	Number of new S corporations [2]	Number of shareholders	Total assets [3]	Total receipts [3]	Total net income (less deficit) [3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1995	6.4	9.2	8.3	4.3	7.8	8.8	8.1
1996	7.0	-0.4	0.9	5.0	8.1	8.9	26.3
1997	6.4	19.5	18.3	4.9	18.8	10.6	22.2
1998	5.5	-3.3	2.8	3.9	11.3	5.7	18.8
1999	5.3	-2.7	-8.9	4.9	11.9	7.8	6.6
2000	4.9	-3.0	-0.7	2.6	9.9	9.6	2.5
2001	4.4	2.2	-2.6	3.1	5.2	4.0	-5.5
2002	5.8	11.5	18.0	5.8	7.1	4.0	-2.2

[1] Newly elected S corporations include startup businesses and corporations electing to convert to an S corporation.

[2] New S corporations only include corporations that started business within the reported tax year.

[3] Percentages were calculated based on "current" dollars.

- ❒ have no nonresident alien shareholders; and
- ❒ have only one class of stock.

Ineligible corporations were:

- ❒ affiliated group members eligible for inclusion on a consolidated return;
- ❒ insurance companies subject to provisions of Subchapter L of the Internal Revenue Code;
- ❒ Interest-Charge Domestic International Sales Corporations (IC-DISC's) or former Domestic International Sales Corporations (DISC's);
- ❒ corporations eligible to elect the possessions tax credit; and
- ❒ banks or thrift institutions that use the reserve method of accounting for bad debts under Internal Revenue Code section 585.

Form 1120S, *U.S. Tax Return for an S Corporation*, must be filed before the 15th day of the 3rd month following the close of the corporation's tax year. Also, S corporations generally must file for a calendar tax year to conform to the majority of their shareholders. While S corporations may obtain an exemption from the calendar year rule, for Tax Year 2002, nearly 97.8 percent of all S corporations filed a calendar year return [5].

The North American Industry Classification System made some additions and revisions to industry codes for 2002. (See definition of North American Industry Classification System in *Explanation of Selected Terms*.)

Starting with Tax Year 2002, S corporations were no longer required to complete Schedule L, *Balance Sheets per Books*, nor Schedule M-1, *Reconcilation of Income (Loss) per Books With Income (Loss) per Return*, if the following criteria were met:

- ❒ Total assets at the end of the year were less than $250,000; and
- ❒ Total receipts were less than $250,000. (See North American Industry Classification System for definition of total receipts in *Explanation of Selected Terms*.)

Financial Data Highlights

For 2002, S corporations accounted for 59.9 percent of the 5.3 million corporate returns but only 19.8 percent of the $19,749.4 billion total receipts and 4.0 percent of the $50,413.5 billion total assets reported on corporate returns. S corporations reported $3,910.9 billion of total receipts and $2,016.7 billion of total assets, increases of 4.0 percent and nearly 7.1 percent, respectively, from 2001. Net income (less deficit) reported by S corporations decreased, from $187.7 billion for 2001 to $183.5 billion for 2002, a decrease of $4.2 billion (Figure C). This decrease

Figure C

S Corporation Total Net Income (Less Deficit), Tax Years 2001 and 2002

[Money amounts are in thousands of dollars]

Item	2001	2002	Increase or decrease (-)	Percent change
	(1)	(2)	(3)	(4)
Total net income (less deficit) [1]	**187,686,917**	**183,478,933**	**-4,207,984**	**-2.2**
Net income (less deficit) from trade or business	142,552,181	150,611,468	8,059,287	5.7
Portfolio dividend income	2,168,092	1,811,654	-356,438	-16.4
Portfolio interest income	12,417,917	9,438,865	-2,979,052	-24.0
Portfolio royalty income	749,408	597,672	-151,736	-20.2
Portfolio net short-term capital gain (less loss)	-672,803	179,589	852,392	126.7
Portfolio net long-term capital gain (less loss)	23,175,142	13,475,631	-9,699,511	-41.9
Other portfolio income (net)	362,813	357,978	-4,835	-1.3
Real estate rental net income (less deficit)	6,226,832	6,623,212	396,380	6.4
Net income (less deficit) from other rental activity	707,335	382,863	-324,472	-45.9

[1] Total net income (less deficit) is discussed in the Explanation of Selected Terms section.

NOTE: Detail may not add to totals because of rounding.

resulted largely from a decline of $9.7 billion in long-term capital gains (a 41.9-percent drop from 2001.) Portfolio interest income also declined by $3.0 billion from 2001, or 24 percent. These declines more than offset a 5.7-percent increase, or $8.1 billion, in trade and business income. S corporations in the wholesale and retail trade sector, which accounted for the largest share of returns (17.2 percent) also accounted for the largest share of total assets (23.2 percent) and total receipts (41.3 percent) reported by S corporations.

Income Statement

Net income (less deficit) from a trade or business is the largest component of total net income (less deficit), at $150.6 billion. Net income (less deficit) from a trade or business, as a share of total net income (less deficit), increased slightly, accounting for nearly 82.1 percent as compared to 76.0 percent for 2001, an increase of $8.1 billion [6]. Portfolio income (less deficit) distributed to shareholders decreased 32.3 percent to $25.9 billion, a decline of $12.3 billion. (See definition of portfolio income in *Explanation of Selected Terms*.) Net long-term capital gain (less loss) reported a reduction of $9.7 billion to $13.5 billion.

Four industrial sectors dominate total net income (less deficit) representing $114.0 billion, or 62.0 percent of the total. The wholesale and retail trade sector represented 21.0 percent of total net income (less deficit), or $38.5 billion. Manufacturing represented 13.8 percent of total net income (less deficit), while construction and professional, scientific, and technical services both accounted for 13.7 percent (Figure D).

Total receipts for S corporations increased $149.4 billion to $3,910.9 billion, an increase of 4.0 percent. Business receipts, the major component of total receipts, increased $150.1 billion to $3,841.3 billion. Total deductions increased $141.1 billion to $3,759.1 billion for Tax Year 2002. (See definition of total deductions in *Explanation of Selected Terms*.) Cost of goods sold, the largest component of total deductions, accounted for 63.5 percent, or $2,386.8 billion, of total deductions, a $68.2-billion increase from the previous year. Salaries and wages increased $26.4 billion to $419.0 billion, from $392.5 billion in 2001.

Four industrial sectors continued to account for the majority of total receipts for all S corporations (Figure E.) The wholesale and retail trade sector accounts for $1,614.5 billion, or 41.3 percent of total receipts. The construction sector reported 14.8 percent in total receipts, while the manufacturing and professional, scientific, and technical services sectors represented 13.2 percent and 6.8 percent respectively.

Nearly two-thirds, 62.0 percent, of all S corporations reported positive net income (Table 2). These 2.0 million S corporations reported $246.5 billion in positive total net income, declining $2.3 billion from 2001 when $248.9 billion were reported. For Tax Year 2002, all components of portfolio income (less deficit) distributed to shareholders declined. Overall, net long-term capital gain (less loss) declined $10.1 billion, or 40.5 percent, for S corporations with positive total net income. Net long-term capital gain (less loss) decreased $3.6 billion for the wholesale and retail trade sector, from $6.3 billion in 2001 to $2.7 billion in 2002. Total receipts increased $63.7 billion, and total deductions also increased $53.2 billion for all S corporations with positive net income.

Four sectors accounted for 57.9 percent of the nearly 2.0 million returns reporting positive total net income in Tax Year 2002: wholesale and retail trade (16.3 percent); professional, scientific, and technical services (16.3 percent); construction (14.3 percent); and real estate and rental and leasing (11.0 percent). Positive total net income for the four largest industrial sectors was nearly $129.8 billion for 2002, with the wholesale and retail trade sector accounting for 20.2 percent, or $49.7 billion, of all positive total net income reported.

Balance Sheet

Total assets for S corporations increased $133.7 billion, or 7.1 percent from the previous year (Table 3) [7]. The two largest asset categories for Tax Year 2002 were net notes and accounts receivable and net depreciable assets. (See definition of net notes and accounts receivable and net depreciable assets in *Explanation of Selected Term.*) Net notes and accounts receivable accounted for nearly $437.8 billion, or 21.7 percent of total assets. Net notes and accounts receivable also displayed the largest increase, growing $27.5 billion from $410.3 billion in 2001. Net depreciable assets accounted for $436.4 billion, or 21.6 percent of total assets for all S corporations. Mortgage and real estate loans and

Figure D

S Corporations: Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2002

[Money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	3,154,377	77,297	16,598	1,715	418,770	144,031
Total assets	2,016,708,482	43,138,332	25,405,805	3,869,273	244,715,444	270,210,061
Total receipts	3,910,926,701	55,885,133	19,980,245	3,204,349	577,232,150	517,238,149
Total net income (less deficit)	183,478,933	3,200,935	3,214,475	195,469	25,059,429	25,280,992
Net income (less deficit) from a trade or business	150,611,468	-538,216	2,038,739	145,114	23,083,701	21,680,942
Portfolio income (less deficit) distributed to shareholders	25,861,389	579,799	458,512	55,051	1,868,443	3,328,838
Dividend income	1,811,654	37,824	72,249	3,738	85,656	254,316
Interest income	9,438,865	192,074	203,294	24,716	1,062,141	998,987
Royalty income	597,672	49,855	112,671	26	4,366	1,002,719
Net short-term capital gain (less loss)	179,589	-7,336	-15,990	19,627	71,350	-18,432
Net long-term capital gain (less loss)	13,475,631	301,696	84,345	6,944	637,800	1,988,718
Other portfolio income (net)	357,978	5,686	1,942	--	7,132	2,535
Real estate rental net income (less deficit)	6,623,212	166,094	12,556	*-5,100	82,124	215,990
Net income (less deficit) from other rental activity	382,863	22,932	13,209	195,469	25,162	55,222

Item	Wholesale and retail trade				Transportation and warehousing	Information
	Total	Wholesale trade	Retail trade	Not allocable		
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	542,996	181,189	360,961	*845	98,595	66,829
Total assets	467,993,740	211,438,859	256,398,474	156,407	48,745,702	43,823,073
Total receipts	1,614,472,031	683,593,568	930,408,978	*469,485	107,714,703	50,481,304
Total net income (less deficit)	38,494,113	21,536,601	16,960,278	*-2,762	2,087,996	1,455,751
Net income (less deficit) from a trade or business	33,465,555	18,504,944	14,963,982	*-3,372	1,511,186	-194,642
Portfolio income (less deficit) distributed to shareholders	4,405,552	2,754,410	1,650,532	610	382,623	1,584,128
Dividend income	199,990	126,462	73,526	2	16,900	58,018
Interest income	1,711,665	835,020	876,037	608	191,187	343,106
Royalty income	144,292	102,932	41,359	--	181	21,442
Net short-term capital gain (less loss)	-203,666	-202,256	-1,410	--	-6,312	-6,741
Net long-term capital gain (less loss)	2,550,389	1,890,726	659,664	--	183,919	1,158,699
Other portfolio income (net)	2,882	1,526	1,356	--	-3,252	9,604
Real estate rental net income (less deficit)	514,486	227,187	287,299	--	131,294	62,729
Net income (less deficit) from other rental activity	108,521	50,059	58,462	--	62,893	3,537

Footnotes at end of table.

investments in Government obligations reported the largest percentage increases by asset category for Tax Year 2002. Mortgage and real estate loans increased 37.7 percent to nearly $45.3 billion, and investments in Government obligations increased 20.6 percent to $36.3 billion.

The two largest components of total liabilities and equity for Tax Year 2002 were mortgages, notes, and bonds payable in 1 year or more and total net worth. Total net worth accounted for $571.1 billion of the total liabilities, or 28.3 percent. Total net worth is comprised of capital stock, paid-in capital surplus, retained earnings unappropriated, and adjustments to shareholder's equity, reduced by cost of treasury stock. Retained earnings unappropriated accounted for nearly $329.3 billion, or 57.6 percent, of total net

Figure D--Continued

S Corporations: Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2002--Continued

[Money amounts are in thousands of dollars]

Item	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services
	(13)	(14)	(15)	(16)	(17)
Number of returns	122,857	360,133	480,120	21,779	156,956
Total assets	171,542,294	213,743,045	78,213,196	207,915,595	34,136,274
Total receipts	82,205,097	79,165,870	264,049,164	15,203,141	129,479,166
Total net income (less deficit)	14,027,036	11,810,827	25,187,016	6,474,156	6,591,167
Net income (less deficit) from a trade or business	11,127,377	4,147,382	22,120,766	4,072,193	6,057,867
Portfolio income (less deficit) distributed to shareholders	2,817,818	2,660,123	2,949,980	2,403,331	506,053
Dividend income	367,604	199,453	87,063	353,779	27,795
Interest income	939,819	1,369,101	669,562	755,675	227,023
Royalty income	18,591	20,621	14,327	38,718	5,436
Net short-term capital gain (less loss)	386,699	-9,999	44,088	-38,428	559
Net long-term capital gain (less loss)	964,266	1,071,383	2,126,876	1,135,950	245,209
Other portfolio income (net)	140,839	9,565	8,063	157,637	32
Real estate rental net income (less deficit)	74,652	4,982,776	99,534	-2,037	19,390
Net income (less deficit) from other rental activity	7,190	20,546	16,736	669	7,858

Item	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services
	(18)	(19)	(20)	(21)	(22)
Number of returns	25,307	179,005	74,414	177,841	186,553
Total assets	4,214,342	33,236,367	26,812,101	70,178,641	28,711,073
Total receipts	10,715,107	130,527,843	35,597,756	134,259,558	83,425,523
Total net income (less deficit)	672,469	14,216,508	1,728,226	4,061,701	3,390,130
Net income (less deficit) from a trade or business	603,283	13,645,671	1,293,210	3,405,127	2,954,171
Portfolio income (less deficit) distributed to shareholders	43,984	511,632	372,102	537,941	395,202
Dividend income	2,476	8,938	17,629	9,557	8,668
Interest income	27,815	126,870	174,868	317,215	103,469
Royalty income	3,281	1	48,226	12,919	--
Net short-term capital gain (less loss)	*356	-1,111	-16,546	-5,305	-13,218
Net long-term capital gain (less loss)	10,056	376,505	133,590	203,360	295,929
Other portfolio income (net)	--	*429	14,335	195	*354
Real estate rental net income (less deficit)	25,150	44,070	53,363	108,006	38,135
Net income (less deficit) from other rental activity	52	15,135	9,551	10,627	2,622

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns not allocable by industrial sector, which are not shown separately.

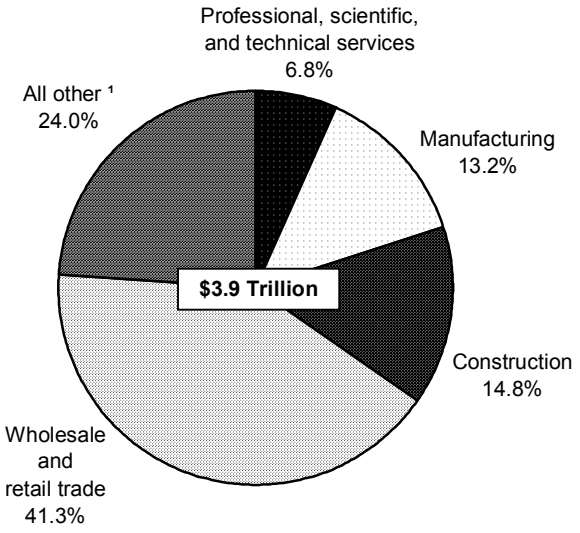
NOTE: Detail may not add to totals because of rounding.

worth. Mortgages, notes, and bonds payable in 1 year or more accounted for $408.7 billion of the total, or 20.3 percent.

Four industrial sectors made up nearly $1,196.7 billion (59.3 percent) of total assets: wholesale and retail trade; manufacturing; construction; and real estate and rental and leasing (Figure F). Wholesale and retail trade represented nearly $ 468.0 billion (23.2 percent) of total assets for S corporations. S corporations in the manufacturing sector reported $270.2 billion, or 13.4 percent of total assets. Assets in the construction sector totaled $244.7 billion and in the real estate and rental and leasing sector nearly $213.7 billion.

Figure E

S Corporation Total Receipts, by Industrial Sector, Tax Year 2002



¹ All Other includes: agriculture, forestry, fishing, and hunting; mining; utilities; transportation and warehousing; information; finance and insurance; management of companies; real estate and rental and leasing; administrative and support and waste management and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; other services; and not allocable.

Income From Rental Real Estate

The number of S corporations reporting Rental Real Estate Income on Form 8825, *Rental Real Estate Income and Expenses of a Partnership or an S Corporation*, increased 5.9 percent to 251.0 thousand (Table 4). Rental real estate expenses increased $1.5 billion, or 6.5 percent. Depreciation showed the largest increase for rental real estate expenses, or $489.1 million. Real estate rental net income (less deficit) increased by 6.4 percent to $6.6 billion for 2002. The real estate and rental and leasing sector dominated all other sectors, reporting nearly $5.0 billion for real estate rental net income (less deficit) of the $6.6 billion reported for all industries. This industrial sector also accounted for 69.5 percent of all returns reporting income on Form 8825 and 83.7 percent of gross income reported on Form 8825.

S corporations reporting rental real estate income had gross income of $30.0 billion, an increase of 5.2 percent from 2001. Depreciation, a component of rental real estate expenses, increased $489.1 million to $4.3 billion.

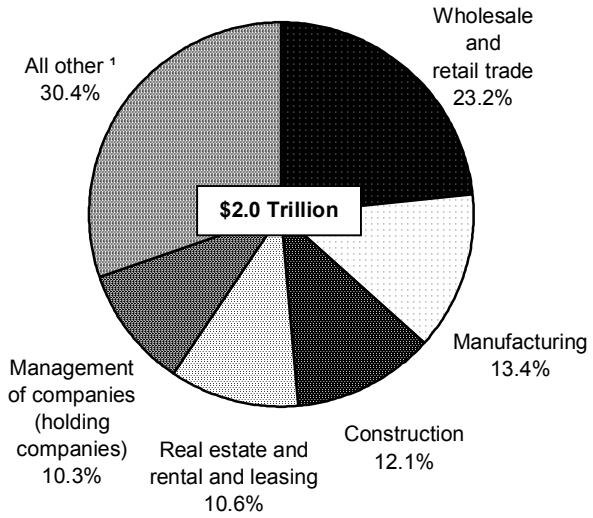
Shareholder Data

Other than individuals, there are five types of entities that are allowed to be shareholders of an S corporation. These entity types are: estates, trusts, bankrupt shareholders and bankruptcy estates, charitable organizations, and employee shareholder trusts. Also, there are five types of ineligible shareholder entities: nonresident aliens, nonqualifying trusts, partnerships and limited liability companies (LLC's), C corporations, and individual retirement accounts (IRA's).

The number of S corporation shareholders increased 5.8 percent to 5,681,443 for Tax Year 2002 (Table 5). The total number of returns with only one shareholder grew 7.4 percent, from 1,684,861 for 2001 to 1,809,402 for 2002 (Table 5). The professional, scientific, and technical services sector accounted for the largest number of returns with one

Figure F

S Corporation Total Assets, by Industrial Sector, Tax Year 2002



¹ All Other includes: agriculture, forestry, fishing, and hunting; mining; utilities; transportation and warehousing; information; finance and insurance; professional, scientific, and technical services; administrative and support and waste management and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; other services; and not allocable.

shareholder, 18.2 percent (Figure G). Approximately 98.8 percent of S corporations had 10 or fewer shareholders. The wholesale trade and retail trade sector represented the largest number of returns with 10 or fewer shareholders, 535.9 thousand. S corporations with more than 30 shareholders increased 62.4 percent to 3,729 for Tax Year 2002, and their total net incomes (less deficit) increased $879.9 million to nearly $6.7 billion in Tax Year 2002. The real estate rental and leasing sector displayed the largest number of S corporations (595) with more than 30 shareholders, or 16.0 percent (Figure F).

The Small Business Job Protection Act of 1996 increased the allowable number of shareholders from 35 to 75. S corporations with more than 35 shareholders increased 77.4 percent, from the 1,536 reported for Tax Year 2001 to 2,726 for Tax Year 2002. Overall, the total number of shareholders increased to 130,895 for S corporations with more than 35 shareholders, from 81,654 in Tax Year 2001. The real estate and rental and leasing sector displayed the largest number of S corporations (530) with more than 35 shareholders.

S Corporation Taxation

S corporations generally do not pay income tax, due to their treatment as flow-through entities. However, they may be subject to up to four different types of Federal income taxes. S corporations are responsible for the "built-in gains" tax, the excess net passive income tax, the investment recapture tax, and the LIFO recapture tax (included in "Adjustments to tax" in Figure H). (See *Explanation of Selected Terms* for further detail.) The built-in gains tax is the most common of these four. The built-in gains tax represented 75.3 percent, or $277.3 million of all Federal income tax reported by S corporations for 2002. S corporations that were previously C corporations and made a valid S election after 1986 must pay tax on

Figure G

S Corporations: Number of Returns, by Number of Shareholders and Industrial Sector, Tax Year 2002

Industrial sector	Total [1]	Number of shareholders						
		1	2	3	4-10	11-20	21-30	31 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries [2]	**3,154,377**	**1,809,402**	**937,771**	**178,185**	**192,241**	**15,758**	**4,143**	**3,729**
Agriculture, forestry, fishing, and hunting	77,297	28,054	31,358	5,817	10,716	701	204	60
Mining	16,598	7,874	4,563	1,266	1,845	576	11	*463
Utilities	1,715	1,156	113	*53	377	12	**	**
Construction	418,770	249,854	126,669	21,755	18,918	935	82	157
Manufacturing	144,031	59,648	54,056	11,511	15,818	1,238	725	219
Wholesale trade and retail trade [3]	542,995	286,584	182,999	32,369	33,936	3,085	1,202	70
Transporation and warehousing	98,595	54,845	32,806	5,335	4,858	679	64	*8
Information	66,829	40,758	15,856	4,599	4,348	696	125	18
Finance and insurance	122,857	80,678	27,677	6,851	6,261	419	85	487
Real estate and rental and leasing	360,133	176,390	108,408	31,257	39,791	2,496	772	595
Professional, scientific, and technical services	480,120	328,922	116,675	17,511	13,788	989	95	160
Management of companies	21,779	9,478	6,033	1,842	3,303	681	129	313
Administrative and support and waste management and remediation services	156,956	93,747	50,535	6,691	5,868	58	**	**
Educational services	25,307	17,925	4,733	1,372	531	*3	--	*338
Health care and social assistance	179,005	140,495	26,365	4,236	5,178	957	480	114
Arts, entertainment, and recreation	74,414	41,950	21,428	4,095	6,480	178	12	271
Accommodation and food services	177,841	79,664	66,240	13,666	14,338	1,545	44	367
Other services	186,553	109,334	60,723	7,959	5,886	510	*103	*35

* Data should be used with caution because of the small number of sample returns on which they are based.

** Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Total includes S corporations for which neither a number of shareholders was reported nor a Schedule K-1, *Shareholder's Share of Income, Credits, Deductions, etc.,* was filed.

[2] Includes returns not allocable by industrial sector, which is not shown separately.

[3] This industrial sector includes "Wholesale and retail trade not allocable", which is not shown separately,

NOTE: Detail may not add to totals because of rounding.

any realized gain from the sale of certain assets. These assets must be held at the time of election, and the sale must be made within 10 years from the first day of the S corporation's election for the built-in gains tax to apply. The built-in gains tax is limited to net appreciation occurring prior to a C corporation's election as an S corporation. S corporations that had a valid S election since the inception of the business are not subject to the built-in gains tax [8].

The excess net passive income tax, the investment recapture tax, and the LIFO recapture tax also apply to corporations that operated as taxable corporations before making their S elections. The excess net passive income tax applies only to S corporations with net passive investment income accounting for more than 25 percent of gross receipts and with subchapter C earnings. S corporations are required to pay the investment credit recapture tax on the recapture attributable to credits allowed on the corporation in the years prior to the S election. The last-in, first-out, (LIFO) recapture tax does not apply to S corporations that made an S election prior to December 18, 1987, and use the LIFO method to value inventory. A LIFO recapture amount, which is the amount of inventory valued under the first-in, first-out (FIFO) method that exceeds the inventory valued under LIFO, is required to be included in gross income after a corporation converts to an S corporation. Inventory that is transferred to an S corporation during a tax-free reorganization of a C corporation is also subject to the LIFO recapture tax.

S corporations reported total net income of $183.5 billion and total tax liability of $368.2 million during Tax Year 2002. The total tax reported for all S corporations decreased 0.3 percent from 2001 to 2002 as shown in Figure H. The built-in gains tax decreased 8.6 percent to $277.3 million for Tax Year 2002. Excess net passive income tax increased 35.7 percent to $12.4 million, and the investment recapture tax nearly quadrupled in size to $0.6 million for Tax Year 2002. Also displayed in this figure are the adjustments to tax, which include Section 1363(d) LIFO recapture taxes and interest due from Form 8697, *Interest Computation under Look-Back Method for Completed Long-Term Contracts*. The income tax adjustment includes Section 1291(c)(2) deferred tax of a shareholder in a passive foreign investment company.

Figure H

S Corporation Taxes, Tax Years 2001 and 2002

[Money amounts are in thousands of dollars]

Item	2001	2002	Percent change
	(1)	(2)	(3)
Total tax	**369,166**	**368,227**	**-0.3**
Built-in gains tax	303,236	277,288	-8.6
Excess net passive income tax	9,131	12,389	35.7
Adjustments to tax	53,974	75,320	39.5
Investment credit recapture tax	120	624	420.6
Income tax adjustment	2,707	2,606	-3.7

NOTE: Detail may not add to totals because of rounding.

Of the nearly 3.2 million S corporations that filed in 2002, only 9,231 reported tax liability. Overall, S corporations reporting tax liability represent only 0.3 percent of all S corporation returns filed.

Summary

- For Tax Year 2002, the number of S corporations grew to nearly 3.2 million, an increase of 5.6 percent in the number of returns filed as compared to Tax Year 2001. S corporations remain the most popular corporate entity with 59.8 percent of all U.S. corporations electing Federal tax treatment under Subchapter S. The number of shareholders for S corporations increased to nearly 5.7 million, up 5.8 percent from the previous year.

- Total net income (less deficit) declined $4.2 billion to $183.5 billion for Tax Year 2002 from $187.7. As the largest component of total net income (less deficit), net income from a trade or business accounted for 82.1 percent of the total, up from the 76.0 percent reported for Tax Year 2001. Portfolio income (less deficit) distributed to shareholders declined by $12.3 billion, a decrease of 32.3 percent, with most of this drop coming from a $9.7-billion reduction in net long-term capital gain (less loss).

- Nearly two-thirds, 62.0 percent, of all S corporations reported positive total net income. S corporations reported $246.5 billion in positive total net income for Tax Year 2002, a decline of $2.3

billion. Four industrial sectors accounted for 57.9 percent of positive total net income reported by S corporations for Tax Year 2002.

- Total assets increased $133.7 billion for Tax Year 2002, a 7.1-percent increase from Tax Year 2001 when S corporations reported $1.8 trillion. Four industrial sectors accounted for 59.3 percent of total assets reported. Total net worth accounted for $571.1 billion of total liabilities, or 28.3 percent.

- Less than half of 1.0 percent of all S corporations reported Federal tax liability, for a total tax liability of $368.2 million. This was a 0.3-percent decrease from the previous year, when $369.2 million were reported. The largest component of total tax liability was the built-in gains tax of $277.3 million, reflecting a decline of 8.6 percent from 2001.

Explanation of Selected Terms

Built-in Gains Tax.--The built-in gains tax is a corporate level tax on S corporations that dispose of assets that appreciated in value during years when the corporation was a C corporation. The S corporation may be liable for the tax on its built-in gains if: it was a C corporation prior to making its S election; the S corporation election was made after 1986; it has net recognized built-in gain within the recognition period; and the net recognized built-in gain for the tax year does not exceed the net unrealized gain minus the net recognized built-in gain for prior years in the recognition period, to the extent that such gains were subject to tax.

Excessive Net Passive Income.--The excess net passive income is the income that bears the same ratio to net passive income as the amount of passive investment income, exceeding 25 percent of gross receipts, bears to passive investment income.

Investment Recapture Tax.--S corporations are liable for recapture attributable to credits allowed in years before the corporation was an S corporation.

LIFO Recapture Tax.--The last in, first out (LIFO) recapture amount is the amount, if any, by which the amount of inventory assets using the first in, first out (FIFO) method exceeds the inventory amount of such assets under the LIFO method.

Limited Liability Company (LLC).--The limited liability company is a State-registered entity that can be taxed like a partnership for Federal income tax purposes, but its members, like corporate shareholders, are not personally liable for the entity's liabilities.

Net Depreciable Assets.--Net depreciable assets are depreciable assets reduced by accumulated depreciation as reported on the Balance Sheet, Schedule L, of Form 1120S.

Net Intangible Assets.--Net intangible assets are intangible assets reduced by accumulated amortization as reported on the Balance Sheet, Schedule L, of Form 1120S.

Net Notes and Accounts Receivable.--Net notes and accounts receivable are notes and accounts receivable reduced by allowance for bad debts on the Balance Sheet, Schedule L, of Form 1120S.

Net Passive Income.--Net passive investment income is passive investment income reduced by any allowable deduction directly connected with the production of such income, except for the net operating loss deduction under Internal Revenue Code section 172 and the special deductions allowed to corporations by Internal Revenue Code section 241.

North American Industry Classification System.--In 1997, the North American Standard Industry Classification System (NAICS) replaced the Standard Industrial Classification (SIC) system. The IRS began using the NAICS coding system for S corporations in 1998. The NAICS classification system is amended every 5 years to include changes for evolving industries. NAICS 2002 was the first revision to the system and included changes in the structure for both the construction and information sectors, along with greater detail for the retail trade sector.

S corporation industries were determined from which activity the business derived the largest percentage of its "total receipts." Total receipts were defined as the sum of:

- Gross receipts, or sales;
- Net gain from Form 4797, *Sales of Business Property;*
- Other income;
- Gross income from other rental activities;
- Portfolio interest income;

- ❒ Portfolio ordinary income;
- ❒ Portfolio royalty income;
- ❒ Net short-term capital gains;
- ❒ Net long-term capital gains;
- ❒ Other portfolio income;
- ❒ Net section 1231 gain;
- ❒ Other income from Schedule K, *Shareholders' Shares of Income, Credits, Deductions, etc.;*
- ❒ Gross rents from rental real estate;
- ❒ Net gain from the disposition of property from rental real estate activities; and
- ❒ Net income from rental real estate activities from partnerships, estates, and trusts in which this S corporation is a partner or beneficiary.

(Total receipts for the S corporation industry coding purposes differ from total receipts used elsewhere in this article and are defined under *Total Receipts* in this section.)

Passive Investment Income.--Passive investment income is gross receipts derived from royalties, rents, dividends, interest (excluding interest on installment sales of inventory to customers and income of certain lending and financing businesses), annuities, and sales or exchanges of stock or securities to the extent of any gain.

Portfolio Income (less deficit).--Portfolio income (less deficit) is interest, dividends, annuities, and royalties, as well as gain or loss from the disposition of income-producing or investment property that is not derived in the ordinary course of trade or business.

Qualified Subchapter S Subsidiaries (QSUB).--Qualified subchapter S Subsidiaries are any domestic subsidiaries of an S corporation that is not an ineligible corporation under Subchapter S of the Internal Revenue Code, and in which the S corporation holds 100 percent of the stock and elects to treat the subsidiary as a QSUB.

Small Business Job Protection Act of 1996.--The Small Business Job Protection Act of 1996 increased the number of permitted shareholders for S corporations from 35 to 75; allowed an electing small business trust with multiple beneficiaries to qualify as an S corporation shareholder, allowed charitable organizations and qualified retirement plans (but not individual retirement accounts) to be S corporation shareholders, allowed corporations with subsidiaries to become S corporations, and provided a special qualified subchapter S subsidiary election so that wholly owned subsidiaries could be considered part of the S corporation for Federal income tax purposes.

Total Deductions.--Total deductions are the sum of cost of goods sold; compensation of officers; salaries and wages; repairs; bad debts; rent paid on business property; taxes paid; interest paid; amortization; depreciation; depletion; advertising; pension, profit-sharing, stock, bonus, and annuity plans; employee benefit programs; net loss, noncapital assets; and other deductions from the income statement of Form 1120S.

Total Net Income (less deficit).--Since the Tax Reform Act of 1986, total net income (less deficit) is defined as the sum of: ordinary income (loss), ordinary dividends, interest income, royalty income, other portfolio income, net income (loss) from rental real estate activities, net income (loss) from other rental activities, total net long-term capital gain (loss), and net short-term capital gain (loss). Prior to 1987, S corporation net income (less deficit) included most of the components of total net income (less deficit) above. The sum of the above components is a comprehensive measure of S corporation profits and losses that enables comparisons to be made with years prior to 1987.

Total Receipts.--Total receipts are the sum of business receipts; interest on Government obligations, State and local; net gain, noncapital assets; and other receipts. S corporations report receipts for interest, rents, royalties, net capital gains, and dividends on Form 1120S, Schedule K, and these items are not included in the statistics.

Trust.--Trust refers to "electing small business trust," which can be an S corporation shareholder. An electing trust is one that does not have as a beneficiary any person other than an individual, an estate, or an organization eligible to accept charitable contributions under Internal Revenue Code section 170 and does not have "potential current beneficiaries." This type of trust is different from the qualified subchapter S trust (QSST).

Data Sources and Limitations

The statistics for Tax Year 2002 are based on a sample of S corporation income tax returns with accounting periods ending July 2002 through June 2003 that posted to the Internal Revenue Service Business Master File between July 2002 and the end of June 2004.

The estimates in this article were based on a stratified probability sample of 48,380 S corporation returns drawn from a total population of 3,325,985 returns. The stratification was based on combinations of total assets and ordinary income. Sample rates ranged from 0.25 percent to 100 percent. The sample was selected after administrative processing, but before audit examination. The selected sample included 47,432 active S corporation returns. Based on this count, the number of active S corporations for Tax Year 2002 was estimated to be 3,154,377.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of variation (CV's) are used to measure the magnitude of this sampling error. The CV is defined in the section on sampling variability in the "SOI Sampling Methodology and Data Limitations" appendix of this publication. Figure I presents the coefficients of variation for S corporations for selected variables by industrial sector. The smaller the coefficient of variation, the more reliable the estimate is judged to be.

Notes and References

[1] For detailed information on the impact of the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1993, and the Small Business Job Protection Act of 1996 on S corporations, see the following articles. For more information on the impact of the Tax Reform Act of 1986 on S corporations, see Gill, Amy, "S Corporation Returns, 1992," *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4; and Gill, Amy and Wittman, Susan, "S Corporation Election After the Tax Reform Act of 1986,"

Figure I

Coefficients of Variation for Number of Returns, Number of Shareholders, Total Receipts, Dividends, and Interest, by Industrial Sector, Tax Year 2002

Industrial sector	Number of returns	Number of shareholders	Total receipts	Dividend income	Interest income
	(1)	(2)	(3)	(4)	(5)
All industries [1]	**0.24**	**0.96**	**0.65**	**3.57**	**1.83**
Agriculture, forestry, fishing, and hunting	4.23	6.06	5.86	40.54	7.44
Mining	12.11	31.10	7.51	3.25	5.38
Utilities	39.95	35.38	7.66	0.10	8.84
Construction	1.36	2.13	1.59	11.37	3.76
Manufacturing	3.66	4.08	1.28	2.15	6.03
Wholesale and retail trade [2]	1.49	2.45		9.37	5.44
Transportation and warehousing	4.58	5.96	4.69	24.56	9.66
Information	6.11	7.27	6.05	3.46	8.42
Finance and insurance	3.65	5.79	4.36	1.61	5.57
Real estate and rental and leasing	1.59	3.32	5.36	5.21	5.27
Professional, scientific, and technical services	1.52	2.17	4.78	15.79	7.27
Management of companies (holding companies)	11.06	11.16	1.56	15.51	5.63
Administrative and support and waste management and remediation services	3.71	4.39	5.11	34.75	5.89
Educational services	10.46	30.23	13.19	66.84	30.99
Health care and social assistance	2.31	5.82	5.60	20.14	15.17
Arts, entertainment, and recreation	5.21	12.41	6.48	15.25	21.55
Accommodation and food services	2.33	4.16	2.98	13.40	8.79
Other services	2.88	3.97	4.82	34.74	11.85

[1] Includes returns not allocable by industrial sector, which are not shown separately.
[2] This industrial sector includes "Wholesale and retail trade not allocable", which is not shown separately.

Statistics of Income Bulletin, Spring 1998, Volume 17, Number 4. For more information on the impact of the Revenue Reconciliation Act of 1993, see Wittman, Susan, "S Corporation Returns, 1994," *Statistics of Income Bulletin*, Spring 1997, Volume 16, Number 4. For more information on the impact of the Small Business Job Protection Act of 1996, see Wittman, Susan, "S Corporation Returns, 1997," *Statistics of Income Bulletin*, Spring 2000, Volume 19, Number 4.

[2] For the purpose of this article, taxable corporations are corporations that file the following types of returns: Form 1120, Form 1120-A, Form 1120F, Form 1120L, and Form 1120-PC. Form 1120-REIT and Form 1120-RIC, while not filed by taxable corporations, are included in the statistics. Limited liability companies that choose to be taxed as a corporation can file Form 1120; if they meet the conditions for S corporation status, LLC's that choose corporate treatment may make an S corporation election and file Form 1120S. Only an "LLC" designation in the name can identify the unincorporated associations. The number of returns with an "LLC" designation in the Statistics of Income corporate file is unpublished and small. Partnership returns indicating that they are LLC's are included in the partnership statistics because most LLC's file a partnership return for Federal tax purposes. For more information on the impact of LLC's on partnership data, see Wheeler, Tim and Parsons, Maureen, "Partnership Returns, 2002," *Statistics of Income Bulletin*, Fall 2003, Volume 24, Number 2.

[3] Provisions exist to allow for late-filed elections to be considered as timely made. See Revenue Procedure 97-40 for extended filings. For further detail on filing an S election, see Internal Revenue Service, *Internal Revenue Code, Subchapter S [Section 1362(a), (b)]*.

[4] Eligible trusts are defined in the *Internal Revenue Code section 1361(c)(2)(A)*; eligible trusts are trusts that are treated as owned by an individual who is a citizen or resident of the United States. Eligible exempt organizations are described in *Internal Revenue Code section 401(a) and section 501(c)(3)*; these organizations include qualified pension plans, profit- sharing plans, stock bonus plans, and certain organizations exempt from Federal income taxes.

[5] Calendar-year S corporations are defined as full-year S corporations with an accounting period ending in December or part-year S corporations with an accounting period ending in December. S corporations may elect another tax year if a business purpose can be justified to the satisfaction of the Internal Revenue Service (IRS), or they may use an alternate tax year but make "required payments" to the IRS per Internal Revenue Code section 1378.

[6] For further detail, see Bennett, Kelly, "S Corporation Returns, 2001," *Statistics of Income Bulletin*, Spring 2004, Volume 23, Number 4.

[7] *Ibid.* (see [6]).

[8] For further detail, see Internal Revenue Service, Internal Revenue Code, Subchapter S, Section 1374. Also see Gill, Amy, "S Corporation Returns, 1992," *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting				Mining	Utilities	Construction
		Total	Agriculture production	Forestry and logging	Support activities and fishing, hunting and trapping			Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	3,154,377	77,297	52,459	7,349	17,489	16,598	1,715	418,770
Number of shareholders	5,681,443	180,399	123,390	15,866	41,143	54,739	3,485	683,934
Total receipts [2]	3,910,926,701	55,885,133	36,464,185	6,388,796	13,032,152	19,980,245	3,204,349	577,232,150
Business receipts	3,841,281,106	52,017,946	33,286,956	6,294,833	12,436,156	18,894,215	3,108,391	572,115,769
Interest on Government obligations:								
State and local [2]	1,236,779	22,660	19,146	3,067	*447	16,458	430	83,254
Net gain, noncapital assets	7,086,227	382,318	271,997	21,866	88,455	162,077	2,729	553,049
Other receipts	61,322,590	3,462,209	2,886,085	69,030	507,094	907,495	92,799	4,480,078
Total deductions	3,759,078,454	56,400,689	37,477,495	6,584,410	12,338,784	17,925,048	3,058,805	554,065,196
Cost of goods sold	2,386,824,120	28,013,195	16,028,092	4,046,846	7,938,258	8,122,798	2,100,951	422,489,079
Compensation of officers	151,988,774	1,161,712	571,996	195,473	394,243	500,979	57,323	19,155,394
Salaries and wages	418,993,431	4,801,213	3,496,523	485,671	819,018	1,219,050	164,408	29,885,976
Repairs	24,610,355	1,398,787	943,623	135,634	319,530	359,698	19,930	2,441,944
Bad debts	8,844,398	83,671	27,096	37,631	18,944	21,188	12,669	1,013,193
Rent paid on business property	105,573,552	2,620,593	2,254,166	88,685	277,742	778,378	61,549	9,165,156
Taxes paid	80,827,691	1,095,184	735,108	123,551	236,526	658,834	60,292	9,623,294
Interest paid	38,783,242	1,165,481	915,525	124,284	125,672	399,454	48,063	3,620,458
Amortization	5,487,574	43,603	32,211	3,688	7,705	33,046	5,903	180,754
Depreciation	78,299,503	3,273,549	2,289,668	492,588	491,292	1,265,748	111,091	10,084,940
Depletion	343,638	22,006	11,406	10,597	3	150,578	--	28,712
Advertising	36,889,977	216,283	163,893	8,077	44,313	24,425	17,524	1,987,516
Pension, profit-sharing, stock bonus, and annuity plans	16,096,900	104,574	64,591	20,624	19,359	85,688	10,565	2,030,729
Employee benefit programs	34,873,070	399,734	311,221	26,546	61,967	217,847	20,137	5,580,415
Net loss, noncapital assets	853,848	20,012	19,426	*562	*24	3,431	*3,147	72,544
Other deductions	369,788,383	11,981,092	9,612,952	783,952	1,584,188	4,083,906	365,251	36,705,092
Total receipts less total deductions [2]	151,848,247	-515,557	-1,013,311	-195,614	693,368	2,055,197	145,544	23,166,954
Net income (less deficit) from a trade or business [2]	150,611,468	-538,216	-1,032,457	-198,681	692,922	2,038,739	145,114	23,083,701
Net income	215,480,028	2,677,530	1,608,487	186,893	882,149	2,819,738	294,677	29,848,407
Deficit	64,868,559	3,215,746	2,640,944	385,574	189,228	780,999	149,563	6,764,707
Portfolio income (less deficit) distributed to shareholders	25,861,389	579,799	465,597	48,985	65,216	458,512	55,051	1,868,443
Dividend income	1,811,654	37,824	15,016	4,582	18,226	72,249	3,738	85,656
Interest income	9,438,865	192,074	152,835	16,585	22,653	203,294	24,716	1,062,141
Royalty income	597,672	49,855	47,225	1,599	*1,031	112,671	26	4,366
Net short-term capital gain (less loss)	179,589	-7,336	-4,834	-1,070	-1,432	-15,990	19,627	71,350
Net long-term capital gain (less loss)	13,475,631	301,696	249,765	27,192	24,739	84,345	6,944	637,800
Other portfolio income (net)	357,978	5,686	5,590	96	--	1,942	--	7,132
Real estate rental net income (less deficit)	6,623,212	166,094	160,938	-1,559	6,714	12,556	*-5,100	82,124
Net income	9,379,673	176,535	166,465	1,482	8,588	17,841	92	401,072
Deficit	2,756,461	10,442	5,527	3,041	*1,874	5,286	*5,192	318,948
Net income (less deficit) from other rental activity	382,863	22,932	21,785	584	562	13,209	404	25,162
Net income	1,236,094	31,956	30,760	633	562	16,977	404	37,825
Deficit	853,230	*9,024	*8,975	49	--	3,768	--	12,663
Total net income (less deficit)	183,478,933	230,608	-384,137	-150,670	765,415	2,523,015	195,469	25,059,429
Net income	246,533,627	3,200,935	2,034,049	219,363	947,523	3,214,475	308,734	31,593,803
Deficit	63,054,694	2,970,328	2,418,186	370,033	182,109	691,460	113,265	6,534,374

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Construction--continued			Manufacturing				
	Construction of buildings	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills	Apparel manufacturing
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns	127,568	47,479	243,723	144,031	6,117	623	2,156	6,697
Number of shareholders	204,890	107,422	371,623	332,494	20,076	2,536	4,574	13,093
Total receipts [2]	249,252,140	99,541,380	228,438,629	517,238,149	58,985,124	7,059,548	10,232,373	28,811,811
Business receipts	247,206,543	97,551,474	227,357,752	512,397,303	58,552,117	6,978,152	10,129,511	28,421,832
Interest on Government obligations:								
State and local [2]	39,338	27,252	16,663	135,586	7,113	6,084	2,747	8,140
Net gain, noncapital assets	103,193	234,139	215,718	744,799	111,588	5,542	7,268	26,352
Other receipts	1,903,067	1,728,515	848,496	3,960,460	314,307	69,771	92,846	355,487
Total deductions	240,439,969	96,023,223	217,602,004	495,421,621	56,877,663	6,562,122	9,956,881	27,530,217
Cost of goods sold	205,925,296	71,406,625	145,157,159	345,803,671	43,646,708	4,035,596	7,390,981	19,935,238
Compensation of officers	5,806,363	2,396,155	10,952,876	15,118,584	879,847	126,513	308,357	891,990
Salaries and wages	7,407,897	4,581,546	17,896,533	40,061,444	3,359,331	627,811	635,075	2,290,878
Repairs	502,094	681,421	1,258,429	2,482,688	318,382	46,430	37,965	79,377
Bad debts	286,111	198,446	528,636	1,211,603	77,036	9,381	29,156	87,470
Rent paid on business property	1,865,210	2,575,362	4,724,584	10,090,907	664,944	90,227	223,438	543,361
Taxes paid	2,432,776	1,686,802	5,503,716	11,158,114	766,936	523,151	218,220	618,633
Interest paid	1,296,961	1,106,374	1,217,123	5,186,015	485,167	74,501	105,971	231,097
Amortization	74,262	35,120	71,373	701,494	74,395	21,837	9,251	16,157
Depreciation	1,791,284	3,133,634	5,160,022	15,961,681	1,590,367	307,291	293,820	288,259
Depletion	*662	23,860	*4,190	97,350	*70	4,988	--	--
Advertising	628,394	215,100	1,144,022	4,681,274	822,537	154,760	57,981	315,323
Pension, profit-sharing, stock bonus, and annuity plans	629,405	343,456	1,057,867	2,345,819	227,162	34,708	40,433	62,019
Employee benefit programs	1,187,353	894,286	3,498,775	7,317,125	642,177	114,653	137,482	210,814
Net loss, noncapital assets	35,932	8,784	27,828	90,246	12,966	764	631	6,115
Other deductions	10,569,970	6,736,252	19,398,871	33,113,605	3,309,638	389,511	468,118	1,953,486
Total receipts less total deductions [2]	8,812,171	3,518,158	10,836,625	21,816,528	2,107,462	497,426	275,492	1,281,594
Net income (less deficit) from a trade or business [2]	8,772,833	3,490,905	10,819,962	21,680,942	2,100,349	491,342	272,745	1,273,454
Net income	10,975,938	5,429,661	13,442,808	29,715,339	2,617,354	578,120	552,030	1,479,235
Deficit	2,203,105	1,938,756	2,622,846	8,034,398	517,005	86,778	279,285	205,781
Portfolio income (less deficit) distributed to shareholders	633,768	952,089	282,586	3,328,838	183,710	80,610	23,799	491,756
Dividend income	38,397	19,301	27,958	254,316	15,165	3,731	2,798	3,232
Interest income	447,898	387,516	226,727	998,987	78,013	20,069	14,320	22,444
Royalty income	1,154	2,867	*346	102,719	1,416	--	1,822	11,713
Net short-term capital gain (less loss)	-20,350	114,572	-22,872	-18,435	-6,087	-53	-2,852	882
Net long-term capital gain (less loss)	159,725	427,652	50,423	1,988,718	95,051	56,839	7,737	453,191
Other portfolio income (net)	6,946	181	4	2,535	151	24	-26	294
Real estate rental net income (less deficit)	50,137	1,252	30,735	215,990	11,104	8,647	6,247	9,189
Net income	174,191	194,665	32,216	238,895	16,558	8,668	6,270	9,772
Deficit	124,053	193,413	1,481	22,906	5,454	21	23	583
Net income (less deficit) from other rental activity	-1,523	4,372	22,313	55,222	1,088	3,439	305	294
Net income	6,380	9,113	22,333	65,361	2,390	3,752	305	294
Deficit	7,903	4,741	20	10,139	1,302	313	--	--
Total net income (less deficit)	9,455,216	4,448,618	11,155,595	25,280,992	2,296,250	584,039	303,096	1,774,693
Net income	11,558,312	6,313,124	13,722,367	32,875,601	2,790,272	653,042	580,587	1,972,406
Deficit	2,103,096	1,864,506	2,566,772	7,594,609	494,022	69,003	277,491	197,713

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing	Plastics and rubber products manufacturing	Nonmetallic mineral product manufacturing
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Number of returns	1,005	6,404	1,825	20,078	739	4,617	6,963	4,465
Number of shareholders	1,638	14,587	5,048	42,810	2,225	12,328	20,179	11,271
Total receipts [2]	3,560,968	30,913,290	16,400,214	29,575,777	6,823,841	22,499,245	36,081,913	16,688,105
Business receipts	3,523,651	30,626,187	16,278,656	29,227,920	6,796,377	22,309,034	35,898,929	16,472,034
Interest on Government obligations:								
State and local [2]	*445	4,347	11,086	4,045	2,341	4,010	13,689	3,321
Net gain, noncapital assets	*383	36,104	22,148	97,274	2,546	12,376	65,549	56,328
Other receipts	36,489	246,653	88,324	246,539	22,577	173,825	103,746	156,421
Total deductions	3,218,732	29,894,410	16,097,587	28,455,481	6,518,543	21,014,485	34,700,445	15,920,213
Cost of goods sold	2,206,551	22,789,725	11,527,284	16,645,333	5,362,818	13,108,530	24,630,379	10,251,813
Compensation of officers	97,142	639,502	402,385	1,226,919	105,839	790,767	981,625	404,445
Salaries and wages	297,560	1,810,292	1,278,870	3,229,068	240,245	2,131,954	2,454,255	1,334,684
Repairs	7,935	166,640	75,304	193,143	32,197	136,116	176,329	184,477
Bad debts	5,718	42,554	33,234	90,102	7,554	110,486	96,475	48,298
Rent paid on business property	45,948	372,201	352,375	1,006,839	94,934	425,586	677,558	468,531
Taxes paid	61,458	561,870	323,684	750,553	67,654	435,742	772,023	425,465
Interest paid	36,788	331,897	291,133	386,110	42,673	198,323	405,106	191,228
Amortization	3,025	26,210	21,962	67,309	4,302	28,746	49,280	28,022
Depreciation	49,052	893,670	643,196	1,319,839	185,797	577,966	1,429,774	912,115
Depletion	--	66,838	--	--	3,988	1,998	--	18,962
Advertising	94,764	152,824	58,161	319,905	18,165	447,507	222,879	93,755
Pension, profit-sharing, stock bonus, and annuity plans	7,328	117,560	105,585	137,617	22,247	135,588	162,216	77,295
Employee benefit programs	32,965	361,506	236,829	351,688	43,026	273,146	581,027	257,475
Net loss, noncapital assets	145	6,014	466	3,999	41	5,513	1,699	2,566
Other deductions	272,352	1,555,108	747,120	2,727,059	287,062	2,206,516	2,059,820	1,221,081
Total receipts less total deductions [2]	342,236	1,018,880	302,628	1,120,296	305,298	1,484,760	1,381,469	767,892
Net income (less deficit) from a trade or business [2]	341,791	1,014,533	291,542	1,116,251	302,957	1,480,750	1,367,779	764,571
Net income	363,414	1,467,206	711,045	1,623,305	394,901	1,733,071	1,963,947	1,048,129
Deficit	21,623	452,673	419,503	507,054	91,944	252,321	596,168	283,558
Portfolio income (less deficit) distributed to shareholders	11,778	191,009	36,089	135,547	5,550	536,481	167,620	167,878
Dividend income	2,308	3,735	14,290	2,432	2,356	11,275	3,990	4,315
Interest income	8,886	53,176	21,843	72,969	12,758	40,925	106,836	30,040
Royalty income	--	*3,571	4,569	144	57	13,765	3,536	5,716
Net short-term capital gain (less loss)	135	-635	-5,150	-1,507	-4,218	-4,772	-4,769	2,900
Net long-term capital gain (less loss)	*450	130,752	379	61,343	-5,402	475,162	57,816	124,769
Other portfolio income (net)	--	*411	159	*166	--	*125	211	*138
Real estate rental net income (less deficit)	83	7,476	6,224	7,074	4,107	1,336	2,431	24,330
Net income	107	8,681	6,406	7,204	4,148	2,076	6,224	24,812
Deficit	24	1,205	182	131	40	741	3,793	482
Net income (less deficit) from other rental activity	-46	2,815	194	3,548	*100	390	2,907	1,160
Net income	30	3,475	327	3,598	*134	1,050	*3,220	1,160
Deficit	76	660	133	50	34	660	312	--
Total net income (less deficit)	353,607	1,215,833	334,049	1,262,420	312,715	2,018,957	1,540,738	957,939
Net income	372,069	1,616,703	729,572	1,753,750	404,119	2,262,506	2,126,214	1,199,446
Deficit	*18,462	400,870	395,523	491,330	91,404	243,549	585,476	241,508

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Primary metal manufacturing	Fabricated metal product manufacturing	Machinery manufacturing	Computer and electronic product manufacturing	Electrical equipment, appliance, and component manufacturing	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Number of returns	4,512	25,985	11,710	5,510	4,302	3,622	6,047	20,655
Number of shareholders	10,400	58,002	28,669	14,283	11,092	8,552	11,556	39,576
Total receipts [2]	20,625,288	75,545,046	29,908,929	19,098,500	19,272,984	26,917,189	16,759,168	41,478,834
Business receipts	20,345,466	74,891,632	29,613,051	18,817,003	19,123,541	26,668,276	16,525,116	41,198,819
Interest on Government obligations:								
State and local [2]	3,066	19,201	8,481	7,593	2,993	12,552	3,100	11,230
Net gain, noncapital assets	16,434	122,784	13,590	9,363	34,178	19,763	62,850	22,379
Other receipts	260,322	511,428	273,806	264,542	112,272	216,598	168,101	246,406
Total deductions	20,374,838	72,356,910	28,466,376	18,108,817	18,496,022	26,042,395	15,906,372	38,923,112
Cost of goods sold	15,939,769	49,757,347	18,780,288	11,961,654	12,412,436	20,235,796	10,998,585	24,186,838
Compensation of officers	410,569	2,867,605	1,055,801	648,279	544,442	487,548	549,578	1,699,430
Salaries and wages	1,037,221	5,471,954	2,684,493	2,053,892	1,787,739	1,490,934	1,396,110	4,449,082
Repairs	93,856	369,370	119,077	77,021	63,305	70,185	74,623	160,956
Bad debts	56,011	141,697	50,264	63,404	27,625	53,432	49,374	132,332
Rent paid on business property	307,687	1,675,320	577,218	468,141	376,954	348,595	400,313	970,736
Taxes paid	299,299	1,858,409	693,200	441,229	432,294	505,970	382,515	1,019,809
Interest paid	240,541	793,573	289,101	139,663	226,385	217,993	130,657	368,108
Amortization	28,268	68,297	47,797	22,632	28,420	48,655	40,527	66,402
Depreciation	771,055	2,818,879	910,839	495,999	471,458	631,928	350,617	1,019,760
Depletion	--	*482	--	--	--	--	--	24
Advertising	25,100	366,000	207,875	133,586	296,980	160,341	181,714	551,119
Pension, profit-sharing, stock bonus, and annuity plans	64,431	475,351	162,237	79,286	98,834	81,521	48,091	206,308
Employee benefit programs	264,490	1,347,753	650,584	293,123	356,624	382,507	221,036	558,221
Net loss, noncapital assets	1,277	6,839	16,184	1,795	1,037	10,989	7,826	3,379
Other deductions	835,263	4,338,036	2,221,419	1,229,114	1,371,488	1,316,003	1,074,805	3,530,607
Total receipts less total deductions [2]	250,450	3,188,136	1,442,552	989,683	776,962	874,794	852,796	2,555,722
Net income (less deficit) from a trade or business [2]	247,383	3,168,934	1,434,071	982,090	773,969	862,242	849,696	2,544,491
Net income	660,252	4,461,037	1,931,318	1,508,892	1,104,799	1,381,727	1,027,236	3,108,321
Deficit	412,869	1,292,102	497,247	526,802	330,830	519,485	177,540	563,830
Portfolio income (less deficit) distributed to shareholders	141,206	293,758	77,801	202,040	128,774	207,151	100,024	146,258
Dividend income	18,767	21,641	20,311	75,743	32,913	6,618	1,363	7,334
Interest income	74,219	149,339	72,467	48,048	34,686	60,654	17,332	59,963
Royalty income	11,495	4,218	4,968	5,840	9,637	12,830	264	7,159
Net short-term capital gain (less loss)	19,597	-6,074	-2,257	817	1,454	-2,432	-618	-2,795
Net long-term capital gain (less loss)	16,810	124,402	-17,760	71,581	50,072	129,327	81,670	74,528
Other portfolio income (net)	319	232	71	12	12	153	14	70
Real estate rental net income (less deficit)	7,950	33,084	21,970	15,078	25,439	9,445	6,528	8,246
Net income	11,436	36,119	22,812	15,291	25,977	9,859	6,584	9,889
Deficit	3,486	3,036	842	213	*538	414	56	1,643
Net income (less deficit) from other rental activity	*1,332	8,686	6,426	*3,219	-4,854	23,132	283	*804
Net income	*1,332	9,006	7,027	*3,687	322	23,132	283	*838
Deficit	--	320	*601	468	5,176	--	([3])	34
Total net income (less deficit)	397,871	3,504,462	1,540,268	1,202,428	923,328	1,101,970	956,531	2,699,800
Net income	781,207	4,744,887	2,021,181	1,688,773	1,210,302	1,581,240	1,131,991	3,255,335
Deficit	383,335	1,240,425	480,912	486,345	286,974	479,271	175,460	555,535

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade							
	Total	Wholesale trade				Retail trade		
		Total	Merchant wholesalers		Wholesale electronic markets and agents and brokers	Total	Motor vehicle dealers and parts dealers	Furniture and home furnishings stores
			Durable goods	Nondurable goods				
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Number of returns	542,996	181,189	111,078	69,709	*403	360,961	52,751	22,828
Number of shareholders	992,725	353,792	212,723	140,666	*403	637,649	90,753	37,652
Total receipts [2]	1,614,472,031	683,593,568	332,645,892	350,931,979	*15,698	930,408,978	462,049,878	33,358,818
Business receipts	1,595,706,715	678,218,627	329,837,301	348,365,628	*15,698	917,024,554	453,856,281	33,063,845
Interest on Government obligations:								
State and local [2]	105,083	71,915	48,302	23,613	--	33,168	5,308	2,169
Net gain, noncapital assets	965,579	494,194	408,883	85,311	--	471,385	224,451	6,912
Other receipts	17,694,653	4,808,832	2,351,406	2,457,426	--	12,879,872	7,963,838	285,891
Total deductions	1,580,901,393	665,016,709	322,774,227	342,225,767	*16,715	915,411,828	457,014,768	32,481,074
Cost of goods sold	1,258,490,540	534,324,744	250,042,010	284,282,734	--	723,845,112	394,947,613	20,129,431
Compensation of officers	28,810,362	14,081,752	8,053,024	6,022,932	*5,796	14,696,673	4,330,723	906,881
Salaries and wages	111,082,946	44,576,308	25,565,073	19,006,889	*4,347	66,482,773	23,629,011	3,885,498
Repairs	5,861,733	2,265,930	1,155,456	1,110,475	--	3,595,487	937,098	237,237
Bad debts	2,560,105	1,569,913	947,056	622,857	--	988,409	252,567	74,226
Rent paid on business property	27,292,020	8,722,875	5,056,525	3,666,350	--	18,564,450	4,506,841	1,514,374
Taxes paid	20,388,406	8,477,080	3,800,053	4,676,132	*895	11,903,609	3,792,901	749,258
Interest paid	8,845,243	3,739,417	2,157,578	1,581,839	--	5,099,926	2,087,675	259,545
Amortization	1,407,650	540,435	199,615	340,821	--	860,976	182,247	32,541
Depreciation	15,049,846	6,207,765	3,634,220	2,573,289	256	8,837,623	2,603,829	374,998
Depletion	28,400	24,374	11,332	*13,042	--	*4,026	7	--
Advertising	15,285,417	3,713,689	1,928,901	1,784,788	--	11,568,408	5,052,867	1,248,251
Pension, profit-sharing, stock bonus, and annuity plans	2,854,981	1,679,275	958,644	720,631	--	1,175,668	287,431	60,260
Employee benefit programs	7,677,900	3,356,643	1,986,498	1,370,145	--	4,317,625	1,863,006	222,433
Net loss, noncapital assets	170,482	40,929	27,878	13,051	--	129,553	37,794	862
Other deductions	75,095,362	31,695,580	17,250,366	14,439,794	5,421	43,341,508	12,503,157	2,785,279
Total receipts less total deductions [2]	33,570,638	18,576,860	9,871,664	8,706,212	-1,017	14,997,150	5,035,111	877,744
Net income (less deficit) from a trade or business [2]	33,465,555	18,504,944	9,823,363	8,682,599	-1,017	14,963,982	5,029,803	875,575
Net income	45,253,238	22,786,723	12,455,064	10,331,660	--	22,461,604	6,962,611	1,394,320
Deficit	11,787,683	4,281,779	2,631,701	1,649,061	1,017	7,497,622	1,932,808	518,745
Portfolio income (less deficit) distributed to shareholders	4,405,552	2,754,410	1,751,310	1,003,100	--	1,650,532	774,985	107,213
Dividend income	199,990	126,462	51,350	75,112	--	73,526	9,855	4,902
Interest income	1,711,665	835,020	402,222	432,797	--	876,037	375,430	46,366
Royalty income	144,292	102,932	17,130	85,803	--	41,359	*2,533	195
Net short-term capital gain (less loss)	-203,666	-202,256	-17,419	-184,837	--	-1,410	-1,912	9,745
Net long-term capital gain (less loss)	2,550,389	1,890,726	1,297,019	593,707	--	659,664	388,425	45,740
Other portfolio income (net)	2,882	1,526	1,007	518	--	1,356	655	*265
Real estate rental net income (less deficit)	514,486	227,187	126,482	100,705	--	287,299	79,769	26,839
Net income	570,652	245,617	138,830	106,786	--	325,035	86,439	28,426
Deficit	56,165	18,429	12,348	6,082	--	37,736	6,670	*1,587
Net income (less deficit) from other rental activity	108,521	50,059	37,924	12,135	--	58,462	-9,120	*16,843
Net income	170,692	85,175	71,854	13,321	--	85,518	14,814	*16,843
Deficit	62,172	35,116	33,930	1,186	--	27,056	23,935	--
Total net income (less deficit)	38,494,113	21,536,601	11,739,079	9,798,538	-1,017	16,960,275	5,875,436	1,026,470
Net income	49,747,118	25,664,278	14,108,611	11,555,668	--	24,077,321	7,658,674	1,515,134
Deficit	11,253,005	4,127,677	2,369,531	1,757,129	1,017	7,117,046	1,783,238	488,664

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Electronics and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
Number of returns	15,776	24,580	54,521	23,100	23,124	29,605	20,636	7,071
Number of shareholders	25,599	43,702	112,364	35,488	44,762	52,236	33,069	12,323
Total receipts [2]	29,150,737	56,431,256	102,672,297	35,292,425	84,411,668	23,761,155	17,592,127	10,239,563
Business receipts	28,843,911	55,976,654	101,347,910	35,176,884	83,294,426	23,530,697	17,348,022	10,102,647
Interest on Government obligations:								
State and local [2]	856	3,452	5,631	1,928	2,747	4,918	174	91
Net gain, noncapital assets	5,553	36,127	32,786	2,864	49,228	3,972	44,794	325
Other receipts	300,418	415,023	1,285,971	110,749	1,065,267	221,568	199,137	136,500
Total deductions	28,435,908	54,445,838	101,096,411	34,103,240	84,470,013	23,079,103	17,124,018	10,092,712
Cost of goods sold	21,382,168	39,612,537	75,508,250	24,698,878	71,240,490	13,146,262	11,201,664	6,778,904
Compensation of officers	770,893	1,319,823	1,369,364	1,328,353	535,674	1,011,465	387,760	187,171
Salaries and wages	2,548,126	5,672,821	9,038,671	3,072,108	4,123,804	3,113,119	1,802,188	1,178,222
Repairs	60,536	303,962	778,277	102,680	458,684	124,664	88,918	56,507
Bad debts	43,410	124,565	80,850	31,366	28,728	25,058	16,767	53,330
Rent paid on business property	481,554	1,163,207	2,565,223	956,899	1,492,493	1,601,913	1,006,610	489,120
Taxes paid	378,149	987,205	1,910,245	481,820	1,160,716	516,927	331,685	225,624
Interest paid	119,718	336,600	566,119	134,462	506,865	207,131	167,212	60,980
Amortization	22,351	22,474	146,288	28,440	269,390	31,654	13,675	7,227
Depreciation	314,993	786,291	1,373,721	252,417	1,323,615	252,554	212,637	118,408
Depletion	--	2,338	--	--	--	--	--	--
Advertising	433,918	527,895	907,173	383,057	144,187	633,381	401,830	134,825
Pension, profit-sharing, stock bonus, and annuity plans	53,892	133,368	194,458	100,856	28,294	59,053	26,230	15,415
Employee benefit programs	149,109	359,589	727,999	108,271	141,422	132,700	86,632	55,304
Net loss, noncapital assets	2,138	1,070	16,742	*45,196	9,094	4,347	225	*4,167
Other deductions	1,674,952	3,092,094	5,913,032	2,378,438	3,006,558	2,218,877	1,379,986	727,509
Total receipts less total deductions [2]	714,830	1,985,418	1,575,887	1,189,185	-58,345	682,052	468,110	146,851
Net income (less deficit) from a trade or business [2]	713,974	1,981,965	1,570,255	1,187,257	-61,092	677,134	467,936	146,760
Net income	1,048,995	2,353,243	2,439,603	1,578,906	768,279	1,004,355	809,229	385,444
Deficit	335,021	371,277	869,348	391,650	829,371	327,222	341,293	238,684
Portfolio income (less deficit) distributed to shareholders	-62,496	181,616	281,553	8,351	83,321	20,143	40,141	18,675
Dividend income	1,605	10,682	18,186	7,035	6,526	1,620	1,618	1,709
Interest income	23,188	94,575	102,034	18,987	48,646	19,127	28,322	12,281
Royalty income	822	509	975	19	683	*6,690	9,865	43
Net short-term capital gain (less loss)	*-3,170	-1,993	7,355	-12,945	-1,599	-10	*-1,108	2,587
Net long-term capital gain (less loss)	-84,941	77,762	152,910	-4,768	28,847	-7,284	1,444	2,054
Other portfolio income (net)	--	82	93	21	218	--	--	1
Real estate rental net income (less deficit)	20,358	16,615	61,571	9,207	48,331	2,502	*-1,557	2,060
Net income	22,000	18,893	68,130	*9,323	52,355	2,592	319	4,976
Deficit	*1,642	*2,278	*6,559	115	4,024	90	*1,876	*2,916
Net income (less deficit) from other rental activity	*9,714	*-1,430	8,293	189	23,293	*1,970	*2,273	137
Net income	*9,714	*544	9,350	189	23,342	*1,970	*2,273	137
Deficit	--	*1,974	1,056	--	50	--	--	--
Total net income (less deficit)	681,549	2,178,766	1,921,673	1,205,004	93,854	701,748	508,793	167,632
Net income	1,068,344	2,530,341	2,739,287	1,595,207	828,129	1,026,620	838,263	402,924
Deficit	386,794	351,575	817,614	390,203	734,276	324,872	329,470	235,293

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued			Transportation and warehousing				
	Retail trade--continued							
	Miscellaneous store retailers	Nonstore retailers	Wholesale and retail trade not allocable	Total	Air, rail and water transportation	Truck transportation	Transit and ground passenger transportation	Pipeline transportation
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Number of returns	58,502	28,467	*845	98,595	7,821	50,700	14,537	*207
Number of shareholders	102,931	46,769	*1,284	172,170	12,628	85,006	21,068	*428
Total receipts [2]	41,781,756	33,667,296	*469,485	107,714,703	9,632,845	60,505,312	7,648,416	*593,484
Business receipts	41,377,846	33,105,430	*463,535	106,502,393	9,446,580	59,871,811	7,581,869	*535,233
Interest on Government obligations:								
State and local [2]	3,177	2,716	--	6,093	1,037	1,555	19	--
Net gain, noncapital assets	16,139	48,233	([3])	546,712	133,827	328,448	17,690	339
Other receipts	384,594	510,917	*5,950	659,505	51,402	303,498	48,836	*57,912
Total deductions	40,569,419	32,499,324	*472,857	106,197,424	10,050,125	59,619,851	7,359,129	*477,580
Cost of goods sold	25,782,164	19,416,752	*320,685	39,651,846	3,541,984	16,743,500	2,842,723	*101,095
Compensation of officers	1,497,411	1,051,155	*31,936	2,772,512	175,930	1,473,729	248,890	*12,140
Salaries and wages	4,546,847	3,872,359	*23,864	16,112,796	1,013,891	10,464,310	1,163,500	*112,316
Repairs	273,290	173,637	*316	2,512,663	307,438	1,730,123	155,257	*8,869
Bad debts	56,873	200,670	*1,784	238,629	19,115	130,093	5,369	*2,447
Rent paid on business property	2,075,573	710,644	*4,695	7,902,942	832,354	5,120,515	442,297	*24,054
Taxes paid	828,896	540,183	*7,717	3,412,831	193,968	2,284,247	256,638	*14,362
Interest paid	367,099	286,520	*5,900	1,534,365	283,839	816,223	133,888	*12,710
Amortization	54,465	50,222	*6,239	105,766	10,378	20,077	27,028	*5,294
Depreciation	551,114	673,045	*4,459	6,212,143	1,121,971	3,733,241	410,205	*22,519
Depletion	*1,681	--	--	661	--	661	--	--
Advertising	568,506	1,132,518	*3,320	264,130	47,577	113,737	42,702	*1,288
Pension, profit-sharing, stock bonus, and annuity plans	89,021	127,391	38	340,951	46,280	149,440	75,526	*3,240
Employee benefit programs	218,636	252,523	*3,632	1,645,978	147,520	1,022,631	109,750	10,754
Net loss, noncapital assets	7,055	*864	--	60,746	33,151	24,151	*1,493	--
Other deductions	3,650,787	4,010,841	*58,273	23,428,465	2,274,729	15,793,173	1,443,865	*146,493
Total receipts less total deductions [2]	1,212,337	1,167,972	*-3,372	1,517,279	-417,280	885,461	289,287	*115,904
Net income (less deficit) from a trade or business [2]	1,209,160	1,165,257	*-3,372	1,511,186	-418,316	883,906	289,267	*115,904
Net income	1,902,742	1,813,877	*4,910	4,233,470	715,098	1,807,390	393,097	*120,906
Deficit	693,583	648,620	*8,282	2,722,283	1,133,414	923,484	103,830	*5,002
Portfolio income (less deficit) distributed to shareholders	93,030	104,000	610	382,623	55,303	96,914	13,121	*6,080
Dividend income	3,935	5,854	2	16,900	2,270	2,828	5,279	21
Interest income	57,539	49,542	608	191,187	50,844	68,551	18,685	*6,041
Royalty income	*13,164	5,861	--	181	151	19	--	--
Net short-term capital gain (less loss)	-1,436	3,074	--	-6,312	-2,639	-3,025	*16	--
Net long-term capital gain (less loss)	19,814	39,661	--	183,919	4,663	28,539	-7,571	18
Other portfolio income (net)	14	8	--	-3,252	13	1	*-3,288	--
Real estate rental net income (less deficit)	21,683	-78	--	131,294	5,393	7,692	613	2
Net income	22,573	9,009	--	134,202	5,869	8,166	613	2
Deficit	*890	*9,088	--	2,909	476	474	--	--
Net income (less deficit) from other rental activity	*3,325	*2,975	--	62,893	6,303	15,922	-529	5
Net income	*3,325	*3,016	--	107,115	20,900	44,310	([3])	5
Deficit	--	41	--	44,222	14,598	*28,388	529	--
Total net income (less deficit)	1,327,197	1,272,153	*-2,762	2,087,996	-351,318	1,004,434	302,473	*121,990
Net income	1,978,541	1,895,857	*5,519	4,682,311	770,489	1,894,628	407,519	*124,245
Deficit	651,344	623,703	*8,282	2,594,314	1,121,807	890,194	105,046	2,254

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Transportation and warehousing-continued		Information					
	Other transportation and support activities	Warehousing and storage	Total	Publishing industries (except Internet)	Motion picture and sound recording industries	Broadcasting (except Internet)	Internet publishing and broadcasting	Telecom-munications
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
Number of returns	21,456	3,874	66,829	19,489	20,808	4,000	1,275	9,912
Number of shareholders	38,151	14,888	119,746	37,890	30,602	10,587	3,149	20,384
Total receipts [2]	22,439,552	6,895,093	50,481,304	22,347,535	11,452,205	2,147,805	225,049	9,146,198
Business receipts	22,327,471	6,739,429	51,637,882	21,637,681	11,149,728	4,872,102	200,203	8,638,756
Interest on Government obligations:								
State and local [2]	1,085	2,396	50,637	20,692	9,873	18,166	40	1,022
Net gain, noncapital assets	43,009	23,399	89,902	9,007	5,199	43,995	318	28,602
Other receipts	67,988	129,869	-1,297,117	680,155	287,404	-2,786,458	*24,488	477,819
Total deductions	22,107,762	6,582,977	50,625,309	20,600,220	11,078,285	4,748,108	162,636	9,042,307
Cost of goods sold	13,229,267	3,193,277	17,931,542	7,530,982	4,078,565	804,639	*72,599	3,872,298
Compensation of officers	745,377	116,447	3,596,957	1,053,907	1,408,015	324,561	1,127	430,341
Salaries and wages	2,479,128	879,650	10,058,356	4,515,953	1,215,280	1,378,685	*23,124	1,765,788
Repairs	204,814	106,163	348,553	126,900	70,421	54,677	*2,893	62,063
Bad debts	77,069	4,536	263,335	97,086	25,491	32,013	*3,709	102,765
Rent paid on business property	757,864	725,857	1,808,188	719,281	471,206	101,080	*2,521	274,478
Taxes paid	447,714	215,901	1,386,483	579,138	286,226	190,584	5,787	169,163
Interest paid	197,724	89,981	698,507	234,771	140,353	176,324	*619	96,445
Amortization	37,062	5,928	553,018	177,075	161,123	164,713	*174	33,970
Depreciation	642,650	281,557	1,852,739	590,768	505,753	248,445	*5,629	374,111
Depletion	--	--	([3])	--	--	--	--	([3])
Advertising	52,384	6,442	837,907	306,430	185,563	106,555	*3,583	130,385
Pension, profit-sharing, stock bonus, and annuity plans	40,495	25,971	344,194	164,055	69,025	13,369	*216	77,111
Employee benefit programs	235,304	120,020	688,836	418,647	77,378	66,102	*1,145	54,679
Net loss, noncapital assets	*181	1,770	14,600	6,216	772	*3,337	20	3,290
Other deductions	2,960,727	809,478	10,242,095	4,079,011	2,383,114	1,083,024	39,489	1,595,420
Total receipts less total deductions [2]	331,791	312,116	-144,005	1,747,315	373,920	-2,600,303	62,413	103,891
Net income (less deficit) from a trade or business [2]	330,706	309,720	-194,642	1,726,623	364,046	-2,618,469	62,373	102,869
Net income	767,084	429,896	5,207,658	2,139,360	1,246,605	626,495	*71,212	649,741
Deficit	436,378	120,175	5,402,301	412,737	882,558	3,244,964	*8,839	546,872
Portfolio income (less deficit) distributed to shareholders	99,895	111,311	1,584,128	176,973	267,248	315,050	*44,630	796,461
Dividend income	4,470	2,031	58,018	19,758	6,761	7,440	93	22,768
Interest income	20,634	26,432	343,106	94,930	62,970	98,044	*3,020	74,266
Royalty income	8	3	21,442	6,792	*2,792	7,862	--	276
Net short-term capital gain (less loss)	151	-815	-6,741	-17,363	-13,613	-11,575	276	36,448
Net long-term capital gain (less loss)	74,631	83,639	1,158,699	72,690	208,339	203,707	41,242	662,834
Other portfolio income (net)	1	20	9,604	165	([3])	9,571	--	-132
Real estate rental net income (less deficit)	47,293	70,301	62,729	24,840	3,674	7,970	*-131	1,066
Net income	49,252	70,301	65,428	26,084	3,776	8,895	--	1,199
Deficit	*1,959	--	2,699	*1,244	102	*924	*131	133
Net income (less deficit) from other rental activity	39,560	*1,632	3,537	-3,270	*578	4,286	--	1,655
Net income	40,267	*1,632	7,025	188	*592	4,303	--	1,655
Deficit	707	--	3,489	3,458	14	17	--	--
Total net income (less deficit)	517,453	492,964	1,455,751	1,925,165	635,546	-2,291,162	106,873	902,051
Net income	907,676	577,754	6,490,828	2,286,648	1,436,472	869,546	*112,688	1,293,570
Deficit	390,223	84,790	5,035,076	361,483	800,926	3,160,708	*5,815	391,519

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Information--continued		Finance and insurance					
	Internet service providers, web search portals, and data processing services	Other information services	Total	Depository credit inter-mediation	Non-depository credit inter-mediation	Securities, commodity contracts, and other financial investments and related activities	Insurance carriers and related activities	Other financial vehicles and investment companies
	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
Number of returns	7,630	3,715	122,857	1,228	30,095	28,739	59,188	3,606
Number of shareholders	10,902	6,232	224,305	11,591	49,096	61,869	89,573	12,176
Total receipts [2]	3,332,139	1,830,372	82,205,097	5,154,870	23,305,171	20,330,201	32,758,164	656,691
Business receipts	3,311,721	1,827,690	73,620,171	1,917,832	20,241,544	18,624,921	32,357,051	478,822
Interest on Government obligations:								
State and local [2]	469	375	162,371	89,847	10,279	38,577	10,503	13,164
Net gain, noncapital assets	2,756	25	1,471,320	138,625	1,268,814	31,784	30,718	*1,379
Other receipts	17,194	2,282	6,951,235	3,008,565	1,784,534	1,634,918	359,892	163,326
Total deductions	3,229,115	1,764,638	70,915,349	3,850,969	20,062,514	18,380,101	27,977,729	644,036
Cost of goods sold	1,045,802	526,658	7,670,856	2,494	1,759,460	1,183,839	4,718,941	6,122
Compensation of officers	180,174	198,832	9,082,355	284,911	1,428,501	3,254,082	3,903,813	211,047
Salaries and wages	724,861	434,666	23,668,552	654,755	7,422,503	5,994,273	9,496,234	100,787
Repairs	16,960	14,639	424,910	49,252	113,511	66,364	194,287	1,495
Bad debts	1,633	638	1,002,119	153,038	689,261	31,641	126,481	*1,699
Rent paid on business property	175,754	63,867	2,970,182	54,941	860,537	834,829	1,193,957	25,917
Taxes paid	97,615	57,969	2,158,777	105,270	619,358	488,112	919,361	26,675
Interest paid	21,933	28,062	3,509,052	1,534,817	1,117,691	575,794	239,417	41,333
Amortization	13,118	2,845	295,516	33,975	60,974	55,265	140,936	4,367
Depreciation	88,080	39,953	1,315,214	127,657	450,862	364,346	362,005	10,344
Depletion	--	--	6	6	--	--	--	--
Advertising	32,876	72,515	1,019,528	47,385	471,083	134,811	355,299	10,951
Pension, profit-sharing, stock bonus, and annuity plans	11,513	8,905	806,455	31,419	87,139	221,270	430,003	*36,624
Employee benefit programs	42,962	27,923	1,043,422	95,055	221,812	246,603	470,361	9,591
Net loss, noncapital assets	678	287	60,165	7,029	9,383	37,738	6,015	--
Other deductions	775,156	286,880	15,888,240	668,965	4,750,438	4,891,132	5,420,620	157,084
Total receipts less total deductions [2]	103,025	65,734	11,289,748	1,303,901	3,242,657	1,950,100	4,780,435	12,655
Net income (less deficit) from a trade or business [2]	102,556	65,359	11,127,377	1,214,054	3,232,378	1,911,523	4,769,932	-509
Net income	264,171	210,075	13,918,741	1,233,747	3,663,794	3,776,418	5,033,652	211,129
Deficit	161,615	144,715	2,791,364	19,694	431,416	1,864,895	263,721	211,638
Portfolio income (less deficit) distributed to shareholders	-6,444	-9,789	2,817,818	45,993	290,235	1,936,771	400,666	144,153
Dividend income	*737	462	367,604	6,563	2,659	332,786	17,138	8,458
Interest income	4,196	5,679	939,819	24,517	225,003	440,795	148,640	100,865
Royalty income	([3])	3,720	18,591	135	6	18,212	--	*239
Net short-term capital gain (less loss)	*-171	-743	386,699	619	11,169	403,709	-4,838	-23,960
Net long-term capital gain (less loss)	*-11,207	-18,907	964,266	13,739	51,167	619,905	235,288	44,167
Other portfolio income (net)	--	--	140,839	421	231	121,364	*4,438	14,384
Real estate rental net income (less deficit)	25,116	*193	74,652	1,270	17,122	51,190	6,507	-1,437
Net income	25,262	*212	102,784	5,855	24,010	61,687	6,957	4,276
Deficit	146	19	28,133	4,585	6,887	10,498	450	5,712
Net income (less deficit) from other rental activity	--	288	7,190	366	291	1,561	*1,346	*3,625
Net income	--	288	28,454	416	341	22,475	*1,398	*3,824
Deficit	--	--	21,265	50	*50	20,914	52	199
Total net income (less deficit)	121,228	56,052	14,027,036	1,261,682	3,540,026	3,901,045	5,178,451	145,833
Net income	291,279	200,625	16,195,060	1,280,421	3,915,801	5,296,849	5,393,889	308,100
Deficit	170,051	144,574	2,168,023	18,739	375,774	1,395,804	215,439	162,268

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Real estate and rental and leasing				Professional, scientific, and technical services	Management of companies (holding companies)
	Total	Real estate	Rental and leasing services	Lessors of nonfinancial intangible assets (except copy-righted works)		
	(73)	(74)	(75)	(76)	(77)	(78)
Number of returns	360,133	326,721	32,654	758	480,120	21,779
Number of shareholders	771,055	711,998	56,905	2,152	705,062	74,545
Total receipts [2]	79,165,870	57,320,348	21,530,433	315,089	264,049,164	15,203,141
Business receipts	75,972,568	55,100,770	20,659,382	212,416	258,469,198	5,513,083
Interest on Government obligations:						
State and local [2]	51,279	40,422	10,052	*805	35,552	487,252
Net gain, noncapital assets	816,609	317,793	498,792	24	158,638	297,532
Other receipts	2,325,413	1,861,362	362,207	101,845	5,385,776	8,905,275
Total deductions	74,967,209	53,174,715	21,687,546	104,948	241,892,846	10,643,697
Cost of goods sold	16,701,223	9,892,993	6,807,355	875	81,368,270	22,140
Compensation of officers	5,574,564	4,872,771	697,939	3,853	28,392,667	846,497
Salaries and wages	19,367,873	16,117,901	3,236,107	*13,865	50,759,611	1,646,842
Repairs	1,045,055	590,364	453,917	774	1,247,729	153,859
Bad debts	324,094	219,170	103,935	989	567,529	528,720
Rent paid on business property	5,039,836	3,416,653	1,622,591	*593	9,424,017	138,908
Taxes paid	2,185,385	1,544,313	637,886	3,185	7,499,721	363,040
Interest paid	2,030,121	1,272,499	747,349	10,274	1,475,769	3,631,556
Amortization	147,964	110,321	20,147	17,495	382,267	105,207
Depreciation	5,383,765	1,284,016	4,098,058	1,692	3,531,623	395,078
Depletion	*168	*168	--	--	*153	548
Advertising	1,665,003	1,374,431	285,190	*5,383	2,669,248	100,451
Pension, profit-sharing, stock bonus, and annuity plans	693,701	611,279	81,959	462	2,976,353	113,403
Employee benefit programs	743,683	562,437	180,879	368	3,136,929	245,455
Net loss, noncapital assets	73,638	48,304	25,335	--	59,999	22,188
Other deductions	13,991,134	11,257,095	2,688,898	45,141	48,400,960	2,329,805
Total receipts less total deductions [2]	4,198,660	4,145,632	-157,113	210,141	22,156,318	4,559,445
Net income (less deficit) from a trade or business [2]	4,147,382	4,105,210	-167,165	209,336	22,120,766	4,072,193
Net income	8,683,995	7,320,947	1,146,037	217,011	27,895,003	5,324,748
Deficit	4,536,614	3,215,737	1,313,202	*7,675	5,774,237	1,252,555
Portfolio income (less deficit) distributed to shareholders	2,660,123	2,341,351	292,586	26,186	2,949,980	2,403,331
Dividend income	199,453	194,638	4,784	31	87,063	353,779
Interest income	1,369,101	1,244,030	112,685	12,386	669,562	755,675
Royalty income	20,621	14,168	*113	6,340	14,327	38,718
Net short-term capital gain (less loss)	-9,999	-12,064	2,068	-3	44,088	-38,428
Net long-term capital gain (less loss)	1,071,383	891,028	172,921	7,433	2,126,876	1,135,950
Other portfolio income (net)	9,565	9,550	*15	--	8,063	157,637
Real estate rental net income (less deficit)	4,982,776	4,954,208	28,554	14	99,534	-2,037
Net income	7,067,071	7,012,016	55,040	14	156,081	103,698
Deficit	2,084,294	2,057,808	26,486	--	56,547	105,735
Net income (less deficit) from other rental activity	20,546	-4,383	24,917	11	16,736	669
Net income	604,172	101,799	502,362	11	84,506	23,222
Deficit	583,626	106,182	477,444	--	67,771	22,553
Total net income (less deficit)	11,810,827	11,396,387	178,892	235,547	25,187,016	6,474,156
Net income	17,855,271	15,807,901	1,804,296	243,075	30,651,991	8,231,424
Deficit	6,044,445	4,411,514	1,625,404	*7,527	5,464,975	1,757,268

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Administrative and support and waste management and remediation services			Educational services	Health care and social assistance			
	Total	Administrative and support services	Waste management and remediation services		Total	Offices of health practitioners and outpatient care centers	Miscellaneous health care and social assistance	Hospitals, nursing, and residential care facilities
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
Number of returns	156,956	147,412	9,544	25,307	179,005	138,676	28,950	11,379
Number of shareholders	245,479	227,679	17,799	47,979	262,524	187,231	50,714	24,579
Total receipts [2]	129,479,166	118,792,103	10,687,063	10,715,107	130,527,843	90,418,449	19,952,224	20,157,171
Business receipts	127,476,964	116,914,216	10,562,747	10,181,170	128,607,689	89,078,491	19,621,460	19,907,738
Interest on Government obligations:								
State and local [2]	18,295	15,912	2,383	2,622	34,490	4,180	*303	30,007
Net gain, noncapital assets	121,714	73,286	48,428	34,463	73,091	53,233	1,065	18,794
Other receipts	1,862,194	1,788,689	73,505	496,852	1,812,573	1,282,545	329,396	200,632
Total deductions	123,403,004	113,419,053	9,983,951	10,109,202	116,847,683	78,615,389	18,636,840	19,595,454
Cost of goods sold	56,018,590	51,926,207	4,092,383	2,094,446	11,369,357	7,000,003	2,863,176	1,506,178
Compensation of officers	5,645,212	5,239,114	406,097	796,924	17,611,613	15,954,142	1,274,208	383,264
Salaries and wages	28,217,008	27,019,077	1,197,931	2,780,355	33,593,079	19,386,909	5,914,734	8,291,436
Repairs	1,005,704	762,449	243,255	128,218	1,131,224	677,723	246,004	207,497
Bad debts	251,176	221,944	29,232	51,058	297,951	55,662	101,313	140,976
Rent paid on business property	3,481,522	3,091,542	389,980	665,940	6,858,119	4,390,829	1,175,257	1,292,033
Taxes paid	5,048,302	4,653,329	394,973	476,039	4,731,171	2,824,778	761,283	1,145,111
Interest paid	876,687	703,367	173,320	74,478	1,227,231	554,227	192,359	480,646
Amortization	176,905	136,492	40,414	11,972	242,530	181,183	34,626	26,721
Depreciation	2,693,593	2,028,724	664,869	223,477	2,353,477	1,383,715	530,629	439,133
Depletion	*9,932	*574	*9,358	--	--	--	--	--
Advertising	1,027,386	952,387	74,999	328,242	1,153,154	950,456	120,808	81,890
Pension, profit-sharing, stock bonus, and annuity plans	339,634	295,739	43,895	127,913	2,309,772	2,121,523	120,594	67,655
Employee benefit programs	1,838,160	1,651,588	186,572	182,925	1,716,971	863,400	198,658	654,913
Net loss, noncapital assets	31,940	29,177	*2,763	*3,749	4,686	2,220	*1,712	754
Other deductions	16,741,252	14,707,342	2,033,910	2,163,467	32,247,347	22,268,621	5,101,479	4,877,247
Total receipts less total deductions [2]	6,076,162	5,373,050	703,112	605,905	13,680,161	11,803,060	1,315,384	561,717
Net income (less deficit) from a trade or business [2]	6,057,867	5,357,138	700,729	603,283	13,645,671	11,798,880	1,315,081	531,710
Net income	7,844,131	6,915,302	928,828	907,668	15,253,687	12,618,166	1,699,856	935,665
Deficit	1,786,264	1,558,165	228,099	304,385	1,608,017	819,286	384,775	403,955
Portfolio income (less deficit) distributed to shareholders	506,053	469,489	36,564	43,984	511,632	183,893	296,654	31,085
Dividend income	27,795	25,885	1,910	2,476	8,938	6,390	1,278	1,271
Interest income	227,023	202,421	24,602	27,815	126,870	60,213	33,911	32,746
Royalty income	5,436	5,436	--	3,281	1	([3])	--	1
Net short-term capital gain (less loss)	559	1,906	-1,347	*356	-1,111	883	*-427	-1,567
Net long-term capital gain (less loss)	245,209	233,839	11,369	10,056	376,505	115,977	261,892	-1,364
Other portfolio income (net)	32	1	31	--	*429	*430	--	-1
Real estate rental net income (less deficit)	19,390	12,365	7,025	25,150	44,070	17,994	*450	25,626
Net income	26,849	18,910	7,938	25,504	55,975	19,774	*736	35,465
Deficit	7,459	6,545	*914	*354	11,905	*1,780	*286	9,839
Net income (less deficit) from other rental activity	7,858	2,912	*4,946	52	15,135	*9,372	*5,562	201
Net income	8,328	*3,382	*4,946	52	16,069	*9,923	*5,562	585
Deficit	470	470	--	--	*934	*550	--	*384
Total net income (less deficit)	6,591,167	5,841,903	749,264	672,469	14,216,508	12,010,139	1,617,747	588,622
Net income	8,275,760	7,316,707	959,053	950,616	15,766,159	12,814,437	1,969,375	982,347
Deficit	1,684,593	1,474,804	209,789	278,146	1,549,651	804,298	351,628	393,725

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Arts, entertainment, and recreation			Accommodation and food services		
	Total	Other arts, entertainment, and recreation	Amusement, gambling, and recreation industries	Total	Accommodation	Food services and drinking places
	(87)	(88)	(89)	(90)	(91)	(92)
Number of returns	74,414	39,761	34,653	177,841	22,951	154,890
Number of shareholders	150,014	62,466	87,548	364,052	76,049	288,002
Total receipts [2]	35,597,756	15,245,869	20,351,887	134,259,558	17,716,747	116,542,811
Business receipts	34,338,795	14,839,867	19,498,928	132,064,763	17,007,468	115,057,295
Interest on Government obligations:						
State and local [2]	14,296	9,356	4,940	3,000	1,532	1,469
Net gain, noncapital assets	152,578	95,971	56,607	242,800	44,211	198,589
Other receipts	1,092,086	300,674	791,412	1,948,995	663,536	1,285,459
Total deductions	34,290,250	14,439,598	19,850,652	130,851,431	17,695,251	113,156,180
Cost of goods sold	7,679,430	2,193,670	5,485,760	49,365,784	3,001,087	46,364,697
Compensation of officers	3,459,965	2,578,127	881,838	3,869,204	454,274	3,414,930
Salaries and wages	6,483,896	2,994,914	3,488,982	24,788,984	3,374,927	21,414,057
Repairs	612,080	85,679	526,401	2,501,379	561,940	1,939,438
Bad debts	94,776	28,043	66,732	150,079	49,739	100,340
Rent paid on business property	2,109,159	427,622	1,681,537	9,518,351	751,115	8,767,235
Taxes paid	1,487,919	393,595	1,094,324	6,108,742	1,382,629	4,726,113
Interest paid	785,552	174,713	610,840	2,770,280	1,441,597	1,328,683
Amortization	310,719	240,659	70,060	547,541	102,237	445,305
Depreciation	1,754,429	453,968	1,300,462	4,575,856	1,493,455	3,082,401
Depletion	--	--	--	*5,122	--	*5,122
Advertising	694,589	272,581	422,008	3,550,336	416,706	3,133,631
Pension, profit-sharing, stock bonus, and annuity plans	239,996	182,054	57,942	142,607	37,475	105,132
Employee benefit programs	310,605	93,597	217,008	991,655	246,561	745,094
Net loss, noncapital assets	11,964	5,011	6,954	113,470	37,016	76,454
Other deductions	8,255,170	4,315,366	3,939,804	21,852,042	4,344,492	17,507,549
Total receipts less total deductions [2]	1,307,506	806,270	501,236	3,408,127	21,496	3,386,631
Net income (less deficit) from a trade or business [2]	1,293,210	796,914	496,296	3,405,127	19,965	3,385,162
Net income	3,743,267	2,155,233	1,588,034	7,076,126	1,134,133	5,941,993
Deficit	2,450,057	1,358,319	1,091,738	3,671,000	1,114,169	2,556,831
Portfolio income (less deficit) distributed to shareholders	372,102	216,170	155,932	537,941	231,681	306,260
Dividend income	17,629	7,691	9,938	9,557	4,007	5,550
Interest income	174,868	76,972	97,896	317,215	176,800	140,415
Royalty income	48,226	46,520	*1,707	12,919	*2	12,917
Net short-term capital gain (less loss)	-16,546	-1,935	-14,611	-5,305	-2,474	-2,832
Net long-term capital gain (less loss)	133,590	72,778	60,811	203,360	53,208	150,153
Other portfolio income (net)	14,335	14,144	192	195	138	*57
Real estate rental net income (less deficit)	53,363	15,794	37,569	108,006	45,194	62,813
Net income	73,631	21,566	52,065	122,323	54,663	67,660
Deficit	20,267	5,772	14,495	14,316	9,469	4,847
Net income (less deficit) from other rental activity	9,551	-437	9,988	10,627	*640	9,987
Net income	12,932	*2,825	10,107	11,024	*923	10,100
Deficit	3,381	*3,262	119	*397	*283	114
Total net income (less deficit)	1,728,226	1,028,440	699,786	4,061,701	297,479	3,764,222
Net income	3,992,656	2,319,150	1,673,506	7,434,275	1,300,703	6,133,572
Deficit	2,264,430	1,290,710	973,721	3,372,574	1,003,224	2,369,350

Footnotes at end of table.

Table 1.--S Corporations: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures and estimates based on samples--money amounts are in thousands of dollars]

Item	Other services			
	Total	Repair and maintenance	Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations
	(93)	(94)	(95)	(96)
Number of returns	186,553	97,824	88,297	*433
Number of shareholders	293,619	143,536	149,571	*512
Total receipts [2]	83,425,523	49,830,729	33,335,871	*258,923
Business receipts	82,565,678	49,288,610	33,019,311	*257,757
Interest on Government obligations:				
State and local [2]	7,422	*265	7,146	11
Net gain, noncapital assets	270,316	213,184	57,103	29
Other receipts	582,107	328,670	252,310	1,127
Total deductions	80,463,930	48,215,946	32,039,477	*208,508
Cost of goods sold	31,927,879	23,986,969	7,855,017	*85,892
Compensation of officers	5,505,201	3,065,327	2,425,603	*14,270
Salaries and wages	14,297,370	6,330,110	7,940,949	*26,311
Repairs	934,200	470,321	463,631	*248
Bad debts	172,501	70,908	101,576	17
Rent paid on business property	5,646,845	2,473,990	3,166,908	*5,946
Taxes paid	2,980,384	1,647,500	1,331,873	*1,011
Interest paid	904,051	518,311	385,203	*536
Amortization	235,690	97,544	138,068	*78
Depreciation	2,258,096	1,147,076	1,108,875	*2,145
Depletion	--	--	--	--
Advertising	1,367,492	633,725	699,424	*34,343
Pension, profit-sharing, stock bonus, and annuity plans	223,571	93,981	127,025	*2,564
Employee benefit programs	1,115,296	687,522	426,762	1,012
Net loss, noncapital assets	36,839	*33,433	3,406	--
Other deductions	12,858,516	6,959,227	5,865,154	*34,135
Total receipts less total deductions [2]	2,961,593	1,614,783	1,296,394	*50,416
Net income (less deficit) from a trade or business [2]	2,954,171	1,614,518	1,289,248	*50,405
Net income	4,767,580	2,555,982	2,161,164	*50,434
Deficit	1,813,409	941,463	871,916	*30
Portfolio income (less deficit) distributed to shareholders	395,202	163,473	231,443	*285
Dividend income	8,668	2,535	6,119	14
Interest income	103,469	48,406	54,792	*271
Royalty income	--	--	--	--
Net short-term capital gain (less loss)	-13,218	-12,200	-1,018	--
Net long-term capital gain (less loss)	295,929	124,732	171,197	--
Other portfolio income (net)	*354	--	*354	--
Real estate rental net income (less deficit)	38,135	16,877	21,259	--
Net income	41,039	16,911	24,128	--
Deficit	*2,904	35	*2,869	--
Net income (less deficit) from other rental activity	2,622	*2,492	130	--
Net income	*9,979	*9,826	153	--
Deficit	7,357	7,334	23	--
Total net income (less deficit)	3,390,130	1,797,360	1,542,080	*50,690
Net income	5,051,533	2,717,006	2,283,808	*50,719
Deficit	1,661,402	919,646	741,728	*29

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns not allocable by industrial group, which are not shown separately.

[2] Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

[3] Less than $500.

NOTE: Detail may not add to totals because of rounding.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting				Mining	Utilities	Construction
		Total	Agriculture production	Forestry and logging	Support activities and fishing, hunting and trapping			Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	1,954,739	37,522	23,078	2,888	11,557	10,616	1,534	279,556
Number of shareholders	3,455,361	94,506	59,803	4,359	30,344	34,633	2,755	445,698
Total receipts [2]	3,115,448,102	39,049,572	23,186,272	3,679,569	12,183,730	15,987,465	2,679,346	472,752,876
Business receipts	3,053,174,185	36,448,351	21,205,290	3,616,108	11,626,953	15,010,858	2,616,187	468,031,485
Interest on Government obligations:								
State and local [2]	1,030,772	21,930	18,498	3,029	*404	13,340	386	56,788
Net gain, noncapital assets	5,431,683	225,476	131,055	9,052	85,368	129,208	2,086	397,867
Other receipts	55,811,462	2,353,814	1,831,430	51,380	471,005	834,059	60,687	4,266,737
Total deductions	2,902,495,152	36,490,359	21,680,449	3,502,747	11,307,162	13,210,267	2,394,345	443,069,564
Cost of goods sold	1,894,564,482	20,763,983	10,703,247	2,324,586	7,736,150	6,342,863	1,857,467	345,019,133
Compensation of officers	118,216,279	830,886	393,286	89,255	348,345	383,767	34,935	14,702,609
Salaries and wages	317,338,616	2,997,042	1,990,035	265,988	741,019	958,532	84,403	23,095,115
Repairs	17,498,495	741,894	455,820	61,760	224,314	240,762	14,467	1,762,134
Bad debts	5,754,042	25,527	10,056	*1,906	13,565	18,203	12,462	495,723
Rent paid on business property	75,850,935	1,543,153	1,289,386	23,483	230,284	578,169	53,268	6,710,154
Taxes paid	60,995,065	701,466	435,301	57,935	208,230	463,436	31,694	7,261,992
Interest paid	25,566,976	508,513	372,343	39,317	96,853	262,814	18,592	2,400,020
Amortization	3,435,310	16,298	10,805	957	4,536	14,532	2,704	129,036
Depreciation	49,878,470	1,597,558	1,015,404	222,620	359,534	820,690	56,021	7,053,573
Depletion	266,634	11,583	*1,706	9,874	3	126,777	--	21,039
Advertising	28,785,447	163,816	117,377	4,524	41,915	21,159	3,140	1,566,882
Pension, profit-sharing, stock bonus, and annuity plans	12,708,600	74,421	43,605	12,152	18,663	80,579	9,025	1,669,671
Employee benefit programs	26,020,161	290,169	224,158	10,589	55,422	153,776	13,961	4,156,874
Net loss, noncapital assets	280,885	6,175	*5,656	494	*24	*143	*2,306	33,243
Other deductions	265,334,754	6,217,876	4,612,264	377,308	1,228,305	2,744,065	199,899	26,992,367
Total receipts less total deductions [2]	212,952,950	2,559,213	1,505,823	176,821	876,568	2,777,198	285,001	29,683,312
Net income (less deficit) from a trade or business [2]	211,922,178	2,537,282	1,487,326	173,793	876,164	2,763,858	284,615	29,626,525
Net income	215,270,608	2,675,164	1,606,122	186,893	882,149	2,818,885	294,677	29,838,284
Deficit	3,348,430	137,882	118,796	13,100	*5,985	55,027	10,062	211,759
Portfolio income (less deficit) distributed to shareholders	25,294,582	518,244	408,481	46,951	62,813	428,997	23,784	1,688,852
Dividend income	1,529,361	29,246	8,497	*2,748	18,001	66,412	188	70,596
Interest income	7,597,816	141,270	112,646	8,157	20,466	165,765	9,765	857,642
Royalty income	533,655	47,707	45,692	983	*1,031	106,879	26	3,748
Net short-term capital gain (less loss)	503,727	-2,708	-2,707	1,427	*-1,428	-8,029	-206	94,296
Net long-term capital gain (less loss)	14,811,986	298,109	239,733	33,634	24,742	96,214	14,012	655,522
Other portfolio income (net)	318,036	4,620	4,620	--	--	1,757	--	7,047
Real estate rental net income (less deficit)	8,353,868	125,909	119,424	*-1,634	8,119	9,448	--	250,112
Net income	8,791,310	131,541	122,834	*446	8,261	12,232	--	363,373
Deficit	437,441	5,632	3,411	2,079	142	2,784	--	113,261
Net income (less deficit) from other rental activity	962,999	19,500	18,819	253	428	12,171	335	28,314
Net income	1,063,907	23,528	22,847	253	428	15,938	335	33,589
Deficit	100,907	*4,028	*4,028	--	--	3,767	--	5,275
Total net income	246,533,627	3,200,935	2,034,049	219,363	947,523	3,214,475	308,734	31,593,803

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Construction--continued			Manufacturing				
	Construction of buildings	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills	Apparel manufacturing
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns	79,989	25,518	174,049	84,573	2,721	473	981	3,490
Number of shareholders	127,142	59,270	259,287	196,671	10,100	1,889	2,532	8,010
Total receipts [2]	207,752,816	78,856,705	186,143,354	408,207,495	49,038,620	6,035,635	7,944,168	24,523,935
Business receipts	205,828,597	76,934,928	185,267,960	404,171,669	48,692,377	5,950,259	7,864,404	24,175,864
Interest on Government obligations:								
State and local [2]	28,014	20,708	8,065	114,182	6,665	5,992	2,586	3,044
Net gain, noncapital assets	71,246	176,882	149,739	498,271	74,855	5,209	5,860	24,872
Other receipts	1,824,960	1,724,187	717,590	3,423,373	264,723	74,176	71,319	320,156
Total deductions	196,850,234	73,502,727	172,716,604	378,629,192	46,422,697	5,463,118	7,390,156	23,045,370
Cost of goods sold	171,157,866	56,324,774	117,536,493	267,533,705	36,005,382	3,435,437	5,582,939	16,722,285
Compensation of officers	4,356,956	1,829,717	8,515,935	11,566,255	744,486	112,869	226,172	812,932
Salaries and wages	5,866,220	3,199,597	14,029,298	30,737,591	2,626,948	484,770	451,090	2,016,731
Repairs	360,366	460,187	941,581	1,856,166	268,629	38,409	27,868	63,848
Bad debts	130,736	118,495	246,492	756,658	61,454	7,959	14,389	54,299
Rent paid on business property	1,369,315	1,690,381	3,650,458	7,054,488	499,171	72,260	110,064	447,261
Taxes paid	1,832,687	1,180,765	4,248,539	8,398,334	612,365	468,336	147,588	536,841
Interest paid	954,337	657,487	788,196	3,245,110	348,259	45,635	63,891	177,993
Amortization	52,888	24,133	52,015	440,169	52,008	19,288	8,197	15,076
Depreciation	1,217,039	2,183,951	3,652,583	11,212,303	1,178,748	242,432	212,996	199,657
Depletion	*662	19,588	788	84,142	*70	4,988	--	--
Advertising	515,007	136,725	915,151	3,907,761	739,102	121,268	54,105	273,505
Pension, profit-sharing, stock bonus, and annuity plans	540,881	300,973	827,817	2,003,340	199,574	30,423	37,349	57,751
Employee benefit programs	904,029	607,493	2,645,351	5,466,240	524,480	98,116	102,840	182,381
Net loss, noncapital assets	20,591	7,544	5,107	49,155	8,356	633	631	3,307
Other deductions	7,570,653	4,760,916	14,660,798	24,317,776	2,553,664	280,297	350,037	1,481,504
Total receipts less total deductions [2]	10,902,583	5,353,979	13,426,751	29,578,303	2,615,924	572,517	554,012	1,478,565
Net income (less deficit) from a trade or business [2]	10,874,569	5,333,270	13,418,686	29,464,121	2,609,259	566,525	551,426	1,475,521
Net income	10,973,832	5,422,776	13,441,676	29,679,162	2,617,305	578,070	552,030	1,479,235
Deficit	99,263	89,506	22,990	215,041	8,046	*11,545	604	3,715
Portfolio income (less deficit) distributed to shareholders	601,992	830,163	256,696	3,229,453	167,751	78,455	22,818	487,063
Dividend income	31,722	15,222	23,652	213,070	11,548	3,691	2,386	2,047
Interest income	367,331	307,969	182,343	813,371	62,754	17,824	12,717	20,683
Royalty income	1,154	2,250	*345	91,873	1,354	--	1,664	11,713
Net short-term capital gain (less loss)	-5,921	108,887	-8,670	-4,551	-6,513	-27	-1,902	1,052
Net long-term capital gain (less loss)	200,825	395,674	59,022	2,113,714	98,458	56,943	7,978	451,273
Other portfolio income (net)	6,882	161	4	1,976	151	24	-26	294
Real estate rental net income (less deficit)	77,706	146,457	25,948	139,009	12,272	8,214	6,056	9,528
Net income	152,624	183,909	26,840	149,138	13,717	8,235	6,078	9,637
Deficit	74,918	37,451	892	10,130	1,444	21	23	109
Net income (less deficit) from other rental activity	4,045	3,233	21,036	43,018	990	-152	287	294
Net income	5,949	6,584	21,056	52,244	1,835	161	287	294
Deficit	1,904	*3,351	20	9,226	845	313	--	--
Total net income	11,558,312	6,313,124	13,722,367	32,875,601	2,790,272	653,042	580,587	1,972,406

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing	Plastics and rubber products manufacturing	Nonmetallic mineral product manufacturing
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Number of returns	195	4,723	1,012	12,018	273	2,702	3,190	2,449
Number of shareholders	421	10,786	2,231	21,008	786	7,541	9,754	6,513
Total receipts [2]	3,345,583	23,303,276	12,126,006	22,431,804	5,313,764	18,718,193	26,555,390	12,687,233
Business receipts	3,309,592	23,118,929	12,030,649	22,169,543	5,294,336	18,538,907	26,414,417	12,519,149
Interest on Government obligations:								
State and local [2]	*445	3,738	10,481	3,125	*668	3,676	13,575	3,303
Net gain, noncapital assets	*343	27,961	15,434	47,941	901	5,053	18,824	35,850
Other receipts	35,202	152,649	69,441	211,196	17,859	170,556	108,574	128,931
Total deductions	2,984,762	21,866,628	11,408,263	20,817,491	4,918,876	16,999,812	24,587,442	11,658,331
Cost of goods sold	2,052,324	16,563,250	8,210,589	12,437,867	4,109,595	10,658,594	17,718,561	7,640,128
Compensation of officers	89,614	442,892	295,330	811,654	83,043	667,019	679,949	324,047
Salaries and wages	281,732	1,426,552	859,984	2,355,976	195,698	1,746,701	1,710,204	976,853
Repairs	6,924	125,159	34,916	136,509	29,428	99,801	128,214	149,908
Bad debts	4,468	36,333	15,235	53,023	6,459	66,450	57,022	30,764
Rent paid on business property	38,918	261,338	255,262	664,428	52,817	331,028	426,979	330,549
Taxes paid	57,866	433,448	224,972	529,236	45,729	319,206	555,865	297,429
Interest paid	33,519	205,569	181,979	225,061	23,468	138,640	214,573	109,163
Amortization	2,923	20,391	12,425	36,134	3,099	23,241	22,325	17,188
Depreciation	46,178	606,608	417,011	876,311	117,224	435,815	1,014,216	597,717
Depletion	--	64,100	--	--	3,958	57	--	10,601
Advertising	86,401	126,541	42,514	267,144	14,009	426,677	160,255	74,265
Pension, profit-sharing, stock bonus, and annuity plans	6,574	104,703	88,990	119,754	19,667	115,639	143,193	52,587
Employee benefit programs	31,662	298,540	200,393	249,317	29,028	217,925	400,684	186,862
Net loss, noncapital assets	145	3,742	*405	2,246	13	5,269	1,321	*189
Other deductions	245,513	1,147,462	568,257	2,052,831	185,640	1,747,751	1,354,083	860,079
Total receipts less total deductions [2]	360,820	1,436,648	717,744	1,614,313	394,888	1,718,381	1,967,948	1,028,902
Net income (less deficit) from a trade or business [2]	360,376	1,432,910	707,262	1,611,188	394,219	1,714,705	1,954,373	1,025,599
Net income	363,414	1,467,206	711,045	1,623,144	394,901	1,733,071	1,955,753	1,045,937
Deficit	*3,039	34,296	3,783	11,956	681	18,366	*1,380	*20,338
Portfolio income (less deficit) distributed to shareholders	11,685	175,682	19,310	133,345	8,965	546,928	166,263	165,577
Dividend income	2,308	2,263	602	1,970	1,560	9,440	2,502	1,343
Interest income	8,793	44,129	14,410	62,900	10,164	35,227	90,670	22,800
Royalty income	--	*3,228	45	138	57	13,156	2,638	*5,501
Net short-term capital gain (less loss)	135	-485	-2,177	-1,098	-2,982	-3,352	-2,728	3,036
Net long-term capital gain (less loss)	*450	126,147	6,387	69,269	165	492,331	73,096	132,841
Other portfolio income (net)	--	*400	42	*166	--	*125	85	57
Real estate rental net income (less deficit)	83	5,148	2,767	5,738	*871	663	2,670	7,117
Net income	107	5,721	2,774	5,802	*911	1,404	3,758	7,591
Deficit	24	*573	7	64	40	741	*1,088	473
Net income (less deficit) from other rental activity	-76	2,963	232	3,478	64	210	2,907	1,153
Net income	--	3,419	232	*3,528	98	870	*3,220	1,153
Deficit	76	457	--	50	34	660	312	--
Total net income	372,069	1,616,703	729,572	1,753,750	404,119	2,262,506	2,126,214	1,199,446

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Primary metal manufacturing	Fabricated metal product manufacturing	Machinery manufacturing	Computer and electronic product manufacturing	Electrical equipment, appliance, and component manufacturing	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Number of returns	1,433	17,585	7,724	3,082	2,812	2,066	5,003	10,639
Number of shareholders	4,080	38,833	20,143	9,958	6,836	5,028	8,521	21,701
Total receipts [2]	14,858,231	58,325,870	23,749,722	14,952,844	15,739,195	21,145,324	13,577,584	33,835,117
Business receipts	14,611,353	57,797,015	23,481,352	14,691,637	15,622,908	20,935,561	13,355,720	33,597,697
Interest on Government obligations:								
State and local [2]	2,684	16,725	6,312	4,525	2,825	11,797	2,387	9,630
Net gain, noncapital assets	4,653	97,185	10,918	7,668	32,233	6,017	60,971	15,523
Other receipts	239,541	414,945	251,139	249,013	81,229	191,949	158,506	212,267
Total deductions	14,217,838	53,868,400	21,814,606	13,456,506	14,650,334	19,768,256	12,547,961	30,742,344
Cost of goods sold	11,502,089	37,472,086	14,604,412	9,104,111	9,917,581	15,562,276	8,806,709	19,427,488
Compensation of officers	221,638	2,113,256	866,772	527,704	469,860	382,231	412,316	1,282,470
Salaries and wages	639,919	4,135,205	2,147,560	1,474,566	1,396,103	1,132,664	1,111,167	3,567,169
Repairs	68,267	263,168	86,404	43,809	52,395	54,978	53,660	123,872
Bad debts	27,746	85,972	35,605	44,790	21,602	22,900	29,481	80,708
Rent paid on business property	158,606	1,167,614	420,543	303,960	292,543	236,908	265,939	718,300
Taxes paid	184,527	1,359,308	522,300	305,515	321,540	387,069	301,835	787,360
Interest paid	159,126	446,248	179,271	86,725	130,001	148,159	75,418	252,411
Amortization	14,472	48,561	31,138	18,550	17,175	16,332	12,912	48,734
Depreciation	519,494	1,943,146	686,159	319,981	353,222	395,758	268,612	781,015
Depletion	--	344	--	--	--	--	--	24
Advertising	15,389	294,330	164,930	109,445	226,701	135,233	147,767	428,180
Pension, profit-sharing, stock bonus, and annuity plans	50,946	394,450	140,525	67,262	90,177	68,943	42,220	172,614
Employee benefit programs	151,637	1,001,257	477,969	189,948	305,062	255,464	158,722	403,953
Net loss, noncapital assets	968	1,800	10,108	589	1,036	5,003	559	2,835
Other deductions	503,014	3,141,654	1,440,911	859,551	1,055,336	964,338	860,643	2,665,212
Total receipts less total deductions [2]	640,393	4,457,469	1,935,116	1,496,338	1,088,861	1,377,068	1,029,623	3,092,773
Net income (less deficit) from a trade or business [2]	637,709	4,440,744	1,928,804	1,491,813	1,086,037	1,365,271	1,027,236	3,083,144
Net income	656,707	4,461,037	1,931,127	1,507,989	1,104,799	1,378,920	1,027,236	3,090,236
Deficit	*18,998	20,292	2,324	16,176	18,763	13,649	--	*7,092
Portfolio income (less deficit) distributed to shareholders	131,770	268,104	83,017	186,017	124,347	186,447	98,121	167,788
Dividend income	16,375	19,049	19,242	71,139	32,081	6,265	1,272	5,987
Interest income	56,894	124,099	58,407	39,567	30,899	40,096	15,661	44,677
Royalty income	11,480	3,940	3,517	5,314	9,161	11,924	3	7,040
Net short-term capital gain (less loss)	19,891	-3,347	-1,526	365	1,570	-2,432	-480	-1,550
Net long-term capital gain (less loss)	26,812	124,260	3,307	69,621	50,625	130,471	81,651	111,627
Other portfolio income (net)	318	103	69	12	12	123	14	8
Real estate rental net income (less deficit)	10,396	28,941	7,045	7,724	4,872	8,909	6,351	3,642
Net income	10,486	31,297	7,880	7,725	5,410	9,323	6,407	4,876
Deficit	89	2,356	835	1	*538	414	56	1,234
Net income (less deficit) from other rental activity	*1,332	7,097	2,316	*3,219	-4,954	20,613	283	*762
Net income	*1,332	7,343	2,882	*3,687	222	20,613	283	*786
Deficit	--	245	*566	468	5,176	--	--	24
Total net income	781,207	4,744,887	2,021,181	1,688,773	1,210,302	1,581,240	1,131,991	3,255,335

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade							
	Total	Wholesale trade				Retail trade		
		Total	Merchant wholesalers		Wholesale electronic markets and agents and brokers	Total	Motor vehicle dealers and parts dealers	Furniture and home furnishings stores
			Durable goods	Nondurable goods				
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Number of returns	317,760	109,255	67,587	41,668	--	208,080	31,829	12,298
Number of shareholders	591,026	222,795	137,081	85,714	--	367,807	57,332	21,200
Total receipts [2]	1,313,115,938	577,827,575	273,772,000	304,055,575	--	735,145,357	381,216,974	26,569,230
Business receipts	1,298,211,368	573,575,204	271,641,564	301,933,640	--	724,496,575	374,401,643	26,316,915
Interest on Government obligations:								
State and local [2]	84,002	55,968	36,728	19,240	--	28,034	5,222	2,130
Net gain, noncapital assets	628,380	290,335	224,754	65,581	--	338,045	149,759	6,835
Other receipts	14,192,188	3,906,068	1,868,954	2,037,114	--	10,282,703	6,660,349	243,350
Total deductions	1,268,208,055	555,215,042	261,408,290	293,806,752	--	712,854,917	374,341,804	25,181,149
Cost of goods sold	1,021,629,780	451,201,677	205,239,868	245,961,809	--	570,301,317	325,408,785	15,815,974
Compensation of officers	22,762,492	11,444,359	6,214,495	5,229,864	--	11,317,784	3,589,097	691,842
Salaries and wages	87,363,619	36,106,158	20,185,879	15,920,279	--	51,257,461	19,310,401	3,013,125
Repairs	4,464,799	1,828,400	919,875	908,525	--	2,636,387	742,325	177,358
Bad debts	1,740,941	997,676	600,424	397,252	--	743,265	170,633	46,641
Rent paid on business property	19,990,150	6,792,980	3,902,335	2,890,646	--	13,197,170	3,454,689	1,078,797
Taxes paid	16,163,646	7,108,878	2,971,967	4,136,910	--	9,054,758	3,015,535	572,440
Interest paid	5,865,879	2,649,784	1,434,101	1,215,683	--	3,216,091	1,447,549	153,444
Amortization	842,909	423,392	135,146	288,246	--	419,516	121,738	19,323
Depreciation	10,123,339	4,642,324	2,610,318	2,032,006	--	5,481,015	1,571,087	270,565
Depletion	15,095	11,069	*11,032	37	--	*4,026	7	--
Advertising	12,207,633	3,058,972	1,555,327	1,503,644	--	9,148,661	4,043,956	1,046,693
Pension, profit-sharing, stock bonus, and annuity plans	2,476,355	1,457,050	796,285	660,765	--	1,019,305	242,862	50,352
Employee benefit programs	5,909,159	2,586,536	1,483,918	1,102,619	--	3,322,621	1,510,614	157,066
Net loss, noncapital assets	42,692	23,460	14,303	9,156	--	19,233	6,008	538
Other deductions	56,609,567	24,882,327	13,333,017	11,549,311	--	31,716,305	9,706,519	2,086,989
Total receipts less total deductions [2]	44,907,884	22,612,533	12,363,709	10,248,824	--	22,290,440	6,875,170	1,388,081
Net income (less deficit) from a trade or business [2]	44,823,882	22,556,565	12,326,982	10,229,584	--	22,262,406	6,869,947	1,385,952
Net income	45,201,042	22,753,744	12,450,635	10,303,109	--	22,442,388	6,961,759	1,394,320
Deficit	377,161	197,179	123,654	73,525	--	179,982	91,811	*8,368
Portfolio income (less deficit) distributed to shareholders	4,417,963	2,872,802	1,643,327	1,229,475	--	1,544,551	734,713	102,107
Dividend income	159,106	100,382	35,271	65,111	--	58,722	9,044	4,583
Interest income	1,462,908	712,727	331,277	381,450	--	749,573	328,498	36,788
Royalty income	128,755	99,255	16,635	82,620	--	29,500	*2,298	195
Net short-term capital gain (less loss)	-21,501	-25,175	-9,590	-15,585	--	3,674	-1,134	11,807
Net long-term capital gain (less loss)	2,685,964	1,984,232	1,268,871	715,361	--	701,732	395,351	48,469
Other portfolio income (net)	2,731	1,380	862	518	--	1,351	*657	*265
Real estate rental net income (less deficit)	428,504	192,116	104,991	87,125	--	236,388	53,154	25,390
Net income	457,655	199,823	108,540	91,283	--	257,832	59,247	26,887
Deficit	29,151	7,707	3,549	4,158	--	21,444	6,094	*1,497
Net income (less deficit) from other rental activity	76,770	42,794	33,310	9,484	--	33,975	860	1,686
Net income	110,708	67,694	57,162	10,532	--	43,014	6,816	1,686
Deficit	33,938	24,899	23,852	1,048	--	9,039	5,955	--
Total net income	49,747,118	25,664,278	14,108,611	11,555,668	--	24,077,321	7,658,674	1,515,134

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Electronics and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
Number of returns	9,192	13,966	30,273	15,865	13,788	17,063	11,498	4,097
Number of shareholders	14,953	25,640	58,056	23,991	28,317	30,257	19,438	6,105
Total receipts [2]	24,297,049	48,710,581	78,678,175	27,928,891	49,972,629	17,606,334	13,784,127	6,857,591
Business receipts	24,059,168	48,316,479	77,772,923	27,835,979	49,288,041	17,399,161	13,581,672	6,749,221
Interest on Government obligations:								
State and local [2]	856	3,188	3,550	1,928	1,334	3,972	170	91
Net gain, noncapital assets	4,751	24,801	10,945	2,267	40,196	2,779	44,517	314
Other receipts	232,273	366,113	890,758	88,716	643,059	200,421	157,768	107,965
Total deductions	23,267,313	46,360,772	76,256,559	26,351,847	49,223,893	16,600,854	12,976,531	6,474,284
Cost of goods sold	18,030,441	34,360,835	57,776,032	19,874,406	41,587,182	9,402,021	8,543,470	4,232,129
Compensation of officers	618,648	1,052,134	983,600	903,271	327,195	709,155	305,730	122,044
Salaries and wages	1,867,826	4,695,968	6,926,942	2,108,486	2,456,329	2,263,994	1,403,494	832,637
Repairs	45,242	249,130	566,599	77,758	254,532	96,678	75,337	39,671
Bad debts	25,544	114,361	66,402	22,127	16,008	21,419	13,217	52,331
Rent paid on business property	353,174	858,475	1,758,344	668,038	949,954	1,152,183	761,197	255,974
Taxes paid	297,468	803,783	1,376,441	358,311	803,720	374,083	272,467	160,784
Interest paid	77,331	249,987	353,010	69,608	242,630	137,031	99,498	36,993
Amortization	12,616	14,715	110,539	14,550	49,481	16,371	10,269	4,074
Depreciation	234,949	667,272	856,817	173,613	581,793	158,204	156,386	82,633
Depletion	--	2,338	--	--	--	--	--	--
Advertising	323,991	439,831	652,351	283,930	91,020	479,035	299,675	109,031
Pension, profit-sharing, stock bonus, and annuity plans	50,723	121,672	174,674	83,782	16,930	49,330	20,783	13,705
Employee benefit programs	107,718	269,069	572,629	81,606	89,679	93,880	74,212	32,880
Net loss, noncapital assets	500	1,044	4,017	80	832	3,926	208	290
Other deductions	1,221,143	2,460,157	4,078,161	1,632,281	1,756,607	1,643,545	940,588	499,108
Total receipts less total deductions [2]	1,029,735	2,349,809	2,421,617	1,577,044	748,736	1,005,480	807,595	383,308
Net income (less deficit) from a trade or business [2]	1,028,879	2,346,621	2,418,067	1,575,115	747,402	1,001,508	807,426	383,217
Net income	1,034,268	2,353,243	2,439,595	1,576,228	767,328	1,004,355	809,229	385,444
Deficit	*5,389	6,621	21,528	*1,113	19,926	*2,848	*1,803	2,227
Portfolio income (less deficit) distributed to shareholders	14,111	168,786	254,608	10,695	38,708	20,660	29,970	17,511
Dividend income	1,386	10,523	13,146	6,736	3,102	1,435	1,602	1,106
Interest income	19,152	82,120	85,622	17,544	32,908	15,240	28,020	11,525
Royalty income	822	509	833	19	683	5,071	4	43
Net short-term capital gain (less loss)	*-3,155	-1,866	6,137	-8,615	315	*-987	*-1,108	2,767
Net long-term capital gain (less loss)	*-4,093	77,419	148,785	-5,011	1,480	-99	1,452	2,069
Other portfolio income (net)	--	82	85	21	218	--	--	1
Real estate rental net income (less deficit)	15,655	16,411	62,008	9,207	34,303	2,502	*-1,406	2,060
Net income	*17,297	18,689	62,650	*9,323	35,424	2,592	319	4,976
Deficit	*1,642	*2,278	*643	115	*1,120	90	*1,726	*2,916
Net income (less deficit) from other rental activity	*9,698	*-1,477	4,605	189	7,716	*1,951	*2,273	137
Net income	*9,698	*497	5,661	189	7,766	*1,951	*2,273	137
Deficit	--	*1,974	1,056	--	50	--	--	--
Total net income	1,068,344	2,530,341	2,739,287	1,595,207	828,129	1,026,620	838,263	402,924

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued			Transportation and warehousing				
	Retail trade--continued							
	Miscellaneous store retailers	Nonstore retailers	Wholesale and retail trade not allocable	Total	Air, rail, and water transportation	Truck transportation	Transit and ground passenger transportation	Pipeline transportation
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Number of returns	33,578	14,632	*424	55,635	**	31,126	8,330	**
Number of shareholders	57,831	24,687	*424	103,866	**	51,717	11,807	**
Total receipts [2]	31,612,687	27,911,090	*143,006	76,140,356	**	39,577,685	5,975,944	**
Business receipts	31,281,650	27,493,722	*139,589	75,225,102	**	39,156,756	5,923,406	**
Interest on Government obligations:								
State and local [2]	2,909	2,683	--	4,560	**	1,507	19	**
Net gain, noncapital assets	9,461	41,419	--	369,745	**	180,856	15,334	**
Other receipts	318,667	373,265	3,417	540,949	**	238,567	37,185	**
Total deductions	29,711,451	26,108,461	*138,096	71,956,955	**	37,799,176	5,585,578	**
Cost of goods sold	19,090,171	16,179,870	*126,786	29,291,075	**	11,099,174	2,331,877	**
Compensation of officers	1,151,192	863,875	349	1,750,007	**	788,588	194,008	**
Salaries and wages	3,376,827	3,001,433	--	10,801,101	**	6,729,221	906,349	**
Repairs	197,452	114,306	*12	1,513,571	**	1,018,718	111,359	**
Bad debts	24,167	170,413	--	125,485	**	71,189	4,220	**
Rent paid on business property	1,445,759	460,586	--	5,847,437	**	3,812,410	351,090	**
Taxes paid	582,902	436,825	10	2,283,421	**	1,495,980	192,304	**
Interest paid	211,356	137,655	3	736,323	**	389,356	70,336	**
Amortization	21,860	23,980	--	53,941	**	12,195	13,193	**
Depreciation	305,501	422,196	--	3,238,658	**	2,063,010	247,780	**
Depletion	*1,681	--	--	557	**	557	--	**
Advertising	403,724	975,423	--	171,588	**	82,758	21,789	**
Pension, profit-sharing, stock bonus, and annuity plans	79,357	115,135	--	287,990	**	115,979	69,294	**
Employee benefit programs	149,447	183,821	1	1,157,241	**	713,103	62,443	**
Net loss, noncapital assets	1,697	92	--	7,913	**	4,632	*1,293	**
Other deductions	2,668,357	3,022,851	*10,934	14,690,646	**	9,402,306	1,008,243	**
Total receipts less total deductions [2]	1,901,236	1,802,629	*4,910	4,183,400	**	1,778,509	390,367	**
Net income (less deficit) from a trade or business [2]	1,898,327	1,799,946	*4,910	4,178,840	**	1,777,002	390,347	**
Net income	1,902,742	1,813,877	*4,910	4,232,026	**	1,807,175	393,097	**
Deficit	4,416	*13,931	--	53,185	**	*30,173	*2,750	**
Portfolio income (less deficit) distributed to shareholders	64,757	87,925	609	343,712	**	75,269	16,572	**
Dividend income	3,448	2,611	2	10,478	**	2,288	1,181	**
Interest income	51,117	41,039	608	155,029	**	51,371	17,510	**
Royalty income	*13,164	5,858	--	123	**	19	--	**
Net short-term capital gain (less loss)	-311	-175	--	-5,556	**	-2,330	13	**
Net long-term capital gain (less loss)	-2,674	38,583	--	183,611	**	23,919	*-2,132	**
Other portfolio income (net)	14	8	--	26	**	1	--	**
Real estate rental net income (less deficit)	12,132	4,973	--	71,273	**	5,263	599	**
Net income	13,022	7,405	--	71,709	**	5,580	599	**
Deficit	*890	*2,433	--	*436	**	316	--	**
Net income (less deficit) from other rental activity	*3,325	*3,013	--	88,486	**	37,093	([3])	**
Net income	*3,325	*3,016	--	89,532	**	37,093	([3])	**
Deficit	--	3	--	1,046	**	--	--	**
Total net income	1,978,541	1,895,857	*5,519	4,682,311	**	1,894,628	407,519	**

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Transportation and warehousing-continued		Information					
	Other transportation and support activities	Warehousing and storage	Total	Publishing industries (except Internet)	Motion picture and sound recording industries	Broadcasting (except Internet)	Internet publishing and broadcasting	Telecom-munications
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
Number of returns	10,296	2,781	31,121	11,547	9,266	1,682	*854	3,595
Number of shareholders	21,936	12,706	58,106	23,291	13,437	4,769	*2,296	8,662
Total receipts [2]	16,728,066	6,327,643	40,020,184	17,733,570	7,983,963	3,877,398	*227,246	6,686,713
Business receipts	16,653,734	6,190,536	38,211,073	17,075,839	7,587,418	3,727,205	*200,201	6,136,714
Interest on Government obligations:								
State and local [2]	1,084	915	44,993	18,653	7,015	17,897	--	831
Net gain, noncapital assets	39,104	21,598	73,077	6,178	4,172	43,318	318	16,324
Other receipts	34,144	114,595	1,691,042	632,900	385,358	88,979	*26,727	532,844
Total deductions	15,964,095	5,903,851	34,952,488	15,595,397	6,782,343	3,253,777	*158,375	6,122,018
Cost of goods sold	10,337,494	2,994,179	11,575,843	5,435,230	1,742,112	720,675	*72,599	2,798,440
Compensation of officers	534,782	93,970	2,968,889	901,754	1,223,302	288,205	887	274,791
Salaries and wages	1,630,691	757,961	7,368,503	3,454,390	952,985	872,045	*22,920	1,353,650
Repairs	125,266	89,170	279,629	107,944	59,930	34,449	*2,890	49,104
Bad debts	41,919	2,194	211,210	80,668	18,337	23,124	*3,709	83,714
Rent paid on business property	492,839	644,083	1,146,355	556,424	256,371	50,283	*2,106	163,932
Taxes paid	281,224	188,013	989,513	472,307	178,405	123,103	*5,759	111,203
Interest paid	81,026	66,692	383,080	151,569	68,688	90,747	35	56,623
Amortization	12,556	4,993	323,103	116,195	106,181	66,892	*168	23,422
Depreciation	307,596	215,151	1,228,882	474,170	341,262	136,628	*5,570	215,301
Depletion	--	--	([3])	--	--	--	--	([3])
Advertising	32,371	5,808	620,073	241,403	127,058	83,284	*3,583	97,220
Pension, profit-sharing, stock bonus, and annuity plans	36,592	23,855	246,131	151,423	43,649	10,582	*216	23,110
Employee benefit programs	162,348	104,612	510,679	341,032	47,597	44,444	*1,093	41,117
Net loss, noncapital assets	*181	1,770	5,619	948	735	*2,505	20	1,124
Other deductions	1,887,211	711,401	7,094,979	3,109,939	1,615,732	706,812	*36,819	829,267
Total receipts less total deductions [2]	763,972	423,791	5,067,696	2,138,174	1,201,619	623,621	*68,871	564,695
Net income (less deficit) from a trade or business [2]	762,887	422,877	5,022,703	2,119,521	1,194,604	605,725	*68,871	563,863
Net income	766,455	429,896	5,200,520	2,136,708	1,246,605	626,150	*71,212	649,726
Deficit	*3,568	7,019	177,817	17,187	*52,001	20,425	2,341	85,863
Portfolio income (less deficit) distributed to shareholders	92,143	105,959	1,404,932	146,193	237,991	252,115	*43,947	728,197
Dividend income	3,262	1,857	36,547	18,634	5,627	7,054	8	4,199
Interest income	17,430	20,467	198,400	86,286	33,839	40,933	*2,400	28,192
Royalty income	8	3	16,883	6,784	1,836	7,862	--	2
Net short-term capital gain (less loss)	*-365	-70	-49,049	-18,202	-10,497	-9,354	110	-10,435
Net long-term capital gain (less loss)	71,807	83,682	1,192,433	52,545	207,186	196,048	41,430	706,239
Other portfolio income (net)	1	20	9,717	146	([3])	9,571	--	([3])
Real estate rental net income (less deficit)	12,633	47,286	60,606	24,060	3,299	7,514	*-131	*569
Net income	12,730	47,286	62,578	25,261	3,300	7,867	--	*690
Deficit	*96	--	1,972	*1,201	1	353	*131	122
Net income (less deficit) from other rental activity	*40,012	*1,632	2,585	-3,125	*578	4,192	--	941
Net income	*40,012	*1,632	5,893	168	*592	4,192	--	941
Deficit	--	--	3,307	3,293	14	--	--	--
Total net income	907,676	577,754	6,490,828	2,286,648	1,436,472	869,546	*112,688	1,293,570

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Information--continued		Finance and insurance					
	Internet service providers, web search portals, and data processing services	Other information services	Total	Depository credit inter-mediation	Non-depository credit inter-mediation	Securities, commodity contracts, and other financial investments and related activities	Insurance carriers and related activities	Other financial vehicles and investment companies
	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
Number of returns	2,952	1,226	88,397	1,197	18,028	18,226	48,672	2,275
Number of shareholders	3,866	1,785	157,464	10,901	29,302	32,564	74,344	10,353
Total receipts [2]	1,801,613	1,709,681	74,882,850	5,049,308	21,592,468	17,366,052	30,246,449	628,574
Business receipts	1,782,259	1,701,437	66,477,407	1,878,092	18,623,669	15,725,503	29,868,175	381,968
Interest on Government obligations:								
State and local [2]	442	155	129,545	88,152	7,983	27,864	4,745	801
Net gain, noncapital assets	2,756	11	1,444,677	134,638	1,267,623	10,732	30,665	1,020
Other receipts	16,155	8,078	6,831,220	2,948,426	1,693,193	1,601,952	342,864	244,785
Total deductions	1,541,126	1,499,452	61,353,927	3,728,237	17,969,539	13,959,145	25,253,517	443,490
Cost of goods sold	345,909	460,878	7,126,397	1,719	1,588,404	1,080,262	4,451,425	4,587
Compensation of officers	81,672	198,278	7,679,277	277,791	1,275,851	2,268,334	3,692,017	165,283
Salaries and wages	308,004	404,509	20,998,226	634,413	6,880,406	4,739,310	8,677,629	66,468
Repairs	13,250	12,061	382,443	48,001	104,685	49,027	179,702	*1,029
Bad debts	1,132	526	848,907	141,022	596,681	20,300	90,798	*105
Rent paid on business property	75,623	41,617	2,527,555	52,962	746,285	675,891	1,042,367	10,050
Taxes paid	45,379	53,357	1,903,987	102,007	562,694	396,735	819,056	23,496
Interest paid	11,285	4,133	2,844,502	1,500,069	937,162	168,527	228,707	10,037
Amortization	7,925	2,319	248,355	31,713	51,889	36,435	128,003	*314
Depreciation	28,648	27,303	1,009,767	120,800	362,576	206,430	312,628	7,333
Depletion	--	--	6	6	--	--	--	--
Advertising	9,606	57,919	887,521	45,908	389,975	129,600	318,230	*3,809
Pension, profit-sharing, stock bonus, and annuity plans	8,355	8,797	742,571	30,964	85,560	188,014	401,409	*36,624
Employee benefit programs	14,340	21,056	908,890	92,780	202,015	180,295	425,248	8,552
Net loss, noncapital assets	--	287	21,274	4,845	7,980	2,536	5,913	--
Other deductions	590,000	206,411	13,224,248	643,236	4,177,376	3,817,447	4,480,386	105,803
Total receipts less total deductions [2]	260,486	210,230	13,528,923	1,321,071	3,622,929	3,406,907	4,992,932	185,084
Net income (less deficit) from a trade or business [2]	260,044	210,075	13,399,378	1,232,920	3,614,945	3,379,043	4,988,187	184,283
Net income	260,044	210,075	13,908,604	1,233,747	3,661,172	3,770,060	5,033,446	210,179
Deficit	--	--	509,227	828	46,226	391,017	45,259	25,896
Portfolio income (less deficit) distributed to shareholders	6,119	-9,629	2,706,262	45,882	279,549	1,859,818	398,903	122,110
Dividend income	*736	290	345,790	6,328	2,347	314,815	16,686	5,614
Interest income	2,078	4,673	804,636	24,305	203,848	344,417	142,962	89,104
Royalty income	([3])	398	17,714	134	6	17,574	--	1
Net short-term capital gain (less loss)	13	-684	313,138	719	9,207	318,506	-312	-14,981
Net long-term capital gain (less loss)	3,292	-14,306	1,100,056	13,963	64,127	743,948	235,128	42,890
Other portfolio income (net)	--	--	124,928	432	14	120,559	*4,438	*-516
Real estate rental net income (less deficit)	25,116	*179	72,804	1,261	21,048	45,129	5,454	-86
Net income	25,262	*198	82,703	5,846	22,460	48,471	5,853	73
Deficit	146	19	9,899	4,585	1,413	3,342	*399	160
Net income (less deficit) from other rental activity	--	--	16,615	359	258	12,859	*1,346	1,793
Net income	--	--	24,587	408	308	20,679	*1,398	1,793
Deficit	--	--	7,972	50	*50	7,820	52	--
Total net income	291,279	200,625	16,195,060	1,280,421	3,915,801	5,296,849	5,393,889	308,100

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Real estate and rental and leasing				Professional, scientific, and technical services	Management of companies (holding companies)
	Total	Real estate	Rental and leasing services	Lessors of nonfinancial intangible assets (except copy-righted works)		
	(73)	(74)	(75)	(76)	(77)	(78)
Number of returns	215,264	198,590	16,312	362	318,663	15,050
Number of shareholders	461,802	430,291	30,156	1,355	461,892	50,113
Total receipts [2]	54,043,639	42,372,843	11,377,006	293,789	208,426,988	15,419,482
Business receipts	51,462,547	40,351,067	10,899,065	212,415	204,074,610	5,361,956
Interest on Government obligations:						
State and local [2]	33,465	32,159	501	*805	27,186	427,497
Net gain, noncapital assets	534,534	249,332	285,178	24	135,640	284,435
Other receipts	2,013,092	1,740,284	192,262	80,545	4,189,551	9,345,594
Total deductions	45,889,986	35,487,281	10,326,644	76,061	180,821,220	10,044,440
Cost of goods sold	10,129,286	6,610,358	3,518,053	874	59,245,652	3,278
Compensation of officers	3,154,555	2,728,028	422,674	3,853	22,135,131	803,795
Salaries and wages	12,909,766	11,186,904	1,708,996	*13,865	38,251,878	1,576,820
Repairs	588,374	380,650	206,950	774	1,004,274	150,098
Bad debts	163,489	116,363	46,138	989	258,601	459,714
Rent paid on business property	3,378,301	2,706,669	671,039	*593	7,258,614	121,535
Taxes paid	1,364,080	1,026,765	334,130	3,185	5,847,790	337,559
Interest paid	959,521	699,754	258,428	1,339	1,002,414	3,479,082
Amortization	76,431	67,010	6,271	*3,150	257,790	97,564
Depreciation	2,349,601	717,961	1,629,948	1,692	2,353,536	376,133
Depletion	([3])	([3])	--	--	1	548
Advertising	1,111,824	992,271	114,170	*5,383	2,175,652	97,319
Pension, profit-sharing, stock bonus, and annuity plans	366,035	336,486	29,087	462	2,322,643	99,799
Employee benefit programs	449,009	382,544	66,098	368	2,365,469	238,388
Net loss, noncapital assets	19,742	11,502	8,240	--	13,113	12,593
Other deductions	8,869,971	7,524,015	1,306,421	39,535	36,328,662	2,190,216
Total receipts less total deductions [2]	8,153,653	6,885,563	1,050,362	217,728	27,605,767	5,375,042
Net income (less deficit) from a trade or business [2]	8,120,187	6,853,403	1,049,861	216,923	27,578,581	4,947,545
Net income	8,616,777	7,287,005	1,112,761	217,011	27,888,362	5,321,420
Deficit	496,589	433,602	62,899	88	309,781	373,874
Portfolio income (less deficit) distributed to shareholders	2,460,312	2,187,899	246,286	26,127	2,890,504	3,196,662
Dividend income	172,215	168,037	4,148	31	71,842	289,772
Interest income	1,063,497	983,604	67,566	12,326	538,884	649,648
Royalty income	17,726	11,274	*113	6,340	11,771	33,149
Net short-term capital gain (less loss)	78,947	75,556	3,394	-3	60,210	67,201
Net long-term capital gain (less loss)	1,120,725	942,238	171,054	7,433	2,202,846	2,017,393
Other portfolio income (net)	7,201	7,189	*12	--	4,951	139,500
Real estate rental net income (less deficit)	6,745,873	6,697,585	48,274	14	101,726	71,852
Net income	6,932,230	6,880,918	51,298	14	136,140	97,189
Deficit	186,358	183,334	3,024	--	34,414	25,337
Net income (less deficit) from other rental activity	528,899	69,014	459,874	11	81,180	15,365
Net income	548,128	78,504	469,613	11	84,257	21,000
Deficit	19,229	9,489	9,739	--	3,077	5,635
Total net income	17,855,271	15,807,901	1,804,296	243,075	30,651,991	8,231,424

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Administrative and support and waste management and remediation services			Educational services	Health care and social assistance			
	Total	Administrative and support services	Waste management and remediation services		Total	Offices of health practitioners and outpatient care centers	Miscellaneous health care and social assistance	Hospitals, nursing, and residential care facilities
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
Number of returns	101,557	95,197	6,360	12,696	138,499	113,905	17,816	6,778
Number of shareholders	155,039	144,014	11,025	18,286	182,447	138,152	30,895	13,401
Total receipts [2]	100,433,114	92,153,268	8,279,845	7,800,298	102,090,721	73,010,501	15,932,840	13,147,380
Business receipts	99,572,171	91,397,763	8,174,407	7,268,557	100,276,454	71,747,897	15,607,827	12,920,730
Interest on Government obligations:								
State and local [2]	16,430	14,423	2,008	1,395	31,943	1,910	*289	29,745
Net gain, noncapital assets	99,493	61,302	38,191	*33,633	69,924	53,203	1,013	15,708
Other receipts	745,019	679,780	65,240	496,712	1,712,400	1,207,491	323,712	181,197
Total deductions	92,612,636	85,251,909	7,360,727	6,915,104	86,841,046	60,398,576	14,247,031	12,195,440
Cost of goods sold	40,576,180	37,635,096	2,941,084	1,609,399	8,754,199	5,301,318	2,231,369	1,221,512
Compensation of officers	4,178,523	3,872,434	306,089	348,214	15,500,484	14,215,687	994,983	289,814
Salaries and wages	22,342,497	21,446,183	896,314	2,084,792	23,062,530	13,268,958	4,701,094	5,092,478
Repairs	764,820	576,136	188,684	109,407	893,811	582,175	185,898	125,738
Bad debts	166,703	140,879	25,824	49,480	231,063	44,392	88,342	98,329
Rent paid on business property	2,576,188	2,257,699	318,489	448,384	5,189,731	3,674,433	848,055	667,243
Taxes paid	3,944,815	3,687,041	257,774	308,467	3,492,633	2,209,308	577,372	705,953
Interest paid	552,491	444,546	107,945	49,596	818,375	437,304	120,931	260,140
Amortization	115,923	90,190	25,733	6,122	193,515	151,175	27,923	14,417
Depreciation	1,819,484	1,367,086	452,397	145,459	1,730,178	1,029,081	415,679	285,418
Depletion	*1,764	*574	1,190	--	--	--	--	--
Advertising	790,359	729,942	60,417	197,308	911,038	782,750	81,583	46,704
Pension, profit-sharing, stock bonus, and annuity plans	281,489	238,907	42,582	37,604	1,523,202	1,377,757	91,143	54,302
Employee benefit programs	1,480,502	1,315,848	164,654	116,234	1,122,262	571,460	157,777	393,024
Net loss, noncapital assets	21,043	18,280	*2,763	1,609	4,521	2,139	*1,648	*735
Other deductions	12,999,857	11,431,067	1,568,790	1,403,028	23,413,504	16,750,638	3,723,234	2,939,631
Total receipts less total deductions [2]	7,820,478	6,901,359	919,118	885,194	15,249,675	12,611,926	1,685,809	951,940
Net income (less deficit) from a trade or business [2]	7,804,047	6,886,937	917,111	883,799	15,217,732	12,610,016	1,685,520	922,195
Net income	7,841,806	6,912,978	928,828	907,668	15,252,848	12,618,166	1,699,856	934,826
Deficit	37,759	26,041	*11,718	*23,869	35,116	*8,150	*14,336	12,630
Portfolio income (less deficit) distributed to shareholders	444,308	412,674	31,634	41,728	481,360	175,551	277,847	27,962
Dividend income	24,879	23,143	1,736	2,468	7,845	5,657	1,239	950
Interest income	148,326	129,078	19,248	26,297	91,505	48,606	15,019	27,880
Royalty income	433	433	--	2,722	1	([3])	--	1
Net short-term capital gain (less loss)	3,020	4,287	-1,267	*220	-287	893	*-421	-759
Net long-term capital gain (less loss)	267,619	255,733	11,887	10,019	381,867	119,965	262,011	-109
Other portfolio income (net)	31	([3])	31	--	*429	*430	--	-1
Real estate rental net income (less deficit)	21,835	14,635	7,200	25,037	52,003	19,497	*450	32,055
Net income	25,524	18,293	7,232	25,391	54,940	19,757	*736	34,447
Deficit	3,690	3,658	*32	*354	2,937	*260	*286	2,391
Net income (less deficit) from other rental activity	5,570	2,462	3,108	52	15,064	*9,372	*5,557	*134
Net income	6,017	*2,909	3,108	52	15,998	*9,923	*5,557	518
Deficit	447	447	--	--	*934	*550	--	*384
Total net income	8,275,760	7,316,707	959,053	950,616	15,766,159	12,814,437	1,969,375	982,347

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Arts, entertainment, and recreation			Accommodation and food services		
	Total	Other arts, entertainment, and recreation	Amusement, gambling, and recreation industries	Total	Accommodation	Food services and drinking places
	(87)	(88)	(89)	(90)	(91)	(92)
Number of returns	38,369	20,197	18,172	99,174	12,230	86,944
Number of shareholders	66,581	28,931	37,649	203,284	39,515	163,769
Total receipts [2]	26,169,529	11,694,981	14,474,548	98,004,343	11,414,423	86,589,920
Business receipts	24,925,306	11,104,275	13,821,030	96,315,228	10,820,771	85,494,457
Interest on Government obligations:						
State and local [2]	13,932	9,317	4,615	1,839	558	1,281
Net gain, noncapital assets	85,220	49,609	35,611	197,396	42,405	154,991
Other receipts	1,145,071	531,779	613,292	1,489,880	550,688	939,191
Total deductions	22,477,024	9,546,667	12,930,357	91,117,191	10,345,649	80,771,542
Cost of goods sold	5,030,655	1,182,353	3,848,302	35,944,746	1,858,373	34,086,373
Compensation of officers	2,775,202	2,068,773	706,429	2,852,449	283,000	2,569,449
Salaries and wages	4,265,295	2,080,580	2,184,715	17,678,560	2,071,332	15,607,228
Repairs	403,276	46,547	356,729	1,700,254	312,171	1,388,083
Bad debts	18,028	3,240	14,788	85,970	16,946	69,025
Rent paid on business property	1,137,716	267,624	870,093	6,520,598	387,633	6,132,965
Taxes paid	1,076,068	280,496	795,572	4,361,449	907,708	3,453,740
Interest paid	363,250	76,119	287,131	1,601,139	783,393	817,746
Amortization	150,778	125,504	25,274	331,829	55,167	276,662
Depreciation	927,729	226,257	701,471	2,543,782	792,953	1,750,828
Depletion	--	--	--	*5,122	--	*5,122
Advertising	387,785	98,057	289,728	2,570,346	257,330	2,313,016
Pension, profit-sharing, stock bonus, and annuity plans	208,624	158,388	50,235	99,438	28,398	71,041
Employee benefit programs	188,607	48,922	139,684	712,775	151,432	561,343
Net loss, noncapital assets	831	270	*561	33,555	1,113	32,441
Other deductions	5,543,180	2,883,535	2,659,645	14,075,180	2,438,700	11,636,480
Total receipts less total deductions [2]	3,692,505	2,148,313	1,544,192	6,887,152	1,068,774	5,818,378
Net income (less deficit) from a trade or business [2]	3,678,573	2,138,996	1,539,577	6,885,313	1,068,216	5,817,097
Net income	3,743,267	2,155,233	1,588,034	7,067,492	1,125,507	5,941,985
Deficit	64,694	16,237	48,458	182,179	57,291	124,888
Portfolio income (less deficit) distributed to shareholders	254,133	164,137	89,997	446,015	199,649	246,366
Dividend income	13,838	6,045	7,793	6,819	2,190	4,629
Interest income	118,781	42,828	75,953	266,297	139,109	127,188
Royalty income	44,731	43,387	*1,345	9,414	--	9,414
Net short-term capital gain (less loss)	-14,359	-2,090	-12,269	-2,645	-1,063	-1,582
Net long-term capital gain (less loss)	78,466	61,351	17,114	166,040	59,380	106,660
Other portfolio income (net)	12,677	12,616	61	*91	34	*57
Real estate rental net income (less deficit)	51,381	16,074	35,306	92,376	32,247	60,128
Net income	55,639	17,140	38,499	96,315	33,220	63,095
Deficit	4,259	*1,066	*3,193	3,939	973	2,967
Net income (less deficit) from other rental activity	8,570	*-57	*8,627	10,571	*591	9,980
Net income	11,176	*2,549	*8,627	10,968	*874	*10,094
Deficit	2,606	2,606	([3])	*397	*283	114
Total net income	3,992,656	2,319,150	1,673,506	7,434,275	1,300,703	6,133,572

Footnotes at end of table.

Table 2.--S Corporations With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Other services			
	Total	Repair and maintenance	Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations
	(93)	(94)	(95)	(96)
Number of returns	108,329	57,799	50,497	*33
Number of shareholders	170,768	87,952	82,704	*112
Total receipts [2]	60,188,709	35,303,538	24,626,249	*258,923
Business receipts	59,478,657	34,829,438	24,391,462	*257,757
Interest on Government obligations:				
State and local [2]	7,358	*226	7,121	11
Net gain, noncapital assets	222,620	195,232	27,359	29
Other receipts	480,074	278,641	200,306	1,127
Total deductions	55,491,179	32,762,223	22,520,478	*208,478
Cost of goods sold	22,128,321	16,463,342	5,579,086	*85,892
Compensation of officers	3,782,036	2,097,379	1,670,387	*14,270
Salaries and wages	10,762,346	4,352,575	6,383,459	*26,311
Repairs	628,316	317,945	310,122	*248
Bad debts	85,879	43,166	42,696	17
Rent paid on business property	3,768,490	1,590,931	2,171,613	*5,946
Taxes paid	2,063,655	1,072,164	990,498	*993
Interest paid	475,395	292,528	182,331	*536
Amortization	134,310	47,046	87,198	66
Depreciation	1,289,194	670,902	616,148	*2,145
Depletion	--	--	--	--
Advertising	994,174	420,772	539,059	*34,343
Pension, profit-sharing, stock bonus, and annuity plans	179,683	56,956	120,162	*2,564
Employee benefit programs	779,927	439,425	339,491	1,012
Net loss, noncapital assets	5,359	*1,961	*3,397	--
Other deductions	8,414,095	4,895,131	3,484,830	*34,135
Total receipts less total deductions [2]	4,697,531	2,541,314	2,105,771	*50,445
Net income (less deficit) from a trade or business [2]	4,690,173	2,541,088	2,098,650	*50,434
Net income	4,767,580	2,555,982	2,161,164	*50,434
Deficit	77,407	*14,893	62,514	--
Portfolio income (less deficit) distributed to shareholders	317,306	152,844	164,177	*284
Dividend income	8,247	2,290	5,943	14
Interest income	85,744	36,332	49,141	*270
Royalty income	--	--	--	--
Net short-term capital gain (less loss)	-4,414	*-3,907	-507	--
Net long-term capital gain (less loss)	227,376	118,129	109,247	--
Other portfolio income (net)	*354	--	*354	--
Real estate rental net income (less deficit)	34,121	13,270	20,851	--
Net income	37,010	13,290	23,720	--
Deficit	*2,889	20	*2,869	--
Net income (less deficit) from other rental activity	9,933	*9,803	130	--
Net income	*9,956	*9,803	153	--
Deficit	23	--	23	--
Total net income	5,051,533	2,717,006	2,283,808	*50,719

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** In order to avoid disclosure of information for specific corporations, these data have been combined.

[1] Includes returns not allocable by industrial group, which are not shown separately.

[2] Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

[3] Less than $500.

NOTE: Detail may not add to totals because of rounding.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting				Mining	Utilities	Construction
		Total	Agriculture production	Forestry and logging	Support activities and fishing, hunting and trapping			Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	3,154,377	77,297	52,459	7,349	17,489	16,598	1,715	418,770
Number of shareholders	5,681,443	180,399	123,390	15,866	41,143	54,739	3,485	683,934
Total assets	2,016,708,482	43,138,332	32,447,993	4,652,610	6,037,728	25,405,805	3,869,273	244,715,444
Cash	219,453,977	3,555,139	2,047,010	376,102	1,132,027	3,245,909	441,942	34,034,638
Notes and accounts receivable	445,062,685	3,320,543	2,279,042	303,268	738,232	3,098,518	592,240	62,109,639
Less: Allowance for bad debts	7,303,954	12,426	9,099	*1,337	*1,990	11,652	2,886	585,846
Inventories	291,142,518	3,882,892	3,081,230	165,836	635,826	626,237	289,074	39,395,234
Investments in Government obligations	36,265,246	86,952	78,283	8,185	483	129,908	15,476	460,324
Tax-exempt securities	13,478,592	222,957	220,989	355	1,613	254,534	182	457,291
Other current assets	120,520,788	1,460,933	1,069,797	115,971	275,165	1,640,776	294,201	29,002,089
Loans to shareholders	36,473,333	1,213,541	984,400	95,409	133,733	666,037	65,570	4,837,941
Mortgage and real estate loans	45,304,471	357,050	292,682	56,520	*7,849	58,428	--	2,147,589
Other investments	210,013,476	3,787,597	2,915,485	383,205	488,908	6,534,784	649,909	17,257,485
Depreciable assets	987,328,250	39,598,471	29,070,297	4,136,129	6,392,045	13,749,206	1,937,292	98,947,435
Less: Accumulated depreciation	550,922,789	25,497,268	18,220,435	2,932,011	4,344,822	9,253,258	834,911	61,153,260
Depletable assets	9,712,077	1,277,444	52,003	1,183,016	*42,425	5,615,423	13,762	212,114
Less: Accumulated depletion	3,301,922	56,314	*2,259	54,055	--	2,832,390	7,650	48,573
Land	80,307,527	8,475,142	7,522,137	609,744	343,262	938,630	149,912	11,256,230
Intangible assets (amortizable)	68,338,766	538,023	380,487	17,850	139,687	686,640	228,869	1,730,543
Less: Accumulated amortization	23,549,068	155,522	111,588	7,134	36,800	410,859	44,193	443,226
Other assets	38,384,510	1,083,177	797,531	195,560	90,086	668,936	80,484	5,097,799
Total liabilities and shareholders' equity	2,016,708,482	43,138,332	32,447,993	4,652,610	6,037,728	25,405,805	3,869,273	244,715,444
Accounts payable	226,721,679	1,706,776	1,151,151	97,052	458,573	2,085,560	348,500	44,776,594
Mortgages, notes, and bonds payable in less than 1 year	239,785,237	6,046,863	4,812,588	654,471	579,803	1,835,703	186,339	32,127,235
Other current liabilities	342,772,044	1,679,079	1,163,537	134,653	380,889	1,539,672	373,335	33,890,840
Loans from shareholders	172,163,098	8,627,264	7,511,752	438,060	677,452	2,083,047	169,683	17,121,654
Mortgages, notes, and bonds payable in 1 year or more	408,667,969	12,176,649	9,501,396	1,353,377	1,321,875	3,968,812	950,233	43,698,767
Other liabilities	55,530,573	995,185	872,220	43,959	79,006	931,647	399,299	6,530,256
Net worth, total	571,067,882	11,906,516	7,435,349	1,931,038	2,540,130	12,961,363	1,441,883	66,570,098
Capital stock	67,804,461	4,465,693	3,714,590	376,172	374,931	323,158	28,566	5,732,172
Paid-in or capital surplus	204,466,294	11,682,529	10,007,813	442,104	1,232,612	4,497,400	617,548	15,032,983
Retained earnings unappropriated	329,318,014	-3,702,654	-5,843,703	1,135,603	1,005,446	8,236,289	741,618	49,268,686
Adjustments to shareholders' equity [2]	806,047	-191	-4,360	-9,584	*13,753	370,585	61,150	-420,366
Less: Cost of treasury stock	31,326,934	538,861	438,991	*13,257	86,613	466,070	*6,999	3,043,377

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Construction--continued			Manufacturing				
	Construction of buildings	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills	Apparel manufacturing
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns	127,568	47,479	243,723	144,031	6,117	623	2,156	6,697
Number of shareholders	204,890	107,422	371,623	332,494	20,076	2,536	4,574	13,093
Total assets	105,823,803	71,960,731	66,930,910	270,210,061	24,872,243	5,410,546	6,315,823	10,466,773
Cash	13,274,318	9,242,157	11,518,163	26,867,326	2,119,191	484,589	535,387	1,133,781
Notes and accounts receivable	23,643,986	13,582,660	24,882,994	59,848,618	4,745,835	602,039	1,281,285	2,596,068
Less: Allowance for bad debts	98,502	173,740	313,603	1,191,419	95,615	8,148	36,189	43,501
Inventories	25,571,327	10,553,136	3,270,770	55,846,536	4,935,822	1,144,932	1,394,628	3,593,389
Investments in Government obligations	272,757	145,040	42,526	986,002	63,166	1,010	12,801	36,971
Tax-exempt securities	209,342	193,291	54,658	1,092,118	72,871	114,204	55,320	*26,309
Other current assets	16,532,513	6,866,598	5,602,978	9,897,733	879,472	153,049	391,589	676,135
Loans to shareholders	1,713,823	1,059,986	2,064,133	3,236,183	205,134	75,280	73,266	161,943
Mortgage and real estate loans	767,131	1,210,641	169,817	393,128	8,249	3,121	891	*38,135
Other investments	7,363,855	7,024,898	2,868,732	21,156,579	1,702,073	659,648	669,353	634,794
Depreciable assets	21,975,263	32,939,387	44,032,785	197,691,241	19,908,165	4,037,226	4,760,781	4,114,831
Less: Accumulated depreciation	11,876,928	19,698,939	29,577,394	123,246,749	11,231,201	2,414,730	3,242,863	2,818,981
Depletable assets	20,042	181,257	*10,814	2,013,191	--	--	--	--
Less: Accumulated depletion	*8,777	38,091	*1,705	87,589	--	--	--	--
Land	4,201,127	6,136,658	918,445	4,587,431	392,096	194,050	95,315	160,873
Intangible assets (amortizable)	338,874	344,370	1,047,300	9,109,255	923,458	248,509	61,160	166,119
Less: Accumulated amortization	92,118	115,037	236,071	3,216,696	219,694	103,587	12,016	107,071
Other assets	2,015,771	2,506,460	575,568	5,227,173	463,221	219,354	275,114	96,976
Total liabilities and shareholders' equity	105,823,803	71,960,731	66,930,910	270,210,061	24,872,243	5,410,546	6,315,823	10,466,773
Accounts payable	22,124,289	10,582,904	12,069,401	32,994,745	3,341,898	426,763	787,545	1,861,420
Mortgages, notes, and bonds payable in less than 1 year	17,715,572	7,865,509	6,546,154	24,535,984	2,355,856	431,569	625,614	1,082,203
Other current liabilities	16,402,380	7,483,461	10,005,000	22,150,616	1,957,534	345,407	403,494	1,094,353
Loans from shareholders	5,961,466	7,128,800	4,031,389	16,085,022	1,099,281	318,238	335,335	811,126
Mortgages, notes, and bonds payable in 1 year or more	16,091,937	17,542,655	10,064,175	47,795,562	5,279,722	855,062	826,013	767,976
Other liabilities	2,653,882	2,507,528	1,368,845	7,725,966	648,650	67,692	146,273	137,521
Net worth, total	24,874,276	18,849,874	22,845,947	118,922,166	10,189,301	2,965,817	3,191,548	4,712,174
Capital stock	1,504,155	2,477,339	1,750,677	7,785,898	547,341	171,375	230,114	256,750
Paid-in or capital surplus	4,216,559	7,300,436	3,515,989	17,245,562	1,287,119	652,100	488,476	622,565
Retained earnings unappropriated	19,888,994	10,348,360	19,031,331	101,986,592	8,980,358	2,250,534	2,665,625	4,006,574
Adjustments to shareholders' equity [2]	-89,895	-226,732	-103,738	-912,951	-119,710	-11,716	-9,198	11,977
Less: Cost of treasury stock	645,538	1,049,528	1,348,311	7,182,935	505,807	96,475	183,469	185,691

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing	Plastics and rubber products manufacturing	Nonmetallic mineral product manufacturing
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Number of returns	1,005	6,404	1,825	20,078	739	4,617	6,963	4,465
Number of shareholders	1,638	14,587	5,048	42,810	2,225	12,328	20,179	11,271
Total assets	2,050,167	15,911,921	9,983,208	14,368,034	3,188,515	11,461,100	18,590,667	9,731,662
Cash	213,083	1,291,001	681,656	1,777,220	411,863	1,311,709	1,547,781	906,359
Notes and accounts receivable	596,679	2,387,266	1,627,177	3,404,222	692,049	3,120,236	4,543,044	1,896,771
Less: Allowance for bad debts	24,450	43,328	36,239	69,377	10,072	69,530	78,309	50,746
Inventories	688,003	3,342,310	1,315,405	1,259,247	334,282	2,209,337	3,456,438	1,333,875
Investments in Government obligations	3,989	16,052	14,466	92,565	3,927	11,709	10,666	92,015
Tax-exempt securities	--	10,913	117,483	*11,772	12,571	15,690	117,283	*27,663
Other current assets	71,661	749,127	335,000	413,643	143,917	488,382	520,512	313,087
Loans to shareholders	*47,427	152,947	51,320	185,131	23,590	84,794	149,376	178,981
Mortgage and real estate loans	*34,452	97,189	*36,183	*19,323	5,251	*56,665	5,555	*6,910
Other investments	168,374	914,156	1,108,553	925,515	254,243	877,712	1,449,942	590,907
Depreciable assets	592,159	11,471,622	8,994,914	15,452,219	2,076,999	7,483,248	16,139,015	9,707,436
Less: Accumulated depreciation	383,792	6,991,486	5,258,747	9,952,995	1,183,817	4,692,514	10,041,207	6,129,888
Depletable assets	--	1,434,361	482,396	*2,180	28,285	512	--	21,542
Less: Accumulated depletion	--	43,415	8,796	*327	8,699	412	--	6,160
Land	7,149	472,218	128,791	155,246	124,355	157,224	213,114	386,594
Intangible assets (amortizable)	13,457	321,116	323,246	755,192	46,496	374,465	581,026	361,059
Less: Accumulated amortization	3,914	90,938	60,138	367,193	7,279	132,001	200,188	113,968
Other assets	25,890	420,812	130,539	304,453	240,555	163,875	176,620	209,224
Total liabilities and shareholders' equity	2,050,167	15,911,921	9,983,208	14,368,034	3,188,515	11,461,100	18,590,667	9,731,662
Accounts payable	232,238	1,250,626	857,669	1,730,603	496,220	1,443,248	2,873,643	909,812
Mortgages, notes, and bonds payable in less than 1 year	119,368	1,656,707	753,250	1,358,757	129,999	1,059,872	1,543,587	838,427
Other current liabilities	206,732	1,188,612	766,978	1,224,320	211,219	1,047,344	1,343,111	608,619
Loans from shareholders	102,861	646,084	678,126	980,688	222,100	1,508,523	1,688,567	376,924
Mortgages, notes, and bonds payable in 1 year or more	202,850	3,179,170	2,456,844	3,675,055	510,115	1,799,023	2,955,306	1,895,096
Other liabilities	57,228	375,731	518,761	199,266	75,435	275,176	421,397	132,723
Net worth, total	1,128,891	7,614,991	3,951,580	5,199,346	1,543,429	4,327,914	7,765,056	4,970,062
Capital stock	200,649	418,243	175,574	447,232	35,964	244,405	516,933	362,933
Paid-in or capital surplus	34,415	1,233,267	632,569	429,372	345,826	615,928	1,223,413	878,112
Retained earnings unappropriated	1,040,005	6,425,313	3,279,164	4,703,129	1,193,481	3,930,801	6,409,816	3,853,170
Adjustments to shareholders' equity [2]	*-8,436	-48,888	-50,436	-62,732	32,302	-77,836	-56,765	-2,436
Less: Cost of treasury stock	*137,741	412,944	85,291	317,655	64,145	385,383	328,341	121,717

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Manufacturing--continued							
	Primary metal manufacturing	Fabricated metal product manufacturing	Machinery manufacturing	Computer and electronic product manufacturing	Electrical equipment, appliance, and component manufacturing	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Number of returns	4,512	25,985	11,710	5,510	4,302	3,622	6,047	20,655
Number of shareholders	10,400	58,002	28,669	14,283	11,092	8,552	11,556	39,576
Total assets	13,038,208	42,159,075	18,772,198	10,824,527	12,029,252	13,983,558	6,812,705	20,239,880
Cash	778,501	4,615,253	2,143,895	1,518,880	1,058,776	1,411,273	765,862	2,161,267
Notes and accounts receivable	2,654,283	10,062,252	4,475,791	2,727,622	2,635,434	2,902,185	1,747,736	5,150,644
Less: Allowance for bad debts	62,510	154,906	67,624	54,727	46,908	69,566	47,421	122,254
Inventories	2,307,669	8,378,221	4,443,572	2,214,169	2,711,174	3,620,442	1,828,167	5,335,454
Investments in Government obligations	11,989	211,999	148,084	18,853	*85,097	106,997	249	*43,397
Tax-exempt securities	37,154	89,074	117,566	*114,561	*66,200	11,788	41,157	32,540
Other current assets	350,963	1,345,699	570,951	686,288	331,308	466,734	196,679	813,536
Loans to shareholders	71,325	425,818	205,185	346,078	195,598	241,930	91,103	269,957
Mortgage and real estate loans	17,997	30,272	2,533	1,807	409	18,348	1,722	*8,116
Other investments	1,052,267	3,167,539	1,525,840	771,314	1,992,914	1,315,150	237,947	1,138,338
Depreciable assets	10,299,187	35,485,812	12,415,027	5,304,534	5,893,777	7,316,631	4,369,313	11,868,344
Less: Accumulated depreciation	5,997,114	23,214,085	8,199,371	3,551,140	3,548,748	4,110,674	2,760,165	7,523,232
Depletable assets	33,287	4,400	2	--	6,074	--	131	22
Less: Accumulated depletion	18,258	1,014	--	--	499	--	--	7
Land	258,503	650,902	321,842	149,711	178,146	204,438	104,790	232,075
Intangible assets (amortizable)	837,892	958,651	588,748	589,198	287,118	840,289	183,755	648,301
Less: Accumulated amortization	160,985	338,104	195,533	97,425	87,321	603,402	43,556	272,383
Other assets	566,056	441,294	275,690	84,804	270,702	310,994	95,234	455,768
Total liabilities and shareholders' equity	13,038,208	42,159,075	18,772,198	10,824,527	12,029,252	13,983,558	6,812,705	20,239,880
Accounts payable	1,599,988	5,048,221	1,952,749	1,623,878	1,526,720	1,893,883	773,389	2,364,232
Mortgages, notes, and bonds payable in less than 1 year	890,268	3,990,654	1,830,219	796,107	1,043,667	1,497,680	601,240	1,930,941
Other current liabilities	1,012,664	2,762,043	1,914,777	875,268	1,271,345	1,389,554	665,260	1,861,981
Loans from shareholders	758,568	1,800,065	1,088,787	633,627	807,758	730,754	343,404	1,154,208
Mortgages, notes, and bonds payable in 1 year or more	3,872,944	7,484,790	2,664,585	1,117,909	1,831,056	2,366,220	1,001,542	3,054,283
Other liabilities	1,316,060	745,310	368,320	318,043	654,339	572,896	98,019	597,129
Net worth, total	3,587,715	20,327,991	8,952,760	5,459,696	4,894,366	5,532,570	3,329,851	9,277,107
Capital stock	460,340	1,070,987	728,169	248,284	235,858	415,095	165,213	854,439
Paid-in or capital surplus	654,291	2,201,395	1,097,060	1,214,183	621,368	1,585,862	324,712	1,103,531
Retained earnings unappropriated	3,276,114	19,017,323	7,696,987	4,321,494	4,399,509	3,665,383	2,990,814	7,880,999
Adjustments to shareholders' equity [2]	-62,225	-91,684	-141,588	-87,673	-62,791	-20,952	-606	-41,558
Less: Cost of treasury stock	740,804	1,870,029	427,868	236,591	299,577	112,819	150,283	520,304

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade							
		Wholesale trade				Retail trade		
	Total	Total	Merchant wholesalers		Wholesale electronic markets and agents and brokers	Total	Motor vehicle dealers and parts dealers	Furniture and home furnishings stores
			Durable goods	Nondurable goods				
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Number of returns	542,996	181,189	111,078	69,709	*403	360,961	52,751	22,828
Number of shareholders	992,725	353,792	212,723	140,666	*403	637,649	90,753	37,652
Total assets	467,993,740	211,438,859	119,239,791	92,199,069	--	256,398,474	115,547,950	12,740,808
Cash	50,143,408	22,021,895	11,698,877	10,323,018	--	28,110,269	10,744,230	1,229,262
Notes and accounts receivable	93,458,656	62,054,586	34,759,290	27,295,296	--	31,349,572	13,595,186	1,785,586
Less: Allowance for bad debts	1,585,106	1,082,961	611,882	471,079	--	501,487	128,819	38,208
Inventories	179,225,931	65,243,891	42,084,003	23,159,888	--	113,932,625	69,489,212	4,997,021
Investments in Government obligations	467,210	382,693	168,740	213,953	--	84,517	*33,642	497
Tax-exempt securities	1,123,682	874,706	567,778	306,928	--	248,976	*17,500	*13,547
Other current assets	16,883,006	8,982,145	3,900,022	5,082,123	--	7,900,566	2,623,478	623,451
Loans to shareholders	5,851,003	2,774,460	1,511,165	1,263,296	--	3,076,542	1,150,235	158,831
Mortgage and real estate loans	716,081	275,884	125,922	149,962	--	440,196	99,853	*15,425
Other investments	23,002,615	13,028,475	6,422,912	6,605,564	--	9,973,826	2,648,988	393,348
Depreciable assets	164,916,241	66,593,530	35,230,695	31,362,835	--	98,291,684	22,928,030	5,271,861
Less: Accumulated depreciation	93,844,177	40,073,090	20,650,528	19,422,562	--	53,759,824	11,792,779	2,622,227
Depletable assets	200,634	193,838	87,189	*106,650	--	6,795	1,749	32
Less: Accumulated depletion	115,925	112,911	46,344	*66,567	--	3,014	1,157	--
Land	9,540,228	2,930,114	1,263,629	1,666,485	--	6,608,382	1,753,281	391,145
Intangible assets (amortizable)	16,840,805	6,655,541	2,317,189	4,338,352	--	10,096,509	2,141,399	394,057
Less: Accumulated amortization	5,209,831	1,921,675	712,376	1,209,298	--	3,219,204	588,527	131,130
Other assets	6,379,279	2,617,736	1,123,512	1,494,224	--	3,761,543	832,450	258,310
Total liabilities and shareholders' equity	467,993,740	211,438,859	119,239,791	92,199,069	--	256,398,474	115,547,950	12,740,808
Accounts payable	80,314,496	48,285,428	25,580,195	22,705,233	--	31,988,436	7,197,643	2,210,732
Mortgages, notes, and bonds payable in less than 1 year	101,491,609	29,542,714	17,949,754	11,592,959	--	71,872,590	60,775,833	911,352
Other current liabilities	34,933,602	16,022,585	8,701,808	7,320,777	--	18,904,903	7,130,689	1,800,115
Loans from shareholders	36,879,806	12,829,961	7,417,511	5,412,451	--	24,027,542	7,466,556	810,656
Mortgages, notes, and bonds payable in 1 year or more	68,686,454	26,541,745	14,060,707	12,481,038	--	42,115,147	11,616,378	2,418,553
Other liabilities	6,431,255	2,762,180	1,626,422	1,135,759	--	3,669,074	888,044	361,762
Net worth, total	139,256,520	75,454,246	43,903,394	31,550,852	--	63,820,783	20,472,808	4,227,637
Capital stock	15,502,189	5,392,894	2,934,731	2,458,163	--	10,096,949	3,880,999	471,953
Paid-in or capital surplus	26,803,368	8,649,302	5,030,133	3,619,168	--	18,135,704	6,027,018	1,173,951
Retained earnings unappropriated	105,198,432	65,745,780	38,733,661	27,012,119	--	39,501,870	11,504,381	2,673,525
Adjustments to shareholders' equity [2]	-883,318	-497,540	-240,227	-257,313	--	-385,779	927	-18,129
Less: Cost of treasury stock	7,364,151	3,836,190	2,554,905	1,281,285	--	3,527,961	940,517	73,663

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Electronics and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
Number of returns	15,776	24,580	54,521	23,100	23,124	29,605	20,636	7,071
Number of shareholders	25,599	43,702	112,364	35,488	44,762	52,236	33,069	12,323
Total assets	7,943,609	22,174,628	24,776,800	7,433,489	17,823,539	9,707,081	7,839,496	3,985,991
Cash	1,299,557	3,070,772	2,840,772	1,432,719	1,699,698	1,203,149	681,891	392,356
Notes and accounts receivable	2,187,348	4,243,399	1,243,982	1,236,921	1,355,646	615,067	613,261	374,547
Less: Allowance for bad debts	76,618	81,294	10,482	19,827	8,853	10,061	10,519	10,733
Inventories	1,694,853	7,675,411	6,053,440	2,333,371	2,183,877	5,248,819	4,345,853	1,712,702
Investments in Government obligations	250	30,911	*9,091	--	157	19	--	7,948
Tax-exempt securities	28,718	*14,519	*29,000	3,314	*5,290	*75,777	7,661	1,187
Other current assets	344,974	624,552	827,521	282,014	574,302	364,553	208,882	201,935
Loans to shareholders	160,140	134,394	283,018	160,243	162,517	224,821	51,172	82,233
Mortgage and real estate loans	896	83,738	100,016	--	19,076	*12,604	255	250
Other investments	471,418	750,138	1,531,066	399,014	860,770	259,738	561,659	319,725
Depreciable assets	2,857,916	10,465,060	17,607,896	2,941,221	14,873,126	3,261,999	2,579,508	1,478,938
Less: Accumulated depreciation	1,592,284	5,837,867	9,752,780	1,787,407	7,321,108	2,007,505	1,476,991	820,220
Depletable assets	1	4,584	--	--	*429	--	--	--
Less: Accumulated depletion	1	1,539	--	--	*317	--	--	--
Land	124,776	543,028	885,523	116,433	2,155,185	58,359	103,055	73,775
Intangible assets (amortizable)	408,682	283,948	3,215,435	505,842	1,336,467	400,421	201,521	105,854
Less: Accumulated amortization	136,436	60,208	932,957	288,257	419,036	147,162	78,216	29,531
Other assets	169,419	231,082	846,259	117,889	346,313	146,484	50,505	95,025
Total liabilities and shareholders' equity	7,943,609	22,174,628	24,776,800	7,433,489	17,823,539	9,707,081	7,839,496	3,985,991
Accounts payable	2,179,580	3,590,728	3,772,431	1,674,464	2,497,407	2,345,857	1,936,570	594,495
Mortgages, notes, and bonds payable in less than 1 year	677,440	2,029,564	1,387,266	424,353	709,565	979,607	690,555	292,447
Other current liabilities	1,018,502	1,407,333	1,798,277	485,335	959,340	718,279	582,950	307,163
Loans from shareholders	921,960	1,303,727	3,527,070	965,008	1,850,607	1,404,762	1,231,345	530,828
Mortgages, notes, and bonds payable in 1 year or more	1,138,428	3,278,943	7,550,724	1,290,729	6,932,466	1,268,360	1,402,282	526,239
Other liabilities	261,108	250,843	416,846	146,421	443,432	95,758	125,236	82,284
Net worth, total	1,746,590	10,313,490	6,324,185	2,447,178	4,430,722	2,894,457	1,870,558	1,652,535
Capital stock	435,504	587,545	1,431,217	358,557	626,949	362,503	362,215	207,414
Paid-in or capital surplus	516,167	972,662	1,256,941	425,963	1,021,513	915,238	1,690,953	995,762
Retained earnings unappropriated	1,048,825	9,131,940	4,317,140	1,824,272	2,969,167	1,849,633	96	498,559
Adjustments to shareholders' equity [2]	-135,779	76,801	-77,156	*31,451	-837	-3,765	*-14,237	9,749
Less: Cost of treasury stock	118,126	455,458	603,958	193,065	186,070	229,151	168,469	58,948

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Wholesale and retail trade--continued			Transportation and warehousing				
	Retail trade--continued							
	Miscellaneous store retailers	Nonstore retailers	Wholesale and retail trade not allocable	Total	Air, rail, and water transportation	Truck transportation	Transit and ground passenger transportation	Pipeline transportation
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Number of returns	58,502	28,467	*845	98,595	7,821	50,700	14,537	*207
Number of shareholders	102,931	46,769	*1,284	172,170	12,628	85,006	21,068	*428
Total assets	15,243,070	11,182,015	*156,407	48,745,702	10,540,473	20,783,158	4,344,352	*676,916
Cash	1,989,379	1,526,486	*11,244	4,484,974	752,615	1,804,654	486,050	*53,831
Notes and accounts receivable	2,006,248	2,092,381	*54,498	8,450,451	1,039,126	4,379,830	475,270	*137,300
Less: Allowance for bad debts	26,975	79,099	*658	134,769	22,756	73,073	*1,943	2,823
Inventories	5,996,368	2,201,699	*49,415	909,020	236,577	159,468	32,700	*23,445
Investments in Government obligations	--	2,002	--	100,309	10,083	26,299	--	--
Tax-exempt securities	*27,356	*25,108	--	*24,707	*3	*533	--	--
Other current assets	620,269	604,635	296	2,670,168	450,151	931,571	447,447	*31,163
Loans to shareholders	363,404	145,536	--	1,169,076	73,743	579,884	201,174	*21,810
Mortgage and real estate loans	*91,098	*16,984	--	230,879	*63,071	*40,805	3,822	--
Other investments	488,281	1,289,681	314	3,104,887	771,545	898,628	295,852	*209,872
Depreciable assets	6,995,827	7,030,304	*31,026	55,531,169	12,608,541	27,406,547	4,275,279	*329,670
Less: Accumulated depreciation	4,286,519	4,462,137	*11,263	30,948,056	5,883,009	16,162,095	2,702,867	*146,753
Depletable assets	--	1	--	8,231	56	7,667	--	--
Less: Accumulated depletion	--	([3])	--	2,693	32	2,185	--	--
Land	319,961	83,861	*1,733	1,050,505	80,237	505,675	51,681	555
Intangible assets (amortizable)	765,621	337,260	*88,755	1,362,277	75,085	175,072	536,929	*85,671
Less: Accumulated amortization	254,564	153,179	*68,953	314,354	21,820	85,114	86,565	*29,911
Other assets	147,315	520,493	--	1,048,920	307,258	188,990	329,522	*-36,915
Total liabilities and shareholders' equity	15,243,070	11,182,015	*156,407	48,745,702	10,540,473	20,783,158	4,344,352	*676,916
Accounts payable	2,197,061	1,791,468	*40,633	4,325,927	679,565	1,948,169	212,491	*31,771
Mortgages, notes, and bonds payable in less than 1 year	1,812,768	1,181,839	*76,305	5,252,936	577,183	3,075,036	461,635	*39,891
Other current liabilities	1,468,782	1,228,138	*6,114	4,016,322	674,465	1,783,141	375,463	*57,382
Loans from shareholders	2,224,749	1,790,273	*22,303	6,235,574	2,383,456	1,856,823	179,335	2,186
Mortgages, notes, and bonds payable in 1 year or more	2,880,169	1,811,876	*29,561	16,868,857	4,401,303	7,098,648	1,872,759	*224,483
Other liabilities	184,184	413,156	--	1,163,205	217,531	312,533	113,643	*213,560
Net worth, total	4,475,358	2,965,265	*-18,509	10,882,882	1,606,970	4,708,807	1,129,026	*107,643
Capital stock	945,812	426,279	*12,347	1,657,922	721,008	359,873	191,482	*240
Paid-in or capital surplus	2,161,449	978,088	*18,363	10,046,428	4,871,922	792,543	280,404	*22,881
Retained earnings unappropriated	1,568,247	2,116,087	*-49,218	-210,485	-3,912,960	3,744,841	883,235	*84,258
Adjustments to shareholders' equity [2]	-36,750	-218,054	--	118,032	31,372	65,311	-468	1,306
Less: Cost of treasury stock	163,401	337,135	--	729,015	104,372	253,762	225,626	1,042

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Transportation and warehousing--continued		Information					
	Other transportation and support activities	Warehousing and storage	Total	Publishing industries (except Internet)	Motion picture and sound recording industries	Broadcasting (except Internet)	Internet publishing and broadcasting	Telecom-munications
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
Number of returns	21,456	3,874	66,829	19,489	20,808	4,000	1,275	9,912
Number of shareholders	38,151	14,888	119,746	37,890	30,602	10,587	3,149	20,384
Total assets	7,432,944	4,967,859	43,823,073	16,985,546	6,805,812	7,775,775	*812,395	9,645,047
Cash	819,332	568,492	5,181,225	1,946,504	905,378	784,418	*80,146	969,510
Notes and accounts receivable	1,854,808	564,116	5,531,861	2,636,844	763,087	709,936	*11,221	1,174,623
Less: Allowance for bad debts	29,834	4,339	274,371	165,626	7,636	23,225	14	75,998
Inventories	257,929	198,902	1,433,496	636,891	533,008	10,978	--	238,900
Investments in Government obligations	100	*63,827	152,789	56,621	25,228	65,472	2,099	3,369
Tax-exempt securities	24,168	2	683,258	208,263	26,102	*430,649	--	9,870
Other current assets	595,206	214,630	2,326,782	926,158	531,670	378,157	*3,420	376,188
Loans to shareholders	151,246	141,218	884,423	384,014	304,282	81,401	613	79,197
Mortgage and real estate loans	*48,211	*74,971	13,459	4,932	4,318	3,303	--	906
Other investments	456,250	472,740	15,047,396	5,577,858	1,496,023	2,120,693	704,282	4,916,930
Depreciable assets	6,399,845	4,511,288	20,158,302	7,237,925	6,027,845	3,019,632	*34,747	2,816,701
Less: Accumulated depreciation	3,742,058	2,311,274	12,954,090	4,692,809	4,487,317	1,875,225	*25,003	1,362,107
Depletable assets	--	508	*21,013	--	--	--	--	*21,013
Less: Accumulated depletion	--	476	*20,292	--	--	--	--	*20,292
Land	194,185	218,170	634,163	229,476	138,996	131,489	--	114,804
Intangible assets (amortizable)	354,141	135,378	5,906,353	2,302,993	866,465	2,196,926	*1,344	314,920
Less: Accumulated amortization	72,378	18,566	2,282,293	857,518	659,444	542,278	*476	104,341
Other assets	121,794	138,271	1,379,599	553,020	337,807	283,447	13	170,855
Total liabilities and shareholders' equity	7,432,944	4,967,859	43,823,073	16,985,546	6,805,812	7,775,775	*812,395	9,645,047
Accounts payable	1,194,399	259,532	3,115,216	1,409,553	599,092	121,781	*2,433	834,497
Mortgages, notes, and bonds payable in less than 1 year	701,018	398,172	2,089,813	788,025	388,479	298,297	31	291,265
Other current liabilities	763,464	362,407	4,411,711	2,592,593	456,871	574,714	*17,840	530,732
Loans from shareholders	1,732,222	81,551	5,402,709	825,589	2,453,010	853,518	--	411,197
Mortgages, notes, and bonds payable in 1 year or more	1,676,953	1,594,712	8,155,487	2,071,004	1,630,161	2,583,792	45	1,645,603
Other liabilities	210,419	95,519	2,496,668	1,414,439	157,021	482,873	-47	404,967
Net worth, total	1,154,469	2,175,966	18,151,469	7,884,343	1,121,178	2,860,800	*792,093	5,526,787
Capital stock	187,735	197,584	2,007,781	1,184,886	149,745	193,264	*480	310,545
Paid-in or capital surplus	3,739,710	338,970	7,281,665	1,340,360	1,822,014	1,346,788	*970,340	1,009,946
Retained earnings unappropriated	-2,726,189	1,716,329	7,573,216	5,722,415	-844,410	1,602,326	*-189,206	2,113,809
Adjustments to shareholders' equity [2]	-7,831	28,342	2,031,262	107,768	*17,944	-135,135	10,479	2,147,543
Less: Cost of treasury stock	38,955	105,259	742,455	471,086	24,116	146,444	--	55,057

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Information--continued		Finance and insurance					
	Internet service providers, web search portals, and data processing services	Other information services	Total	Depository credit inter-mediation	Non-depository credit inter-mediation	Securities, commodity contracts, and other financial investments and related activities	Insurance carriers and related activities	Other financial vehicles and investment companies
	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
Number of returns	7,630	3,715	122,857	1,228	30,095	28,739	59,188	3,606
Number of shareholders	10,902	6,232	224,305	11,591	49,096	61,869	89,573	12,176
Total assets	1,094,021	704,478	171,542,294	66,749,124	43,497,949	41,031,015	16,706,194	3,558,011
Cash	252,982	242,287	17,778,401	3,453,557	3,773,310	4,662,092	5,425,555	463,888
Notes and accounts receivable	89,066	147,084	51,748,466	26,401,233	16,522,193	3,941,648	4,382,371	501,021
Less: Allowance for bad debts	1,126	*745	767,719	414,395	313,013	9,681	30,367	263
Inventories	*3,454	*10,265	14,314	4,311	--	--	30	9,972
Investments in Government obligations	--	--	10,883,223	8,566,026	45,589	2,217,162	*39,947	14,499
Tax-exempt securities	--	8,373	1,843,548	1,578,376	*45,149	161,161	*23,989	*34,874
Other current assets	87,236	23,952	16,643,539	1,015,343	4,429,398	9,084,227	1,529,412	585,160
Loans to shareholders	*32,581	2,335	1,517,777	4,883	315,337	582,274	555,908	59,375
Mortgage and real estate loans	--	--	30,467,496	16,477,620	13,518,368	278,755	*39,514	*153,238
Other investments	154,250	77,359	28,964,908	7,082,024	1,972,540	17,074,003	1,163,412	1,672,928
Depreciable assets	701,901	319,552	12,515,422	1,633,748	3,054,606	3,479,161	4,123,685	224,222
Less: Accumulated depreciation	375,132	136,497	7,047,623	762,385	1,618,841	1,965,373	2,638,974	62,049
Depletable assets	--	--	*2,435	2	71	*2,362	--	--
Less: Accumulated depletion	--	--	*260	2	71	*187	--	--
Land	*17,644	*1,753	717,171	184,142	160,204	181,441	188,158	*3,227
Intangible assets (amortizable)	165,062	58,642	3,744,028	253,524	711,000	478,884	2,266,474	34,146
Less: Accumulated amortization	61,266	56,971	1,230,845	64,829	268,252	144,543	738,346	14,876
Other assets	27,367	7,089	3,748,013	1,335,945	1,150,363	1,007,628	375,426	-121,350
Total liabilities and shareholders' equity	1,094,021	704,478	171,542,294	66,749,124	43,497,949	41,031,015	16,706,194	3,558,011
Accounts payable	95,649	52,211	13,486,950	2,538,386	1,441,828	4,125,557	5,354,559	26,620
Mortgages, notes, and bonds payable in less than 1 year	166,123	157,593	25,117,545	4,279,074	17,398,195	2,561,996	726,875	151,405
Other current liabilities	169,181	69,782	69,688,057	50,092,370	5,982,189	9,784,399	3,714,081	115,018
Loans from shareholders	281,502	*577,892	5,410,513	58,271	2,137,296	2,072,615	583,025	559,307
Mortgages, notes, and bonds payable in 1 year or more	200,886	*23,996	14,972,616	2,303,211	7,510,812	2,386,462	2,236,276	535,856
Other liabilities	23,719	*13,696	4,718,613	579,110	1,785,607	1,732,704	453,180	168,012
Net worth, total	156,959	-190,691	38,147,999	6,898,701	7,242,023	18,367,282	3,638,199	2,001,794
Capital stock	121,064	47,797	3,293,161	420,684	1,056,384	1,166,514	288,178	361,400
Paid-in or capital surplus	725,271	66,944	17,708,286	1,316,280	2,791,986	10,842,180	847,228	1,910,612
Retained earnings unappropriated	-640,812	-190,907	18,106,087	4,989,740	3,713,977	6,651,304	3,070,072	-319,007
Adjustments to shareholders' equity [2]	*-47,741	*-69,596	422,552	266,671	2,810	85,258	-17,031	*84,845
Less: Cost of treasury stock	822	*44,930	1,382,086	94,673	323,134	377,974	550,248	*36,056

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Real estate and rental and leasing				Professional, scientific, and technical services	Management of companies (holding companies)
	Total	Real estate	Rental and leasing services	Lessors of nonfinancial intangible assets (except copy-righted works)		
	(73)	(74)	(75)	(76)	(77)	(78)
Number of returns	360,133	326,721	32,654	758	480,120	21,779
Number of shareholders	771,055	711,998	56,905	2,152	705,062	74,545
Total assets	213,743,045	187,888,390	25,427,212	427,443	78,213,196	207,915,595
Cash	15,968,223	13,961,430	1,938,876	67,916	18,822,395	11,401,272
Notes and accounts receivable	10,937,653	8,040,251	2,854,704	42,698	16,846,276	107,609,175
Less: Allowance for bad debts	167,954	92,954	71,017	3,983	205,989	1,488,074
Inventories	1,113,019	*14,898	1,097,061	1,060	1,923,038	*6,546
Investments in Government obligations	454,861	447,265	7,596	--	218,651	21,957,649
Tax-exempt securities	314,813	314,813	--	--	197,950	7,127,681
Other current assets	15,228,558	13,847,290	1,373,823	*7,444	7,007,597	5,873,527
Loans to shareholders	6,161,508	5,619,951	532,613	*8,944	3,421,078	765,260
Mortgage and real estate loans	4,288,115	4,273,835	14,280	--	60,748	5,371,067
Other investments	24,381,992	22,170,711	2,034,094	177,187	9,719,961	42,595,103
Depreciable assets	162,120,449	126,248,640	35,830,059	*41,750	38,294,141	5,906,658
Less: Accumulated depreciation	63,486,927	41,967,183	21,495,502	*24,242	24,905,732	2,673,888
Depletable assets	39,350	39,350	--	--	28,547	8,644
Less: Accumulated depletion	4,740	4,740	--	--	*5,115	4,277
Land	29,725,323	29,383,348	340,308	1,667	678,333	755,190
Intangible assets (amortizable)	3,566,497	3,041,570	361,766	163,161	3,864,939	1,068,744
Less: Accumulated amortization	1,336,553	1,184,125	94,832	57,596	1,293,152	227,381
Other assets	4,438,858	3,734,041	703,382	1,435	3,539,528	1,862,698
Total liabilities and shareholders' equity	213,743,045	187,888,390	25,427,212	427,443	78,213,196	207,915,595
Accounts payable	4,605,340	3,262,470	1,340,812	*2,058	8,426,157	17,412,962
Mortgages, notes, and bonds payable in less than 1 year	13,467,607	9,570,557	3,879,475	*17,575	7,628,457	3,325,448
Other current liabilities	9,002,433	7,795,308	1,193,612	*13,512	13,125,160	127,826,426
Loans from shareholders	28,539,447	25,416,219	3,115,300	*7,929	11,328,445	2,011,106
Mortgages, notes, and bonds payable in 1 year or more	99,934,453	88,936,873	10,897,142	100,438	11,603,405	6,087,191
Other liabilities	9,293,499	8,808,909	396,602	87,988	4,778,460	3,455,070
Net worth, total	48,900,267	44,098,054	4,604,269	197,944	21,323,111	47,797,392
Capital stock	10,744,530	9,871,379	849,044	24,107	3,612,035	2,850,170
Paid-in or capital surplus	27,766,186	23,492,522	4,254,584	*19,080	12,625,239	26,984,027
Retained earnings unappropriated	12,917,307	13,093,050	-337,780	162,038	7,167,785	18,707,984
Adjustments to shareholders' equity [2]	132,265	145,228	-11,900	-1,063	-457,302	541,855
Less: Cost of treasury stock	2,660,022	2,504,125	149,680	6,218	1,624,645	1,286,645

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Administrative and support and waste management and remediation services			Educational services	Health care and social assistance			
	Total	Administrative and support services	Waste management and remediation services		Total	Offices of health practitioners and outpatient care centers	Miscellaneous health care and social assistance	Hospitals, nursing, and residential care facilities
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
Number of returns	156,956	147,412	9,544	25,307	179,005	138,676	28,950	11,379
Number of shareholders	245,479	227,679	17,799	47,979	262,524	187,231	50,714	24,579
Total assets	34,136,274	28,256,169	5,880,106	4,214,342	33,236,367	16,543,576	5,492,929	11,199,861
Cash	5,746,119	5,058,956	687,163	980,732	6,609,837	4,903,112	876,073	830,652
Notes and accounts receivable	7,533,583	6,574,868	958,715	1,033,312	5,355,758	1,682,715	1,256,141	2,416,902
Less: Allowance for bad debts	100,995	88,266	12,729	46,940	597,046	277,242	107,571	212,234
Inventories	869,708	763,381	106,326	62,286	416,930	217,866	153,095	45,970
Investments in Government obligations	*2,871	*2,871	--	343	*5,045	*2,411	--	2,634
Tax-exempt securities	*45,918	*39,638	6,280	5,620	*37,860	*34,076	1,100	2,685
Other current assets	3,526,589	3,076,132	450,456	453,140	1,509,655	622,895	259,404	627,356
Loans to shareholders	1,458,682	1,348,991	109,691	141,939	1,977,159	1,309,547	238,567	429,045
Mortgage and real estate loans	151,493	142,073	9,420	*19,358	14,654	525	2,305	11,824
Other investments	3,275,925	2,949,521	326,404	228,706	1,840,684	814,334	313,273	713,078
Depreciable assets	24,103,843	18,060,999	6,042,843	2,342,901	29,407,368	15,406,775	4,720,278	9,280,315
Less: Accumulated depreciation	15,661,115	11,724,274	3,936,842	1,337,948	16,693,936	10,114,878	2,762,763	3,816,294
Depletable assets	*46,661	*7,489	39,172	*3,558	15	5	--	10
Less: Accumulated depletion	15,676	2,914	12,762	*3,316	11	1	--	10
Land	1,004,559	513,289	491,270	136,405	820,356	141,648	167,265	511,443
Intangible assets (amortizable)	2,494,295	1,811,363	682,932	149,424	3,272,512	2,523,722	411,855	336,936
Less: Accumulated amortization	1,052,866	697,250	355,616	71,788	1,169,182	848,587	179,127	141,468
Other assets	706,685	419,303	287,382	116,611	428,708	124,654	143,036	161,018
Total liabilities and shareholders' equity	34,136,274	28,256,169	5,880,106	4,214,342	33,236,367	16,543,576	5,492,929	11,199,861
Accounts payable	3,371,574	2,919,086	452,488	283,388	1,865,303	379,107	264,633	1,221,563
Mortgages, notes, and bonds payable in less than 1 year	4,047,693	3,555,001	492,692	293,807	3,420,050	1,467,109	993,214	959,726
Other current liabilities	4,818,130	4,249,698	568,432	1,066,570	4,032,332	2,139,076	619,410	1,273,847
Loans from shareholders	3,705,711	3,033,661	672,050	692,774	3,537,402	2,023,501	436,616	1,077,285
Mortgages, notes, and bonds payable in 1 year or more	8,260,190	6,152,734	2,107,455	661,892	12,349,478	4,916,444	1,310,093	6,122,942
Other liabilities	1,615,007	1,084,251	530,756	192,169	848,437	314,053	86,722	447,662
Net worth, total	8,317,969	7,261,739	1,056,231	1,023,742	7,183,364	5,304,287	1,782,242	96,836
Capital stock	1,054,462	915,712	138,750	114,601	1,031,734	584,930	265,031	181,772
Paid-in or capital surplus	3,318,958	2,980,054	338,904	606,459	2,143,365	903,665	866,576	373,124
Retained earnings unappropriated	4,726,362	4,095,792	630,570	498,453	4,631,864	3,967,130	800,357	-135,623
Adjustments to shareholders' equity [2]	-24,194	-28,349	4,155	*-101,754	-63,714	22,466	-38,260	-47,920
Less: Cost of treasury stock	757,619	701,471	56,148	94,016	559,885	173,904	111,463	274,518

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Arts, entertainment, and recreation			Accommodation and food services		
	Total	Other arts, entertainment, and recreation	Amusement, gambling, and recreation industries	Total	Accommodation	Food services and drinking places
	(87)	(88)	(89)	(90)	(91)	(92)
Number of returns	74,414	39,761	34,653	177,841	22,951	154,890
Number of shareholders	150,014	62,466	87,548	364,052	76,049	288,002
Total assets	26,812,101	9,368,757	17,443,344	70,178,641	30,908,766	39,269,874
Cash	3,431,857	1,660,262	1,771,595	6,848,584	1,844,466	5,004,118
Notes and accounts receivable	1,387,105	756,987	630,118	2,828,930	807,610	2,021,320
Less: Allowance for bad debts	16,583	7,063	9,520	77,879	52,705	25,174
Inventories	973,792	273,822	699,970	1,858,466	228,420	1,630,047
Investments in Government obligations	40,863	34,673	6,190	*253,533	*236,039	*17,494
Tax-exempt securities	10,497	10,497	--	*27,694	*19,361	8,333
Other current assets	1,475,713	849,359	626,354	3,532,676	1,717,531	1,815,145
Loans to shareholders	832,462	480,198	352,264	1,494,577	583,639	910,938
Mortgage and real estate loans	150,507	*107,408	43,099	747,394	529,047	218,347
Other investments	2,655,264	1,150,920	1,504,345	4,067,078	2,077,588	1,989,489
Depreciable assets	23,345,371	5,201,549	18,143,822	70,067,277	30,172,536	39,894,741
Less: Accumulated depreciation	12,177,187	2,691,167	9,486,019	33,579,442	11,947,634	21,631,808
Depletable assets	116	--	116	*58,154	*4,741	*53,413
Less: Accumulated depletion	57	--	57	*25,763	*112	*25,651
Land	2,526,813	292,380	2,234,432	5,675,689	3,610,588	2,065,101
Intangible assets (amortizable)	3,101,149	2,164,437	936,712	7,653,146	861,036	6,792,110
Less: Accumulated amortization	1,696,480	1,372,890	323,590	2,401,958	337,928	2,064,030
Other assets	770,900	457,386	313,514	1,150,485	554,544	595,941
Total liabilities and shareholders' equity	26,812,101	9,368,757	17,443,344	70,178,641	30,908,766	39,269,874
Accounts payable	1,044,187	383,378	660,809	3,835,961	565,703	3,270,258
Mortgages, notes, and bonds payable in less than 1 year	2,632,436	1,220,489	1,411,948	4,458,987	1,825,028	2,633,958
Other current liabilities	3,036,061	1,545,297	1,490,763	5,080,154	1,410,870	3,669,284
Loans from shareholders	6,213,624	3,726,444	2,487,181	13,002,256	4,750,104	8,252,152
Mortgages, notes, and bonds payable in 1 year or more	9,335,392	1,824,027	7,511,365	33,714,184	17,932,439	15,781,745
Other liabilities	1,676,501	1,228,390	448,111	1,482,727	636,549	846,179
Net worth, total	2,873,899	-559,267	3,433,167	8,604,371	3,788,073	4,816,298
Capital stock	1,331,247	167,686	1,163,561	4,372,421	2,042,279	2,330,142
Paid-in or capital surplus	8,329,174	4,033,923	4,295,251	9,327,122	5,531,952	3,795,170
Retained earnings unappropriated	-6,245,873	-4,540,458	-1,705,415	-3,950,067	-3,318,435	-631,632
Adjustments to shareholders' equity [2]	-178,939	-134,438	-44,501	209,437	-6,123	215,561
Less: Cost of treasury stock	361,709	85,981	275,728	1,354,542	461,600	892,942

Footnotes at end of table.

Table 3.--S Corporations: Balance Sheets, by Major Industrial Group--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Other services			
	Total	Repair and maintenance	Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations
	(93)	(94)	(95)	(96)
Number of returns	186,553	97,824	88,297	*433
Number of shareholders	293,619	143,536	149,571	*512
Total assets	28,711,073	14,401,684	14,253,506	*55,884
Cash	3,909,008	1,848,013	2,040,980	*20,015
Notes and accounts receivable	3,371,900	2,047,504	1,310,698	*13,698
Less: Allowance for bad debts	36,300	19,040	17,256	4
Inventories	2,295,999	1,734,339	561,446	214
Investments in Government obligations	*49,238	*24,503	*24,735	--
Tax-exempt securities	*8,283	*4,033	4,250	--
Other current assets	1,094,109	402,989	687,885	3,235
Loans to shareholders	779,117	478,407	300,667	44
Mortgage and real estate loans	117,026	*32,386	*84,641	--
Other investments	1,742,604	430,664	1,308,141	3,799
Depreciable assets	26,586,643	13,881,844	12,688,472	*16,327
Less: Accumulated depreciation	15,618,725	8,472,473	7,139,985	*6,268
Depletable assets	*162,786	*92	*162,694	--
Less: Accumulated depletion	*71,281	*92	*71,189	--
Land	1,634,629	892,344	742,285	--
Intangible assets (amortizable)	3,021,266	1,344,322	1,671,219	*5,725
Less: Accumulated amortization	991,888	403,238	586,874	*1,776
Other assets	656,659	175,086	480,699	874
Total liabilities and shareholders' equity	28,711,073	14,401,684	14,253,506	*55,884
Accounts payable	2,722,044	1,836,760	880,496	*4,788
Mortgages, notes, and bonds payable in less than 1 year	1,826,726	1,052,644	773,603	479
Other current liabilities	2,101,543	804,504	1,276,304	*20,734
Loans from shareholders	5,117,058	2,048,859	3,067,400	*799
Mortgages, notes, and bonds payable in 1 year or more	9,448,347	5,362,724	4,084,721	902
Other liabilities	796,609	195,221	601,387	--
Net worth, total	6,698,747	3,100,970	3,569,596	*28,180
Capital stock	1,893,805	840,884	1,052,655	*265
Paid-in or capital surplus	2,350,155	1,197,713	1,151,177	1,266
Retained earnings unappropriated	3,665,051	1,544,278	2,093,588	*27,185
Adjustments to shareholders' equity [2]	-38,362	-22,073	-16,289	--
Less: Cost of treasury stock	1,171,902	459,832	711,535	535

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns not allocable by industrial group which are not shown separately.

[2] Adjustments to shareholders' equity were added to Form 1120S, *U.S. Tax Return for an S Corporation,* beginning in Tax Year 1997. Some examples of adjustments included in this field are unrealized gains and losses on securities held "available for sale"; foreign currency translation adjustments; the excess of additional pension liability over unrecognized prior service cost; guarantees of employee stock debt; and compensation related to employee stock award plans.

[3] Less than $500.

NOTE: Detail may not add to totals because of rounding.

Table 4.--S Corporations With Rental Real Estate Income: Income and Expenses, by Selected Industrial Divisions and Selected Industry Sector

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	251,041	6,022	836	*19	13,845	4,087
Gross income	30,023,470	284,339	48,543	*12,550	1,125,119	407,079
Rental real estate expenses, total	24,388,610	121,000	35,948	*16,043	1,062,234	218,752
Advertising	101,078	*381	*207	--	3,756	571
Auto and travel	130,514	*203	*7	--	1,750	768
Cleaning and maintenance	760,526	2,635	809	--	32,559	3,409
Commissions	126,707	878	*114	--	7,569	1,772
Insurance	805,072	5,734	2,291	--	24,963	5,513
Legal and other professional fees	1,403,646	7,079	1,029	--	64,455	13,004
Interest expense	6,345,913	22,028	9,529	*8,142	324,563	37,649
Repairs	1,525,608	10,126	3,526	--	106,997	15,901
Taxes	3,186,488	25,535	3,919	*566	123,301	25,746
Utilities	1,507,930	6,390	1,742	--	44,961	20,020
Wages and salaries	1,316,646	2,847	*703	--	28,874	6,006
Depreciation from Form 4562	4,325,197	26,528	10,089	*3,107	214,218	62,490
Other expenses	2,853,287	10,634	1,981	*4,226	84,268	25,904
Net gain (less loss) sales of business property	122,346	--	6	--	946	*2,451
Gain	129,453	--	6	--	965	*2,491
Loss	7,108	--	--	--	*19	*40
Net Income (less deficit) from partnerships and fiduciaries	866,004	2,754	45	*-1,607	18,293	25,210
Income	1,515,674	5,256	3,462	*92	127,782	35,170
Deficit	649,670	2,502	3,507	1,700	109,489	9,960
Real estate rental net income (less deficit)	6,623,212	166,094	12,556	*-5,099	82,124	215,990
Income	9,379,673	176,535	17,841	*92	401,072	238,895
Deficit	2,756,461	10,442	5,286	*5,192	318,948	22,906

Item	Wholesale and retail trade				Transporation and warehousing	Information
	Total	Wholesale trade	Retail trade	Not allocable		
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	15,074	5,611	9,463	--	1,120	1,617
Gross income	1,075,567	391,361	684,205	--	292,163	57,184
Rental real estate expenses, total	608,468	190,892	417,576	--	164,134	22,271
Advertising	1,952	633	1,319	--	330	*2
Auto and travel	2,551	1,621	931	--	*133	*36
Cleaning and maintenance	11,406	3,574	7,832	--	5,140	782
Commissions	4,811	1,926	2,885	--	508	*66
Insurance	14,327	4,348	9,980	--	9,730	646
Legal and other professional fees	18,929	5,721	13,208	--	5,192	507
Interest expense	126,407	40,245	86,162	--	35,948	1,203
Repairs	35,335	11,902	23,433	--	5,509	2,062
Taxes	64,312	21,178	43,134	--	22,606	1,936
Utilities	29,646	10,579	19,068	--	9,055	1,684
Wages and salaries	12,862	9,612	3,250	--	14,729	*574
Depreciation from Form 4562	182,960	55,147	127,813	--	26,934	8,113
Other expenses	102,971	24,408	78,563	--	28,318	4,658
Net gain (less loss) sales of business property	*319	*12	*307	--	*-64	--
Gain	*320	13	*307	--	*25	--
Loss	*1	*1	--	--	90	--
Net Income (less deficit) from partnerships and fiduciaries	47,068	26,706	20,363	--	3,329	27,815
Income	56,610	30,601	26,010	--	4,335	28,494
Deficit	9,542	3,895	5,647	--	1,006	679
Real estate rental net income (less deficit)	514,486	227,187	287,299	--	131,294	62,729
Income	570,652	245,617	325,035	--	134,202	65,428
Deficit	56,165	18,429	37,736	--	2,909	2,699

Footnotes at end of table.

Table 4.--S Corporations With Rental Real Estate Income: Income and Expenses, by Selected Industrial Divisions and Selected Industry Sector--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Finance and insurance	Real estate and rental and leasing		Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services
		Total	Real estate			
	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	3,646	174,560	172,907	7,479	7,634	1,964
Gross income	130,007	25,430,780	25,136,910	235,967	117,022	68,789
Rental real estate expenses, total	95,828	21,236,636	20,945,803	149,351	104,599	61,499
Advertising	196	85,492	85,150	4,233	*157	*128
Auto and travel	267	115,907	113,949	3	193	*9
Cleaning and maintenance	3,926	678,790	672,172	3,952	6,731	931
Commissions	711	104,974	103,952	*206	*439	153
Insurance	3,445	722,600	717,387	2,355	1,729	1,522
Legal and other professional fees	6,617	1,248,800	1,237,343	12,068	2,592	2,221
Interest expense	18,721	5,538,508	5,503,771	28,506	27,148	21,174
Repairs	5,401	1,293,168	1,289,002	13,331	5,068	2,440
Taxes	10,769	2,821,241	2,807,394	19,387	13,188	6,344
Utilities	6,899	1,344,596	1,337,058	8,255	7,415	2,366
Wages and salaries	3,283	1,204,185	1,202,213	934	7,299	*5,259
Depreciation from Form 4562	22,294	3,597,181	3,556,472	34,314	19,724	13,168
Other expenses	13,298	2,481,194	2,319,941	21,806	12,915	5,781
Net gain (less loss) sales of business property	109	117,267	91,970	--	*399	--
Gain	109	124,223	98,926	--	*399	--
Loss	--	6,957	6,957	--	--	--
Net Income (less deficit) from partnerships and fiduciaries	40,364	671,366	671,132	12,918	14,859	12,099
Income	55,159	1,027,478	1,026,894	41,422	86,751	13,112
Deficit	14,795	356,112	355,762	28,503	101,611	1,013
Real estate rental net income (less deficit)	74,652	4,982,776	4,954,208	99,534	2,037	19,390
Income	102,784	7,067,071	7,012,016	156,081	103,698	26,849
Deficit	28,133	2,084,294	2,057,808	56,547	105,735	7,459

Item	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services
	(19)	(20)	(21)	(22)	(23)
Number of returns	121	1,925	2,433	5,099	3,558
Gross income	40,832	138,604	148,530	283,634	126,761
Rental real estate expenses, total	*16,772	96,322	99,698	187,213	91,841
Advertising	--	*185	*495	1,578	*1,410
Auto and travel	--	54	*134	2,874	*5,623
Cleaning and maintenance	*135	2,134	971	5,934	*282
Commissions	--	9	*71	*112	*4,309
Insurance	*280	1,294	3,564	3,732	1,347
Legal and other professional fees	*865	2,297	7,240	6,340	*4,409
Interest expense	*5,181	32,408	39,297	55,952	13,546
Repairs	*1,333	1,848	4,020	8,808	10,735
Taxes	*2,658	4,740	9,554	19,070	11,615
Utilities	*1,364	4,311	11,889	5,887	*1,447
Wages and salaries	*1	*1,366	*1,150	6,191	*20,380
Depreciation from Form 4562	*3,527	31,118	13,756	43,126	12,551
Other expenses	*1,424	14,557	7,555	27,610	4,184
Net gain (less loss) sales of business property	873	--	*38	--	--
Gain	873	--	*38	--	--
Loss	--	--	--	--	--
Net Income (less deficit) from partnerships and fiduciaries	*217	1,788	4,492	11,586	3,215
Income	*219	5,697	7,278	14,109	3,246
Deficit	3	*3,909	2,785	2,524	*31
Real estate rental net income (less deficit)	25,150	44,070	53,363	108,006	38,135
Income	25,504	55,975	73,631	122,323	41,039
Deficit	*354	11,905	20,267	14,316	*2,903

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns not allocable by industrial sector, which are not shown separately.

NOTE: Detail may not add to total because of rounding.

Table 5.--S Corporations: Total Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Number of Shareholders

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Total [1]	Number of shareholders						
		1	2	3	4-10	11-20	21-30	31 or greater
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	3,154,377	1,809,402	937,771	178,185	192,241	15,758	4,143	3,729
Number of shareholders	5,681,443	1,809,402	1,875,542	534,556	976,726	217,965	103,893	163,359
Total assets	2,016,708,482	627,951,845	418,258,107	188,343,701	436,775,303	139,467,568	65,565,487	136,896,789
Total receipts [2]	3,910,926,701	1,387,067,870	1,019,129,942	416,361,289	775,904,446	166,628,657	65,064,188	76,236,681
Business receipts	3,841,281,106	1,366,357,453	1,004,340,966	409,883,914	761,877,272	161,399,317	62,869,478	70,218,320
Interest on Government obligations: State and local [2]	1,236,779	346,011	125,214	76,662	293,341	131,925	71,798	191,499
Net gain, noncapital assets	7,086,227	3,140,351	1,546,052	723,156	1,040,102	339,060	75,357	221,765
Other receipts	61,322,590	17,224,055	13,117,711	5,677,557	12,693,731	4,758,355	2,047,555	5,605,097
Total deductions	3,759,078,454	1,331,150,285	982,297,701	401,912,287	746,301,617	159,519,144	62,066,252	71,263,534
Cost of goods sold	2,386,824,120	793,730,497	630,550,590	271,759,191	502,517,272	101,850,977	37,839,057	45,587,878
Compensation of officers	151,988,774	63,111,345	43,368,415	14,851,865	23,261,274	4,221,478	1,609,881	1,499,365
Salaries and wages	418,993,431	157,496,603	104,822,107	41,115,145	77,320,976	20,057,741	9,263,913	8,598,216
Repairs	24,610,355	9,686,725	6,546,540	2,297,973	4,357,243	1,023,873	315,283	359,042
Bad debts	8,844,398	2,938,380	1,683,442	1,136,213	1,964,578	471,156	231,840	375,434
Rent paid on business property	105,573,552	43,949,640	28,916,479	9,303,397	17,706,353	3,291,780	1,159,669	998,071
Taxes paid	80,827,691	29,971,314	21,292,422	8,094,329	15,101,383	3,446,842	1,413,744	1,443,044
Interest paid	38,783,242	12,588,011	8,947,829	3,718,102	7,630,443	2,486,185	1,024,983	2,358,687
Amortization	5,487,574	1,838,344	1,334,508	423,515	1,207,681	375,564	107,221	188,569
Depreciation	78,299,503	27,487,586	19,237,142	7,810,972	16,013,518	4,173,178	1,503,364	1,937,672
Depletion	343,638	72,634	28,998	46,467	144,964	40,092	4,398	6,086
Advertising	36,889,977	13,360,785	9,792,180	3,636,091	6,972,955	1,592,521	707,755	782,201
Pension, profit-sharing, stock bonus, and annuity plans	16,096,900	6,214,422	3,328,074	1,298,245	2,987,649	852,195	901,701	514,123
Employee benefit programs	34,873,070	10,612,616	8,019,304	3,618,871	8,190,529	2,340,861	1,031,172	1,041,579
Net loss, noncapital assets	853,848	332,063	179,857	77,962	174,223	64,499	9,240	16,003
Other deductions	369,788,383	157,759,320	94,249,814	32,723,949	60,750,577	13,230,204	4,943,031	5,557,565
Total receipts less total deductions [2]	151,848,247	55,917,585	36,832,241	14,449,002	29,602,829	7,109,512	2,997,936	4,973,146
Net income (less deficit) from a trade or business [2]	150,611,468	55,571,573	36,707,027	14,372,340	29,309,487	6,977,587	2,926,138	4,781,648
Net income	215,480,028	87,427,458	51,744,775	19,602,655	38,136,645	9,026,976	3,803,296	5,591,006
Deficit	64,868,559	31,855,884	15,037,748	5,230,315	8,827,158	2,049,389	877,159	809,358
Portfolio income (less deficit) distributed to shareholders	25,861,389	7,987,923	4,868,751	3,073,727	5,846,205	1,711,818	616,232	1,693,774
Dividend income	1,811,654	504,405	224,094	159,928	313,749	162,950	96,424	347,111
Interest income	9,438,865	3,459,162	1,878,239	773,101	2,169,524	589,159	243,185	290,891
Royalty income	597,672	204,652	92,464	57,110	156,900	37,542	25,050	22,568
Net short-term capital gain (less loss)	179,589	63,933	125,748	-35,204	-12,625	-24,226	-15,060	57,882
Net long-term capital gain (less loss)	13,475,631	3,635,289	2,531,672	2,111,472	3,131,986	939,950	265,669	855,760
Other portfolio income (net)	357,978	120,482	16,534	7,320	86,670	6,445	963	119,563
Real estate rental net income (less deficit)	6,623,212	1,414,906	1,388,936	817,378	2,266,711	443,323	162,705	194,739
Net income	9,379,673	2,704,476	1,971,064	1,089,116	2,657,267	544,648	190,241	207,980
Deficit	2,756,461	1,289,570	582,129	271,737	390,556	101,325	27,536	13,241
Net income (less deficit) from other rental activity	382,863	55,454	-1,879	119,011	128,302	55,375	10,989	11,822
Net income	1,236,094	453,161	255,592	194,422	215,453	78,655	20,846	14,176
Deficit	853,230	397,707	257,471	75,412	87,151	23,280	9,857	2,353
Total net income (less deficit)	183,478,933	65,029,857	42,962,835	18,382,456	37,550,705	9,188,104	3,716,063	6,681,984
Net income	246,533,627	96,452,924	57,823,044	23,381,365	45,942,564	11,079,611	4,456,210	7,175,003
Deficit	63,054,694	31,423,067	14,860,209	4,998,909	8,391,859	1,891,507	740,148	493,019

[1] Total includes S corporations for which neither a number of shareholders were reported nor a Schedule K-1, *Shareholder's Share of Income, Credits, Deductions, etc.*, was filed.

[2] Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

NOTE: Detail may not add to totals because of rounding.

Taxable REIT Subsidiaries: Analysis of the First Year's Returns, Tax Year 2001

by Thornton Matheson

The Real Estate Investment Trust (REIT) Modernization Act, Part II, Subpart A of Public Law 106-170, the "Ticket to Work and Work Incentives Improvement Act," enacted on December 17, 1999, created the taxable REIT subsidiary (TRS), which allows a REIT to offer a more complete range of services to its tenants without jeopardizing its status as a REIT. The REIT Modernization Act (RMA) also denied tax deductions for interest on loans from parent REIT's to TRS's in cases of excessive leverage [1].

The RMA mandated that "[t]he Secretary of the Treasury shall conduct a study to determine how many taxable REIT subsidiaries are in existence and the aggregate amount of taxes paid by such subsidiaries" and submit its findings in a report to Congress [2]. This article was written in fulfillment of that mandate and, more generally, to examine the new entities' fiscal characteristics.

In 2001, the year in which the RMA took effect, 480 firms filed Form 8875, *Taxable REIT Subsidiary Election*. Of these, 404 filed Form 1120, *U.S. Corporate Income Tax Return*, and paid $85.4 million in taxes for 2001 [3]. Of these TRS's, 154 were newly established entities and the remainder pre-existing entities. Although TRS's are highly leveraged as a group, with approximately one third of firms showing negative equity on their balance sheets, loans from parent REIT's to TRS's do not appear to be prevalent. Fewer than 8 percent of TRS's have loans from shareholders, and such loans account for less than 4 percent of total TRS debt. TRS's that do have loans from shareholders tend to be more highly leveraged than other TRS's and have negative total equity as a group.

Background

Created by Congress in 1960, REIT's provide a vehicle for investment in real estate. As long as an entity otherwise qualifies as a REIT and distributes at least 90 percent of its income to investors as dividends, those dividends are deducted in computing the REIT's taxable income[4]. Two income tests ensure that REIT's are used predominantly to invest passively in real estate: (1) at least 95 percent of a REIT's income must be derived from "passive" financial investments, including rents, dividends, interest, and capital gains, as opposed to "active" income from business activities; and (2) at least 75 percent of a REIT's income must be derived from real estate sources including rents, mortgages, and capital gains on real estate.

REIT's are restricted in terms of the kinds of services they can provide their tenants. Specifically, a REIT may provide "customary real estate services" to its tenants, but providing more than a de minimis amount of impermissible services (for example, housekeeping services) at a particular property prevents rents from that property from qualifying as rents under the REIT income tests. REIT's argued that the constraints placed on their activities by the "customary services" requirement prevented them from competing effectively with non-REIT real estate firms.

Because REIT's were limited in the services that they could provide their tenants directly, before the enactment of the RMA many REIT's established third-party subsidiaries (TPS's) to provide such services. Since distributions to the parent REIT's from these subsidiaries were dividends, the distributions qualified for the 95-percent income test, but they did not qualify for the 75-percent income test.

In addition to the 95-percent and 75-percent income tests, REIT's must also satisfy several quarterly diversification tests, including: 1) the securities of any one issuer must not constitute more than 5 percent of the value of a REIT's total assets; and 2) prior to the enactment of the RMA, a REIT could not hold more than 10 percent of the voting securities of any issuer other than another REIT [5]. In order to comply with the latter test, a REIT would typically own only 10 percent of the voting shares of a TPS; however, it would own close to 100 percent of the value of nonvoting stock, preferred stock, or debt. To ensure that the subsidiary acted in the best interest of the REIT, the remainder of the voting shares of the TPS were often held by the REIT's managers or shareholders [6].

The REIT Modernization Act

The RMA allowed REIT's to establish taxable REIT subsidiaries, which are subject to the corporate

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income tax, but not to the regular REIT diversification tests. Although securities of a single issuer (other than another REIT) may generally constitute no more than 5 percent of a REIT's assets, securities of one or more TRS's may constitute up to 20 percent of a REIT's assets as measured by fair market value. In addition to the 10-percent limit on REIT holdings of a single entity's voting stock, the RMA added the requirement that a REIT can own no more than 10 percent of the outstanding value of the securities of a single issuer (other than another REIT). Certain exceptions to these rules are allowed: Specifically, a REIT may own 100 percent of the vote and value of a TRS [7]. The RMA also permitted tax-free conversion of TPS's into TRS's. Like dividends from TPS's, dividends from TRS's qualify for the 95-percent income test, but not for the 75-percent income test.

In 2001, there were 404 TRS's with total assets of $19.4 billion and total gross income of $8.1 billion. The total TRS tax bill was $85.4 million.

The RMA placed limits on the amount of interest and rents that a TRS can pay to a parent REIT and on what it could charge tenants for its services. For example, the amendment of section 163(j) to apply to interest paid by a TRS to its parent REIT permits deduction of such interest only if the debt-to-equity ratio of the TRS is at most 1.5, or if the ratio of its interest payments to its net income before interest, net operating losses, and depreciation (i.e., the inverse of its interest coverage ratio) is at most 0.5. The limitation does not apply to interest on debt held by third parties, even if guaranteed by the parent REIT.

Similarly, for rents paid by a TRS to a parent REIT to qualify as rents from real property for purposes of the 95-percent and 75-percent gross income tests, a TRS may rent no more than 10 percent of any property from a parent REIT and must pay rent comparable to that of other tenants. A 100-percent excise tax is levied on income from certain transactions between a parent REIT and its TRS that are found in an audit to be non-arm's length. The 100-percent excise tax does not apply if: 1) the REIT charges substantially comparable rents to tenants who do and do not receive the TRS services; 2) the TRS charges substantially comparable prices for services to REIT tenants and to unrelated third parties; or 3) the gross income from TRS service charges is at least 150 percent of the direct costs of providing those services.

Analysis of the Data

The RMA directed the Treasury Department to publish data on the number of TRS's created subsequent to its passage and on the total amount of corporate tax paid by those entities. In addition, this study provides a more general description of the fiscal characteristics of the TRS's formed in the first year following the RMA's effective date (December 31, 2000), with particular attention to the potential for earnings stripping.

The data used for this analysis were compiled by the Internal Revenue Service's Statistics of Income division (SOI) from REIT Form 1120-REIT and TRS Form 1120, *U.S. Corporate Income Tax Return*, and Form 8875, *Taxable REIT Subsidiary Election*. The corporations analyzed are TRS's that filed Form 8875 as well as Form 1120 for Tax Year 2001. The data on these TRS's are from the SOI Corporate Database or the IRS Business Master File (BMF). The BMF includes all corporate tax returns from a given tax year, for which a limited number of items from Form 1120 are available. The SOI Corporate Database is a stratified probability sample of the BMF that captures most Form 1120 entries. Although the Corporate Database generally weights firms according to asset size and income, the data used in this study were selected by employer identification number to match firms that filed Form 8875 in 2001 and are unweighted because they represent the universe of TRS's.

For 2001, a total of 404 firms in either the SOI Corporate Database or the IRS BMF filed both Form 8875 and Form 1120. These 404 TRS's identified a total of 183 different REIT's as whole or partial owners of their equity. Ten of the TRS's were wholly or partially (at least one-third) foreign-owned. Figure A describes the distribution of ownership among TRS's and their parent REIT's in 2001. About 86 percent of all TRS's (347 out of 404) had only one parent REIT, while the remainder had multiple REIT shareholders. About half of all parent REIT's had only one TRS, while some established multiple subsidiaries.

Figure A

Real Estate Investment Trusts and Taxable REIT Subsidiaries, 2001

Number of Parent REIT's per TRS

Number of Parent REIT's	Number of TRS's
Total	404
1	347
2	43
3	7
4 or more	7

Number of TRS's per Parent REIT

Number of TRS's	Number of Parent REIT's
Total	183
1	96
2	35
3	19
4	6
5	7
6	7
7 or more	13

[1] TRS = Taxable real estate investment trust subsidiaries.
[2] REIT = Real estate investment trusts

Figure B shows 2001 Form 1120 variables for 173 of the 183 parent REIT'S represented in either the SOI Corporate Database or the BMF, stratified according to asset class [8]. The REIT total asset value was $221 billion, and their total income was $26.2 billion. Eighty percent of the parent REIT's had more than $100 million in assets, and 38 percent had more than $1 billion in assets. Comparison of columns 3 and 4 of Figure B shows that REIT's with more than $1 billion in assets were more likely to hold shares in multiple TRS's.

Figure B

Real Estate Investment Trusts: Selected Items, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Asset size	Number of REIT's	Number of TRS's owned	Total assets	Total income
	(1)	(2)	(3)	(4)
Total	**173**	**495**	**221,085,239**	**26,201,325**
Less than $100,000,000	35	65	1,236,563	604,344
$100,000,000 under $1,000,000,000	73	144	29,542,653	4,687,679
More than $1,000,000,000	65	286	190,306,023	20,909,302

Totals of Form 1120 values for TRS's are shown in Figure C, stratified according to TRS asset class. In 2001, there were 404 TRS's with total assets of $19.4 billion and total gross income of $8.1 billion. Total deductions exceeded total income, yielding negative net income of -$151 million. Only the 42 TRS's in the largest asset group, firms with assets of more than $100 million, had positive total net income ($310.8 million). The total TRS tax bill was $85.4 million, 60 percent of which was paid by the 42 TRS's with more than $100 million in assets.

Figures D and E break the full TRS sample into two subsets: TRS's that filed tax returns (mostly Form 1120) prior to 2001, indicating that they were pre-existing entities that elected TRS status, and TRS's that filed their first returns in 2001, indicating that they were newly established enterprises. Comparison of Figures D and E shows that members of the newly established TRS group were more likely to have positive net income than members of the group of older firms. Figure D shows that total 2001 net income for preexisting TRS's was -$352.6 million, as compared to $201.6 million in total net income for the newly established group shown in Figure E. For both subsamples, TRS's with more than $100 million in assets had positive total net income. With the exception of new TRS's with assets of less than $1 million, all of the smaller asset classes had negative total net income.

Total taxes paid by TRS's established before 2001 were $75.7 million; total taxes paid by newly established TRS's were $9.8 million. Whereas preexisting TRS tax remittances followed the pattern observed in the total sample--the largest TRS's payed the lion's share of taxes--remittances from newly established TRS's were spread more evenly among all sizes of firms. Newly established TRS's with less than $1 million in assets paid more in total taxes than the other three asset groups. Among preexisting TRS's, firms with more than $100 million in assets accounted for about two-thirds of tax remittances, while, among newly established TRS's, such firms accounted for only slightly more than 10 percent of tax remittances in 2001.

Figure C

Selected Items from U.S. Corporation Income Tax Returns for Taxable Real Estate Investment Trust Subsidiaries, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Item	Asset size				
	Total	Less than $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $100,000,000	More than $100,000,000
	(1)	(2)	(3)	(4)	(5)
Number of subsidiaries	**404**	**165**	**96**	**101**	**42**
Total assets	19,428,365	17,813	453,780	3,278,217	15,678,554
Gross receipts	9,517,414	74,145	1,007,080	1,441,543	6,994,645
Cost of goods sold	4,275,800	19,318	144,372	219,246	3,892,864
Gross profits	5,241,615	54,827	862,709	1,222,298	3,101,781
Nonoperating income	2,868,001	7,503	82,919	1,002,166	1,775,413
Total income	8,109,616	62,330	945,628	2,224,463	4,877,194
Total deductions	8,260,585	85,478	1,046,332	2,562,401	4,566,373
Net income (loss)	-150,969	-23,148	-100,704	-337,938	310,821
Total taxes	85,444	5,112	3,889	25,313	51,130

The impact of the RMA's limitations on rental and service charges cannot be gauged from the available tax data. However, the data do permit analysis of the RMA's limitation relating to loans between parent REIT's and their subsidiaries. TRS inverse interest coverage ratios can be calculated from data given on the first page of Form 1120, and data on their debt-to-equity ratios and loans from shareholders are provided on Schedule L. Figure F provides summary statistics of these data. Because Schedule L data were not available for the 65 firms in the BMF database, and 56 of the (mostly smaller) firms in the SOI Corporate Database did not provide Schedule L data, the sample includes only 276 firms.

Figure F shows that loans from shareholders were not widespread among TRS's in 2001: Less than 4 percent of total TRS debt was held by shareholders. Some 180 of the 276 TRS's for which there

Figure D

Selected Items from U.S. Corporation Income Tax Returns for Taxable Real Estate Investment Trust Subsidiaries Established Prior to 2001, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Item	Asset size				
	Total	Less than $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $100,000,000	More than $100,000,000
	(1)	(2)	(3)	(4)	(5)
Number of subsidiaries	**250**	**80**	**67**	**72**	**31**
Total assets	11,811,959	8,386	304,802	2,302,561	9,196,209
Gross receipts	4,074,474	38,370	454,546	1,198,198	2,383,360
Cost of goods sold	1,440,877	18,187	38,480	197,236	1,186,974
Gross profits	2,633,597	20,183	416,066	1,000,962	1,196,387
Nonoperating income	1,944,560	-8,339	64,402	932,295	956,202
Total income	4,578,157	11,843	480,468	1,933,257	2,152,589
Total deductions	4,930,721	45,186	516,111	2,246,887	2,122,538
Net income (loss)	-352,563	-33,342	-35,642	-313,630	30,051
Total taxes	75,664	122	3,300	22,368	49,874

Figure E

Selected Items from U.S. Corporation Income Tax Returns for Taxable Real Estate Investment Trust Subsidiaries Established in 2001, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Item	Asset size				
	Total	Less than $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $100,000,000	More than $100,000,000
	(1)	(2)	(3)	(4)	(5)
Number of subsidiaries	**154**	**85**	**29**	**29**	**11**
Total assets	7,616,406	9,427	148,978	975,656	6,482,345
Gross receipts	5,442,940	35,775	552,534	243,346	4,611,285
Cost of goods sold	2,834,923	1,131	105,892	22,010	2,705,891
Gross profits	2,608,017	34,644	446,643	221,336	1,905,394
Nonoperating income	923,441	15,843	18,517	69,871	819,211
Total income	3,531,458	50,487	465,159	291,206	2,724,605
Total deductions	3,329,864	40,292	530,221	315,515	2,443,836
Net income (loss)	201,594	10,195	-65,062	-24,308	280,770
Total taxes	9,780	4,990	589	2,945	1,257

Figure F

Selected Items from U.S. Corporation Income Tax Returns for Taxable Real Estate Investment Trust Subsidiaries, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Item	Asset size				
	Total	Less than $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $100,000,000	More than $100,000,000
	(1)	(2)	(3)	(4)	(5)
Total assets	19,145,262	12,902	400,200	3,155,506	15,576,653
Total debt	11,860,490	27,333	424,805	2,254,942	9,153,410
Loans from shareholders	395,687	122	52,922	121,486	221,158
Total equity	7,284,772	-14,431	-24,605	900,564	6,423,243
Number of subsidiaries	276	50	87	98	41
Number of subsidiaries with debt/equity ratio ≤ 1.5	101	22	29	38	12
Number of subsidiaries with inverse interest coverage ratio ≥ 0.5	151	43	53	38	17
Number of subsidiaries passing either debt/equity or interest coverage test	180	46	60	54	20
Number of subsidiaries with negative equity	86	25	29	26	6

were Schedule L data would have qualified to deduct interest on loans from parent REIT's: 101 TRS's had nonnegative debt-to-equity ratios of at most 1.5, and 151 TRS's had nonnegative inverse interest coverage ratios of at most 0.5. Figure F also shows that TRS's tend to be highly leveraged: 86 of the 276 TRS's have negative equity, and total equity is negative for firms with less than $10 million in assets.

Figure G shows the Schedule L data for the subset of TRS's that had outstanding loans from shareholders in 2001. Because this group of 21 firms is relatively small, the data had to be aggregated into larger asset size groups and data on debt-to-equity and interest coverage ratios suppressed in order to preserve confidentiality. Fewer than 8 percent of TRS's that provided Schedule L data had outstanding loans from shareholders in 2001. For this group, total loans from shareholders accounted for 9.6 percent of total debt, but this ratio varied greatly according to asset size. Loans from shareholders constituted a much higher percentage of total debt for TRS's with less than $10 million in assets than for larger TRS's, which presumably had greater access to other sources of credit. Twelve of the 21 TRS's with

Figure G

Selected Items from U.S. Corporation Income Tax Returns for Taxable Real Estate Investment Trust Subsidiaries with Loans from Shareholders, by Total Asset Size, 2001

[Money amounts are in thousands of dollars]

Item	Asset size			
	Total	Less than $10,000,000	$10,000,000 under $100,000,000	More than $100,000,000
	(1)	(2)	(3)	(4)
Total assets	2,001,192	33,192	283,078	1,684,922
Total debt	2,021,460	65,977	233,139	1,722,343
Loans from shareholders	395,687	53,044	121,486	221,158
Total equity	-20,268	-32,786	49,939	-37,421
Number of subsidiaries	21	9	6	6
Number of subsidiaries passing either debt/equity or interest coverage test	12	6	3	3
Number of subsidiaries with negative equity	11	5	3	3

loans from shareholders qualified to deduct interest on loans from shareholders under either the debt-to-equity or the interest coverage ratio tests.

TRS's with loans from shareholders are even more highly leveraged as a group than the full sample of TRS's. Total equity for this subsample was negative, and slightly more than half of the firms had negative equity, as compared to 31 percent of the sample in Figure F.

Conclusion

The REIT Modernization Act of 1999 changed the REIT asset tests to allow the creation of wholly owned corporate subsidiaries that could offer noncustomary services. In the year that the legislation took effect (2001), 183 REIT's responded by establishing 404 taxable REIT subsidiaries, 154 of which were newly created firms and the remainder of which were pre-existing entities. In 2001, these 404 TRS's generated $8.1 billion in gross income with assets of $19.4 billion, and had negative net income of -$151 million. Pre-existing entities (such as TPS's) that elected to be taxed as TRS's were more likely than newly established TRS's to have negative net income. TRS's paid a total of $85.4 million in taxes in 2001, some 60 percent of which came from the 10 percent of TRS's with more than $100 million in assets.

In general, TRS's tend to be highly leveraged: Close to a third of the TRS's that filed Schedule L's showed negative equity on their balance sheets. However, TRS borrowing from parent REIT's does not appear to be prevalent: Fewer than 8 percent of TRS's reported positive loans from shareholders, and debt to shareholders accounted for less than 4 percent of total TRS debt. TRS's with loans from shareholders tend to be more thinly capitalized than average. More than half of these firms had negative equity, and 52 percent qualified under either the debt-to-equity or the interest coverage ratio tests for interest deductibility on those loans, compared to a qualification rate of 65 percent for the full sample of TRS's.

Footnotes

[1] This change was accomplished by applying paragraph (3) of section 163(j) of the Internal Revenue Code.

[2] Ticket to Work and Work Incentives Improvement Act of 1999, Public Law 106-170, December 17, 1999, Title V, Part II, Subpart A, Section 457.

[3] The number of Form 8875 filings likely exceeds the number of Form 1120 filings because some firms filed Form 8875 prospectively and either did not initiate business in 2001 or otherwise did not qualify.

[4] Between 1980 and 2000, REIT's were required to distribute at least 95 percent of their incomes in order for the REIT provisions, including the

deduction for dividends paid, to apply. The REIT Modernization Act reduced this ratio to its original 90 percent, equal to the distribution requirement for regulated investment companies (RIC's).

[5] The RMA amended the second asset diversification test to require that a REIT hold no more than 10 percent of the vote or value of a non-REIT's securities.

[6] Joint Committee on Taxation (2001), *General Explanation of Tax Legislation Enacted in the 106th Congress*, Washington, DC, U.S. Government Printing Office, p. 68.

[7] Other exceptions to the 10-percent vote or value restriction include straight debt, mortgage loans from a REIT to its TRS, and certain grandfathered securities held or contracted for by a REIT as of July 12, 1999.

[8] Since the BMF contains all business returns filed in a given tax year, the ten missing REIT's likely did not file 1120's in 2001.

U.S. Sole Proprietorships: A Gender Comparison, 1985-2000

by Ying Lowrey

Between 1985 and 2000, female-owned sole proprietorships grew at a faster rate than those owned by men. Their numbers increased at an average annual rate of 4.1 percent compared with just 2.2 percent for male-owned sole proprietorships. The business receipts of these female-owned businesses grew at more than twice the rate of businesses owned by men, and the profits increased at an average annual rate of 6.9 percent compared with a 3.9-percent growth rate for male-owned businesses. Despite this greater growth, for 2000, women sole proprietors comprised a minority, owning 37.4 percent of these businesses. The receipts and net income from these female-owned businesses represented an even smaller share of sole proprietorship totals for 2000.

Using the 1985-2000 U.S. sole proprietorship datasets, tabulated for the Small Business Administration (SBA) by the Statistics of Income (SOI) Division of the Internal Revenue Service, this article attempts to answer several research questions. What are the growth patterns of male and female sole proprietorships? Is there gender segregation among business owners? This article first discusses the role of sole proprietorships in the U.S. economy and gives descriptions of sole proprietorship business size, owner's marital status, 10 major business activities, 6 broad industries, and the 10 most populous States. It then summarizes major findings from the dataset in the conclusion.

Sole Proprietorship Basics

A sole proprietorship is an unincorporated business with a single owner--the most common legal form of ownership for new businesses [1]. For tax purposes, the business's income, assets, and liabilities belong directly to the business owner [2]. The tax liability is determined by the business owner's individual tax rate. No separate tax schedule applies. Simplicity is the advantage of this legal form of ownership.

Sole proprietorships are comparatively great in number and small in size. Most U.S. firms (72.6 percent in 1997)--and an even larger percentage of female-owned businesses (84.8 percent)--operate as sole proprietorships (see Figure A). Most are small: the average dollar value of U.S. sole proprietorship gross receipts in 1997 ($58,000) was lower than that of all other legal forms of organization. For example, it was about 1 percent of the average gross receipts of corporations and just more than 11 percent of those of partnerships. The average receipts for sole proprietorships owned by women were even lower at about $31,000.

More than 50 percent of sole proprietors simultaneously earned salaries and wages along with their business incomes in 1999 (see Figure B). The majority of these individuals' combined earned incomes were comprised of their salaries. While male sole proprietors, who also had salaries, earned an average of $43,022 in salary and wages and $7,863 in sole proprietorship net income in 1999, their female counterparts made about half of these two figures: $21,830 and $3,905, respectively. For those without salaries and wages, female sole proprietors earned an average of $11,927 net income, about 48.6 percent as much as their male counterparts.

Sole Proprietorship Growth

Figure C shows growth rates and gender makeup for nonfarm sole proprietorships. While the total number of sole proprietorship businesses increased by 49.4 percent between 1985 and 2000, the growth for female sole proprietorships (81.5 percent) was more than twice that of male sole proprietorships (38.9 percent). Over the same time period, business receipts for female-owned sole proprietorships grew about three times more than those reported by sole proprietorships owned by men (76.4 percent compared with 25.2 percent). For female-owned sole proprietorships, net income reported for 2000 was more than 166 percent of that for 1985. In comparison, taxable profits for male-owned sole proprietorships went up by 73.1 percent over the same time period. (Growth rates are calculated using constant dollars.)

In terms of annual growth, female nonfarm sole proprietorships outperformed the other two groups (male businesses and male and female jointly-owned businesses): their business numbers grew 4.08 percent annually on average, gross receipts by 3.96 percent, and net income by 6.92 percent. The growth

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Figure A

Legal Forms of Organization: Number and Percent of Firms, and Average Receipts, by Gender, 1997

[Money amounts are in thousands of dollars]

Legal form of organization	All U.S. firms			Women-owned firms			Men-owned firms and other firms [1]		
	Firms		Average receipts	Firms		Average receipts	Firms		Average receipts
	Number	Percent		Number	Percent		Number	Percent	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
U.S. Total	**20,821,934**	**100.0**	**891**	**5,417,034**	**100.0**	**151**	**15,404,900**	**100.0**	**1,151**
C corporations	2,390,478	11.5	5,811	314,659	5.8	1,166	2,075,819	13.5	6,516
Subchapter S corporations	1,979,425	9.5	1,504	335,619	6.2	814	1,643,806	10.7	1,645
Sole proprietorships	15,122,882	72.6	58	4,595,571	84.8	31	10,527,311	68.3	69
Partnerships	1,226,455	5.9	507	166,027	3.1	191	1,060,428	6.9	556
Other [2]	102,694	0.5	1,853	5,176	0.1	1,029	97,518	0.6	1,897

[1] "Other firms" include equally men/women-owned, and publicly held, foreign-owned, and nonprofit firms.

[2] "Other" includes cooperatives, receiverships, estates, and businesses classified as unknown legal forms of organization.

NOTES: Receipts are average business receipts per firm in 1997. Because of differences in data sources and definitions, figures in this table differ from those based on Internal Revenue Service data. For a detailed explanation of differences, see the Appendix.

SOURCE: Survey of Women-Owned Business Enterprises, 1997.

Figure B

Nonfarm Sole Proprietors With and Without Salaries and Wages and With Schedule C Net Income or Loss, by Gender, Tax Year 1999

[Money amounts are in thousands of dollars, except as noted]

Gender	All sole proprietors		
	Number of sole proprietors	Salaries and wages	Schedule C net income/loss
	(1)	(2)	(3)
Total	**18,596,656**	**329,677,806**	**240,395,320**
Male	11,482,121	249,841,272	184,876,821
Female	7,114,535	79,836,534	55,518,499

Gender	Sole proprietors with salaries and wages					
	Number of sole proprietors	Percent in all sole proprietors	Salaries and wages	Schedule C net income/loss	Average salaries and wages (whole dollars)	Average Schedule C net income/loss (whole dollars)
	(4)	(5)	(6)	(7)	(8)	(9)
Total	**9,464,539**	**50.89**	**329,677,806**	**59,947,540**	**34,833**	**6,334**
Male	5,807,339	50.58	249,841,272	45,664,773	43,022	7,863
Female	3,657,200	51.40	79,836,534	14,282,767	21,830	3,905
Female as percent ratio of male-operated sole proprietors					50.74	49.67

Gender	Sole proprietors without salaries and wages					
	Number of sole proprietors	Percent in all sole proprietors	Salaries and wages	Schedule C net income/loss	Average salaries and wages (whole dollars)	Average Schedule C net income/loss (whole dollars)
	(10)	(11)	(12)	(13)	(14)	(15)
Total	**9,132,117**	**49.11**	**--**	**180,447,780**	**N/A**	**19,760**
Male	5,674,782	49.42	--	139,212,048	N/A	24,532
Female	3,457,336	48.60	--	41,235,731	N/A	11,927
Female as percent ratio of male-operated sole proprietors					N/A	48.62

N/A--Not applicable.

NOTE: Schedule C is entitled *Profit or Loss from Business (Sole Proprietorship),* and Form W-2 is entitled *Wage and Tax Statement*.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division. The data are collected from Schedules C matched with Forms W-2 based on Tax Year 1999.

Figure C

Percentage Growth Rate and Gender Makeup of Nonfarm Sole Proprietors: Number of Businesses, Gross Receipts, and Net Income, Tax Years 1985-2000

Item	Total	Male	Female	Male and female
	(1)	(2)	(3)	(4)
	Overall growth rate of 1985-2000 (percent)			
Number of businesses	49.37	38.86	81.54	-39.91
Gross receipts	29.71	25.18	76.39	-24.72
Net income	87.03	73.12	166.35	14.30
	Average annual growth rate (percent)			
Number of businesses	2.72	2.22	4.08	-1.93
Gross receipts	1.79	1.55	3.96	0.17
Net income	4.40	3.88	6.92	12.32
	Average annual makeup (percent)			
Number of businesses	100.00	64.00	34.00	2.00
Gross receipts	100.00	81.00	15.00	3.00
Net income	100.00	80.00	19.00	1.00

NOTE: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP).

rates for male-owned sole proprietorships for number of businesses and net income were only a little more than half of those reported for female-owned businesses, while the annual growth rate for receipts was only about 39 percent of that shown by females. Despite the decline of male and female jointly-owned businesses by nearly 2 percent (1.93) annually, business receipts for these sole proprietorships grew 0.17 percent on average, and net income grew 12.32 percent.

Because of the comparative increased growth in female-owned businesses in relation to male-owned or jointly-owned businesses, the proportion of female-owned businesses grew, from less than 31 percent of the total number of sole proprietorships in 1985 to more than 37 percent in 2000. At the same time, the percentage of male sole proprietorships and male and female joint sole proprietorships declined. In 1985, the share of male sole proprietorships was 65.9 percent, and for male and female joint sole proprietorships, 3.3 percent. These shares of total sole proprietorship businesses declined to 61.3 percent and 1.3 percent for 2000, respectively.

Business Size

For this article, the principal measure of sole proprietorships' income was gross receipts, with seven categories ranging from under $5,000 to $200,000 and over [3].

For 1985 through 2000, an average of 29.2 percent of male sole proprietorships had annual sales below $5,000 in 1996 dollars and accounted for 0.8 percent, on average, of all male sole proprietorship gross receipts (see Figures D and E). More female sole proprietorships--41.0 percent on average--were in this size group and accounted for about 3.3 percent of all female sole proprietorships' receipts. An average of 7.7 percent of male sole proprietorships made more than $200,000 in sales annually and accounted for 59.2 percent of their gross receipts each year. These figures for large-receipt female sole proprietorships were just 3.0 percent and 35.0 percent, respectively.

Medium-sized firms (with receipts of $25,000 and under $200,000) accounted for 45.4 percent of total gross receipts for female sole proprietorships (see Figure F). By contrast, business receipts were less evenly distributed among male sole proprietorships, with medium-sized businesses reporting 34.3 percent of total receipts for male sole proprietors.

Figure G shows that, between 1985 and 2000, the smallest sole proprietorships (receipts under $5,000) made about $1,700 in annual average gross receipts (for both men and women). Disparities appear among the larger businesses. For example, among the group earning $200,000 and over, while female sole proprietorships made an average of

Figure D

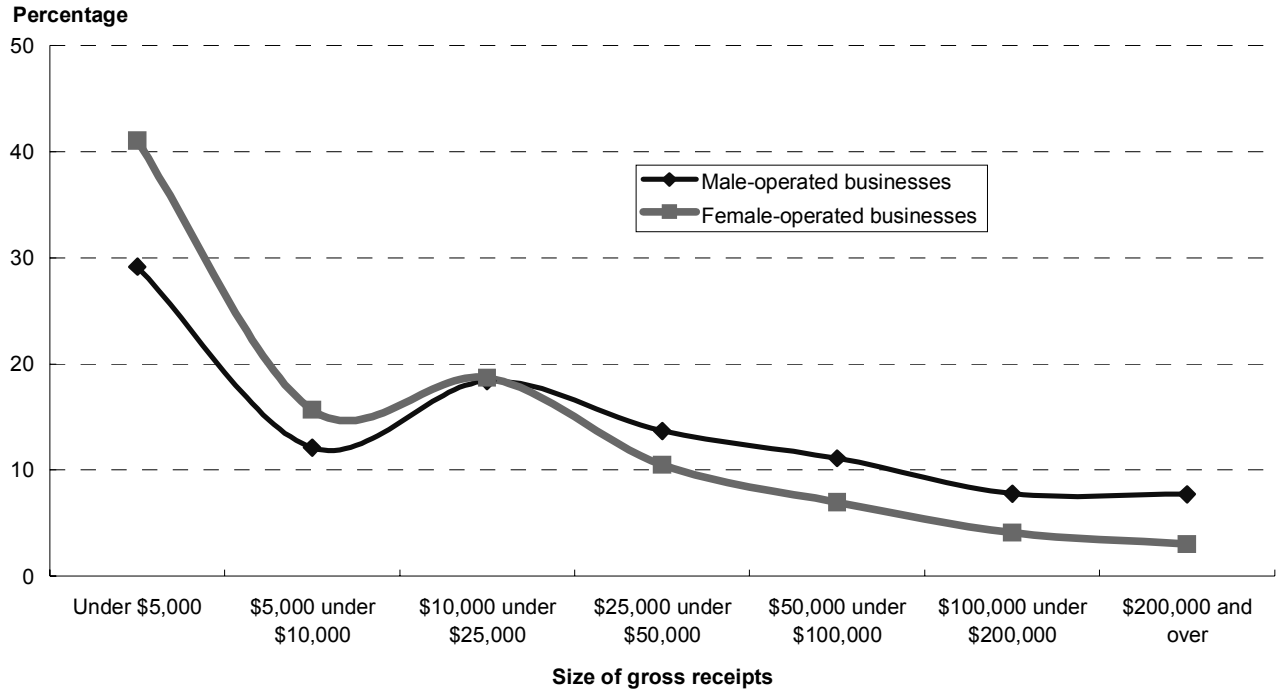
Average Percentage of Nonfarm Sole Proprietorships and Gross Receipts, by Size of Gross Receipts and by Gender, Tax Years 1985-2000

Gender, item	Size of gross receipts						
	Under $5,000	$5,000 under $10,000	$10,000 under $25,000	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Percentages						
All businesses:							
Number	33.29	13.26	18.42	12.57	9.72	6.56	6.18
Gross receipts	1.21	1.80	5.49	7.99	12.08	15.79	55.65
Male-operated businesses:							
Number	29.16	12.14	18.39	13.69	11.12	7.78	7.72
Gross receipts	0.83	1.31	4.42	7.14	11.46	15.66	59.19
Female-operated businesses:							
Number	41.01	15.68	18.68	10.51	6.97	4.11	3.04
Gross receipts	3.31	4.63	11.62	13.02	15.80	16.58	35.04
Male and female-operated businesses:							
Number	33.04	8.34	15.36	12.22	11.58	9.21	10.24
Gross receipts	0.64	0.76	3.22	5.40	10.15	15.40	64.42

NOTE: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP). The sum of each row may not add to 100 percent because of rounding.

Figure E

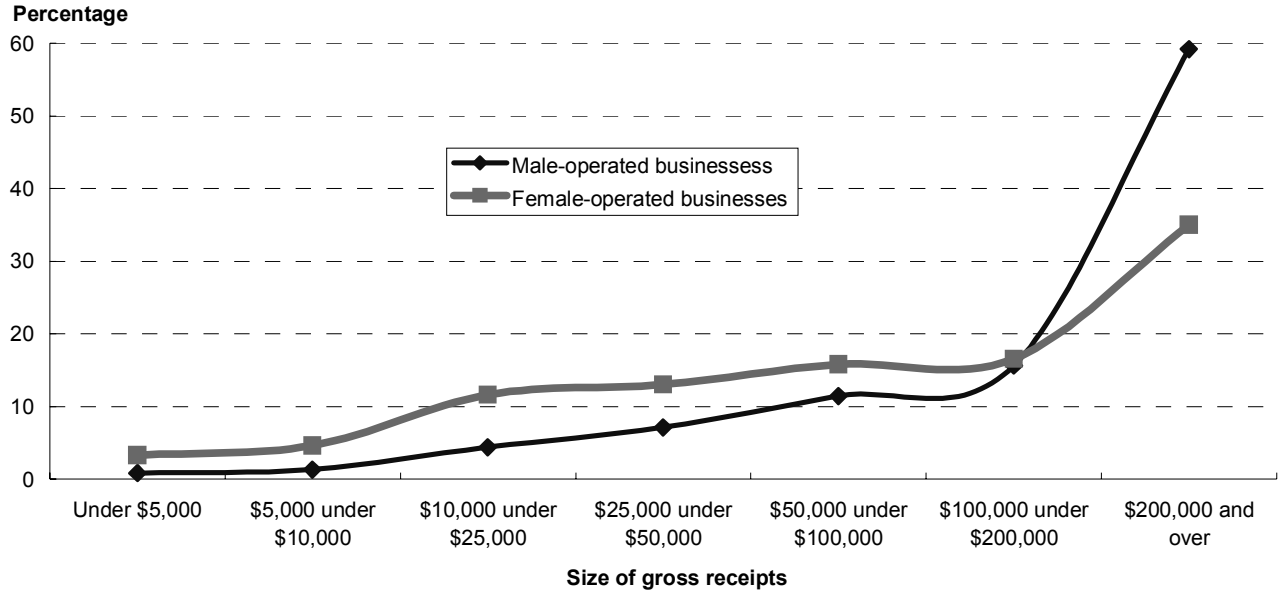
Average Percentage of Nonfarm Sole Proprietorships, by Gender and Size of Gross Receipts, Tax Years 1985-2000



NOTE: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP).

Figure F

Average Percentage of Gross Receipts of Nonfarm Sole Proprietorships, by Gender and Size of Gross Receipts, Tax Years 1985-2000



NOTE: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP).

Figure G

Nonfarm Sole Proprietorships: Average, Standard Deviation, and Coefficient of Variation of Gross Receipts per Sole Proprietorship, by Size of Gross Receipts and Gender, Tax Years 1985-2000

[Money amounts are in whole dollars]

Item	Size of gross receipts							
	Total	Under $5,000	$5,000 under $10,000	$10,000 under $25,000	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All businesses							
Average	48,778	1,755	6,587	14,455	30,846	60,532	117,365	442,442
Standard deviation	4,051	51	99	156	398	875	1,455	35,559
Coefficient of variation (percent)	8.3	2.9	1.5	1.1	1.3	1.5	1.2	8.0
	Male-operated businesses							
Average	62,239	1,760	6,671	14,899	32,300	64,010	125,137	480,891
Standard deviation	4,534	72	96	179	348	745	1,853	43,045
Coefficient of variation (percent)	7.3	4.1	1.4	1.2	1.1	1.2	1.5	9.0
	Female-operated businesses							
Average	21,919	1,767	6,463	13,597	27,145	49,710	88,782	254,472
Standard deviation	1,144	59	125	238	821	1,845	4,001	23,583
Coefficient of variation (percent)	5.2	3.3	1.9	1.8	3.0	3.7	4.5	9.3
	Male and female-operated businesses							
Average	72,487	1,381	6,576	14,983	31,769	63,036	121,828	455,662
Standard deviation	8,576	245	409	982	2,797	3,338	9,025	33,319
Coefficient of variation (percent)	11.8	17.7	6.2	6.6	8.8	5.3	7.4	7.3

NOTES: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP). Standard Deviation (SD) is a measure of how widely values are dispersed from the average value. It can be used here as an indicator of the consistency of the data in each size group between 1985 and 2000. A smaller SD indicates the data are more consistent. Coefficient of variation is the ratio of the standard deviation to the average expressed as a percent, used in this table to measure the relative variability of the gross receipts per sole proprietorship in each size group. A smaller coefficient of variation implies the variable is relatively more consistent.

$254,472 in annual gross receipts, male sole proprietorships made nearly double that amount, with an average of $480,891.The coefficients of variation in the table indicate that not only did men earn higher business receipts, but also earned them more consistently than women.

Figure H demonstrates that female sole proprietorships grew faster than those of their male counterparts at all levels of business receipts during 1985-2000. For example, female businesses earning $200,000 or higher gross sales grew on average 2.45 percent in number and 4.16 percent in receipts per year between 1985 and 2000, while the number of male sole proprietors in the same category dropped 0.10 percent, and gross sales grew on average merely 1.75 percent per year during the same period.

Owner's Marital Status

Taxpayers claim one of five marital status categories on their tax returns. Joint returns of married couples accounted for, on average, 73.1 percent of the tax returns of male sole proprietorships, and 64.8 percent of female sole proprietorships between 1985 and 2000 (see Figure I) [4]. The remaining sole proprietorship returns were filed by single men (21.6 percent) and single women (22.8 percent); head of household, 3.6 percent for male sole proprietorships and 10.9 percent for female sole proprietorships; and married persons who chose to file separately from their spouses, 1.6 percent for male sole proprietorships and 1.5 percent for female sole proprietorships.

The percentage of male sole proprietors who were married and filed their income tax returns jointly with their spouses declined from 78 percent in 1985 to 69 percent in 2000. These two figures for female sole proprietors were 70 percent and 59 percent, respectively [5]. The share of gross receipts earned by married proprietors also dropped over this period from 85 percent to 77 percent for men, and from 70 percent to 62 percent for women. The net income shares declined from 85 percent to 79 percent for married men, and from 67 percent to 59 percent for married women.

The share of male sole proprietors filing as unmarried heads of household with dependents increased from 2 percent to 6 percent between 1985 and 2000, with concomitant growth in their receipts (from 2 percent to 4 percent) and net incomes (also 2 percent to 4 percent). Unmarried female sole proprietors with dependents grew in number from 8 percent in 1985 to 15 percent in 2000. Their gross

Figure H

Average Annual Growth Rate of Number of Nonfarm Sole Proprietorships and Gross Receipts, by Size of Gross Receipts and Gender, Tax Years 1985-2000

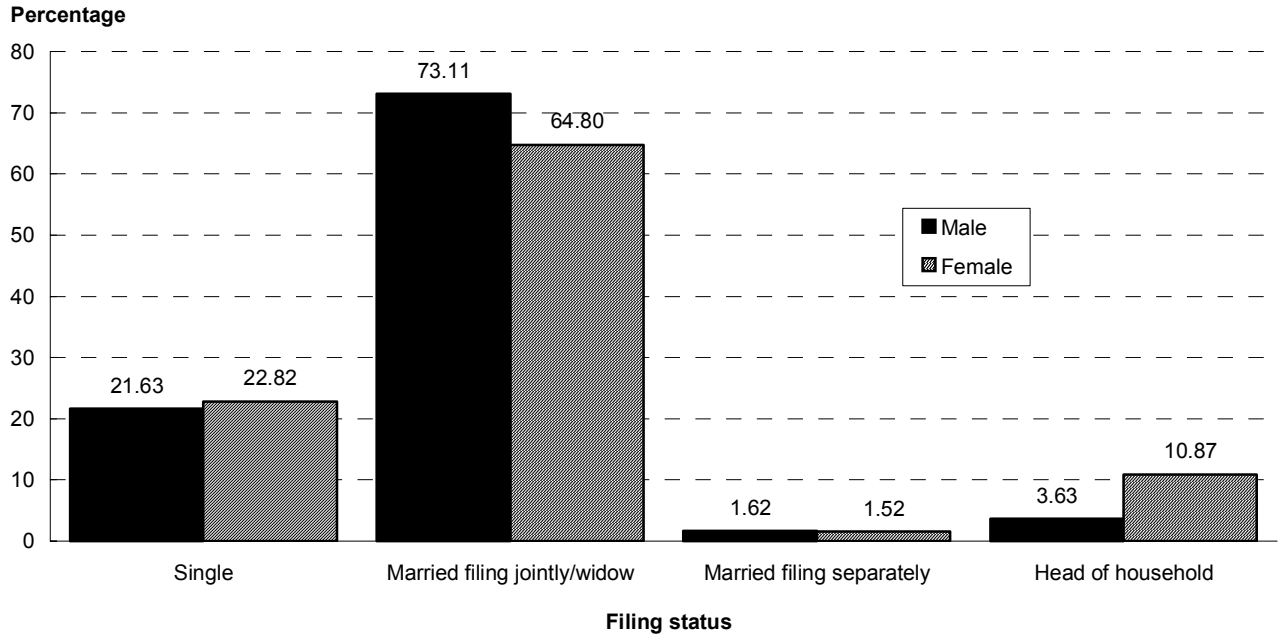
[Money amounts are in whole dollars]

Item	Size of gross receipts							
	Total	Under $5,000	$5,000 under $10,000	$10,000 under $25,000	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All businesses							
Number of proprietorships	2.72	3.80	2.97	2.88	2.84	1.65	0.97	0.11
Gross receipts	1.79	3.05	2.85	2.88	2.79	1.60	1.14	1.80
	Male-operated businesses							
Number of proprietorships	2.22	3.51	2.58	2.32	2.71	1.22	0.51	-0.10
Gross receipts	1.55	2.36	2.45	2.30	2.59	1.28	0.68	1.75
	Female-operated businesses							
Number of proprietorships	4.08	4.59	3.96	4.31	3.82	3.83	3.08	2.45
Gross receipts	3.96	4.40	3.83	4.53	4.16	3.93	3.92	4.16
	Male and female-operated businesses							
Number of proprietorships	-1.93	-2.29	5.54	-0.75	0.71	3.48	3.72	-0.23
Gross receipts	0.17	-2.30	4.87	-1.21	-0.07	4.04	2.86	0.77

NOTE: All figures are estimates based on samples and on 1996 Overall Implicit Price Deflator/Inflator for Gross Domestic Product (GDP).

Figure I

Average Percentage of Male and Female Nonfarm Sole Proprietors, by Filing Status and Gender, Tax Years 1985-2000



receipts grew from 9 percent to 12 percent and their net incomes from 11 percent to 16 percent.

Figure J shows average business gross receipts and net incomes for sole proprietorships, by marital status. Female sole proprietors as heads of household had business receipts less than half as much as their male counterparts with the same filing status; female average net income was little more than $7,000, nearly $3,000 less than that of their male counterparts.

Major Business Activities

Figure K shows the distribution of male and female-owned sole proprietorships across major business activities. These activities have the most businesses among sole proprietors over the years of this study and cover a disproportionate share of female businesses (51.9 percent) compared with male sole proprietorships (28.4 percent).

Figure K also shows gender segregation in most of these business activities, with carpentering and floor contractor and miscellaneous special trade contractors dominated by men, while beauty shops and child day care are dominated by women. The most concentrated activity for women (19.8 percent) was door-to-door sales, followed by child day care (16.8 percent), other business services (14.9 percent), miscellaneous personal services (13.7 per-

Figure J

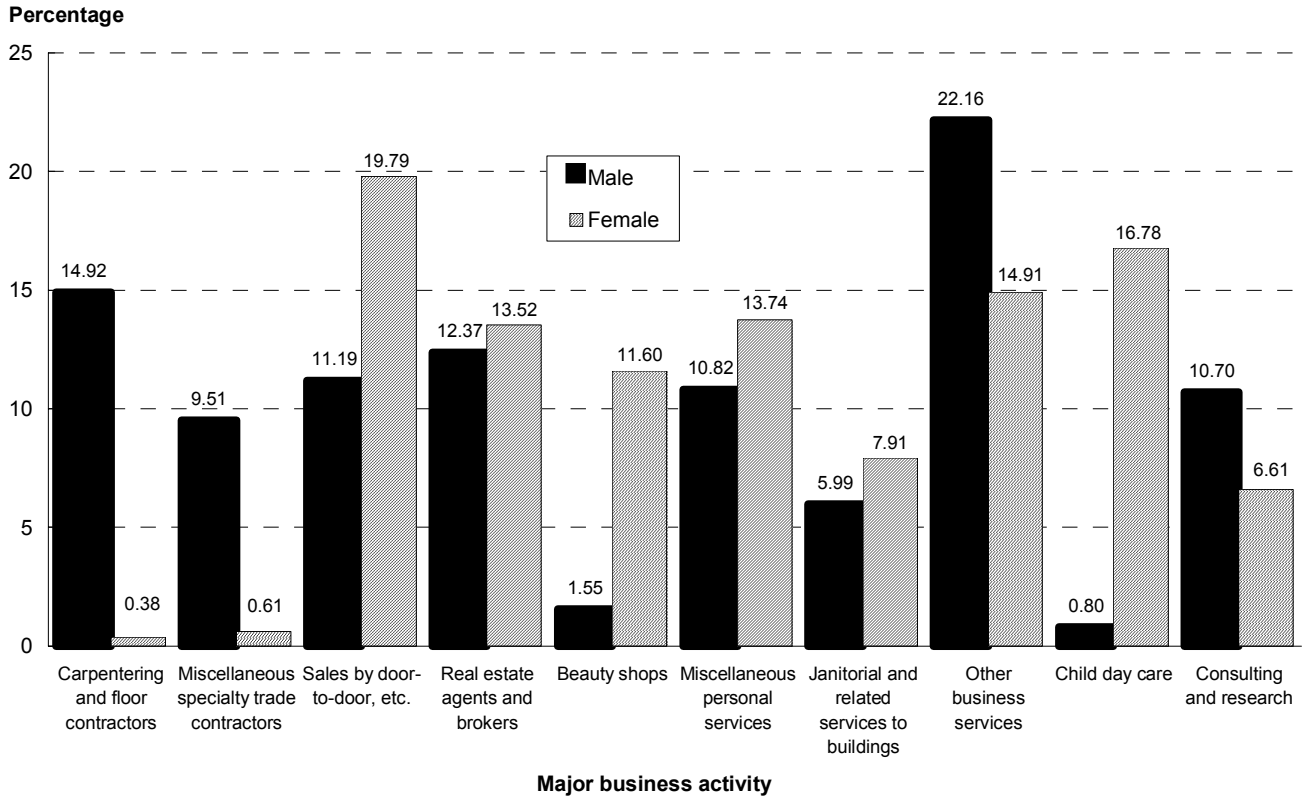
Nonfarm Sole Proprietors: Average Gross Receipts and Net Income, by Filing Status and Gender, Tax Year 2000

[Money amounts are in whole dollars]

Gender	Single	Married filing jointly/widow	Married filing separately	Head of household
	(1)	(2)	(3)	(4)
	Gross receipts			
Male	49,837	74,387	85,253	45,539
Female	22,646	25,298	36,469	20,410
	Net income			
Male	8,796	15,316	15,341	9,778
Female	6,080	6,544	10,432	7,011

Figure K

Average Percentage of Nonfarm Sole Proprietors, by Gender and Ten Major Business Activities, Tax Years 1985-2000



cent), real estate agents and brokers (13.5 percent), and beauty shops (11.6 percent).

Figure L shows that, for Tax Year 2000, female real estate agents and brokers constituted the business activity where female sole proprietors were most competitive with their male counterparts in receiving the highest average net income. Women in this business activity had the highest average net income ($20,286) in all the major business activities; they were also comparatively close to profits reported by their male counterparts (representing 81.7 percent of men's average net income in the same business activity ($24,844)). Of these ten major activities, janitorial and related services were the only businesses where women made (0.6 percent) more average annual net income than men. Female average income for this business activity was just $5,780, however. Males in the consulting and research group yielded the highest average net income ($27,397) of these ten major activities. Women in this same business activity made 49.2 percent as much as their male counterparts. For Tax Year 2000, women were most engaged in door-to-door sales and made the least average net income ($328) of these ten activities, about 7.3 percent as much as their male counterparts.

Figure L also shows that the most profitable sole proprietorship (net income as a percentage of gross receipts) for both men and women was consulting and research, with men earning 57.4 percent (in profits) of their gross receipts in Tax Year 2000, and women earning 54.7 percent. Women also showed profitability rates of over 50 percent for real estate agents and brokers and janitorial and related services.

In the most gender-segregated businesses, such as carpentering and floor contractor, female sole proprietorships grew 31.8 percent annually from

Figure L

Nonfarm Sole Proprietorships: Average Selected Gross Receipts and Net Income, by Gender and Ten Major Business Activities, Tax Year 2000

[Money amounts are in whole dollars]

Item	Major business activity									
	Carpentering and floor contractors	Miscellaneous specialty trade contractors	Sales by door-to-door, etc.	Real estate agents and brokers	Beauty shops	Miscellaneous personal services	Janitorial and related services to buildings	Other business services	Child day care	Consulting and research
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Gross receipts									
Male	47,177	52,640	21,548	53,000	38,177	23,012	22,520	31,496	9,371	47,723
Female	37,594	60,280	9,462	39,426	22,173	13,589	10,689	24,243	11,632	24,655
Ratio [1]	79.7	114.5	43.9	74.4	58.1	59.1	47.5	77.0	124.1	51.7
	Net income									
Male	12,538	8,533	4,470	24,844	11,421	6,789	5,746	10,091	4,338	27,397
Female	4,918	6,213	328	20,286	7,851	3,510	5,780	9,195	4,063	13,476
Ratio [1]	39.2	72.8	7.3	81.7	68.7	51.7	100.6	91.1	93.7	49.2
	Net income as percent of gross receipts									
Male	26.6	16.2	20.7	46.9	29.9	29.5	25.5	32.0	46.3	57.4
Female	13.1	10.3	3.5	51.5	35.4	25.8	54.1	37.9	34.9	54.7

[1] Ratio: Female's amount as a percentage of male's amount.

3,001 businesses to 13,626 businesses between 1985 and 2000, reaching a high of 24,401 businesses in 1994, while male child day care businesses grew 30 percent annually from 21,969 businesses in 1989 (the first year data were available) to 62,525 businessess in 2000 (see Figure M).

Six Broad Industrial Sectors

From 1985 through 2000, the average percentages of total receipts for male sole proprietorships by industrial sector were: 33.7 percent in services; 30.3 percent in wholesale and retail trade; 7.9 percent in finance, insurance, and real estate; 20.3 percent in mining, construction, and manufacturing; 5.2 percent in transportation, communications, and utilities; and 2.6 percent in agriculture, forestry, and fishing (see Figure N).

In the same period, the average percentages of receipts for female sole proprietorships were: 46.6 percent in services; 30.3 percent in wholesale and retail trade; 11.6 percent in finance, insurance, and real estate; 6.8 percent in mining, construction, and manufacturing; 3.1 percent in transportation, communications, and utilities; and 1.6 percent in agriculture, forestry, and fishing.

On average, in Tax Year 2000, male sole proprietorships reported gross receipts of $120,402 in finance, insurance, and real estate and $113,191 in wholesale and retail trade. Female sole proprietorships earned only about 35.2 percent and 24.0 percent, respectively, of the average receipts reported by their male counterparts for these industrial sectors. Finance, insurance, and real estate was the sector with the highest average net incomes for both male and female sole proprietorships and offered women a relatively comparable net income ($16,623) to that of their male counterparts ($21,785)(see Figure O).

The services industrial sector (33.4 percent) was the most profitable sector (net income as a percentage of gross receipts) for male sole proprietorships, followed by finance, insurance, and real estate (18.1 percent). These two sectors were also most profitable for women, with 39.2 percent in finance, insurance, and real estate and 37.1 percent in services (see Figure O).

Figure P shows the increase in number of sole proprietorships in every broad industrial sector (or combination of sectors) from 1985 through 2000. Female sole proprietorships grew faster than those of their male counterparts in nearly every industrial sector, except agriculture, forestry, and fishing, where male sole proprietorships grew the most, 8.4 percent per year on average. The fastest growing

Figure M

Average Percentage Annual Growth Rate in Number of Nonfarm Sole Proprietorships, by Gender and Ten Major Business Activities, Tax Years 1985-2000

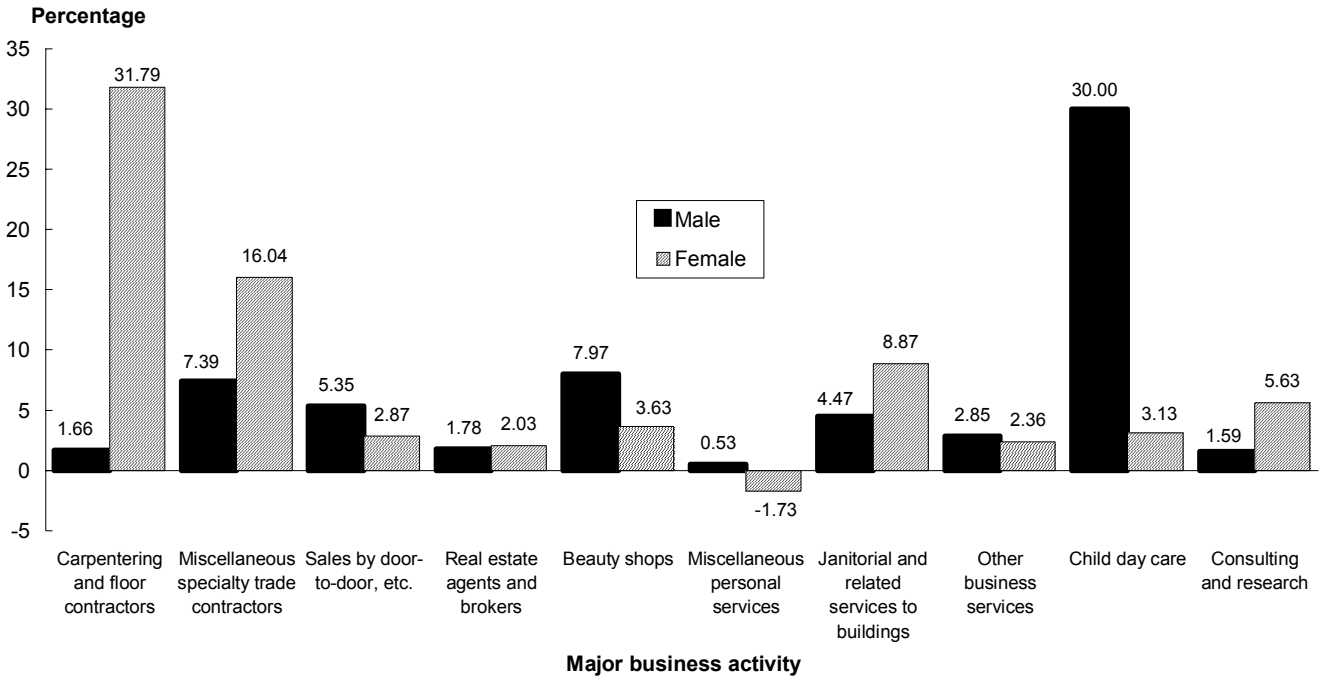


Figure N

Nonfarm Sole Proprietorships: Average Percentage of Gross Receipts, by Gender and Six Broad Industries, Tax Years 1985-2000

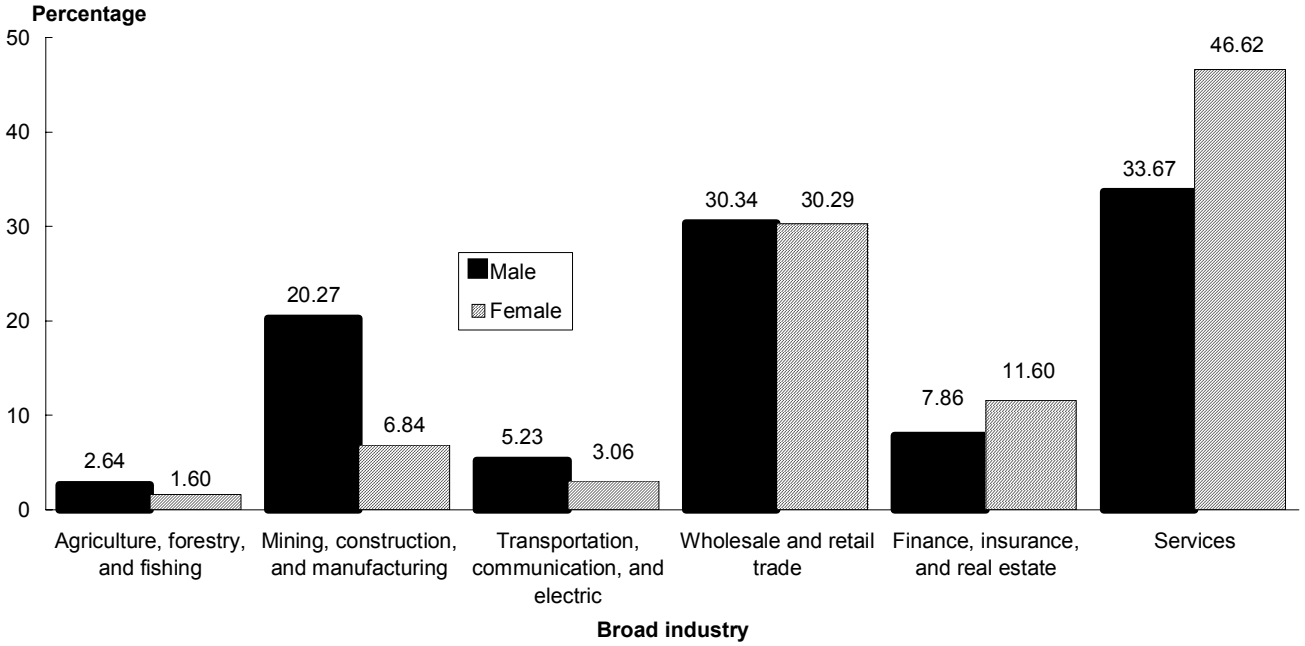


Figure O

Nonfarm Sole Proprietorships: Average Gross Receipts and Net Income, by Gender and Six Broad Industries, Tax Year 2000

Item	Broad industry					
	Agriculture, forestry, and fishing	Mining, construction, and manufacturing	Transportation, communications, and electric	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)
	Gross receipts					
Male	51,993	67,202	57,150	113,191	120,402	46,502
Female	24,306	44,381	28,933	27,145	42,433	19,104
Ratio [1]	46.7	66.0	50.6	24.0	35.2	41.1
	Net income					
Male	8,124	11,519	8,488	8,907	21,785	15,555
Female	1,363	5,860	5,235	1,705	16,623	7,082
Ratio [1]	16.8	50.9	61.7	19.1	76.3	45.5
	Net income as percent of gross receipts					
Male	15.6	17.1	14.9	7.9	18.1	33.4
Female	5.6	13.2	18.1	6.3	39.2	37.1

[1] Ratio: Female's amount as a percentage of male's amount.

female sector was transportation, communications, and electric (9.2 percent).

Figure Q shows the relative share of number of businesses, gross receipts, and net income by gender for each of the broad industrial sectors. For 2000, this table shows male domination in almost every industry for both business receipts and net income. In the wholesale and retail trade, for example, business receipts for female sole proprietorships were only 17.6 percent compared to 77.7 percent for male sole proprietors, with the rest going to jointly-owned businesses. In the same industrial sector, women had just 15.0 percent of net income, while men had 82.7 percent.

The Ten Most Populous States

Sole proprietorships in the 10 most populous States consisted of an average 53.2 percent of the U.S. total between 1985 and 2000 (see Figure R) [6]. Net earned income from these States was above 57.2 percent in 1985 and remained around 58.6 percent in 2000. Gross receipts from businesses in these States, however, increased from 40.5 percent of the national total in 1985 to 62.6 percent in 2000.

In 2000, of the ten most populous States, California sole proprietorships had the highest average receipts ($90,902 for men and $35,796 for women). New Jersey was the best State for average net income for men ($18,711), while California was the best State for women ($8,765). Female-owned sole proprietorships from New York offered women 57.1 percent of male sole proprietorship average net income per business, while the average amount of female sole proprietorship net income was lower in the nine other large States (see Figure S).

Profitability in terms of net income as a percent of gross receipts varied across the 10 States, but women had a higher rate in each State, compared to ratios for men. New York was the most profitable State for women (34.9 percent), followed by New Jersey (32.9 percent) and Illinois (31.7 percent). The most profitable State for men was Illinois (25.1 percent), followed by New York (24.4 percent) and Michigan (23.2 percent).

Growth in sole proprietorships varied widely from State to State, and from year to year within States from 1985 through 2000. Figure T offers a quick glance at the average annual growth pattern, by gender, for sole proprietorships. Florida was the fastest growing State for both male and female sole

Figure P

Nonfarm Sole Proprietorships: Average Percentage Annual Growth Rate, by Gender and Six Broad Industries, Tax Years 1985-2000

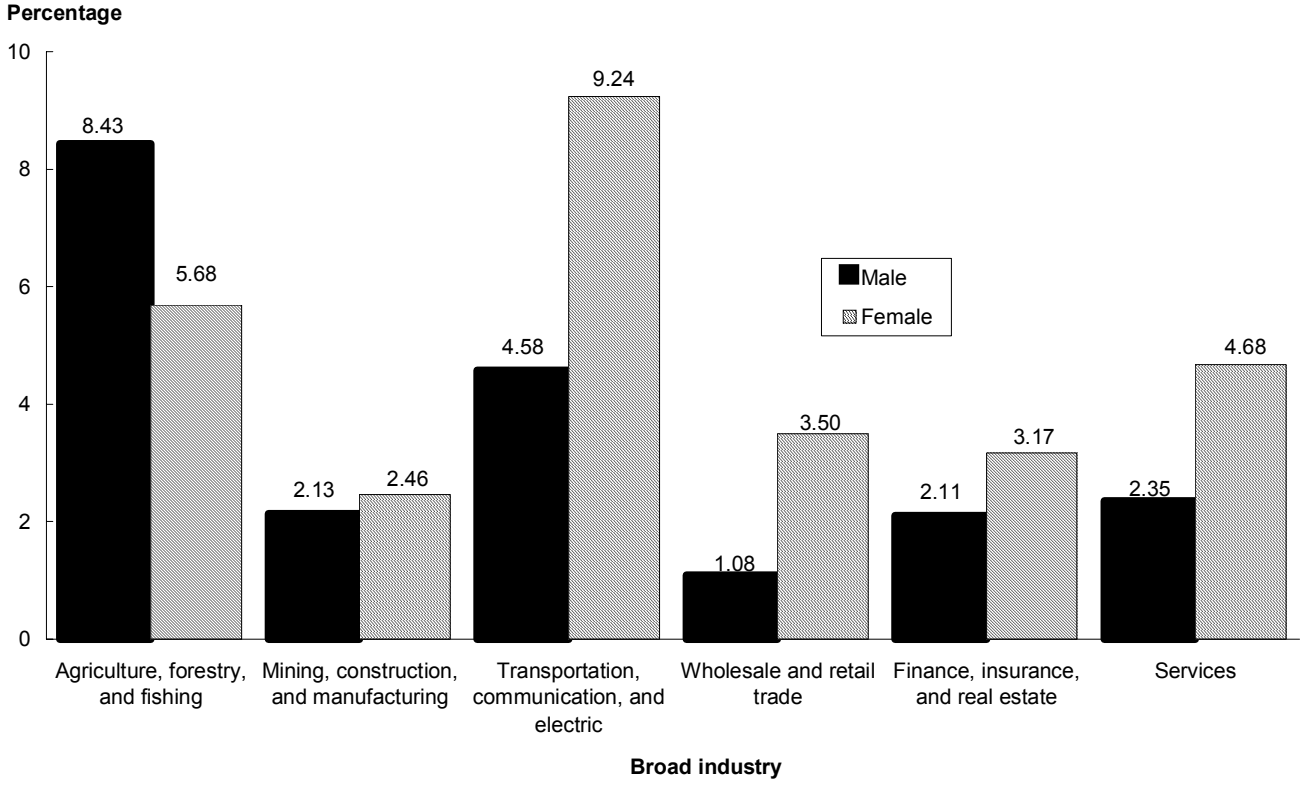


Figure Q

Nonfarm Sole Proprietorships: Percentage of Businesses, Gross Receipts, and Net Income, by Gender and Six Broad Industries, Tax Year 2000

Item	Broad industry					
	Agriculture, forestry, and fishing	Mining, construction, and manufacturing	Transportation, communications, and electric	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)
	Number of businesses					
Male	82.1	88.9	83.8	50.2	59.4	54.2
Female	16.8	9.9	15.3	47.5	38.9	44.7
	Gross receipts					
Male	89.2	91.7	89.9	77.7	79.8	73.4
Female	8.5	6.7	8.3	17.6	18.4	24.9
	Net income					
Male	96.3	93.3	89.1	82.7	66.3	72.1
Female	3.3	5.3	10.1	15.0	33.1	27.1

NOTE: The sum of male and female sole proprietorships in each industry (in terms of business number, gross receipts, and net income) is less than 100 percent since a small percentage are "male and female-operated sole proprietorships," which are not included in this figure.

Figure R

Nonfarm Sole Proprietorships: Percentage of Businesses, Gross Receipts, and Net Income in the 10 Most Populous States, by Gender, Tax Years 1985-2000

Year	Number				Gross receipts				Net income			
	Total	Male	Female	Male and female	Total	Male	Female	Male and female	Total	Male	Female	Male and female
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1985	53.0	54.1	51.2	47.5	40.5	40.9	39.3	35.9	57.2	57.7	56.1	46.3
1986	52.1	52.9	50.7	49.4	39.9	40.1	40.2	36.6	54.6	55.2	54.8	34.3
1987	52.6	52.9	51.9	54.4	41.6	41.9	42.3	33.6	56.7	56.7	57.4	49.1
1988	53.5	54.0	53.2	47.3	44.9	44.8	47.8	38.7	58.2	58.1	59.7	51.6
1989	53.1	53.0	53.2	52.0	46.9	47.1	47.4	41.4	58.4	57.7	61.2	68.0
1990	52.9	52.6	53.4	54.0	47.5	47.2	48.4	55.2	57.9	57.3	60.8	62.2
1991	53.7	53.9	53.4	51.2	50.4	50.1	51.4	52.5	57.8	57.2	60.3	64.2
1992	54.0	54.4	53.0	57.0	51.0	50.4	52.1	62.0	57.2	57.2	57.6	53.3
1993	52.7	53.2	51.4	59.3	51.4	50.9	52.5	58.1	56.0	55.8	57.0	58.3
1994	53.7	54.8	51.7	53.3	52.9	52.4	54.0	62.7	55.9	55.8	56.1	65.1
1995	52.0	52.9	50.5	49.8	54.2	53.8	55.2	59.9	55.8	55.0	58.7	70.0
1996	52.1	52.6	51.3	48.8	56.2	55.5	58.8	60.2	57.2	56.5	59.8	63.9
1997	52.9	53.5	52.0	52.3	57.8	57.4	59.0	62.9	58.1	58.3	57.2	65.4
1998	53.9	54.7	52.4	60.5	59.2	59.0	59.5	62.6	57.4	57.8	56.0	60.9
1999	54.4	54.4	54.1	59.9	60.7	60.6	60.1	68.7	57.7	57.7	57.0	72.7
2000	54.6	54.5	54.6	60.9	62.6	62.5	61.6	72.9	58.6	58.7	57.6	68.3
Average	53.2	53.6	52.4	53.6	51.1	50.9	51.9	54.0	57.2	57.0	58.0	59.6

NOTE: The ten States are California, Florida, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas.

proprietorships (4.49 percent for men and 6.72 percent for women). Once again, the growth of female sole proprietorships overshadowed that of men in all 10 States. Female businesses grew at an average annual rate of over 5 percent in Florida (6.72 percent), New Jersey (6.29 percent), and Ohio (5.36 percent).

Summary

Growth of female sole proprietorships, in business number, gross receipts, and business net income, was more than double that of their male counterparts from 1985 through 2000. Women made up an average of 34 percent of total sole proprietorships and accounted for 15 percent of total business receipts and 19 percent of business net income during this period.

A higher proportion of male sole proprietorships operated larger businesses between 1985 and 2000; business earnings were more evenly distributed among various business sizes for female sole proprietorships than for male sole proprietorships.

Business was still male-dominated from 1985 through 2000, but there were nearly the same number of female businesses as male businesses engaged in wholesale and retail trade and services in 2000.

More than half of total sole proprietorships were in the 10 most populous States. Florida showed the largest growth in sole proprietorships, followed by New York and North Carolina. New York was the most competitive State for women, with 57.1 percent of male sole proprietorship average net income per business.

More female sole proprietors were single than male sole proprietors in 1985 and 2000. In 2000, some 14.7 percent of women operated their businesses as head of household with dependents, while male sole proprietors in this category were only 5.5 percent.

Note and References

[1] The identification of a single owner is what allows researchers to assign a gender to the sole proprietorship's operation.

[2] Note that, for purposes of comparisons with other legal forms of organization, the data used are taken from the Census Bureau's Survey of

Figure S

Nonfarm Sole Proprietorships in the 10 Most Populous States: Average Gross Receipts and Net Income, by Gender, Tax Year 2000

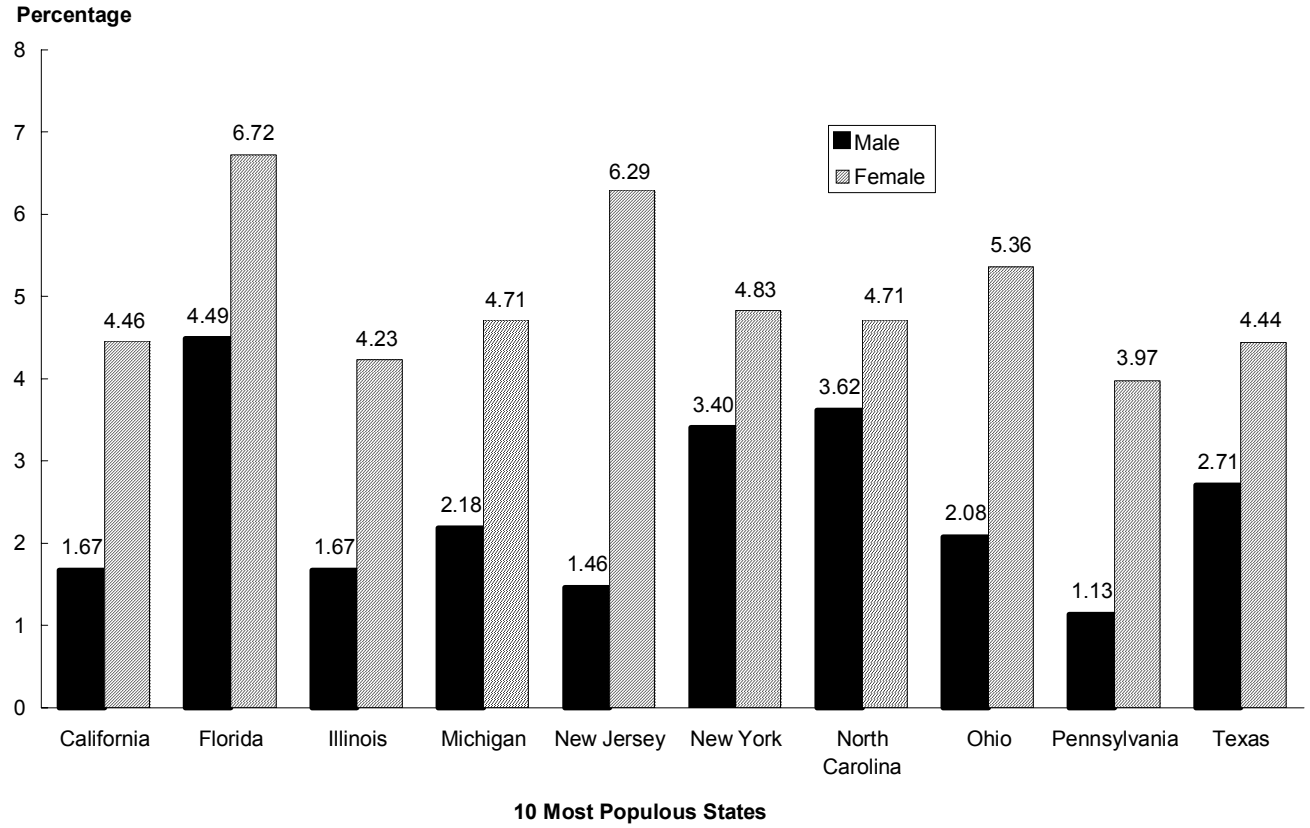
[Money amounts are in whole dollars]

Gender	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Gross receipts									
Male	90,902	53,069	58,419	50,728	86,385	61,039	63,082	55,754	75,884	82,613
Female	35,796	18,806	18,342	19,694	22,456	24,412	24,683	19,023	25,127	23,544
Ratio [1]	39.4	35.4	31.4	38.8	26.0	40.0	39.1	34.1	33.1	28.5
	Net income									
Male	17,993	10,201	14,640	11,780	18,711	14,913	11,007	12,669	15,530	13,242
Female	8,765	5,804	5,810	5,353	7,388	8,521	5,338	5,697	6,082	5,710
Ratio [1]	48.7	56.9	39.7	45.4	39.5	57.1	48.5	45.0	39.2	43.1
	Net income as percent of gross receipts									
Male	19.8	19.2	25.1	23.2	21.7	24.4	17.4	22.7	20.5	16.0
Female	24.5	30.9	31.7	27.2	32.9	34.9	21.6	29.9	24.2	24.3

[1] Ratio: Female's amount as percentage of male's amount.

Figure T

Nonfarm Sole Proprietorships in the 10 Most Populous States: Average Percentage Annual Growth Rate, by Gender, Tax Years 1985-2000



Women-Owned Business Enterprises. The numbers and shares differ somewhat from Internal Revenue Service data used elsewhere in this article, due to differences in definitions. See the Appendix for a more detailed description.

[3] "Gross receipts" is a measure of gross sales or receipts to the business before expenses or deductions; net income reflects total business income less expenses.

[4] This filing status also includes a small number of widows and widowers, who may use this status for 2 years after their spouses pass away.

[5] Reasons for changing patterns in the marital status of female sole proprietors require further study.

[6] The analysis was limited to 10 States because of concerns about the accuracy of sample-based estimates for less populous States.

Appendix

Background Information, Data Sources, and Limitations

The 1985-2000 sole proprietorship data were compiled from tables provided to the Office of Advocacy of the U.S. Small Business Administration (SBA) by the Statistics of Income Division (SOI) of the Internal Revenue Service under an interagency agreement. The data were estimated from samples of individual tax returns with Schedule C's, the tax form used to report activity from a nonfarm sole proprietorship. SOI tabulates information from a stratified random sample of returns with Schedule C's each year and publishes an article about them in the summer issue of the *Statistics of Income Bulletin* [A1]. SOI tables provide detail by gender on the number of sole proprietorships, the size of the businesses, aggregate business receipts, and net income. These tables include:

- ❒ All sole proprietorships, sorted into six broad industry categories [A2];
- ❒ All sole proprietorships, sorted into seven gross receipts classes;
- ❒ All sole proprietorships, sorted into seven net income classes;
- ❒ All sole proprietorships, sorted into four filing (marital) statuses;
- ❒ Sole proprietorships in the 10 most populous States; and
- ❒ Sole proprietorships engaged in the 10 major industrial activities.

Gender, seemingly a simple identification, in fact required a multistep procedure. For single returns and joint returns with only one name and Social Security number (SSN) on the Schedule C, the proprietorship was assigned a gender based on the Social Security Administration's gender code for that SSN. However, several hundred thousand joint returns contain both spouses' names, even though the instructions for Schedule C indicate that only the proprietor's name should be listed. The SOI Division then checked these returns for a Schedule SE, on which a self-employed individual reports earnings to calculate self-employment tax for Social Security and Medicare. If only one spouse listed self-employment income, the Schedule C was assigned to that spouse. If both spouses (or neither) filed Schedule SE's, the Schedule C was left in the "jointly operated" category [A3]. This procedure, for instance, left about 300,000 sole proprietorships classified as jointly operated in 1998 [A4]. In the future, the gender information should be more accurate, as the "corrected sex" code from the Social Security Administration DM1 file will be used.

Unless otherwise noted, the data source for all tables in this report is the SOI Division, compiled by the Office of Advocacy, U.S. Small Business Administration. Because of differences in sampling methods, this set of data is not comparable with other data, such as those in the Census Survey of Women-Owned Business Enterprises.

Several measures were used in this report to analyze the dynamics of sole proprietorships. Net income and gross receipts per sole proprietorship business were calculated, and these can be used to explore the pattern of business earnings.

The 1985-1997 industrial data were coded using the older Standard Industrial Classification (SIC) system. Beginning in 1998, SOI began using the newer North American Industrial Classification System (NAICS). It is hoped that future studies will convert historical data into NAICS codes to permit comparability in analysis of historical industrial trends.

Despite limitations, it is believed that sole proprietorships data allow researchers to draw important inferences about changes over time in number, size, receipts and net income, major business activities, industrial and regional concentrations, and growth patterns in small businesses [A5].

Comparison with 1997 SWOBE

The Census Bureau surveys women-owned businesses as part of the economic census conducted every 5 years. The 1997 Survey of Women-Owned Business Enterprises (SWOBE), released in March 2001, covered nonfarm sole proprietorships with at least $1,000 in receipts in 1997, as well as other forms of ownership (see Figure A). The Census Bureau estimated there were 15.1 million such businesses, of which 4.6 million (30 percent) were women-owned. An IRS tabulation of 1997 Schedule C's by gender for the Office of Advocacy showed a total of 19.2 million, of which 7.0 million (36 percent) were female-operated. The IRS did not tabulate receipts below $1,000 but did tabulate receipts below $5,000. Even after omitting those businesses, the IRS estimated that there were 12.6 million sole proprietorships, of which 4.0 million (32 percent) were female-operated.

These estimates differ by surprisingly large amounts with respect to total, women's total, and women's percentage. A Census Bureau employee stated that even including the sole proprietorships with less than $1,000 in receipts produced a total of only 17.1 million businesses, not the 19.2 million estimated by the IRS.

The Census Bureau also reported receipts for sole proprietorships: $872 billion in total, of which $142 billion (16 percent) were for female-owned sole proprietorships. Inclusion of firms with less than $1,000 in receipts would have made little difference in these totals or percentages. The IRS reported a nearly identical total of $870 billion, of which $154 billion (18 percent) were for female-owned sole proprietorships. Here, the gap between the numbers reported by the two sources was much less than for the number of proprietorships.

Notes and References

[A1] See, for instance, Kevin Pierce and Michael Parisi, "Sole Proprietorship Returns, 2002," *Statistics of Income Bulletin*, Summer 2004, http://www.irs.gov/pub/irs-soi/02solp.pdf. This article explains the sampling methodology and other information pertinent to the tables provided to the Office of Advocacy.

[A2] Data by gender for these industry groups has been published in past editions of *The State of Small Business: A Report of the President*. However, the classification by gender was not based on the Social Security Administration's records of gender. The published figures overstate the number of "male and female jointly operated businesses" and apparently understate the percentage of female-operated businesses.

[A3] The industry was identified by SIC code. Spouses who jointly own an unincorporated business should file a partnership information return with the IRS, then report the income or loss as partnership income on their personal tax returns, even though all the income remains with the couple and is reported on the same personal return. Understandably, many couples instead report such income as sole proprietorship income (whether by design or mistake). A recommendation of the IRS National Taxpayer Advocate and bills introduced in the 107th Congress would legalize this "do-it-yourself" simplification.

[A4] To create the data file, researchers coded every return based on the name of the proprietor. An obvious male name was coded with a value of 1. An obvious female name was coded with a value of 2. If both male and female proprietors' names appear on a Schedule C filed as a joint return and it could not be determined that the Schedule C was for only one of the taxpayers, it was coded with a value of 3. Also, if the sex of the proprietor could not

be determined, the return was coded with a value of 3.

[A5] Kenneth Simonson, chief economist, Associated General Contractors of America, analyzed the 1998 sole proprietorship data during his tenure as chief economic advisor in the Office of Advocacy. His unpublished writings are partially presented in this Appendix.

International Boycott Reports, 2001 and 2002

Data Release

The Anti-Boycott Laws

In the 1970's, the United States Congress responded to the Arab League's boycott of Israel by passing legislation designed to discourage U.S. persons from participating in unsanctioned boycotts of other countries [1]. One law, the 1977 amendments to the Export Administration Act of 1969, requires U.S. persons to report quarterly to the Commerce Department the requests they have received to participate in, support, or further a prohibited boycott. Those U.S. persons who agree to participate in such boycotts are subject to criminal and civil penalties. The other anti-boycott law is the Ribicoff Amendment to the Tax Reform Act of 1976 (TRA76). It requires all U.S taxpayers and their related "persons" [2] to report operations in, with, or related to, boycotting countries or their nationals to the Internal Revenue Service. Operations include any business or commercial transactions even if they do not generate income. Per Internal Revenue Code section 999(a), taxpayers report these operations on Form 5713, *International Boycott Report*, filed annually with their Federal income tax returns.

The U.S. Department of Treasury publishes a quarterly list of countries that request participation in unsanctioned boycotts. Although the law addresses all prohibited boycotts by any foreign country, the Arab League nations remain the principal boycotting countries. Accordingly, for 2001 and 2002, Treasury-listed countries included Bahrain, Iraq, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, the United Arab Emirates (UAE), and Yemen. Taxpayers must disclose operations in or related to listed countries or any other country that the taxpayer knows or has reason to know requires cooperation with a boycott as a condition of doing business.

U.S. taxpayers must also report certain types of requests to participate in an international boycott, any agreements to comply with those requests, and any tax consequences. Because the U.S. does not wish to infringe on the right of any country to choose its own trading partners, the anti-boycott laws do not target primary boycotts--limitations on the import and export of products from a specific country. They are directed instead against secondary and tertiary boycotts. In a secondary boycott, a country demands, as a condition of doing business, that a U.S. person does not conduct any business with the boycotted country. In a tertiary boycott, a country prohibits a U.S person from engaging in business with other entities that have business with the boycotted country.

Specifically, Internal Revenue Code section 999(b)(3) classifies the disallowed boycotts into the five types below:

1) If the person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of the country

   a) to refrain from doing business with or in a country which is the object of the boycott or with the government, companies, or nationals of that country [Type 1 request, as shown in Table 1]; or

   b) to refrain from doing business with any U.S. person engaged in trade in a country which is the object of the boycott or with the government, companies, or nationals of that country [Type 2]; or

   c) to refrain from doing business with any company whose ownership or management is made up, all or in part, of individuals of a particular nationality, race, or religion [Type 3]; or

   d) to refrain from employing individuals of a particular nationality, race, or religion [Type 4]; or

2) If the person agrees, as a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring the product(s) on a carrier owned, leased, or operated by a person who does not participate in or cooperate with a boycott [Type 5] [3].

This data release was written by Melissa Redmiles, an economist with the Special Studies Branch Returns Analysis Section, under the direction of Chris Carson, Chief.

Tax Penalties

U.S. taxpayers who participate in the boycotts listed above may lose a portion of their tax benefits, including the foreign tax credit, the benefits of Foreign Sales Corporations (FSC's), the exclusion of extraterritorial income, and the tax-deferral available to U.S. shareholders of a controlled foreign corporation or of an Interest-Charge Domestic Sales Corporation (IC-DISC). Taxpayers who had operations in a boycotting country must reduce the foreign trade income qualifying for the extraterritorial income exclusion, even if they did not receive any requests to participate in a boycott. Some taxpayers who agree to participate in a boycott will not face tax penalties because they were not eligible for the tax benefits in the first place. Others may lose a portion of more than one benefit.

Taxpayers must compute the loss of their extraterritorial income exclusion using the international boycott factor method. Under this method, the loss of tax benefit is determined by the ratio of purchases, sales, and payroll in boycotting countries to total foreign purchases, sales, and payroll. The amount of foreign trade income qualifying for the exclusion is reduced by the same proportion as the international boycott factor.

For the denial of other tax benefits, taxpayers may use either the international boycott factor method or the specifically attributable method. Under the specifically attributable method, taxpayers reduce each benefit by the foreign taxes paid or foreign income earned that is associated with the operation in the boycotting countries with which the agreement was made and that would otherwise be eligible for the tax benefits. The choice of method is an annual election.

Taxpayers who use the international boycott factor reduce their foreign tax credit by the same proportion as the boycott factor. Those who use the specifically attributable method subtract the foreign taxes paid to the boycotting countries with which they established agreements from the amount of taxes eligible for the credit. Regardless of the method selected, taxpayers may still deduct the taxes ineligible for the credit under the boycott provisions from their U.S. gross incomes.

Under both methods, the U.S. parents of a controlled foreign corporation (CFC) must convert some of their CFC's undistributed (and hence deferred) income into a deemed distribution, which is then subject to current U.S. tax. Likewise, for an IC-DISC, both methods deny the benefits of tax deferral by making boycott income taxable to its shareholders.

If the owner of a FSC selects the international boycott factor method, it reduces the tax-exempt foreign trade income of the FSC by the same proportion as the boycott factor. If the specifically attributable method is chosen, the FSC must convert any exempt foreign trade income that is attributable to operations in which there was participation in a boycott to nonexempt foreign trade income, thus increasing its taxable income.

International Boycott Reports, 2001 and 2002

The majority of Forms 5713 are filed to report the taxpayer's operations in boycotting countries. Most of these operations were in countries on the Treasury List. However, for both 2001 and 2002, taxpayers reported operations in other countries known to require participation or cooperation with an unsanctioned boycott. The most frequently reported nonlisted countries were Bangladesh, Egypt, Iran, Jordan, Malaysia and Pakistan.

For Tax Year 2001, there were 1,218 Forms 5713 filed. Of these, 117 taxpayers received requests to participate in an international boycott, 25 agreed to participate, and 6 reported tax consequences.

For Tax Year 2002, some 1,255 Forms were filed, 116 taxpayers received requests, and 22 U.S. persons complied with those requests. There were also 22 U.S. persons who reported a loss of tax benefits. This included eight persons who agreed to participate in a boycott and fourteen filers who did not enter into any boycott agreements, but who claimed an extraterritorial income exclusion.

Corporations filed approximately 90 percent of the Forms 5713 filed for both years, while partnerships accounted for roughly 5 percent of the total. Trusts, estates, and individuals filed most of the remainder. For both years, slightly less than 10 percent of the filers reported receiving requests, and approximately 2 percent reported agreements.

Table 1 provides the number of persons receiving requests, the number and type of requests, and the number and type of agreements, for the Treasury-Listed countries.

Taxpayers reported a total of 2,653 requests in 2001. (A U.S taxpayer may receive multiple requests to participate in the same type of boycott from a single country.) The Treasury-Listed countries accounted for about 91 percent of the total requests. Approximately 23 percent of the requests originated from the United Arab Emirates, while Saudi Arabia and Bahrain each accounted for 14 percent of the total. Over half the requests were petitions to refrain from shipping or insuring products on a carrier associated with someone who does not participate with a boycott, while appeals to refrain from doing business with a specified country made up 27 percent of the total. Overall, taxpayers agreed to participate with 28 percent of the requests they received. Taxpayers complied with nearly 60 percent of the requests received from Kuwait and were most likely to deny requests from Syria, Libya, and Bahrain.

Although the number of taxpayers reporting requests was about the same for 2002, the total number of requests increased by almost 29 percent to 3,421 requests. About 85 percent of the requests came from the Treasury-Listed countries. Requests from the United Arab Emirates grew only slightly, but the UAE still accounted for the highest percent of the total requests. Requests from Libya, Qatar, Syria, the Republic of Yemen, and nonlisted countries rose markedly, with the largest number of requests coming from Syria and Qatar. The majority of the requests, 42 percent, remained petitions to refrain from shipping or insuring products of a blacklisted company. The second most common request, appeals to refrain from doing business with a specified country, accounted for 29 percent of the total.

Figures A, B, and C present selected historical data from 1992 to 2002. Table 2 shows the loss of tax benefits for the same time period.

After declining for more than 8 years, the number of filers receiving requests have remained relatively constant since 2000, while the number of boycott agreements continues its steady decline (see Figures A and B). The number of persons receiving requests has declined from 278 in 1992 to 112 in 2000, a decrease of roughly 60 percent. For 2001 and 2002, these numbers barely increased to 117 and 116, respectively. The number of boycott requests dropped 69 percent between 1992 and 2002, from 11,179 to 3,421, and the number of boycott agreements has decreased more than 80 percent, from 2,890 in 1992 to 489 in 2002. The total number of taxpayers filing Form 5713 for the same decade, in comparison, has declined less than 7 percent.

However, the amount of tax consequences, after falling significantly from 1992 to 1999, has been increasing. For example, the reduction in foreign taxes eligible for credit under the specifically attributable method dropped from $3,132,678 for 1992 to $20,478 for Tax Year 2000 and then rose to $691,303 for 2002. Similarly, the reduction in the foreign tax credit computed using the boycott factor method declined from $743,625 in 1992 to zero for 1998 and then increased to $5,643 for 2002. The increase in subpart F income from CFC's (see explanation of selected terms) fell from $8,572,193 for 1992 to $780,440 for 1999, but rose to $1,937,410 in 2001 and to $5,465,994 in 2002. In addition, taxpayers reduced their foreign trade incomes qualifying for the extraterritorial income exclusion by $260,412 for 2002.

Explanation of Selected Terms

Controlled Foreign Corporation (CFC).--As defined in Internal Revenue Code section 957(a), any foreign corporation in which the U.S. shareholders own directly, indirectly, or constructively, more than 50 percent of either the total combined voting power or total value of all stock on any day of the taxable year of the corporation.

Extraterritorial Income Exclusion.--The extraterritorial income exclusion was created to replace the FSC provisions (see below), effective for transactions occurring after September 30, 2000. The exclusion allows businesses to deduct qualifying foreign trade incomes from their U.S. gross incomes. Qualifying foreign trade income is defined as the greatest of the following income, that, when excluded, would reduce taxable income by (a) 1.2 percent of foreign trading gross receipts, or (b) 15 percent of foreign trade income, or (c) 30 percent of the foreign sale and leasing income. The extraterritorial income exclusion provisions were repealed in the American Jobs Creation Act of 2004. Transactions in the ordinary course of a trade or business that are part of a binding contract in effect on September 17, 2003, between the taxpayer and an unrelated person are exempt from the repeal.

Foreign Sales Corporation (FSC).--A company incorporated abroad, created to promote U.S. exports and usually controlled by a U.S. "person"

Figure A

Number of U.S. Persons Receiving Boycott Requests in Tax Years 1992-2002

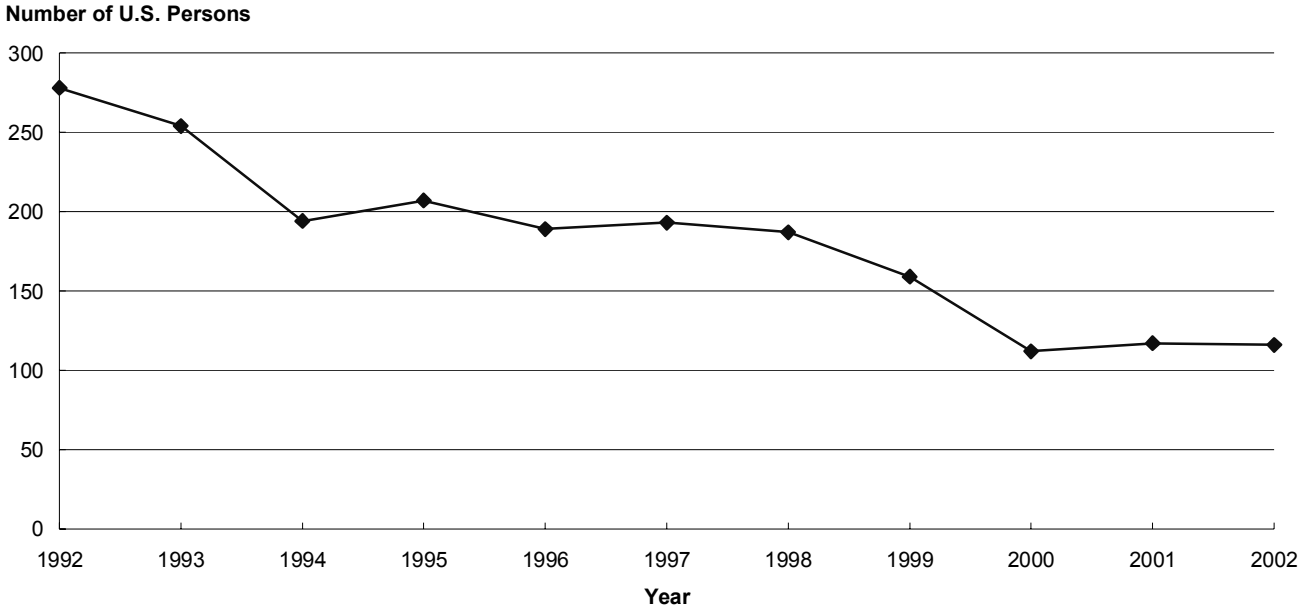


Figure B

Number of Boycott Requests Received and Boycott Agreements for Tax Years 1992-2002

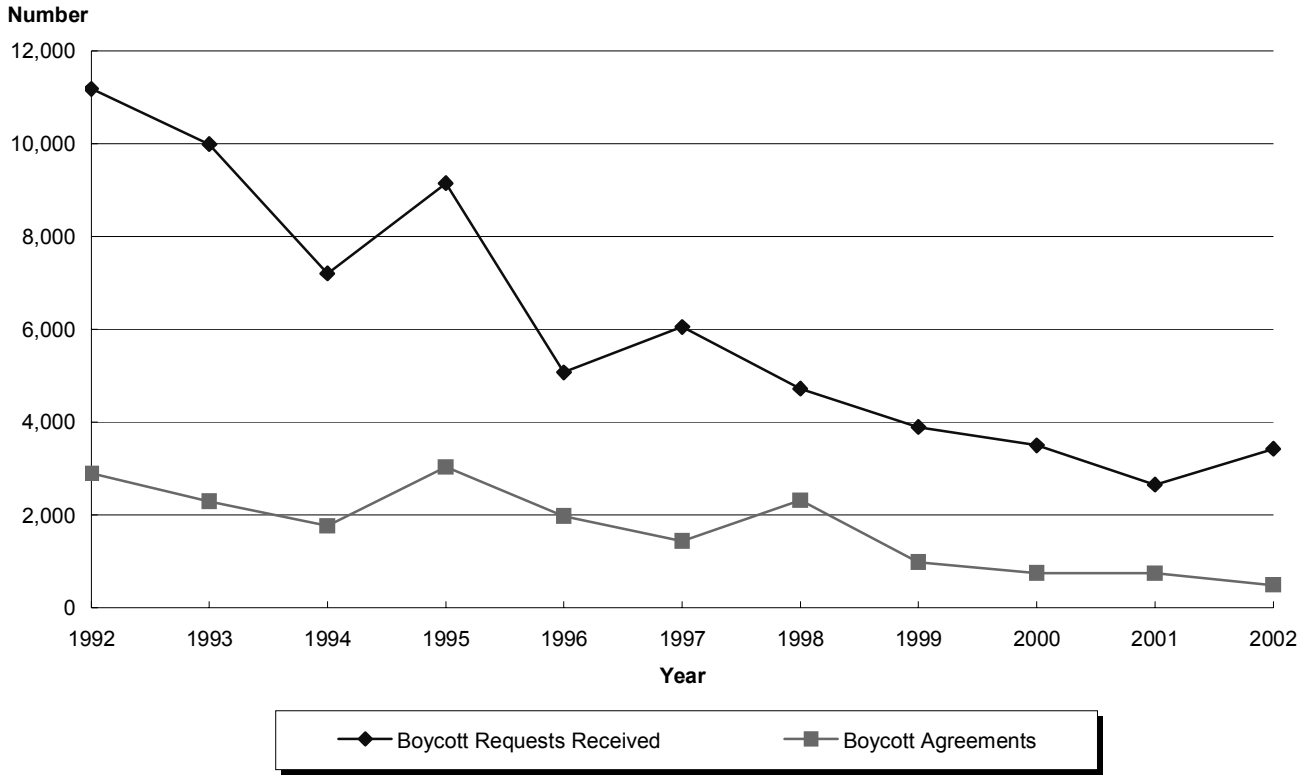


Figure C

International Boycott Reports Filed for Tax Years 1992-2002

Tax year	Number of Forms 5713 Filed	Number of U.S. persons receiving requests	Number of boycott requests received [1]	Number of boycott agreements	Boycott agreements as a percentage of requests received	Number of U.S. persons reporting a reduction in tax benefits [2,3]
	(1)	(2)	(3)	(4)	(5)	(6)
1992	1,343	278	11,179	2,890	25.9	27
1993	1,289	254	9,988	2,292	22.9	21
1994	1,064	194	7,199	1,764	24.5	21
1995	1,336	207	9,144	3,029	33.1	21
1996	1,199	189	5,068	1,975	39.0	20
1997	1,328	193	6,055	1,438	23.7	18
1998	1,273	187	4,718	2,312	49.0	11
1999	1,274	159	3,893	982	25.2	8
2000	1,229	112	3,497	750	21.4	7
2001	1,218	117	2,653	744	28.0	6
2002	1,255	116	3,421	489	14.3	22

[1] The number of requests are undercounted to the extent that many taxpayers do not specify the number of requests they received. This table counts an unknown number of requests as one request.

[2] Beginning with Tax Year 2001, taxpayers must reduce their extraterritorial income exclusion if they had operations in boycotting countries even if they did not receive requests to participate in a boycott.

[3] For Tax Year 2002, 8 of the 22 persons reporting a loss in tax benefits agreed to participate in a boycott. The remaining 14 persons did not receive boycott requests, but had reductions of their extraterritoreial income exclusives due to operations in boycotting countries.

(defined below). A portion of the FSC "foreign trade income" is exempt from U.S. taxation. Although Congress has repealed the FSC provisions, the transition rules allowed FSC's in existence on September 30, 2000, to continue until January 1, 2002. Transactions that are part of a binding contract made with a FSC before the cutoff date are exempt from the repeal.

Interest Charge Domestic International Sales Corporation (IC-DISC).--Congress allowed U.S. corporations to form small domestic corporations, called DISC's, as a way to promote the export of U.S. products and services. After 1984, DISC's were replaced with FSC's and IC-DISC's. A corporation whose "qualified export receipts" constitute at least 95 percent of its gross receipts and which can classify at least 95 percent of its assets as "qualified export assets" can claim IC-DISC status. This allows the company to defer paying tax deferral on some of the income earned by these corporations. Essentially, a small portion of the IC-DISC's income is deemed distributed to the shareholder. The rest is not subject to U.S. taxation until it is actually distributed, at which time both the tax and interest on the tax are due.

Subpart F Income.--Certain earnings and profits from controlled foreign corporations that the parent company must treat as a deemed distribution for tax purposes, even if the income has not been repatriated to the United States.

U.S Persons.--As defined in IR Code section 7701(a)(30), U.S. persons are U.S. citizens or residents, domestic partnerships, domestic corporations, and estates or trusts, excluding foreign trusts or estates whose income from sources outside the U.S. is not includible in the income of its beneficiaries.

Data Sources and Limitations

Data for the 2001 and 2002 studies were based on a 100-percent sample of Forms 5713, *International Boycott Report*, attached to U.S income tax returns with accounting periods ending in those years and filed in the subsequent year.

Notes and References

[1] Doernberg, Richard L., (1999) *International Taxation*, West Group, St. Paul, MN, pp.413.

[2] Taxpayers must file a Form 5713 if they or any of the following have operations in, or related to, a boycotting country: a controlled group in which they are a member; a foreign corporation in which they have stock, a partner, or a trust owned by the taxpayer.

[3] For a more detailed discussion on activities that are not permitted under the boycott provisions, see Doernberg, pp.414-420.

Table 1.--International Boycott Reports Filed For Tax Years 2001 and 2002: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country and Type of Request

Country	Type of boycott request [1]	Number of U.S. persons receiving requests [2]		Number of boycott requests received [3]	
		2001	2002	2001	2002
	(1)	(2)	(3)	(4)	(5)
All countries	**Total**	**117**	**116**	**2,653**	**3,421**
	Type 1	65	65	719	999
	Type 2	7	10	159	307
	Type 3	13	11	172	319
	Type 4	7	8	165	363
	Type 5	71	73	1,438	1,433
Treasury-listed countries	**Total**	**111**	**107**	**2,410**	**2,894**
	Type 1	58	58	551	766
	Type 2	6	9	156	255
	Type 3	11	10	162	267
	Type 4	6	7	161	294
	Type 5	69	70	1,380	1,312
Bahrain	**Total**	**29**	**26**	**373**	**101**
	Type 1	15	14	74	31
	Type 2	4	**	59	11
	Type 3	5	**	54	11
	Type 4	3	3	52	12
	Type 5	18	16	134	36
Iraq	**Total**	**10**	**10**	**19**	**15**
	Type 1	6	4	**	**
	Type 2	**	--	**	--
	Type 3	--	--	--	--
	Type 4	--	**	--	**
	Type 5	5	7	10	9
Kuwait	**Total**	**40**	**39**	**278**	**242**
	Type 1	10	12	21	38
	Type 2	3	3	3	**
	Type 3	4	3	13	7
	Type 4	3	3	3	**
	Type 5	33	32	238	183
Lebanon	**Total**	**28**	**30**	**152**	**140**
	Type 1	10	12	14	**
	Type 2	**	**	5	**
	Type 3	**	--	**	--
	Type 4	**	**	**	**
	Type 5	20	23	129	120
Libya	**Total**	**11**	**16**	**73**	**102**
	Type 1	7	10	**	28
	Type 2	**	**	**	11
	Type 3	**	**	**	11
	Type 4	**	**	**	11
	Type 5	9	13	41	41
Oman	**Total**	**22**	**26**	**109**	**138**
	Type 1	10	13	25	38
	Type 2	**	**	3	9
	Type 3	4	3	10	10
	Type 4	**	3	9	16
	Type 5	13	17	62	65

Footnotes at end of table.

Table 1.--International Boycott Reports Filed For Tax Years 2001 and 2002: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country and Type of Request--Continued

Country	Type of boycott request[1]	Number of U.S. persons receiving requests [2]		Number of boycott requests received [3]	
		2001	2002	2001	2002
	(1)	(2)	(3)	(4)	(5)
Qatar	**Total**	**27**	**25**	**172**	**528**
	Type 1	13	12	33	114
	Type 2	**	3	**	71
	Type 3	**	4	**	75
	Type 4	3	3	11	96
	Type 5	20	17	125	172
Saudi Arabia	**Total**	**30**	**38**	**382**	**295**
	Type 1	14	15	140	129
	Type 2	4	3	48	28
	Type 3	3	**	45	27
	Type 4	4	**	47	27
	Type 5	14	26	102	84
Syria	**Total**	**32**	**32**	**196**	**566**
	Type 1	15	17	55	133
	Type 2	4	3	16	64
	Type 3	**	4	13	65
	Type 4	**	4	13	65
	Type 5	22	20	99	239
United Arab Emirates	**Total**	**67**	**65**	**614**	**628**
	Type 1	31	32	145	205
	Type 2	4	4	15	41
	Type 3	8	7	17	50
	Type 4	4	5	19	45
	Type 5	39	40	418	287
Yemen, Republic of	**Total**	**10**	**16**	**42**	**139**
	Type 1	6	7	8	29
	Type 2	**	3	4	12
	Type 3	**	**	4	11
	Type 4	**	**	4	11
	Type 5	8	12	22	76
Nonlisted countries	**Total**	**25**	**24**	**243**	**527**
	Type 1	16	16	168	233
	Type 2	**	**	3	52
	Type 3	3	**	10	52
	Type 4	**	3	4	69
	Type 5	14	12	58	121

Footnotes at end of table.

Table 1.--International Boycott Reports Filed For Tax Years 2001 and 2002: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country and Type of Request--Continued

Country	Type of boycott request [1]	Number of boycott agreements		Boycott agreements as a percentage of requests received	
		2001	2002	2001	2002
	(6)	(7)	(8)	(9)	(10)
All countries	**Total**	**744**	**489**	**28**	**14**
	Type 1	149	**	21	**
	Type 2	12	--	8	--
	Type 3	4	**	2	**
	Type 4	--	**	--	**
	Type 5	579	348	40	24
Treasury-listed countries	**Total**	**701**	**480**	**29**	**17**
	Type 1	142	131	26	17
	Type 2	12	--	8	--
	Type 3	4	**	2	**
	Type 4	--	**	--	**
	Type 5	543	**	39	**
Bahrain	**Total**	**31**	**3**	**8**	**3**
	Type 1	**	--	**	--
	Type 2	**	--	**	--
	Type 3	**	--	**	--
	Type 4	--	--	--	--
	Type 5	27	3	20	8
Iraq	**Total**	**4**	**3**	**21**	**20**
	Type 1	**	**	**	**
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	**	**	**	**
Kuwait	**Total**	**160**	**77**	**58**	**32**
	Type 1	12	12	57	32
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	148	65	62	36
Lebanon	**Total**	**60**	**49**	**39**	**35**
	Type 1	15	6	107	**
	Type 2	5	--	100	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	40	43	31	36
Libya	**Total**	**	**19**	**	**19**
	Type 1	**	5	**	18
	Type 2	--	--	--	--
	Type 3	**	--	**	--
	Type 4	--	--	--	--
	Type 5	**	14	**	34
Oman	**Total**	**39**	**9**	**36**	**7**
	Type 1	**	**	**	**
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	**	**	**	**

Footnotes at end of table.

Table 1.--International Boycott Reports Filed For Tax Years 2001 and 2002: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country and Type of Request--Continued

Country	Type of boycott request[1]	Number of boycott agreements		Boycott agreements as a percentage of requests received	
		2001	2002	2001	2002
	(6)	(7)	(8)	(9)	(10)
Qatar	**Total**	**73**	**43**	**42**	**8**
	Type 1	3	--	9	--
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	70	43	56	25
Saudi Arabia	**Total**	**79**	**72**	**21**	**24**
	Type 1	71	66	51	51
	Type 2	3	--	6	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	5	6	5	7
Syria	**Total**	**16**	**25**	**8**	**4**
	Type 1	**	**	**	**
	Type 2	**	--	**	--
	Type 3	--	--	--	--
	Type 4	--	**	--	**
	Type 5	8	17	8	7
United Arab Emirates	**Total**	**233**	**154**	**38**	**25**
	Type 1	26	**	18	**
	Type 2	**	--	**	--
	Type 3	**	**	**	**
	Type 4	--	--	--	--
	Type 5	203	125	49	44
Yemen, Republic of	**Total**	**	**26**	**	**19**
	Type 1	--	3	--	10
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	**	23	**	30
Nonlisted countries	**Total**	**43**	**9**	**18**	**2**
	Type 1	7	**	4	**
	Type 2	--	--	--	--
	Type 3	--	--	--	--
	Type 4	--	--	--	--
	Type 5	36	**	62	**

** Data deleted to avoid disclosure of information about specific taxpayers. Data are included in the appropriate totals.

[1] The five types of international boycott requests are:

Type 1 -- If the person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of that country to refrain from doing business with or in a country which is the object of the boycott, or with the government, companies, or nationals of that country.

Type 2 -- If the person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of that country to refrain from doing business with any U.S. person engaged in trade in a country which is the object of the boycott, or with the government, companies, or nationals of that country.

Type 3 -- If the person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of that country to refrain from doing business with any company whose ownership or management is made up, all or in part, of individuals of a particular nationality, race, or religion. Refraining from selecting corporate directors who are individuals of a particular nationality, race, or religion is also included in this type of boycott request.

Type 4 -- If the person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of that country to refrain from employing individuals of a particular nationality, race, or religion.

Type 5 -- If the person agrees, as a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring the products on a carrier owned, leased, or operated by a person who does not participate in or cooperate with an international boycott.

[2] Data in these columns may not add to the totals because persons could have received requests of more than one type and/or from more than one country.

[3] The number of requests are undercounted to the extent that many taxpayers do not specify the number of requests they received. This table counts an unknown number of requests as one request.

Table 2.--International Boycott Reports For Tax Years 1992-2002: Lost Tax Benefits Due to Boycott Participation, by Type and Method of Computation

[Money amounts are in whole dollars]

Method	Tax year	Reduction of foreign tax credit	Increase of Subpart F income	Denial of Foreign Sales Corporation benefits	Reduction of extraterritorial income exclusion [1]
	(1)	(2)	(3)	(4)	(5)
All methods	1992	3,876,303	8,572,193	374,475	--
	1993	1,631,556	7,455,541	369,579	--
	1994	476,965	6,414,923	146,650	--
	1995	280,635	6,130,890	696,255	--
	1996	115,645	2,617,031	10,041	--
	1997	23,369	1,712,112	293,082	--
	1998	--	691,839	436,833	--
	1999	30,142	780,440	--	--
	2000	20,478	1,561,048	--	--
	2001	**	1,937,410	--	--
	2002	696,946	5,465,994	--	260,412
Boycott factor method	1992	743,625	3,654,846	--	--
	1993	766,202	4,873,847	4,833	--
	1994	19,918	80,537	4,074	--
	1995	7,202	--	3,233	--
	1996	25,640	228,894	--	--
	1997	23,253	224,530	--	--
	1998	--	-15,809	4,443	--
	1999	--	-4,402	--	--
	2000	--	5,961	--	--
	2001	--	--	--	--
	2002	5,643	333,716	--	260,412
Specifically attributable taxes and income method	1992	3,132,678	4,917,347	374,475	--
	1993	865,354	2,581,694	364,746	--
	1994	457,047	6,334,386	142,576	--
	1995	273,433	6,130,890	693,022	--
	1996	90,005	2,388,137	10,041	--
	1997	116	1,487,582	293,082	--
	1998	--	707,648	432,390	--
	1999	30,142	784,842	--	--
	2000	20,478	1,555,087	--	--
	2001	**	1,937,410	--	--
	2002	691,303	5,132,278	--	--

**Data deleted to avoid disclosure of information about specific taxpayers.

[1] The reduction of extraterritorial income exclusion did not exist prior to Tax Year 2001. This reduction is based on operations in boycotting countries, rather than on boycott participation.

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Notice: The data on the following pages represent the most recent and most accurate information available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns [1]	**113,717,138**	**118,218,327**	**127,075,145**	**129,373,500**	**130,255,237**	**130,076,443**	**130,571,319**
Form 1040 returns [1]	69,270,236	64,774,724	74,165,814	78,846,102	80,500,011	80,748,948	80,193,301
Form 1040A returns [1]	25,917,288	24,463,262	26,961,302	28,826,589	28,293,817	28,714,328	29,827,251
Form 1040EZ returns [1]	18,529,614	21,644,177	20,752,420	21,700,809	21,461,409	20,613,167	20,550,767
Form 1040PC returns [1]	N/A	7,102,740	5,195,609	N/A	N/A	N/A	N/A
Electronically-filed returns [1]	8,755,040	14,724,219	35,495,320	40,078,595	46,861,486	52,798,823	62,180,894
Returns by filing status:							
Joint returns	48,377,437	49,036,410	49,900,030	50,268,249	51,034,384	51,302,089	51,759,705
Returns of married persons filing separately	2,195,510	2,627,963	2,385,646	2,486,719	2,441,481	2,330,723	2,251,811
Returns of heads of households	13,159,596	15,551,213	17,781,482	18,208,359	18,493,710	19,170,266	19,562,275
Returns of surviving spouses	111,478	115,370	80,870	63,800	74,242	73,577	84,286
Returns of single persons	49,873,116	50,887,371	56,927,117	58,346,372	58,211,420	57,199,788	56,913,241
Returns with Presidential Election Campaign Fund checkoff: [2]							
Number of returns	22,512,682	14,935,134	14,208,181	13,958,259	14,240,945	13,143,595	12,309,867
Amount	32,463	67,860	61,090	60,685	60,801	56,567	52,918
Number of boxes checked	32,496,958	21,443,077	18,306,408	19,741,877	20,266,894	18,857,672	17,639,378
Adjusted gross income (AGI) [3]	**3,405,427,348**	**4,189,353,615**	**5,855,467,909**	**6,365,376,648**	**6,170,603,942**	**6,033,585,532**	**6,212,974,067**
Salaries and wages:							
Number of returns	96,729,912	101,138,551	108,183,782	110,168,714	111,227,450	110,938,441	111,350,057
Amount	2,599,401,271	3,201,456,569	4,132,473,459	4,456,167,438	4,565,229,218	4,559,690,903	4,696,501,144
Taxable interest received: [4]							
Number of returns	70,369,662	67,028,830	67,218,877	68,046,458	67,479,816	63,584,806	59,591,835
Amount	227,083,888	154,780,536	175,675,236	199,321,670	198,177,814	149,024,899	115,682,836
Tax-exempt interest: [5]							
Number of returns	3,916,925	5,006,129	4,801,877	4,658,345	4,557,381	4,453,829	4,525,688
Amount	40,228,405	48,518,428	52,513,007	53,951,877	55,582,376	54,564,465	51,795,259
Dividends in AGI: [4, 6]							
Number of returns	22,904,441	26,214,195	32,226,492	34,140,605	32,621,151	31,409,759	30,450,215
Amount	80,168,536	94,592,325	132,465,522	146,987,679	119,533,324	103,241,332	110,863,179
Qualified dividends in AGI: [6]							
Number of returns	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22,470,605
Amount	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	79,229,288
Business or profession net income:							
Number of returns	11,221,925	12,217,261	13,165,318	13,312,586	13,611,559	13,750,982	14,407,862
Amount	161,657,252	191,809,620	233,746,237	244,598,112	249,507,231 [r]	256,878,740 [r]	261,375,371
Business or profession net loss: [7]							
Number of returns	3,415,666	3,955,590	4,146,807	4,287,423	4,406,790	4,846,323	4,990,662
Amount	20,227,059	22,466,293	25,332,170	30,732,759	32,734,734	36,095,167	38,380,163
Net capital gain in AGI: [6,8]							
Number of returns	9,217,141	14,829,385	22,497,646	22,645,728	12,630,577	9,969,731	10,085,562
Amount	123,783,047	180,130,460	552,604,872	644,284,795	348,132,997	268,202,336	288,629,772
Net capital loss in AGI: [6,9]							
Number of returns	5,070,741	5,133,540	5,202,857	6,875,037	10,839,824	13,279,894	12,808,729
Amount	9,551,854	9,715,254	9,846,756	13,742,364	22,964,034	29,833,878	28,921,930
Sales of property other than capital assets, net gain: [10]							
Number of returns	866,359	802,688	834,575	827,490	772,632	789,392	784,336
Amount	6,299,921	5,734,820	6,557,503	7,445,007	7,208,365	7,291,728	7,521,982
Sales of property other than capital assets, net loss: [10]							
Number of returns	825,018	974,545	898,350	872,562	843,253	938,985	902,097
Amount	4,828,713	8,744,858	8,269,794	8,364,141	9,105,361	9,678,258	7,048,185
Pensions and annuities in AGI: [11]							
Number of returns	17,014,091	18,414,601	21,343,646	21,765,211	22,262,774	22,794,417	23,058,944
Amount	159,294,448	221,053,045	304,310,714	325,827,702	338,745,409	357,840,960	378,632,948
Unemployment compensation: [12]							
Number of returns	8,014,136	7,985,322	6,775,723	6,478,292	8,799,886	10,334,639	10,133,305
Amount	15,453,147	19,336,423	17,530,779	16,913,305	26,890,925	43,129,155	44,185,367

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Adjusted gross income (AGI)--continued							
Social Security benefits in AGI: [13]							
Number of returns	5,082,575	6,598,033	9,459,189	10,608,572	10,779,280	10,702,502	11,098,826
Amount	19,686,539	45,715,361	75,078,976	89,964,021	93,559,363	93,459,494	99,080,506
Rent net income: [14]							
Number of returns	3,933,823	4,358,760	4,355,533	4,200,588	4,226,121	4,228,529	4,055,730
Amount	25,886,388	35,165,713	43,459,764	45,099,159	47,307,618	49,265,943	48,603,223
Rent net loss: [14]							
Number of returns	5,163,186	4,903,387	4,616,526	4,520,263	4,504,545	4,500,788	4,439,491
Amount	33,450,215	27,437,709	28,341,505	30,309,122	31,057,269	34,253,712	37,520,944
Royalty net income: [15]							
Number of returns	1,170,627	1,096,821	1,117,408	1,103,851	1,133,409	1,118,018	1,194,913
Amount	4,534,436	5,010,334	6,482,226	7,997,803	10,630,523	8,013,942	9,348,529
Royalty net loss: [15]							
Number of returns	49,133	36,680	46,926	36,033	46,313	38,389	30,821
Amount	125,855	84,550	131,699	100,895	89,482	140,775	93,978
Partnership and S corporation net income: [16]							
Number of returns	3,210,384	3,566,632	4,154,776	4,179,537	4,356,933	4,329,316	4,139,385
Amount	112,029,507	166,418,667	269,757,830	285,424,865	301,558,966	314,665,137	301,171,011
Partnership and S corporation net loss: [7, 16]							
Number of returns	2,767,074	2,055,062	2,121,841	2,120,784	2,139,574	2,394,105	2,371,920
Amount	45,007,276	40,666,189	58,685,867	72,511,266	76,448,871	76,697,948	56,220,101
Estate or trust net income:							
Number of returns	444,953	506,584	516,024	556,534	493,247	539,946	460,487
Amount	4,633,163	6,870,734	10,975,854	12,134,000	12,378,332	12,459,427	11,494,374
Estate or trust net loss:							
Number of returns	74,127	41,050	40,071	39,026	44,096	41,508	29,622
Amount	467,976	816,719	1,092,143	1,127,838	2,158,566	1,219,102	562,851
Farm net income:							
Number of returns	996,360	726,065	725,782	703,083	649,173	556,331	595,750
Amount	11,395,305	8,192,174	9,201,162	8,270,319	7,656,704	6,324,051	7,560,081
Farm net loss: [7]							
Number of returns	1,324,793	1,493,178	1,320,526	1,358,701	1,357,698	1,438,741	1,402,196
Amount	11,829,067	16,041,814	15,444,078	17,305,037	18,661,484	20,743,770	19,513,364
Total statutory adjustments:							
Number of returns [17]	16,648,032	18,208,887	22,659,973	23,197,425	23,497,092	28,911,078	30,352,239
Amount [17]	33,974,231	41,139,577	56,698,800	58,609,518	60,572,768	77,161,432	85,137,579
Educator expenses:							
Number of returns	N/A	N/A	N/A	N/A	N/A	2,884,403	3,275,128
Amount	N/A	N/A	N/A	N/A	N/A	712,505	813,913
Individual Retirement Arrangements: [18]							
Number of returns	5,223,737	4,300,722	3,687,149	3,505,032	3,448,457	3,277,671	3,462,006
Amount	9,858,219	8,338,014	7,883,438	7,477,074	7,406,866	9,462,404	10,166,576
Student loan interest deduction:							
Number of returns	N/A	N/A	4,136,505	4,477,986	4,405,667	6,640,784	7,031,160
Amount	N/A	N/A	2,254,531	2,639,472	2,711,733	4,469,546	4,470,823
Tuition and fees deduction:							
Number of returns	N/A	N/A	N/A	N/A	N/A	3,444,941	3,603,729
Amount	N/A	N/A	N/A	N/A	N/A	6,154,145	6,737,825
Medical savings account deduction: [19]							
Number of returns	N/A	N/A	50,393	65,415	69,957	61,118	63,450
Amount	N/A	N/A	81,977	120,330	123,296	121,282	119,800
Keogh and self-employed retirement plans:							
Number of returns	824,327	1,032,102	1,264,007	1,287,706	1,290,496	1,186,947	1,193,324
Amount	6,777,645	8,734,145	11,928,242	12,475,396	13,114,412	16,349,738	16,899,066
Deduction for self-employment tax:							
Number of returns	11,006,093	12,849,084	14,029,609	14,300,141	14,574,036	14,664,473	15,253,702
Amount	9,921,387	13,341,810	16,689,650	17,392,967	18,134,959	18,687,162	18,986,750

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total statutory adjustments--continued							
Self-employed health insurance:[20]							
Number of returns	2,754,040	3,011,145	3,491,539	3,564,624	3,559,792	3,571,152	3,658,160
Amount	1,627,356	2,601,145	6,755,071	7,569,198	8,177,397	10,494,247	15,569,662
Exemptions:							
Number of exemptions, total	227,549,246	237,164,486	248,657,119	252,332,427	256,186,046	258,716,374	261,657,429
Amount[21]	465,985,366	584,509,487	669,241,317	690,109,474	727,554,990	761,440,430	782,990,551
Number of boxes checked for taxpayer's age 65 or over[21]	18,716,746	19,450,417	21,785,802	22,475,999	22,825,923	22,948,745	23,423,068
Primary taxpayer	13,458,931	13,875,464	15,760,847	16,159,749	16,443,262	16,444,649	16,764,131
Spouse	5,257,815	5,574,953	6,024,955	6,316,250	6,382,661	6,504,096	6,658,937
Total deductions:							
Number of returns[22]	112,795,712	117,230,454	125,999,671	128,204,824	128,800,540	128,302,742	128,796,092
Amount[22]	789,941,575	940,958,666	1,205,337,338	1,293,181,391	1,366,435,851	1,390,114,852	1,439,376,664
Standard deductions:[23]							
Number of returns	80,620,774	83,222,737	85,755,366	85,670,504	84,238,233	82,655,191	84,934,121
Amount	331,456,520	413,584,632	463,960,491	470,820,881	466,971,032	477,170,045	542,758,782
Returns with additional standard deductions for age 65 or over or blindness:							
Number of returns	10,954,167	10,809,600	11,200,024	11,330,554	11,116,629	10,857,098	11,335,359
Amount	10,615,715	12,319,288	14,264,309	14,735,998	14,936,559	14,897,487	16,064,490
Itemized deductions:							
Number of returns[24]	32,174,938	34,007,717	40,244,305	42,534,320	44,562,308	45,647,551	43,861,971
Amount[24]	458,485,055	527,374,034	741,376,847	822,360,510	884,528,260	898,047,320	880,553,392
Medical and dental expense:[25]							
Number of returns	5,090,958	5,351,066	5,884,418	6,513,104	7,571,522	8,547,481	8,630,911
Amount	21,456,587	26,964,295	35,375,998	39,251,004	47,071,726	52,276,395	55,003,108
Taxes paid:[26]							
Number of returns	31,594,114	33,530,277	39,564,240	41,823,555	43,797,188	44,793,590	42,996,756
Amount	140,011,461	188,643,888	265,365,133	294,711,547	307,974,817	302,653,989	307,102,902
Interest paid:[27]							
Number of returns	29,394,600	28,704,828	33,705,780	35,405,336	36,800,610	37,637,017	36,105,945
Amount	208,354,360	215,077,974	291,552,907	322,931,506	349,900,751	351,495,773	331,988,244
Home mortgage interest paid:							
Number of returns	26,679,450	28,350,260	33,267,570	34,914,116	36,331,190	37,216,044	35,717,686
Amount	189,233,477	203,074,312	272,148,740	299,963,368	330,692,376	336,570,649	320,947,215
Charitable contributions:							
Number of returns	29,230,265	30,540,637	35,523,471	37,524,825	39,386,782	40,399,695	38,642,066
Amount	57,242,757	74,991,519	125,798,548	140,681,631	139,241,476	140,571,365	139,666,085
Taxable income:							
Number of returns	93,148,332	94,612,292	102,845,571	105,259,292	104,174,654	102,275,969	101,669,737
Amount	2,263,661,230	2,813,826,386	4,136,119,714	4,544,242,424	4,268,506,425	4,096,127,651	4,202,698,688
Income tax before credits:[28, 29]							
Number of returns	93,089,368	94,497,909	102,834,362	105,277,966	104,195,834	102,293,722	101,686,410
Amount	453,127,579	596,168,654	906,811,755	1,018,218,948	933,567,474	836,842,718	791,129,805
Tax credits:							
Number of returns[30,31]	12,483,535	15,240,064	36,621,595	37,736,095	49,792,710	40,614,049	41,219,145
Total amount[30,31]	6,831,187	10,040,198	35,892,344	37,722,293	45,631,198	39,862,411	41,108,685
Child care credit:							
Number of returns	6,143,590	5,964,253	6,182,193	6,368,101	6,184,507	6,185,855	6,340,695
Amount	2,549,004	2,517,962	2,675,147	2,793,860	2,721,061	2,706,539	3,222,404
Credit for the elderly or disabled:							
Number of returns	339,818	251,524	181,813	155,796	139,097	133,538	125,555
Amount	61,898	48,028	33,629	32,608	30,496	21,119	20,600
Child tax credit:[32]							
Number of returns	N/A	N/A	26,016,019	26,404,521	26,452,875	25,939,801	25,741,752
Amount	N/A	N/A	19,398,625	19,689,359	22,427,229	21,520,271	22,815,814
Education credits:							
Number of returns	N/A	N/A	6,436,654	6,815,316	7,212,554	6,475,134	7,358,503
Amount	N/A	N/A	4,772,443	4,851,178	5,156,254	4,882,853	5,900,877

See notes at end of this section.

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1990-2003 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1999	2000	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax credits--continued							
Retirement savings contributions credit:							
Number of returns	N/A	N/A	N/A	N/A	N/A	5,307,176	5,383,851
Amount	N/A	N/A	N/A	N/A	N/A	1,058,219	1,053,786
Foreign tax credit:							
Number of returns	772,143	1,730,566	3,266,544	3,935,699	3,942,604	3,748,974	4,146,797
Amount	1,682,307	2,965,313	4,941,010	5,990,360	6,254,559	5,933,600	5,014,266
General business credit:							
Number of returns	262,573	267,527	287,658	275,116	269,648	284,720	239,664
Amount	616,288	702,906	783,920	764,253	713,974	750,855	510,617
Income tax after credits: [28]							
Number of returns	89,844,225	89,233,118	94,511,758	96,815,794	94,763,163	90,963,775	89,103,872
Amount	446,296,392	586,128,456	870,919,411	980,496,655	887,936,276	796,980,307	750,021,120
Total income tax: [33]							
Number of returns	89,862,434	89,252,989	94,546,080	96,817,602	94,763,530	90,963,896	89,103,880
Amount	447,126,703	588,419,030	877,401,489	980,645,201	887,973,968	796,986,268	750,024,250
Alternative minimum tax: [34]							
Number of returns	132,103	414,106	1,018,063	1,304,198	1,120,047	1,910,789	2,379,473
Amount	830,313	2,290,576	6,477,697	9,600,840	6,756,705	6,853,901	8,737,246
Earned income credit: [35]							
Number of returns	12,541,651	19,334,397	19,258,715	19,277,225	19,593,122	21,703,187	22,233,971
Amount	7,542,231	25,955,575	31,901,107	32,296,341	33,375,971	38,198,572	39,124,190
Used to offset income tax before credits:							
Number of returns	5,702,209	7,850,841	5,352,300	5,416,246	4,412,721	4,168,977	3,642,470
Amount	1,616,812	3,145,736	1,918,065	1,968,680	1,470,200	1,114,948	936,451
Used to offset other taxes:							
Number of returns	1,354,955	2,909,053	3,137,122	3,147,876	3,506,426	4,106,193	4,429,878
Amount	659,341	1,980,998	2,378,860	2,523,703	2,862,938	3,346,682	3,745,552
Excess earned income credit (refundable):							
Number of returns	8,698,475	15,177,901	16,049,812	16,125,542	16,631,224	18,780,033	19,382,974
Amount	5,266,077	20,828,840	27,604,182	27,803,959	29,042,833	33,736,942	34,442,188
Tax payments, total:							
Number of returns.[36]	104,815,832	111,098,864	119,809,259	122,243,874	123,451,339	120,083,021	123,842,184
Amount.[36]	495,921,666	670,131,074	981,100,157	1,084,868,447	1,076,500,696	953,697,397	959,359,745
Income tax withheld:[37]							
Number of returns	97,747,178	102,436,220	111,193,931	113,733,442	114,798,386	114,861,744	115,413,654
Amount	386,525,674	495,484,153	695,526,980	763,901,388	773,325,891	717,492,263	716,987,284
Excess Social Security tax withheld:							
Number of returns	931,283	1,033,189	1,377,613	1,640,582	1,436,746	1,145,352	1,130,095
Amount	905,327	1,081,454	1,712,649	2,184,849	1,915,349	1,564,478	1,579,971
Estimated tax payments:[38]							
Number of returns	12,805,826	11,903,592	13,169,356	13,326,669	13,167,855	12,434,579	11,528,283
Amount	91,607,397	122,489,252	196,915,946	221,621,893	220,195,712	198,177,595	174,083,477
Payments with requests for extension of filing time:[39]							
Number of returns	1,304,663	1,368,994	1,510,206	1,610,937	1,448,214	1,235,156	828,413
Amount	16,704,169	24,929,343	53,984,319	63,396,711	42,495,018	36,321,934	18,291,620
Tax due at time of filing:							
Number of returns	26,986,948	29,734,331	29,200,902	30,624,423	24,581,130	22,818,761	20,033,306
Amount	56,561,150	71,153,015	119,091,512	134,944,362	91,822,703	82,287,723	80,106,909
Tax overpayments, total: [40]							
Number of returns	83,507,580	85,348,771	94,827,237	95,921,082	102,310,896	103,462,884	105,880,546
Amount	88,479,352	119,462,121	182,049,186	196,198,780	236,982,082	239,784,002	245,563,031
Overpayment refunds:							
Number of returns	80,514,484	82,744,440	91,600,741	93,000,030	99,011,975	100,143,606	102,722,772
Amount	78,103,385	104,537,379	155,513,635	167,577,365	202,274,032	205,987,348	219,859,438

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNITED STATES [2]							
Number of returns	**131,356,582**	**68,565,034**	**24,282,434**	**17,565,540**	**9,451,745**	**8,882,368**	**2,609,461**
Number of joint returns	51,846,057	12,565,028	9,912,157	11,698,049	7,722,117	7,701,086	2,247,620
Number with paid preparer's signature	79,265,467	40,752,433	14,572,752	10,721,520	5,635,387	5,489,928	2,093,447
Number of exemptions	266,531,114	110,680,939	51,439,639	44,232,169	26,500,384	25,937,288	7,740,695
Adjusted gross income (AGI) [3]	**6,199,925,184**	**847,140,512**	**948,788,028**	**1,077,791,123**	**813,259,120**	**1,168,918,320**	**1,344,028,086**
Salaries and wages in AGI: [4] Number	111,195,117	54,422,229	21,747,054	15,923,431	8,701,815	8,152,869	2,247,719
Amount	4,660,069,945	745,490,312	784,275,135	877,544,198	665,253,823	912,939,587	674,566,895
Taxable interest: Number	59,506,618	19,964,535	11,104,937	11,155,566	7,177,619	7,627,020	2,476,941
Amount	127,425,494	27,199,677	14,075,711	15,457,904	10,970,891	17,995,734	41,725,572
Dividends: Number	30,372,542	9,304,205	4,804,557	5,325,063	3,861,364	4,986,586	2,090,767
Amount	111,506,336	14,464,990	8,524,036	10,650,089	8,731,860	17,774,770	51,360,589
Business or profession net income (less loss):							
Number	19,601,334	8,937,466	3,346,646	2,954,677	1,738,498	1,902,785	721,262
Amount	229,015,547	41,137,225	26,624,561	28,627,314	22,943,675	49,994,993	59,687,783
Number of farm returns	2,024,746	835,413	408,861	360,481	185,772	162,915	71,304
Net capital gain (less loss) in AGI: Number	22,733,299	6,847,320	3,379,376	3,756,339	2,791,563	3,985,033	1,973,668
Amount	279,230,564	5,718,096	3,332,279	6,893,852	8,471,983	30,097,552	224,716,799
Taxable Individual Retirement Arrangements							
distributions: Number	8,593,531	3,541,491	1,681,413	1,498,397	849,783	797,023	225,424
Amount	90,296,644	17,426,777	13,391,551	16,775,541	13,275,009	19,391,095	10,036,661
Pensions and annuities in AGI: Number	22,547,553	9,427,879	4,492,488	3,920,659	2,195,617	2,019,725	491,185
Amount	369,811,484	87,117,010	71,540,174	78,860,540	52,793,968	60,540,086	18,959,715
Unemployment compensation: [13] Number	10,239,011	5,232,486	2,192,845	1,572,983	699,403	476,981	64,313
Amount	44,670,659	20,920,053	10,020,648	7,245,688	3,436,392	2,611,823	436,065
Social Security benefits in AGI: Number	10,770,111	2,226,061	3,223,649	2,560,126	1,262,368	1,108,618	389,289
Amount	97,209,703	4,596,334	19,011,590	30,317,071	18,444,371	17,772,867	7,067,470
Self-employment retirement plans: Number	1,164,876	92,809	108,943	156,186	153,474	351,191	302,273
Amount	17,033,144	435,931	667,999	1,165,555	1,423,781	5,034,726	8,305,160
Total itemized deductions: [5] Number	44,093,577	7,248,294	8,841,109	10,280,227	7,310,035	7,984,093	2,429,819
Amount	916,313,982	102,598,281	124,283,558	168,843,757	140,856,389	208,164,010	171,567,987
State and local income taxes: Number	36,286,363	4,690,399	7,306,626	8,852,536	6,352,239	6,936,491	2,148,072
Amount	184,518,427	5,597,019	12,600,970	25,075,633	25,452,958	46,735,279	69,056,567
Real estate taxes: Number	38,508,628	5,389,547	7,298,036	9,196,564	6,783,276	7,528,957	2,312,248
Amount	119,140,263	12,366,392	15,245,097	21,918,740	19,440,145	30,328,571	19,841,314
Taxes paid: Number	43,538,497	6,866,947	8,722,495	10,248,681	7,299,633	7,968,605	2,432,136
Amount	315,692,040	18,949,255	29,393,003	49,456,021	46,769,737	79,943,928	91,180,102
Interest paid: Number	36,460,298	4,755,555	7,081,952	8,908,780	6,538,465	7,101,071	2,074,475
Amount	349,296,540	36,704,180	52,616,595	72,628,584	58,996,948	81,607,422	46,742,819
Contributions: Number	38,581,522	5,138,863	7,478,639	9,226,841	6,794,923	7,594,030	2,348,226
Amount	143,940,792	9,015,259	15,766,987	22,674,832	19,619,901	30,447,483	46,416,334
Taxable income: Number	101,693,818	39,315,193	23,971,497	17,497,819	9,434,538	8,869,555	2,605,216
Amount	4,200,004,532	311,270,836	560,373,998	714,257,462	573,039,079	875,248,011	1,165,815,140
Total tax credits: [6] Number	39,454,760	12,415,122	10,166,654	7,791,659	4,703,578	3,433,627	944,120
Amount	41,105,054	6,097,378	9,710,916	9,751,442	5,995,334	3,616,290	5,933,686
Child tax credit: Number	25,942,545	6,662,665	7,107,413	6,293,844	3,690,911	2,187,093	619
Amount	22,880,521	3,172,876	6,538,219	6,981,700	4,134,574	2,052,612	529
Child care credit: Number	6,272,949	1,284,758	1,436,969	1,470,084	979,322	927,820	173,996
Amount	3,238,940	631,279	791,103	739,384	506,955	477,467	92,755
Earned income credit: [7] Number	22,111,801	21,163,929	947,872	--	--	--	--
Amount	39,186,425	38,766,953	419,477	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	19,243,502	18,554,324	689,178	--	--	--	--
Amount	34,508,076	34,203,300	304,778	--	--	--	--
Income tax: [9] Number	91,626,824	31,912,240	21,654,687	17,191,946	9,398,571	8,863,007	2,606,373
Amount	751,617,441	29,963,285	64,576,433	94,617,103	83,792,318	163,045,660	315,622,631
Total tax liability: [10] Number	98,360,947	37,888,910	22,272,867	17,303,855	9,416,912	8,870,846	2,607,557
Amount	795,529,497	40,432,201	70,572,925	101,005,198	88,589,153	171,376,912	323,553,096
Tax due at time of filing: [11] Number	20,788,880	7,683,636	3,973,713	3,544,458	1,938,825	2,541,248	1,107,000
Amount	73,243,101	5,722,716	5,630,895	7,067,342	5,636,111	13,268,266	35,917,778
Overpayments: [12] Number	102,699,126	55,783,268	19,666,516	13,406,427	7,113,556	5,732,065	997,294
Amount	222,410,856	83,720,315	38,431,004	34,308,209	23,651,904	26,360,700	15,938,727

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALABAMA							
Number of returns	**1,883,765**	**1,088,495**	**332,057**	**229,168**	**117,246**	**92,505**	**24,294**
Number of joint returns	765,108	216,612	163,006	175,583	103,678	84,501	21,728
Number with paid preparer's signature	1,233,389	714,354	218,737	149,489	72,346	57,900	20,563
Number of exemptions	3,955,727	1,933,049	746,319	600,134	333,786	270,018	72,421
Adjusted gross income (AGI) [3]	**74,842,665**	**14,335,594**	**12,931,107**	**14,052,671**	**10,063,119**	**12,021,949**	**11,438,224**
Salaries and wages in AGI: [4] Number	1,623,767	903,091	298,511	208,667	108,151	84,694	20,653
Amount	57,175,727	12,369,967	10,783,225	11,511,838	8,228,188	9,070,679	5,211,831
Taxable interest: Number	678,245	233,923	129,238	131,522	83,768	76,751	23,043
Amount	1,403,119	338,816	178,162	189,683	136,549	198,829	361,080
Dividends: Number	307,512	91,770	50,308	56,543	41,589	48,348	18,954
Amount	1,104,964	130,376	85,676	110,728	93,374	194,299	490,511
Business or profession net income (less loss): Number	276,375	142,005	48,016	38,909	20,675	19,590	7,180
Amount	2,282,699	512,129	246,392	264,906	204,742	480,440	574,091
Number of farm returns	51,333	19,850	10,400	9,578	5,357	4,394	1,754
Net capital gain (less loss) in AGI: Number	221,708	65,805	33,887	38,359	28,435	37,327	17,895
Amount	2,260,866	85,950	44,431	84,315	96,242	326,804	1,623,124
Taxable Individual Retirement Arrangements distributions: Number	105,559	43,729	21,172	18,744	10,573	9,048	2,293
Amount	1,035,866	214,377	166,097	202,650	152,985	208,042	91,715
Pensions and annuities in AGI: Number	342,973	150,661	70,164	58,671	32,211	26,096	5,170
Amount	5,532,206	1,472,961	1,134,641	1,179,144	771,157	785,478	188,824
Unemployment compensation: Number	129,668	78,857	25,156	16,606	5,894	2,940	215
Amount	329,430	201,014	62,750	40,549	15,586	8,695	836
Social Security benefits in AGI: Number	150,607	31,617	48,118	36,220	17,084	13,392	4,176
Amount	1,287,346	60,526	265,010	421,551	249,174	214,591	76,494
Self-employment retirement plans: Number	8,433	554	716	991	954	2,628	2,590
Amount	127,253	2,107	3,771	6,868	8,590	37,832	68,085
Total itemized deductions: [5] Number	541,303	105,398	122,505	124,309	86,140	80,415	22,536
Amount	9,315,657	1,256,038	1,590,693	1,877,034	1,504,076	1,839,718	1,248,098
State and local income taxes: Number	501,614	80,926	114,956	119,964	84,189	79,172	22,407
Amount	1,570,068	76,466	177,930	282,950	277,804	390,842	364,077
Real estate taxes: Number	458,931	70,251	96,674	111,810	81,292	77,190	21,714
Amount	398,340	41,535	51,511	70,511	63,457	95,532	75,792
Taxes paid: Number	538,172	101,771	122,277	124,616	86,375	80,488	22,645
Amount	2,093,204	133,940	252,381	380,484	362,774	511,681	451,946
Interest paid: Number	450,127	69,501	98,321	110,784	79,358	73,166	18,997
Amount	4,001,489	397,515	1,188,799	739,580	602,145	699,523	373,927
Contributions: Number	490,806	85,099	108,965	115,336	81,795	77,605	22,006
Amount	2,235,834	197,129	316,395	411,472	350,961	465,161	494,714
Taxable income: Number	1,392,076	600,176	329,383	228,711	117,127	92,424	24,255
Amount	47,908,928	4,441,484	7,453,123	9,401,716	7,261,663	9,252,698	10,098,245
Total tax credits: [6] Number	576,019	221,616	152,663	104,471	57,495	32,288	7,486
Amount	528,537	107,572	146,179	128,391	71,038	30,549	44,809
Child tax credit: Number	403,968	137,245	110,874	87,559	46,255	22,030	5
Amount	324,030	62,259	100,154	92,282	49,309	20,021	5
Child care credit: Number	96,994	25,454	24,178	23,565	13,480	9,124	1,193
Amount	48,200	12,309	12,663	11,438	6,692	4,465	633
Earned income credit: [7] Number	484,769	468,689	16,080	--	--	--	--
Amount	980,940	973,842	7,099	--	--	--	--
Excess earned income credit (refundable): [8] Number	441,153	429,515	11,638	--	--	--	--
Amount	891,981	886,806	5,175	--	--	--	--
Income tax: [9] Number	1,211,116	452,676	298,585	226,341	116,895	92,359	24,260
Amount	7,896,942	397,106	816,275	1,201,958	1,048,888	1,709,619	2,723,095
Total tax liability: [10] Number	1,317,119	550,457	305,745	227,209	117,021	92,415	24,272
Amount	8,396,882	540,628	888,101	1,274,943	1,099,886	1,795,590	2,797,732
Tax due at time of filing: [11] Number	263,440	95,776	52,542	46,969	25,796	31,238	11,119
Amount	868,834	67,139	69,690	87,992	70,692	166,562	406,759
Overpayments: [12] Number	1,533,477	936,546	272,033	175,114	86,772	54,760	8,252
Amount	3,340,011	1,738,737	543,134	430,889	265,545	223,577	138,129

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued
[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALASKA							
Number of returns	**343,032**	**178,298**	**59,411**	**47,318**	**28,089**	**25,212**	**4,704**
Number of joint returns	120,116	19,740	21,401	29,477	23,228	22,240	4,030
Number with paid preparer's signature	170,354	81,895	29,659	25,243	15,119	14,639	3,799
Number of exemptions	644,384	233,781	124,363	119,961	80,062	73,078	13,139
Adjusted gross income (AGI) [3]	**14,832,589**	**1,893,925**	**2,333,676**	**2,910,665**	**2,421,825**	**3,239,464**	**2,033,034**
Salaries and wages in AGI: [4] Number	276,580	126,336	53,989	42,981	25,992	23,316	3,966
Amount	10,998,285	1,578,062	1,920,018	2,322,018	1,930,485	2,442,544	805,160
Taxable interest: Number	157,975	53,300	27,297	30,148	21,095	21,617	4,518
Amount	215,482	32,628	23,195	31,868	26,156	41,805	59,831
Dividends: Number	81,286	28,642	12,580	13,870	10,443	12,313	3,438
Amount	182,877	29,437	19,116	22,772	18,681	31,243	61,628
Business or profession net income (less loss): Number	55,167	20,218	10,133	10,172	6,568	6,463	1,613
Amount	657,075	55,096	72,807	92,464	80,832	172,359	183,517
Number of farm returns	1,251	300	201	229	187	248	86
Net capital gain (less loss) in AGI: Number	51,305	14,166	7,235	9,298	7,402	9,912	3,292
Amount	468,157	3,604	6,716	16,253	23,375	86,238	331,971
Taxable Individual Retirement Arrangements distributions: Number	12,523	2,893	2,461	2,880	2,027	1,918	344
Amount	150,208	14,469	18,930	30,919	29,171	41,643	15,076
Pensions and annuities in AGI: Number	48,376	12,179	9,337	10,604	7,566	7,496	1,194
Amount	1,045,272	117,177	161,235	250,616	208,658	257,039	50,549
Unemployment compensation: [13] Number	92,977	63,980	16,193	8,255	2,843	1,620	86
Amount	205,412	120,713	42,703	26,346	9,676	5,618	357
Social Security benefits in AGI: Number	19,050	2,873	5,068	5,123	2,934	2,379	673
Amount	168,358	6,373	28,239	54,354	36,436	31,975	10,983
Self-employment retirement plans: Number	3,490	284	387	549	581	1,068	621
Amount	46,607	1,290	2,282	3,975	5,026	17,033	17,002
Total itemized deductions: [5] Number	81,258	8,997	14,550	20,192	16,361	17,975	3,183
Amount	1,347,506	118,473	190,878	295,114	272,357	351,643	119,041
State and local income taxes: Number	17,861	1,352	2,738	4,142	3,864	4,881	884
Amount	14,820	638	1,335	2,042	1,991	3,503	5,311
Real estate taxes: Number	73,331	6,766	12,495	18,346	15,379	17,208	3,137
Amount	213,397	14,538	27,113	45,514	45,173	61,066	19,991
Taxes paid: Number	77,442	7,545	13,526	19,409	16,012	17,738	3,212
Amount	239,424	15,990	30,045	50,007	49,450	67,441	26,491
Interest paid: Number	73,652	6,710	12,810	18,618	15,469	17,102	2,943
Amount	696,348	48,134	101,787	158,490	147,745	187,187	53,005
Contributions: Number	67,080	5,738	11,043	16,578	14,246	16,416	3,059
Amount	238,125	11,189	24,598	45,146	45,008	66,993	45,192
Taxable income: Number	297,225	133,098	58,927	47,228	28,067	25,204	4,701
Amount	10,594,511	810,439	1,466,239	2,031,877	1,804,086	2,600,653	1,881,217
Total tax credits: [6] Number	103,469	32,231	24,668	21,667	13,951	9,438	1,514
Amount	95,720	13,289	24,694	27,787	17,833	8,855	3,262
Child tax credit: Number	67,883	19,488	18,853	18,074	11,468	6,351**	**
Amount	61,461	7,485	18,661	21,810	13,505	6,151**	**
Child care credit: Number	14,167	2,356	3,201	3,455	2,689	2,218	248
Amount	7,136	918	1,601	1,817	1,474	1,180	145
Earned income credit: [7] Number	38,730	36,285	2,445	--	--	--	--
Amount	57,882	56,795	1,087	--	--	--	--
Excess earned income credit (refundable): [8] Number	32,712	30,913	1,799	--	--	--	--
Amount	50,657	49,864	791	--	--	--	--
Income tax: [9] Number	277,302	119,726	53,273	46,419	27,991	25,194	4,699
Amount	1,795,993	82,847	175,855	279,493	271,837	491,064	494,896
Total tax liability: [10] Number	288,599	129,011	54,921	46,743	28,023	25,201	4,700
Amount	1,916,777	103,071	192,910	300,596	288,867	518,881	512,452
Tax due at time of filing: [11] Number	90,408	52,339	10,726	10,528	6,686	8,125	2,004
Amount	190,153	16,243	17,342	24,483	21,030	44,604	66,452
Overpayments: [12] Number	234,629	114,797	47,323	35,244	20,305	15,369	1,591
Amount	489,812	150,068	92,666	91,185	66,604	64,726	24,564

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ARIZONA							
Number of returns	**2,285,323**	**1,197,077**	**442,756**	**303,372**	**159,926**	**143,732**	**38,460**
Number of joint returns	947,883	256,641	191,325	209,158	132,696	125,099	32,964
Number with paid preparer's signature	1,381,714	716,919	264,303	183,300	94,749	90,707	31,736
Number of exemptions	4,886,258	2,143,960	992,532	780,849	446,702	410,357	111,858
Adjusted gross income (AGI) [3]	**102,846,339**	**15,764,225**	**17,242,798**	**18,604,663**	**13,753,736**	**18,808,906**	**18,672,012**
Salaries and wages in AGI: [4] Number	1,923,683	961,477	389,659	267,653	143,453	128,920	32,521
Amount	76,332,615	14,046,340	14,066,448	14,637,038	10,810,075	14,010,923	8,761,791
Taxable interest: Number	921,621	310,526	176,805	171,566	110,424	116,595	35,705
Amount	2,276,596	487,209	261,309	283,533	199,666	342,821	702,057
Dividends: Number	506,710	164,273	85,349	88,725	62,058	77,093	29,212
Amount	1,721,051	285,658	175,242	199,539	152,141	280,700	627,772
Business or profession net income (less loss): Number	325,381	144,452	58,449	51,169	29,800	31,248	10,263
Amount	3,080,925	537,683	397,855	432,060	342,261	693,264	677,802
Number of farm returns	8,287	3,151	1,366	1,332	825	1,009	604
Net capital gain (less loss) in AGI: Number	417,598	135,208	67,317	70,405	49,531	66,267	28,870
Amount	4,580,410	119,979	60,647	142,371	185,828	642,704	3,428,881
Taxable Individual Retirement Arrangements distributions: Number	165,959	66,937	33,619	29,832	16,786	15,268	3,517
Amount	1,913,980	359,091	293,627	370,279	300,010	419,383	171,591
Pensions and annuities in AGI: Number	431,647	175,125	89,428	78,229	43,133	37,711	8,021
Amount	7,476,936	1,680,828	1,473,283	1,663,756	1,120,461	1,218,065	320,544
Unemployment compensation: Number	123,680	72,170	23,576	15,486	6,943	4,896	609
Amount	416,194	238,004	78,950	52,193	24,811	19,560	2,676
Social Security benefits in AGI: Number	217,495	44,734	65,962	53,051	25,726	21,679	6,343
Amount	1,947,120	93,085	394,319	632,972	377,043	341,232	108,468
Self-employment retirement plans: Number	15,490	1,627	1,696	2,285	2,160	4,472	3,250
Amount	222,302	8,265	10,791	18,026	21,883	70,611	92,726
Total itemized deductions: [5] Number	842,121	158,757	185,467	197,429	131,317	132,429	36,722
Amount	16,609,330	2,349,618	2,727,974	3,196,551	2,496,198	3,363,526	2,475,463
State and local income taxes: Number	779,228	113,989	176,164	192,694	129,429	130,612	36,340
Amount	2,374,787	70,741	178,184	341,924	338,499	619,163	826,276
Real estate taxes: Number	778,869	134,878	167,556	185,889	126,348	128,436	35,762
Amount	1,355,783	191,266	215,071	262,641	212,117	295,281	179,406
Taxes paid: Number	840,581	155,451	185,810	198,209	131,689	132,601	36,821
Amount	4,107,920	326,975	451,944	683,094	614,255	991,389	1,040,264
Interest paid: Number	751,620	124,524	165,065	182,747	123,597	123,192	32,495
Amount	7,886,792	1,422,605	1,326,308	1,562,570	1,204,874	1,492,661	877,774
Contributions: Number	742,735	118,450	159,335	179,509	123,287	126,672	35,482
Amount	2,349,710	178,760	286,952	415,148	344,379	514,034	610,436
Taxable income: Number	1,781,716	701,974	436,179	302,100	159,592	143,481	38,390
Amount	67,395,949	5,568,104	9,849,808	12,147,988	9,656,828	14,111,051	16,062,169
Total tax credits: [6] Number	723,668	247,740	196,040	137,329	77,699	52,520	12,340
Amount	667,159	117,965	185,023	172,173	97,929	52,516	41,553
Child tax credit: Number	487,235	141,006	141,495	110,130	61,000	33,590	14
Amount	433,071	67,049	134,097	128,739	70,701	32,471	15
Child care credit: Number	102,514	20,041	24,578	25,994	16,302	13,404	2,195
Amount	50,878	9,469	12,650	12,723	8,202	6,697	1,138
Earned income credit: [7] Number	399,721	379,895	19,826	--	--	--	--
Amount	709,960	701,077	8,883	--	--	--	--
Excess earned income credit (refundable): [8] Number	353,046	337,799	15,247	--	--	--	--
Amount	637,207	630,389	6,818	--	--	--	--
Income tax: [9] Number	1,573,796	552,640	384,773	295,709	158,921	143,358	38,395
Amount	11,482,016	526,302	1,107,607	1,585,154	1,403,776	2,609,705	4,249,473
Total tax liability: [10] Number	1,679,669	644,459	396,220	297,835	159,242	143,491	38,422
Amount	12,126,455	683,089	1,203,944	1,687,938	1,480,704	2,732,555	4,338,224
Tax due at time of filing: [11] Number	411,220	142,014	84,451	75,653	41,737	50,378	16,987
Amount	1,265,156	93,210	110,039	141,152	112,101	254,894	553,762
Overpayments: [12] Number	1,735,820	963,876	346,267	216,367	111,142	83,695	14,473
Amount	3,567,319	1,482,880	643,676	501,898	333,333	370,472	235,059

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ARKANSAS							
Number of returns	**1,121,518**	**671,209**	**202,200**	**132,933**	**58,559**	**44,258**	**12,359**
Number of joint returns	492,385	163,228	116,482	108,638	52,789	40,197	11,051
Number with paid preparer's signature	757,899	452,145	136,849	88,969	38,256	30,828	10,852
Number of exemptions	2,356,844	1,199,923	473,957	354,760	165,206	126,997	36,001
Adjusted gross income (AGI) [3]	**41,364,084**	**8,747,499**	**7,866,047**	**8,109,596**	**5,009,106**	**5,768,003**	**5,863,833**
Salaries and wages in AGI: [4] Number	956,483	551,776	181,158	120,055	53,219	39,658	10,617
Amount	31,125,070	7,531,926	6,464,643	6,518,224	3,943,956	4,121,381	2,544,941
Taxable interest: Number	411,861	160,948	82,918	77,112	42,320	36,921	11,642
Amount	888,921	242,540	125,895	125,011	77,027	113,555	204,892
Dividends: Number	196,177	67,823	35,704	36,178	22,406	24,472	9,594
Amount	999,398	83,051	49,756	59,339	45,815	88,160	673,276
Business or profession net income (less loss): Number	178,189	96,026	32,600	24,121	11,269	10,208	3,965
Amount	1,383,122	402,091	203,359	181,252	117,198	233,518	245,702
Number of farm returns	47,850	21,948	9,966	8,086	3,641	3,025	1,184
Net capital gain (less loss) in AGI: Number	156,417	54,802	27,560	27,330	17,113	20,416	9,196
Amount	1,564,587	70,807	46,322	77,141	78,710	203,151	1,088,455
Taxable Individual Retirement Arrangements distributions: Number	68,996	30,827	14,462	11,824	5,797	4,879	1,207
Amount	664,311	157,709	116,761	131,876	93,301	118,508	46,157
Pensions and annuities in AGI: Number	188,749	88,736	40,122	31,850	14,862	10,852	2,327
Amount	2,766,348	799,716	603,588	611,994	353,814	314,484	82,752
Unemployment compensation: Number	88,866	55,200	19,119	10,507	2,763	1,164	113
Amount	297,540	178,316	65,027	36,590	11,184	5,756	667
Social Security benefits in AGI: Number	94,126	20,176	32,113	22,705	9,643	7,240	2,249
Amount	766,658	37,733	173,369	259,995	139,708	116,057	39,795
Self-employment retirement plans: Number	4,033	365	420	558	538	1,277	875
Amount	52,318	1,369	2,291	3,678	4,670	18,069	22,241
Total itemized deductions: [5] Number	256,371	46,889	54,187	61,740	42,480	39,431	11,644
Amount	4,428,100	590,501	697,799	917,240	727,739	918,783	576,038
State and local income taxes: Number	240,137	35,266	51,851	60,641	41,969	38,877	11,533
Amount	1,075,576	36,930	89,151	171,149	177,192	275,842	325,313
Real estate taxes: Number	213,434	32,238	41,735	53,192	38,815	36,613	10,841
Amount	208,921	23,726	26,990	39,011	35,000	51,251	32,943
Taxes paid: Number	254,542	44,899	54,082	61,895	42,565	39,432	11,669
Amount	1,650,258	67,557	125,587	223,702	223,534	340,260	669,618
Interest paid: Number	206,743	29,839	42,629	53,074	37,816	34,083	9,302
Amount	1,428,607	169,531	225,085	321,033	254,780	293,362	164,816
Contributions: Number	219,854	34,244	44,262	54,384	38,799	36,954	11,211
Amount	1,075,184	85,288	132,368	193,226	156,695	205,321	302,285
Taxable income: Number	821,277	372,806	200,734	132,689	58,505	44,205	12,338
Amount	25,889,631	2,805,118	4,531,753	5,461,461	3,627,873	4,419,214	5,044,210
Total tax credits: [6] Number	327,674	126,686	94,445	60,676	27,573	15,103	3,191
Amount	278,172	59,240	87,546	73,605	33,129	14,309	10,342
Child tax credit: Number	233,951	81,062	69,288	51,008	22,170	10,423**	**
Amount	180,821	37,700	64,631	54,754	23,736	9,570**	**
Child care credit: Number	51,821	12,130	14,065	14,217	6,540	4,236	633
Amount	23,950	5,351	6,634	6,561	3,120	1,973	312
Earned income credit: [7] Number	278,230	267,527	10,703	--	--	--	--
Amount	528,519	523,722	4,798	--	--	--	--
Excess earned income credit (refundable): [8] Number	247,707	240,082	7,625	--	--	--	--
Amount	474,388	470,952	3,435	--	--	--	--
Income tax: [9] Number	718,679	290,973	181,303	131,474	58,400	44,187	12,342
Amount	4,137,649	260,203	491,202	688,559	521,576	815,585	1,360,525
Total tax liability: [10] Number	789,593	356,178	186,459	131,934	58,459	44,215	12,348
Amount	4,451,723	362,489	544,086	737,115	553,531	861,857	1,392,645
Tax due at time of filing: [11] Number	174,619	70,732	37,035	31,266	14,909	15,206	5,471
Amount	521,868	53,963	53,249	65,330	51,572	105,044	192,710
Overpayments: [12] Number	890,380	562,113	160,000	97,050	41,051	25,474	4,692
Amount	1,792,825	956,561	300,892	221,991	124,221	114,874	74,285

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CALIFORNIA							
Number of returns	**15,171,832**	**7,558,474**	**2,796,176**	**2,001,390**	**1,136,947**	**1,279,693**	**399,152**
Number of joint returns	5,867,369	1,480,159	1,052,209	1,122,924	828,642	1,051,486	331,949
Number with paid preparer's signature	10,040,945	4,916,009	1,831,892	1,345,241	760,193	864,627	322,983
Number of exemptions	32,277,482	13,316,938	6,225,141	4,900,144	3,064,250	3,634,559	1,136,450
Adjusted gross income (AGI) [3]	**803,511,651**	**90,470,998**	**109,329,544**	**122,818,732**	**98,080,320**	**170,373,658**	**212,438,400**
Salaries and wages in AGI: [4] Number	12,692,654	5,930,448	2,470,535	1,774,292	1,026,004	1,158,623	332,752
Amount	590,551,957	83,953,574	90,534,317	99,231,241	79,424,626	133,611,769	103,796,432
Taxable interest: Number	6,974,265	2,024,742	1,262,130	1,311,235	888,372	1,112,084	375,702
Amount	16,958,637	2,999,263	1,485,219	1,742,092	1,336,797	2,493,423	6,901,843
Dividends: Number	3,318,927	915,845	470,959	547,395	419,449	659,783	305,496
Amount	12,692,407	1,615,584	918,340	1,158,017	951,401	2,038,551	6,010,514
Business or profession net income (less loss):							
Number	2,626,679	1,214,953	408,347	359,260	232,208	299,999	111,912
Amount	41,124,269	6,853,709	4,695,441	4,944,517	4,148,992	9,495,055	10,986,554
Number of farm returns	72,690	24,393	10,212	11,149	8,081	11,349	7,506
Net capital gain (less loss) in AGI: Number	2,791,444	757,936	376,037	436,563	345,652	576,335	298,921
Amount	44,299,317	696,195	252,818	730,210	985,580	4,280,630	37,353,884
Taxable Individual Retirement Arrangements							
distributions: Number	835,441	301,731	156,755	151,058	93,020	100,552	32,325
Amount	9,875,736	1,649,239	1,319,586	1,743,264	1,463,093	2,331,395	1,369,157
Pensions and annuities in AGI: Number	2,186,167	822,901	418,630	386,988	234,890	253,092	69,666
Amount	39,712,548	7,938,005	7,001,525	8,411,118	5,982,085	7,696,206	2,683,608
Unemployment compensation: Number	1,359,118	726,976	269,343	175,184	89,894	83,452	14,269
Amount	5,957,975	2,927,607	1,241,420	821,447	443,493	441,781	82,228
Social Security benefits in AGI: Number	1,177,297	212,743	315,829	279,019	153,793	154,565	61,348
Amount	11,041,394	462,647	1,896,660	3,181,604	2,103,581	2,335,439	1,061,463
Self-employment retirement plans: Number	206,830	17,729	19,827	27,457	26,974	63,964	50,879
Amount	3,402,034	94,664	143,820	247,995	298,673	1,047,528	1,569,355
Total itemized deductions: [5] Number	5,834,726	916,707	1,075,426	1,299,681	949,108	1,202,835	390,969
Amount	155,695,433	14,878,960	18,090,279	25,685,520	22,336,629	39,149,530	35,554,515
State and local income taxes: Number	5,428,038	624,301	1,010,344	1,271,900	939,066	1,194,071	388,356
Amount	36,030,808	1,047,371	1,412,114	3,833,862	3,749,352	9,197,542	16,790,567
Real estate taxes: Number	4,976,731	704,484	859,063	1,110,257	835,213	1,100,597	367,117
Amount	16,539,091	1,693,582	2,021,267	2,756,198	2,441,243	4,476,060	3,150,742
Taxes paid: Number	5,807,384	889,231	1,073,891	1,300,603	949,585	1,202,899	391,175
Amount	54,919,528	2,873,290	3,844,149	7,093,714	6,590,672	14,251,322	20,266,381
Interest paid: Number	4,811,094	669,134	844,829	1,086,130	814,205	1,057,071	339,725
Amount	67,297,488	7,528,447	8,821,820	12,503,092	10,735,248	17,747,181	9,961,700
Contributions: Number	5,131,448	633,091	932,608	1,179,874	877,064	1,135,940	372,871
Amount	19,313,259	981,419	1,807,640	2,709,873	2,396,301	4,189,520	7,228,507
Taxable income: Number	11,827,646	4,313,408	2,722,977	1,984,027	1,132,566	1,276,509	398,159
Amount	532,641,105	33,310,107	61,270,126	77,102,329	64,883,583	119,837,995	176,236,966
Total tax credits: [6] Number	4,717,464	1,510,361	1,210,338	852,665	540,928	472,722	130,450
Amount	4,739,766	729,316	1,162,885	1,047,910	670,508	451,666	677,480
Child tax credit: Number	3,095,703	819,837	866,545	688,487	425,996	294,783	55
Amount	2,678,002	380,543	785,722	767,201	475,199	269,291	47
Child care credit: Number	793,429	138,852	192,191	169,164	121,205	142,265	29,752
Amount	456,107	72,472	120,770	98,610	70,477	78,115	15,664
Earned income credit: [7] Number	2,510,046	2,387,084	122,962	--	--	--	--
Amount	4,382,294	4,327,411	54,883	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	2,122,090	2,030,456	91,634	--	--	--	--
Amount	3,739,113	3,698,322	40,791	--	--	--	--
Income tax: [9] Number	10,494,379	3,393,811	2,378,397	1,923,954	1,124,535	1,275,186	398,496
Amount	101,142,034	3,133,537	7,017,804	10,516,724	9,659,942	22,350,537	48,463,491
Total tax liability: [10] Number	11,427,711	4,200,493	2,474,169	1,948,045	1,129,192	1,277,092	398,720
Amount	108,077,670	4,707,743	7,927,382	11,477,011	10,416,728	23,752,261	49,796,545
Tax due at time of filing: [11] Number	2,802,887	1,056,147	535,632	442,896	244,998	350,460	172,754
Amount	11,460,116	905,958	853,782	1,011,802	831,683	1,974,124	5,882,766
Overpayments: [12] Number	11,379,517	5,891,868	2,177,180	1,479,053	838,907	841,599	150,910
Amount	26,485,282	8,763,963	4,259,763	3,897,359	2,930,824	4,129,673	2,503,701

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
COLORADO							
Number of returns	**2,079,044**	**991,594**	**405,688**	**300,116**	**170,117**	**166,269**	**45,260**
Number of joint returns	863,299	178,998	158,451	199,602	140,856	146,191	39,201
Number with paid preparer's signature	1,152,811	534,141	223,100	170,574	93,444	95,865	35,687
Number of exemptions	4,186,136	1,526,052	832,290	742,571	470,805	481,513	132,905
Adjusted gross income (AGI) [3]	**105,024,784**	**11,934,032**	**15,870,673**	**18,438,984**	**14,652,566**	**21,904,073**	**22,224,456**
Salaries and wages in AGI: [4] Number	1,777,670	793,011	363,308	271,563	157,296	153,637	38,855
Amount	78,146,428	10,993,305	13,098,975	14,867,103	11,925,229	16,884,500	10,377,315
Taxable interest: Number	967,695	301,923	177,645	182,272	123,584	139,509	42,762
Amount	2,234,992	415,440	216,221	251,402	184,417	328,946	838,567
Dividends: Number	541,043	160,917	84,690	94,359	70,939	94,662	35,476
Amount	2,028,054	253,061	144,769	177,026	144,140	301,864	1,007,193
Business or profession net income (less loss):							
Number	364,350	147,566	66,110	60,862	36,936	39,516	13,360
Amount	3,860,604	576,654	538,800	585,880	461,326	899,660	798,284
Number of farm returns	31,809	13,230	5,925	5,259	2,861	3,088	1,446
Net capital gain (less loss) in AGI: Number	445,872	131,935	66,144	74,050	56,572	81,995	35,176
Amount	5,875,072	117,824	67,287	143,417	186,461	671,078	4,689,006
Taxable Individual Retirement Arrangements							
distributions: Number	135,257	49,477	27,827	25,689	14,732	14,059	3,473
Amount	1,493,734	257,204	221,392	285,749	226,407	349,269	153,712
Pensions and annuities in AGI: Number	347,237	123,446	71,131	66,040	39,213	39,056	8,351
Amount	6,205,338	1,178,657	1,175,341	1,425,951	963,953	1,152,737	308,697
Unemployment compensation: Number	121,079	56,736	27,158	19,705	9,554	7,027	899
Amount	589,817	261,115	133,264	101,039	50,936	38,100	5,364
Social Security benefits in AGI: Number	152,797	28,177	46,004	38,198	18,722	16,215	5,481
Amount	1,294,874	57,290	254,270	410,188	246,538	236,618	89,972
Self-employment retirement plans: Number	23,275	2,151	2,433	3,467	3,403	6,955	4,866
Amount	293,329	9,704	14,269	24,770	30,379	95,136	119,069
Total itemized deductions: [5] Number	859,345	137,262	180,192	203,372	141,614	153,754	43,151
Amount	17,806,152	2,227,011	2,613,724	3,438,723	2,786,811	3,930,307	2,809,576
State and local income taxes: Number	801,510	97,954	169,771	198,656	139,981	152,347	42,801
Amount	2,925,946	95,732	238,586	431,921	441,997	796,150	921,558
Real estate taxes: Number	786,642	113,371	159,174	189,196	135,088	148,031	41,782
Amount	1,410,710	157,675	197,888	272,680	233,166	346,875	202,426
Taxes paid: Number	855,832	133,536	179,774	203,571	141,782	153,864	43,305
Amount	4,574,206	250,792	461,480	763,299	726,693	1,214,206	1,157,736
Interest paid: Number	779,758	109,617	163,092	190,828	134,394	143,774	38,053
Amount	8,633,296	1,015,180	1,425,081	1,902,268	1,484,077	1,895,844	910,845
Contributions: Number	733,468	93,048	145,787	177,736	129,869	145,400	41,628
Amount	2,552,665	139,677	244,847	366,832	331,089	537,536	932,684
Taxable income: Number	1,660,358	581,937	398,624	298,768	169,802	166,043	45,184
Amount	71,877,360	4,797,717	9,262,798	11,965,140	10,184,809	16,416,307	19,250,588
Total tax credits: [6] Number	633,181	171,265	161,849	133,415	85,123	65,089	16,440
Amount	622,385	82,522	147,848	163,058	105,603	60,450	62,903
Child tax credit: Number	407,533	82,832	111,352	105,931	66,373	41,034	11
Amount	373,978	40,328	101,696	118,452	74,712	38,782	7
Child care credit: Number	97,953	15,420	20,988	24,441	17,579	16,574	2,951
Amount	48,165	7,461	10,713	11,816	8,720	7,977	1,478
Earned income credit: [7] Number	267,260	254,026	13,234	--	--	--	--
Amount	425,764	419,968	5,796	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	226,076	216,485	9,591	--	--	--	--
Amount	368,132	363,935	4,199	--	--	--	--
Income tax: [9] Number	1,516,764	485,861	358,259	292,490	169,071	165,887	45,196
Amount	12,714,572	478,863	1,086,954	1,584,543	1,475,543	3,038,543	5,050,127
Total tax liability: [10] Number	1,619,759	573,108	370,926	294,999	169,452	166,056	45,218
Amount	13,501,382	646,518	1,206,256	1,712,517	1,571,811	3,195,438	5,168,841
Tax due at time of filing: [11] Number	392,212	134,576	77,207	68,887	39,497	52,476	19,569
Amount	1,376,886	99,846	111,114	136,712	110,442	271,273	647,498
Overpayments: [12] Number	1,558,689	777,026	317,487	220,670	123,628	102,766	17,112
Amount	3,295,791	1,061,561	579,835	536,955	388,193	470,191	259,055

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CONNECTICUT							
Number of returns	**1,653,789**	**720,249**	**298,419**	**245,197**	**153,061**	**172,171**	**64,692**
Number of joint returns	651,073	93,178	86,994	139,728	122,825	150,909	57,439
Number with paid preparer's signature	977,874	407,972	172,971	149,824	92,253	104,552	50,302
Number of exemptions	3,223,449	980,203	543,349	564,700	421,226	510,311	203,660
Adjusted gross income (AGI) [3]	**111,028,777**	**8,426,314**	**11,732,952**	**15,110,920**	**13,231,214**	**22,886,122**	**39,641,253**
Salaries and wages in AGI: [4] Number	1,383,499	543,830	263,095	220,215	140,863	158,813	56,683
Amount	80,942,051	7,115,779	9,478,574	12,055,787	10,767,695	18,163,494	23,360,722
Taxable interest: Number	1,003,919	284,447	171,946	189,730	133,867	161,009	62,920
Amount	2,253,866	343,563	187,854	225,701	171,328	299,503	1,025,917
Dividends: Number	556,719	153,340	76,034	91,957	72,687	107,427	55,274
Amount	2,585,760	252,216	152,526	202,727	175,596	390,108	1,412,586
Business or profession net income (less loss):							
Number	239,440	78,292	37,347	40,590	28,795	37,343	17,073
Amount	4,643,589	447,985	442,922	549,564	493,853	1,120,862	1,588,402
Number of farm returns	3,160	991	464	607	352	449	297
Net capital gain (less loss) in AGI: Number	387,632	102,089	48,108	59,132	48,163	79,722	50,418
Amount	7,157,950	34,462	31,990	79,593	131,381	538,726	6,341,797
Taxable Individual Retirement Arrangements							
distributions: Number	136,252	54,607	24,377	23,155	14,254	14,764	5,095
Amount	1,418,175	252,077	177,476	230,402	199,838	332,216	226,166
Pensions and annuities in AGI: Number	303,380	115,196	54,365	52,881	33,714	35,843	11,381
Amount	5,182,365	1,015,011	833,039	1,063,794	781,723	1,028,801	459,997
Unemployment compensation: Number	158,826	67,999	32,603	28,048	16,024	11,900	2,252
Amount	794,193	310,229	170,039	144,706	84,310	68,822	16,087
Social Security benefits in AGI: Number	164,789	31,852	43,339	39,376	21,642	20,437	8,143
Amount	1,685,299	68,220	321,749	484,179	324,459	334,022	152,670
Self-employment retirement plans: Number	30,724	1,908	2,435	3,769	3,962	9,411	9,239
Amount	488,685	9,539	17,133	29,259	37,512	134,333	260,908
Total itemized deductions: [5] Number	711,328	85,948	114,569	157,768	126,551	162,993	63,499
Amount	17,107,055	1,353,345	1,606,438	2,571,084	2,449,510	4,246,008	4,880,670
State and local income taxes: Number	670,203	54,053	108,262	156,061	126,071	162,407	63,349
Amount	4,393,922	54,986	153,341	379,848	465,279	1,025,662	2,314,806
Real estate taxes: Number	665,030	72,974	103,227	148,580	121,505	157,223	61,521
Amount	3,171,450	277,620	343,109	537,669	499,770	829,650	683,633
Taxes paid: Number	712,619	84,836	115,340	158,714	126,967	163,144	63,618
Amount	7,966,444	377,698	538,450	988,786	1,034,242	1,960,641	3,066,627
Interest paid: Number	595,334	55,348	92,680	135,910	112,472	143,981	54,943
Amount	5,879,520	407,092	643,559	1,035,895	955,039	1,551,517	1,286,420
Contributions: Number	648,900	64,928	100,054	145,020	119,698	157,127	62,073
Amount	2,313,564	83,923	150,139	250,614	242,050	452,594	1,134,246
Taxable income: Number	1,363,601	436,061	294,440	244,019	152,617	171,862	64,602
Amount	81,962,162	3,587,151	7,329,499	10,155,496	9,290,482	17,036,013	34,563,521
Total tax credits: [6] Number	487,118	113,635	103,490	98,795	76,308	69,414	25,476
Amount	548,062	58,119	96,067	118,369	95,010	59,881	120,615
Child tax credit: Number	306,492	55,318	69,179	78,057	59,712	44,216	10
Amount	283,409	28,448	62,431	85,047	66,701	40,777	5
Child care credit: Number	78,488	10,282	13,427	15,461	15,027	19,707	4,584
Amount	40,073	5,040	7,202	7,552	7,819	10,023	2,436
Earned income credit: [7] Number	167,877	160,677	7,200	--	--	--	--
Amount	262,708	259,625	3,082	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	141,492	136,648	4,844	--	--	--	--
Amount	231,332	229,278	2,054	--	--	--	--
Income tax: [9] Number	1,279,106	375,180	275,016	240,381	152,118	171,773	64,638
Amount	17,141,074	361,167	902,228	1,410,524	1,364,991	3,182,210	9,919,955
Total tax liability: [10] Number	1,334,894	421,691	282,019	242,120	152,460	171,942	64,662
Amount	17,986,786	470,860	992,358	1,522,425	1,462,804	3,374,572	10,163,769
Tax due at time of filing: [11] Number	275,017	91,065	46,034	43,393	26,537	42,045	25,943
Amount	1,325,035	68,630	68,089	91,558	77,883	209,306	809,570
Overpayments: [12] Number	1,267,205	565,731	243,596	192,552	119,790	118,540	26,996
Amount	3,187,314	734,675	479,874	531,346	435,055	560,827	445,537

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
DELAWARE							
Number of returns	**388,288**	**187,895**	**74,142**	**55,897**	**32,418**	**30,705**	**7,231**
Number of joint returns	147,378	26,626	25,104	35,054	27,056	27,288	6,250
Number with paid preparer's signature	214,781	100,045	40,792	32,559	18,353	17,471	5,561
Number of exemptions	758,430	280,979	144,372	133,290	90,034	89,060	20,695
Adjusted gross income (AGI) [3]	**19,284,435**	**2,567,822**	**2,893,100**	**3,436,436**	**2,796,209**	**4,004,198**	**3,586,668**
Salaries and wages in AGI: [4] Number	335,614	153,862	66,104	50,598	30,159	28,682	6,209
Amount	14,359,008	2,081,771	2,335,175	2,718,812	2,274,678	3,175,572	1,773,001
Taxable interest: Number	174,016	52,604	31,850	33,561	23,503	25,646	6,852
Amount	308,640	65,428	40,923	47,352	32,670	52,276	69,991
Dividends: Number	101,174	28,568	16,302	18,467	13,784	17,971	6,082
Amount	464,603	44,091	30,366	41,447	33,532	70,574	244,594
Business or profession net income (less loss): Number	44,287	16,407	8,022	7,880	4,908	5,389	1,681
Amount	513,786	81,487	64,849	71,405	52,859	118,086	125,100
Number of farm returns	2,427	987	464	429	237	205	105
Net capital gain (less loss) in AGI: Number	66,158	17,900	9,849	11,532	8,660	12,708	5,509
Amount	696,128	1,848	5,720	15,559	23,645	89,578	559,778
Taxable Individual Retirement Arrangements distributions: Number	28,032	10,402	5,578	5,317	3,160	2,909	666
Amount	284,818	47,662	41,459	55,505	47,522	64,181	28,488
Pensions and annuities in AGI: Number	82,092	30,997	16,616	15,381	9,109	8,274	1,715
Amount	1,416,144	306,309	267,500	314,446	217,901	242,153	67,835
Unemployment compensation: Number	31,960	15,135	6,358	5,699	2,925	1,730	113
Amount	129,999	57,526	27,077	24,137	12,748	7,975	537
Social Security benefits in AGI: Number	39,564	8,032	11,533	9,755	4,839	4,076	1,329
Amount	371,078	16,440	70,632	121,010	73,159	66,571	23,266
Self-employment retirement plans: Number	2,825	211	234	381	360	903	736
Amount	38,767	883	1,304	2,436	2,896	11,861	19,387
Total itemized deductions: [5] Number	139,446	17,712	27,847	33,452	25,451	28,080	6,904
Amount	2,679,136	280,827	347,502	503,752	451,992	643,493	451,570
State and local income taxes: Number	133,039	13,106	26,724	33,052	25,325	27,966	6,866
Amount	596,756	11,743	40,596	81,708	93,150	173,797	195,762
Real estate taxes: Number	126,497	13,961	24,048	30,791	24,099	26,957	6,641
Amount	202,555	16,758	26,695	39,206	35,843	53,101	30,950
Taxes paid: Number	138,726	16,844	27,769	33,566	25,519	28,102	6,926
Amount	811,064	29,553	68,866	123,160	130,939	229,596	228,950
Interest paid: Number	124,274	13,497	24,434	30,803	23,812	25,837	5,891
Amount	1,106,217	97,184	170,395	244,822	212,770	266,238	114,809
Contributions: Number	125,505	13,320	23,859	30,449	24,027	27,127	6,723
Amount	441,825	22,501	46,352	71,330	65,655	99,753	136,236
Taxable income: Number	317,939	118,336	73,583	55,744	32,377	30,679	7,220
Amount	13,284,457	981,408	1,783,692	2,337,604	2,007,090	3,066,730	3,107,933
Total tax credits: [6] Number	117,509	35,112	28,001	23,090	16,176	12,261	2,869
Amount	110,842	18,358	27,273	28,481	20,344	10,961	5,425
Child tax credit: Number	77,534	19,004	19,448	18,517	12,793	7,772	--
Amount	68,869	9,475	17,880	20,310	14,035	7,169	--
Child care credit: Number	23,597	5,034	4,825	4,997	4,153	4,014	574
Amount	12,457	2,519	2,765	2,604	2,261	2,029	277
Earned income credit: [7] Number	56,939	54,508	2,431	--	--	--	--
Amount	97,001	95,938	1,064	--	--	--	--
Excess earned income credit (refundable): [8] Number	50,183	48,390	1,793	--	--	--	--
Amount	88,207	87,435	772	--	--	--	--
Income tax: [9] Number	291,246	97,941	67,971	55,129	32,315	30,666	7,224
Amount	2,312,524	95,887	212,098	316,652	293,850	568,565	825,470
Total tax liability [10] Number	303,069	108,150	69,325	55,331	32,352	30,685	7,226
Amount	2,415,713	115,599	226,146	332,469	305,579	589,148	846,771
Tax due at time of filing: [11] Number	60,563	18,777	11,872	11,443	6,587	8,860	3,024
Amount	209,704	13,518	15,780	21,245	16,512	38,640	104,008
Overpayments: [12] Number	310,599	159,380	60,721	42,720	24,769	20,123	2,886
Amount	642,387	227,132	112,932	105,199	77,216	80,641	39,266

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
DISTRICT OF COLUMBIA							
Number of returns	**275,645**	**132,005**	**60,636**	**35,033**	**17,034**	**21,094**	**9,843**
Number of joint returns	44,174	7,594	6,167	6,710	5,569	10,993	7,141
Number with paid preparer's signature	151,981	77,415	29,568	17,282	8,503	11,758	7,455
Number of exemptions	458,452	211,659	97,820	55,245	28,460	41,539	23,729
Adjusted gross income (AGI) [3]	**16,145,339**	**1,788,424**	**2,358,095**	**2,135,465**	**1,466,472**	**2,869,543**	**5,527,339**
Salaries and wages in AGI: [4] Number	233,697	106,960	54,079	30,987	15,030	18,717	7,924
Amount	11,239,630	1,621,014	2,014,603	1,766,534	1,179,824	2,227,834	2,429,819
Taxable interest: Number	109,035	28,118	21,743	19,907	12,291	17,664	9,312
Amount	263,934	29,960	18,005	22,878	17,806	42,480	132,805
Dividends: Number	61,437	13,313	9,460	10,114	7,345	12,879	8,326
Amount	436,792	23,121	17,202	24,587	25,221	70,057	276,604
Business or profession net income (less loss): Number	38,513	16,408	6,151	4,983	2,982	4,829	3,160
Amount	670,896	54,553	39,578	51,940	47,477	142,668	334,680
Number of farm returns	295	58	23	38	33	70	73
Net capital gain (less loss) in AGI: Number	45,380	9,230	6,209	6,882	5,386	10,131	7,542
Amount	1,029,375	11,850	3,496	8,099	11,926	62,212	931,791
Taxable Individual Retirement Arrangements distributions: Number	10,635	2,777	2,076	1,987	1,275	1,656	864
Amount	113,213	13,604	12,569	15,856	13,959	27,104	30,123
Pensions and annuities in AGI: Number	46,169	18,148	10,168	7,149	3,862	4,685	2,157
Amount	1,125,009	242,672	228,028	207,499	138,763	196,815	111,231
Unemployment compensation: Number	14,300	9,788	2,461	1,099	461	404	87
Amount	62,745	42,973	10,622	4,682	2,073	1,905	491
Social Security benefits in AGI: Number	18,173	3,135	5,025	3,805	2,122	2,654	1,432
Amount	156,145	7,282	25,940	35,142	24,475	37,639	25,667
Self-employment retirement plans: Number	5,391	319	353	524	443	1,269	2,483
Amount	122,644	1,601	2,380	4,644	4,903	19,727	89,389
Total itemized deductions: [5] Number	113,587	19,194	25,525	24,346	14,797	20,025	9,700
Amount	2,835,807	273,238	358,565	413,714	304,425	594,619	891,244
State and local income taxes: Number	108,552	15,971	24,686	23,888	14,590	19,793	9,624
Amount	890,132	21,838	59,413	100,958	90,329	203,518	414,074
Real estate taxes: Number	74,520	9,022	13,007	16,038	10,896	16,496	9,061
Amount	174,738	13,083	15,937	22,305	19,723	44,439	59,251
Taxes paid: Number	112,596	18,451	25,361	24,294	14,772	20,013	9,705
Amount	1,079,639	36,238	77,273	125,230	111,307	251,106	478,484
Interest paid: Number	75,612	9,455	14,801	16,512	10,631	15,725	8,488
Amount	873,754	75,919	104,865	136,878	107,300	216,778	232,014
Contributions: Number	101,317	15,619	23,001	21,742	13,148	18,477	9,330
Amount	569,216	39,209	78,420	76,781	49,433	83,733	241,639
Taxable income: Number	227,754	85,060	60,049	34,830	16,967	21,035	9,813
Amount	11,573,130	746,655	1,508,001	1,493,182	1,060,964	2,147,154	4,617,173
Total tax credits: [6] Number	77,730	32,450	20,651	8,982	4,709	6,349	4,589
Amount	88,625	19,747	25,979	14,741	5,976	5,062	17,121
Child tax credit: Number	36,544	15,883	11,835	5,016	2,113	1,697	--
Amount	26,585	8,000	10,087	4,956	2,092	1,448	--
Child care credit: Number	14,434	5,132	4,487	1,660	792	1,483	880
Amount	9,111	3,044	3,197	994	455	874	549
Earned income credit: [7] Number	51,748	49,922	1,826	--	--	--	--
Amount	87,017	86,267	750	--	--	--	--
Excess earned income credit (refundable): [8] Number	46,324	44,895	1,429	--	--	--	--
Amount	79,580	79,000	580	--	--	--	--
Income tax: [9] Number	201,566	64,583	55,001	34,228	16,901	21,022	9,831
Amount	2,371,035	68,112	185,685	235,944	188,185	437,488	1,255,622
Total tax liability: [10] Number	211,916	73,898	55,723	34,437	16,961	21,059	9,838
Amount	2,523,767	85,491	196,139	248,214	198,485	465,345	1,330,091
Tax due at time of filing: [11] Number	48,290	16,449	12,057	7,159	3,354	5,336	3,935
Amount	197,596	12,888	15,646	15,737	11,165	28,710	113,450
Overpayments: [12] Number	213,375	108,693	47,507	26,820	12,892	14,015	3,448
Amount	517,948	184,511	89,113	72,120	44,823	68,998	58,383

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FLORIDA							
Number of returns	**7,849,542**	**4,453,836**	**1,430,820**	**925,064**	**464,366**	**426,321**	**149,135**
Number of joint returns	2,927,128	840,997	594,085	627,155	379,551	361,069	124,271
Number with paid preparer's signature	4,671,114	2,651,039	815,322	536,278	268,494	273,294	126,687
Number of exemptions	15,180,930	7,212,159	2,927,000	2,231,710	1,238,029	1,168,035	403,997
Adjusted gross income (AGI) [3]	**350,664,124**	**56,269,482**	**55,543,096**	**56,604,883**	**39,910,118**	**56,252,264**	**86,084,281**
Salaries and wages in AGI: [4] Number	6,387,340	3,466,509	1,238,853	794,364	402,402	365,789	119,423
Amount	238,118,187	48,887,130	44,171,636	42,756,889	29,863,556	39,063,927	33,375,050
Taxable interest: Number	3,218,766	1,207,651	618,352	560,440	337,550	353,989	140,784
Amount	10,165,110	2,084,395	1,114,159	1,210,285	859,358	1,445,171	3,451,743
Dividends: Number	1,780,549	632,485	301,959	297,633	193,833	237,308	117,331
Amount	8,750,878	1,253,924	725,354	881,760	686,810	1,357,804	3,845,227
Business or profession net income (less loss): Number	1,210,318	683,206	185,588	143,078	78,804	83,281	36,361
Amount	11,128,881	2,881,787	1,417,358	1,318,591	936,173	1,891,893	2,683,080
Number of farm returns	37,282	13,115	6,145	6,351	3,978	4,663	3,030
Net capital gain (less loss) in AGI: Number	1,423,783	490,123	227,616	229,170	154,238	206,510	116,126
Amount	24,372,030	280,897	228,983	553,787	707,919	2,425,696	20,174,749
Taxable Individual Retirement Arrangements distributions: Number	609,509	252,848	118,100	104,597	58,116	56,308	19,540
Amount	7,325,217	1,315,156	973,299	1,250,723	1,015,577	1,667,122	1,103,340
Pensions and annuities in AGI: Number	1,477,330	634,341	300,802	253,876	134,379	119,473	34,459
Amount	25,944,218	5,940,269	5,050,744	5,641,439	3,659,809	4,052,354	1,599,603
Unemployment compensation: Number	377,900	224,949	70,596	45,314	19,970	14,996	2,075
Amount	1,476,834	828,262	287,171	191,670	87,794	70,818	11,119
Social Security benefits in AGI: Number	817,300	167,189	242,036	191,146	93,868	85,986	37,075
Amount	7,621,807	370,042	1,464,282	2,311,457	1,402,431	1,401,869	671,727
Self-employment retirement plans: Number	37,387	3,959	3,952	5,203	4,749	10,222	9,302
Amount	520,095	20,169	23,598	41,138	44,848	148,748	241,593
Total itemized deductions: [5] Number	2,178,038	517,583	484,881	445,772	288,590	324,839	116,373
Amount	42,645,109	7,911,750	7,198,652	7,352,104	5,367,749	7,621,146	7,193,708
State and local income taxes: Number	219,265	36,018	35,367	40,097	29,771	45,916	32,096
Amount	1,292,745	37,243	77,831	70,766	70,528	189,677	846,700
Real estate taxes: Number	1,897,784	392,400	403,433	405,139	272,003	311,379	113,430
Amount	6,446,472	944,344	871,879	1,080,224	846,649	1,394,211	1,309,167
Taxes paid: Number	2,005,610	431,024	433,177	424,265	281,222	319,535	116,387
Amount	8,078,515	918,173	1,016,691	1,213,837	962,691	1,674,239	2,292,884
Interest paid: Number	1,830,407	368,294	400,455	397,807	265,253	296,864	101,734
Amount	18,132,521	2,737,392	3,511,882	3,350,126	2,526,918	3,472,842	2,533,361
Contributions: Number	1,864,461	374,221	408,746	397,018	265,913	305,836	112,727
Amount	7,672,334	617,360	888,644	1,082,512	871,430	1,364,847	2,847,543
Taxable income: Number	5,951,844	2,580,082	1,413,209	921,151	463,193	425,376	148,833
Amount	243,533,477	20,393,805	32,973,434	38,461,718	29,241,635	44,240,914	78,221,971
Total tax credits: [6] Number	2,217,841	848,706	572,475	379,115	210,899	154,517	52,129
Amount	2,020,108	424,852	539,967	452,061	253,266	144,976	204,986
Child tax credit: Number	1,383,870	444,370	390,292	298,646	161,451	89,097	14
Amount	1,138,005	208,577	352,786	320,316	174,661	81,654	10
Child care credit: Number	389,332	99,901	96,412	88,277	53,488	43,919	7,335
Amount	201,270	47,531	51,517	45,588	28,692	23,676	4,266
Earned income credit: [7] Number	1,575,803	1,520,587	55,216	--	--	--	--
Amount	2,807,471	2,783,126	24,345	--	--	--	--
Excess earned income credit (refundable): [8] Number	1,360,816	1,321,058	39,758	--	--	--	--
Amount	2,434,876	2,417,343	17,533	--	--	--	--
Income tax: [9] Number	5,300,070	2,063,108	1,291,527	909,258	462,014	425,243	148,920
Amount	44,497,213	1,926,397	3,810,692	5,149,965	4,371,386	8,357,254	20,881,519
Total tax liability: [10] Number	5,792,110	2,519,907	1,321,411	913,473	462,733	425,603	148,983
Amount	46,603,954	2,650,493	4,112,528	5,436,483	4,566,144	8,665,420	21,172,886
Tax due at time of filing: [11] Number	1,234,940	483,329	232,763	204,591	110,432	138,704	65,121
Amount	5,106,683	358,049	324,544	410,261	332,271	821,761	2,859,798
Overpayments: [12] Number	6,108,600	3,649,356	1,154,116	678,076	326,976	249,044	51,032
Amount	13,296,569	5,896,721	2,315,657	1,751,332	1,103,355	1,231,481	998,024

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
GEORGIA							
Number of returns	**3,709,312**	**1,985,842**	**677,933**	**472,059**	**255,258**	**246,405**	**71,815**
Number of joint returns	1,408,586	333,005	263,715	316,691	213,447	217,953	63,775
Number with paid preparer's signature	2,284,186	1,245,370	405,610	284,142	146,996	144,854	57,214
Number of exemptions	7,828,805	3,515,716	1,461,073	1,193,190	717,091	723,331	218,404
Adjusted gross income (AGI) [3]	**168,864,213**	**25,641,085**	**26,432,567**	**28,936,635**	**21,977,732**	**32,471,136**	**33,405,058**
Salaries and wages in AGI: [4] Number	3,245,482	1,657,693	620,421	435,902	238,356	229,912	63,198
Amount	131,336,454	23,518,168	22,641,534	24,138,421	18,262,138	25,835,774	16,940,419
Taxable interest: Number	1,337,867	397,671	241,340	256,163	174,174	200,874	67,645
Amount	2,591,599	538,265	294,058	332,512	242,352	413,763	770,648
Dividends: Number	725,173	189,770	109,365	129,634	100,440	138,335	57,629
Amount	2,660,558	289,617	171,370	236,215	208,635	473,948	1,280,773
Business or profession net income (less loss): Number	604,546	298,915	101,743	85,082	48,588	51,700	18,518
Amount	4,902,592	1,040,140	545,435	588,459	465,406	1,032,254	1,230,898
Number of farm returns	49,878	17,989	8,802	9,046	5,439	5,703	2,899
Net capital gain (less loss) in AGI: Number	522,806	136,060	73,281	86,199	67,942	105,837	53,487
Amount	6,860,840	173,001	87,102	171,655	208,319	781,859	5,438,903
Taxable Individual Retirement Arrangements distributions: Number	187,217	68,160	37,332	34,876	20,999	20,283	5,567
Amount	2,073,355	357,683	299,474	383,024	317,624	480,752	234,796
Pensions and annuities in AGI: Number	582,197	220,341	120,960	108,056	62,491	57,158	13,191
Amount	9,533,963	2,015,936	1,834,330	2,048,295	1,461,917	1,703,199	470,287
Unemployment compensation: Number	218,544	118,807	43,413	32,432	13,898	9,079	915
Amount	770,126	411,540	150,149	114,263	52,669	37,109	4,396
Social Security benefits in AGI: Number	244,055	46,882	73,213	59,184	29,908	26,218	8,650
Amount	2,187,899	94,932	415,173	682,013	430,323	412,718	152,739
Self-employment retirement plans: Number	25,280	2,035	2,171	2,922	3,025	7,619	7,508
Amount	372,432	9,301	12,361	20,446	26,578	103,093	200,653
Total itemized deductions: [5] Number	1,411,367	247,766	313,865	326,248	219,437	233,962	70,089
Amount	28,426,650	3,523,960	4,464,935	5,446,963	4,289,105	6,172,412	4,529,275
State and local income taxes: Number	1,342,818	196,196	303,498	323,426	217,842	232,220	69,636
Amount	5,692,869	180,432	521,040	893,482	873,163	1,508,435	1,716,317
Real estate taxes: Number	1,246,079	182,769	260,723	300,769	208,470	225,432	67,916
Amount	2,544,578	262,655	341,830	460,723	391,347	636,105	451,919
Taxes paid: Number	1,415,708	244,996	316,322	329,654	220,320	234,220	70,196
Amount	8,716,898	479,866	945,367	1,457,177	1,344,721	2,250,716	2,239,051
Interest paid: Number	1,224,040	180,304	263,936	298,476	203,839	215,649	61,836
Amount	10,944,234	1,303,404	1,839,062	2,299,622	1,772,444	2,411,271	1,318,431
Contributions: Number	1,263,928	192,672	276,878	298,385	205,084	222,938	67,971
Amount	5,301,225	423,272	751,070	927,883	747,427	1,100,390	1,351,183
Taxable income: Number	2,814,700	1,103,097	668,650	470,245	254,900	246,081	71,727
Amount	109,996,808	8,435,456	14,976,587	18,661,728	15,189,768	24,007,983	28,725,288
Total tax credits: [6] Number	1,148,301	413,466	292,211	205,097	123,943	91,024	22,560
Amount	1,036,398	207,760	280,225	251,314	154,134	84,256	58,708
Child tax credit: Number	815,714	258,787	215,849	175,264	103,569	62,225	20
Amount	676,171	121,555	194,382	189,752	113,380	57,089	12
Child care credit: Number	210,346	53,806	49,966	46,224	30,571	25,550	4,229
Amount	106,898	26,641	27,279	22,559	15,415	12,808	2,197
Earned income credit: [7] Number	845,172	814,369	30,803	--	--	--	--
Amount	1,643,024	1,629,531	13,493	--	--	--	--
Excess earned income credit (refundable): [8] Number	759,324	736,823	22,501	--	--	--	--
Amount	1,475,470	1,465,703	9,766	--	--	--	--
Income tax: [9] Number	2,460,182	828,971	597,557	461,959	254,020	245,929	71,746
Amount	19,127,919	761,665	1,690,653	2,449,876	2,195,649	4,445,762	7,584,314
Total tax liability: [10] Number	2,678,122	1,025,327	615,406	464,992	254,492	246,137	71,768
Amount	20,246,950	1,067,990	1,845,705	2,607,480	2,310,306	4,638,392	7,777,077
Tax due at time of filing: [11] Number	588,770	206,789	115,332	101,174	57,537	76,762	31,176
Amount	2,061,498	163,465	168,983	198,518	158,039	383,151	989,343
Overpayments: [12] Number	2,957,729	1,673,537	550,296	359,130	189,566	156,480	28,720
Amount	6,705,466	3,009,040	1,099,383	903,297	600,450	701,990	391,304

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
HAWAII							
Number of returns	**591,084**	**306,369**	**115,376**	**80,974**	**43,245**	**36,436**	**8,684**
Number of joint returns	231,065	55,273	46,842	53,834	36,247	31,760	7,109
Number with paid preparer's signature	344,959	173,058	66,041	49,042	26,263	23,350	7,205
Number of exemptions	1,149,652	460,237	237,448	205,350	121,459	102,115	23,043
Adjusted gross income (AGI) [3]	**25,718,250**	**3,934,129**	**4,495,059**	**4,964,540**	**3,721,381**	**4,718,513**	**3,884,629**
Salaries and wages in AGI: [4] Number	492,266	242,334	100,776	71,162	38,605	32,361	7,028
Amount	18,907,299	3,506,854	3,664,597	3,903,944	2,872,717	3,349,849	1,609,340
Taxable interest: Number	326,292	116,478	69,546	61,177	37,276	33,501	8,314
Amount	434,746	92,748	57,897	64,338	48,124	70,458	101,182
Dividends: Number	143,865	43,013	26,111	26,983	19,360	21,650	6,748
Amount	389,578	57,080	36,284	45,763	38,462	71,098	140,893
Business or profession net income (less loss): Number	87,783	37,650	15,685	14,188	8,612	8,765	2,883
Amount	1,101,863	155,538	119,037	135,984	119,209	262,260	309,836
Number of farm returns	5,789	2,619	1,040	894	557	484	195
Net capital gain (less loss) in AGI: Number	100,822	30,079	16,875	17,653	13,117	16,647	6,451
Amount	1,142,959	22,276	13,244	32,185	45,165	213,041	817,047
Taxable Individual Retirement Arrangements distributions: Number	39,339	14,181	7,990	7,686	4,633	3,889	960
Amount	356,299	64,500	53,254	70,780	59,742	76,983	31,038
Pensions and annuities in AGI: Number	113,793	43,553	23,155	20,714	12,762	11,176	2,433
Amount	2,206,044	435,729	427,883	492,339	360,836	382,846	106,412
Unemployment compensation: Number	33,480	15,691	7,395	5,991	2,674	1,569	160
Amount	142,417	64,593	33,430	25,460	10,869	7,225	842
Social Security benefits in AGI: Number	55,686	9,902	16,351	13,608	7,492	6,407	1,926
Amount	526,136	20,129	95,023	158,413	112,679	105,185	34,707
Self-employment retirement plans: Number	6,207	655	730	941	907	1,841	1,133
Amount	88,483	2,845	4,813	7,230	8,770	29,930	34,895
Total itemized deductions: [5] Number	193,283	33,131	40,311	46,991	32,474	32,164	8,212
Amount	4,047,862	465,931	647,664	835,301	688,258	879,469	531,237
State and local income taxes: Number	178,112	24,915	37,300	44,920	31,496	31,411	8,070
Amount	876,942	32,807	81,291	150,631	148,544	237,876	225,794
Real estate taxes: Number	149,816	20,216	27,576	36,856	28,278	29,183	7,707
Amount	168,667	21,011	21,750	32,022	28,889	40,810	24,185
Taxes paid: Number	192,112	31,918	40,184	47,067	32,533	32,174	8,236
Amount	1,064,493	55,894	106,112	185,974	179,728	281,539	255,247
Interest paid: Number	150,370	19,868	28,594	37,952	28,577	28,442	6,937
Amount	1,892,584	206,086	285,630	424,347	361,242	431,952	183,328
Contributions: Number	172,385	25,206	35,660	43,019	30,340	30,490	7,670
Amount	514,316	43,106	72,892	98,861	77,428	99,490	122,538
Taxable income: Number	471,107	188,582	113,729	80,580	43,161	36,382	8,673
Amount	16,858,966	1,600,558	2,662,943	3,217,281	2,562,959	3,491,240	3,323,984
Total tax credits: [6] Number	178,574	56,940	45,270	36,644	22,051	14,530	3,139
Amount	166,413	25,859	41,838	45,559	27,050	13,124	12,984
Child tax credit: Number	101,228	25,053	30,766	28,797	16,612	8505**	**
Amount	99,082	12,421	28,283	32,282	18,290	7,805**	**
Child care credit: Number	29,185	4,355	6,319	7,708	5,461	4,651	691
Amount	12,623	1,780	2,819	3,337	2,304	2,030	353
Earned income credit: [7] Number	85,590	81,423	4,167	--	--	--	--
Amount	132,899	131,025	1,874	--	--	--	--
Excess earned income credit (refundable): [8] Number	72,745	69,457	3,288	--	--	--	--
Amount	118,148	116,671	1,476	--	--	--	--
Income tax: [9] Number	428,729	159,079	102,903	78,749	42,965	36,356	8,677
Amount	2,753,538	161,121	313,107	425,910	369,628	636,932	846,840
Total tax liability: [10] Number	453,386	180,537	105,464	79,295	43,035	36,375	8,680
Amount	2,936,112	201,075	338,432	453,799	392,337	676,196	874,271
Tax due at time of filing: [11] Number	102,982	34,494	20,770	19,727	11,609	12,948	3,434
Amount	283,855	24,035	25,827	36,181	30,692	67,206	99,913
Overpayments: [12] Number	447,524	248,444	90,869	57,216	28,757	19,299	2,939
Amount	879,242	377,785	163,597	135,430	82,244	78,337	41,849

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
IDAHO							
Number of returns	**577,926**	**319,862**	**113,305**	**78,281**	**34,725**	**25,030**	**6,723**
Number of joint returns	281,797	85,421	70,784	65,383	31,479	22,791	5,939
Number with paid preparer's signature	343,011	181,365	69,449	48,081	21,243	16,888	5,985
Number of exemptions	1,262,358	538,946	292,129	228,829	105,741	76,059	20,654
Adjusted gross income (AGI) [3]	**22,254,112**	**3,643,953**	**4,436,991**	**4,776,115**	**2,972,947**	**3,242,530**	**3,181,575**
Salaries and wages in AGI: [4] Number	491,538	259,369	101,516	71,220	31,727	22,270	5,436
Amount	16,642,866	3,479,042	3,617,313	3,849,243	2,351,321	2,229,350	1,116,595
Taxable interest: Number	244,294	94,724	50,148	46,539	25,439	21,060	6,384
Amount	528,400	141,792	69,532	69,010	46,629	75,528	125,909
Dividends: Number	119,515	43,068	21,730	21,807	13,932	13,909	5,069
Amount	330,572	62,506	33,985	37,250	27,378	50,588	118,864
Business or profession net income (less loss): Number	102,680	47,279	22,481	16,990	7,790	6,155	1,985
Amount	809,056	150,004	129,818	122,922	84,789	158,437	163,086
Number of farm returns	22,649	10,084	4,881	3,865	1,820	1,436	563
Net capital gain (less loss) in AGI: Number	107,169	39,249	19,008	18,811	11,957	12,899	5,245
Amount	1,131,202	116,314	39,671	65,929	62,751	178,385	668,152
Taxable Individual Retirement Arrangements distributions: Number	37,794	17,048	8,066	6,597	3,132	2,371	580
Amount	358,383	85,007	64,473	73,794	50,672	60,579	23,859
Pensions and annuities in AGI: Number	97,728	44,667	21,062	17,115	8,003	5,634	1,247
Amount	1,463,060	416,716	325,303	331,724	186,115	162,142	41,060
Unemployment compensation: Number	65,974	35,399	17,640	9,228	2,560	1,034	113
Amount	228,973	111,830	65,025	35,775	10,953	4,872	518
Social Security benefits in AGI: Number	44,657	9,945	14,986	10,642	4,466	3,483	1,135
Amount	362,666	18,635	81,950	124,151	65,114	53,948	18,869
Self-employment retirement plans: Number	3,923	396	481	643	537	1,160	706
Amount	50,561	1,649	2,507	4,593	4,790	17,706	19,317
Total itemized deductions: [5] Number	196,254	38,891	46,945	51,663	29,318	23,141	6,296
Amount	3,514,173	517,094	623,648	813,176	548,329	594,061	417,866
State and local income taxes: Number	182,418	28,495	45,114	50,848	28,949	22,832	6,180
Amount	739,013	29,099	78,576	143,846	127,617	167,936	191,940
Real estate taxes: Number	180,793	32,941	42,667	48,843	28,045	22,251	6,046
Amount	326,049	47,664	56,130	74,231	52,378	59,931	35,714
Taxes paid: Number	195,273	37,652	47,006	51,799	29,362	23,145	6,309
Amount	1,080,678	79,387	137,343	221,133	182,105	230,171	230,539
Interest paid: Number	172,582	29,808	41,874	47,781	27,073	20,744	5,302
Amount	1,370,630	205,253	275,360	355,971	221,406	210,814	101,825
Contributions: Number	166,308	26,963	38,392	45,741	27,126	21,986	6,100
Amount	616,817	52,588	92,153	135,432	98,793	115,350	122,501
Taxable income: Number	438,162	181,976	111,761	78,034	34,683	24,998	6,710
Amount	13,962,339	1,356,077	2,383,943	3,025,877	2,052,818	2,404,842	2,738,780
Total tax credits: [6] Number	186,227	55,722	59,114	40,934	18,381	9,934	2,142
Amount	176,359	24,856	55,405	53,784	24,343	9,937	8,035
Child tax credit: Number	126,829	28,924	43,079	33,788	14,486	6,546	6
Amount	118,920	13,218	40,568	40,633	17,640	6,858	4
Child care credit: Number	27,120	5,178	7,997	8,164	3,484	1,981	316
Amount	11,748	2,113	3,340	3,637	1,603	898	156
Earned income credit: [7] Number	101,277	94,838	6,439	--	--	--	--
Amount	171,652	168,683	2,968	--	--	--	--
Excess earned income credit (refundable): [8] Number	87,469	82,607	4,862	--	--	--	--
Amount	149,369	147,107	2,262	--	--	--	--
Income tax: [9] Number	385,696	149,011	94,782	75,760	34,469	24,962	6,712
Amount	2,156,028	130,195	244,539	361,684	282,296	431,797	705,515
Total tax liability: [10] Number	421,567	178,811	99,932	76,576	34,543	24,990	6,715
Amount	2,338,746	179,905	277,209	392,957	302,248	460,906	725,520
Tax due at time of filing: [11] Number	106,531	40,962	23,054	20,603	9,269	9,308	3,335
Amount	317,072	28,235	32,152	39,871	28,831	61,429	126,552
Overpayments: [12] Number	436,854	254,866	87,248	55,087	23,951	13,637	2,065
Amount	780,010	340,326	155,627	118,068	69,104	61,907	34,978

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ILLINOIS							
Number of returns	**5,722,755**	**2,822,345**	**1,063,240**	**816,307**	**455,371**	**433,796**	**131,696**
Number of joint returns	2,207,782	444,551	383,513	514,168	372,163	378,530	114,857
Number with paid preparer's signature	3,484,357	1,692,678	645,947	507,250	274,220	262,266	101,996
Number of exemptions	11,673,171	4,413,069	2,207,648	2,046,442	1,301,064	1,297,482	407,466
Adjusted gross income (AGI) [3]	**290,425,049**	**34,395,672**	**41,721,657**	**50,128,595**	**39,232,707**	**57,079,898**	**67,866,521**
Salaries and wages in AGI: [4] Number	4,875,112	2,227,010	956,731	747,240	424,693	403,772	115,666
Amount	218,455,002	29,395,373	34,655,989	41,236,676	32,574,747	45,555,467	35,036,748
Taxable interest: Number	2,835,166	944,415	508,966	531,679	350,868	373,931	125,307
Amount	6,231,451	1,314,096	691,494	781,589	565,088	878,984	2,000,201
Dividends: Number	1,512,635	452,451	229,472	265,679	198,778	257,457	108,798
Amount	5,342,266	664,290	412,417	523,432	426,967	881,335	2,433,825
Business or profession net income (less loss): Number	785,709	342,146	128,363	122,163	75,507	83,721	33,809
Amount	9,143,462	1,818,041	939,903	1,063,295	892,875	1,987,899	2,441,449
Number of farm returns	74,055	26,825	15,850	15,364	7,897	5,969	2,150
Net capital gain (less loss) in AGI: Number	1,051,800	300,257	148,932	174,517	134,432	193,410	100,252
Amount	13,678,762	266,869	109,697	252,624	330,556	1,249,555	11,469,462
Taxable Individual Retirement Arrangements distributions: Number	409,689	172,003	77,574	69,550	40,353	38,828	11,381
Amount	4,403,241	837,306	629,644	784,660	635,329	969,072	547,229
Pensions and annuities in AGI: Number	1,025,940	427,445	199,368	178,076	102,165	95,191	23,695
Amount	16,285,041	3,660,013	3,030,895	3,471,139	2,385,850	2,845,811	891,333
Unemployment compensation: Number	467,435	212,746	101,651	82,780	39,457	27,090	3,711
Amount	2,452,536	1,051,132	568,769	441,141	213,128	154,713	23,655
Social Security benefits in AGI: Number	474,260	101,380	137,978	112,589	55,962	48,677	17,674
Amount	4,121,953	203,898	731,559	1,310,189	792,369	755,423	328,515
Self-employment retirement plans: Number	51,698	3,373	4,187	6,334	6,627	15,388	15,789
Amount	783,377	14,754	23,616	43,880	55,422	205,275	440,428
Total itemized deductions: [5] Number	1,995,224	298,577	381,461	463,799	341,559	385,260	124,568
Amount	40,497,628	4,691,394	5,359,537	7,622,905	6,345,070	9,277,486	7,201,235
State and local income taxes: Number	1,882,319	228,881	360,987	450,945	336,118	381,222	124,166
Amount	5,759,776	166,511	409,618	776,966	814,722	1,441,979	2,149,979
Real estate taxes: Number	1,820,223	245,466	328,447	427,557	326,550	371,467	120,736
Amount	7,515,304	755,237	944,969	1,417,375	1,283,268	1,942,431	1,172,025
Taxes paid: Number	1,994,062	293,207	381,854	465,512	342,677	385,837	124,975
Amount	13,715,091	1,024,293	1,393,989	2,240,937	2,133,315	3,448,538	3,474,018
Interest paid: Number	1,687,179	197,639	310,411	409,936	313,132	349,539	106,522
Amount	16,406,610	1,457,925	2,675,481	3,780,324	2,662,768	3,689,006	2,141,106
Contributions: Number	1,770,272	217,537	324,574	417,851	319,463	369,251	121,596
Amount	6,344,115	358,699	653,204	962,014	855,438	1,377,946	2,136,812
Taxable income: Number	4,481,238	1,598,340	1,049,793	813,571	454,711	433,306	131,517
Amount	202,978,585	12,629,761	25,054,644	33,554,365	27,930,599	43,463,617	60,345,598
Total tax credits: [6] Number	1,759,588	502,592	435,536	364,736	235,077	172,398	49,249
Amount	1,771,432	253,099	423,311	455,575	298,449	154,894	186,105
Child tax credit: Number	1,146,611	257,840	299,157	292,690	183,657	113,233	34
Amount	1,046,076	122,945	274,429	329,449	210,271	108,954	28
Child care credit: Number	268,008	57,331	62,936	58,581	40,723	40,555	7,882
Amount	147,082	30,527	39,560	30,902	21,196	20,715	4,183
Earned income credit: [7] Number	855,109	817,988	37,121	--	--	--	--
Amount	1,500,697	1,484,628	16,068	--	--	--	--
Excess earned income credit (refundable): [8] Number	743,797	716,820	26,977	--	--	--	--
Amount	1,323,323	1,311,749	11,574	--	--	--	--
Income tax: [9] Number	4,064,281	1,297,710	949,111	799,501	453,258	433,114	131,587
Amount	37,309,026	1,210,156	2,935,690	4,505,319	4,096,308	8,141,258	16,420,295
Total tax liability: [10] Number	4,329,847	1,533,098	973,590	804,201	453,958	433,380	131,620
Amount	39,138,546	1,600,307	3,164,474	4,761,929	4,295,447	8,488,800	16,827,589
Tax due at time of filing: [11] Number	805,887	285,763	142,226	133,593	78,473	113,491	52,341
Amount	3,081,810	203,357	201,275	268,802	222,304	551,751	1,634,321
Overpayments: [12] Number	4,568,777	2,321,808	891,274	653,605	357,741	291,342	53,007
Amount	10,659,850	3,452,042	1,881,692	1,827,088	1,264,244	1,357,078	877,708

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
INDIANA							
Number of returns	**2,816,535**	**1,467,713**	**528,893**	**418,739**	**211,457**	**154,488**	**35,245**
Number of joint returns	1,202,171	270,221	249,153	320,551	188,892	141,814	31,540
Number with paid preparer's signature	1,670,234	849,209	321,225	254,311	123,491	93,208	28,790
Number of exemptions	5,730,120	2,232,385	1,164,208	1,130,114	625,760	468,101	109,552
Adjusted gross income (AGI) [3]	**119,764,629**	**18,504,291**	**20,719,602**	**25,710,164**	**18,136,735**	**19,841,389**	**16,852,448**
Salaries and wages in AGI: [4] Number	2,447,743	1,193,367	484,179	393,598	201,040	144,646	30,913
Amount	93,119,533	15,502,822	17,276,357	21,802,463	15,465,376	15,631,577	7,440,938
Taxable interest: Number	1,273,546	461,415	235,696	254,532	156,651	131,405	33,847
Amount	2,120,254	591,346	296,817	310,254	200,932	275,552	445,353
Dividends: Number	595,153	198,055	97,847	112,063	78,071	81,081	28,036
Amount	1,648,723	250,861	155,487	185,799	145,841	273,760	636,975
Business or profession net income (less loss): Number	357,717	143,177	70,331	67,315	35,801	31,072	10,021
Amount	3,765,528	804,054	498,888	531,875	402,636	772,409	755,666
Number of farm returns	58,910	22,847	12,764	11,798	5,907	4,242	1,352
Net capital gain (less loss) in AGI: Number	415,565	134,690	66,295	74,603	52,372	61,478	26,127
Amount	3,544,178	105,044	93,749	154,032	171,780	448,196	2,571,377
Taxable Individual Retirement Arrangements distributions: Number	197,183	90,488	38,863	33,318	17,319	14,118	3,077
Amount	1,863,575	417,972	311,091	377,420	274,533	350,372	132,187
Pensions and annuities in AGI: Number	539,160	258,641	103,709	88,601	46,635	34,983	6,591
Amount	6,999,327	2,223,035	1,460,896	1,398,753	845,502	840,647	230,493
Unemployment compensation: Number	222,660	107,888	52,221	40,271	15,185	6,710	385
Amount	845,732	404,376	202,802	152,243	57,482	26,847	1,981
Social Security benefits in AGI: Number	226,645	54,734	73,047	52,544	23,525	17,665	5,130
Amount	1,925,632	105,022	432,234	641,582	356,769	294,288	95,738
Self-employment retirement plans: Number	16,342	1,102	1,383	2,129	2,189	5,038	4,501
Amount	222,481	4,140	7,392	13,236	17,010	66,275	114,428
Total itemized deductions: [5] Number	830,693	122,627	166,643	217,841	154,061	135,962	33,559
Amount	14,126,792	1,655,093	2,045,945	3,100,587	2,539,865	2,959,974	1,825,327
State and local income taxes: Number	821,054	113,468	165,802	218,081	154,246	135,892	33,565
Amount	2,970,279	121,158	282,594	564,888	551,574	741,733	708,333
Real estate taxes: Number	750,842	98,124	144,778	200,367	145,522	129,812	32,239
Amount	1,263,698	125,830	167,674	267,249	234,652	300,086	168,207
Taxes paid: Number	832,491	121,754	167,244	219,020	154,630	136,198	33,645
Amount	4,531,188	324,684	482,422	887,312	836,358	1,099,216	901,198
Interest paid: Number	731,023	86,360	145,812	201,725	145,027	124,198	27,901
Amount	5,474,385	517,425	907,973	1,386,188	1,085,626	1,109,900	467,273
Contributions: Number	699,551	85,213	128,269	185,546	139,634	128,419	32,470
Amount	2,448,613	158,793	263,341	449,233	403,292	547,738	626,215
Taxable income: Number	2,192,546	848,726	524,928	418,003	211,306	154,370	35,213
Amount	80,028,481	6,869,670	12,425,811	17,382,593	13,163,842	15,298,158	14,888,406
Total tax credits: [6] Number	856,610	240,667	231,447	201,750	109,698	60,397	12,651
Amount	825,085	115,938	218,684	256,546	141,861	57,831	34,224
Child tax credit: Number	600,740	133,285	167,544	169,120	88,676	42,099	16
Amount	559,798	66,222	160,098	191,683	100,947	40,832	16
Child care credit: Number	118,066	21,685	24,959	33,519	21,214	14,797	1,892
Amount	55,825	10,158	11,827	15,496	10,377	7,023	944
Earned income credit: [7] Number	425,837	405,319	20,518	--	--	--	--
Amount	718,264	709,252	9,013	--	--	--	--
Excess earned income credit (refundable): [8] Number	373,722	359,102	14,620	--	--	--	--
Amount	646,620	640,122	6,498	--	--	--	--
Income tax: [9] Number	2,004,999	713,455	478,409	412,910	210,719	154,286	35,220
Amount	12,962,889	680,320	1,411,094	2,217,825	1,885,030	2,814,171	3,954,448
Total tax liability: [10] Number	2,112,412	806,799	490,382	414,670	210,965	154,365	35,231
Amount	13,703,703	833,829	1,529,046	2,346,983	1,977,918	2,954,614	4,061,311
Tax due at time of filing: [11] Number	356,984	123,407	69,906	69,109	36,929	42,796	14,837
Amount	1,171,622	82,394	96,877	127,680	100,680	218,943	545,047
Overpayments: [12] Number	2,318,309	1,248,800	447,395	338,977	167,905	102,075	13,157
Amount	4,748,703	1,739,031	909,128	880,354	558,106	454,293	207,791

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
IOWA							
Number of returns	**1,324,876**	**691,286**	**261,947**	**200,227**	**93,410**	**62,681**	**15,325**
Number of joint returns	603,236	140,544	138,734	166,250	85,911	57,940	13,857
Number with paid preparer's signature	929,725	465,714	192,789	148,685	65,681	43,881	12,975
Number of exemptions	2,677,834	999,556	592,245	563,794	284,032	191,418	46,789
Adjusted gross income (AGI) [3]	**54,107,442**	**8,803,821**	**10,279,579**	**12,278,206**	**7,990,370**	**8,096,025**	**6,659,442**
Salaries and wages in AGI: Number [4]	1,123,514	547,490	234,194	184,341	86,813	57,256	13,420
Amount	40,931,563	7,188,518	8,220,403	9,958,968	6,475,508	5,928,354	3,159,813
Taxable interest: Number	711,193	277,557	146,440	140,827	75,735	55,869	14,765
Amount	1,407,981	421,672	227,162	221,576	135,494	172,062	230,016
Dividends: Number	362,453	127,746	67,979	70,693	44,007	39,445	12,583
Amount	836,554	148,882	93,863	107,361	82,121	138,695	265,632
Business or profession net income (less loss): Number	202,364	81,736	45,309	38,335	18,147	14,344	4,493
Amount	1,741,693	296,241	288,270	299,522	208,447	369,539	279,674
Number of farm returns	84,180	36,705	20,140	15,732	6,351	4,057	1,195
Net capital gain (less loss) in AGI: Number	263,297	94,174	47,911	48,205	30,518	30,732	11,757
Amount	1,496,951	80,567	74,964	114,103	109,277	260,252	857,788
Taxable Individual Retirement Arrangements distributions: Number	107,288	52,079	22,037	17,252	8,306	6,150	1,464
Amount	811,008	214,679	145,348	160,960	110,727	127,258	52,038
Pensions and annuities in AGI: Number	246,566	115,573	52,386	42,238	19,754	13,664	2,951
Amount	3,028,892	922,350	668,972	644,728	370,892	330,519	91,434
Unemployment compensation: Number	114,193	54,752	29,446	21,284	6,304	2,236	171
Amount	393,135	192,708	102,167	69,455	19,891	8,098	817
Social Security benefits in AGI: Number	126,799	30,954	42,945	29,120	12,255	8,887	2,638
Amount	1,047,983	55,440	250,248	354,246	188,983	148,951	50,116
Self-employment retirement plans: Number	12,246	1,111	1,688	2,415	2,025	3,254	1,753
Amount	125,801	4,369	8,294	14,885	16,189	43,299	38,766
Total itemized deductions [5]: Number	401,484	72,906	82,732	102,183	71,741	57,266	14,656
Amount	6,825,027	951,610	993,413	1,523,976	1,218,248	1,311,565	826,215
State and local income taxes: Number	379,362	53,821	80,589	101,708	71,561	57,056	14,627
Amount	1,582,630	52,343	144,703	301,816	312,359	404,535	366,873
Real estate taxes: Number	365,697	57,129	73,541	96,653	69,101	55,161	14,112
Amount	758,192	86,488	112,065	171,925	148,585	162,146	76,984
Taxes paid: Number	396,944	68,312	82,414	102,415	71,828	57,278	14,697
Amount	2,508,763	148,016	270,585	567,676	481,725	587,320	453,443
Interest paid: Number	317,807	36,921	65,615	89,890	64,827	49,236	11,318
Amount	2,117,527	193,552	342,869	555,178	437,588	411,002	177,340
Contributions: Number	348,094	54,308	66,715	90,647	67,102	54,983	14,339
Amount	1,041,979	92,267	121,190	188,953	168,236	221,704	249,630
Taxable income: Number	1,055,109	424,175	259,753	199,902	93,329	62,637	15,313
Amount	35,328,845	3,409,629	6,073,487	8,199,831	5,723,393	6,151,953	5,770,551
Total tax credits [6]: Number	433,051	121,067	124,490	103,795	51,831	26,100	5,768
Amount	417,428	55,615	117,964	140,750	69,571	23,762	9,766
Child tax credit: Number	270,135	49,709	81,031	82,457	39,823	17,108	7
Amount	258,636	24,461	76,569	94,935	46,048	16,616	6
Child care credit: Number	82,152	13,185	20,373	27,074	13,046	7,475	999
Amount	36,110	5,534	8,877	12,445	5,886	2,949	419
Earned income credit [7]: Number	172,426	162,743	9,683	--	--	--	--
Amount	270,896	266,657	4,239	--	--	--	--
Excess earned income credit (refundable) [8]: Number	145,638	139,073	6,565	--	--	--	--
Amount	236,538	233,688	2,851	--	--	--	--
Income tax [9]: Number	964,039	362,140	233,730	197,222	93,044	62,589	15,314
Amount	5,442,261	339,291	667,064	996,574	793,028	1,118,330	1,527,974
Total tax liability [10]: Number	1,028,524	415,927	243,251	198,241	93,156	62,630	15,319
Amount	5,865,511	435,875	749,698	1,080,606	845,302	1,188,285	1,565,745
Tax due at time of filing [11]: Number	230,276	88,110	47,400	46,467	21,696	20,352	6,251
Amount	555,197	61,915	73,721	98,671	68,793	114,180	137,917
Overpayments [12]: Number	1,009,948	548,926	204,824	145,870	67,350	37,130	5,848
Amount	1,821,650	686,767	381,329	329,035	194,301	152,356	77,861

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued
[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
KANSAS							
Number of returns	**1,218,580**	**642,491**	**227,946**	**173,040**	**87,878**	**69,239**	**17,986**
Number of joint returns	547,792	134,673	118,247	136,053	78,981	63,532	16,306
Number with paid preparer's signature	772,618	398,761	147,818	112,134	54,406	44,512	14,987
Number of exemptions	2,515,977	988,464	522,266	475,803	261,533	211,497	56,414
Adjusted gross income (AGI) [3]	**52,503,139**	**7,930,588**	**8,933,393**	**10,620,657**	**7,539,757**	**9,000,845**	**8,477,901**
Salaries and wages in AGI: [4] Number	1,037,707	514,233	203,966	158,512	81,531	63,639	15,826
Amount	39,888,100	6,811,322	7,291,501	8,685,972	6,173,906	6,866,570	4,058,828
Taxable interest: Number	584,614	219,187	109,588	111,237	67,562	59,836	17,204
Amount	1,128,181	324,713	164,005	166,309	107,114	146,893	219,146
Dividends: Number	301,772	101,263	51,369	55,958	38,021	40,624	14,537
Amount	879,122	125,906	75,268	91,860	72,638	138,143	375,307
Business or profession net income (less loss): Number	186,341	73,629	38,003	34,093	18,459	16,392	5,765
Amount	1,716,379	229,702	241,515	265,805	203,126	405,564	370,669
Number of farm returns	62,626	28,005	13,715	11,195	5,000	3,550	1,161
Net capital gain (less loss) in AGI: Number	227,579	78,974	37,450	39,462	26,584	31,461	13,648
Amount	1,741,906	52,218	43,924	71,858	72,624	200,671	1,300,611
Taxable Individual Retirement Arrangements distributions: Number	100,324	45,866	20,074	16,646	8,861	7,151	1,726
Amount	910,164	203,906	150,021	178,955	138,285	172,734	66,262
Pensions and annuities in AGI: Number	218,883	97,862	44,091	38,015	20,217	15,497	3,201
Amount	2,927,274	807,155	604,507	627,138	400,670	393,489	94,315
Unemployment compensation: Number	88,923	42,311	21,475	15,341	6,195	3,294	307
Amount	369,584	175,036	86,793	64,017	26,573	15,563	1,602
Social Security benefits in AGI: Number	107,798	24,712	34,553	25,426	11,466	8,922	2,719
Amount	951,418	46,248	209,229	313,105	178,652	152,124	52,060
Self-employment retirement plans: Number	10,416	917	1,082	1,627	1,573	3,091	2,126
Amount	125,484	3,747	5,600	10,392	12,906	41,203	51,636
Total itemized deductions: [5] Number	364,329	57,145	67,994	89,620	68,206	63,979	17,385
Amount	6,887,400	894,863	868,992	1,331,430	1,176,079	1,508,388	1,107,648
State and local income taxes: Number	345,118	41,863	65,641	88,720	67,860	63,685	17,349
Amount	1,502,052	39,003	102,208	218,330	252,147	410,370	479,996
Real estate taxes: Number	335,824	44,797	60,944	85,052	65,922	62,178	16,931
Amount	737,871	73,052	95,661	155,361	141,978	177,835	93,985
Taxes paid: Number	361,702	53,974	68,002	90,004	68,303	63,989	17,430
Amount	2,390,582	125,418	217,429	407,927	426,092	624,269	589,446
Interest paid: Number	298,852	31,895	55,038	79,257	61,939	56,598	14,125
Amount	2,203,559	181,199	309,576	520,221	449,385	506,480	236,700
Contributions: Number	318,238	41,204	55,975	79,702	63,275	61,124	16,958
Amount	1,259,861	82,893	124,011	207,470	192,024	273,455	380,007
Taxable income: Number	948,422	375,038	225,814	172,643	87,785	69,172	17,970
Amount	34,858,800	2,942,392	5,239,279	7,088,816	5,383,816	6,804,393	7,400,105
Total tax credits: [6] Number	387,824	113,205	107,328	86,438	46,670	27,791	6,392
Amount	363,121	52,494	101,499	112,038	60,005	26,005	11,080
Child tax credit: Number	256,239	56,844	74,528	69,605	36,671	18,582	9
Amount	239,178	27,326	70,759	80,628	42,348	18,109	7
Child care credit: Number	64,436	11,388	15,654	18,883	10,232	7,239	1,040
Amount	29,907	4,942	7,269	8,921	4,889	3,383	502
Earned income credit: [7] Number	177,484	167,757	9,727	--	--	--	--
Amount	295,386	291,067	4,320	--	--	--	--
Excess earned income credit (refundable): [8] Number	153,970	146,981	6,989	--	--	--	--
Amount	262,871	259,755	3,117	--	--	--	--
Income tax: [9] Number	858,499	311,953	201,721	170,160	87,564	69,125	17,976
Amount	5,729,777	287,396	579,682	887,693	761,445	1,249,436	1,964,125
Total tax liability: [10] Number	914,760	359,859	208,951	171,100	87,691	69,178	17,981
Amount	6,124,669	370,958	645,346	957,420	811,060	1,324,674	2,015,213
Tax due at time of filing: [11] Number	197,411	72,885	40,075	37,371	18,841	20,610	7,629
Amount	648,303	50,873	60,369	78,170	60,474	117,689	280,726
Overpayments: [12] Number	939,349	514,563	180,550	129,010	65,093	43,351	6,782
Amount	1,797,561	681,810	334,201	298,057	197,002	186,546	99,946

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
KENTUCKY							
Number of returns	**1,740,856**	**976,623**	**322,367**	**231,740**	**108,783**	**80,305**	**21,038**
Number of joint returns	781,092	235,414	172,471	183,929	97,617	72,957	18,704
Number with paid preparer's signature	1,158,038	643,300	218,985	156,120	69,285	52,590	17,758
Number of exemptions	3,560,825	1,606,545	719,316	617,685	315,845	238,114	63,320
Adjusted gross income (AGI) [3]	**68,275,688**	**12,365,288**	**12,596,948**	**14,191,574**	**9,319,238**	**10,404,022**	**9,398,618**
Salaries and wages in AGI: [4] Number	1,497,913	797,009	292,463	214,799	101,824	73,696	18,122
Amount	52,335,899	10,521,753	10,380,504	11,721,851	7,645,354	7,748,380	4,318,055
Taxable interest: Number	700,319	259,013	138,560	136,088	79,011	67,570	20,077
Amount	1,262,595	382,649	185,010	185,297	114,045	161,456	234,137
Dividends: Number	312,949	100,548	54,156	58,135	39,837	43,539	16,734
Amount	1,031,908	137,218	86,128	107,618	91,579	183,055	426,310
Business or profession net income (less loss):							
Number	256,569	125,272	47,725	39,095	19,900	17,975	6,602
Amount	2,368,314	517,421	303,611	300,345	228,641	474,230	544,067
Number of farm returns	92,815	41,771	19,819	16,339	7,387	5,392	2,107
Net capital gain (less loss) in AGI: Number	233,707	77,241	38,952	40,484	27,768	33,641	15,621
Amount	1,899,325	114,378	67,726	108,978	110,406	311,351	1,186,487
Taxable Individual Retirement Arrangements							
distributions: Number	99,900	43,255	20,795	17,586	9,045	7,426	1,793
Amount	976,372	210,770	166,116	196,605	141,913	186,236	74,731
Pensions and annuities in AGI: Number	320,575	145,280	67,765	55,860	27,459	20,170	4,041
Amount	4,844,389	1,346,811	1,066,793	1,061,780	641,129	600,785	127,090
Unemployment compensation: Number	160,656	81,313	40,805	26,254	8,438	3,556	290
Amount	553,656	276,832	138,751	89,710	31,220	15,678	1,465
Social Security benefits in AGI: Number	129,881	28,659	44,536	30,981	12,761	9,824	3,120
Amount	1,027,998	52,793	237,519	347,151	179,434	154,522	56,579
Self-employment retirement plans: Number	9,931	668	842	1,332	1,385	3,202	2,502
Amount	134,905	2,725	4,697	9,037	11,862	45,598	60,990
Total itemized deductions: [5] Number	516,361	85,346	111,107	137,147	88,364	74,131	20,266
Amount	8,993,790	1,046,307	1,420,292	2,011,017	1,552,093	1,777,633	1,186,449
State and local income taxes: Number	486,734	65,053	105,901	134,590	87,459	73,525	20,206
Amount	2,488,270	91,111	257,344	513,579	468,971	599,768	557,497
Real estate taxes: Number	465,480	67,572	96,833	127,031	84,139	70,662	19,243
Amount	658,585	69,931	98,919	148,029	118,269	142,621	80,816
Taxes paid: Number	514,715	82,846	111,297	137,583	88,524	74,145	20,320
Amount	3,303,727	175,101	383,044	699,529	617,618	775,024	653,411
Interest paid: Number	440,120	59,415	94,441	123,960	80,848	65,283	16,173
Amount	3,062,734	341,725	533,378	787,035	565,503	572,505	262,588
Contributions: Number	443,694	61,555	90,125	120,371	81,730	70,365	19,548
Amount	1,486,387	113,622	182,320	285,943	243,910	319,847	340,744
Taxable income: Number	1,312,885	551,380	320,282	231,301	108,663	80,245	21,014
Amount	43,733,190	4,313,687	7,382,210	9,445,011	6,615,458	7,846,529	8,130,296
Total tax credits: [6] Number	503,542	157,081	143,285	110,068	55,561	30,652	6,895
Amount	446,042	72,360	129,109	131,921	68,239	28,978	15,434
Child tax credit: Number	352,642	88,914	104,628	92,943	45,184	20,963	10
Amount	305,732	41,991	96,123	98,911	49,135	19,564	9
Child care credit: Number	70,264	13,434	15,811	20,410	11,717	7,825	1,067
Amount	31,656	5,601	7,027	9,211	5,586	3,704	526
Earned income credit: [7] Number	342,656	328,806	13,850	--	--	--	--
Amount	588,693	582,564	6,129	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	299,843	289,889	9,954	--	--	--	--
Amount	522,773	518,277	4,496	--	--	--	--
Income tax: [9] Number	1,192,015	459,990	293,406	228,998	108,419	80,188	21,014
Amount	6,986,205	423,434	823,590	1,194,591	936,763	1,434,716	2,173,109
Total tax liability: [10] Number	1,288,741	548,392	300,675	229,857	108,559	80,240	21,018
Amount	7,474,532	554,750	898,617	1,270,155	990,234	1,521,400	2,239,377
Tax due at time of filing: [11] Number	247,405	95,771	49,536	45,995	22,738	24,491	8,874
Amount	688,381	66,045	65,427	83,103	64,052	134,988	274,765
Overpayments: [12] Number	1,406,391	824,917	264,727	178,396	81,531	49,281	7,539
Amount	2,766,263	1,220,988	511,596	437,595	258,847	222,457	114,780

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
LOUISIANA							
Number of returns	**1,879,651**	**1,124,640**	**317,823**	**219,247**	**109,454**	**85,042**	**23,445**
Number of joint returns	676,514	181,759	142,031	161,474	94,986	75,919	20,345
Number with paid preparer's signature	1,151,648	692,484	187,698	131,306	65,161	54,743	20,256
Number of exemptions	3,963,319	2,016,025	716,798	586,623	321,168	253,400	69,305
Adjusted gross income (AGI) [3]	**70,865,204**	**14,219,989**	**12,369,292**	**13,435,946**	**9,391,857**	**11,012,625**	**10,435,494**
Salaries and wages in AGI: [4] Number	1,637,667	949,671	288,114	201,692	101,861	77,028	19,301
Amount	54,619,342	12,617,285	10,438,009	11,200,294	7,780,768	8,145,809	4,437,177
Taxable interest: Number	639,276	225,523	122,278	122,745	76,777	69,865	22,088
Amount	1,209,126	288,183	156,031	166,656	113,562	179,413	305,282
Dividends: Number	303,858	96,443	50,055	54,900	38,964	44,987	18,509
Amount	925,937	128,873	82,044	97,347	83,446	172,853	361,375
Business or profession net income (less loss): Number	276,253	141,930	46,320	37,976	21,205	20,245	8,577
Amount	2,562,883	483,465	263,920	276,142	235,024	537,853	766,478
Number of farm returns	29,007	10,592	5,456	5,570	3,240	2,940	1,209
Net capital gain (less loss) in AGI: Number	221,664	70,210	34,405	37,875	27,192	34,817	17,165
Amount	1,632,360	34,773	33,158	70,829	78,614	259,158	1,155,827
Taxable Individual Retirement Arrangements distributions: Number	95,095	37,684	19,534	17,530	9,586	8,570	2,191
Amount	1,047,267	197,934	167,827	218,263	159,993	218,762	84,489
Pensions and annuities in AGI: Number	287,333	129,884	57,942	48,099	25,552	21,127	4,729
Amount	4,371,862	1,239,700	916,547	910,468	553,702	588,930	162,514
Unemployment compensation: Number	96,357	60,204	18,299	11,465	4,249	1,998	142
Amount	319,775	194,794	63,288	39,482	14,584	6,910	717
Social Security benefits in AGI: Number	120,405	24,845	38,351	28,599	13,151	11,456	4,003
Amount	997,081	48,689	205,557	314,472	179,399	176,687	72,276
Self-employment retirement plans: Number	11,215	772	919	1,320	1,386	3,390	3,428
Amount	174,832	3,305	5,206	9,212	13,029	50,270	93,810
Total itemized deductions: [5] Number	387,201	63,787	84,816	88,873	63,686	65,141	20,898
Amount	7,001,792	840,877	1,205,014	1,414,121	1,115,713	1,427,824	998,243
State and local income taxes: Number	368,012	51,594	80,830	86,918	63,023	64,762	20,885
Amount	1,164,548	39,586	99,953	168,181	178,115	303,839	374,875
Real estate taxes: Number	259,269	30,070	45,260	59,669	49,507	55,958	18,805
Amount	293,302	23,831	28,687	44,262	45,458	82,110	68,954
Taxes paid: Number	382,540	59,447	83,914	88,919	63,901	65,342	21,017
Amount	1,495,487	68,590	136,325	220,905	229,276	392,131	448,260
Interest paid: Number	315,502	40,542	64,586	77,130	58,147	58,363	16,734
Amount	2,417,359	261,608	400,287	526,594	442,467	527,164	259,237
Contributions: Number	337,320	47,500	71,281	78,677	58,418	61,297	20,147
Amount	1,409,978	111,635	206,712	262,416	219,868	304,061	305,287
Taxable income: Number	1,352,425	601,038	314,957	218,721	109,330	84,966	23,413
Amount	45,598,791	4,417,094	7,241,543	9,090,124	6,879,857	8,632,610	9,337,562
Total tax credits: [6] Number	574,354	226,995	145,588	104,628	56,190	32,738	8,215
Amount	510,969	108,819	140,376	128,877	71,310	35,516	26,070
Child tax credit: Number	410,216	145,654	108,127	88,526	46,126	21,777	6
Amount	332,258	67,008	99,514	95,518	49,952	20,260	5
Child care credit: Number	89,350	21,426	20,605	22,468	13,814	9,678	1,359
Amount	43,701	9,905	10,650	10,901	6,826	4,710	709
Earned income credit: [7] Number	534,828	519,189	15,639	--	--	--	--
Amount	1,115,615	1,108,783	6,832	--	--	--	--
Excess earned income credit (refundable): [8] Number	489,051	478,096	10,955	--	--	--	--
Amount	1,021,656	1,016,872	4,784	--	--	--	--
Income tax: [9] Number	1,167,745	448,748	285,459	216,123	109,070	84,925	23,420
Amount	7,505,822	394,747	805,521	1,173,245	1,005,093	1,610,369	2,516,847
Total tax liability: [10] Number	1,277,126	550,194	292,262	217,028	109,223	84,985	23,434
Amount	8,050,240	543,233	874,787	1,246,084	1,061,429	1,710,137	2,614,568
Tax due at time of filing: [11] Number	256,457	101,077	52,592	43,475	23,281	26,549	9,483
Amount	795,942	71,162	73,404	88,686	72,648	159,767	330,276
Overpayments: [12] Number	1,537,054	969,418	257,897	168,963	81,609	51,284	7,883
Amount	3,431,360	1,848,698	520,515	434,924	266,457	231,202	129,564

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MAINE							
Number of returns	**615,092**	**334,033**	**120,441**	**86,160**	**39,166**	**27,578**	**7,714**
Number of joint returns	262,349	66,718	60,869	68,437	35,096	24,531	6,698
Number with paid preparer's signature	330,981	165,620	67,397	50,555	22,771	18,016	6,622
Number of exemptions	1,171,786	473,971	256,641	226,789	112,308	79,741	22,336
Adjusted gross income (AGI) [3]	**24,727,190**	**4,410,798**	**4,715,185**	**5,267,982**	**3,351,097**	**3,589,909**	**3,392,216**
Salaries and wages in AGI: [4] Number	523,000	267,998	108,475	79,138	36,239	24,659	6,491
Amount	18,252,455	3,554,908	3,816,482	4,270,530	2,696,073	2,522,653	1,391,808
Taxable interest: Number	320,601	119,773	69,115	64,587	33,901	25,679	7,546
Amount	461,820	123,762	70,622	72,993	44,236	65,143	85,062
Dividends: Number	143,003	50,907	26,803	26,678	16,349	16,026	6,240
Amount	463,171	78,181	51,765	64,337	49,779	90,346	128,763
Business or profession net income (less loss):							
Number	110,927	52,930	22,852	17,871	8,107	6,849	2,318
Amount	1,195,506	273,680	207,552	195,414	118,771	209,390	190,697
Number of farm returns	4,643	2,163	1,005	752	348	260	115
Net capital gain (less loss) in AGI: Number	103,040	35,892	17,958	18,272	11,721	13,259	5,938
Amount	1,080,586	16,998	35,156	64,211	71,306	196,769	696,148
Taxable Individual Retirement Arrangements							
distributions: Number	43,219	20,519	8,902	7,005	3,375	2,705	713
Amount	371,403	94,407	63,664	71,104	51,916	63,306	27,004
Pensions and annuities in AGI: Number	105,622	48,216	22,344	18,516	8,809	6,227	1,510
Amount	1,577,956	453,441	356,252	352,236	195,707	174,244	46,076
Unemployment compensation: Number	43,146	24,701	9,795	5,922	1,784	849	95
Amount	163,520	85,263	40,566	24,544	8,311	4,306	530
Social Security benefits in AGI: Number	49,083	10,203	16,962	11,866	4,810	3,917	1,325
Amount	380,972	18,537	87,247	126,960	65,327	60,622	22,280
Self-employment retirement plans: Number	6,075	716	845	1,128	854	1,608	924
Amount	70,109	3,293	4,869	7,778	7,500	23,452	23,217
Total itemized deductions: [5] Number	184,702	30,247	40,062	48,733	32,196	26,012	7,452
Amount	3,386,561	389,613	505,253	727,821	563,140	640,311	560,422
State and local income taxes: Number	176,885	24,010	39,188	48,414	32,024	25,834	7,415
Amount	864,761	27,504	79,404	154,671	155,688	214,650	232,844
Real estate taxes: Number	174,423	26,330	37,478	46,815	31,299	25,245	7,256
Amount	482,968	60,393	78,751	110,338	85,890	95,364	52,231
Taxes paid: Number	184,598	29,672	40,215	48,966	32,248	26,015	7,482
Amount	1,417,305	95,924	170,312	285,032	258,263	325,845	281,929
Interest paid: Number	157,338	21,513	34,385	43,778	29,229	22,456	5,977
Amount	1,069,272	120,659	194,878	281,031	198,040	190,851	83,813
Contributions: Number	159,200	21,406	33,038	43,186	29,706	24,671	7,193
Amount	402,106	25,836	43,632	68,538	56,822	78,317	128,963
Taxable income: Number	485,926	206,187	119,514	85,915	39,097	27,517	7,696
Amount	15,995,329	1,692,794	2,811,231	3,512,646	2,383,254	2,695,380	2,900,024
Total tax credits: [6] Number	178,375	51,828	51,321	40,519	20,456	11,240	3,011
Amount	162,981	23,736	46,432	50,566	25,801	10,079	6,368
Child tax credit: Number	105,639	24,314	34,199	31,886	15,240	6,672**	**
Amount	100,124	11,657	31,460	34,377	16,394	6,235**	**
Child care credit: Number	28,169	5,066	6,847	8,573	4,471	2,763	449
Amount	13,507	2,277	3,257	4,235	2,202	1,300	236
Earned income credit: [7] Number	86,942	82,672	4,270	--	--	--	--
Amount	135,316	133,401	1,915	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	71,105	68,171	2,934	--	--	--	--
Amount	113,635	112,308	1,328	--	--	--	--
Income tax: [9] Number	447,476	178,476	109,806	84,969	39,010	27,511	7,704
Amount	2,502,532	172,308	318,314	439,489	333,366	489,402	749,652
Total tax liability: [10] Number	479,578	206,859	113,032	85,367	39,064	27,546	7,710
Amount	2,719,153	232,372	358,536	477,660	356,675	523,818	770,090
Tax due at time of filing: [11] Number	102,147	41,827	21,734	18,557	8,181	8,373	3,475
Amount	295,994	34,315	33,198	37,146	24,913	52,605	113,818
Overpayments: [12] Number	479,815	270,890	95,447	64,595	29,295	16,854	2,734
Amount	846,706	323,749	168,359	146,748	91,288	77,947	38,615

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MARYLAND							
Number of returns	**2,601,859**	**1,141,015**	**504,336**	**383,134**	**236,839**	**269,367**	**67,168**
Number of joint returns	949,041	136,953	135,863	200,994	178,003	237,067	60,161
Number with paid preparer's signature	1,417,037	616,792	272,584	212,727	125,742	140,207	48,985
Number of exemptions	5,160,498	1,690,269	960,375	872,221	636,861	794,917	205,855
Adjusted gross income (AGI) [3]	**145,388,987**	**14,923,050**	**19,762,119**	**23,587,099**	**20,452,977**	**35,723,519**	**30,940,221**
Salaries and wages in AGI: [4] Number	2,252,088	923,520	452,157	345,383	218,817	252,721	59,490
Amount	111,313,649	12,986,847	16,598,116	19,295,195	16,976,353	29,268,777	16,188,363
Taxable interest: Number	1,267,085	328,754	219,245	242,032	179,517	233,290	64,247
Amount	2,311,095	385,600	234,722	289,881	229,186	417,909	753,797
Dividends: Number	646,287	156,548	89,172	109,770	91,809	144,795	54,193
Amount	2,261,900	236,390	164,898	233,782	213,323	469,232	944,276
Business or profession net income (less loss): Number	384,062	139,756	63,078	62,046	43,671	56,722	18,789
Amount	4,366,812	526,519	365,024	459,129	440,920	1,177,887	1,397,332
Number of farm returns	12,849	4,501	2,040	2,024	1,424	1,891	969
Net capital gain (less loss) in AGI: Number	470,967	109,971	59,774	75,778	64,898	110,587	49,959
Amount	5,257,876	79,774	34,257	88,823	132,420	605,123	4,317,477
Taxable Individual Retirement Arrangements distributions: Number	159,314	51,427	30,008	30,870	19,990	21,409	5,610
Amount	1,576,676	237,045	207,172	287,142	249,041	398,825	197,450
Pensions and annuities in AGI: Number	477,454	156,470	92,767	89,034	57,898	66,646	14,639
Amount	9,588,198	1,632,107	1,664,147	2,074,147	1,548,954	2,084,188	584,656
Unemployment compensation: Number	134,751	66,129	26,868	20,117	11,159	9,410	1,068
Amount	540,197	266,436	104,148	78,304	45,714	40,377	5,218
Social Security benefits in AGI: Number	222,706	38,606	60,386	54,766	30,447	29,510	8,991
Amount	2,061,489	81,471	354,247	603,560	412,497	445,814	163,899
Self-employment retirement plans: Number	31,185	1,780	2,160	3,238	3,797	10,348	9,862
Amount	485,627	8,541	13,082	22,808	32,096	132,849	276,251
Total itemized deductions: [5] Number	1,262,444	174,850	258,434	288,717	212,553	261,691	66,199
Amount	28,019,252	2,455,190	3,842,658	5,187,659	4,571,716	7,477,946	4,484,084
State and local income taxes: Number	1,222,828	146,478	252,612	286,106	211,216	260,367	66,049
Amount	7,401,197	194,367	592,600	1,088,736	1,151,249	2,247,449	2,126,797
Real estate taxes: Number	1,074,858	115,139	196,070	252,108	196,779	250,415	64,347
Amount	2,886,732	234,233	375,546	548,587	496,513	831,477	400,373
Taxes paid: Number	1,260,459	171,300	258,711	289,613	212,823	261,711	66,301
Amount	10,414,879	450,941	987,647	1,659,268	1,663,632	3,105,301	2,548,090
Interest paid: Number	1,026,809	105,560	191,494	244,130	189,641	237,386	58,598
Amount	10,094,758	774,299	1,376,443	2,022,876	1,816,027	2,859,850	1,245,264
Contributions: Number	1,147,171	138,775	229,531	264,035	199,123	251,163	64,544
Amount	4,339,598	280,509	594,518	755,523	638,006	1,036,590	1,034,451
Taxable income: Number	2,154,922	705,516	496,018	380,991	236,270	269,045	67,082
Amount	97,953,806	5,716,389	11,459,401	15,031,152	13,753,410	25,789,078	26,204,374
Total tax credits: [6] Number	821,111	227,463	195,103	151,294	113,884	107,804	25,563
Amount	792,404	123,869	191,318	183,596	143,980	95,398	54,244
Child tax credit: Number	524,727	113,468	131,336	122,311	90,350	67,244	18
Amount	460,760	56,329	113,501	129,914	99,630	61,374	13
Child care credit: Number	176,496	33,600	38,156	32,129	27,392	38,230	6,989
Amount	102,967	19,113	24,501	18,159	15,705	21,575	3,915
Earned income credit: [7] Number	349,585	333,422	16,163	--	--	--	--
Amount	586,038	579,066	6,973	--	--	--	--
Excess earned income credit (refundable): [8] Number	304,225	292,105	12,120	--	--	--	--
Amount	517,671	512,577	5,094	--	--	--	--
Income tax: [9] Number	1,963,722	569,935	449,734	372,965	235,134	268,842	67,112
Amount	17,869,535	542,997	1,350,635	2,070,040	2,023,204	4,765,163	7,117,496
Total tax liability: [10] Number	2,062,352	653,920	460,734	375,868	235,681	269,013	67,136
Amount	18,763,983	695,192	1,446,080	2,182,275	2,120,046	4,968,211	7,352,179
Tax due at time of filing: [11] Number	425,678	130,561	77,288	70,390	43,534	75,186	28,719
Amount	1,464,007	92,906	101,929	127,273	105,984	293,330	742,585
Overpayments: [12] Number	2,052,613	941,843	416,934	301,780	185,445	180,283	26,328
Amount	4,678,725	1,366,084	820,034	802,911	609,962	746,179	333,555

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MASSACHUSETTS							
Number of returns	**3,051,697**	**1,368,907**	**584,991**	**440,887**	**269,107**	**294,316**	**93,489**
Number of joint returns	1,154,753	182,113	168,185	256,059	212,966	254,041	81,389
Number with paid preparer's signature	1,781,885	756,652	332,081	273,000	165,899	181,393	72,860
Number of exemptions	5,776,963	1,817,634	1,032,750	1,022,182	743,762	873,280	287,355
Adjusted gross income (AGI) [3]	**178,243,921**	**17,162,507**	**22,929,526**	**27,092,922**	**23,239,382**	**39,032,599**	**48,786,986**
Salaries and wages in AGI: [4] Number	2,596,852	1,060,806	523,996	402,461	251,677	275,415	82,497
Amount	130,601,635	14,177,429	18,836,778	21,997,834	19,371,416	31,591,896	24,626,280
Taxable interest: Number	1,774,750	538,194	325,538	324,291	226,855	268,969	90,903
Amount	3,659,902	627,598	365,092	407,708	298,570	520,197	1,440,737
Dividends: Number	889,905	245,988	133,191	147,437	114,915	171,024	77,350
Amount	4,063,689	376,519	235,991	307,524	256,285	593,782	2,293,588
Business or profession net income (less loss):							
Number	453,831	163,009	74,421	74,664	50,380	64,524	26,833
Amount	7,694,572	963,236	857,853	1,024,812	863,751	1,840,869	2,144,050
Number of farm returns	4,528	1,628	721	779	473	566	361
Net capital gain (less loss) in AGI: Number	632,808	161,944	84,605	97,705	79,852	135,875	72,827
Amount	10,773,076	70,101	47,318	149,873	216,290	1,055,360	9,234,133
Taxable Individual Retirement Arrangements							
distributions: Number	218,519	90,914	41,565	36,447	21,015	21,497	7,081
Amount	2,185,912	423,205	303,876	385,479	315,120	478,999	279,234
Pensions and annuities in AGI: Number	516,685	210,494	99,111	87,506	51,449	52,699	15,426
Amount	8,240,310	1,934,917	1,578,914	1,706,480	1,116,023	1,368,708	535,268
Unemployment compensation: Number	291,762	115,023	63,073	53,408	30,324	25,771	4,163
Amount	1,863,205	604,485	426,506	370,696	219,222	204,755	37,538
Social Security benefits in AGI: Number	264,092	51,344	76,509	63,247	31,420	29,563	12,009
Amount	2,402,194	101,543	442,262	723,249	445,590	468,418	221,132
Self-employment retirement plans: Number	47,305	3,587	4,246	6,330	6,349	14,422	12,371
Amount	632,987	17,032	26,093	46,992	57,790	187,180	297,902
Total itemized deductions: [5] Number	1,216,875	162,828	203,765	266,959	217,463	275,243	90,617
Amount	26,728,848	2,422,130	2,926,111	4,378,765	4,176,334	7,017,653	5,807,854
State and local income taxes: Number	1,179,614	134,523	198,552	264,801	216,729	274,403	90,606
Amount	6,580,077	173,775	395,938	805,370	931,868	1,858,160	2,414,966
Real estate taxes: Number	1,108,125	132,237	175,501	245,367	205,217	262,210	87,593
Amount	4,124,255	393,747	453,612	698,404	669,291	1,128,172	781,029
Taxes paid: Number	1,215,779	159,501	204,149	267,908	217,907	275,387	90,927
Amount	10,844,832	553,887	686,757	1,570,605	1,668,036	3,092,853	3,272,694
Interest paid: Number	1,002,441	103,468	159,286	227,977	192,785	242,046	76,879
Amount	9,755,133	776,449	1,165,662	1,853,895	1,740,080	2,706,483	1,512,564
Contributions: Number	1,107,346	123,336	179,698	246,619	205,457	263,726	88,510
Amount	3,457,455	158,364	261,331	403,146	389,242	721,120	1,524,255
Taxable income: Number	2,523,525	851,051	577,651	438,994	268,564	293,916	93,349
Amount	128,546,829	7,298,092	14,584,073	18,296,610	16,371,378	29,243,992	42,752,684
Total tax credits: [6] Number	884,383	218,095	191,792	178,543	136,133	122,228	37,592
Amount	905,905	113,037	175,071	219,292	174,727	109,829	113,947
Child tax credit: Number	537,443	92,275	120,177	140,381	106,940	77,657	13
Amount	505,733	46,843	108,549	154,989	121,902	73,444	5
Child care credit: Number	137,288	19,169	21,986	27,591	25,848	34,098	8,596
Amount	68,175	9,228	11,330	13,036	12,923	17,219	4,438
Earned income credit: [7] Number	307,954	295,232	12,722	--	--	--	--
Amount	468,495	462,989	5,506	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	254,801	246,305	8,496	--	--	--	--
Amount	403,016	399,374	3,643	--	--	--	--
Income tax: [9] Number	2,365,151	737,043	541,582	431,675	267,669	293,773	93,409
Amount	24,504,675	747,895	1,831,172	2,550,812	2,419,565	5,469,490	11,485,742
Total tax liability [10] Number	2,474,581	829,840	554,317	434,824	268,146	294,007	93,447
Amount	25,774,812	959,060	1,989,984	2,739,850	2,572,681	5,747,938	11,765,299
Tax due at time of filing: [11] Number	510,518	172,207	92,876	82,362	48,095	75,816	39,162
Amount	2,246,362	130,494	130,844	167,340	136,697	404,026	1,276,962
Overpayments: [12] Number	2,351,892	1,086,153	476,483	342,613	210,154	200,023	36,466
Amount	5,417,684	1,350,131	893,121	925,994	757,444	951,810	539,184

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MICHIGAN							
Number of returns	**4,546,347**	**2,289,790**	**807,074**	**661,816**	**378,905**	**336,522**	**72,240**
Number of joint returns	1,868,652	399,347	335,973	446,000	318,583	304,130	64,619
Number with paid preparer's signature	2,715,794	1,325,217	488,838	409,937	228,365	206,034	57,403
Number of exemptions	9,153,212	3,417,655	1,689,131	1,699,729	1,100,282	1,023,441	222,974
Adjusted gross income (AGI) [3]	**209,645,953**	**27,907,976**	**31,650,333**	**40,762,277**	**32,627,004**	**43,535,432**	**33,162,934**
Salaries and wages in AGI: [4] Number	3,882,504	1,801,708	726,619	613,560	358,208	317,652	64,757
Amount	161,460,593	21,928,101	25,149,485	33,531,427	27,574,952	35,635,553	17,641,074
Taxable interest: Number	2,234,305	787,692	387,893	419,105	284,530	286,245	68,840
Amount	4,130,978	1,007,489	501,552	539,116	379,749	594,303	1,108,769
Dividends: Number	1,116,274	361,227	172,134	198,650	148,368	178,158	57,737
Amount	3,461,841	515,536	300,272	359,626	284,469	520,249	1,481,689
Business or profession net income (less loss): Number	600,431	252,472	106,420	101,446	60,588	60,653	18,852
Amount	5,695,979	971,702	687,961	764,769	624,009	1,282,511	1,365,027
Number of farm returns	45,854	19,552	9,128	8,247	4,401	3,507	1,019
Net capital gain (less loss) in AGI: Number	786,559	250,679	117,137	132,710	100,349	132,502	53,182
Amount	5,499,507	66,116	85,890	192,285	234,982	781,971	4,138,263
Taxable Individual Retirement Arrangements distributions: Number	327,403	145,085	63,837	54,911	30,566	26,747	6,257
Amount	3,282,555	674,880	522,983	644,481	488,344	661,773	290,094
Pensions and annuities in AGI: Number	929,364	440,558	177,497	145,662	80,975	71,171	13,501
Amount	14,832,739	4,288,072	3,139,979	2,989,271	1,897,773	1,999,829	517,815
Unemployment compensation: Number	504,786	206,480	116,502	105,103	48,119	27,120	1,462
Amount	2,187,955	954,929	527,586	413,985	179,907	103,115	8,431
Social Security benefits in AGI: Number	397,255	95,270	120,663	89,861	44,559	36,275	10,627
Amount	3,536,812	184,241	738,195	1,128,963	691,554	592,734	201,125
Self-employment retirement plans: Number	29,518	2,433	2,896	4,245	4,240	8,950	6,754
Amount	367,568	10,759	15,868	26,889	34,615	117,163	162,273
Total itemized deductions: [5] Number	1,627,556	234,301	312,079	404,723	298,774	308,043	69,636
Amount	29,671,969	3,113,641	4,006,622	6,168,837	5,321,665	7,206,805	3,854,399
State and local income taxes: Number	1,533,982	171,766	294,775	395,822	295,768	306,321	69,530
Amount	5,472,505	169,848	463,962	953,403	989,430	1,565,739	1,330,123
Real estate taxes: Number	1,513,248	197,662	279,262	380,417	288,007	299,709	68,191
Amount	4,375,591	433,712	568,625	892,502	793,727	1,127,708	559,318
Taxes paid: Number	1,626,506	230,134	312,644	405,992	299,500	308,377	69,859
Amount	10,347,608	696,480	1,106,415	1,937,803	1,863,274	2,796,833	1,946,803
Interest paid: Number	1,433,308	170,563	271,073	369,769	278,996	283,500	59,407
Amount	11,863,488	1,113,500	1,731,840	2,730,920	2,285,840	2,849,881	1,151,509
Contributions: Number	1,447,672	172,906	263,462	365,350	281,125	296,773	68,056
Amount	4,696,496	306,340	525,845	854,278	769,905	1,130,680	1,109,448
Taxable income: Number	3,537,314	1,290,584	799,378	660,365	378,562	336,268	72,157
Amount	141,643,261	10,226,561	18,928,893	27,254,397	23,231,905	32,974,300	29,027,207
Total tax credits: [6] Number	1,362,642	361,699	334,647	306,173	198,272	134,915	26,936
Amount	1,324,059	174,853	313,330	382,922	251,486	125,873	75,593
Child tax credit: Number	903,105	179,946	227,136	247,416	156,911	91,661	35
Amount	852,981	87,828	213,846	282,828	180,594	87,860	24
Child care credit: Number	184,962	29,398	37,043	45,892	34,815	33,607	4,207
Amount	88,230	14,037	18,768	21,052	16,611	15,771	1,991
Earned income credit: [7] Number	644,881	615,291	29,590	--	--	--	--
Amount	1,101,553	1,088,626	12,927	--	--	--	--
Excess earned income credit (refundable): [8] Number	564,545	542,885	21,660	--	--	--	--
Amount	974,216	964,795	9,421	--	--	--	--
Income tax: [9] Number	3,253,011	1,089,911	727,272	650,142	377,449	336,052	72,185
Amount	24,060,739	1,009,312	2,194,978	3,596,810	3,371,038	6,079,815	7,808,785
Total tax liability: [10] Number	3,452,599	1,265,888	746,808	653,539	377,923	336,233	72,208
Amount	25,201,784	1,274,744	2,364,900	3,782,621	3,510,328	6,301,735	7,967,454
Tax due at time of filing: [11] Number	603,027	208,797	114,753	109,272	60,867	81,830	27,508
Amount	1,767,077	135,800	151,347	197,681	154,655	350,574	777,021
Overpayments: [12] Number	3,670,414	1,892,841	672,191	533,055	305,224	235,826	31,277
Amount	7,880,678	2,527,897	1,342,443	1,440,456	1,064,860	1,043,318	461,704

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MINNESOTA							
Number of returns	**2,383,813**	**1,114,661**	**465,064**	**371,248**	**207,292**	**176,358**	**49,190**
Number of joint returns	1,010,800	174,530	181,250	269,080	182,295	159,695	43,950
Number with paid preparer's signature	1,398,151	617,152	277,352	233,077	124,227	107,170	39,173
Number of exemptions	4,728,217	1,512,618	928,752	977,924	613,844	542,358	152,721
Adjusted gross income (AGI) [3]	**119,929,752**	**14,012,213**	**18,254,320**	**22,852,399**	**17,818,467**	**23,055,209**	**23,937,145**
Salaries and wages in AGI: [4] Number	2,065,224	901,299	419,467	340,986	193,906	165,169	44,397
Amount	90,982,759	11,823,675	14,973,694	18,650,036	14,811,494	18,330,987	12,392,872
Taxable interest: Number	1,181,029	382,244	222,788	233,502	151,451	145,110	45,934
Amount	2,251,634	492,973	266,118	286,983	197,603	303,283	704,672
Dividends: Number	669,508	194,297	110,442	125,569	91,980	107,147	40,073
Amount	1,789,202	239,286	140,496	170,108	143,459	284,877	810,975
Business or profession net income (less loss):							
Number	366,472	135,450	72,961	70,749	39,068	36,095	12,149
Amount	3,712,191	562,674	538,551	619,062	464,454	815,783	711,667
Number of farm returns	75,623	31,791	17,748	14,102	6,145	4,376	1,461
Net capital gain (less loss) in AGI: Number	492,109	144,743	76,361	85,400	64,064	83,906	37,635
Amount	4,564,684	106,684	102,072	169,851	192,355	625,340	3,368,383
Taxable Individual Retirement Arrangements							
distributions: Number	177,304	76,290	35,554	31,231	16,834	13,743	3,652
Amount	1,651,570	365,633	270,025	326,939	239,640	310,837	138,497
Pensions and annuities in AGI: Number	396,495	159,772	81,066	74,186	40,208	32,986	8,277
Amount	6,369,078	1,389,370	1,244,697	1,515,769	983,058	969,325	266,859
Unemployment compensation: Number	181,926	71,955	45,757	38,242	16,520	8,542	910
Amount	885,134	307,257	233,643	199,741	89,622	48,949	5,922
Social Security benefits in AGI: Number	202,505	41,989	63,232	50,252	23,141	18,056	5,835
Amount	1,758,255	79,186	369,709	587,550	333,047	284,032	104,732
Self-employment retirement plans: Number	25,661	2,294	2,998	4,523	4,072	7,094	4,680
Amount	281,099	8,932	15,374	28,217	31,432	89,100	108,044
Total itemized deductions: [5] Number	973,796	130,745	199,384	246,919	179,158	169,526	48,064
Amount	19,230,757	1,778,564	2,579,887	3,950,486	3,302,879	4,292,716	3,326,223
State and local income taxes: Number	941,607	104,469	195,733	245,763	178,737	169,021	47,884
Amount	4,885,034	119,834	370,303	725,709	780,359	1,256,016	1,632,814
Real estate taxes: Number	911,047	108,578	181,424	235,349	173,444	165,252	47,000
Amount	1,934,728	164,583	257,678	398,610	359,411	476,627	277,818
Taxes paid: Number	969,438	126,039	199,132	247,300	179,321	169,530	48,116
Amount	7,056,913	329,071	655,980	1,170,227	1,181,612	1,786,224	1,933,798
Interest paid: Number	846,723	89,451	172,574	224,379	165,158	153,533	41,628
Amount	7,499,715	623,132	1,203,640	1,790,328	1,438,078	1,643,252	801,285
Contributions: Number	875,793	99,397	168,278	225,720	170,659	164,697	47,042
Amount	2,814,694	159,775	276,159	453,252	423,640	629,099	872,768
Taxable income: Number	1,951,327	688,893	459,905	370,169	207,042	176,189	49,129
Amount	81,598,693	5,684,277	10,992,775	14,937,440	12,393,259	17,065,335	20,525,608
Total tax credits: [6] Number	745,003	183,948	180,661	174,939	112,077	74,892	18,486
Amount	755,961	91,920	169,193	232,538	149,316	69,468	43,526
Child tax credit: Number	470,747	74,579	116,727	140,776	88,862	49,792	11
Amount	457,918	37,000	108,013	162,418	102,452	48,025	8
Child care credit: Number	143,548	21,395	27,782	40,000	27,309	22,728	4,334
Amount	61,743	8,942	12,598	17,490	11,923	8,999	1,791
Earned income credit: [7] Number	258,529	245,229	13,300	--	--	--	--
Amount	396,726	390,949	5,779	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	216,393	207,344	9,049	--	--	--	--
Amount	341,316	337,437	3,880	--	--	--	--
Income tax: [9] Number	1,805,993	590,944	420,322	363,215	206,296	176,067	49,149
Amount	14,183,985	573,575	1,295,106	1,905,135	1,734,336	3,116,762	5,559,073
Total tax liability: [10] Number	1,906,017	673,414	434,785	365,835	206,638	176,181	49,164
Amount	14,961,640	732,794	1,427,210	2,050,082	1,835,597	3,258,034	5,657,923
Tax due at time of filing: [11] Number	444,251	153,207	89,095	83,552	44,021	52,673	21,703
Amount	1,458,949	106,254	126,943	161,369	120,301	258,859	685,222
Overpayments: [12] Number	1,807,140	879,173	363,406	275,601	155,676	113,576	19,708
Amount	3,417,944	998,730	620,925	616,372	445,503	469,194	267,220

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MISSISSIPPI							
Number of returns	**1,169,646**	**733,489**	**197,187**	**126,554**	**58,925**	**42,217**	**11,274**
Number of joint returns	422,242	126,270	96,107	99,010	52,616	38,252	9,987
Number with paid preparer's signature	756,343	469,859	126,639	82,673	37,759	29,296	10,117
Number of exemptions	2,494,254	1,369,956	458,061	340,790	170,628	121,698	33,121
Adjusted gross income (AGI) [3]	**40,609,782**	**9,543,210**	**7,644,538**	**7,738,258**	**5,049,766**	**5,456,566**	**5,177,443**
Salaries and wages in AGI: [4] Number	1,019,156	622,524	179,183	115,877	54,244	37,991	9,337
Amount	31,286,765	8,531,073	6,422,166	6,328,063	4,055,737	3,887,822	2,061,905
Taxable interest: Number	349,815	127,616	69,786	67,807	40,035	33,971	10,600
Amount	685,008	189,771	98,751	100,691	64,526	93,280	137,988
Dividends: Number	152,545	48,983	26,292	28,517	19,396	20,763	8,594
Amount	492,438	71,795	43,293	53,134	43,815	89,206	191,194
Business or profession net income (less loss): Number	166,677	88,201	29,166	22,642	11,689	10,668	4,311
Amount	1,561,673	362,662	190,973	193,265	142,387	298,546	373,842
Number of farm returns	37,922	13,902	7,599	7,289	4,004	3,599	1,529
Net capital gain (less loss) in AGI: Number	117,433	37,731	19,561	20,629	14,369	16,884	8,259
Amount	1,177,810	91,518	31,098	53,334	59,161	165,085	777,615
Taxable Individual Retirement Arrangements distributions: Number	53,926	22,472	11,242	9,630	5,166	4,307	1,109
Amount	521,897	112,218	88,492	104,091	76,014	102,192	38,890
Pensions and annuities in AGI: Number	180,541	80,417	38,207	31,283	16,271	11,930	2,433
Amount	2,749,005	735,496	586,013	594,743	379,581	361,838	91,337
Unemployment compensation: Number	72,922	50,015	12,213	7,139	2,389	1,097	69
Amount	212,749	141,144	36,627	22,590	7,966	4,079	342
Social Security benefits in AGI: Number	88,569	24,153	26,872	19,675	8,832	6,921	2,116
Amount	711,779	58,918	148,394	225,709	129,309	111,419	38,031
Self-employment retirement plans: Number	5,154	365	430	643	633	1,548	1,535
Amount	75,714	1,388	2,385	4,444	5,364	21,263	40,869
Total itemized deductions: [5] Number	256,519	46,519	59,457	62,099	41,643	36,280	10,521
Amount	4,672,026	609,408	814,185	966,206	739,469	848,830	693,928
State and local income taxes: Number	230,676	32,192	53,681	58,830	40,247	35,334	10,392
Amount	717,446	18,070	68,648	122,835	124,005	175,547	208,341
Real estate taxes: Number	212,308	30,743	46,132	54,100	38,159	33,510	9,664
Amount	265,990	28,966	39,036	53,529	46,463	59,484	38,513
Taxes paid: Number	253,996	44,263	59,052	62,132	41,698	36,293	10,558
Amount	1,082,493	60,477	125,037	198,706	188,835	254,290	255,148
Interest paid: Number	208,257	30,323	46,863	53,807	37,246	31,642	8,376
Amount	1,498,577	214,717	266,454	337,343	260,579	266,949	152,535
Contributions: Number	225,736	35,795	50,693	55,918	38,807	34,350	10,173
Amount	1,076,844	90,849	157,111	210,767	171,192	212,925	233,999
Taxable income: Number	827,594	393,619	195,451	126,266	58,851	42,166	11,241
Amount	24,642,938	2,851,147	4,377,111	5,154,382	3,631,070	4,183,841	4,445,387
Total tax credits: [6] Number	362,831	161,118	93,820	60,347	29,391	14,741	3,414
Amount	303,524	77,261	89,473	73,702	36,414	15,460	11,213
Child tax credit: Number	269,147	113,186	71,274	51,142	23,730	9,815**	**
Amount	196,805	52,257	65,061	54,187	25,300	8,964**	**
Child care credit: Number	55,884	16,210	14,387	13,553	7,092	4,117	525
Amount	28,225	7,844	7,776	6,640	3,606	2,085	275
Earned income credit: [7] Number	372,725	361,268	11,457	--	--	--	--
Amount	777,020	771,939	5,081	--	--	--	--
Excess earned income credit (refundable): [8] Number	340,777	332,884	7,893	--	--	--	--
Amount	715,183	711,694	3,489	--	--	--	--
Income tax: [9] Number	696,183	282,797	176,411	124,900	58,700	42,129	11,246
Amount	3,826,959	245,592	473,935	651,150	520,568	768,982	1,166,731
Total tax liability: [10] Number	768,137	349,068	181,414	125,453	58,787	42,164	11,251
Amount	4,154,587	341,981	523,755	700,335	554,337	822,084	1,212,095
Tax due at time of filing: [11] Number	170,496	66,893	36,310	30,915	15,429	15,710	5,239
Amount	501,862	48,687	51,926	62,501	47,602	101,608	189,538
Overpayments: [12] Number	950,912	635,415	156,327	91,496	40,880	23,157	3,637
Amount	2,068,685	1,271,686	301,539	213,171	121,386	99,012	61,893

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MISSOURI							
Number of returns	**2,563,895**	**1,385,227**	**479,328**	**350,035**	**174,447**	**138,864**	**35,994**
Number of joint returns	1,076,712	274,908	229,693	262,131	152,824	125,391	31,765
Number with paid preparer's signature	1,616,081	857,155	307,448	226,794	107,864	87,445	29,375
Number of exemptions	5,139,272	2,148,705	1,038,747	920,848	506,477	415,562	108,933
Adjusted gross income (AGI) [3]	**107,992,455**	**17,545,889**	**18,742,262**	**21,450,181**	**14,970,328**	**18,029,875**	**17,253,920**
Salaries and wages in AGI: [4] Number	2,187,037	1,116,612	429,116	319,958	162,081	127,836	31,434
Amount	82,049,259	14,854,290	15,337,993	17,493,135	12,269,233	13,839,154	8,255,455
Taxable interest: Number	1,127,388	419,326	216,293	213,608	127,886	116,222	34,053
Amount	2,353,332	651,787	326,882	326,638	204,056	289,315	554,655
Dividends: Number	609,456	201,815	106,058	113,456	76,223	82,348	29,556
Amount	2,344,566	315,767	178,852	216,577	169,490	323,746	1,140,132
Business or profession net income (less loss): Number	374,890	168,743	72,876	61,190	32,088	29,415	10,578
Amount	3,935,921	1,025,845	502,823	519,057	380,408	748,512	759,276
Number of farm returns	104,671	48,100	23,045	18,039	7,685	5,729	2,073
Net capital gain (less loss) in AGI: Number	444,838	150,644	74,573	77,310	51,899	62,694	27,718
Amount	3,397,435	170,626	106,278	169,090	173,551	492,441	2,285,449
Taxable Individual Retirement Arrangements distributions: Number	186,784	82,291	37,872	32,231	16,689	14,267	3,434
Amount	1,804,944	380,942	295,913	362,732	271,837	353,057	140,463
Pensions and annuities in AGI: Number	481,880	220,297	99,221	81,766	41,130	32,422	7,044
Amount	7,039,197	1,929,972	1,506,538	1,542,154	927,398	898,713	234,422
Unemployment compensation: Number	194,969	106,092	41,964	29,286	11,173	5,936	518
Amount	628,114	344,598	132,278	90,859	36,290	21,746	2,344
Social Security benefits in AGI: Number	220,269	49,382	71,957	52,217	22,859	18,039	5,815
Amount	1,820,283	94,781	405,811	601,096	326,383	284,994	107,217
Self-employment retirement plans: Number	17,878	1,428	1,833	2,501	2,459	5,271	4,386
Amount	228,709	5,739	9,807	16,629	20,566	70,397	105,572
Total itemized deductions: [5] Number	774,470	121,349	159,492	194,686	136,454	127,767	34,722
Amount	14,002,347	1,535,017	2,016,892	2,886,723	2,352,729	2,961,243	2,249,743
State and local income taxes: Number	742,151	93,306	156,396	194,279	136,301	127,247	34,622
Amount	3,052,602	102,562	256,115	495,889	505,935	780,786	911,318
Real estate taxes: Number	709,006	96,429	140,794	183,095	131,438	123,713	33,537
Amount	1,375,207	134,886	188,889	288,804	249,804	327,425	185,400
Taxes paid: Number	772,045	116,703	159,785	195,957	136,966	127,837	34,797
Amount	4,890,722	266,062	487,661	857,961	818,521	1,180,344	1,280,172
Interest paid: Number	657,734	81,057	134,178	174,795	125,152	114,143	28,409
Amount	4,991,322	460,965	791,990	1,176,602	935,644	1,046,138	579,983
Contributions: Number	666,905	86,771	129,748	170,551	125,092	121,133	33,610
Amount	2,394,201	167,767	278,632	424,072	358,586	502,731	662,413
Taxable income: Number	1,983,360	809,843	475,411	349,201	174,265	138,690	35,950
Amount	71,322,953	6,425,106	11,151,303	14,387,856	10,726,207	13,709,120	14,923,362
Total tax credits: [6] Number	773,926	239,486	210,093	164,785	90,516	55,630	13,416
Amount	702,312	112,261	194,843	205,718	114,379	50,487	24,624
Child tax credit: Number	513,822	126,017	145,532	134,435	71,273	36,556	9
Amount	460,710	60,359	135,668	149,704	80,113	34,862	5
Child care credit: Number	125,722	22,777	29,833	35,056	20,598	15,258	2,200
Amount	58,488	10,241	13,974	16,096	9,892	7,197	1,088
Earned income credit: [7] Number	436,100	416,585	19,515	--	--	--	--
Amount	750,276	741,573	8,702	--	--	--	--
Excess earned income credit (refundable): [8] Number	380,811	367,062	13,749	--	--	--	--
Amount	670,007	663,839	6,168	--	--	--	--
Income tax: [9] Number	1,799,752	673,462	433,050	344,905	173,770	138,594	35,971
Amount	11,833,799	630,084	1,260,824	1,841,902	1,532,784	2,520,481	4,047,724
Total tax liability: [10] Number	1,922,461	781,765	445,527	346,487	174,001	138,701	35,980
Amount	12,583,497	808,429	1,381,632	1,966,096	1,618,061	2,653,945	4,155,334
Tax due at time of filing: [11] Number	395,803	150,101	80,789	72,071	36,293	41,419	15,130
Amount	1,229,994	101,725	111,690	137,789	102,563	221,636	554,593
Overpayments: [12] Number	2,022,923	1,137,873	385,555	266,025	131,369	88,075	14,026
Amount	3,988,171	1,605,116	730,351	644,812	411,658	385,376	210,858

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MONTANA							
Number of returns	**433,522**	**261,573**	**76,997**	**53,232**	**22,135**	**15,001**	**4,584**
Number of joint returns	185,794	59,441	45,194	43,798	19,966	13,402	3,993
Number with paid preparer's signature	275,464	156,932	51,466	36,405	15,123	11,365	4,173
Number of exemptions	843,494	396,609	179,963	146,286	64,529	42,919	13,188
Adjusted gross income (AGI) [3]	**15,198,027**	**2,951,747**	**3,009,397**	**3,248,351**	**1,889,888**	**1,956,077**	**2,142,568**
Salaries and wages in AGI: [4] Number	353,655	202,953	67,046	47,383	19,844	12,699	3,730
Amount	10,543,953	2,528,679	2,304,080	2,470,300	1,394,464	1,166,888	679,541
Taxable interest: Number	215,885	98,606	43,984	37,701	17,877	13,311	4,406
Amount	472,485	142,143	70,883	69,078	42,100	59,705	88,576
Dividends: Number	111,223	48,755	20,321	18,980	10,326	9,195	3,646
Amount	313,840	78,716	34,048	37,073	25,217	43,720	95,065
Business or profession net income (less loss):							
Number	80,059	39,985	16,729	12,206	5,253	4,293	1,593
Amount	690,593	150,728	116,355	106,948	72,576	126,091	117,895
Number of farm returns	21,428	11,403	4,304	2,964	1,267	1,002	488
Net capital gain (less loss) in AGI: Number	95,197	41,401	17,389	15,596	8,658	8,490	3,663
Amount	901,758	62,624	44,008	65,412	58,439	154,935	516,340
Taxable Individual Retirement Arrangements							
distributions: Number	30,231	14,561	6,358	4,999	2,227	1,647	439
Amount	260,130	66,380	46,324	53,339	36,628	41,449	16,011
Pensions and annuities in AGI: Number	77,671	38,296	16,562	12,810	5,445	3,670	888
Amount	1,132,893	353,551	264,615	253,153	127,872	104,226	29,475
Unemployment compensation: Number	33,924	18,727	8,766	4,650	1,235	504	42
Amount	103,866	51,751	28,838	16,129	4,779	2,134	235
Social Security benefits in AGI: Number	36,002	8,577	12,143	8,361	3,398	2,656	867
Amount	281,157	16,981	67,759	94,879	47,559	40,212	13,766
Self-employment retirement plans: Number	3,832	461	551	704	610	954	552
Amount	46,661	1,935	2,954	4,776	5,757	15,909	15,328
Total itemized deductions: [5] Number	128,321	32,122	29,812	31,232	17,329	13,539	4,287
Amount	2,172,250	411,942	388,535	472,161	308,189	322,436	268,988
State and local income taxes: Number	117,790	23,208	28,864	30,926	17,189	13,357	4,246
Amount	465,768	23,664	49,355	86,180	72,507	98,814	135,247
Real estate taxes: Number	115,865	25,975	26,627	29,558	16,677	12,945	4,083
Amount	221,484	40,639	41,497	51,647	34,215	34,585	18,900
Taxes paid: Number	127,645	31,060	29,951	31,394	17,383	13,548	4,309
Amount	725,584	70,024	98,003	147,865	113,547	139,378	156,765
Interest paid: Number	102,099	20,321	24,075	27,498	15,485	11,360	3,360
Amount	735,596	122,436	147,831	190,067	115,969	105,990	53,302
Contributions: Number	107,274	22,647	24,218	27,498	16,032	12,739	4,140
Amount	309,938	33,305	41,948	56,332	40,210	52,888	85,255
Taxable income: Number	315,137	144,238	76,127	53,091	22,109	14,990	4,582
Amount	9,596,221	1,078,587	1,695,874	2,132,186	1,344,286	1,489,974	1,855,313
Total tax credits: [6] Number	119,743	38,383	36,226	26,212	11,560	5,734	1,628
Amount	106,005	16,420	32,553	32,639	14,310	5,259	4,825
Child tax credit: Number	73,272	17,424	24,073	20,150	8,322	3,300	3
Amount	66,010	8,008	22,492	22,888	9,401	3,216	3
Child care credit: Number	16,904	3,307	4,931	5,279	2,057	1,127	203
Amount	6,494	1,190	1,922	2,042	797	450	93
Earned income credit: [7] Number	74,495	71,070	3,425	--	--	--	--
Amount	120,992	119,444	1,547	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	62,701	60,385	2,316	--	--	--	--
Amount	104,105	103,049	1,056	--	--	--	--
Income tax: [9] Number	284,386	123,053	67,561	52,193	22,024	14,974	4,581
Amount	1,473,977	106,501	181,973	260,685	186,954	268,444	469,418
Total tax liability: [10] Number	313,165	148,158	70,802	52,567	22,071	14,985	4,582
Amount	1,622,526	150,042	210,142	285,593	202,606	290,933	483,209
Tax due at time of filing: [11] Number	80,754	35,299	16,881	14,940	6,156	5,566	1,912
Amount	197,415	25,060	25,657	31,194	20,028	37,647	57,829
Overpayments: [12] Number	315,047	199,423	56,833	35,563	14,370	7,410	1,448
Amount	529,396	248,830	101,031	77,455	42,305	36,153	23,623

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEBRASKA							
Number of returns	**802,709**	**432,997**	**152,235**	**113,586**	**54,433**	**39,255**	**10,203**
Number of joint returns	352,530	85,248	79,981	92,460	49,495	36,179	9,167
Number with paid preparer's signature	500,251	259,995	98,265	73,737	33,863	25,727	8,664
Number of exemptions	1,625,386	635,144	349,036	321,607	166,388	121,754	31,457
Adjusted gross income (AGI) [3]	**33,043,454**	**5,189,581**	**5,967,356**	**6,964,551**	**4,663,353**	**5,083,792**	**5,174,822**
Salaries and wages in AGI: [4] Number	691,151	352,099	137,742	105,270	50,852	36,196	8,992
Amount	25,286,331	4,742,767	4,909,559	5,754,620	3,826,261	3,792,971	2,260,155
Taxable interest: Number	397,930	159,577	77,415	74,423	42,404	34,255	9,856
Amount	939,845	233,684	114,503	110,869	71,137	97,239	312,413
Dividends: Number	205,696	72,715	37,023	38,697	25,092	23,851	8,318
Amount	520,356	87,318	49,573	54,162	45,617	82,498	201,187
Business or profession net income (less loss): Number	121,342	50,573	26,083	22,034	10,727	8,988	2,937
Amount	957,122	165,873	165,436	159,607	110,284	190,652	165,269
Number of farm returns	49,319	24,873	11,152	7,462	2,946	2,121	765
Net capital gain (less loss) in AGI: Number	165,595	60,805	28,893	28,993	19,131	19,805	7,968
Amount	1,183,742	80,329	46,993	64,601	64,801	153,456	773,564
Taxable Individual Retirement Arrangements distributions: Number	62,624	30,184	12,627	10,029	4,954	3,825	1,005
Amount	505,966	132,300	88,062	95,327	65,676	84,569	40,031
Pensions and annuities in AGI: Number	125,583	56,424	25,836	21,977	11,155	8,391	1,800
Amount	1,606,947	430,480	337,494	352,346	219,518	211,641	55,468
Unemployment compensation: Number	43,556	26,316	9,132	5,597	1,701	761	49
Amount	130,091	76,949	27,993	16,904	5,315	2,745	185
Social Security benefits in AGI: Number	66,725	15,758	22,202	15,331	6,627	5,122	1,685
Amount	564,824	30,893	131,019	185,268	100,681	85,272	31,691
Self-employment retirement plans: Number	6,291	619	847	1,158	965	1,680	1,022
Amount	66,640	2,190	4,215	7,136	7,780	21,132	24,189
Total itemized deductions: [5] Number	233,878	38,381	46,083	60,372	42,984	36,256	9,802
Amount	4,357,317	563,055	592,219	903,409	760,546	884,491	653,597
State and local income taxes: Number	222,109	28,907	44,783	59,807	42,754	36,084	9,774
Amount	920,451	28,937	70,427	149,592	162,576	240,756	268,162
Real estate taxes: Number	212,032	28,667	40,909	56,912	41,330	34,869	9,345
Amount	576,600	58,380	82,179	131,608	113,114	126,871	64,446
Taxes paid: Number	230,848	35,443	45,867	60,431	43,025	36,256	9,826
Amount	1,593,341	95,023	165,439	304,459	297,044	389,399	341,976
Interest paid: Number	190,059	20,936	37,215	53,449	38,854	31,782	7,823
Amount	1,418,812	117,795	206,429	349,096	281,930	271,590	191,972
Contributions: Number	208,623	28,477	39,003	55,271	40,944	35,279	9,649
Amount	793,863	50,103	75,056	122,686	112,525	156,900	276,594
Taxable income: Number	629,414	261,393	150,918	113,325	54,377	39,216	10,185
Amount	21,793,710	2,107,091	3,494,924	4,599,284	3,300,433	3,809,130	4,482,848
Total tax credits: [6] Number	260,461	76,803	72,685	60,048	30,583	16,699	3,643
Amount	243,368	35,232	67,965	78,832	40,279	15,453	5,607
Child tax credit: Number	163,689	33,085	48,185	47,799	23,611	11,005	4
Amount	156,443	16,083	45,789	55,724	27,797	11,047	3
Child care credit: Number	51,601	9,620	12,735	15,685	7,957	4,917	687
Amount	23,257	4,097	5,834	7,346	3,626	2,061	292
Earned income credit: [7] Number	110,383	104,307	6,076	--	--	--	--
Amount	181,161	178,450	2,711	--	--	--	--
Excess earned income credit (refundable): [8] Number	94,493	90,249	4,244	--	--	--	--
Amount	159,359	157,480	1,879	--	--	--	--
Income tax: [9] Number	570,034	220,348	134,542	111,557	54,218	39,177	10,192
Amount	3,514,910	209,244	384,274	561,552	457,101	691,796	1,210,942
Total tax liability: [10] Number	610,450	254,419	140,117	112,213	54,290	39,215	10,196
Amount	3,758,628	269,324	432,135	606,971	485,339	730,427	1,234,432
Tax due at time of filing: [11] Number	136,980	53,704	28,362	26,114	12,110	12,203	4,487
Amount	429,631	38,770	45,420	57,046	41,126	75,657	171,613
Overpayments: [12] Number	614,767	344,508	118,865	83,474	40,034	24,066	3,820
Amount	1,119,382	436,490	215,404	187,214	118,314	104,663	57,299

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEVADA							
Number of returns	**1,044,025**	**525,883**	**212,100**	**149,330**	**74,046**	**62,983**	**19,683**
Number of joint returns	394,566	88,902	81,686	96,750	59,532	52,504	15,192
Number with paid preparer's signature	622,441	306,834	123,131	90,093	44,368	41,263	16,752
Number of exemptions	2,106,831	863,823	447,982	372,582	200,061	171,582	50,801
Adjusted gross income (AGI) [3]	**52,306,616**	**6,521,672**	**8,279,145**	**9,132,252**	**6,364,988**	**8,220,756**	**13,787,803**
Salaries and wages in AGI: [4] Number	900,735	437,101	190,986	134,490	67,099	55,691	15,368
Amount	36,329,940	6,678,032	6,919,916	7,336,665	5,024,646	5,876,141	4,494,539
Taxable interest: Number	366,899	113,119	70,815	71,918	45,532	47,500	18,015
Amount	1,549,900	260,066	105,797	132,518	96,107	191,682	763,730
Dividends: Number	182,061	54,004	30,427	33,073	22,745	27,854	13,958
Amount	1,007,505	100,283	54,550	70,069	53,043	112,120	617,438
Business or profession net income (less loss):							
Number	134,922	56,463	23,905	22,470	12,887	13,619	5,578
Amount	1,571,405	163,725	172,135	206,248	163,286	343,064	522,947
Number of farm returns	3,892	1,309	671	667	421	467	357
Net capital gain (less loss) in AGI: Number	158,749	46,736	25,120	27,498	19,213	25,575	14,607
Amount	4,529,370	122,715	25,843	64,157	86,993	319,958	3,909,704
Taxable Individual Retirement Arrangements							
distributions: Number	60,863	21,637	12,184	11,761	6,756	6,519	2,006
Amount	784,164	122,920	105,433	142,193	116,757	182,720	114,140
Pensions and annuities in AGI: Number	187,297	67,304	39,322	36,928	20,895	18,354	4,494
Amount	3,443,845	662,671	651,868	790,245	545,529	609,567	183,964
Unemployment compensation: Number	81,097	41,237	18,068	13,361	5,239	2,878	314
Amount	318,669	159,553	72,840	51,366	20,369	12,785	1,756
Social Security benefits in AGI: Number	94,519	17,661	27,712	23,454	11,618	9,979	4,095
Amount	812,085	36,700	156,565	257,600	153,766	141,820	65,636
Self-employment retirement plans: Number	5,948	577	640	892	789	1,676	1,374
Amount	89,773	3,615	3,988	7,423	8,209	26,507	40,032
Total itemized deductions: [5] Number	363,462	70,318	82,308	87,896	54,470	52,532	15,938
Amount	7,857,928	1,033,388	1,200,407	1,469,976	1,072,428	1,368,530	1,713,198
State and local income taxes: Number	44,210	6,409	7,814	9,319	6,864	8,907	4,897
Amount	263,902	12,214	9,643	16,075	16,384	38,093	171,492
Real estate taxes: Number	328,776	57,980	71,913	81,114	51,705	50,609	15,455
Amount	701,264	95,223	107,258	136,494	101,504	137,074	123,712
Taxes paid: Number	353,788	65,642	79,666	86,508	53,996	52,089	15,887
Amount	1,118,190	126,247	142,415	186,625	143,771	205,631	313,503
Interest paid: Number	326,282	57,155	72,372	81,296	51,452	49,562	14,445
Amount	3,711,046	547,082	634,559	803,294	570,968	669,033	486,110
Contributions: Number	314,472	51,123	69,884	78,813	50,271	49,390	14,991
Amount	1,153,638	67,584	116,439	167,479	134,543	188,801	478,792
Taxable income: Number	850,157	335,845	209,362	148,691	73,875	62,797	19,587
Amount	36,714,821	2,850,019	4,855,498	6,027,139	4,524,282	6,245,358	12,212,526
Total tax credits: [6] Number	312,655	107,446	83,885	62,368	32,620	20,756	5,580
Amount	316,061	53,587	81,170	78,559	40,876	20,819	41,051
Child tax credit: Number	205,767	62,907	63,119	52,779	26,962	13,815**	**
Amount	197,125	31,352	60,492	61,459	30,592	13,230**	**
Child care credit: Number	50,939	10,822	12,194	12,797	8,139	6,181	806
Amount	27,755	5,637	6,969	6,827	4,436	3,412	474
Earned income credit: [7] Number	160,089	152,415	7,674	--	--	--	--
Amount	264,730	261,325	3,405	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	139,665	133,749	5,916	--	--	--	--
Amount	239,156	236,535	2,620	--	--	--	--
Income tax: [9] Number	763,287	272,851	188,399	146,002	73,673	62,759	19,603
Amount	6,783,460	281,520	566,806	808,178	674,778	1,171,271	3,280,906
Total tax liability: [10] Number	801,351	305,725	192,559	146,837	73,794	62,821	19,615
Amount	7,075,281	342,133	607,321	855,319	709,556	1,227,911	3,333,041
Tax due at time of filing: [11] Number	181,934	58,494	38,927	34,896	18,782	21,711	9,124
Amount	855,493	44,375	53,989	71,399	56,393	127,980	501,359
Overpayments: [12] Number	807,614	433,462	168,713	109,941	52,404	36,797	6,297
Amount	1,743,995	658,326	320,633	270,960	164,138	168,674	161,264

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEW HAMPSHIRE							
Number of returns	**634,654**	**293,608**	**120,936**	**97,278**	**56,701**	**53,145**	**12,986**
Number of joint returns	269,101	43,616	47,508	70,206	48,966	47,441	11,364
Number with paid preparer's signature	327,009	138,332	63,920	54,013	30,462	30,074	10,208
Number of exemptions	1,220,660	373,359	236,485	248,215	164,061	160,220	38,320
Adjusted gross income (AGI) [3]	**32,337,174**	**3,718,102**	**4,739,826**	**5,992,395**	**4,884,680**	**6,957,241**	**6,044,929**
Salaries and wages in AGI: [4] Number	547,996	236,416	108,834	89,327	53,013	49,201	11,205
Amount	24,771,317	3,125,818	3,882,981	4,904,839	4,086,091	5,538,933	3,232,654
Taxable interest: Number	336,000	102,722	61,976	65,958	45,476	47,297	12,571
Amount	584,960	114,708	66,208	74,736	56,485	97,833	174,990
Dividends: Number	174,112	50,543	27,611	31,494	23,770	30,300	10,394
Amount	608,950	84,027	52,122	66,167	52,345	116,490	237,799
Business or profession net income (less loss): Number	101,911	38,081	19,541	18,561	10,918	11,198	3,612
Amount	1,588,046	208,680	229,524	262,595	195,298	346,981	344,966
Number of farm returns	2,072	784	334	381	207	235	131
Net capital gain (less loss) in AGI: Number	126,422	34,932	18,583	21,353	17,016	24,525	10,013
Amount	1,586,258	12,327	18,902	49,807	60,193	251,331	1,193,697
Taxable Individual Retirement Arrangements distributions: Number	44,947	18,102	8,876	8,080	4,536	4,203	1,150
Amount	462,593	89,976	68,744	87,510	69,968	102,860	43,536
Pensions and annuities in AGI: Number	105,823	40,970	20,921	19,587	11,301	10,548	2,496
Amount	1,644,866	364,295	312,775	357,493	241,373	281,855	87,076
Unemployment compensation: Number	43,381	16,429	10,088	8,823	4,563	3,135	343
Amount	214,214	66,604	49,547	47,745	27,351	20,540	2,427
Social Security benefits in AGI: Number	53,854	10,558	16,223	13,111	6,278	5,587	2,097
Amount	483,589	21,336	92,951	152,049	91,483	88,583	37,188
Self-employment retirement plans: Number	8,318	767	990	1,400	1,342	2,428	1,391
Amount	98,844	3,438	5,878	10,205	12,640	32,013	34,671
Total itemized deductions: [5] Number	219,762	31,213	39,590	51,675	41,071	45,410	10,803
Amount	4,094,367	448,191	545,464	816,077	738,509	1,019,292	526,833
State and local income taxes: Number	97,034	9,412	13,544	21,755	19,958	24,864	7,501
Amount	334,615	9,830	19,134	45,181	57,430	103,492	99,550
Real estate taxes: Number	208,925	27,290	36,717	49,597	40,071	44,532	10,718
Amount	1,009,154	106,495	135,327	203,980	187,932	262,702	112,720
Taxes paid: Number	218,411	29,910	39,192	51,733	41,181	45,471	10,924
Amount	1,436,928	123,664	166,074	268,554	264,239	392,352	222,045
Interest paid: Number	193,332	22,099	34,276	47,244	38,516	41,848	9,349
Amount	1,715,457	147,350	246,838	379,597	341,522	432,089	168,060
Contributions: Number	189,930	21,734	32,216	45,133	37,600	42,733	10,514
Amount	495,225	24,555	41,462	68,412	69,195	119,986	171,616
Taxable income: Number	522,754	183,436	119,659	96,965	56,636	53,082	12,976
Amount	22,986,483	1,579,142	2,926,135	4,034,542	3,506,896	5,388,362	5,551,407
Total tax credits: [6] Number	191,991	43,585	45,903	45,160	30,403	22,199	4,741
Amount	193,855	21,970	42,577	56,675	39,380	20,839	12,415
Child tax credit: Number	125,351	19,204	30,724	36,508	24,150	14,765**	**
Amount	105,152	9,823	28,204	39,943	27,182	14,013**	**
Child care credit: Number	30,912	3,950	5,710	8,313	6,429	5,698	812
Amount	15,445	1,949	2,857	4,043	3,296	2,879	421
Earned income credit: [7] Number	62,038	58,839	3,199	--	--	--	--
Amount	92,940	91,536	1,405	--	--	--	--
Excess earned income credit (refundable): [8] Number	50,016	47,972	2,044	--	--	--	--
Amount	77,498	76,603	895	--	--	--	--
Income tax: [9] Number	490,381	161,309	110,942	95,600	56,496	53,056	12,978
Amount	3,996,937	163,701	349,339	525,591	504,541	998,762	1,455,002
Total tax liability: [10] Number	514,963	181,870	114,299	96,160	56,575	53,077	12,982
Amount	4,264,307	214,177	392,759	575,100	540,877	1,052,429	1,488,966
Tax due at time of filing: [11] Number	100,002	32,522	18,641	18,092	10,363	14,689	5,695
Amount	392,105	27,841	30,706	38,448	31,113	76,439	187,559
Overpayments: [12] Number	498,578	240,109	98,654	75,544	44,050	35,058	5,163
Amount	1,060,598	285,390	192,411	197,091	150,339	157,355	78,012

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEW JERSEY							
Number of returns	**4,082,108**	**1,828,214**	**730,656**	**565,351**	**368,389**	**446,206**	**143,292**
Number of joint returns	1,571,907	263,566	211,887	303,424	277,858	387,103	128,069
Number with paid preparer's signature	2,662,627	1,168,557	467,961	374,104	244,252	295,538	112,215
Number of exemptions	8,193,174	2,698,557	1,380,445	1,302,484	1,009,569	1,344,516	457,603
Adjusted gross income (AGI) [3]	**247,077,300**	**22,097,363**	**28,693,857**	**34,848,000**	**31,856,735**	**59,612,571**	**69,968,773**
Salaries and wages in AGI: [4] Number	3,442,934	1,388,067	651,571	510,112	342,240	420,771	130,173
Amount	189,536,735	18,478,531	23,736,174	28,284,685	26,486,072	49,472,915	43,078,358
Taxable interest: Number	2,213,071	661,488	365,039	379,365	286,706	385,259	135,214
Amount	4,752,169	869,337	487,305	580,235	446,068	772,848	1,596,377
Dividends: Number	1,281,103	351,067	171,150	201,896	168,882	268,888	119,220
Amount	4,336,675	544,929	332,838	432,456	367,363	768,840	1,890,250
Business or profession net income (less loss):							
Number	529,854	201,463	75,465	76,579	58,686	83,962	33,699
Amount	8,757,857	1,233,628	783,730	906,496	831,233	2,112,232	2,890,537
Number of farm returns	9,370	2,450	1,258	1,542	1,176	1,834	1,110
Net capital gain (less loss) in AGI: Number	911,171	236,837	111,076	135,154	115,947	203,749	108,408
Amount	9,248,280	29,485	23,886	110,482	198,581	976,446	7,968,368
Taxable Individual Retirement Arrangements							
distributions: Number	287,250	111,698	51,430	48,702	31,426	33,767	10,227
Amount	3,089,419	524,903	392,878	518,635	462,724	749,474	440,804
Pensions and annuities in AGI: Number	711,256	273,200	125,880	119,803	78,751	89,829	23,793
Amount	11,790,341	2,403,290	1,946,746	2,375,015	1,798,311	2,424,411	842,567
Unemployment compensation: Number	394,625	177,703	73,669	60,818	38,508	37,314	6,613
Amount	2,330,303	894,786	479,907	387,439	251,481	259,482	57,209
Social Security benefits in AGI: Number	390,193	75,611	102,790	92,993	52,312	50,118	16,369
Amount	4,061,250	170,016	684,655	1,193,740	832,750	867,816	312,273
Self-employment retirement plans: Number	48,268	2,605	3,295	5,216	5,586	16,011	15,555
Amount	761,272	12,555	21,147	40,855	52,309	219,486	414,920
Total itemized deductions: [5] Number	1,791,366	263,002	299,838	366,359	302,348	419,261	140,558
Amount	41,792,240	4,035,443	4,583,048	6,448,197	6,140,226	11,271,302	9,314,026
State and local income taxes: Number	1,689,819	182,510	286,532	361,673	300,860	417,978	140,266
Amount	8,800,821	183,657	318,942	671,141	852,252	2,342,539	4,432,290
Real estate taxes: Number	1,592,274	209,573	240,641	325,553	281,751	398,966	135,790
Amount	9,560,958	981,651	1,058,951	1,574,063	1,533,445	2,749,824	1,663,023
Taxes paid: Number	1,790,618	257,834	300,701	368,079	303,385	419,831	140,788
Amount	18,750,169	1,207,687	1,474,078	2,299,897	2,433,553	5,171,144	6,163,810
Interest paid: Number	1,403,977	147,414	210,564	295,352	260,774	368,413	121,460
Amount	13,468,839	1,212,123	1,456,773	2,289,797	2,266,472	3,932,239	2,311,437
Contributions: Number	1,645,355	202,093	269,618	343,514	288,693	404,488	136,949
Amount	5,171,249	285,595	499,726	727,034	695,452	1,274,561	1,688,881
Taxable income: Number	3,295,671	1,057,155	719,101	562,799	367,727	445,757	143,132
Amount	175,235,059	8,350,297	17,390,053	23,068,914	22,110,599	44,069,034	60,246,160
Total tax credits: [6] Number	1,231,358	321,946	271,574	226,962	182,860	177,946	50,070
Amount	1,244,199	179,999	272,050	279,393	230,873	156,494	125,389
Child tax credit: Number	774,958	157,863	176,350	180,256	144,679	115,775	35
Amount	693,456	76,966	154,817	194,006	161,266	106,366	34
Child care credit: Number	218,924	36,884	43,538	37,988	34,614	53,289	12,611
Amount	125,678	21,311	27,822	20,719	19,062	29,767	6,997
Earned income credit: [7] Number	495,578	475,335	20,243	--	--	--	--
Amount	838,235	829,514	8,720	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	425,305	410,585	14,720	--	--	--	--
Amount	729,942	723,719	6,223	--	--	--	--
Income tax: [9] Number	3,030,048	863,945	659,223	551,805	366,320	445,542	143,213
Amount	34,777,592	789,710	2,091,370	3,224,446	3,299,647	8,314,517	17,057,902
Total tax liability: [10] Number	3,188,588	1,001,057	675,483	555,926	367,035	445,846	143,241
Amount	36,267,498	1,052,999	2,251,640	3,412,463	3,464,901	8,660,647	17,424,846
Tax due at time of filing: [11] Number	632,380	214,244	101,534	94,408	60,163	102,698	59,333
Amount	2,601,356	150,165	140,474	188,717	166,970	475,216	1,479,814
Overpayments: [12] Number	3,168,230	1,441,615	608,394	448,769	292,715	316,819	59,918
Amount	8,015,172	2,055,259	1,262,155	1,302,189	1,102,612	1,514,458	778,502

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEW MEXICO							
Number of returns	**813,731**	**484,972**	**141,650**	**92,633**	**45,897**	**39,729**	**8,850**
Number of joint returns	308,568	95,812	66,670	65,652	38,398	34,506	7,530
Number with paid preparer's signature	465,244	283,621	78,482	50,380	23,933	21,734	7,094
Number of exemptions	1,667,545	844,852	322,689	238,916	127,008	110,408	23,672
Adjusted gross income (AGI) [3]	**29,959,183**	**5,964,964**	**5,507,027**	**5,664,880**	**3,940,440**	**5,185,917**	**3,695,954**
Salaries and wages in AGI: [4] Number	689,513	398,735	125,021	81,865	41,127	35,431	7,334
Amount	22,561,688	5,336,432	4,475,795	4,431,618	3,047,930	3,728,627	1,541,287
Taxable interest: Number	295,852	108,846	57,620	53,751	33,287	33,949	8,399
Amount	597,942	145,749	81,085	88,251	61,932	103,034	117,891
Dividends: Number	144,979	48,173	24,947	25,817	17,677	21,541	6,824
Amount	467,638	74,742	45,931	53,158	42,643	80,361	170,805
Business or profession net income (less loss): Number	120,642	62,508	20,424	16,188	9,262	9,488	2,772
Amount	1,007,330	215,725	133,279	135,506	112,708	228,239	181,873
Number of farm returns	14,631	6,835	2,671	2,253	1,255	1,204	413
Net capital gain (less loss) in AGI: Number	114,544	38,569	18,886	19,322	13,656	17,583	6,528
Amount	917,226	27,119	27,348	44,428	49,345	167,173	601,815
Taxable Individual Retirement Arrangements distributions: Number	44,857	17,353	9,346	8,264	4,655	4,284	955
Amount	451,505	88,192	70,427	87,318	69,069	95,675	40,824
Pensions and annuities in AGI: Number	143,631	61,166	29,895	25,210	13,498	11,740	2,122
Amount	2,622,324	627,291	531,241	582,542	378,353	410,909	91,989
Unemployment compensation: Number	39,178	25,275	7,484	3,982	1,493	875	69
Amount	148,246	93,129	29,240	15,589	6,084	3,851	354
Social Security benefits in AGI: Number	62,983	12,347	19,645	15,514	7,339	6,349	1,789
Amount	537,234	24,067	108,711	174,064	102,640	96,782	30,970
Self-employment retirement plans: Number	5,065	587	642	770	731	1,509	826
Amount	64,592	2,629	4,025	6,465	6,850	22,247	22,376
Total itemized deductions: [5] Number	210,613	38,539	45,296	48,838	33,907	35,654	8,379
Amount	3,817,997	536,758	607,805	753,195	601,217	842,284	476,738
State and local income taxes: Number	196,162	28,063	43,180	47,859	33,479	35,268	8,313
Amount	787,164	27,969	61,541	115,486	125,894	239,046	217,228
Real estate taxes: Number	187,099	30,446	38,859	44,383	31,644	33,791	7,976
Amount	268,035	34,895	41,881	54,062	45,113	64,092	27,992
Taxes paid: Number	208,881	36,729	45,112	48,951	33,983	35,697	8,409
Amount	1,076,690	67,772	107,086	174,097	174,120	306,552	247,063
Interest paid: Number	181,576	29,408	39,158	43,979	30,768	31,487	6,776
Amount	1,567,237	213,650	289,340	346,403	267,318	327,974	122,552
Contributions: Number	175,175	25,901	35,878	41,873	30,500	33,079	7,944
Amount	542,116	39,906	65,474	97,182	87,750	134,154	117,651
Taxable income: Number	593,280	266,181	140,377	92,365	45,840	39,682	8,835
Amount	19,021,692	2,019,815	3,196,074	3,804,735	2,842,056	3,972,289	3,186,722
Total tax credits: [6] Number	235,579	91,249	64,349	41,500	21,475	14,049	2,957
Amount	196,428	40,985	59,619	49,111	25,246	12,492	8,974
Child tax credit: Number	153,676	55,657	47,894	33,603	16,522	8,279**	**
Amount	135,876	26,152	45,621	38,009	18,466	7,628**	**
Child care credit: Number	27,955	6,723	6,947	6,693	3,867	3,248	477
Amount	12,888	2,742	3,268	3,164	1,901	1,571	243
Earned income credit: [7] Number	198,576	190,874	7,702	--	--	--	--
Amount	356,519	353,024	3,496	--	--	--	--
Excess earned income credit (refundable): [8] Number	177,488	171,745	5,743	--	--	--	--
Amount	322,464	319,838	2,627	--	--	--	--
Income tax: [9] Number	521,692	210,580	125,616	91,252	45,740	39,669	8,835
Amount	3,031,874	190,228	356,673	500,113	419,062	741,575	824,221
Total tax liability: [10] Number	567,502	252,710	128,859	91,621	45,784	39,689	8,839
Amount	3,243,294	251,413	389,208	532,855	443,474	780,600	845,745
Tax due at time of filing: [11] Number	127,151	48,841	26,499	22,657	11,744	13,445	3,965
Amount	341,667	31,708	35,225	43,085	33,596	73,460	124,594
Overpayments: [12] Number	641,694	406,139	111,423	66,280	31,747	23,094	3,011
Amount	1,247,691	666,436	202,882	149,403	92,820	95,470	40,681

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NEW YORK							
Number of returns	**8,589,932**	**4,363,151**	**1,594,473**	**1,126,585**	**627,141**	**651,433**	**227,149**
Number of joint returns	2,931,071	704,608	486,134	590,294	445,401	521,288	183,346
Number with paid preparer's signature	5,750,337	2,831,509	1,047,847	771,503	437,832	470,756	190,890
Number of exemptions	16,815,940	6,950,804	3,119,946	2,587,804	1,664,148	1,840,331	652,907
Adjusted gross income (AGI) [3]	**465,511,760**	**51,348,701**	**62,345,435**	**69,122,812**	**54,043,525**	**86,324,773**	**142,326,514**
Salaries and wages in AGI: [4] Number	7,123,313	3,278,907	1,441,813	1,022,957	578,853	602,914	197,869
Amount	340,970,837	44,371,789	52,532,331	56,603,738	44,346,725	68,550,425	74,565,830
Taxable interest: Number	4,589,408	1,555,290	861,586	823,964	531,614	597,153	219,801
Amount	11,036,502	2,002,330	903,427	1,012,900	746,577	1,294,378	5,076,889
Dividends: Number	2,296,558	706,098	351,852	385,509	282,409	382,542	188,148
Amount	10,120,477	1,148,652	600,796	759,539	633,587	1,334,594	5,643,308
Business or profession net income (less loss): Number	1,356,856	716,039	182,649	160,726	103,874	133,717	59,851
Amount	17,292,681	3,886,091	1,482,535	1,562,785	1,341,681	3,344,430	5,675,160
Number of farm returns	29,001	14,216	5,505	4,357	2,139	1,910	874
Net capital gain (less loss) in AGI: Number	1,644,345	491,056	232,437	259,029	194,644	293,061	174,118
Amount	27,174,946	473,777	73,464	235,865	343,898	1,541,724	24,506,219
Taxable Individual Retirement Arrangements distributions: Number	557,453	235,925	102,000	91,945	53,097	55,153	19,333
Amount	5,759,812	1,102,855	758,223	961,401	764,367	1,242,484	930,482
Pensions and annuities in AGI: Number	1,460,715	606,170	271,959	246,396	146,287	149,744	40,159
Amount	25,968,127	5,738,828	4,412,021	5,257,868	3,811,258	5,023,374	1,724,778
Unemployment compensation: Number	658,010	339,713	129,344	92,729	49,101	39,984	7,139
Amount	3,236,561	1,522,634	694,023	479,427	260,612	230,399	49,464
Social Security benefits in AGI: Number	744,184	153,047	205,292	173,341	92,065	87,303	33,136
Amount	7,558,436	334,925	1,344,473	2,221,321	1,458,317	1,541,772	657,628
Self-employment retirement plans: Number	99,297	7,390	8,316	11,317	11,359	28,425	32,490
Amount	1,715,022	38,420	56,511	92,228	111,936	416,077	999,851
Total itemized deductions: [5] Number	3,245,400	477,627	654,095	742,161	527,705	620,163	223,649
Amount	80,067,824	7,217,027	9,455,972	12,485,842	10,651,995	17,424,123	22,832,866
State and local income taxes: Number	3,047,926	354,197	620,443	719,382	517,963	613,438	222,503
Amount	24,778,677	479,813	1,377,900	2,619,948	2,649,985	5,429,394	12,221,637
Real estate taxes: Number	2,404,622	304,675	399,972	538,807	432,274	532,036	196,858
Amount	12,459,389	1,255,267	1,452,278	2,072,316	1,936,934	3,169,787	2,572,807
Taxes paid: Number	3,227,506	460,261	652,721	742,616	528,109	620,054	223,745
Amount	37,595,461	1,660,373	2,901,554	4,761,570	4,637,601	8,686,419	14,947,944
Interest paid: Number	2,173,195	247,056	364,202	495,365	398,774	487,009	180,789
Amount	20,443,355	1,963,645	2,431,171	3,535,233	3,117,412	4,794,082	4,601,812
Contributions: Number	2,999,165	377,793	602,326	698,441	505,418	598,704	216,483
Amount	12,609,480	653,537	1,323,860	1,656,908	1,346,014	2,285,959	5,343,204
Taxable income: Number	6,625,151	2,429,499	1,571,801	1,121,425	625,663	650,149	226,614
Amount	322,620,727	19,117,682	37,204,033	45,786,964	37,493,857	63,267,613	119,750,578
Total tax credits: [6] Number	2,474,905	771,278	627,163	448,938	296,034	243,240	88,252
Amount	2,715,751	414,599	628,042	556,940	373,075	296,685	446,409
Child tax credit: Number	1,477,624	339,693	407,219	353,135	225,815	151,710	52
Amount	1,287,005	160,929	354,306	378,671	251,147	141,897	53
Child care credit: Number	464,565	133,453	116,861	80,073	53,900	63,824	16,454
Amount	273,777	74,049	79,954	45,024	29,222	35,503	10,026
Earned income credit: [7] Number	1,496,689	1,443,239	53,450	--	--	--	--
Amount	2,601,465	2,578,099	23,366	--	--	--	--
Excess earned income credit (refundable): [8] Number	1,265,023	1,225,218	39,805	--	--	--	--
Amount	2,181,059	2,163,861	17,198	--	--	--	--
Income tax: [9] Number	5,989,363	1,959,928	1,429,975	1,099,748	622,999	649,815	226,898
Amount	64,516,553	1,800,659	4,377,872	6,390,121	5,695,677	12,151,670	34,100,555
Total tax liability: [10] Number	6,544,631	2,472,642	1,462,843	1,107,164	624,471	650,498	227,013
Amount	67,837,781	2,641,734	4,693,744	6,725,640	5,966,639	12,769,413	35,040,610
Tax due at time of filing: [11] Number	1,300,234	545,762	213,471	189,257	104,571	155,535	91,638
Amount	4,829,012	440,489	296,019	376,478	297,822	771,588	2,646,614
Overpayments: [12] Number	6,712,298	3,460,110	1,337,651	893,896	492,284	445,380	82,977
Amount	16,257,181	5,375,919	2,822,553	2,569,747	1,848,544	2,169,360	1,471,055

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NORTH CAROLINA							
Number of returns	**3,680,813**	**2,020,166**	**672,882**	**475,616**	**243,354**	**210,744**	**58,051**
Number of joint returns	1,515,012	388,321	312,517	359,117	213,220	189,981	51,856
Number with paid preparer's signature	2,308,459	1,279,787	415,542	295,413	143,944	126,962	46,811
Number of exemptions	7,649,514	3,507,297	1,461,876	1,217,806	678,498	610,590	173,447
Adjusted gross income (AGI) [3]	**157,402,225**	**27,189,423**	**26,205,705**	**29,161,618**	**20,903,636**	**27,637,522**	**26,304,322**
Salaries and wages in AGI: [4] Number	3,187,180	1,676,581	608,920	434,139	224,031	193,163	50,346
Amount	120,140,396	23,632,094	21,618,392	23,528,642	16,796,635	21,150,504	13,414,130
Taxable interest: Number	1,507,247	497,322	296,555	295,807	182,434	179,781	55,348
Amount	2,507,895	564,630	309,786	340,730	242,125	381,644	668,981
Dividends: Number	773,243	229,662	127,756	141,635	101,746	124,770	47,674
Amount	2,697,492	356,504	234,015	308,295	260,782	525,005	1,012,890
Business or profession net income (less loss): Number	555,590	257,519	102,834	86,805	47,092	45,359	15,981
Amount	5,010,304	946,291	674,928	700,769	518,704	1,054,871	1,114,740
Number of farm returns	50,876	20,542	10,070	9,266	5,000	4,303	1,695
Net capital gain (less loss) in AGI: Number	563,598	165,469	86,737	96,834	71,808	98,117	44,633
Amount	5,357,214	87,084	98,952	203,133	235,698	794,843	3,937,503
Taxable Individual Retirement Arrangements distributions: Number	246,733	100,391	49,546	44,774	25,057	21,455	5,510
Amount	2,541,418	508,279	393,148	495,180	390,971	521,818	232,022
Pensions and annuities in AGI: Number	658,935	266,274	139,244	122,087	66,091	53,620	11,619
Amount	10,157,929	2,322,048	2,027,967	2,272,082	1,541,689	1,561,901	432,242
Unemployment compensation: Number	319,502	186,403	66,259	42,980	14,810	8,234	816
Amount	1,274,364	670,234	277,347	194,474	77,270	49,663	5,378
Social Security benefits in AGI: Number	298,477	61,367	93,292	72,485	34,582	27,884	8,867
Amount	2,675,558	121,240	539,522	869,256	526,306	458,622	160,613
Self-employment retirement plans: Number	25,053	1,923	2,320	3,370	3,322	7,646	6,472
Amount	325,701	7,525	12,423	22,302	27,939	99,634	155,878
Total itemized deductions: [5] Number	1,308,630	238,220	286,613	317,578	208,521	200,980	56,718
Amount	25,451,669	3,222,282	4,046,595	5,129,900	3,996,073	5,266,184	3,790,635
State and local income taxes: Number	1,235,725	189,307	274,117	310,928	205,839	199,152	56,382
Amount	6,092,477	224,236	554,318	1,015,777	981,115	1,555,870	1,761,160
Real estate taxes: Number	1,176,961	188,761	248,453	294,032	198,021	192,965	54,729
Amount	2,101,491	252,552	308,170	414,730	341,520	486,967	297,554
Taxes paid: Number	1,303,865	233,044	286,343	317,984	208,699	200,971	56,824
Amount	8,723,479	553,747	925,747	1,643,784	1,383,504	2,115,675	2,101,022
Interest paid: Number	1,124,421	171,641	243,489	286,690	191,543	182,061	48,997
Amount	9,474,553	1,115,990	1,889,877	2,059,506	1,552,439	1,903,561	953,182
Contributions: Number	1,157,460	183,310	245,482	286,383	194,808	192,221	55,256
Amount	4,484,361	380,359	610,592	843,181	675,904	924,324	1,050,002
Taxable income: Number	2,820,713	1,169,998	665,186	474,077	243,011	210,465	57,976
Amount	100,376,018	9,107,916	14,999,376	18,977,346	14,538,607	20,441,665	22,311,108
Total tax credits: [6] Number	1,161,685	421,871	295,912	216,750	121,667	83,723	21,762
Amount	991,729	196,979	266,172	255,172	145,079	73,839	54,489
Child tax credit: Number	771,632	245,595	204,953	174,304	94,972	51,794	14
Amount	630,324	113,862	184,605	183,614	101,172	47,062	10
Child care credit: Number	207,524	53,034	46,454	50,864	30,059	23,238	3,875
Amount	99,040	23,897	23,257	24,267	14,748	10,935	1,936
Earned income credit: [7] Number	750,951	723,340	27,611	--	--	--	--
Amount	1,374,127	1,361,870	12,257	--	--	--	--
Excess earned income credit (refundable): [8] Number	666,391	646,403	19,988	--	--	--	--
Amount	1,241,212	1,232,302	8,910	--	--	--	--
Income tax: [9] Number	2,490,379	910,214	601,841	467,710	242,279	210,338	57,997
Amount	16,645,981	848,355	1,679,594	2,424,899	2,064,372	3,737,366	5,891,395
Total tax liability: [10] Number	2,680,423	1,079,498	619,517	470,211	242,662	210,511	58,024
Amount	17,744,660	1,123,148	1,851,859	2,602,961	2,189,076	3,932,804	6,044,811
Tax due at time of filing: [11] Number	587,054	205,940	119,170	111,074	58,028	67,339	25,503
Amount	1,833,378	151,566	161,202	204,471	157,570	346,653	811,918
Overpayments: [12] Number	2,916,690	1,699,444	539,183	349,874	175,801	129,939	22,449
Amount	6,029,240	2,786,008	997,297	804,603	528,892	573,791	338,650

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NORTH DAKOTA							
Number of returns	**302,426**	**171,087**	**55,691**	**42,987**	**18,129**	**11,330**	**3,202**
Number of joint returns	131,185	32,918	31,618	36,593	16,738	10,425	2,893
Number with paid preparer's signature	192,066	103,051	37,238	28,654	11,980	8,328	2,815
Number of exemptions	585,585	234,896	127,027	123,064	56,151	34,692	9,755
Adjusted gross income (AGI) [3]	**11,284,748**	**2,082,313**	**2,185,658**	**2,634,456**	**1,545,484**	**1,470,470**	**1,366,369**
Salaries and wages in AGI: [4] Number	255,442	138,079	48,902	39,115	16,520	9,992	2,834
Amount	8,289,745	1,783,009	1,689,475	2,071,291	1,189,146	958,614	598,208
Taxable interest: Number	152,934	65,625	30,427	29,400	14,397	10,018	3,067
Amount	301,423	91,642	49,086	46,029	28,686	34,627	51,353
Dividends: Number	72,465	26,961	13,712	14,293	8,121	6,938	2,440
Amount	144,147	27,318	17,336	19,469	14,024	22,861	43,141
Business or profession net income (less loss): Number	45,402	19,353	9,854	8,587	3,774	2,845	989
Amount	395,298	76,857	70,434	75,687	46,200	77,227	48,893
Number of farm returns	29,237	13,782	6,552	5,019	2,102	1,428	354
Net capital gain (less loss) in AGI: Number	63,402	24,774	11,893	11,492	6,627	6,158	2,458
Amount	395,167	36,652	27,626	36,241	29,588	59,451	205,609
Taxable Individual Retirement Arrangements distributions: Number	21,109	10,048	4,602	3,610	1,529	1,085	235
Amount	155,084	40,107	30,375	33,225	20,912	22,617	7,847
Pensions and annuities in AGI: Number	42,692	19,515	9,475	7,717	3,304	2,193	488
Amount	524,287	151,691	125,667	119,213	61,536	51,775	14,404
Unemployment compensation: Number	17,087	8,022	4,777	3,212	808	246	22
Amount	53,546	21,583	16,179	11,594	3,132	958	100
Social Security benefits in AGI: Number	26,052	6,065	9,252	6,094	2,397	1,752	492
Amount	208,740	11,209	52,872	72,032	35,540	28,258	8,828
Self-employment retirement plans: Number	2,555	260	379	541	451	648	276
Amount	24,538	947	1,887	3,449	3,517	8,464	6,276
Total itemized deductions: [5] Number	52,671	10,011	10,273	12,599	8,956	8,047	2,785
Amount	908,825	164,735	126,472	182,560	140,954	161,747	132,358
State and local income taxes: Number	48,687	6,842	9,740	12,411	8,898	7,995	2,801
Amount	120,922	3,297	7,760	15,099	16,655	29,100	49,011
Real estate taxes: Number	44,805	6,596	8,377	11,386	8,352	7,485	2,609
Amount	127,036	12,771	17,542	28,405	25,001	27,695	15,622
Taxes paid: Number	51,193	8,629	10,112	12,624	8,969	8,047	2,812
Amount	251,664	16,392	25,809	44,212	42,287	57,534	65,431
Interest paid: Number	39,666	4,413	7,431	10,623	8,067	6,953	2,179
Amount	266,614	22,231	37,518	65,901	54,561	54,373	32,029
Contributions: Number	44,953	7,164	8,028	11,036	8,298	7,712	2,715
Amount	159,394	13,092	16,981	26,441	23,538	33,668	45,674
Taxable income: Number	238,490	107,547	55,369	42,930	18,117	11,326	3,201
Amount	7,497,535	847,269	1,311,442	1,801,421	1,147,296	1,172,144	1,217,963
Total tax credits: [6] Number	94,633	28,721	26,632	23,037	10,303	4,759	1,181
Amount	89,026	12,489	25,098	30,721	13,681	4,866	2,169
Child tax credit: Number	56,105	10,536	17,038	17,984	7,654	2,893	--
Amount	53,289	4,903	16,236	20,520	8,766	2,864	--
Child care credit: Number	17,591	2,835	4,681	6,235	2,409	1,241	190
Amount	7,714	1,180	2,143	2,823	998	483	87
Earned income credit: [7] Number	39,850	37,749	2,101	--	--	--	--
Amount	63,161	62,232	929	--	--	--	--
Excess earned income credit (refundable): [8] Number	33,284	31,913	1,371	--	--	--	--
Amount	54,951	54,342	608	--	--	--	--
Income tax: [9] Number	217,689	92,586	50,006	42,503	18,079	11,314	3,201
Amount	1,140,359	84,977	143,661	218,102	160,886	215,845	316,890
Total tax liability: [10] Number	234,294	106,815	52,159	42,706	18,093	11,319	3,202
Amount	1,257,603	112,270	167,144	243,308	176,708	234,086	324,085
Tax due at time of filing: [11] Number	62,080	25,267	13,064	12,142	5,428	4,667	1,512
Amount	198,203	19,586	24,899	34,425	25,281	42,289	51,723
Overpayments: [12] Number	221,384	132,788	40,606	29,250	11,836	5,703	1,201
Amount	361,578	155,181	71,244	60,889	31,648	24,250	18,368

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
OHIO							
Number of returns	**5,444,137**	**2,843,160**	**1,134,545**	**757,671**	**366,824**	**269,662**	**72,275**
Number of joint returns	1,949,665	457,645	409,278	489,698	299,329	231,515	62,200
Number with paid preparer's signature	3,006,143	1,516,541	658,105	427,708	196,300	150,039	57,450
Number of exemptions	10,423,066	4,169,814	2,264,903	1,898,328	1,055,003	814,407	220,611
Adjusted gross income (AGI) [3]	**227,753,519**	**37,540,719**	**44,225,667**	**46,366,000**	**31,434,124**	**35,039,110**	**33,147,901**
Salaries and wages in AGI: [4] Number	4,694,007	2,311,537	1,025,350	700,245	344,050	249,008	63,817
Amount	176,415,817	30,724,066	36,450,900	38,446,740	26,321,143	27,226,602	17,246,367
Taxable interest: Number	2,460,713	892,271	528,708	472,271	271,055	227,733	68,675
Amount	3,984,298	1,076,609	589,570	584,744	371,965	517,245	844,165
Dividends: Number	1,286,641	419,478	244,439	243,835	157,424	161,013	60,452
Amount	3,995,410	579,392	378,599	463,514	358,000	688,880	1,527,024
Business or profession net income (less loss): Number	681,650	286,211	136,838	118,340	63,400	56,367	20,494
Amount	7,154,506	1,228,173	995,676	1,068,771	807,865	1,548,352	1,505,669
Number of farm returns	75,397	30,332	17,589	14,190	6,780	4,827	1,679
Net capital gain (less loss) in AGI: Number	849,620	268,537	149,454	153,289	102,776	120,583	54,981
Amount	5,675,282	68,857	110,493	245,876	288,894	822,538	4,138,623
Taxable Individual Retirement Arrangements distributions: Number	393,207	180,227	83,833	64,052	31,975	26,127	6,993
Amount	3,908,112	860,345	683,888	765,074	543,386	715,600	339,818
Pensions and annuities in AGI: Number	1,034,850	486,225	228,696	166,156	80,225	59,741	13,807
Amount	15,705,115	4,631,621	3,816,404	3,257,817	1,788,652	1,695,070	515,551
Unemployment compensation: Number	373,986	182,048	92,758	62,269	24,814	11,079	1,018
Amount	1,526,147	717,193	395,966	254,525	102,108	50,588	5,767
Social Security benefits in AGI: Number	423,784	100,128	144,054	96,101	40,347	32,204	10,950
Amount	3,354,321	203,845	813,659	1,077,815	556,961	501,132	200,908
Self-employment retirement plans: Number	37,511	3,012	3,930	5,826	5,359	11,033	8,351
Amount	478,777	12,456	21,762	38,188	45,024	152,761	208,586
Total itemized deductions: [5] Number	1,815,343	270,580	453,951	469,409	298,520	252,325	70,558
Amount	31,430,084	3,409,749	5,082,969	6,758,176	5,267,418	6,195,724	4,716,047
State and local income taxes: Number	1,766,045	230,450	448,028	467,815	297,860	251,461	70,431
Amount	8,677,006	270,379	912,613	1,553,711	1,458,323	2,051,395	2,430,585
Real estate taxes: Number	1,618,240	213,274	386,751	428,902	281,676	240,120	67,517
Amount	3,913,423	402,715	645,192	867,530	689,247	824,863	483,877
Taxes paid: Number	1,809,225	262,422	454,006	470,742	298,999	252,380	70,676
Amount	12,717,470	653,566	1,580,542	2,447,331	2,188,972	2,906,214	2,940,845
Interest paid: Number	1,561,452	197,333	387,652	422,100	272,888	223,153	58,326
Amount	11,228,718	1,139,682	2,202,475	2,821,996	2,047,191	2,051,612	965,762
Contributions: Number	1,518,571	185,030	352,648	403,294	271,205	238,183	68,211
Amount	4,502,307	288,432	579,736	825,809	680,014	907,543	1,220,775
Taxable income: Number	4,326,490	1,735,469	1,126,978	756,027	366,439	269,396	72,181
Amount	150,223,639	14,718,419	27,391,735	31,347,265	22,351,380	26,244,938	28,169,902
Total tax credits: [6] Number	1,570,853	467,976	440,787	338,690	188,581	108,959	25,860
Amount	1,472,305	228,260	415,620	424,713	245,513	101,842	56,354
Child tax credit: Number	1,069,978	253,259	323,851	273,763	146,002	73,083	20
Amount	988,283	131,667	308,619	307,688	167,678	72,617	15
Child care credit: Number	175,528	35,775	37,032	43,977	31,531	23,763	3,450
Amount	82,814	15,395	17,430	20,334	15,849	12,029	1,777
Earned income credit: [7] Number	786,642	751,144	35,498	--	--	--	--
Amount	1,344,140	1,328,457	15,683	--	--	--	--
Excess earned income credit (refundable): [8] Number	689,127	663,862	25,265	--	--	--	--
Amount	1,202,261	1,191,059	11,201	--	--	--	--
Income tax: [9] Number	3,988,454	1,488,382	1,046,764	746,465	365,421	269,209	72,213
Amount	24,760,371	1,493,204	3,252,339	4,194,793	3,255,930	4,887,597	7,676,507
Total tax liability: [10] Number	4,190,313	1,664,853	1,068,102	749,851	365,880	269,387	72,240
Amount	26,153,931	1,804,827	3,476,046	4,430,227	3,425,279	5,144,325	7,873,227
Tax due at time of filing: [11] Number	757,048	291,533	169,197	132,407	65,300	68,988	29,623
Amount	1,953,523	184,477	205,767	240,273	178,250	351,736	793,022
Overpayments: [12] Number	4,408,815	2,375,876	937,311	600,645	287,123	180,166	27,694
Amount	8,723,691	3,179,396	1,766,878	1,548,009	967,340	838,933	423,135

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
OKLAHOMA							
Number of returns	**1,460,943**	**847,350**	**267,606**	**183,382**	**83,747**	**61,780**	**17,078**
Number of joint returns	655,531	211,776	151,561	146,294	74,989	55,861	15,050
Number with paid preparer's signature	933,442	536,690	171,866	117,742	52,181	40,465	14,498
Number of exemptions	3,071,344	1,475,823	632,519	495,472	239,980	178,017	49,533
Adjusted gross income (AGI) [3]	**56,019,101**	**10,577,052**	**10,426,466**	**11,211,247**	**7,172,313**	**7,999,702**	**8,632,320**
Salaries and wages in AGI: [4] Number	1,232,067	683,504	237,016	165,295	76,331	55,385	14,536
Amount	41,650,226	9,251,506	8,524,976	9,032,041	5,683,792	5,744,454	3,413,459
Taxable interest: Number	583,854	224,190	116,601	111,258	62,690	52,852	16,263
Amount	1,164,626	300,713	154,774	160,109	101,218	152,508	295,306
Dividends: Number	251,102	85,404	44,399	46,722	29,821	31,834	12,922
Amount	683,757	103,732	62,769	75,398	58,663	109,744	273,450
Business or profession net income (less loss): Number	252,133	124,798	47,178	37,661	18,690	16,916	6,890
Amount	2,009,538	423,706	283,046	271,708	201,018	380,288	449,773
Number of farm returns	80,365	36,431	17,085	14,177	6,433	4,545	1,694
Net capital gain (less loss) in AGI: Number	205,178	72,135	35,240	35,735	23,055	26,632	12,381
Amount	1,870,891	100,896	45,984	74,694	74,540	212,730	1,362,047
Taxable Individual Retirement Arrangements distributions: Number	92,805	39,103	19,554	16,997	8,637	6,892	1,622
Amount	974,246	204,182	162,046	203,911	149,296	188,651	66,160
Pensions and annuities in AGI: Number	262,434	117,825	55,865	46,135	22,630	16,630	3,349
Amount	3,980,857	1,156,034	879,181	867,595	501,878	464,648	111,522
Unemployment compensation: Number	84,730	48,557	17,833	11,548	4,241	2,321	230
Amount	322,251	185,551	67,010	42,736	15,943	9,846	1,165
Social Security benefits in AGI: Number	123,117	27,117	40,641	29,295	12,914	9,966	3,184
Amount	1,029,403	52,831	225,725	340,804	190,195	161,609	58,240
Self-employment retirement plans: Number	7,062	644	773	1,069	984	2,015	1,577
Amount	88,197	2,452	4,326	7,347	8,878	27,530	37,663
Total itemized deductions: [5] Number	418,374	75,391	93,012	108,770	67,723	57,123	16,355
Amount	7,256,427	954,020	1,149,850	1,570,611	1,154,447	1,321,036	1,106,464
State and local income taxes: Number	415,932	66,948	95,206	112,310	68,244	56,949	16,275
Amount	1,753,283	63,060	174,710	338,063	302,722	410,934	463,794
Real estate taxes: Number	385,312	63,675	83,282	103,668	64,728	54,519	15,440
Amount	515,189	62,423	78,518	113,656	87,961	107,228	65,403
Taxes paid: Number	433,504	79,688	97,588	113,560	68,841	57,417	16,410
Amount	2,319,900	128,880	262,486	465,087	400,540	528,094	534,813
Interest paid: Number	348,717	52,378	77,294	97,220	60,548	48,775	12,502
Amount	1,965,260	271,883	396,931	567,866	395,731	399,179	205,553
Contributions: Number	373,829	60,965	80,485	99,526	63,069	54,018	15,766
Amount	1,626,340	138,248	208,099	297,845	230,235	288,520	463,391
Taxable income: Number	1,081,717	470,990	265,316	182,977	83,667	61,712	17,055
Amount	35,804,863	3,568,054	5,960,757	7,467,519	5,139,405	6,097,213	7,571,914
Total tax credits: [6] Number	430,067	149,620	126,753	86,183	40,502	21,525	5,484
Amount	389,874	67,886	118,817	107,907	50,483	21,914	22,867
Child tax credit: Number	296,119	87,176	92,112	71,056	31,727	14,043	5
Amount	253,830	40,216	86,591	79,150	34,749	13,113	12
Child care credit: Number	59,893	12,848	16,108	17,186	8,064	4,955	732
Amount	26,681	5,060	7,227	7,888	3,829	2,311	367
Earned income credit: [7] Number	313,632	299,630	14,002	--	--	--	--
Amount	567,461	561,127	6,334	--	--	--	--
Excess earned income credit (refundable): [8] Number	276,543	266,344	10,199	--	--	--	--
Amount	502,502	497,837	4,665	--	--	--	--
Income tax: [9] Number	959,668	380,380	236,473	180,654	83,434	61,666	17,061
Amount	5,834,165	340,977	646,796	943,380	737,873	1,127,481	2,037,659
Total tax liability: [10] Number	1,050,909	462,771	244,247	181,548	83,557	61,717	17,069
Amount	6,264,064	471,475	717,425	1,011,255	783,706	1,194,054	2,086,148
Tax due at time of filing: [11] Number	240,581	94,144	50,361	44,815	22,190	21,703	7,368
Amount	684,901	68,369	71,902	88,906	66,651	127,202	261,870
Overpayments: [12] Number	1,141,303	699,612	210,463	132,329	57,825	35,028	6,046
Amount	2,211,043	1,073,848	393,969	300,368	170,365	156,951	115,543

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued
[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
OREGON							
Number of returns	**1,571,871**	**819,708**	**302,170**	**222,822**	**111,255**	**91,600**	**24,316**
Number of joint returns	675,824	171,445	143,609	163,011	95,455	81,059	21,245
Number with paid preparer's signature	840,851	409,706	163,590	127,093	63,250	57,201	20,011
Number of exemptions	3,168,216	1,298,254	659,782	571,674	308,002	259,909	70,595
Adjusted gross income (AGI) [3]	**67,955,934**	**9,937,803**	**11,832,579**	**13,644,982**	**9,555,938**	**11,965,026**	**11,019,607**
Salaries and wages in AGI: [4] Number	1,291,623	631,310	263,018	196,518	99,681	80,981	20,115
Amount	48,981,240	8,423,065	9,338,605	10,577,537	7,396,459	8,472,676	4,772,898
Taxable interest: Number	714,096	254,560	139,110	137,723	82,284	77,411	23,008
Amount	1,613,275	409,180	205,049	220,581	147,569	238,428	392,466
Dividends: Number	383,455	130,941	64,546	69,347	46,530	52,876	19,215
Amount	1,136,074	210,895	116,365	135,138	100,908	179,674	393,095
Business or profession net income (less loss):							
Number	245,697	107,995	47,844	41,485	21,287	20,508	6,578
Amount	2,648,547	409,830	399,322	419,119	290,563	591,850	537,863
Number of farm returns	36,458	13,484	6,789	6,929	4,038	3,759	1,459
Net capital gain (less loss) in AGI: Number	318,169	108,947	51,270	55,399	37,537	46,354	18,662
Amount	3,315,111	155,025	86,735	152,992	172,934	530,712	2,216,713
Taxable Individual Retirement Arrangements							
distributions: Number	122,286	53,462	24,260	21,607	11,296	9,397	2,264
Amount	1,219,958	268,440	193,617	241,845	181,542	234,096	100,418
Pensions and annuities in AGI: Number	286,090	125,588	56,940	50,544	26,592	21,831	4,595
Amount	5,039,076	1,182,187	968,764	1,156,079	765,584	793,812	172,648
Unemployment compensation: Number	195,081	103,311	44,214	29,671	11,232	6,008	645
Amount	987,570	478,182	232,527	164,762	66,497	39,650	5,952
Social Security benefits in AGI: Number	144,384	30,610	44,370	35,560	16,466	13,294	4,084
Amount	1,266,224	64,141	262,433	418,912	239,224	210,069	71,445
Self-employment retirement plans: Number	16,805	1,814	2,086	2,794	2,383	4,795	2,933
Amount	217,357	8,805	12,327	20,298	22,024	75,391	78,512
Total itemized deductions: [5] Number	644,010	125,274	140,530	165,759	100,374	88,361	23,712
Amount	12,936,030	1,738,126	2,000,547	2,791,743	2,066,908	2,578,099	1,760,607
State and local income taxes: Number	603,833	93,420	136,007	163,658	99,490	87,735	23,523
Amount	3,350,707	129,772	333,875	643,366	576,451	839,906	827,337
Real estate taxes: Number	580,231	104,049	124,414	151,082	93,818	84,025	22,843
Amount	1,490,839	219,664	246,087	333,880	246,723	297,350	147,135
Taxes paid: Number	641,192	121,470	140,905	166,236	100,472	88,377	23,732
Amount	5,099,326	356,993	589,821	989,847	831,796	1,334,214	996,655
Interest paid: Number	548,048	89,791	121,628	147,804	90,717	78,186	19,922
Amount	4,902,146	655,155	896,918	1,208,867	836,101	893,221	411,885
Contributions: Number	540,121	88,126	112,785	142,721	91,042	82,729	22,718
Amount	1,665,069	140,085	202,359	303,853	235,273	319,275	464,222
Taxable income: Number	1,215,877	469,822	297,392	221,918	111,040	91,445	24,260
Amount	43,346,245	3,715,150	6,680,677	8,626,114	6,465,118	8,669,141	9,190,044
Total tax credits: [6] Number	450,729	131,149	125,129	98,589	53,240	34,392	8,230
Amount	415,775	58,933	111,641	118,802	64,363	31,098	30,938
Child tax credit: Number	285,409	62,541	84,941	77,101	40,076	20,742	8
Amount	257,947	28,972	78,181	86,569	44,664	19,558	4
Child care credit: Number	66,105	13,949	16,041	17,313	9,966	7,550	1,286
Amount	29,456	6,016	7,396	7,576	4,533	3,338	596
Earned income credit: [7] Number	225,019	213,565	11,454	--	--	--	--
Amount	360,464	355,375	5,090	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	192,325	183,691	8,634	--	--	--	--
Amount	315,176	311,298	3,879	--	--	--	--
Income tax: [9] Number	1,104,588	395,029	266,074	217,310	110,565	91,343	24,267
Amount	7,097,016	372,550	759,096	1,104,194	913,598	1,577,093	2,370,486
Total tax liability: [10] Number	1,182,978	462,395	275,149	218,941	110,778	91,436	24,279
Amount	7,636,034	499,328	846,694	1,195,755	976,269	1,678,816	2,439,173
Tax due at time of filing: [11] Number	302,534	114,849	64,101	56,274	26,829	29,254	11,227
Amount	872,336	81,383	89,229	107,608	77,920	168,590	347,606
Overpayments: [12] Number	1,150,661	623,017	228,123	157,356	79,030	54,819	8,316
Amount	2,122,024	773,510	390,869	353,268	236,846	250,866	116,664

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
PENNSYLVANIA							
Number of returns	**5,771,764**	**2,992,702**	**1,087,197**	**811,797**	**417,370**	**361,619**	**101,079**
Number of joint returns	2,340,627	523,004	463,105	581,587	359,094	324,085	89,752
Number with paid preparer's signature	3,219,059	1,618,614	607,094	466,267	235,157	212,254	79,673
Number of exemptions	11,202,106	4,307,420	2,231,517	2,071,309	1,195,091	1,085,642	311,127
Adjusted gross income (AGI) [3]	**261,845,583**	**37,578,681**	**42,559,771**	**49,774,959**	**35,861,576**	**47,322,281**	**48,748,316**
Salaries and wages in AGI: [4] Number	4,827,138	2,302,706	970,822	742,928	387,538	334,186	88,958
Amount	197,475,349	29,477,576	34,542,375	40,788,230	29,666,200	37,381,939	25,619,029
Taxable interest: Number	2,981,286	1,115,500	566,540	556,162	331,358	315,567	96,159
Amount	5,357,429	1,384,765	719,782	740,949	494,155	712,606	1,305,171
Dividends: Number	1,619,706	565,913	267,486	285,924	192,486	222,674	85,223
Amount	5,206,190	814,789	472,109	567,359	454,148	843,208	2,054,578
Business or profession net income (less loss): Number	713,558	291,310	131,422	119,781	68,328	73,464	29,253
Amount	9,852,973	1,534,408	1,223,448	1,326,218	1,046,960	2,236,309	2,485,631
Number of farm returns	42,856	21,217	8,548	6,355	2,924	2,583	1,229
Net capital gain (less loss) in AGI: Number	1,052,162	351,631	160,376	174,094	123,191	165,137	77,733
Amount	9,143,653	51,708	117,664	255,132	320,913	1,055,937	7,342,299
Taxable Individual Retirement Arrangements distributions: Number	477,772	230,268	89,955	74,133	39,634	34,431	9,351
Amount	4,389,294	1,027,887	702,007	816,891	608,468	823,136	410,905
Pensions and annuities in AGI: Number	1,163,130	561,885	220,865	183,324	96,316	80,873	19,867
Amount	16,153,750	4,797,740	3,201,910	3,217,761	2,028,303	2,159,309	748,726
Unemployment compensation: Number	607,384	285,122	145,338	107,392	42,558	23,975	2,999
Amount	3,113,145	1,305,552	784,268	578,510	248,813	159,096	36,906
Social Security benefits in AGI: Number	511,349	118,788	160,692	118,047	54,387	44,436	14,999
Amount	4,564,075	237,144	971,129	1,467,442	842,031	760,219	286,110
Self-employment retirement plans: Number	50,554	3,999	4,781	7,084	6,693	15,354	12,643
Amount	664,920	17,412	27,144	47,190	57,051	207,003	309,119
Total itemized deductions: [5] Number	1,765,862	251,234	347,530	435,760	311,108	324,174	96,056
Amount	32,576,752	3,405,980	4,485,666	6,481,573	5,431,165	7,481,235	5,291,134
State and local income taxes: Number	1,692,619	202,080	334,399	429,363	308,557	322,188	96,032
Amount	6,725,689	229,169	592,863	1,138,474	1,126,122	1,791,043	1,848,017
Real estate taxes: Number	1,620,940	202,066	305,428	407,275	299,002	313,614	93,555
Amount	5,447,403	527,462	743,618	1,095,972	949,927	1,350,458	779,966
Taxes paid: Number	1,764,534	244,613	348,445	438,144	312,274	324,626	96,432
Amount	12,403,954	784,337	1,366,603	2,274,775	2,108,619	3,185,541	2,684,079
Interest paid: Number	1,480,245	162,052	284,106	383,545	281,982	288,182	80,378
Amount	11,137,687	959,384	1,506,046	2,521,646	2,061,827	2,639,932	1,448,852
Contributions: Number	1,579,676	188,969	295,140	395,263	293,368	312,770	94,166
Amount	5,165,998	310,441	553,662	845,615	738,725	1,123,813	1,593,742
Taxable income: Number	4,513,941	1,746,333	1,078,615	809,802	416,899	361,320	100,972
Amount	179,173,052	14,241,510	25,994,157	33,726,991	25,828,621	36,213,689	43,168,084
Total tax credits: [6] Number	1,644,338	457,438	428,205	361,288	213,941	144,972	38,494
Amount	1,571,482	223,428	404,651	455,780	275,283	128,123	84,217
Child tax credit: Number	1,063,525	228,687	288,050	288,102	164,447	94,213	26
Amount	973,624	112,316	269,958	317,956	184,172	89,195	28
Child care credit: Number	213,236	40,188	43,792	50,413	36,691	35,400	6,752
Amount	107,911	19,797	23,035	24,091	18,921	18,458	3,608
Earned income credit: [7] Number	773,232	736,045	37,187	--	--	--	--
Amount	1,254,599	1,238,308	16,290	--	--	--	--
Excess earned income credit (refundable): [8] Number	665,700	638,676	27,024	--	--	--	--
Amount	1,118,578	1,106,731	11,846	--	--	--	--
Income tax: [9] Number	4,159,105	1,488,968	992,474	799,695	415,783	361,166	101,019
Amount	30,944,253	1,430,645	3,041,616	4,414,560	3,732,624	6,740,160	11,584,647
Total tax liability: [10] Number	4,364,234	1,666,872	1,015,671	803,067	416,262	361,325	101,037
Amount	32,646,720	1,777,589	3,292,489	4,686,367	3,935,250	7,081,811	11,873,216
Tax due at time of filing: [11] Number	767,023	281,893	145,478	133,458	70,560	93,848	41,786
Amount	2,567,280	182,804	186,582	239,080	186,954	445,631	1,326,230
Overpayments: [12] Number	4,634,053	2,462,242	911,171	650,009	328,914	241,744	39,973
Amount	9,393,225	3,195,270	1,773,063	1,670,843	1,092,973	1,080,915	580,160

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
RHODE ISLAND							
Number of returns	**498,063**	**248,522**	**93,513**	**70,862**	**39,262**	**36,652**	**9,252**
Number of joint returns	185,795	34,064	32,561	45,924	32,893	32,346	8,007
Number with paid preparer's signature	311,626	150,329	58,020	46,021	25,312	24,124	7,820
Number of exemptions	938,603	345,796	177,223	171,519	109,702	107,152	27,211
Adjusted gross income (AGI) [3]	**23,700,505**	**3,249,329**	**3,652,976**	**4,350,413**	**3,378,830**	**4,787,546**	**4,281,410**
Salaries and wages in AGI: [4] Number	429,348	201,240	84,315	64,933	36,665	34,083	8,112
Amount	17,845,129	2,697,794	3,018,540	3,552,218	2,790,600	3,700,459	2,085,517
Taxable interest: Number	266,142	84,435	51,604	53,404	33,787	33,899	9,013
Amount	436,082	98,623	57,522	64,231	42,726	69,477	103,502
Dividends: Number	122,606	35,785	19,848	22,544	16,258	20,655	7,516
Amount	391,716	49,823	31,196	40,602	34,228	69,613	166,254
Business or profession net income (less loss): Number	64,872	25,334	11,061	11,005	6,898	7,847	2,727
Amount	956,675	166,823	115,512	129,180	99,012	210,961	235,186
Number of farm returns	631	207	120	102	78	87	37
Net capital gain (less loss) in AGI: Number	83,903	23,300	12,325	14,371	10,920	15,906	7,081
Amount	982,202	4,502	10,266	26,960	42,678	171,938	725,859
Taxable Individual Retirement Arrangements distributions: Number	35,518	16,104	6,735	5,657	3,222	2,991	809
Amount	300,781	69,503	44,816	53,854	42,599	60,349	29,660
Pensions and annuities in AGI: Number	83,828	34,951	16,194	14,639	8,203	8,094	1,747
Amount	1,379,595	304,611	257,182	298,636	201,954	253,877	63,335
Unemployment compensation: Number	53,462	25,430	11,678	9,226	4,249	2,554	325
Amount	256,519	108,860	60,365	48,021	22,051	14,972	2,250
Social Security benefits in AGI: Number	43,008	8,520	13,023	10,524	5,027	4,431	1,483
Amount	387,723	16,557	76,225	121,963	73,486	72,292	27,199
Self-employment retirement plans: Number	5,118	396	468	729	725	1,610	1,190
Amount	67,269	1,927	2,751	5,658	6,631	21,849	28,453
Total itemized deductions: [5] Number	182,024	24,759	34,588	45,860	33,070	34,790	8,957
Amount	3,526,143	329,158	461,428	713,859	603,568	848,127	570,003
State and local income taxes: Number	176,373	20,385	33,971	45,555	32,935	34,617	8,910
Amount	845,937	20,487	57,861	122,032	128,615	229,597	287,344
Real estate taxes: Number	169,709	20,990	31,558	43,316	31,634	33,542	8,669
Amount	630,833	63,293	88,186	133,009	111,271	155,472	79,601
Taxes paid: Number	181,656	24,177	34,610	45,959	33,126	34,803	8,981
Amount	1,583,891	90,990	160,655	279,467	261,075	410,874	380,831
Interest paid: Number	155,021	17,328	29,048	40,537	29,726	30,892	7,490
Amount	1,227,381	113,063	190,518	290,836	230,222	283,093	119,648
Contributions: Number	166,401	18,803	30,756	42,757	31,592	33,723	8,770
Amount	399,216	22,340	40,676	67,493	60,731	94,609	113,367
Taxable income: Number	403,295	154,929	92,635	70,663	39,210	36,617	9,241
Amount	16,133,689	1,298,045	2,260,983	2,912,182	2,386,327	3,598,634	3,677,519
Total tax credits: [6] Number	144,247	42,573	34,056	30,204	19,835	14,255	3,324
Amount	135,708	21,237	30,901	36,721	24,798	12,616	9,436
Child tax credit: Number	92,940	20,999	22,801	24,176	15,567	9,397	--
Amount	83,386	10,451	20,859	26,248	17,149	8,680	--
Child care credit: Number	19,143	3,307	3,455	4,506	3,609	3,691	575
Amount	9,323	1,401	1,685	2,146	1,866	1,916	307
Earned income credit: [7] Number	65,419	62,773	2,646	--	--	--	--
Amount	107,672	106,529	1,142	--	--	--	--
Excess earned income credit (refundable): [8] Number	56,198	54,350	1,848	--	--	--	--
Amount	95,194	94,390	805	--	--	--	--
Income tax: [9] Number	372,648	131,771	86,107	69,808	39,109	36,611	9,242
Amount	2,817,099	130,718	274,166	391,801	345,181	664,341	1,010,892
Total tax liability: [10] Number	390,199	147,120	87,939	70,110	39,155	36,627	9,248
Amount	2,970,458	162,674	295,944	415,836	363,253	697,091	1,035,661
Tax due at time of filing: [11] Number	70,687	24,417	13,174	12,237	6,833	9,985	4,041
Amount	261,909	18,789	19,113	23,947	19,663	53,947	126,450
Overpayments: [12] Number	401,567	208,659	78,096	56,402	30,948	24,205	3,257
Amount	817,922	272,131	148,007	145,360	103,993	106,002	42,429

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
SOUTH CAROLINA							
Number of returns	**1,804,803**	**1,039,183**	**323,463**	**220,315**	**111,686**	**87,003**	**23,153**
Number of joint returns	692,257	180,158	144,688	167,607	99,763	79,330	20,711
Number with paid preparer's signature	1,204,053	697,148	214,422	145,707	70,171	56,745	19,860
Number of exemptions	3,680,186	1,768,668	703,518	574,275	316,940	250,002	66,783
Adjusted gross income (AGI) [3]	**70,930,507**	**13,885,134**	**12,554,216**	**13,510,825**	**9,583,772**	**11,283,203**	**10,113,356**
Salaries and wages in AGI: [4] Number	1,572,053	878,898	292,250	200,263	102,435	78,597	19,610
Amount	53,867,573	12,174,291	10,348,348	10,804,052	7,603,076	8,240,735	4,697,071
Taxable interest: Number	652,379	220,132	128,269	127,920	80,903	73,023	22,132
Amount	1,147,502	270,101	151,700	164,870	113,084	178,142	269,604
Dividends: Number	332,127	101,962	56,405	62,433	44,189	48,562	18,576
Amount	1,142,759	155,438	102,869	133,904	116,352	221,151	413,042
Business or profession net income (less loss): Number	248,402	117,717	45,298	38,732	20,771	18,832	7,052
Amount	2,142,273	394,298	273,883	290,492	224,003	453,059	506,539
Number of farm returns	21,981	7,442	4,095	4,242	2,667	2,402	1,133
Net capital gain (less loss) in AGI: Number	239,904	73,375	37,991	42,132	30,490	38,257	17,659
Amount	2,347,981	67,451	42,083	88,237	115,013	396,343	1,638,854
Taxable Individual Retirement Arrangements distributions: Number	110,252	43,320	22,689	20,330	11,542	9,916	2,455
Amount	1,210,219	230,043	192,026	236,794	187,360	257,452	106,544
Pensions and annuities in AGI: Number	335,737	138,529	71,044	61,609	33,235	25,882	5,438
Amount	5,317,827	1,260,457	1,071,600	1,183,681	795,917	794,672	211,498
Unemployment compensation: Number	142,185	92,209	25,018	15,883	5,792	3,008	275
Amount	458,163	280,041	83,502	56,416	22,609	14,073	1,521
Social Security benefits in AGI: Number	148,258	30,186	46,522	35,999	17,241	13,979	4,331
Amount	1,324,624	61,289	266,240	431,351	259,391	228,396	77,958
Self-employment retirement plans: Number	9,197	792	801	1,192	1,259	2,737	2,416
Amount	123,379	3,266	4,233	7,789	10,387	37,169	60,534
Total itemized deductions: [5] Number	576,435	103,929	131,189	142,451	94,621	81,861	22,384
Amount	10,826,659	1,429,110	1,757,424	2,286,300	1,791,030	2,136,008	1,426,787
State and local income taxes: Number	538,365	78,797	124,084	139,007	93,353	80,934	22,190
Amount	2,292,448	85,138	233,448	425,985	417,048	574,232	556,597
Real estate taxes: Number	521,781	83,118	115,009	132,949	90,470	78,747	21,488
Amount	775,626	88,190	113,333	154,806	129,845	174,952	114,501
Taxes paid: Number	573,921	101,459	130,869	142,605	94,675	81,873	22,440
Amount	3,388,241	201,136	400,540	660,674	608,791	815,540	701,560
Interest paid: Number	496,801	76,996	111,612	128,617	86,970	73,560	19,046
Amount	3,860,590	481,561	682,274	891,304	674,646	744,528	386,278
Contributions: Number	514,854	81,387	114,006	129,885	89,183	78,571	21,822
Amount	2,121,768	180,990	304,766	416,552	337,834	421,315	460,310
Taxable income: Number	1,364,085	602,876	320,095	219,610	111,506	86,873	23,125
Amount	44,328,665	4,673,178	7,222,595	8,799,180	6,671,754	8,354,460	8,607,499
Total tax credits: [6] Number	552,853	217,676	139,892	99,932	55,499	32,162	7,692
Amount	471,690	105,030	131,386	123,206	68,749	29,324	13,994
Child tax credit: Number	383,507	134,192	101,780	82,813	44,096	20,626**	**
Amount	290,474	62,834	92,154	88,195	47,291	18,891**	**
Child care credit: Number	97,933	26,023	22,755	24,546	14,481	8,855	1,273
Amount	50,276	12,742	12,165	12,649	7,575	4,456	690
Earned income credit: [7] Number	423,517	408,861	14,656	--	--	--	--
Amount	789,538	783,034	6,503	--	--	--	--
Excess earned income credit (refundable): [8] Number	380,707	370,109	10,598	--	--	--	--
Amount	721,707	717,017	4,690	--	--	--	--
Income tax: [9] Number	1,193,134	464,784	290,567	216,678	111,171	86,806	23,128
Amount	7,044,677	430,264	806,788	1,116,690	938,832	1,513,216	2,238,886
Total tax liability: [10] Number	1,280,873	543,281	298,378	217,841	111,344	86,888	23,141
Amount	7,519,969	553,597	881,183	1,193,906	992,814	1,594,655	2,303,814
Tax due at time of filing: [11] Number	279,910	101,108	59,356	52,404	27,000	29,576	10,466
Amount	799,254	71,730	78,698	96,005	71,826	157,051	323,945
Overpayments: [12] Number	1,444,380	887,713	256,703	160,812	80,033	51,035	8,084
Amount	2,900,964	1,476,832	474,845	368,976	236,587	221,362	122,362

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
SOUTH DAKOTA							
Number of returns	**357,449**	**205,647**	**66,404**	**48,649**	**19,382**	**13,050**	**4,317**
Number of joint returns	154,762	41,004	38,361	41,812	17,877	11,871	3,837
Number with paid preparer's signature	226,098	124,152	43,867	31,838	12,755	9,621	3,865
Number of exemptions	706,718	299,755	155,691	140,054	59,145	39,250	12,823
Adjusted gross income (AGI) [3]	**13,475,212**	**2,449,184**	**2,596,485**	**2,971,173**	**1,651,884**	**1,699,505**	**2,106,981**
Salaries and wages in AGI: [4] Number	302,834	167,654	58,774	44,040	17,466	11,315	3,585
Amount	9,586,851	2,190,808	2,032,844	2,320,521	1,232,441	1,067,802	742,435
Taxable interest: Number	160,653	69,270	32,254	29,830	14,263	10,887	4,149
Amount	390,384	115,387	57,035	58,400	36,013	47,771	75,778
Dividends: Number	83,310	31,604	15,621	16,005	8,854	7,799	3,427
Amount	200,538	36,870	20,210	23,551	17,330	31,938	70,639
Business or profession net income (less loss):							
Number	57,266	24,648	13,020	10,435	4,372	3,493	1,298
Amount	495,767	81,515	94,574	95,391	58,947	93,094	72,246
Number of farm returns	33,076	16,717	7,400	4,998	1,999	1,475	487
Net capital gain (less loss) in AGI: Number	75,474	30,035	14,147	13,327	7,473	7,058	3,434
Amount	673,095	72,205	44,447	60,110	51,910	106,361	338,060
Taxable Individual Retirement Arrangements							
distributions: Number	26,458	12,685	5,611	4,409	1,966	1,383	404
Amount	197,279	51,151	36,160	41,698	25,926	28,903	13,441
Pensions and annuities in AGI: Number	57,090	25,921	12,561	10,305	4,533	2,971	799
Amount	761,369	206,724	177,095	178,509	97,441	78,901	22,699
Unemployment compensation: Number	13,502	7,883	3,280	1,709	435	179	16
Amount	37,966	20,730	10,057	5,127	1,337	657	58
Social Security benefits in AGI: Number	30,830	6,906	10,589	7,292	2,950	2,268	825
Amount	247,597	13,105	57,456	84,463	42,693	35,440	14,440
Self-employment retirement plans: Number	3,044	257	375	566	497	815	534
Amount	34,782	1,018	1,973	3,206	4,177	11,442	12,966
Total itemized deductions: [5] Number	56,731	11,971	11,869	13,413	8,685	7,998	2,795
Amount	957,860	173,909	149,069	195,192	137,732	161,044	140,914
State and local income taxes: Number	7,129	858	1,282	1,658	1,207	1,318	806
Amount	26,368	1,427	1,482	2,805	2,709	4,590	13,354
Real estate taxes: Number	49,434	8,464	10,063	12,327	8,256	7,608	2,716
Amount	125,617	15,711	18,649	26,638	21,330	25,816	17,473
Taxes paid: Number	51,462	9,009	10,639	12,782	8,467	7,795	2,770
Amount	156,061	17,749	20,814	30,357	24,616	31,125	31,399
Interest paid: Number	44,954	6,424	9,231	11,782	7,961	7,183	2,373
Amount	372,213	44,392	56,963	88,422	65,993	71,098	45,346
Contributions: Number	47,672	8,046	9,246	11,789	8,133	7,681	2,777
Amount	205,843	15,431	20,918	32,402	27,364	40,783	68,946
Taxable income: Number	274,312	123,069	65,960	48,559	19,372	13,038	4,314
Amount	9,090,061	986,662	1,536,952	2,023,300	1,233,007	1,372,190	1,937,950
Total tax credits: [6] Number	110,997	35,262	32,324	25,762	10,685	5,380	1,584
Amount	109,935	16,422	31,775	36,298	14,839	5,367	5,234
Child tax credit: Number	65,009	15,116	21,223	20,580	8,090	3,376**	**
Amount	64,620	7,238	20,245	24,136	9,564	3,436**	**
Child care credit: Number	23,152	4,023	6,497	7,899	2,907	1,578	248
Amount	10,516	1,632	2,937	3,811	1,347	669	121
Earned income credit: [7] Number	55,442	52,595	2,847	--	--	--	--
Amount	90,251	88,992	1,260	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	47,171	45,307	1,864	--	--	--	--
Amount	79,325	78,512	813	--	--	--	--
Income tax: [9] Number	246,562	103,370	58,648	47,875	19,330	13,028	4,311
Amount	1,448,300	97,368	164,257	241,415	172,088	252,828	520,344
Total tax liability: [10] Number	267,917	121,360	61,657	48,202	19,349	13,038	4,311
Amount	1,587,066	129,945	192,058	268,728	188,104	274,103	534,129
Tax due at time of filing: [11] Number	68,184	26,651	14,859	13,383	5,847	5,378	2,066
Amount	240,723	21,016	26,435	34,813	24,706	47,049	86,704
Overpayments: [12] Number	266,635	163,971	49,241	33,297	12,452	6,384	1,290
Amount	493,491	213,355	90,264	71,735	35,578	30,627	51,929

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued
[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
TENNESSEE							
Number of returns	**2,565,045**	**1,443,887**	**478,749**	**325,207**	**153,974**	**125,256**	**37,972**
Number of joint returns	1,067,570	300,250	235,962	249,724	135,447	112,572	33,615
Number with paid preparer's signature	1,539,119	875,025	284,184	189,814	85,592	73,597	30,907
Number of exemptions	5,224,588	2,422,715	1,049,322	840,124	435,700	363,666	113,061
Adjusted gross income (AGI) [3]	**105,526,051**	**18,567,594**	**18,639,248**	**19,880,068**	**13,205,497**	**16,411,714**	**18,821,931**
Salaries and wages in AGI: [4] Number	2,213,844	1,190,462	436,739	299,461	142,128	113,405	31,649
Amount	82,132,313	16,464,517	15,785,949	16,594,992	10,897,706	12,495,285	9,893,865
Taxable interest: Number	958,965	339,920	187,998	183,521	108,527	103,130	35,869
Amount	1,864,339	469,051	235,272	244,539	164,627	252,424	498,427
Dividends: Number	428,154	134,092	70,876	76,937	52,929	63,934	29,386
Amount	1,476,404	185,448	109,013	136,487	116,546	244,482	684,429
Business or profession net income (less loss):							
Number	417,321	206,211	74,339	60,010	31,662	31,722	13,377
Amount	4,937,678	760,399	565,431	611,664	484,122	1,088,273	1,427,790
Number of farm returns	82,359	34,844	17,201	14,925	7,061	5,753	2,575
Net capital gain (less loss) in AGI: Number	323,468	101,404	50,466	54,112	38,288	51,379	27,819
Amount	4,089,505	110,283	76,914	131,089	144,932	442,835	3,183,450
Taxable Individual Retirement Arrangements							
distributions: Number	142,796	60,854	28,996	24,799	13,440	11,528	3,179
Amount	1,458,522	311,478	242,652	284,670	209,894	278,107	131,720
Pensions and annuities in AGI: Number	424,912	189,399	89,134	72,555	36,580	29,852	7,392
Amount	6,144,991	1,687,102	1,275,000	1,296,642	793,310	831,777	261,161
Unemployment compensation: Number	198,279	117,533	41,988	25,324	8,487	4,454	493
Amount	664,191	376,796	142,367	89,166	33,722	19,695	2,447
Social Security benefits in AGI: Number	189,711	41,400	61,342	44,672	20,183	16,473	5,641
Amount	1,633,755	81,604	342,799	526,355	305,092	272,974	104,929
Self-employment retirement plans: Number	18,886	1,236	1,463	2,236	2,420	5,986	5,545
Amount	286,474	5,175	8,949	16,002	22,133	88,483	145,731
Total itemized deductions: [5] Number	555,983	100,886	122,575	126,458	85,824	91,111	29,129
Amount	9,972,916	1,407,946	1,612,059	1,914,848	1,461,282	1,951,276	1,625,506
State and local income taxes: Number	98,178	15,256	15,915	18,350	14,218	20,632	13,807
Amount	248,984	13,331	17,873	23,837	23,597	47,759	122,587
Real estate taxes: Number	490,016	77,852	102,477	114,380	80,379	86,729	28,199
Amount	940,862	109,640	132,557	169,593	144,504	221,183	163,387
Taxes paid: Number	520,611	86,161	111,069	120,869	83,753	89,622	29,137
Amount	1,235,965	129,694	159,628	202,346	174,305	277,146	292,848
Interest paid: Number	481,745	73,521	104,292	114,861	79,701	83,799	25,571
Amount	4,301,916	505,969	715,473	915,423	709,570	909,737	545,743
Contributions: Number	483,454	73,024	101,693	112,790	80,082	87,149	28,716
Amount	2,689,713	179,008	308,091	427,199	370,750	557,141	847,524
Taxable income: Number	1,949,741	832,948	475,369	324,564	153,799	125,125	37,936
Amount	71,156,183	6,583,638	11,105,967	13,637,885	9,791,276	13,044,046	16,993,371
Total tax credits: [6] Number	756,391	269,428	210,665	145,049	74,526	44,399	12,324
Amount	664,393	131,459	196,727	178,204	92,104	40,700	25,198
Child tax credit: Number	526,872	162,948	152,179	122,093	60,100	29,543	9
Amount	438,485	77,677	139,624	129,765	64,456	26,958	5
Child care credit: Number	122,079	28,383	30,250	31,616	17,582	12,263	1,985
Amount	60,369	13,590	15,497	15,269	8,840	6,117	1,058
Earned income credit: [7] Number	546,625	525,434	21,191	--	--	--	--
Amount	987,536	978,148	9,387	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	479,104	464,329	14,775	--	--	--	--
Amount	874,363	867,717	6,646	--	--	--	--
Income tax: [9] Number	1,739,404	666,259	435,078	321,603	153,453	125,073	37,938
Amount	12,129,166	627,204	1,251,506	1,765,792	1,437,963	2,458,744	4,587,957
Total tax liability: [10] Number	1,886,212	800,184	446,380	322,893	153,658	125,143	37,954
Amount	13,092,645	852,743	1,385,137	1,908,258	1,542,870	2,642,069	4,761,569
Tax due at time of filing: [11] Number	369,539	141,109	73,204	63,942	34,038	40,596	16,650
Amount	1,258,760	110,565	111,503	137,568	108,120	240,551	550,454
Overpayments: [12] Number	2,078,549	1,226,654	395,817	252,133	113,959	75,661	14,325
Amount	4,351,207	2,020,339	788,336	623,109	355,244	329,031	235,148

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
TEXAS							
Number of returns	**9,298,799**	**5,158,808**	**1,659,061**	**1,105,113**	**610,636**	**594,548**	**170,633**
Number of joint returns	3,768,539	1,087,231	732,009	762,110	511,364	526,039	149,786
Number with paid preparer's signature	5,293,113	3,059,944	905,744	582,230	305,402	310,882	128,911
Number of exemptions	20,151,605	9,459,251	3,814,292	2,868,303	1,742,324	1,756,557	510,878
Adjusted gross income (AGI) [3]	**415,647,089**	**64,460,052**	**64,492,321**	**67,796,984**	**52,587,526**	**78,281,771**	**88,028,436**
Salaries and wages in AGI: [4] Number	8,035,228	4,268,199	1,506,091	1,003,394	562,825	548,219	146,500
Amount	320,864,676	59,228,528	55,117,443	56,160,401	43,642,403	62,411,715	44,304,186
Taxable interest: Number	3,205,608	1,001,000	570,136	585,150	410,605	479,264	159,453
Amount	7,992,348	1,574,209	772,892	890,757	660,710	1,140,490	2,953,290
Dividends: Number	1,613,167	442,126	236,476	274,696	217,713	309,765	132,391
Amount	6,349,409	773,494	405,138	517,752	449,050	964,388	3,239,588
Business or profession net income (less loss): Number	1,631,578	827,639	253,076	215,049	132,052	145,763	57,999
Amount	17,750,638	3,814,536	1,786,494	1,917,627	1,595,139	3,704,195	4,932,647
Number of farm returns	238,605	84,753	42,623	44,700	27,325	26,764	12,440
Net capital gain (less loss) in AGI: Number	1,323,540	365,489	185,813	215,157	171,732	259,153	126,196
Amount	17,154,286	353,756	171,169	334,015	406,267	1,424,961	14,464,117
Taxable Individual Retirement Arrangements distributions: Number	511,743	184,082	101,791	96,177	58,752	57,077	13,864
Amount	6,397,561	1,035,630	902,739	1,202,284	1,017,151	1,567,497	672,260
Pensions and annuities in AGI: Number	1,348,693	516,134	274,447	245,749	145,194	136,644	30,525
Amount	22,146,582	4,726,089	4,217,200	4,811,858	3,356,024	3,886,313	1,149,099
Unemployment compensation: Number	537,205	302,871	104,652	66,927	32,497	26,715	3,543
Amount	2,376,377	1,250,866	484,210	322,127	161,697	138,095	19,383
Social Security benefits in AGI: Number	603,403	113,501	178,149	147,164	75,498	66,608	22,483
Amount	5,497,570	238,108	1,026,810	1,700,011	1,076,004	1,054,445	402,190
Self-employment retirement plans: Number	64,566	4,801	5,540	7,950	8,215	19,855	18,205
Amount	970,152	22,908	33,624	60,408	77,081	285,663	490,467
Total itemized deductions: [5] Number	2,085,696	314,845	393,498	443,305	352,259	447,843	133,946
Amount	40,565,780	5,004,322	5,430,745	6,888,942	6,141,298	9,763,988	7,336,485
State and local income taxes: Number	145,135	16,485	21,839	27,683	22,864	36,194	20,070
Amount	558,818	21,500	29,941	44,046	70,718	105,000	287,613
Real estate taxes: Number	1,828,705	232,370	317,738	394,367	328,516	426,230	129,484
Amount	8,231,409	733,877	932,846	1,342,664	1,326,260	2,348,619	1,547,141
Taxes paid: Number	1,933,070	256,073	347,204	417,786	341,764	438,036	132,207
Amount	9,143,030	748,803	1,069,650	1,455,323	1,469,394	2,526,108	1,873,752
Interest paid: Number	1,785,418	212,868	317,358	392,404	325,832	416,731	120,225
Amount	16,506,329	1,526,823	2,011,342	3,308,877	2,645,008	4,229,221	2,785,057
Contributions: Number	1,754,281	208,594	309,644	375,977	315,332	415,614	129,120
Amount	8,689,534	457,609	831,138	1,210,576	1,181,674	2,057,132	2,951,404
Taxable income: Number	6,937,081	2,817,070	1,643,680	1,102,104	609,877	593,925	170,425
Amount	287,068,368	21,539,149	38,195,900	46,573,882	38,857,847	61,898,221	80,003,369
Total tax credits: [6] Number	2,936,587	1,069,093	765,311	508,374	307,642	226,981	59,186
Amount	2,893,645	533,888	772,424	656,913	400,005	240,920	289,494
Child tax credit: Number	2,080,927	683,766	578,460	421,245	248,606	148,815	35
Amount	1,762,589	320,290	549,444	475,224	278,458	139,144	28
Child care credit: Number	437,892	92,110	101,648	102,043	70,108	61,952	10,031
Amount	234,300	46,499	56,997	53,944	38,521	32,906	5,434
Earned income credit: [7] Number	2,161,725	2,070,520	91,205	--	--	--	--
Amount	4,253,730	4,212,440	41,290	--	--	--	--
Excess earned income credit (refundable): [8] Number	1,926,244	1,859,755	66,489	--	--	--	--
Amount	3,737,302	3,707,259	30,043	--	--	--	--
Income tax: [9] Number	6,022,920	2,109,984	1,453,373	1,087,427	608,100	593,571	170,465
Amount	51,853,424	1,947,422	4,282,414	6,181,298	5,787,817	11,746,652	21,907,821
Total tax liability: [10] Number	6,648,684	2,683,575	1,498,207	1,093,248	609,056	594,049	170,549
Amount	55,187,401	2,857,719	4,709,580	6,636,244	6,140,823	12,360,555	22,482,480
Tax due at time of filing: [11] Number	1,399,388	513,088	264,412	228,267	136,533	184,863	72,225
Amount	5,113,198	402,387	397,414	493,801	417,007	989,652	2,412,936
Overpayments: [12] Number	7,447,337	4,357,815	1,358,679	841,463	450,078	372,543	66,759
Amount	16,986,499	7,796,851	2,783,077	2,153,279	1,456,582	1,668,054	1,128,656

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UTAH							
Number of returns	**969,812**	**509,511**	**187,646**	**140,713**	**68,030**	**50,519**	**13,393**
Number of joint returns	468,669	118,763	113,170	115,931	62,156	46,552	12,097
Number with paid preparer's signature	516,797	257,182	103,909	77,987	36,659	30,213	10,847
Number of exemptions	2,267,800	850,677	510,536	454,738	231,289	173,590	46,970
Adjusted gross income (AGI) [3]	**41,014,757**	**6,096,431**	**7,375,342**	**8,608,227**	**5,831,948**	**6,539,071**	**6,563,737**
Salaries and wages in AGI: [4] Number	852,439	430,834	169,812	129,917	63,541	46,692	11,643
Amount	31,645,636	5,790,327	6,187,198	7,184,278	4,811,233	4,919,875	2,752,724
Taxable interest: Number	474,673	164,973	99,106	97,703	55,133	44,861	12,897
Amount	743,288	156,690	84,593	96,759	70,633	110,208	224,404
Dividends: Number	167,096	51,944	28,823	31,813	22,025	23,202	9,289
Amount	496,347	67,670	38,694	44,317	36,659	71,605	237,403
Business or profession net income (less loss): Number	152,050	60,242	32,295	28,733	14,646	12,173	3,961
Amount	1,049,762	192,941	142,648	146,382	116,030	218,384	233,377
Number of farm returns	14,475	5,409	3,124	2,903	1,462	1,126	451
Net capital gain (less loss) in AGI: Number	144,262	44,542	23,979	26,455	18,331	21,340	9,615
Amount	1,685,402	63,836	31,777	59,397	67,637	214,396	1,248,360
Taxable Individual Retirement Arrangements distributions: Number	53,377	20,673	11,809	10,364	5,447	4,124	960
Amount	540,093	104,751	93,816	114,251	85,912	101,421	39,941
Pensions and annuities in AGI: Number	149,228	59,289	32,706	28,872	15,040	11,026	2,295
Amount	2,511,248	606,938	551,556	581,060	360,294	330,243	81,159
Unemployment compensation: Number	62,683	32,814	15,338	9,707	3,277	1,430	117
Amount	249,077	120,078	65,315	41,577	14,415	7,010	683
Social Security benefits in AGI: Number	66,869	13,163	21,668	16,807	7,677	5,830	1,724
Amount	579,898	25,962	118,779	194,645	114,571	95,666	30,275
Self-employment retirement plans: Number	4,290	385	410	605	605	1,291	994
Amount	56,697	1,620	2,262	4,192	5,711	18,689	24,225
Total itemized deductions: [5] Number	383,073	59,657	92,935	107,792	61,424	48,317	12,948
Amount	7,782,691	856,139	1,328,008	1,876,256	1,295,056	1,383,458	1,043,774
State and local income taxes: Number	363,976	45,846	90,120	106,576	60,868	47,794	12,772
Amount	1,434,535	53,547	161,696	306,166	257,166	321,266	334,695
Real estate taxes: Number	353,189	50,040	83,668	101,482	58,849	46,650	12,500
Amount	540,685	66,721	97,301	131,760	90,820	97,811	56,273
Taxes paid: Number	382,299	58,570	93,063	107,950	61,464	48,303	12,949
Amount	2,041,096	126,988	268,663	453,357	358,205	428,838	405,046
Interest paid: Number	334,277	45,779	81,507	97,716	55,806	42,940	10,529
Amount	2,964,333	372,211	612,424	797,836	499,626	469,400	212,837
Contributions: Number	349,107	46,647	83,166	100,916	58,913	46,835	12,630
Amount	2,137,874	123,113	279,979	457,790	353,703	415,744	507,545
Taxable income: Number	745,973	290,953	183,176	140,130	67,904	50,448	13,362
Amount	24,977,952	2,179,426	3,767,743	5,077,353	3,776,853	4,613,545	5,563,032
Total tax credits: [6] Number	339,978	93,773	101,535	80,888	38,956	21,256	3,570
Amount	357,624	44,362	98,307	114,955	57,459	24,839	17,701
Child tax credit: Number	238,938	44,989	75,450	69,546	32,598	16,314	41
Amount	246,575	20,392	70,950	91,015	44,706	19,467	45
Child care credit: Number	35,569	5,811	9,614	11,129	5,350	3,218	447
Amount	15,597	2,547	4,123	4,839	2,441	1,431	216
Earned income credit: [7] Number	139,710	129,850	9,860	--	--	--	--
Amount	237,692	233,276	4,416	--	--	--	--
Excess earned income credit (refundable): [8] Number	123,663	115,905	7,758	--	--	--	--
Amount	210,383	206,885	3,499	--	--	--	--
Income tax: [9] Number	645,223	235,235	147,678	131,495	67,133	50,314	13,368
Amount	3,964,104	208,313	379,451	583,396	500,227	815,511	1,477,205
Total tax liability: [10] Number	695,451	272,678	157,353	134,210	67,436	50,400	13,374
Amount	4,191,292	262,778	417,465	623,014	528,124	854,278	1,505,634
Tax due at time of filing: [11] Number	161,501	57,502	32,453	31,326	16,514	17,628	6,078
Amount	483,286	34,464	40,323	53,102	41,026	92,453	221,918
Overpayments: [12] Number	763,581	421,064	151,736	106,183	49,460	30,062	5,076
Amount	1,438,717	535,333	292,078	248,342	146,528	137,816	78,621

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VERMONT							
Number of returns	**302,209**	**161,004**	**57,661**	**42,440**	**20,901**	**15,937**	**4,266**
Number of joint returns	124,024	28,345	26,399	33,004	18,466	14,113	3,697
Number with paid preparer's signature	163,369	80,959	32,473	24,882	11,766	9,718	3,571
Number of exemptions	568,402	219,729	118,504	111,224	59,986	46,533	12,426
Adjusted gross income (AGI) [3]	**12,524,941**	**2,000,274**	**2,254,485**	**2,604,298**	**1,791,977**	**2,092,785**	**1,781,124**
Salaries and wages in AGI: [4] Number	256,028	127,495	52,221	39,166	19,261	14,293	3,592
Amount	9,276,098	1,679,255	1,830,005	2,104,716	1,428,258	1,466,491	767,375
Taxable interest: Number	163,925	62,575	33,176	31,409	17,809	14,793	4,163
Amount	257,652	66,126	35,905	37,106	26,320	39,983	52,213
Dividends: Number	84,710	30,087	14,829	15,520	10,144	10,551	3,579
Amount	321,921	50,110	33,000	38,107	31,875	63,740	105,089
Business or profession net income (less loss): Number	56,922	25,524	11,594	9,513	4,740	4,087	1,464
Amount	506,022	3,913	108,699	112,247	76,710	114,257	98,022
Number of farm returns	4,214	2,201	690	603	316	285	119
Net capital gain (less loss) in AGI: Number	61,112	21,477	10,035	10,555	7,111	8,535	3,399
Amount	561,511	20,655	18,932	34,883	38,257	119,384	329,399
Taxable Individual Retirement Arrangements distributions: Number	21,330	10,010	4,157	3,390	1,807	1,529	437
Amount	181,867	43,654	27,463	32,749	26,260	35,316	16,425
Pensions and annuities in AGI: Number	47,822	21,597	9,500	8,250	4,275	3,343	857
Amount	687,868	180,608	137,265	147,210	95,183	95,145	32,459
Unemployment compensation: Number	30,581	15,820	6,429	4,803	1,935	1,465	129
Amount	107,812	55,456	25,114	17,357	5,938	3,504	442
Social Security benefits in AGI: Number	24,125	5,018	7,636	5,689	2,645	2,308	829
Amount	210,266	10,384	43,299	66,857	38,652	37,209	13,864
Self-employment retirement plans: Number	3,799	452	534	728	628	985	472
Amount	40,467	1,967	3,186	5,116	5,565	12,975	11,659
Total itemized deductions: [5] Number	89,939	14,859	18,137	21,931	16,125	14,809	4,078
Amount	1,624,722	191,438	251,348	316,490	271,895	347,527	246,023
State and local income taxes: Number	85,963	11,561	17,740	21,822	16,047	14,732	4,061
Amount	358,611	10,442	32,606	48,648	54,398	94,424	118,093
Real estate taxes: Number	84,791	12,958	16,916	21,065	15,536	14,339	3,977
Amount	326,012	37,924	47,505	68,507	60,715	75,254	36,106
Taxes paid: Number	89,805	14,465	18,204	22,065	16,165	14,814	4,092
Amount	689,558	48,896	77,294	119,306	116,934	171,585	155,543
Interest paid: Number	76,805	10,483	15,664	19,958	14,666	12,802	3,232
Amount	544,206	60,310	91,024	132,772	103,876	108,626	47,597
Contributions: Number	73,395	9,446	13,585	18,150	14,341	13,944	3,929
Amount	193,308	12,197	18,676	29,146	28,085	44,758	60,448
Taxable income: Number	239,783	99,176	57,234	42,330	20,865	15,916	4,262
Amount	8,400,062	843,111	1,381,233	1,766,385	1,294,394	1,594,833	1,520,107
Total tax credits: [6] Number	87,820	24,062	23,802	20,195	11,088	6,862	1,811
Amount	86,064	11,092	22,086	25,830	14,498	6,322	6,237
Child tax credit: Number	54,441	10,820	15,560	15,898	8,270	3,893	--
Amount	49,651	5,278	14,518	17,180	9,081	3,593	--
Child care credit: Number	13,872	2,018	3,074	4,334	2,471	1,688	287
Amount	6,707	866	1,440	2,172	1,287	792	150
Earned income credit: [7] Number	38,323	36,504	1,819	--	--	--	--
Amount	56,368	55,553	816	--	--	--	--
Excess earned income credit (refundable): [8] Number	30,543	29,338	1,205	--	--	--	--
Amount	46,362	45,834	528	--	--	--	--
Income tax: [9] Number	222,293	86,717	52,788	41,819	20,790	15,914	4,265
Amount	1,330,163	87,136	158,938	222,475	182,345	290,291	388,978
Total tax liability: [10] Number	238,236	100,676	54,490	42,049	20,833	15,923	4,265
Amount	1,444,968	116,932	179,575	243,740	196,528	308,837	399,356
Tax due at time of filing: [11] Number	49,884	20,195	9,758	9,060	4,378	4,632	1,861
Amount	138,248	15,092	13,547	17,092	12,649	26,647	53,221
Overpayments: [12] Number	231,968	127,643	46,045	31,599	15,424	9,763	1,494
Amount	417,639	148,655	81,949	73,181	48,098	45,250	20,505

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VIRGINIA							
Number of returns	**3,431,766**	**1,613,554**	**636,477**	**490,632**	**289,561**	**319,186**	**82,356**
Number of joint returns	1,405,727	260,261	249,224	315,421	228,353	278,762	73,706
Number with paid preparer's signature	1,797,406	859,548	333,852	253,034	139,669	153,995	57,308
Number of exemptions	6,831,437	2,433,979	1,275,863	1,180,113	780,682	916,509	244,291
Adjusted gross income (AGI) [3]	**180,639,507**	**21,372,020**	**24,927,016**	**30,199,022**	**24,968,936**	**42,545,786**	**36,626,724**
Salaries and wages in AGI: [4] Number	2,995,733	1,341,207	573,350	444,510	266,118	297,440	73,108
Amount	138,009,703	18,579,570	20,815,618	24,674,526	20,440,206	33,950,613	19,549,171
Taxable interest: Number	1,580,192	428,589	276,775	303,906	217,544	274,917	78,461
Amount	2,886,746	541,591	317,078	377,825	297,404	512,435	840,413
Dividends: Number	869,231	206,511	126,298	155,191	125,979	188,341	66,911
Amount	3,470,430	320,471	230,659	328,301	304,064	664,903	1,622,034
Business or profession net income (less loss): Number	455,713	176,164	78,005	72,964	47,827	60,707	20,046
Amount	5,649,824	857,913	602,917	662,415	556,012	1,444,879	1,525,688
Number of farm returns	43,011	16,648	8,205	7,587	4,191	4,336	2,044
Net capital gain (less loss) in AGI: Number	628,985	144,967	84,726	105,814	88,123	144,397	60,958
Amount	6,724,842	122,166	75,695	159,565	214,343	858,489	5,294,584
Taxable Individual Retirement Arrangements distributions: Number	206,114	68,491	39,704	39,944	25,330	26,133	6,512
Amount	2,013,752	322,483	279,149	378,467	318,769	501,490	213,395
Pensions and annuities in AGI: Number	640,153	211,505	121,385	118,510	76,380	91,003	21,370
Amount	12,785,637	2,048,339	2,036,444	2,634,937	2,076,042	3,065,887	923,990
Unemployment compensation: Number	171,132	91,043	35,708	24,260	10,490	8,492	1,139
Amount	656,922	331,758	139,037	95,783	45,116	39,119	6,110
Social Security benefits in AGI: Number	285,718	49,164	81,229	69,727	38,438	36,480	10,680
Amount	2,686,855	98,774	475,108	829,821	538,002	557,383	187,767
Self-employment retirement plans: Number	33,524	1,876	2,245	3,512	4,022	11,718	10,151
Amount	520,600	7,926	13,233	24,520	34,188	153,908	286,825
Total itemized deductions: [5] Number	1,358,285	180,991	253,081	307,598	236,734	299,487	80,394
Amount	28,447,482	2,512,467	3,547,674	5,093,708	4,640,727	7,961,232	4,691,676
State and local income taxes: Number	1,297,592	143,937	242,353	300,744	233,375	297,088	80,095
Amount	6,132,265	148,398	407,036	818,144	923,862	1,940,099	1,894,723
Real estate taxes: Number	1,227,908	134,326	214,933	285,668	225,320	289,186	78,475
Amount	3,063,791	222,981	336,949	531,336	517,506	965,281	489,737
Taxes paid: Number	1,355,129	176,240	253,152	308,484	237,084	299,594	80,575
Amount	9,633,403	413,360	795,242	1,426,025	1,514,959	3,031,980	2,451,836
Interest paid: Number	1,172,148	123,502	209,054	276,197	217,103	274,671	71,621
Amount	11,712,616	890,900	1,514,995	2,293,961	2,083,439	3,418,758	1,510,563
Contributions: Number	1,200,481	134,389	212,480	273,512	218,332	283,942	77,826
Amount	4,313,392	243,383	458,546	691,327	640,460	1,100,416	1,179,259
Taxable income: Number	2,797,688	990,423	628,315	488,776	289,063	318,842	82,269
Amount	123,712,700	8,056,911	14,857,672	20,040,565	17,498,735	31,649,052	31,609,765
Total tax credits: [6] Number	1,048,560	297,479	250,537	207,795	140,062	122,516	30,171
Amount	960,098	145,201	232,325	249,281	170,785	102,490	60,015
Child tax credit: Number	681,695	157,219	174,691	167,383	109,125	73,263	14
Amount	600,248	75,733	157,141	180,018	120,350	66,993	12
Child care credit: Number	185,448	34,144	37,040	41,694	29,835	35,674	7,061
Amount	97,178	16,837	19,916	21,261	15,989	19,308	3,867
Earned income credit: [7] Number	500,464	478,589	21,875	--	--	--	--
Amount	856,908	847,258	9,651	--	--	--	--
Excess earned income credit (refundable): [8] Number	436,340	420,254	16,086	--	--	--	--
Amount	768,859	761,736	7,122	--	--	--	--
Income tax: [9] Number	2,565,703	819,402	575,879	481,298	288,116	318,705	82,303
Amount	22,232,415	791,838	1,750,038	2,710,622	2,593,138	5,909,359	8,477,419
Total tax liability: [10] Number	2,696,524	932,361	590,286	484,042	288,605	318,901	82,329
Amount	23,347,262	998,938	1,887,900	2,862,726	2,713,705	6,159,732	8,724,260
Tax due at time of filing: [11] Number	572,376	179,765	106,817	99,285	58,880	92,510	35,119
Amount	1,954,353	129,850	137,989	176,261	145,654	391,693	972,906
Overpayments: [12] Number	2,706,986	1,347,970	516,749	377,519	220,596	209,937	34,215
Amount	5,811,047	1,929,316	957,410	915,865	697,854	891,345	419,258

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WASHINGTON							
Number of returns	**2,808,556**	**1,325,410**	**548,162**	**429,760**	**238,923**	**210,133**	**56,168**
Number of joint returns	1,194,682	245,263	226,347	290,423	199,375	185,241	48,033
Number with paid preparer's signature	1,393,201	637,333	269,476	215,374	116,429	112,213	42,376
Number of exemptions	5,664,189	2,018,381	1,140,642	1,077,490	663,955	602,117	161,604
Adjusted gross income (AGI) [3]	**141,431,438**	**16,518,624**	**21,490,919**	**26,414,129**	**20,558,400**	**27,413,763**	**29,035,602**
Salaries and wages in AGI: [4] Number	2,364,233	1,040,486	481,382	385,366	218,873	190,939	47,187
Amount	105,353,284	14,291,814	17,330,861	21,262,910	16,742,388	21,007,087	14,718,224
Taxable interest: Number	1,370,976	425,896	257,565	273,754	180,163	180,061	53,537
Amount	3,030,638	614,453	348,042	394,993	278,375	467,026	927,750
Dividends: Number	716,877	207,214	114,267	132,127	98,161	119,356	45,752
Amount	2,558,477	357,443	209,927	262,347	209,006	409,695	1,110,059
Business or profession net income (less loss): Number	389,472	149,710	72,068	70,013	41,329	42,274	14,078
Amount	5,063,612	579,276	649,333	762,470	608,627	1,248,023	1,215,886
Number of farm returns	28,296	10,328	5,248	5,401	3,121	2,927	1,271
Net capital gain (less loss) in AGI: Number	573,151	165,302	87,916	100,973	75,597	99,426	43,937
Amount	6,934,420	170,625	82,865	198,553	263,724	929,200	5,289,453
Taxable Individual Retirement Arrangements distributions: Number	195,076	72,833	40,004	37,205	21,602	18,869	4,563
Amount	2,182,606	367,748	322,932	439,956	359,016	484,255	208,698
Pensions and annuities in AGI: Number	487,274	187,793	99,012	92,289	52,860	45,583	9,737
Amount	8,625,326	1,957,458	1,723,560	1,927,890	1,278,296	1,371,982	366,141
Unemployment compensation: Number	317,333	146,723	73,906	54,954	24,787	15,208	1,755
Amount	1,853,168	725,605	457,077	360,625	177,107	118,516	14,238
Social Security benefits in AGI: Number	249,699	50,611	74,294	61,260	30,499	25,016	8,019
Amount	2,278,277	106,905	450,327	736,998	450,211	395,329	138,508
Self-employment retirement plans: Number	27,891	2,447	2,948	4,152	4,005	8,531	5,808
Amount	368,337	10,338	17,327	30,086	36,722	124,428	149,435
Total itemized deductions: [5] Number	937,114	144,325	182,504	233,339	164,440	168,680	43,826
Amount	17,939,146	2,471,693	2,628,750	3,762,142	2,955,131	3,814,131	2,307,299
State and local income taxes: Number	123,796	10,894	21,258	32,608	24,344	25,856	8,836
Amount	375,520	7,402	28,826	57,783	54,028	84,050	143,431
Real estate taxes: Number	874,104	122,613	165,545	219,940	158,318	164,221	43,467
Amount	2,664,632	300,243	370,631	551,928	463,721	635,156	342,953
Taxes paid: Number	908,633	130,582	174,802	228,737	162,837	167,545	44,130
Amount	3,268,096	395,247	404,142	670,680	542,271	749,757	505,999
Interest paid: Number	850,256	109,791	163,280	218,885	157,232	160,639	40,429
Amount	9,394,070	879,404	1,453,383	2,131,887	1,728,497	2,153,805	1,047,094
Contributions: Number	794,115	97,453	145,360	200,976	149,245	158,508	42,573
Amount	2,848,040	163,891	271,924	452,753	407,533	616,462	935,476
Taxable income: Number	2,278,651	804,419	541,424	428,252	238,582	209,868	56,106
Amount	100,319,995	6,661,878	12,949,578	17,832,945	14,932,754	21,412,179	26,530,660
Total tax credits: [6] Number	838,980	218,739	215,266	189,099	116,081	79,224	20,571
Amount	819,608	104,298	199,216	229,065	141,980	74,357	70,695
Child tax credit: Number	559,389	114,411	153,003	151,211	90,652	50,095	17
Amount	517,634	55,510	143,665	170,720	101,030	46,694	15
Child care credit: Number	115,006	19,152	24,698	28,756	20,705	18,294	3,401
Amount	56,718	8,568	12,394	14,013	10,754	9,235	1,754
Earned income credit: [7] Number	354,648	335,620	19,028	--	--	--	--
Amount	572,553	564,143	8,410	--	--	--	--
Excess earned income credit (refundable): [8] Number	303,729	289,724	14,005	--	--	--	--
Amount	504,671	498,415	6,256	--	--	--	--
Income tax: [9] Number	2,101,376	682,589	493,606	421,568	237,801	209,718	56,094
Amount	17,927,705	674,645	1,531,464	2,388,654	2,210,984	3,998,290	7,123,666
Total tax liability: [10] Number	2,204,598	770,433	506,075	423,944	238,146	209,880	56,120
Amount	18,891,256	854,907	1,672,402	2,549,295	2,334,341	4,203,546	7,276,765
Tax due at time of filing: [11] Number	488,180	155,629	93,921	91,541	54,204	68,049	24,836
Amount	1,778,759	110,847	130,491	178,922	150,323	350,505	857,670
Overpayments: [12] Number	2,144,698	1,061,509	438,061	322,615	174,619	127,372	20,522
Amount	4,535,928	1,513,344	810,729	780,021	538,126	550,854	342,853

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WEST VIRGINIA							
Number of returns	**744,440**	**432,757**	**138,775**	**97,939**	**41,950**	**26,699**	**6,320**
Number of joint returns	352,309	120,025	84,632	79,971	38,052	24,123	5,506
Number with paid preparer's signature	408,005	231,508	77,680	54,519	22,953	15,999	5,346
Number of exemptions	1,494,857	707,053	317,259	257,771	118,544	75,813	18,417
Adjusted gross income (AGI) [3]	**26,629,491**	**5,604,381**	**5,440,525**	**5,972,924**	**3,585,760**	**3,427,161**	**2,598,740**
Salaries and wages in AGI: [4] Number	630,896	346,581	124,978	90,694	39,216	24,196	5,231
Amount	20,427,582	4,376,226	4,470,654	4,979,422	2,974,960	2,501,535	1,124,784
Taxable interest: Number	308,598	125,307	63,916	59,683	31,180	22,539	5,973
Amount	522,346	171,463	89,085	83,909	49,051	62,387	66,452
Dividends: Number	126,968	46,492	23,283	23,522	14,766	13,933	4,972
Amount	350,431	64,771	39,788	47,758	34,088	65,862	98,164
Business or profession net income (less loss): Number	93,919	45,520	17,932	14,363	7,167	6,316	2,621
Amount	1,036,792	175,739	119,643	121,473	92,201	215,284	312,454
Number of farm returns	14,320	6,320	3,227	2,551	1,153	809	260
Net capital gain (less loss) in AGI: Number	81,815	29,045	14,368	14,375	9,290	10,266	4,471
Amount	502,660	18,268	21,391	36,230	38,637	95,266	292,869
Taxable Individual Retirement Arrangements distributions: Number	45,691	21,890	9,423	7,431	3,490	2,822	635
Amount	395,286	97,271	73,326	81,100	56,633	66,213	20,743
Pensions and annuities in AGI: Number	152,608	80,421	29,941	23,227	10,402	7,201	1,416
Amount	2,107,187	772,043	457,055	407,440	219,615	201,979	49,054
Unemployment compensation: Number	68,349	36,823	17,470	10,053	2,898	1,029	76
Amount	234,250	111,628	66,416	38,955	11,874	4,910	468
Social Security benefits in AGI: Number	61,569	15,421	21,228	14,277	5,514	3,974	1,155
Amount	492,251	27,381	116,912	178,534	82,533	65,881	21,010
Self-employment retirement plans: Number	3,901	257	290	433	464	1,269	1,188
Amount	62,043	1,459	1,388	2,859	4,106	18,614	33,617
Total itemized deductions: [5] Number	125,795	16,811	24,142	32,424	24,204	22,212	6,002
Amount	2,155,458	215,750	299,097	469,691	385,635	461,781	323,506
State and local income taxes: Number	122,754	14,425	23,711	32,298	24,173	22,148	5,999
Amount	566,372	14,903	40,498	89,744	101,496	157,349	162,382
Real estate taxes: Number	110,753	12,274	20,001	29,314	22,718	20,857	5,589
Amount	117,293	10,179	14,754	24,685	21,948	29,407	16,321
Taxes paid: Number	125,620	16,340	24,164	32,567	24,294	22,229	6,026
Amount	721,812	27,998	60,450	123,151	131,653	195,880	182,678
Interest paid: Number	105,211	11,210	19,671	28,646	21,929	19,123	4,632
Amount	724,886	65,495	111,594	180,907	148,234	152,259	66,398
Contributions: Number	101,588	10,653	17,479	26,289	21,158	20,315	5,694
Amount	367,161	21,833	39,034	70,064	62,981	82,615	90,633
Taxable income: Number	551,424	240,512	138,165	97,822	41,924	26,683	6,318
Amount	16,775,667	1,794,728	3,230,713	4,128,416	2,673,415	2,697,735	2,250,660
Total tax credits: [6] Number	193,067	59,113	60,237	43,175	19,423	9,097	2,022
Amount	161,305	24,983	53,556	49,650	22,127	7,778	3,211
Child tax credit: Number	135,252	33,843	44,203	35,948	15,218	6,040	--
Amount	115,942	15,150	41,389	38,072	15,911	5,418	--
Child care credit: Number	17,116	2,742	4,239	5,097	2,879	1,873	286
Amount	6,852	955	1,592	2,065	1,275	808	158
Earned income credit: [7] Number	145,936	139,677	6,259	--	--	--	--
Amount	243,260	240,418	2,842	--	--	--	--
Excess earned income credit (refundable): [8] Number	128,970	124,351	4,619	--	--	--	--
Amount	220,036	217,868	2,169	--	--	--	--
Income tax: [9] Number	505,823	206,055	127,628	97,271	41,873	26,678	6,318
Amount	2,597,975	180,187	361,127	530,620	390,751	500,566	634,725
Total tax liability: [10] Number	539,103	236,638	130,114	97,446	41,900	26,686	6,319
Amount	2,790,795	227,052	389,451	558,755	411,142	537,140	667,257
Tax due at time of filing: [11] Number	88,337	36,219	18,566	16,022	7,474	7,546	2,510
Amount	209,046	22,764	23,077	27,524	20,875	43,789	71,017
Overpayments: [12] Number	621,568	373,589	117,130	79,120	32,814	16,753	2,162
Amount	1,154,937	523,876	225,470	192,238	104,324	72,584	36,444

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WISCONSIN							
Number of returns	**2,589,845**	**1,284,336**	**494,668**	**408,443**	**213,761**	**150,798**	**37,839**
Number of joint returns	1,107,783	214,903	211,495	315,163	193,830	138,446	33,946
Number with paid preparer's signature	1,475,312	693,284	290,053	247,688	123,068	90,701	30,518
Number of exemptions	5,104,118	1,781,222	1,014,641	1,095,689	637,462	459,632	115,472
Adjusted gross income (AGI) [3]	**117,029,363**	**16,211,898**	**19,411,868**	**25,148,192**	**18,333,076**	**19,446,710**	**18,477,620**
Salaries and wages in AGI: [4] Number	2,238,505	1,035,818	449,943	378,626	200,722	139,785	33,611
Amount	89,339,832	13,493,627	15,932,546	20,713,852	15,261,736	15,002,241	8,935,832
Taxable interest: Number	1,448,963	515,386	281,423	301,070	178,633	135,955	36,496
Amount	2,226,917	597,328	294,438	313,554	210,594	291,892	519,109
Dividends: Number	716,010	236,778	121,644	140,601	95,649	90,205	31,133
Amount	1,853,367	307,197	179,920	220,593	173,469	314,387	657,800
Business or profession net income (less loss):							
Number	319,097	119,964	63,989	63,304	33,941	28,597	9,302
Amount	3,220,143	431,875	467,442	563,265	417,587	737,395	602,579
Number of farm returns	64,845	30,348	13,466	11,093	5,112	3,612	1,214
Net capital gain (less loss) in AGI: Number	503,490	169,730	80,974	90,997	63,615	69,125	29,049
Amount	4,406,507	199,886	137,724	233,889	263,058	727,411	2,844,539
Taxable Individual Retirement Arrangements							
distributions: Number	220,368	105,886	41,816	35,888	18,814	14,388	3,576
Amount	1,998,250	496,028	332,676	388,325	286,316	350,829	144,077
Pensions and annuities in AGI: Number	455,117	204,883	89,661	80,730	41,803	30,816	7,224
Amount	6,721,758	1,693,702	1,338,691	1,565,941	995,760	889,738	237,928
Unemployment compensation: Number	335,186	147,983	82,673	69,648	25,384	8,838	660
Amount	1,083,768	478,858	274,608	218,400	77,474	31,479	2,950
Social Security benefits in AGI: Number	220,922	48,388	69,562	54,669	24,281	18,236	5,786
Amount	1,927,319	87,102	408,125	660,663	364,036	301,083	106,310
Self-employment retirement plans: Number	21,197	1,891	2,562	3,919	3,376	5,767	3,682
Amount	228,361	8,074	13,544	23,288	26,609	73,878	82,967
Total itemized deductions: [5] Number	964,596	139,094	193,100	266,563	185,641	143,779	36,419
Amount	17,295,663	1,794,714	2,420,866	3,983,681	3,298,130	3,568,834	2,229,437
State and local income taxes: Number	926,619	107,619	189,228	265,003	185,061	143,298	36,410
Amount	4,452,216	126,080	414,688	888,113	892,878	1,067,993	1,062,464
Real estate taxes: Number	891,172	117,718	174,081	250,022	177,036	137,844	34,471
Amount	3,194,661	337,617	478,975	780,498	649,830	656,427	291,314
Taxes paid: Number	961,492	134,238	193,296	267,554	186,004	143,837	36,563
Amount	7,995,706	479,216	911,761	1,697,674	1,570,024	1,934,622	1,402,411
Interest paid: Number	807,833	86,873	161,340	237,674	167,434	125,523	28,989
Amount	5,516,787	463,346	875,887	1,486,298	1,148,972	1,089,486	452,798
Contributions: Number	835,956	102,038	154,569	234,371	172,097	137,420	35,461
Amount	2,222,657	151,191	232,840	406,814	360,529	464,814	606,469
Taxable income: Number	2,085,211	785,203	490,437	407,537	213,555	150,678	37,801
Amount	78,284,162	6,484,754	11,754,139	16,581,224	12,843,698	14,510,631	16,109,713
Total tax credits: [6] Number	807,504	210,939	203,587	199,197	117,003	62,956	13,822
Amount	754,113	94,618	178,060	245,736	146,772	56,206	32,721
Child tax credit: Number	519,187	93,343	132,990	159,221	91,297	42,328	8
Amount	495,810	46,577	124,305	180,088	103,814	41,019	8
Child care credit: Number	102,313	13,933	19,234	31,331	21,431	14,333	2,051
Amount	43,445	5,710	8,240	13,381	9,297	5,893	925
Earned income credit: [7] Number	293,418	278,852	14,566	--	--	--	--
Amount	465,069	458,683	6,386	--	--	--	--
Excess earned income credit (refundable): [8]							
Number	249,153	239,090	10,063	--	--	--	--
Amount	408,958	404,566	4,391	--	--	--	--
Income tax: [9] Number	1,935,569	681,114	451,359	401,786	212,948	150,551	37,811
Amount	12,864,794	662,258	1,374,556	2,091,093	1,781,754	2,619,742	4,335,391
Total tax liability: [10] Number	2,023,762	755,211	463,250	403,660	213,188	150,629	37,824
Amount	13,543,141	802,427	1,490,963	2,221,921	1,871,606	2,742,665	4,413,559
Tax due at time of filing: [11] Number	413,553	142,782	79,749	84,677	43,306	45,990	17,049
Amount	1,223,820	85,197	98,362	136,836	103,562	219,322	580,541
Overpayments: [12] Number	2,023,811	1,038,195	402,015	310,922	162,841	95,366	14,472
Amount	3,697,102	1,193,537	713,429	708,726	476,326	392,511	212,574

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WYOMING							
Number of returns	**240,998**	**127,363**	**44,495**	**36,468**	**17,791**	**11,456**	**3,425**
Number of joint returns	106,104	25,383	23,422	28,245	15,966	10,230	2,858
Number with paid preparer's signature	141,425	69,872	26,989	22,523	10,944	8,049	3,048
Number of exemptions	474,791	184,783	99,903	97,402	51,347	32,323	9,033
Adjusted gross income (AGI) [3]	**11,092,479**	**1,407,514**	**1,751,240**	**2,241,288**	**1,522,240**	**1,466,582**	**2,703,615**
Salaries and wages in AGI: [4] Number	205,876	104,401	39,432	33,197	16,321	9,936	2,589
Amount	7,397,763	1,337,646	1,424,536	1,829,350	1,220,728	954,754	630,748
Taxable interest: Number	111,412	41,844	21,028	22,341	13,037	9,870	3,292
Amount	318,785	64,228	30,277	33,499	24,826	37,814	128,141
Dividends: Number	57,929	20,100	9,779	11,259	7,372	6,657	2,762
Amount	414,430	32,219	18,074	22,463	19,464	35,134	287,076
Business or profession net income (less loss): Number	40,136	16,859	7,966	7,475	3,701	2,987	1,148
Amount	383,124	52,839	53,420	60,376	46,090	84,573	85,826
Number of farm returns	9,595	4,402	1,782	1,537	821	699	354
Net capital gain (less loss) in AGI: Number	47,164	16,923	7,653	8,515	5,514	5,756	2,803
Amount	1,067,734	30,622	16,758	26,971	27,850	90,007	875,527
Taxable Individual Retirement Arrangements distributions: Number	15,901	6,285	3,340	3,064	1,665	1,198	349
Amount	180,312	32,575	28,326	36,112	27,108	33,218	22,972
Pensions and annuities in AGI: Number	40,310	16,606	8,443	7,776	4,016	2,784	685
Amount	634,248	155,130	134,762	147,687	87,676	78,703	30,291
Unemployment compensation: Number	14,842	8,156	3,839	1,971	583	271	22
Amount	48,711	25,952	12,810	6,608	2,163	1,091	87
Social Security benefits in AGI: Number	20,382	4,115	6,404	5,054	2,229	1,776	804
Amount	176,560	8,664	36,953	58,448	32,002	27,054	13,438
Self-employment retirement plans: Number	1,702	168	171	287	263	480	333
Amount	21,511	801	973	2,005	2,090	7,103	8,541
Total itemized deductions: [5] Number	44,659	8,089	9,247	11,337	7,527	6,351	2,108
Amount	922,462	105,835	120,453	165,891	122,959	132,472	274,852
State and local income taxes: Number	6,777	877	1,271	1,635	1,108	1,139	747
Amount	46,491	2,004	1,448	2,693	2,245	4,087	34,014
Real estate taxes: Number	39,944	6,206	7,903	10,440	7,235	6,119	2,041
Amount	65,465	8,062	7,926	11,352	9,387	12,027	16,709
Taxes paid: Number	42,943	7,090	8,808	11,125	7,498	6,307	2,115
Amount	130,857	10,867	12,078	18,830	15,693	20,260	53,129
Interest paid: Number	37,519	5,432	7,490	10,145	6,985	5,726	1,741
Amount	361,291	39,732	51,814	80,274	62,940	64,021	62,510
Contributions: Number	35,518	5,055	6,743	9,190	6,613	5,850	2,067
Amount	280,154	9,208	15,549	26,619	22,642	29,785	176,352
Taxable income: Number	187,694	74,504	44,161	36,397	17,772	11,444	3,416
Amount	8,044,574	578,418	1,056,247	1,557,464	1,148,673	1,190,525	2,513,246
Total tax credits: [6] Number	71,023	19,245	19,912	17,399	8,838	4,251	1,378
Amount	65,825	8,059	18,007	20,936	10,525	3,753	4,545
Child tax credit: Number	44,048	9,537	14,029	13,823	6,659	2,491**	**
Amount	43,918	4,511	13,646	16,008	7,403	2,351**	**
Child care credit: Number	9,461	1,581	2,357	3,093	1,558	773	99
Amount	3,984	569	958	1,360	701	346	50
Earned income credit: [7] Number	34,479	32,689	1,790	--	--	--	--
Amount	54,933	54,137	797	--	--	--	--
Excess earned income credit (refundable): [8] Number	29,604	28,275	1,329	--	--	--	--
Amount	48,410	47,818	592	--	--	--	--
Income tax: [9] Number	172,837	64,217	40,014	36,005	17,739	11,442	3,420
Amount	1,388,706	58,501	120,154	200,945	167,969	220,285	620,851
Total tax liability: [10] Number	184,056	74,026	41,264	36,150	17,751	11,443	3,422
Amount	1,469,968	76,107	132,750	215,021	178,401	235,230	632,460
Tax due at time of filing: [11] Number	40,278	14,034	7,877	8,094	4,302	4,368	1,603
Amount	171,010	9,756	11,466	16,356	13,715	30,475	89,240
Overpayments: [12] Number	185,400	104,014	35,189	26,951	12,618	5,812	816
Amount	355,852	133,910	66,570	63,553	37,182	26,998	27,638

See notes at end of this section.

Table 2.--Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2003 -- Continued

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income					
		Under $30,000 [1]	$30,000 under $50,000	$50,000 under $75,000	$75,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
OTHER AREAS [14]							
Number of returns	**1,546,460**	**1,247,056**	**114,666**	**70,793**	**34,442**	**46,040**	**33,463**
Number of joint returns	425,958	257,603	54,485	39,757	21,138	29,836	23,139
Number with paid preparer's signature	784,640	603,660	56,482	38,198	20,939	34,871	30,490
Number of exemptions	2,936,604	2,191,824	263,344	176,243	88,404	121,176	95,613
Adjusted gross income (AGI) [3]	**43,728,667**	**5,477,182**	**4,439,039**	**4,310,512**	**2,966,164**	**6,329,213**	**20,206,561**
Salaries and wages in AGI: [4] Number	895,556	631,016	100,062	63,016	30,874	41,479	29,109
Amount	50,197,800	14,056,217	4,866,499	4,682,478	3,237,119	7,018,711	16,336,776
Taxable interest: Number	464,019	278,328	52,167	42,762	24,479	36,553	29,730
Amount	1,008,319	251,185	87,930	84,377	57,364	115,560	411,901
Dividends: Number	216,128	100,698	25,218	24,023	15,313	25,806	25,070
Amount	1,352,787	183,513	73,737	76,435	58,991	131,604	828,506
Business or profession net income (less loss): Number	59,019	37,808	6,740	4,789	2,669	4,102	2,911
Amount	1,266,767	405,171	114,222	99,439	70,253	180,282	397,401
Number of farm returns	2,053	1,039	233	184	148	221	228
Net capital gain (less loss) in AGI: Number	179,419	88,170	18,589	17,434	11,634	20,714	22,878
Amount	3,618,172	243,540	100,646	120,728	112,236	328,353	2,712,669
Taxable Individual Retirement Arrangements distributions: Number	18,309	9,429	3,095	2,337	1,318	1,458	672
Amount	268,536	69,021	39,729	39,780	29,708	50,296	40,001
Pensions and annuities in AGI: Number	90,338	48,809	15,586	11,078	5,889	6,103	2,873
Amount	1,754,772	573,657	344,521	288,919	173,169	219,026	155,480
Unemployment compensation: Number	11,873	7,039	2,056	1,320	587	604	267
Amount	67,815	37,012	12,534	8,702	4,123	3,593	1,850
Social Security benefits in AGI: Number	24,131	8,546	6,127	4,330	2,029	2,146	953
Amount	209,483	51,070	42,257	46,919	25,812	29,657	13,766
Self-employment retirement plans: Number	3,290	454	242	281	239	580	1,494
Amount	76,575	2,963	2,366	3,107	3,168	11,440	53,533
Total itemized deductions: [5] Number	385,474	270,704	31,617	24,086	14,969	24,686	19,412
Amount	3,075,130	834,651	267,536	296,528	223,693	484,560	968,163
State and local income taxes: Number	302,678	217,740	23,735	17,125	10,900	18,191	14,987
Amount	1,192,819	394,665	57,708	62,084	53,915	143,937	480,509
Real estate taxes: Number	62,233	11,044	7,959	9,739	7,445	14,121	11,925
Amount	237,938	31,471	19,705	25,711	22,308	53,872	84,869
Taxes paid: Number	338,774	230,492	29,074	22,213	14,157	23,789	19,049
Amount	1,510,307	449,309	87,138	97,243	82,556	209,571	584,491
Interest paid: Number	70,535	12,745	9,667	11,238	8,129	15,158	13,598
Amount	904,801	121,671	86,094	107,289	82,871	181,885	324,990
Contributions: Number	94,909	31,694	12,224	12,509	8,667	15,513	14,302
Amount	426,753	27,053	28,980	36,605	29,427	60,582	244,106
Taxable income: Number	678,090	380,222	113,545	70,515	34,377	45,995	33,436
Amount	35,613,065	2,979,309	2,779,834	3,127,641	2,325,504	5,340,310	19,060,471
Total tax credits: [6] Number	249,741	79,101	58,001	37,970	19,179	28,620	26,870
Amount	3,319,419	41,245	88,639	108,129	90,551	371,773	2,619,084
Child tax credit: Number	88,049	23,015	32,284	20,405	8,253	4,089	3
Amount	76,123	10,702	29,400	22,759	9,262	3,995	5
Child care credit: Number	18,563	4,138	6,078	4,168	1,681	1,701	797
Amount	10,533	2,046	3,481	2,510	988	1,018	487
Earned income credit: [7] Number	36,703	33,082	3,621	--	--	--	--
Amount	58,815	57,077	1,738	--	--	--	--
Excess earned income credit (refundable): [8] Number	34,200	30,900	3,300	--	--	--	--
Amount	56,958	55,337	1,622	--	--	--	--
Income tax: [9] Number	612,761	343,046	92,712	65,283	33,260	45,251	33,209
Amount	5,254,724	314,651	287,861	384,117	320,151	778,822	3,169,123
Total tax liability: [10] Number	726,882	454,532	94,219	65,789	33,482	45,529	33,331
Amount	5,681,375	627,448	304,650	397,897	329,217	798,519	3,223,642
Tax due at time of filing: [11] Number	213,089	134,590	19,826	16,268	9,966	17,339	15,100
Amount	764,479	152,560	30,219	36,932	32,732	98,384	413,653
Overpayments: [12] Number	961,577	767,274	86,012	49,396	21,803	24,091	13,001
Amount	2,131,379	1,076,284	237,069	177,199	106,321	181,965	352,541

See notes at end of this section.

Table 3.--Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2001-2003

[All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Number of returns			Adjusted gross income or deficit		
	2001	2002	2003p	2001	2002	2003p
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**130,255,237**	**130,076,443**	**130,571,319**	**6,170,603,942**	**6,033,585,532**	**6,212,974,067**
No adjusted gross income [1,2]	1,438,187	1,752,457	1,759,110	-70,431,606	-80,192,750	-63,308,110
$1 under $1,000 [2]	1,837,978	1,812,110	1,665,403	1,055,221	1,028,189	932,942
$1,000 under $3,000 [2]	5,370,910	4,832,988	4,885,212	10,773,315	9,835,110	9,739,562
$3,000 under $5,000 [2]	5,383,155	5,163,776	5,084,627	21,469,839	20,664,036	20,309,563
$5,000 under $7,000	4,954,876	5,019,326	5,073,858	29,752,585	30,092,034	30,354,093
$7,000 under $9,000	4,975,444	4,977,282	5,119,316	39,738,309	39,783,173	40,873,047
$9,000 under $11,000	4,903,020	5,061,799	4,994,352	49,014,583	50,702,341	50,046,811
$11,000 under $13,000	4,666,912	4,748,173	4,655,865	56,048,919	56,974,191	55,769,269
$13,000 under $15,000	4,757,038	4,808,347	4,747,596	66,611,416	67,289,532	66,510,171
$15,000 under $17,000	4,655,768	4,632,156	4,673,255	74,393,134	74,014,744	74,698,747
$17,000 under $19,000	4,688,595	4,508,626	4,457,124	84,303,762	81,156,450	80,204,470
$19,000 under $22,000	6,379,736	6,522,571	6,334,996	130,782,945	133,706,690	129,748,224
$22,000 under $25,000	5,724,238	5,650,213	5,723,068	134,364,721	132,575,256	134,379,682
$25,000 under $30,000	8,563,035	8,574,575	8,550,537	235,155,806	234,951,863	234,803,301
$30,000 under $40,000	13,843,639	13,980,104	13,980,972	480,541,398	485,696,239	485,560,267
$40,000 under $50,000	10,612,617	10,550,457	10,488,420	475,360,387	472,821,957	469,120,945
$50,000 under $75,000	17,559,778	17,396,916	17,352,692	1,074,476,035	1,066,616,794	1,064,837,216
$75,000 under $100,000	8,903,894	9,247,839	9,582,718	764,115,039	794,489,072	824,464,925
$100,000 under $200,000	8,469,199	8,422,603	8,901,359	1,114,318,617	1,109,689,065	1,174,675,124
$200,000 under $500,000	2,018,372	1,908,466	2,002,600	578,592,628	548,814,753	578,017,378
$500,000 under $1,000,000	355,617	336,684	355,554	240,863,950	227,044,247	240,607,376
$1,000,000 under $1,500,000	85,479	78,121	82,433	103,192,473	94,072,610	99,750,994
$1,500,000 under $2,000,000	36,491	31,316	34,038	62,634,095	53,782,124	58,495,126
$2,000,000 under $5,000,000	52,157	44,205	48,856	154,967,884	130,305,117	143,406,926
$5,000,000 under $10,000,000	12,266	10,026	11,302	83,519,500	68,251,296	77,418,306
$10,000,000 or more	6,836	5,309	6,061	174,988,989	129,421,398	131,557,712

Size of adjusted gross income	Personal exemptions and total deductions			Taxable income [3]		
	2001	2002	2003p	2001	2002	2003p
	(7)	(8)	(9)	(10)	(11)	(12)
Total	**2,093,990,841**	**2,151,555,282**	**2,222,367,215**	**4,268,506,425**	**4,096,127,651**	**4,202,698,688**
No adjusted gross income [1,2]	7,109,989	8,370,181	8,429,178	--	--	--
$1 under $1,000 [2]	8,351,543	8,855,810	9,608,807	13,321	9,896	8,558
$1,000 under $3,000 [2]	27,951,839	28,389,468	30,557,201	566,382	353,201	262,740
$3,000 under $5,000 [2]	40,080,189	39,960,916	41,822,831	697,584	395,581	315,141
$5,000 under $7,000	42,742,160	45,600,646	47,790,495	2,395,647	2,025,806	1,886,976
$7,000 under $9,000	48,603,257	50,502,811	53,737,194	4,430,092	3,745,836	3,577,143
$9,000 under $11,000	52,224,587	56,969,639	56,773,999	7,951,737	7,217,563	7,314,623
$11,000 under $13,000	51,532,471	54,002,395	55,152,796	12,131,861	11,611,674	10,855,525
$13,000 under $15,000	53,492,523	57,353,476	57,755,638	17,764,670	16,184,372	16,245,741
$15,000 under $17,000	53,971,666	55,605,184	59,309,718	23,392,154	21,888,062	20,210,221
$17,000 under $19,000	56,218,518	56,509,518	58,599,386	30,149,938	27,351,521	25,183,938
$19,000 under $22,000	77,817,748	83,630,471	84,845,210	55,009,880	52,623,811	47,985,721
$22,000 under $25,000	71,723,065	74,641,180	78,585,840	63,955,539	59,627,203	57,992,968
$25,000 under $30,000	109,869,726	115,640,897	122,649,893	126,824,811	121,068,620	114,359,185
$30,000 under $40,000	193,830,419	203,827,001	213,502,977	288,448,814	284,041,793	274,281,796
$40,000 under $50,000	171,668,365	176,949,588	182,365,776	305,197,261	296,662,439	287,655,366
$50,000 under $75,000	343,601,152	350,940,396	357,772,776	731,935,622	716,811,409	707,741,748
$75,000 under $100,000	217,971,128	233,730,324	244,834,645	546,501,718	561,237,747	579,972,217
$100,000 under $200,000	271,710,613	277,447,089	294,561,946	843,411,444	832,980,233	880,791,014
$200,000 under $500,000	96,875,261	91,780,608	92,169,120	482,712,954	457,567,015	486,164,694
$500,000 under $1,000,000	29,953,997	28,020,122	26,723,378	211,318,031	199,225,455	213,984,702
$1,000,000 under $1,500,000	11,936,828	10,634,396	9,463,930	91,492,389	83,569,923	90,310,642
$1,500,000 under $2,000,000	7,028,843	5,776,814	5,349,638	55,760,182	48,059,469	53,192,659
$2,000,000 under $5,000,000	16,780,880	13,542,781	12,009,194	138,523,230	116,903,427	131,421,689
$5,000,000 under $10,000,000	9,200,677	7,027,686	6,390,865	74,551,405	61,268,835	71,029,181
$10,000,000 or more	21,743,397	15,845,882	11,604,783	153,369,759	113,696,760	119,954,498

See notes at end of this section.

Table 3.--Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2001-2003--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Total income tax			Percentage of returns showing no total income tax		
	2001	2002	2003p	2001	2002	2003p
	(13)	(14)	(15)	(16)	(17)	(18)
Total	**887,973,968**	**796,986,268**	**750,024,250**	**27.2**	**30.1**	**31.8**
No adjusted gross income [1,2]	92,152	124,380	39,363	99.6	99.7	99.8
$1 under $1,000 [2]	1,276	898	16,549	93.5	95.4	95.7
$1,000 under $3,000 [2]	74,603	39,664	24,154	87.4	91.2	92.9
$3,000 under $5,000 [2]	83,183	43,481	28,448	85.5	89.9	92.1
$5,000 under $7,000	251,677	215,288	189,314	69.0	70.4	72.0
$7,000 under $9,000	445,506	352,620	333,830	60.2	68.3	70.5
$9,000 under $11,000	845,943	642,801	629,825	46.6	51.0	49.9
$11,000 under $13,000	1,400,684	1,090,930	964,590	46.4	47.8	49.8
$13,000 under $15,000	2,057,126	1,470,430	1,418,894	42.8	49.9	48.5
$15,000 under $17,000	2,699,816	2,085,024	1,787,256	37.6	39.7	47.7
$17,000 under $19,000	3,431,541	2,633,409	2,234,811	36.3	38.4	43.1
$19,000 under $22,000	6,223,990	4,944,001	4,368,910	33.4	58.8	39.9
$22,000 under $25,000	7,335,315	5,648,796	5,308,833	26.8	35.4	36.4
$25,000 under $30,000	15,551,507	12,329,287	11,028,264	17.6	23.8	28.7
$30,000 under $40,000	38,460,994	32,654,711	29,767,654	7.2	10.9	15.1
$40,000 under $50,000	44,464,949	38,114,016	34,662,092	2.9	4.9	7.5
$50,000 under $75,000	114,051,713	101,820,331	94,174,874	1.0	1.3	1.9
$75,000 under $100,000	98,746,758	93,655,145	84,465,199	0.3	0.4	0.6
$100,000 under $200,000	185,263,807	175,140,747	164,508,868	0.1	0.2	0.1
$200,000 under $500,000	134,590,608	124,764,596	121,662,898	0.1	0.1	0.1
$500,000 under $1,000,000	67,781,194	63,370,780	60,548,583	0.2	0.1	0.1
$1,000,000 under $1,500,000	30,259,886	27,479,397	26,201,037	0.2	0.2	0.1
$1,500,000 under $2,000,000	18,477,684	15,890,811	15,588,579	0.2	0.2	0.1
$2,000,000 under $5,000,000	45,841,881	38,692,291	38,111,840	0.2	0.1	0.1
$5,000,000 under $10,000,000	24,207,787	20,044,370	20,279,524	0.3	0.2	--
$10,000,000 or more	45,332,386	33,738,065	31,680,060	0.2	0.2	--

Size of adjusted gross income	Returns showing total income tax					
	Average tax (whole dollars)			Tax as a percentage of AGI		
	2001	2002	2003p	2001	2002	2003p
	(19)	(20)	(21)	(22)	(23)	(24)
Total	**9,370**	**8,762**	**8,417**	**15.2**	**14.1**	**13.1**
No adjusted gross income [1,2]	17,469	26,274	12,172	([4])	([4])	([4])
$1 under $1,000 [2]	11	11	233	1.2	1.2	27.3
$1,000 under $3,000 [2]	111	94	70	5.9	4.8	3.9
$3,000 under $5,000 [2]	106	84	71	2.5	1.9	1.6
$5,000 under $7,000	164	145	133	2.8	2.4	2.3
$7,000 under $9,000	225	224	221	2.8	2.7	2.7
$9,000 under $11,000	323	259	252	3.2	2.6	2.5
$11,000 under $13,000	560	441	413	4.7	3.7	3.4
$13,000 under $15,000	756	611	581	5.4	4.4	4.1
$15,000 under $17,000	929	747	732	5.8	4.7	4.6
$17,000 under $19,000	1,149	948	881	6.4	5.3	4.9
$19,000 under $22,000	1,464	1,214	1,148	7.1	5.9	5.6
$22,000 under $25,000	1,751	1,548	1,458	7.4	6.6	6.2
$25,000 under $30,000	2,205	1,886	1,809	8.0	6.9	6.6
$30,000 under $40,000	2,994	2,622	2,508	8.6	7.5	7.2
$40,000 under $50,000	4,314	3,800	3,572	9.6	8.5	8.0
$50,000 under $75,000	6,558	5,931	5,532	10.7	9.7	9.0
$75,000 under $100,000	11,124	10,169	8,864	13.0	11.8	10.3
$100,000 under $200,000	21,896	20,831	18,507	16.6	15.8	14.0
$200,000 under $500,000	66,764	65,452	60,815	23.3	22.8	21.1
$500,000 under $1,000,000	190,893	188,463	170,448	28.1	27.9	25.2
$1,000,000 under $1,500,000	354,659	352,318	318,225	29.3	29.3	26.3
$1,500,000 under $2,000,000	507,211	508,213	458,312	29.5	29.6	26.7
$2,000,000 under $5,000,000	880,863	876,541	780,516	29.6	29.7	26.6
$5,000,000 under $10,000,000	1,978,569	2,003,435	1,795,125	29.0	29.4	26.2
$10,000,000 or more	6,642,108	6,370,481	5,227,733	27.4	26.1	24.1

See notes at end of this section.

Table 4.--Comparison of Personal Income in the National Income and Product Accounts (NIPA) with Adjusted Gross Income (AGI), for Specified Tax Years, 1985-2003

[All figures are estimates--money amounts are in billions of dollars]

Income and adjustment items	1985	1990	1995	2000	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)
Personal income (per NIPA) [1]	**3,526.7**	**4,878.6**	**6,152.3**	**8,429.7**	**8,878.9**	**9,161.8**
Less: Portion of personal income not included in AGI	**1,248.2**	**1,669.9**	**2,234.2**	**2,971.3**	**3,240.2**	**n.a.**
Nontaxable transfer payments	401.9	551.2	797.5	962.0	1,123.0	n.a.
Employer contributions to employee pension and insurance funds	281.5	377.8	493.6	609.9	729.6	n.a.
Imputed income [2]	84.9	114.1	186.7	265.8	316.8	n.a.
Investment income of life insurance carriers and pension plans	204.2	304.2	369.1	497.3	407.1	n.a.
Investment income received by nonprofit institutions or retained by fiduciaries	37.5	51.6	60.0	75.6	65.6	n.a.
Net differences in accounting treatment (NIPA vs. IRS)	83.4	110.4	83.8	159.4	153.2	n.a.
Other excluded or tax-exempt income	154.8	160.6	243.4	401.4	444.8	n.a.
Plus: Portion of AGI not included in personal income	**353.1**	**589.7**	**841.7**	**1,667.1**	**1,356.0**	**n.a.**
Personal contributions for social insurance	133.6	203.7	268.8	359.2	384.7	396.7
Net gain from the sale of assets	69.8	115.7	167.4	645.4	236.4	n.a.
Taxable pensions	145.0	215.9	293.2	414.2	465.6	n.a.
Small business corporation income	6.3	36.4	79.2	128.2	153.3	n.a.
Other types of income	-1.7	18.1	33.2	120.0	116.0	n.a.
Equals: BEA-derived adjusted gross income	**2,631.6**	**3,798.4**	**4,759.8**	**7,125.4**	**6,994.6**	**n.a.**
Adjusted gross income, IRS	**2,306.0**	**3,405.4**	**4,189.4**	**6,365.4**	**6,033.6**	**6,213.0** [p]
Adjusted gross income (AGI) gap [3]	**325.6**	**393.0**	**570.4**	**760.1**	**961.1**	**n.a.**
AGI gap as a percentage of BEA-derived AGI	**12.4**	**10.3**	**12.0**	**10.7**	**13.7**	**n.a.**
AGI of IRS as a percentage of BEA-derived AGI	**87.6**	**89.7**	**88.0**	**89.3**	**86.3**	**n.a.**

See notes at end of this section.

Table 5.--Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1950-2002

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) [1, 2]	Total adjusted gross income (AGI) (per NIPA) [1, 2, 3]	Difference	
			Amount [2, 3]	Percentage of personal income [2, 3]
	(1)	(2)	(3)	(4)
1950	229.0	202.5	26.5	11.6
1951	258.0	229.3	28.7	11.1
1952	275.4	241.6	33.8	12.3
1953	291.9	256.1	35.8	12.3
1954	294.5	257.3	37.2	12.6
1955	316.1	278.7	37.4	11.8
1956	339.6	299.4	40.2	11.8
1957	358.7	312.6	46.1	12.9
1958	369.0	315.8	53.2	14.4
1959	392.8	341.8	51.0	13.0
1960	411.5	354.0	57.5	14.0
1961	429.0	368.0	61.0	14.2
1962	456.7	390.0	66.7	14.6
1963	479.6	411.0	68.6	14.3
1964	514.6	443.9	70.7	13.7
1965	555.7	480.6	75.1	13.5
1966	603.9	521.2	82.7	13.7
1967	648.3	551.3	97.0	15.0
1968	712.0	605.6	106.4	14.9
1969	778.5	659.8	118.7	15.2
1970	838.8	696.4	142.4	17.0
1971	903.5	742.8	160.7	17.8
1972	992.7	824.5	168.2	16.9
1973	1,110.7	925.0	185.7	16.7
1974	1,222.6	1,003.5	219.1	17.9
1975	1,335.0	1,046.8	288.2	21.6
1976	1,474.8	1,168.0	306.8	20.8
1977	1,633.2	1,296.1	337.1	20.6
1978	1,837.7	1,466.4	371.3	20.2
1979	2,062.2	1,654.1	408.1	19.8
1980	2,307.9	1,830.3	477.6	20.7
1981	2,591.3	2,016.3	575.0	22.2
1982	2,775.3	2,098.6	676.7	24.4
1983	2,960.7	2,225.6	735.1	24.8
1984	3,289.5	2,472.6	816.9	24.8
1985	3,526.7	2,631.6	895.1	25.4
1986	3,722.4	2,853.2	869.2	23.4
1987	3,947.4	3,121.1	826.3	20.9
1988	4,253.7	3,411.9	841.8	19.8
1989	4,587.8	3,649.7	938.1	20.4
1990	4,878.6	3,798.4	1,080.2	22.1
1991	5,051.0	3,856.8	1,194.2	23.6
1992	5,362.0	4,092.0	1,270.0	23.7
1993	5,558.5	4,245.4	1,313.1	23.6
1994	5,842.5	4,473.7	1,368.8	23.4
1995	6,152.3	4,759.8	1,392.5	22.6
1996	6,520.6	5,144.5	1,376.1	21.1
1997	6,915.1	5,578.0	1,337.1	19.3
1998	7,423.0	6,120.2	1,302.8	17.6
1999	7,802.4	6,553.5	1,248.9	16.0
2000	8,429.7	7,125.4	1,304.3	15.5
2001	8,724.1	7,005.0	1,719.1	19.7
2002	8,878.9	6,994.6	1,884.3	21.2

See notes at end of this section.

Table 6.--Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and as Reported on Individual Income Tax Returns per Statistics of Income (SOI), Tax Years 1950-2002

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) [2]	Reported on tax returns (per SOI)	Amount [3]	Percentage of total (per NIPA) [3]
	(1)	(2)	(3)	(4)
1950	202.5	179.1	23.4	11.6
1951	229.3	202.3	27.0	11.8
1952	241.6	215.3	26.3	10.9
1953	256.1	228.7	27.4	10.7
1954	257.3	229.2	28.1	10.9
1955	278.7	248.5	30.2	10.8
1956	299.4	267.7	31.7	10.6
1957	312.6	280.3	32.3	10.3
1958	315.8	281.2	34.6	11.0
1959	341.8	305.1	36.7	10.7
1960	354.0	315.5	38.5	10.9
1961	368.0	329.9	38.1	10.4
1962	390.0	348.7	41.3	10.6
1963	411.0	368.8	42.2	10.3
1964	443.9	396.7	47.2	10.6
1965	480.6	429.2	51.4	10.7
1966	521.2	468.5	52.7	10.1
1967	551.3	504.8	46.5	8.4
1968	605.6	554.4	51.2	8.5
1969	659.8	603.5	56.3	8.5
1970	696.4	631.7	64.7	9.3
1971	742.8	673.6	69.2	9.3
1972	824.5	746.0	78.5	9.5
1973	925.0	827.1	97.9	10.6
1974	1,003.5	905.5	98.0	9.8
1975	1,046.8	947.8	99.0	9.5
1976	1,168.0	1,053.9	114.1	9.8
1977	1,296.1	1,158.5	137.6	10.6
1978	1,466.4	1,302.4	164.0	11.2
1979	1,654.1	1,465.4	188.7	11.4
1980	1,830.3	1,613.7	216.6	11.8
1981	2,016.3	1,772.6	243.7	12.1
1982	2,098.6	1,852.1	246.5	11.7
1983	2,225.6	1,942.6	283.0	12.7
1984	2,472.6	2,139.9	332.7	13.5
1985	2,631.6	2,306.0	325.6	12.4
1986	2,853.2	2,481.7	371.5	13.0
1987	3,121.1	2,773.8	347.3	11.1
1988	3,411.9	3,083.0	328.9	9.6
1989	3,649.7	3,256.4	393.3	10.8
1990	3,798.4	3,405.4	393.0	10.3
1991	3,856.8	3,464.5	392.3	10.2
1992	4,092.0	3,629.1	462.9	11.3
1993	4,245.4	3,723.3	522.1	12.3
1994	4,473.7	3,907.5	566.2	12.7
1995	4,759.8	4,189.4	570.4	12.0
1996	5,144.5	4,536.0	608.5	11.8
1997	5,578.0	4,969.9	608.1	10.9
1998	6,120.2	5,416.0	704.2	11.5
1999	6,553.5	5,855.5	698.0	10.7
2000	7,125.4	6,365.4	760.0	10.7
2001	7,005.0	6,170.6	834.4	11.9
2002	6,994.6	6,033.6	961.0	13.7

See notes at end of this section.

Table 7.--Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1950-2003

[All figures are estimates based on samples--number of returns is in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Total deductions		Standard deduction		Itemized deductions	
		Amount [1]	As a percentage of adjusted gross income (AGI) [2]	Number of returns [3]	Amount [4]	Number of returns [3]	Amount [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950	53.1	21.9	12.2	42.7	12.0	10.3	9.9
1951	55.4	25.2	12.5	43.9	13.3	11.6	11.9
1952	56.5	27.3	12.7	43.7	13.7	12.8	13.6
1953	57.8	29.8	13.0	43.4	14.2	14.4	15.6
1954	56.7	30.7	13.4	41.0	13.3	15.7	17.4
1955	58.3	33.6	13.5	40.9	13.6	16.9	20.0
1956	59.2	36.4	13.6	40.3	13.8	18.5	22.6
1957	59.8	39.5	14.1	39.3	13.8	20.2	25.7
1958	59.1	40.7	14.5	37.9	13.2	20.8	27.5
1959	60.3	45.4	14.9	37.3	13.4	22.5	32.0
1960	61.0	48.4	15.3	36.5	13.1	24.1	35.3
1961	61.5	51.3	15.6	35.8	12.9	25.3	38.4
1962	62.7	54.8	15.7	35.8	13.1	26.5	41.7
1963	63.9	59.2	16.1	35.4	13.1	28.2	46.1
1964	65.4	67.0	16.9	38.0	20.2	26.9	46.8
1965	67.6	71.4	16.6	39.3	20.6	27.9	50.7
1966	70.2	76.4	16.3	41.2	21.8	28.6	54.6
1967	71.7	81.7	16.2	41.5	22.1	29.8	59.6
1968	73.7	91.3	16.5	41.3	22.1	32.0	69.2
1969	75.8	101.8	16.9	40.5	21.6	34.9	80.2
1970	74.3	120.5	19.1	38.4	32.4	35.4	88.2
1971	74.6	139.9	20.8	43.5	48.1	30.7	91.9
1972	77.6	166.4	22.3	50.2	69.8	27.0	96.7
1973	80.7	180.6	21.8	52.2	73.6	28.0	107.0
1974	83.3	195.5	21.6	53.2	76.1	29.6	119.4
1975	82.2	233.2	24.6	55.5	100.9	26.1	122.3
1976	84.7	247.6	23.5	58.2	113.8	26.0	133.9
1977	86.6	276.2	23.8	58.8	137.7	22.9	138.5
1978	89.8	304.3	23.4	59.5	139.8	25.8	164.4
1979	92.7	333.0	22.7	60.7	148.8	26.5	184.2
1980	93.9	364.0	22.6	59.5	146.0	29.0	218.0
1981	95.4	401.2	22.6	58.7	144.7	31.6	256.4
1982	95.3	425.2	23.0	56.9	140.2	33.4	284.5
1983	96.3	448.7	23.1	56.2	138.5	35.2	309.6
1984	99.4	499.6	23.3	56.7	139.5	38.2	358.9
1985	101.7	554.7	24.1	57.0	145.0	39.8	405.0
1986	103.0	611.3	24.6	56.5	151.0	40.7	447.1
1987	107.0	607.2	21.9	69.1	215.2	35.6	392.0
1988	109.7	686.0	22.3	76.5	289.6	31.9	395.2
1989	112.1	740.4	22.7	79.3	309.4	32.0	431.0
1990	113.7	789.9	23.2	80.6	331.5	32.2	458.5
1991	114.7	818.8	23.6	81.3	351.1	32.5	467.7
1992	113.6	848.5	23.4	80.1	366.5	32.5	481.9
1993	114.6	872.5	23.4	80.8	382.1	32.8	490.4
1994	115.9	890.8	22.8	81.9	397.1	33.0	493.7
1995	118.2	941.0	22.5	83.2	413.6	34.0	527.4
1996	120.4	998.6	22.0	84.0	426.1	35.4	572.5
1997	122.4	1,062.5	21.4	84.8	441.7	36.6	620.8
1998	124.8	1,135.9	21.0	85.6	459.5	38.2	676.5
1999	127.1	1,205.3	20.6	85.8	464.0	40.2	741.4
2000	129.4	1,293.2	20.3	85.7	470.8	42.5	822.4
2001	130.3	1,366.4	22.1	84.2	467.0	44.6	884.5
2002	130.1	1,390.1	23.0	82.7	477.2	45.6	898.0
p2003	130.6	1,439.4	23.2	84.9	542.8	43.9	880.6

See notes at end of this section.

Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per Statistics of Income (SOI), Tax Years 1950-2003

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA)[1, 2]	Taxable income (per SOI)[3, 4]		Total income tax (per SOI)[4]		
		Amount	As a percentage of personal income	Amount	As a percentage of-- Personal income	As a percentage of-- Taxable income [3]
	(1)	(2)	(3)	(4)	(5)	(6)
1950	229.0	84.3	36.8	18.4	8.0	21.8
1951	258.0	99.2	38.4	24.2	9.4	24.4
1952	275.4	107.2	38.9	27.8	10.1	25.9
1953	291.9	114.3	39.2	29.4	10.1	25.7
1954	294.5	115.3	39.2	26.7	9.1	23.2
1955	316.1	128.0	40.5	29.6	9.4	23.1
1956	339.6	141.5	41.7	32.7	9.6	23.1
1957	358.7	149.4	41.7	34.4	9.6	23.0
1958	369.0	149.3	40.5	34.3	9.3	23.0
1959	392.8	166.5	42.4	38.6	9.8	23.2
1960	411.5	171.6	41.7	39.5	9.6	23.0
1961	429.0	181.8	42.4	42.2	9.8	23.2
1962	456.7	195.3	42.8	44.9	9.8	23.0
1963	479.6	209.1	43.6	48.2	10.1	23.1
1964	514.6	229.9	44.7	47.2	9.2	20.5
1965	555.7	255.1	45.9	49.6	8.9	19.4
1966	603.9	286.3	47.4	56.1	9.3	19.6
1967	648.3	315.1	48.6	63.0	9.7	20.0
1968	712.0	352.8	49.6	76.7	10.8	21.7
1969	778.5	388.8	49.9	86.6	11.1	22.3
1970	838.8	401.2	47.8	83.9	10.0	20.9
1971	903.5	414.0	45.8	85.4	9.5	20.6
1972	992.7	447.6	45.1	93.6	9.4	20.9
1973	1,110.7	511.9	46.1	108.1	9.7	21.1
1974	1,222.6	573.6	46.9	123.6	10.1	21.5
1975	1,335.0	595.5	44.6	124.5	9.3	20.9
1976	1,474.8	674.9	45.8	141.8	9.6	21.0
1977	1,633.2	733.8	44.9	159.8	9.8	21.8
1978	1,837.7	846.4	46.1	188.2	10.2	22.2
1979	2,062.2	926.6	44.9	214.5	10.4	23.2
1980	2,307.9	1,045.2	45.3	250.3	10.8	23.0
1981	2,591.3	1,170.1	45.2	284.1	11.0	24.3
1982	2,775.3	1,231.9	44.4	277.6	10.0	22.5
1983	2,960.7	1,300.2	43.9	274.2	9.3	21.1
1984	3,289.5	1,447.0	44.0	301.9	9.2	20.9
1985	3,526.7	1,550.5	44.0	325.7	9.2	21.0
1986	3,722.4	1,665.6	44.7	367.3	9.9	22.1
1987	3,947.4	1,850.6	46.9	369.2	9.4	20.0
1988	4,253.7	2,070.0	48.7	412.9	9.7	19.9
1989	4,587.8	2,173.3	47.4	432.9	9.4	19.9
1990	4,878.6	2,263.7	46.4	447.1	9.2	19.8
1991	5,051.0	2,284.1	45.2	448.4	8.9	19.6
1992	5,362.0	2,395.7	44.7	476.2	8.9	19.9
1993	5,558.5	2,453.5	44.1	502.8	9.0	20.5
1994	5,842.5	2,598.0	44.5	534.9	9.2	20.6
1995	6,152.3	2,813.8	45.7	588.4	9.6	20.9
1996	6,520.6	3,089.7	47.4	658.2	10.1	21.3
1997	6,915.1	3,429.1	49.6	731.3	10.6	21.3
1998	7,423.0	3,780.8	50.9	788.5	10.6	20.9
1999	7,802.4	4,136.1	53.0	877.4	11.2	21.2
2000	8,429.7	4,544.2	53.9	980.6	11.6	21.6
2001	8,724.1 [r]	4,268.5	48.9	888.0	10.2	20.8
2002	8,878.9	4,096.1	46.1	797.0	9.0	19.5
p2003	9,161.8	4,202.7	45.9	750.0	8.2	17.8

See notes at end of this section.

Table 9.--Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1950-2003

[All figures are estimates based on samples--number of returns is in millions]

Tax year	Total number of returns	Number of returns with--		
		Tax due at time of filing	Overpayments [1]	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1950	53.1	14.3	32.0	6.8
1951	55.4	18.6	31.0	5.8
1952	56.5	19.3	32.1	5.1
1953	57.8	19.0	32.7	6.2
1954	56.7	16.6	35.2	5.0
1955	58.3	18.7	35.4	4.2
1956	59.2	19.4	36.1	3.7
1957	59.8	18.6	37.6	3.6
1958	59.1	18.1	37.4	3.6
1959	60.3	19.1	38.4	2.8
1960	61.0	18.1	39.4	3.5
1961	61.5	18.6	40.0	2.9
1962	62.7	18.7	40.9	3.1
1963	63.9	19.3	41.4	3.3
1964	65.4	22.5	39.3	3.5
1965	67.6	20.0	44.3	3.2
1966	70.2	17.8	49.4	3.0
1967	71.7	17.5	51.2	3.0
1968	73.7	20.3	50.6	2.8
1969	75.8	17.9	54.9	3.0
1970	74.3	16.5	55.3	2.5
1971	74.6	17.0	55.3	2.4
1972	77.6	11.9	63.3	2.3
1973	80.7	14.2	64.2	2.2
1974	83.3	15.4	65.8	2.1
1975	82.2	15.8	63.8	2.6
1976	84.7	16.9	65.0	2.8
1977	86.6	17.8	66.0	2.8
1978	89.8	21.6	65.5	2.7
1979	92.7	18.8	71.4	2.4
1980	93.9	21.8	69.9	2.3
1981	95.4	23.0	70.0	2.4
1982	95.3	20.3	72.4	2.6
1983	96.3	18.5	75.0	2.9
1984	99.4	21.2	75.6	2.7
1985	101.7	21.2	77.4	3.0
1986	103.0	21.5	78.1	3.5
1987	107.0	23.8	79.8	3.4
1988	109.7	27.2	79.1	3.4
1989	112.1	28.0	80.9	3.2
1990	113.7	27.0	83.5	3.2
1991	114.7	25.6	85.6	3.5
1992	113.6	29.0	81.0	3.6
1993	114.6	28.6	82.4	3.6
1994	115.9	27.6	85.1	3.2
1995	118.2	29.7	85.3	3.2
1996	120.4	30.6	86.5	3.3
1997	122.4	31.2	88.3	2.9
1998	124.8	28.4	93.4	3.0
1999	127.1	29.2	94.8	3.1
2000	129.4	30.6	95.9	2.9
2001	130.3	24.6	102.3	3.4
2002	130.1	22.8	103.5	3.8
p2003	130.6	20.0	105.9	4.7

See notes at end of this section.

Table 10.--Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns with nonfarm business net income or deficit, total [1]	**14,782,738**	**16,423,872**	**17,408,809**	**17,575,643**	**17,904,731**	**18,338,190**	**18,925,517**
Number with nonfarm business net income	11,221,925	12,213,472	13,080,498	13,165,318	13,307,842	13,603,907	13,750,798
Number of nonfarm businesses	**16,596,384**	**18,391,237**	**19,369,091**	**19,516,047**	**19,863,507**	**20,378,335**	**20,972,642**
Business receipts, total	**730,606,020**	**807,363,638**	**918,268,196**	**969,347,038**	**1,020,957,283**	**1,016,834,678**	**1,029,691,760**
Income from sales and operations	719,007,636	796,597,098	905,137,974	955,392,128	1,007,948,354	1,002,205,953	1,015,363,541
Total deductions [2]	**589,249,583**	**638,126,845**	**716,157,430**	**761,427,577**	**806,386,102**	**799,633,110**	**808,900,651**
Cost of goods sold	291,010,060	306,958,514	341,132,831	370,079,223	387,381,087	363,355,614	351,785,009
Inventory, beginning-of-year	29,024,992	31,167,684	30,801,698	31,540,485	32,412,471	34,176,255	34,291,721
Inventory, end-of-year	30,421,844	33,355,750	32,881,518	33,835,064	34,342,365	35,732,488	36,279,786
Purchases	210,225,158	219,305,493	231,404,960	255,539,328	268,789,953	246,541,135	227,085,757
Cost of labor	22,679,507	24,383,409	27,447,822	28,723,302	29,278,688	28,022,289	30,389,028
Materials and supplies	30,195,388	34,427,096	42,161,782	41,757,379	43,195,524	43,798,283	45,589,230
Advertising	6,574,743	8,309,645	9,413,989	9,453,659	10,148,700	10,774,079	11,237,979
Car and truck expenses	21,765,531	32,784,939	39,715,702	40,786,963	45,711,214	47,351,940	50,489,359
Commissions	8,816,233	9,591,619	10,722,131	11,228,396	11,621,490	12,130,077	14,066,786
Depletion	816,131	457,480	380,149	387,000	684,974	693,669	461,938
Depreciation	23,734,507	26,233,844	29,135,616	30,637,555	32,196,159	33,425,567	36,642,027
Pension and profit-sharing plans	586,394	649,043	756,924	870,362	892,873	991,892	1,085,247
Employee benefit programs	1,056,604	1,298,834	1,560,404	1,663,528	1,871,875	2,040,639	2,284,368
Insurance	13,357,568	12,977,567	12,938,411	13,219,821	13,623,759	14,367,018	16,004,335
Interest paid, total	13,311,670	10,056,583	11,159,401	11,224,488	12,232,846	12,509,547	11,439,539
Mortgage interest	6,256,506	4,076,344	4,882,248	4,736,127	5,250,896	5,456,226	5,006,864
Other interest	7,055,164	5,980,239	6,277,153	6,488,361	6,981,950	7,053,321	6,432,675
Legal and professional services	5,880,163	6,340,021	6,669,029	6,818,392	7,312,694	7,482,619	8,365,930
Meals and entertainment expenses before limitation	5,329,281	6,353,157	7,526,850	7,987,445	9,183,825	9,314,840	10,020,243
Meals and entertainment deduction	4,262,870	3,208,742	3,796,350	4,031,523	4,664,694	4,735,312	5,088,083
Office expenses	6,896,758	8,344,181	9,611,633	9,921,297	10,456,415	10,604,805	11,331,733
Rent paid, total	23,391,608	27,502,981	30,460,020	31,417,502	33,222,458	33,641,132	34,854,754
On machinery	3,754,492	6,218,381	7,545,390	8,227,000	8,880,267	8,522,008	8,543,257
On other business property	19,637,116	21,284,600	22,914,630	23,190,502	24,342,191	25,119,124	26,311,497
Repairs	8,940,657	10,171,788	11,349,751	11,697,341	12,280,525	12,129,756	12,669,141
Net salaries and wages (not deducted elsewhere)	46,998,029	54,470,725	58,864,773	61,204,430	63,485,540	63,826,020	66,067,965
Supplies	n.a.	16,902,055	19,725,440	21,654,319	21,793,962	23,074,836	24,615,763
Taxes paid	10,341,654	13,471,220	13,730,731	14,000,359	13,955,919	14,214,082	14,901,431
Travel	5,605,961	6,504,973	7,624,311	8,089,635	8,457,317	8,657,266	9,110,193
Utilities (including telephone)	13,538,612	17,205,789	18,431,400	18,466,170	19,381,881	20,482,680	20,674,727
Bad debts	1,038,756	996,588	925,866	1,111,178	983,868	1,176,324	1,055,722
Business use of home	n.a.	3,337,929	4,138,364	4,785,849	5,642,543	5,981,403	6,474,145
Net income (less deficit) [2]	**141,430,193**	**169,262,336**	**202,274,720**	**207,946,977**	**214,715,298**	**217,385,116**	**221,113,286**
Net income [2]	161,657,252	191,728,953	226,189,570	233,404,991	245,230,626	250,178,322	257,292,855
Deficit [2]	20,227,059	22,466,617	23,914,850	25,458,013	30,515,328	32,793,206	36,179,568

See notes at end of this section.

Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total number of active partnerships	**1,553,529**	**1,580,900**	**1,855,348**	**1,936,919**	**2,057,500**	**2,132,117**	**2,242,169**
Number with net income	853,676	955,166	1,171,187	1,225,916	1,261,420	1,301,040	1,325,008
Number with balance sheets [1]	1,081,224	1,053,139	1,303,970	1,392,405	1,504,978	1,591,450	1,682,072
Number of partners	**17,094,966**	**15,605,686**	**15,663,372**	**15,353,154**	**13,659,967**	**14,231,604**	**14,328,108**
Number of limited partnerships [2]	**285,769**	**295,304**	**342,726**	**354,295**	**348,973**	**369,150**	**376,963**
Number of partners	11,986,542	10,223,901	9,325,111	8,944,693	6,468,292	7,023,431	6,918,515
Number of limited liability companies [2]	**n.a.**	**118,559**	**470,657**	**589,403**	**718,704**	**808,692**	**946,130**
Number of partners [2]	n.a.	712,781	1,879,382	2,256,062	2,699,227	3,231,921	3,737,899
Total assets [3]	**1,735,285,033**	**2,718,647,742**	**5,126,548,007**	**5,998,952,883**	**6,694,142,838**	**8,428,217,379**	**8,866,560,101**
Depreciable assets (net)	681,409,780	766,778,033	1,153,222,498	1,314,251,428	1,487,182,018	1,646,477,441	1,791,511,841
Inventories, end of year	56,507,062	88,050,194	175,963,423	174,078,288	149,875,359	208,165,141	202,669,386
Land	214,757,035	221,172,841	291,171,287	326,371,562	358,625,577	392,090,094	423,177,429
Total liabilities [3]	**1,415,247,893**	**1,886,488,062**	**3,150,848,369**	**3,453,186,389**	**3,695,508,180**	**4,835,135,071**	**4,972,036,919**
Accounts payable	66,747,965	90,603,965	190,689,535	243,769,049	229,893,243	361,748,491	346,350,802
Short-term debt [4]	88,092,149	123,961,301	229,922,243	231,808,501	252,226,751	289,248,638	282,684,863
Long-term debt [5]	497,560,607	544,253,482	884,452,445	988,667,751	1,132,180,865	1,286,392,538	1,375,077,274
Nonrecourse loans	470,139,911	465,744,743	523,403,560	582,151,975	639,417,006	699,883,406	770,277,980
Partners' capital account [3]	**320,037,140**	**832,159,680**	**1,975,699,638**	**2,545,766,494**	**2,998,634,658**	**3,593,082,308**	**3,894,523,181**
Total receipts [6]	**566,212,218**	**890,431,963**	**1,603,027,268**	**1,907,171,104**	**2,405,356,195**	**2,665,156,204**	**2,772,829,505**
Business receipts	483,417,504	760,617,695	1,356,655,904	1,615,762,245	2,061,764,235	2,278,200,526	2,414,187,093
Interest received [7]	20,799,631	31,240,619	51,454,743	61,769,762	82,322,875	84,801,548	70,225,315
Total deductions [6]	**549,602,678**	**783,602,767**	**1,416,322,641**	**1,678,732,999**	**2,136,365,436**	**2,388,821,379**	**2,502,162,335**
Cost of goods sold	242,448,195	395,322,385	737,235,839	902,157,018	1,225,628,897	1,338,114,656	1,430,213,629
Purchases	140,521,621	256,546,960	461,144,704	585,068,938	797,038,243	887,515,286	903,589,600
Cost of labor	13,924,993	20,080,458	33,411,962	42,089,216	46,714,175	53,029,403	58,736,031
Net salaries and wages (not deducted elsewhere)	56,025,118	80,292,538	142,910,961	169,905,010	201,350,844	230,874,139	237,882,426
Taxes paid	9,339,396	13,151,513	23,813,223	26,896,235	31,145,304	34,626,540	36,416,569
Interest paid	29,617,935	42,775,881	73,406,067	74,428,567	92,751,748	97,278,387	68,127,690
Depreciation [8]	60,204,443	62,266,537	88,646,144	102,786,520	116,040,441	138,412,382	154,542,874
Net income (less deficit)	**16,609,540**	**106,829,196**	**186,704,627**	**228,438,105**	**268,990,758**	**276,334,824**	**270,667,169**
Net income	116,317,801	178,650,951	297,875,299	348,467,958	409,972,787	446,069,172	439,761,741
Deficit	99,708,261	71,821,755	111,170,672	120,029,853	140,982,029	169,734,347	169,094,572

See notes at end of this section.

Table 12.--Number of Business Income Tax Returns, by Size of Business for Specified Income Years, 1990-2002 [1]

[All figures are estimates based on samples--number of businesses is in thousands]

Type and size of business	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CORPORATIONS							
Total	**3,716.7**	**4,474.2**	**4,848.9**	**4,935.9**	**5,045.3**	**5,135.6**	**5,266.6**
Receipt size [2]							
Under $25,000 [3]	878.7	1,030.0	1,168.1	1,188.7	1,220.0	1,248.2	1,282.5
$25,000 under $50,000	252.0	288.4	289.0	296.9	305.4	295.8	314.3
$50,000 under $100,000	358.9	446.8	459.9	486.5	477.4	484.5	514.4
$100,000 under $250,000	661.7	736.1	839.7	823.9	837.1	877.1	893.9
$250,000 under $500,000	500.0	623.9	645.5	676.1	677.5	672.6	688.8
$500,000 under $1,000,000	416.0	512.7	553.1	546.2	581.9	601.5	610.7
$1,000,000 or more	649.4	803.3	893.5	917.5	946.0	955.9	962.1
Asset size [4]							
Under $100,000 [5]	2,111.5	2,615.0	2,813.7	2,845.7	2,911.3	n.a.	n.a.
Under $500,000	n.a.	n.a.	n.a.	n.a.	n.a.	4,289.8	4,415.3
$100,000 under $1,000,000	1,246.3	1,438.0	1,562.7	1,600.2	1,631.0	n.a.	n.a.
$500,000 under $1,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	342.2	344.5
$1,000,000 under $10,000,000	303.8	256.6	399.8	413.3	422.5	424.0	427.1
$10,000,000 under $25,000,000	25.2	29.1	33.0	35.0	37.0	36.4	36.8
$25,000,000 under $50,000,000	11.0	12.4	13.0	13.6	14.4	14.1	13.9
$50,000,000 under $100,000,000	7.4	8.4	8.9	9.3	9.6	9.5	9.3
$100,000,000 under $250,000,000	5.8	7.2	8.2	8.4	8.7	8.7	8.6
$250,000,000 or more, total	5.6	7.5	9.7	10.4	10.9	11.0	11.1
$250,000,000 under $500,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	4.2	4.2
$500,000,000 under $2,500,000,000	n.a.	n.a.	n.a.	n.a.	n.a.	4.9	4.9
$2,500,000,000 or more	n.a.	n.a.	n.a.	n.a.	n.a.	1.9	2.0
PARTNERSHIPS							
Total	**1,553.5**	**1,580.9**	**1,855.3**	**1,936.9**	**2,057.5**	**2,132.1**	**2,242.2**
Receipt size [6]							
Under $25,000 [3]	962.6	931.3	1,037.6	1,036.3	1,105.1	1,129.9	1,203.7
$25,000 under $50,000	126.0	133.5	157.3	169.5	183.0	182.6	185.3
$50,000 under $100,000	133.4	142.3	156.8	187.4	187.3	192.1	195.1
$100,000 under $250,000	139.9	158.6	206.4	212.4	225.8	233.9	248.5
$250,000 under $500,000	82.5	86.5	113.8	125.8	127.0	139.4	145.3
$500,000 under $1,000,000	52.1	59.4	76.6	83.8	92.4	102.8	105.0
$1,000,000 or more	57.1	69.3	106.8	121.6	136.9	151.4	159.3
Asset size							
Under $25,000 [5]	737.9	733.7	794.4	793.3	827.9	825.5	865.5
$25,000 under $50,000	99.3	79.1	92.5	93.3	105.3	104.7	104.9
$50,000 under $100,000	99.5	106.7	122.3	135.4	128.4	130.7	132.7
$100,000 under $250,000	194.1	184.5	210.7	216.4	229.5	239.1	252.3
$250,000 under $500,000	128.6	134.2	162.0	175.8	196.5	205.9	205.5
$500,000 under $1,000,000	105.2	123.8	162.9	175.2	183.0	202.6	226.4
$1,000,000 or more	188.9	218.9	310.5	347.5	386.9	423.7	454.9

See notes at end of this section.

Table 12.--Number of Business Income Tax Returns, by Size of Business for Specified Income Years, 1990-2002[1]--Continued

[All figures are estimates based on samples--number of businesses is in thousands]

Type and size of business	1990	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NONFARM SOLE PROPRIETORSHIPS[7]							
Total	**14,782.7**	**16,423.9**	**17,408.8**	**17,575.6**	**17,904.7**	**18,338.2**	**18,925.5**
Receipt size							
Under $2,500 [3]	3,750.1	4,139.5	4,246.4	4,295.6	4,333.1	3,769.4	4,546.4 [r]
$2,500 under $5,000	1,714.5	1,954.1	2,055.6	1,972.6	1,933.9	1,989.3	2,043.8
$5,000 under $10,000	2,011.7	2,254.4	2,407.0	2,350.2	2,395.7	2,523.1	2,604.6
$10,000 under $25,000	2,719.8	2,969.3	3,058.3	3,202.2	3,334.0	3,448.4	3,521.6
$25,000 under $50,000	1,660.2	1,982.7	2,111.9	2,227.0	2,246.7	2,239.3	2,357.8
$50,000 under $100,000	1,282.1	1,392.6	1,590.1	1,558.5	1,644.8	1,704.0	1,751.8
$100,000 under $200,000	857.2	916.3	1,019.7	1,020.3	1,052.9	1,109.7	1,115.4
$200,000 under $500,000	587.0	597.7	666.6	681.4	680.4	649.2	687.8
$500,000 under $1,000,000	142.7	147.4	175.1	182.2	189.5	197.8	203.3
$1,000,000 or more	57.3	69.9	78.1	85.7	91.7	92.9	93.0

See notes at end of this section.

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Specified Income Years, 1990-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990[1]	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total [1]	**3,716,650**	**4,474,167**	**4,848,888**	**4,935,904**	**5,045,274**	**5,135,591**	**5,266,607**
Number with net income [1]	1,910,670	2,455,492	2,760,814	2,812,175	2,819,153	2,822,302	2,800,517
Consolidated returns [1,2,3]	71,769	65,617	60,812	57,144	56,603	56,507	52,743
S corporation returns [1,3,4]	1,575,092	2,153,119	2,588,088	2,725,775	2,860,478	2,986,486	3,154,377
Total assets [5]	**18,190,057,609**	**26,013,689,001**	**37,347,352,986**	**41,464,152,854**	**47,026,871,874**	**49,154,424,202**	**50,413,501,942**
Cash	771,086,440	962,083,261	1,336,424,483	1,596,525,490	1,819,788,484	1,926,059,284	1,923,414,875
Notes and accounts receivable	4,198,016,230	5,306,570,583	7,061,547,469	7,744,960,605	8,754,425,366	8,755,544,213	8,885,603,717
Less: Allowance for bad debts	110,059,993	121,339,912	128,129,657	139,597,391	148,289,201	180,317,404	184,924,054
Inventories [6]	893,586,141	1,045,010,082	1,139,210,381	1,198,184,825	1,271,967,443	1,208,206,944	1,221,112,550
Investments in U.S. Government obligations	921,193,216	1,363,454,504	1,365,651,984	1,340,484,175	1,236,229,842	1,392,035,604	1,527,139,020
Tax-exempt securities [7]	380,320,504	839,783,392	958,653,471	957,099,790	973,317,816	1,057,398,071	1,203,096,628
Other current assets	1,164,582,476	1,835,051,182	2,738,441,339	2,639,764,762	3,206,693,449	3,663,607,042	3,509,562,061
Loans to shareholders	94,866,044	92,774,645	135,052,180	126,016,307	157,029,888	189,958,748	194,543,759
Mortgage and real estate loans	1,537,899,636	1,713,312,936	2,414,901,336	2,554,658,266	2,821,508,159	3,228,970,528	3,687,181,263
Other investments	4,136,891,162	7,429,369,054	13,201,119,823	15,799,039,436	17,873,853,425	18,343,524,687	18,727,600,926
Depreciable assets	4,317,781,452	5,571,142,501	6,541,280,743	6,935,503,013	7,291,998,758	7,613,590,480	7,677,626,201
Less: Accumulated depreciation	1,848,022,862	2,600,545,415	3,031,634,536	3,227,243,753	3,369,214,883	3,549,239,594	3,699,383,948
Depletable assets	129,370,543	153,542,647	192,668,634	183,593,413	191,353,340	198,775,908	226,336,112
Less: Accumulated depletion	55,075,300	70,960,211	92,307,154	85,660,310	87,437,339	92,093,245	110,296,199
Land	209,579,296	242,340,731	271,489,857	286,497,086	302,831,910	319,953,637	325,689,411
Intangible assets (amortizable)	491,252,807	749,166,777	1,376,300,094	1,717,251,430	2,246,509,413	2,474,758,111	2,353,465,751
Less: Accumulated amortization	95,754,475	165,020,215	232,743,976	280,555,798	364,363,888	483,180,189	480,835,477
Other assets	1,052,544,294	1,667,952,459	2,099,426,516	2,117,631,510	2,848,669,891	3,086,871,379	3,426,569,347
Total liabilities [5]	**18,190,057,609**	**26,013,689,001**	**37,347,352,986**	**41,464,152,854**	**47,026,871,874**	**49,154,424,202**	**50,413,501,942**
Accounts payable [8]	1,094,001,051	1,749,573,601	2,501,289,043	2,792,333,967	3,758,177,869	3,927,350,604	4,073,664,265
Mortgages, notes, and bonds payable in less than 1 year	1,802,732,358	2,033,602,027	3,215,524,383	3,658,308,770	4,019,704,844	4,131,856,961	3,814,481,517
Other current liabilities [8]	5,197,682,027	6,782,699,365	8,809,999,920	9,103,186,192	10,307,362,766	10,811,930,775	11,181,118,658
Loans from shareholders	268,559,197	311,675,047	361,234,088	394,938,632	451,461,831	549,016,868	541,170,351
Mortgages, notes, and bonds payable in 1 year or more	2,665,098,250	3,335,426,303	4,813,249,719	5,448,156,416	6,183,999,343	6,781,681,427	7,184,589,809
Other liabilities	2,423,067,175	3,668,771,655	4,537,780,597	4,704,367,882	4,957,514,852	5,337,844,395	6,073,368,168
Net worth	4,738,917,551	8,131,941,003	13,108,275,236	15,362,860,996	17,348,650,369	17,614,743,174	17,545,109,175
Capital stock	1,584,840,863	2,194,368,322	3,244,023,916	3,521,992,715	3,966,282,789	4,253,450,013	3,999,980,176
Additional paid-in capital	2,814,210,083	5,445,997,437	8,610,169,238	10,186,395,658	12,264,818,660	13,919,963,504	15,286,648,711
Retained earnings, appropriated	60,978,729	105,683,587	185,163,160	210,792,152	181,838,405	140,283,315	116,673,731
Retained earnings, unappropriated	1,349,027,584	2,085,712,657	3,187,402,691	3,759,001,185	3,445,346,327	1,991,453,794	1,060,109,067
Adjustments to shareholders' equity [9]	N/A	N/A	-3,006,539	17,108,266	-3,382,272	-33,277,666	-66,214,884
Less: Cost of treasury stock	1,070,139,706	1,699,820,997	2,118,483,766	2,315,320,710	2,506,253,537	2,690,407,452	2,852,087,624
Total receipts [10]	**11,409,520,074**	**14,539,050,114**	**17,323,955,004**	**18,892,385,694**	**20,605,808,071**	**20,272,957,624**	**19,749,426,052**
Business receipts [10, 11]	9,860,441,633	12,785,797,708	15,010,264,802	16,313,971,385	17,636,551,349	17,504,288,630	17,297,125,146
Interest on State and local Government obligations	35,164,734	46,323,344	49,128,679	51,780,203	51,940,598	49,227,853	48,212,626
Other interest [10, 12]	942,237,940	993,173,428	1,227,640,206	1,301,772,282	1,576,100,843	1,499,683,236	1,233,298,115
Dividends received from domestic corporations [10, 12]	13,413,839	22,842,877	20,010,007	20,679,644	20,869,880	18,964,132	17,382,452
Dividends received from foreign corporations [10]	33,261,669	35,418,063	49,232,904	64,905,407	60,203,391	49,997,670	45,580,553
Rents [10]	100,642,848	87,120,169	106,686,977	117,644,823	131,301,498	134,013,856	136,156,000
Royalties [10]	32,142,258	57,982,610	93,600,002	105,741,540	122,513,266	116,989,820	115,860,138
Net short-term capital gain reduced by net long-term capital loss	4,110,745	40,083,929	37,302,058	94,913,405	85,003,779	20,770,292	14,655,834
Net long-term capital gain reduced by net short-term capital loss	50,935,859	60,852,565	125,012,968	146,520,147	173,758,106	117,443,499	76,266,064
Net gain, noncapital assets [10, 11]	32,275,111	42,987,930	69,519,362	64,698,446	70,035,992	61,890,648	69,144,256
Other receipts	304,893,438	366,467,491	535,557,040	609,758,412	677,529,368	699,687,988	695,744,869

See notes at end of this section.

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Specified Income Years, 1990-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1990[1]	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total deductions[10]	**11,032,574,630**	**13,821,277,581**	**16,489,425,015**	**17,966,972,060**	**19,691,591,726**	**19,682,982,949**	**19,198,882,118**
Cost of goods sold[10]	6,610,769,883	8,206,073,365	9,362,392,237	10,284,098,039	11,135,287,909	11,041,533,030	10,607,404,004
Compensation of officers	205,403,164	303,636,318	356,850,517	373,735,141	401,416,310	382,813,379	381,235,331
Repairs	95,887,821	118,597,690	130,298,655	133,209,853	139,591,861	144,239,688	132,998,715
Bad debts	83,690,549	67,769,341	86,371,104	100,202,508	107,679,638	142,196,860	168,045,866
Rent paid on business property	184,771,540	232,104,107	308,317,657	347,245,365	380,083,953	398,045,240	410,639,197
Taxes paid	250,928,813	325,838,495	354,578,692	371,183,229	390,067,116	392,458,476	396,571,738
Interest paid[10]	825,372,164	744,764,676	966,659,473	1,018,972,484	1,271,678,744	1,203,045,923	912,751,562
Contributions or gifts	4,752,406	7,425,566	8,667,513	10,732,153	10,657,214	11,414,505	10,334,666
Amortization	31,503,958	45,998,611	74,336,292	86,124,690	98,333,079	110,454,488	115,006,680
Depreciation	332,781,754	436,581,144	542,490,397	583,799,587	614,372,700	649,988,724	710,881,312
Depletion[10, 13]	9,646,712	9,998,046	9,685,686	9,803,284	10,244,959	9,803,354	9,418,123
Advertising	126,417,097	162,777,591	198,214,266	216,066,879	234,000,558	219,834,114	218,035,603
Pension, profit-sharing, stock bonus, and annuity plans[13]	42,233,693	81,791,802	71,689,478	76,779,560	85,788,656	85,523,682	132,414,263
Employee benefit programs[13]	113,320,117	165,112,064	195,453,372	203,531,897	231,325,484	245,747,438	249,904,744
Net loss, noncapital assets[10, 11]	22,330,746	28,033,601	21,309,505	29,065,260	31,314,500	40,969,394	51,879,801
Other deductions[13]	2,092,764,214	2,884,775,167	3,802,110,171	4,122,422,135	4,549,749,050	4,604,914,658	4,691,360,514
Total receipts less total deductions[10, 14]	**376,945,444**	**717,772,533**	**834,529,989**	**925,413,634**	**914,216,344**	**589,974,675**	**550,543,934**
Constructive taxable income from related foreign corporations[15]	36,776,886	42,744,182	52,822,281	55,322,097	65,249,771	62,876,530	61,325,249
Net income (less deficit)[10, 14, 15, 16]	**370,632,632**	**714,193,371**	**838,223,591**	**928,955,528**	**927,525,517**	**603,623,352**	**563,656,558**
Net income[16]	552,526,789	880,653,345	1,091,150,050	1,229,295,911	1,336,619,605	1,112,480,550	1,053,126,217
Deficit[16]	181,894,157	166,459,975	252,926,459	300,340,383	409,094,088	508,857,198	489,469,660
Income subject to tax:[17]							
Number of returns	846,064	912,851	894,446	868,820	828,470	780,223	696,230
Amount	366,352,857	564,733,017	663,385,528	693,735,694	760,404,334	635,257,416	600,553,517
Total income tax[18]	**128,185,666**	**198,786,648**	**231,399,671**	**241,987,588**	**266,281,801**	**220,874,245**	**209,691,130**
Regular tax[19]	119,434,430	193,564,219	228,021,519	238,722,344	262,232,738	218,675,610	207,056,104
Recapture of prior-year investment credit	126,600	11,605	3,356	8,754	9,594	20,924	9,189
Alternative minimum tax:[20]							
Number of returns	32,458	25,834	18,360	14,901	13,135	7,101	7,066
Amount	8,104,269	4,281,827	3,324,799	3,051,869	3,874,845	1,800,595	2,532,224
Tax credits:[21]							
Total	**31,780,141**	**42,362,992**	**49,796,436**	**48,959,947**	**62,238,013**	**54,162,256**	**56,078,260**
Foreign tax credit:[22]							
Number of returns	5,203	6,716	5,922	5,864	5,937	5,488	4,726
Amount	24,989,922	30,420,276	37,396,469	38,389,989	48,505,841	41,063,165	42,021,526
U.S. possessions tax credit[22]	3,194,481	3,056,017	2,393,331	1,485,261	1,438,549	1,268,616	1,191,217
Nonconventional source fuel credit	81,790	732,031	1,029,728	886,835	1,516,990	1,806,406	2,189,943
Qualified electric vehicle credit	N/A	120	702	1,191	1,246	231	6,102
Qualified zone academy bond credit	N/A	N/A	N/A	2,170	14,542	28,151	80,289
Prior-year minimum tax credit	667,036	4,797,001	3,432,896	3,431,478	5,169,159	3,254,175	2,027,542
General business credit	2,833,701	3,388,423	5,601,399	4,763,022	5,591,686	6,741,513	8,561,641
Empowerment zone employment credit	N/A	N/A	19,118	21,645	23,501	23,401	59,776
General business current year credit items:[23]							
Investment credit	N/A	N/A	187,934	315,225	357,607	359,179	449,893
Work opportunity credit/jobs credit	N/A	N/A	261,936	253,886	266,341	233,563	258,428
Alcohol fuel credit	N/A	N/A	15,520	15,817	11,825	9,224	8,467
Research activities credit	N/A	N/A	5,342,779	5,410,932	7,235,621	6,518,136	5,818,383
Orphan drug credit	15,637	N/A	80,392	109,435	112,954	134,846	146,900
Total income tax after credits[24]	**96,403,099**	**156,392,780**	**181,545,146**	**193,027,641**	**204,043,788**	**166,711,988**	**153,612,870**

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
ALL INDUSTRIAL DIVISIONS [1]					
Number of returns, total [2]	3,277,219	3,716,650	4,474,167	4,631,370	4,710,083
Number with net income [2]	1,820,120	1,910,670	2,455,492	2,588,424	2,647,474
Total assets [3]	12,773,093,888	18,190,057,609	26,013,689,001	28,642,263,127	33,029,652,126
Net worth [3]	3,303,698,576	4,738,917,553	8,131,941,003	9,495,226,103	11,353,013,694
Total receipts [4]	8,398,278,426	11,409,520,074	14,539,050,114	15,525,718,006	16,609,707,302
Business receipts [4,5]	7,369,538,953	9,860,441,633	12,785,797,708	13,659,470,309	14,460,928,695
Interest received [4,6]	637,786,939	977,402,674	1,039,496,772	1,082,071,703	1,186,893,564
Total deductions [4]	8,158,144,126	11,032,574,630	13,821,277,581	14,728,089,018	15,704,242,236
Cost of goods sold [4]	4,894,254,081	6,610,769,883	8,206,073,365	8,707,100,240	9,114,245,646
Interest paid	568,645,475	825,372,164	744,764,676	770,885,334	866,474,183
Net income (less deficit) [4]	240,119,020	370,632,632	714,193,371	806,484,990	915,396,637
Net income [4]	363,867,384	552,526,789	880,653,345	986,782,683	1,117,825,239
Deficit [4]	123,748,365	181,894,157	166,459,975	180,297,692	202,428,602
Total income tax [7]	111,340,839	128,185,666	198,786,648	223,712,985	239,394,206
Regular and alternative tax [8]	109,106,358	119,434,430	193,564,219	219,756,610	235,325,362
Total income tax after credits	63,348,204	96,403,099	156,392,780	170,620,945	184,175,993
AGRICULTURE, FORESTRY, AND FISHING [1]					
Number of returns, total [2]	103,156	126,423	147,527	158,963	163,114
Number with net income [2]	52,776	70,965	79,320	90,012	91,984
Total assets [3]	52,651,197	68,338,381	86,298,574	94,140,118	91,984,030
Net worth [3]	15,406,221	23,360,455	30,102,131	32,757,173	32,990,807
Total receipts [4]	70,491,486	88,101,065	107,581,973	119,737,058	117,387,555
Business receipts [4]	65,419,402	82,114,836	100,630,952	111,727,224	107,930,422
Interest received [4,6]	775,383	681,127	640,032	759,958	601,918
Total deductions [4]	70,559,478	86,883,128	105,967,360	117,166,334	114,673,629
Cost of goods sold [4]	45,085,526	52,758,720	56,765,231	63,581,911	60,245,509
Interest paid	2,758,952	2,852,242	2,892,302	3,008,936	2,978,589
Net income (less deficit) [4]	-74,270	1,156,269	1,604,481	2,614,131	2,673,835
Net income [4]	2,930,905	4,328,433	5,402,335	6,262,057	6,310,262
Deficit [4]	3,005,175	3,172,164	3,797,857	3,647,926	3,636,427
Total income tax [7]	540,641	589,866	661,579	764,345	659,642
Regular and alternative tax [8]	531,787	569,812	640,696	748,862	647,752
Total income tax after credits	344,626	554,818	611,254	659,991	599,082
MINING [1]					
Number of returns, total [2]	41,426	39,674	35,123	35,799	32,996
Number with net income [2]	18,031	18,436	18,776	18,098	17,281
Total assets [3]	240,815,996	219,197,640	268,690,014	299,106,231	324,294,826
Net worth [3]	104,772,797	110,339,579	132,123,209	151,720,805	165,095,652
Total receipts [4]	142,038,595	111,444,457	126,760,491	141,278,092	150,318,265
Business receipts [4]	126,710,610	97,321,579	114,163,493	127,583,639	134,379,404
Interest received [4,6]	3,584,890	3,849,674	2,985,957	3,096,278	3,708,511
Total deductions [4]	145,389,514	106,466,509	121,397,443	133,385,823	141,046,419
Cost of goods sold [4]	87,972,035	62,070,361	70,550,767	78,022,883	78,465,626
Interest paid	7,789,995	6,674,114	6,071,863	6,179,872	6,768,047
Net income (less deficit) [4]	-2,543,487	5,302,223	5,530,975	8,152,607	9,728,562
Net income [4]	6,166,623	9,071,733	9,364,612	12,112,260	14,191,366
Deficit [4]	8,710,110	3,769,511	3,833,637	3,959,653	4,462,804
Total income tax [7]	1,810,559	2,223,977	2,119,370	2,525,467	3,141,128
Regular and alternative tax [8]	1,736,952	1,897,245	1,900,482	2,348,394	2,951,254
Total income tax after credits	557,519	1,348,333	1,170,119	1,350,676	2,019,716

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
CONSTRUCTION [1]					
Number of returns, total [2]	318,276	406,874	449,882	471,230	487,783
Number with net income [2]	185,613	223,434	275,375	300,890	307,733
Total assets [3]	215,297,771	243,829,026	265,812,616	284,595,206	314,551,349
Net worth [3]	54,687,270	63,865,550	86,553,081	92,427,338	99,144,660
Total receipts [4]	387,232,953	534,654,044	637,090,195	710,467,223	779,014,473
Business receipts [4]	374,590,273	522,586,199	627,463,416	699,596,890	768,122,399
Interest received [4,6]	3,851,628	3,621,561	2,068,327	2,089,412	2,079,884
Total deductions [4]	382,823,113	527,800,795	622,621,984	692,581,515	758,429,123
Cost of goods sold [4]	295,803,244	407,448,745	483,881,784	537,067,796	589,184,488
Interest paid	6,407,652	7,368,430	5,280,750	5,473,796	5,949,039
Net income (less deficit) [4]	4,370,924	6,824,608	14,458,024	17,878,460	20,522,439
Net income [4]	11,053,145	15,859,977	20,986,981	25,036,702	27,816,466
Deficit [4]	6,682,220	9,035,370	6,528,956	7,158,242	7,294,027
Total income tax [7]	2,312,856	2,092,196	2,462,222	2,958,069	2,953,440
Regular and alternative tax [8]	2,243,786	1,983,902	2,358,661	2,847,146	2,846,960
Total income tax after credits	1,662,563	1,906,537	2,281,929	2,667,923	2,817,961
MANUFACTURING [1]					
Number of returns, total [2]	276,545	301,669	319,699	325,689	325,045
Number with net income [2]	159,778	167,509	185,590	191,254	195,038
Total assets [3]	2,644,393,424	3,921,323,756	4,941,072,530	5,425,184,573	5,966,306,398
Net worth [3]	1,099,645,876	1,392,233,318	1,739,529,985	1,966,848,773	2,110,695,629
Total receipts [4]	2,831,062,496	3,688,693,895	4,585,549,761	4,902,669,122	5,177,663,770
Business receipts [4]	2,656,345,750	3,434,141,360	4,290,704,760	4,567,209,064	4,794,291,330
Interest received [4,6]	47,753,626	81,135,811	86,746,437	102,537,639	116,819,943
Total deductions [4]	2,733,105,346	3,545,121,842	4,354,564,077	4,652,960,523	4,910,704,056
Cost of goods sold [4]	1,797,852,805	2,377,226,499	2,932,256,224	3,125,013,437	3,241,577,938
Interest paid	90,452,072	151,214,835	145,509,470	156,862,195	175,064,011
Net income (less deficit) [4]	113,758,645	171,373,726	260,909,947	286,059,822	305,958,154
Net income [4]	142,541,119	212,936,099	297,458,397	325,291,340	352,453,829
Deficit [4]	28,782,474	41,562,373	36,548,450	39,231,518	46,495,675
Total income tax [7]	56,687,476	64,385,522	83,817,532	95,502,448	101,849,787
Regular and alternative tax [8]	55,553,921	60,664,655	81,476,502	93,646,267	100,318,010
Total income tax after credits	25,382,459	38,971,197	54,302,936	58,883,875	64,307,381
TRANSPORTATION AND PUBLIC UTILITIES [1]					
Number of returns, total [2]	138,337	160,353	194,456	205,777	209,412
Number with net income [2]	69,938	81,418	107,285	111,811	110,657
Total assets [3]	1,246,426,899	1,522,045,738	1,903,213,778	2,069,453,023	2,219,019,293
Net worth [3]	490,481,127	508,667,821	633,131,635	714,120,889	762,083,589
Total receipts [4]	772,358,188	936,277,062	1,156,709,979	1,257,010,639	1,330,726,431
Business receipts [4]	733,943,970	874,111,070	1,086,623,231	1,183,959,691	1,247,593,251
Interest received [4,6]	12,310,594	18,194,729	22,314,329	23,432,987	26,135,120
Total deductions [4]	747,836,158	900,960,832	1,084,676,405	1,182,369,290	1,260,911,843
Cost of goods sold [4]	381,028,354	405,924,209	405,708,040	453,455,420	482,982,473
Interest paid	44,880,858	59,190,735	61,601,762	64,006,991	69,385,093
Net income (less deficit) [4]	25,087,629	35,413,596	72,911,176	75,400,172	70,984,769
Net income [4]	37,880,144	51,490,850	87,557,007	93,129,707	95,097,536
Deficit [4]	12,792,516	16,077,254	14,645,831	17,729,536	24,112,767
Total income tax [7]	15,214,129	17,114,547	27,186,351	28,376,759	28,506,843
Regular and alternative tax [8]	14,881,470	15,228,031	26,305,839	27,775,587	27,790,676
Total income tax after credits	8,432,924	15,882,038	24,836,272	25,963,903	25,582,369

See notes at end of this section.

Table 14a.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997 --Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
WHOLESALE AND RETAIL TRADE [1]					
Number of returns, total [2]	917,301	1,023,057	1,132,409	1,142,491	1,149,132
Number with net income [2]	510,825	527,128	626,022	652,504	656,288
Total assets [3]	1,009,965,739	1,447,296,828	1,919,717,823	2,016,232,163	1,947,931,949
Net worth [3]	286,260,274	354,827,439	533,870,160	568,677,377	613,532,103
Total receipts [4]	2,473,865,453	3,308,988,336	4,310,346,947	4,490,073,608	4,703,816,853
Business receipts [4]	2,408,174,933	3,216,861,660	4,206,376,331	4,383,103,174	4,588,802,594
Interest received [4,6]	21,633,480	29,851,239	30,425,682	31,317,702	31,259,696
Total deductions [4]	2,440,403,373	3,279,066,687	4,247,560,773	4,418,321,110	4,624,196,186
Cost of goods sold [4]	1,869,766,621	2,482,483,270	3,255,845,728	3,378,472,096	3,523,438,346
Interest paid	38,217,998	63,914,431	59,945,319	61,708,013	65,839,595
Net income (less deficit) [4]	33,126,702	30,094,078	63,566,712	73,353,268	81,584,637
Net income [4]	51,434,500	65,383,876	97,018,112	107,999,874	117,042,233
Deficit [4]	18,307,798	35,289,798	33,451,401	34,646,606	35,457,596
Total income tax [7]	16,392,896	13,839,310	20,301,551	22,694,239	23,871,953
Regular and alternative tax [8]	16,130,885	13,324,360	20,030,374	22,435,178	23,550,018
Total income tax after credits	13,396,555	12,615,991	18,475,921	20,732,232	21,959,617
FINANCE, INSURANCE, AND REAL ESTATE [1]					
Number of returns, total [2]	518,432	609,138	683,211	723,754	744,545
Number with net income [2]	285,273	269,667	317,410	341,136	344,625
Total assets [3]	7,029,452,681	10,193,295,357	15,677,286,629	17,360,053,164	20,905,619,903
Net worth [3]	1,161,968,009	2,142,041,011	4,668,579,685	5,605,211,611	7,155,654,580
Total receipts [4]	1,182,034,309	1,954,709,651	2,278,103,923	2,406,855,250	2,711,269,836
Business receipts [5]	501,993,840	900,908,453	1,094,870,564	1,176,179,679	1,282,307,615
Interest received [4,6]	541,268,193	830,451,126	879,763,014	901,666,932	987,114,539
Total deductions [4]	1,104,572,202	1,809,867,575	1,985,795,615	2,076,613,597	2,304,339,835
Cost of goods sold [4]	237,577,803	526,244,728	614,755,680	632,948,266	661,222,720
Interest paid	363,009,417	506,921,011	433,479,978	439,762,655	501,112,985
Net income (less deficit) [4]	60,670,526	109,901,881	256,810,767	299,149,193	373,482,032
Net income [4]	90,546,934	158,458,842	295,423,415	337,822,090	413,000,341
Deficit [4]	29,876,408	48,556,962	38,612,648	38,672,897	39,518,308
Total income tax [7]	13,598,201	22,556,387	51,874,358	58,301,659	63,604,700
Regular and alternative tax [8]	13,369,981	20,709,720	50,691,121	57,556,938	62,650,267
Total income tax after credits	10,193,877	20,511,294	45,988,431	50,181,634	54,777,098
SERVICES [1]					
Number of returns, total [2]	939,390	1,029,447	1,504,230	1,557,401	1,592,854
Number with net income [2]	529,337	546,268	843,922	881,427	921,533
Total assets [3]	330,982,941	572,842,266	950,737,457	1,092,310,137	1,259,381,543
Net worth [3]	89,852,365	143,154,346	307,630,801	363,120,124	413,665,895
Total receipts [4]	534,587,609	779,329,609	1,335,694,559	1,496,215,552	1,638,587,903
Business receipts [4]	497,980,990	726,041,364	1,263,790,767	1,408,716,487	1,536,597,024
Interest received [4,6]	6,561,301	9,526,124	14,541,126	17,157,456	19,166,408
Total deductions [4]	528,685,613	769,035,909	1,297,475,364	1,453,204,496	1,589,010,688
Cost of goods sold [4]	176,070,808	290,965,307	385,562,425	437,521,006	476,468,909
Interest paid	15,027,259	27,188,190	29,967,579	33,871,749	39,371,150
Net income (less deficit) [4]	5,883,782	10,616,792	38,407,562	43,952,204	50,470,448
Net income [4]	21,124,460	34,850,560	67,389,184	79,102,121	91,879,768
Deficit [4]	15,240,678	24,233,768	28,981,622	35,149,916	41,409,320
Total income tax [7]	4,742,347	5,368,531	10,358,678	12,588,705	14,804,587
Regular and alternative tax [8]	4,621,875	5,041,377	10,155,538	12,397,017	14,568,298
Total income tax after credits	3,343,830	4,597,561	8,720,911	10,179,417	12,110,639

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
ALL INDUSTRIAL SECTORS [1]					
Number of returns, total [2]	4,848,888	4,935,904	5,045,274	5,135,591	5,266,607
Number with net income [2]	2,760,814	2,812,175	2,819,153	2,822,302	2,800,517
Total assets [3]	37,347,352,986	41,464,152,854	47,026,871,874	49,154,424,202	50,413,501,942
Net worth [3]	13,108,275,236	15,362,860,996	17,348,650,369	17,614,743,174	17,545,109,175
Total receipts [4]	17,323,955,004	18,892,385,694	20,605,808,071	20,272,957,624	19,749,426,052
Business receipts [4,5]	15,010,264,802	16,313,971,385	17,636,551,349	17,504,288,630	17,297,125,146
Interest received [4,6]	1,276,768,885	1,353,552,485	1,628,041,441	1,499,683,236	1,233,298,115
Total deductions [4]	16,489,425,015	17,966,972,060	19,691,591,726	19,682,982,949	19,198,882,118
Cost of goods sold [4]	9,362,392,237	10,284,098,039	11,135,287,909	11,041,533,030	10,607,404,004
Interest paid	966,659,473	1,018,972,484	1,271,678,744	1,203,045,923	912,751,562
Net income (less deficit) [4]	838,223,591	928,955,528	927,525,517	603,623,352	563,656,558
Net income [4]	1,091,150,050	1,229,295,911	1,336,619,605	1,112,480,551	1,053,126,217
Deficit [4]	252,926,459	300,340,383	409,094,088	508,857,198	489,469,660
Total income tax [7]	231,399,671	241,987,588	266,281,801	220,874,245	209,691,130
Regular tax	228,021,519	238,722,344	262,232,738	218,675,610	207,056,104
Total income tax after credits	181,545,146	193,027,641	204,043,788	166,711,988	153,612,870
AGRICULTURE, FORESTRY, HUNTING, AND FISHING [1]					
Number of returns, total [2]	135,107	141,678	140,851	140,806	140,223
Number with net income [2]	71,439	73,861	79,678	74,106	65,499
Total assets [3]	96,299,993	102,896,414	105,715,035	104,902,187	105,500,630
Net worth [3]	36,418,247	37,991,103	38,692,638	36,636,289	35,767,420
Total receipts [4]	110,588,698	115,897,645	117,135,698	115,434,441	119,151,243
Business receipts [4]	100,398,430	104,645,084	106,085,760	102,909,416	107,931,393
Interest received [4,6]	627,434	677,020	622,013	541,280	374,767
Total deductions [4]	110,125,234	114,521,646	115,914,854	114,621,084	119,774,426
Cost of goods sold [4]	56,835,616	58,439,010	59,844,373	54,841,323	60,121,105
Interest paid	3,117,877	3,460,472	3,580,884	3,280,134	2,923,041
Net income (less deficit) [4]	529,117	1,388,996	1,220,273	1,064,909	-587,571
Net income [4]	5,485,926	5,938,589	6,135,371	5,981,691	4,852,284
Deficit [4]	4,956,809	4,549,592	4,915,098	4,916,782	5,439,855
Total income tax [7]	620,915	602,018	563,797	619,708	403,902
Regular tax	610,268	592,430	553,484	615,617	399,926
Total income tax after credits	547,808	544,293	553,231	514,046	386,944
MINING [1]					
Number of returns, total [2]	31,467	30,849	32,578	31,776	30,287
Number with net income [2]	16,045	15,291	18,430	18,942	15,095
Total assets [3]	344,842,939	358,374,736	410,747,979	448,910,140	449,429,859
Net worth [3]	170,579,986	178,084,613	198,479,943	231,706,800	233,250,469
Total receipts [4]	131,071,579	124,847,341	158,618,629	169,539,555	157,298,844
Business receipts [4]	116,905,970	109,685,715	140,917,053	151,151,906	142,247,484
Interest received [4,6]	3,873,591	4,710,874	4,926,125	4,088,184	3,225,286
Total deductions [4]	130,388,596	125,494,571	149,060,709	160,816,530	156,911,742
Cost of goods sold [4]	66,380,586	63,289,692	75,033,998	80,548,021	78,092,277
Interest paid	7,911,568	9,008,339	10,125,194	9,923,985	9,016,218
Net income (less deficit) [4]	1,091,102	-134,901	10,355,698	9,406,304	1,344,239
Net income [4]	8,826,382	8,519,139	15,616,089	16,240,479	9,851,990
Deficit [4]	7,735,280	8,654,040	5,260,391	6,834,176	8,507,752
Total income tax [7]	2,116,331	1,770,981	3,231,554	3,026,385	2,087,504
Regular tax	1,987,944	1,615,297	3,091,343	2,900,460	1,993,356
Total income tax after credits	1,382,782	1,064,375	2,050,087	2,064,114	1,010,103

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
UTILITIES [1]					
Number of returns, total [2]	8,067	7,044	7,968	7,802	7,863
Number with net income [2]	4,556	4,620	4,276	3,855	3,934
Total assets [3]	1,034,143,980	1,171,606,471	1,556,911,256	1,515,428,318	1,458,642,427
Net worth [3]	345,181,633	374,868,607	382,030,374	381,352,597	381,185,739
Total receipts [4]	475,839,324	516,184,353	756,808,494	1,051,655,475	578,342,692
Business receipts [4]	450,830,225	478,836,511	707,815,083	1,004,358,112	537,883,736
Interest received [4,6]	7,797,767	9,222,895	12,932,306	13,035,317	12,550,519
Total deductions [4]	445,297,488	477,659,203	728,553,279	1,036,080,852	580,005,825
Cost of goods sold [4]	276,406,488	301,858,130	517,574,723	795,765,082	340,182,014
Interest paid	28,451,377	30,445,753	39,224,772	42,280,631	41,316,770
Net income (less deficit) [4]	31,509,342	39,017,164	29,169,974	16,804,566	-1,046,609
Net income [4]	37,950,376	42,332,613	35,279,980	28,734,461	22,596,105
Deficit [4]	6,441,034	3,315,449	6,110,006	11,929,895	23,642,715
Total income tax [7]	12,854,663	14,087,853	10,617,977	9,151,930	6,504,039
Regular tax	12,763,441	13,916,825	10,420,441	9,071,527	6,382,751
Total income tax after credits	11,257,262	12,912,267	9,383,513	7,718,038	5,296,222
CONSTRUCTION [1]					
Number of returns, total [2]	551,935	580,302	597,902	624,478	648,535
Number with net income [2]	350,586	374,809	373,746	376,822	382,349
Total assets [3]	415,679,597	463,072,728	504,719,698	525,704,293	540,502,611
Net worth [3]	124,212,135	139,215,432	149,948,101	150,498,208	163,014,462
Total receipts [4]	875,357,103	990,661,562	1,051,896,139	1,102,724,183	1,098,818,871
Business receipts [4]	859,139,558	973,521,174	1,034,087,166	1,084,579,920	1,080,555,117
Interest received [4,6]	2,858,133	3,050,095	3,466,222	3,062,738	2,474,298
Total deductions [4]	846,846,638	957,850,706	1,019,743,542	1,070,080,498	1,070,369,680
Cost of goods sold [4]	646,521,716	734,146,024	776,692,461	809,614,689	799,324,059
Interest paid	8,234,453	8,717,303	10,202,001	10,270,932	9,289,390
Net income (less deficit) [4]	28,385,998	32,654,317	32,067,010	32,537,032	28,357,934
Net income [4]	37,355,248	42,285,794	43,775,887	46,179,690	45,359,266
Deficit [4]	8,969,250	9,631,477	11,708,877	13,642,657	17,001,332
Total income tax [7]	3,848,773	4,375,585	4,460,645	4,543,459	4,221,133
Regular tax	3,720,221	4,280,010	4,373,768	4,497,744	4,178,296
Total income tax after credits	3,671,586	4,142,447	4,308,656	4,435,401	4,104,446
MANUFACTURING [1]					
Number of returns, total [2]	309,912	297,714	288,506	278,995	280,185
Number with net income [2]	187,502	184,923	168,580	147,291	149,710
Total assets [3]	6,407,878,676	6,812,198,288	7,830,525,859	8,100,072,543	8,202,169,904
Net worth [3]	2,176,868,544	2,347,201,417	2,919,128,199	2,949,917,887	2,975,211,477
Total receipts [4]	4,967,763,340	5,207,025,164	5,741,290,322	5,315,598,814	5,257,106,442
Business receipts [4]	4,591,071,027	4,801,823,220	5,259,173,394	4,862,174,424	4,822,650,951
Interest received [4,6]	110,421,209	113,423,902	136,081,123	130,752,374	119,947,354
Total deductions [4]	4,758,096,862	4,996,507,899	5,514,263,661	5,228,295,401	5,178,748,932
Cost of goods sold [4]	3,128,946,941	3,278,506,854	3,646,003,664	3,402,032,548	3,353,642,529
Interest paid	172,772,207	184,827,327	216,950,701	210,704,804	184,028,822
Net income (less deficit) [4]	246,022,462	247,281,612	271,917,037	129,096,121	119,275,059
Net income [4]	300,629,903	311,008,480	355,433,559	269,346,456	245,134,412
Deficit [4]	54,607,441	63,726,868	83,516,521	140,250,335	125,859,352
Total income tax [7]	85,160,606	87,650,593	102,107,461	76,141,754	68,531,196
Regular tax	84,044,758	86,663,477	100,717,097	75,778,613	67,606,219
Total income tax after credits	51,821,656	56,836,653	62,146,298	43,292,557	34,400,275

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
WHOLESALE AND RETAIL TRADE [1]					
Number of returns, total [2]	956,803	948,371	959,575	963,403	964,523
Number with net income [2]	562,107	567,059	547,118	552,571	514,346
Total assets [3]	1,955,833,869	2,136,070,543	2,307,635,980	2,311,538,349	2,412,864,112
Net worth [3]	630,317,171	697,058,437	752,937,787	775,273,224	812,930,683
Total receipts [4]	4,626,956,885	4,913,443,742	5,397,024,981	5,312,289,788	5,403,353,886
Business receipts [4]	4,516,670,915	4,789,438,632	5,267,581,834	5,183,197,415	5,278,843,887
Interest received [4,6]	23,303,872	25,791,809	27,158,306	21,959,651	19,509,672
Total deductions [4]	4,541,306,580	4,823,250,170	5,314,154,542	5,239,282,835	5,318,817,046
Cost of goods sold [4]	3,500,642,975	3,713,954,583	4,116,888,584	4,036,920,370	4,083,064,952
Interest paid	56,868,644	59,036,213	68,090,598	59,251,050	50,534,463
Net income (less deficit) [4]	86,950,940	91,938,690	85,176,192	75,366,514	87,018,582
Net income [4]	119,780,848	133,647,997	139,241,630	128,763,355	135,027,304
Deficit [4]	32,829,908	41,709,307	54,065,438	53,396,841	48,008,722
Total income tax [7]	25,333,188	27,897,471	29,752,161	26,419,726	27,469,057
Regular tax	25,050,231	27,586,344	29,389,721	26,309,437	27,296,326
Total income tax after credits	23,551,505	25,958,590	27,782,180	24,749,298	25,568,842
TRANSPORATION AND WAREHOUSING [1]					
Number of returns, total [2]	159,646	160,195	160,437	164,492	177,745
Number with net income [2]	94,327	85,618	84,271	84,837	91,226
Total assets [3]	460,299,605	495,262,107	531,565,047	531,565,543	536,270,300
Net worth [3]	157,718,753	168,809,002	166,587,366	156,710,830	144,702,207
Total receipts [4]	488,074,225	506,307,909	527,167,358	516,415,672	533,613,159
Business receipts [4]	469,626,605	485,223,550	505,713,781	493,765,699	510,816,998
Interest received [4,6]	5,211,712	4,952,614	5,821,233	4,819,977	3,982,958
Total deductions [4]	472,624,631	496,110,964	519,789,746	523,754,808	542,412,614
Cost of goods sold [4]	145,243,592	144,954,534	162,300,008	143,664,961	151,927,768
Interest paid	12,890,808	14,114,833	15,623,451	14,544,173	19,266,450
Net income (less deficit) [4]	15,813,288	10,441,695	7,913,968	-7,061,072	-8,648,139
Net income [4]	21,950,223	18,783,289	19,125,558	14,117,899	14,490,713
Deficit [4]	6,136,935	8,341,594	11,211,590	21,178,971	23,138,852
Total income tax [7]	5,220,126	4,556,134	4,328,980	3,061,717	2,915,569
Regular tax	4,974,510	4,442,795	4,238,681	2,965,899	2,817,395
Total income tax after credits	4,465,867	3,944,800	3,745,610	2,836,333	2,725,995
INFORMATION [1]					
Number of returns, total [2]	100,977	107,628	118,073	115,435	120,271
Number with net income [2]	46,604	50,591	51,357	47,156	49,492
Total assets [3]	1,657,751,562	2,321,203,242	3,034,923,999	3,149,915,940	2,993,759,005
Net worth [3]	630,069,085	967,927,509	1,343,743,493	1,361,280,253	1,273,397,574
Total receipts [4]	759,064,134	889,706,510	967,190,036	946,598,108	909,195,188
Business receipts [4]	667,610,273	760,824,421	817,186,647	815,772,817	799,441,224
Interest received [4,6]	26,513,904	31,706,595	40,293,352	37,267,880	32,097,945
Total deductions [4]	728,192,854	851,795,719	963,202,354	986,220,330	946,955,633
Cost of goods sold [4]	184,295,336	202,700,271	220,902,262	213,276,295	205,183,275
Interest paid	52,171,340	61,139,001	73,850,231	76,883,082	69,536,498
Net income (less deficit) [4]	32,662,060	39,705,442	5,888,634	-37,658,246	-33,996,597
Net income [4]	68,476,679	94,470,726	92,587,270	59,616,076	48,623,452
Deficit [4]	35,814,619	54,765,284	86,698,635	97,274,322	82,620,049
Total income tax [7]	20,501,328	25,266,589	25,616,216	16,406,635	12,104,214
Regular tax	20,274,203	25,200,587	24,990,024	16,309,070	12,076,847
Total income tax after credits	18,440,210	23,070,009	21,997,317	11,797,175	7,795,636

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
FINANCE AND INSURANCE [1]					
Number of returns, total [2]	218,193	217,780	221,394	220,895	224,352
Number with net income [2]	139,109	134,024	140,245	140,018	141,771
Total assets [3]	17,305,086,833	19,824,587,927	20,812,549,796	21,088,851,299	21,937,110,016
Net worth [3]	7,518,173,882	8,940,180,581	9,508,950,313	9,559,259,468	9,422,754,290
Total receipts [4]	2,357,691,805	3,008,131,381	2,915,539,562	2,621,771,654	2,605,571,614
Business receipts [4,5]	1,285,017,559	1,740,167,487	1,525,629,096	1,430,898,834	1,573,271,535
Interest received [4,6]	720,794,899	811,320,049	936,422,920	806,514,689	660,002,353
Total deductions [4]	2,037,238,331	2,610,951,725	2,499,971,633	2,321,050,152	2,324,723,707
Cost of goods sold [4]	744,162,763	1,162,852,049	875,995,480	828,320,672	835,466,854
Interest paid	344,911,753	392,893,417	474,253,886	421,275,484	291,740,227
Net income (less deficit) [4]	285,178,258	360,667,738	379,017,708	268,142,171	247,012,845
Net income [4]	317,490,397	393,580,700	422,936,185	328,604,216	304,543,767
Deficit [4]	32,312,139	32,912,962	43,918,477	60,462,045	57,530,922
Total income tax [7]	40,155,581	40,300,522	43,609,913	39,068,012	41,867,335
Regular tax	39,623,438	39,435,856	42,763,433	37,998,253	40,872,057
Total income tax after credits	35,809,588	33,861,687	36,939,212	34,189,718	36,100,698
REAL ESTATE AND RENTAL AND LEASING [1]					
Number of returns, total [2]	521,917	521,447	532,426	539,965	570,639
Number with net income [2]	212,436	207,998	212,683	203,699	207,925
Total assets [3]	496,174,007	555,038,279	562,512,765	553,968,402	538,584,064
Net worth [3]	138,405,897	148,473,459	155,887,764	151,968,943	147,198,160
Total receipts [4]	205,765,416	215,874,696	235,179,818	239,598,864	230,647,035
Business receipts [4,5]	175,701,248	185,450,183	204,519,672	207,454,856	205,206,751
Interest received [4,6]	6,601,541	6,782,681	5,525,181	4,864,674	4,046,822
Total deductions [4]	196,769,688	209,273,861	228,930,442	234,230,846	227,363,978
Cost of goods sold [4]	44,622,040	44,747,394	50,813,666	48,227,121	50,124,303
Interest paid	15,839,859	16,981,007	18,199,502	19,896,544	14,123,528
Net income (less deficit) [4]	8,872,883	6,486,094	6,137,855	5,360,069	3,253,378
Net income [4]	19,183,985	17,966,220	19,286,447	18,754,185	18,134,864
Deficit [4]	10,311,103	11,480,126	13,148,592	13,394,117	14,881,486
Total income tax [7]	2,789,218	2,530,093	2,454,250	2,361,366	2,012,011
Regular tax	2,615,409	2,377,866	2,376,474	2,321,058	1,974,547
Total income tax after credits	2,664,038	2,395,153	2,347,572	2,218,940	1,958,106
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES [1]					
Number of returns, total [2]	623,784	657,153	689,412	709,837	736,005
Number with net income [2]	384,536	409,951	409,706	416,900	429,535
Total assets [3]	299,636,432	373,290,013	499,987,766	483,351,824	484,691,832
Net worth [3]	110,823,199	139,391,301	213,025,814	189,543,565	171,783,018
Total receipts [4]	563,742,939	604,083,026	658,747,358	665,085,183	683,879,755
Business receipts [4]	540,924,209	576,276,292	623,368,137	631,691,343	651,992,903
Interest received [4,6]	3,875,671	4,427,474	7,621,540	6,196,145	4,668,720
Total deductions [4]	545,623,562	591,035,814	666,570,144	671,016,867	681,976,681
Cost of goods sold [4]	185,899,820	183,976,411	202,015,796	189,914,383	199,415,154
Interest paid	6,192,565	7,612,211	10,317,850	9,404,961	9,040,336
Net income (less deficit) [4]	18,166,687	13,263,768	-7,551,100	-5,614,567	2,463,356
Net income [4]	36,794,790	39,516,735	42,508,155	41,323,639	42,831,929
Deficit [4]	18,628,103	26,252,968	50,059,255	46,938,207	40,368,574
Total income tax [7]	4,892,809	4,784,997	4,910,603	3,943,006	3,769,108
Regular tax	4,848,521	4,735,208	4,879,740	3,931,563	3,736,566
Total income tax after credits	4,277,480	4,088,564	4,394,637	3,277,227	3,191,317

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
MANAGEMENT OF COMPANIES (HOLDING COMPANIES) [1]					
Number of returns, total [2]	30,931	43,246	47,542	47,866	48,053
Number with net income [2]	14,278	17,304	20,979	19,818	21,267
Total assets [3]	6,036,081,553	5,936,042,852	7,917,530,297	9,356,898,892	9,739,201,697
Net worth [3]	794,827,208	937,394,942	1,237,344,020	1,386,169,730	1,482,596,398
Total receipts [4]	550,818,360	518,531,619	693,453,386	788,062,467	689,799,466
Business receipts [4]	90,497,966	91,583,476	127,242,280	175,450,783	170,514,329
Interest received [4,6]	354,245,184	327,262,346	435,503,757	457,053,813	361,954,366
Total deductions [4]	491,555,673	457,651,453	613,412,225	702,054,817	602,603,758
Cost of goods sold [4]	4,093,481	1,341,171	7,403,101	18,585,287	11,077,288
Interest paid	227,006,009	198,179,812	293,846,786	290,735,669	186,561,412
Net income (less deficit) [4]	56,727,056	58,098,072	78,208,116	83,216,188	84,572,187
Net income [4]	61,617,002	63,362,066	83,529,280	89,526,734	94,494,581
Deficit [4]	4,889,946	5,263,994	5,321,164	6,310,546	9,922,394
Total income tax [7]	19,773,001	20,151,630	26,800,031	28,535,815	30,444,748
Regular tax	19,528,114	20,060,393	26,708,372	28,461,711	30,408,844
Total income tax after credits	16,608,717	17,557,723	21,745,792	23,256,377	24,905,354
ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES [1]					
Number of returns, total [2]	200,449	205,011	211,993	223,999	231,412
Number with net income [2]	122,276	120,197	128,738	135,234	134,003
Total assets [3]	188,316,699	203,660,243	218,894,160	231,139,131	258,705,414
Net worth [3]	68,348,928	63,853,465	61,423,215	64,950,551	77,291,090
Total receipts [4]	277,178,204	296,911,229	325,399,872	352,935,179	350,216,846
Business receipts [4]	263,655,627	283,700,509	313,932,798	339,002,912	338,209,323
Interest received [4,6]	3,181,418	2,466,255	2,281,559	1,790,626	1,881,731
Total deductions [4]	270,127,054	290,332,899	321,181,269	345,441,035	345,261,614
Cost of goods sold [4]	124,986,629	132,743,416	138,959,356	152,621,002	149,702,110
Interest paid	5,863,680	6,037,846	7,500,383	7,002,692	6,199,583
Net income (less deficit) [4]	7,311,477	7,193,907	4,337,453	7,609,771	5,036,076
Net income [4]	12,520,454	12,185,525	12,211,170	14,784,895	13,491,618
Deficit [4]	5,208,977	4,991,618	7,873,717	7,175,123	8,455,542
Total income tax [7]	2,060,959	1,759,550	1,544,394	1,951,046	1,605,012
Regular tax	2,030,934	1,724,934	1,530,854	1,928,166	1,586,118
Total income tax after credits	1,768,277	1,345,004	1,278,157	1,520,665	1,393,675
EDUCATIONAL SERVICES [1]					
Number of returns, total [2]	36,959	35,196	36,756	38,480	41,317
Number with net income [2]	24,011	22,139	23,516	19,336	20,525
Total assets [3]	12,015,998	13,290,030	15,347,835	16,497,219	16,492,830
Net worth [3]	4,711,049	4,890,418	5,899,320	6,192,337	6,195,219
Total receipts [4]	25,845,444	23,083,618	25,236,070	26,922,736	25,972,274
Business receipts [4]	23,196,929	20,532,679	22,021,416	25,148,309	24,509,009
Interest received [4,6]	93,441	108,347	159,191	113,946	90,703
Total deductions [4]	25,001,911	22,520,730	24,488,516	26,509,597	24,969,680
Cost of goods sold [4]	5,567,853	4,264,602	4,195,289	4,820,315	3,955,244
Interest paid	247,281	288,455	346,595	338,259	322,399
Net income (less deficit) [4]	841,910	559,735	743,338	420,744	1,005,660
Net income [4]	1,363,597	1,303,279	1,758,495	1,641,837	1,877,456
Deficit [4]	521,687	743,543	1,015,157	1,221,094	871,796
Total income tax [7]	172,739	176,634	297,442	229,931	264,236
Regular tax	170,401	175,768	296,332	229,079	263,846
Total income tax after credits	160,680	169,169	287,334	218,742	248,573

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
HEALTH CARE AND SOCIAL ASSISTANCE [1]					
Number of returns, total [2]	307,258	303,499	306,352	327,338	334,305
Number with net income [2]	178,952	179,919	188,153	207,968	209,306
Total assets [3]	217,705,783	216,011,347	220,349,973	213,775,949	214,329,877
Net worth [3]	70,205,539	65,619,372	64,661,550	56,901,435	61,960,368
Total receipts [4]	372,531,571	385,912,697	417,490,766	443,351,714	463,253,527
Business receipts [4]	357,156,938	371,442,071	403,580,914	429,190,484	448,427,967
Interest received [4,6]	1,768,297	1,808,445	2,067,609	1,798,075	1,320,255
Total deductions [4]	368,324,288	380,770,874	409,842,606	430,956,238	446,522,542
Cost of goods sold [4]	45,407,694	46,030,202	53,847,300	54,435,340	54,589,386
Interest paid	7,379,882	7,731,279	8,324,621	7,640,537	6,462,090
Net income (less deficit) [4]	4,133,910	5,076,755	7,649,931	12,335,681	16,631,149
Net income [4]	13,914,520	15,190,047	17,011,710	20,364,434	23,695,054
Deficit [4]	9,780,610	10,113,292	9,361,779	8,028,753	7,063,905
Total income tax [7]	1,769,004	1,779,862	1,663,812	1,774,653	2,059,337
Regular tax	1,751,998	1,762,161	1,651,580	1,771,057	2,053,582
Total income tax after credits	1,732,053	1,726,157	1,559,356	1,741,421	2,011,275
ARTS, ENTERTAINMENT, AND RECREATION [1]					
Number of returns, total [2]	92,966	93,922	97,866	102,631	110,609
Number with net income [2]	45,831	44,376	44,318	48,884	53,390
Total assets [3]	73,334,657	81,870,705	75,631,069	78,565,805	79,600,495
Net worth [3]	18,208,673	22,987,987	19,953,303	19,144,846	19,238,866
Total receipts [4]	67,273,020	76,849,223	70,085,901	75,491,312	78,918,432
Business receipts [4]	60,387,702	70,756,712	64,157,666	69,089,923	72,674,159
Interest received [4,6]	1,016,055	1,001,877	1,067,454	1,000,658	811,809
Total deductions [4]	65,413,634	76,004,686	69,649,259	75,071,517	78,066,513
Cost of goods sold [4]	13,913,998	15,558,840	14,012,402	14,108,775	15,445,331
Interest paid	2,859,173	3,153,120	3,133,918	3,330,751	2,936,172
Net income (less deficit) [4]	1,864,448	821,493	413,339	402,181	852,149
Net income [4]	5,242,957	4,931,288	5,038,654	5,233,174	5,346,441
Deficit [4]	3,378,510	4,109,794	4,625,314	4,830,992	4,494,292
Total income tax [7]	613,745	498,551	508,011	396,641	349,418
Regular tax	588,320	452,837	494,747	392,960	344,655
Total income tax after credits	535,839	452,800	447,722	351,460	294,113
ACCOMMODATION, FOOD SERVICES, AND DRINKING PLACES [1]					
Number of returns, total [2]	245,334	252,113	257,525	259,465	271,527
Number with net income [2]	118,510	122,757	134,231	134,539	136,427
Total assets [3]	257,795,912	307,607,229	326,257,810	344,864,784	352,661,519
Net worth [3]	82,797,524	97,933,991	99,048,857	103,668,236	108,766,030
Total receipts [4]	317,528,271	342,083,590	375,040,371	353,715,274	399,787,328
Business receipts [4]	295,686,536	318,528,271	346,989,626	328,552,525	372,418,853
Interest received [4,6]	3,649,732	3,924,941	4,529,172	3,978,882	3,834,780
Total deductions [4]	309,897,224	332,848,457	364,913,806	345,725,252	391,952,542
Cost of goods sold [4]	126,010,805	131,317,833	143,111,384	122,785,758	152,332,352
Interest paid	11,177,826	12,290,148	14,325,258	13,229,659	12,583,288
Net income (less deficit) [4]	7,895,034	10,066,516	10,316,662	8,198,950	8,033,793
Net income [4]	15,097,570	16,629,585	17,113,147	15,491,509	15,772,353
Deficit [4]	7,202,537	6,563,069	6,796,485	7,292,559	7,738,560
Total income tax [7]	2,679,119	3,128,707	3,104,821	2,623,444	2,567,514
Regular tax	2,608,377	3,036,759	3,049,904	2,576,230	2,551,626
Total income tax after credits	2,051,196	2,315,528	2,390,708	1,947,518	1,740,440

See notes at end of this section.

Table 14b.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 1998-2002--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial sector and item	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)
OTHER SERVICES [1]					
Number of returns, total [2]	300,313	305,725	316,138	325,602	321,134
Number with net income [2]	180,851	183,395	182,268	187,784	173,951
Total assets [3]	87,416,961	90,106,610	93,844,830	98,164,009	92,666,071
Net worth [3]	30,679,258	30,783,792	30,704,809	33,548,788	27,827,023
Total receipts [4]	148,369,892	151,673,526	170,060,184	174,835,529	164,353,067
Business receipts [4]	143,395,451	146,498,454	164,175,721	168,989,458	159,401,281
Interest received [4,6]	928,360	907,132	1,561,266	840,414	522,003
Total deductions [4]	143,776,511	147,324,436	165,502,185	170,800,214	161,284,099
Cost of goods sold [4]	60,956,443	61,680,640	68,810,776	70,937,697	63,754,139
Interest paid	2,731,937	2,844,964	3,748,882	3,035,734	2,472,820
Net income (less deficit) [4]	4,591,932	4,317,819	4,547,256	4,039,477	3,094,837
Net income [4]	7,237,035	7,191,706	7,811,408	7,750,193	6,976,867
Deficit [4]	2,645,103	2,873,886	3,264,152	3,710,716	3,882,031
Total income tax [7]	824,431	665,085	697,705	616,629	515,266
Regular tax	817,298	658,064	694,957	614,779	513,131
Total income tax after credits	785,562	637,689	674,380	580,567	480,323

See notes at end of this section.

Table 15.--Corporation Profits Before Tax per National Income and Product Accounts (NIPA) and per Statistics of Income (SOI), and Income Subject to Tax per SOI, Income Years 1960-2002

[All figures are estimates--money amounts are in billions of dollars]

Income year	Profits before tax (per NIPA) [1, 2]	Net income (less deficit) (per SOI) [3]	Income subject to tax (per SOI)[3, 4]
	(1)	(2)	(3)
1960	51.6	43.5	47.2
1961	51.6	45.9	47.9
1962	57.0	49.6	51.7
1963	62.1	54.3	54.3
1964	69.1	61.6	60.4
1965	80.2	73.9	70.8
1966	86.7	80.5	77.1
1967	83.5	78.2	74.8
1968	92.4	86.0	81.4
1969	91.4	80.2	81.2
1970	81.0	65.9	72.4
1971	92.9	79.7	83.2
1972	107.8	96.8	95.1
1973	134.8	120.4	115.5
1974	147.8	148.2	144.0
1975	145.5	142.6	146.6
1976	179.7	185.4	183.5
1977	210.4	219.2	212.5
1978	246.1	246.9	239.6
1979	271.9	284.6	279.4
1980	253.5	239.0	246.6
1981	243.7	213.6	241.5
1982	198.5	154.3	205.2
1983	233.9	188.3	218.7
1984	268.6	232.9	257.1
1985	257.4	240.1	266.1
1986	246.0	269.5	276.2
1987	317.6	328.2	311.8
1988	386.1	413.0	383.2
1989	383.7	389.0	371.1
1990	409.5	370.6	366.4
1991	423.0	344.9	350.0
1992	461.1	402.0	377.9
1993	517.1	498.2	436.8
1994	577.1	577.3	494.0
1995	674.3	714.2	564.7
1996	733.0	806.5	639.8
1997	798.2	915.4	683.8
1998	718.3	838.2	663.4
1999	775.9	929.0	693.7
2000	773.4	927.5	760.4
2001	707.9	603.6	635.3
2002	758.0	563.7 [r]	600.6 [r]

See notes at end of this section.

Table 16.--Nonprofit Charitable Organization and Domestic Private Foundation Information Returns, and Tax-Exempt Organization Business Income Tax Returns: Selected Financial Data, 1994-2001

[All figures are estimates based on samples--money amounts are in millions of dollars]

Type of return, item	1994	1995	1996	1997	1998	1999	2000	2001
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NONPROFIT CHARITABLE ORGANIZATION INFORMATION RETURNS [1]								
Number of returns	174,918	180,931	192,059	198,957	207,272	211,615	230,159	240,569
Total assets, book value [2]	993,381	1,143,079	1,293,439	1,438,977	1,351,541	1,453,675	1,562,536	1,631,719
Total liabilities [2]	464,034	512,383	564,566	624,978	459,188	481,444	539,367	611,390
Total fund balance or net worth [2]	529,347	630,696	728,873	813,998	892,353	972,232	1,023,169	1,020,329
Total revenue	589,102	663,371	704,346	754,616	752,044	800,676	866,208	896,974
Program service revenue [3]	422,413	443,052	467,559	486,407	502,832	518,111	579,081	630,817
Contributions, gifts, and grants	110,724	127,743	137,666	146,171	161,751	174,992	199,076	212,427
Membership dues and assessments	6,439	6,148	6,347	6,823	6,952	6,331	6,660	7,239
Other	49,526	86,428	92,774	115,215	80,508	101,242	81,392	46,491
Total expenses	548,166	604,645	637,917	677,143	684,566	714,487	796,434	862,721
Excess of revenue over expenses (net)	40,936	58,725	66,429	77,473	67,478	86,189	69,775	34,253
DOMESTIC PRIVATE FOUNDATION INFORMATION RETURNS								
Number of returns, total	45,801	47,917	50,774	55,113	56,658	62,694	66,738	70,787
Nonoperating foundations	41,983	43,966	46,066	50,541	52,460	58,840	61,501	63,650
Operating foundations	3,818	3,951	4,708	4,572	4,198	3,854	5,238	7,137
Total assets, book value [2]	169,287	195,570	232,565	280,920	325,672	384,565	409,524	413,577
Total assets, fair market value [2]	203,644	242,917	288,588	342,689	397,084	466,863	471,646	455,423
Investments in securities [2]	158,934	190,739	225,087	272,412	317,900	363,442	361,418	329,353
Total revenue	26,503	30,814	48,247	55,460	59,735	83,286	72,780	45,264
Total expenses	15,708	17,189	19,852	22,414	25,902	33,876	37,434	36,661
Contributions, gifts, and grants paid [4]	11,755	12,256	14,519	16,421	19,394	22,763	27,564	27,383
Excess of revenue over expenses (net)	10,795	13,626	28,395	33,046	33,833	49,410	35,346	8,602
Net investment income [5]	14,978	20,355	26,189	34,801	39,313	57,142	48,830	25,719
TAX-EXEMPT ORGANIZATION UNRELATED BUSINESS INCOME TAX RETURNS [6]								
Number of returns, total	35,657	36,394	40,621	39,302	46,208	42,151	38,567	35,540
With unrelated business taxable income	18,588	18,157	19,511	20,827	24,332	20,718	19,336	15,277
Without unrelated business taxable income	17,070	18,237	21,109	18,475	21,876	21,433	19,231	20,264
Gross unrelated business income [7]	5,380	6,280	7,295	7,809	7,585	7,722	8,413	7,900
Total deductions [7, 8, 9]	5,117	5,787	6,619	6,903	6,484	6,835	7,703	7,883
Unrelated business taxable income (less deficit) [8]	263	493	676	906	1,100	887	710	18
Unrelated business taxable income	643	893	1,170	1,375	1,670	1,485	1,427	792
Deficit [8]	380	400	494	469	569	598	717	774
Unrelated business income tax	191	277	372	418	506	423	406	226
Total tax [10]	195	277	373	423	464	422	403	222

See notes at end of this section.

Table 17.--Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-2001

[Money amounts are in thousands of dollars[1]]

Selected year of death [2]	Total adult deaths [3]	Taxable estate tax returns [4, 5]			
		Number	Percentage of adult deaths	Total gross estate at date of death	Estate tax after credits
	(1)	(2)	(3)	(4)	(5)
1934	983,970	8,655	0.88	2,197,941	153,763
1935	1,172,245	9,137	0.78	2,084,269	195,301
1936	1,257,290	12,010	0.96	2,561,906	305,784
1937	1,237,585	13,220	1.07	2,844,112	314,620
1938	1,181,275	12,720	1.08	2,564,072	276,707
1939	1,205,072	12,907	1.07	2,441,960	250,360
1940	1,237,186	13,336	1.08	2,578,314	291,758
1941	1,216,855	13,493	1.11	2,550,473	308,342
1942	1,211,391	12,726	1.05	2,452,340	362,164
1943	1,277,009	12,154	0.95	2,720,000	404,638
1944	1,238,917	13,869	1.12	3,245,624	531,052
1946	1,239,713	18,232	1.47	3,993,298	621,966
1947	1,278,856	19,742	1.54	4,445,326	714,707
1948	1,283,601	17,469	1.36	4,271,852	567,421
1949	1,285,684	17,411	1.35	4,126,358	483,520
1950	1,304,343	18,941	1.45	4,655,892	577,401
1953	1,237,741	24,997	2.02	6,287,867	778,504
1954	1,332,412	25,143	1.89	6,387,246	778,342
1956	1,289,193	32,131	2.49	8,903,611	1,176,710
1958	1,358,375	38,515	2.84	9,995,884	1,185,620
1960	1,426,148	45,439	3.19	12,733,459	1,618,548
1962	1,483,846	55,207	3.72	14,713,504	1,840,972
1965	1,578,813	67,404	4.27	18,820,065	2,414,310
1969	1,796,055	93,424	5.20	23,459,524	2,999,965
1972	1,854,146	120,761	6.51	33,293,565	4,153,250
1976	1,819,107	139,115	7.65	40,578,379	4,979,112
1982	1,897,820	34,426	1.81	31,903,845	4,937,216
1983	1,945,913	34,899	1.79	33,434,470	5,073,787
1984	1,968,128	30,436	1.55	34,201,557	5,012,750
1985	2,015,070	22,326	1.11	35,168,822	6,044,292
1986	2,033,978	21,923	1.08	37,799,304	6,276,800
1987	2,053,084	18,157	0.88	40,907,217	6,392,989
1988	2,096,704	20,864	1.00	43,413,056	7,432,376
1989	2,079,035	23,096	1.11	51,062,975	8,953,181
1990	2,079,034	24,647	1.19	53,698,028	9,217,499
1991	2,101,746	26,680	1.27	55,363,655	9,617,366
1992	2,111,617	27,235	1.29	59,707,135	10,474,949
1993	2,204,366	32,062	1.45	72,047,377	12,559,769
1994	2,216,736	32,565	1.47	69,492,783	12,312,421
1995	2,252,471	36,651	1.63	78,756,293	14,259,048
1996	2,314,254	41,714	1.80	95,003,317	16,336,256
1997	2,258,366	47,800	2.12	104,860,580	19,957,705
1998	2,282,055	49,913	2.19	117,965,303	22,676,230
1999	2,336,840	53,819	2.30	135,076,422	24,809,821
2000	2,349,361	51,159	2.18	126,095,812	24,032,595
2001	2,363,100	49,911	2.11	132,301,775	23,393,255

See notes at end of this section.

Table 18.--Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2005

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
				Excise taxes			
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FISCAL YEAR 1987, TOTAL [4]	**886,290**	**465,452**	**102,859**	**33,311**	**([4])**	**277,000**	**7,668**
October 1986 - December 1986	180,580	92,346	22,466	8,281	N/A	55,615	1,872
January 1987 - March 1987	209,032	105,483	22,649	7,925	N/A	71,156	1,819
April 1987 - June 1987	285,477	164,008	29,748	8,493	N/A	81,139	2,089
July 1987 - September 1987 [4]	211,201	103,615	27,996	8,612	([4])	69,090	1,888
FISCAL YEAR 1988, TOTAL	**945,614**	**473,667**	**109,683**	**25,934**	**10,507**	**318,039**	**7,784**
October 1987 - December 1987	200,006	97,479	24,828	6,475	2,911	66,500	1,813
January 1988 - March 1988	222,784	111,215	22,006	5,304	2,337	80,161	1,761
April 1988 - June 1988	298,938	160,018	35,991	6,550	2,763	91,426	2,190
July 1988 - September 1988	223,886	104,955	26,858	7,605	2,496	79,952	2,020
FISCAL YEAR 1989, TOTAL	**1,024,718**	**515,732**	**117,015**	**25,977**	**11,397**	**345,626**	**8,973**
October 1988 - December 1988	216,503	104,522	29,551	6,657	2,985	70,632	2,156
January 1989 - March 1989	238,279	114,475	20,760	6,098	2,395	92,587	1,964
April 1989 - June 1989	334,878	180,947	40,825	6,899	3,401	100,077	2,729
July 1989 - September 1989	235,059	115,788	25,879	6,324	2,615	82,329	2,124
FISCAL YEAR 1990, TOTAL	**1,066,600**	**540,228**	**110,017**	**27,139**	**10,235**	**367,219**	**11,762**
October 1989 - December 1989	222,867	110,077	26,390	6,184	2,790	74,982	2,444
January 1990 - March 1990	251,924	127,277	21,433	5,868	2,187	92,868	2,291
April 1990 - June 1990	343,976	181,180	37,398	8,143	2,690	110,281	4,284
July 1990 - September 1990	247,833	121,694	24,796	6,944	2,568	89,088	2,743
FISCAL YEAR 1991, TOTAL	**1,099,746**	**546,877**	**113,599**	**30,452**	**12,895**	**384,451**	**11,473**
October 1990 - December 1990	242,792	118,047	29,248	6,363	2,753	83,646	2,735
January 1991 - March 1991	257,078	119,891	22,974	7,107	2,919	101,569	2,618
April 1991 - June 1991	338,591	181,949	35,953	7,545	3,545	106,426	3,173
July 1991 - September 1991	261,284	126,990	25,423	9,436	3,678	92,810	2,947
FISCAL YEAR 1992, TOTAL	**1,134,195**	**557,723**	**117,951**	**33,566**	**13,395**	**400,081**	**11,479**
October 1991 - December 1991	249,845	117,980	28,571	8,238	3,572	88,749	2,735
January 1992 - March 1992	266,984	136,220	19,751	8,159	2,823	97,425	2,606
April 1992 - June 1992	348,986	173,437	41,930	8,311	3,539	118,503	3,266
July 1992 - September 1992	268,380	130,086	27,699	8,858	3,461	95,404	2,872
FISCAL YEAR 1993, TOTAL	**1,190,673**	**585,774**	**131,548**	**34,962**	**13,987**	**411,511**	**12,891**
October 1992 - December 1992	262,404	124,812	30,324	8,388	3,581	92,284	3,015
January 1993 - March 1993	285,925	154,596	21,124	8,317	3,074	96,042	2,772
April 1993 - June 1993	354,070	168,977	47,920	8,739	3,776	120,767	3,891
July 1993 - September 1993	288,274	137,389	32,180	9,518	3,556	102,418	3,213
FISCAL YEAR 1994, TOTAL	**1,290,246**	**619,819**	**154,205**	**43,005**	**13,779**	**443,831**	**15,607**
October 1993 - December 1993	282,891	132,790	36,088	9,907	3,525	97,012	3,569
January 1994 - March 1994	309,746	160,382	24,883	9,932	3,009	108,037	3,503
April 1994 - June 1994	386,403	182,996	55,652	10,629	3,592	128,665	4,869
July 1994 - September 1994	311,205	143,651	37,582	12,536	3,653	110,117	3,666
FISCAL YEAR 1995, TOTAL	**1,390,048**	**675,779**	**174,422**	**44,981**	**14,317**	**465,405**	**15,144**
October 1994 - December 1994	301,238	138,454	40,811	11,029	3,791	103,537	3,616
January 1995 - March 1995	329,624	169,977	26,137	10,791	2,982	116,503	3,234
April 1995 - June 1995	432,556	214,105	65,995	11,116	3,603	133,357	4,380
July 1995 - September 1995	326,630	153,243	41,479	12,045	3,941	112,008	3,914
FISCAL YEAR 1996, TOTAL	**1,500,351**	**745,313**	**189,055**	**42,222**	**13,805**	**492,365**	**17,592**
October 1995 - December 1995	320,038	148,203	46,823	11,409	3,411	106,200	3,992
January 1996 - March 1996	349,683	184,419	27,971	9,939	2,959	120,783	3,612
April 1996 - June 1996	474,823	242,754	68,509	9,835	3,532	144,825	5,368
July 1996 - September 1996	355,808	169,937	45,752	11,039	3,903	120,557	4,620

See notes at end of this section.

Table 18.--Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2005--Continued

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
				Excise taxes			
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FISCAL YEAR 1997, TOTAL	**1,637,157**	**825,021**	**204,492**	**44,806**	**13,883**	**528,597**	**20,356**
October 1996 - December 1996	345,447	157,767	49,612	10,052	3,261	120,284	4,471
January 1997 - March 1997	379,827	197,477	31,359	10,762	3,052	132,838	4,339
April 1997 - June 1997	526,490	285,884	75,093	11,600	3,524	144,048	6,341
July 1997 - September 1997	385,392	183,893	48,428	12,393	4,046	131,426	5,206
FISCAL YEAR 1998, TOTAL	**1,782,997**	**928,066**	**213,270**	**45,643**	**13,588**	**557,799**	**24,631**
October 1997 - December 1997	381,995	180,507	56,228	12,424	3,181	124,315	5,340
January 1998 - March 1998	412,808	216,994	33,640	11,424	2,968	142,512	5,270
April 1998 - June 1998	578,540	319,050	75,714	12,575	3,581	159,632	7,988
July 1998 - September 1998	409,655	211,515	47,688	9,220	3,858	131,341	6,033
FISCAL YEAR 1999, TOTAL	**1,917,643**	**1,002,186**	**216,325**	**58,586**	**13,490**	**598,670**	**28,386**
October 1998 - December 1998	410,884	192,843	56,474	18,017	3,216	133,695	6,639
January 1999 - March 1999	444,224	239,680	33,958	12,179	2,915	149,408	6,084
April 1999 - June 1999	616,626	351,720	72,904	13,366	3,457	166,086	9,093
July 1999 - September 1999	445,908	217,943	52,989	15,023	3,903	149,480	6,570
FISCAL YEAR 2000, TOTAL	**2,112,755**	**1,137,078**	**235,655**	**54,811**	**15,838**	**639,652**	**29,722**
October 1999 - December 1999	442,745	222,369	57,122	12,611	3,523	139,310	7,810
January 2000 - March 2000	490,661	265,193	39,584	13,107	3,540	162,816	6,421
April 2000 - June 2000	690,101	403,071	79,583	13,608	4,217	180,645	8,977
July 2000 - September 2000	489,248	246,445	59,366	15,484	4,558	156,881	6,514
FISCAL YEAR 2001, TOTAL	**2,144,654**	**1,178,210**	**186,732**	**52,419**	**15,822**	**682,223**	**29,248**
October 2000 - December 2000	466,710	228,483	64,597	12,574	3,782	150,175	7,099
January 2001 - March 2001	523,566	285,417	38,239	13,436	3,472	176,339	6,663
April 2001 - June 2001	709,403	425,471	64,709	12,369	4,137	193,561	9,156
July 2001 - September 2001	444,976	238,839	19,187	14,040	4,531	162,148	6,331
FISCAL YEAR 2002, TOTAL	**2,033,661**	**1,037,734**	**211,438**	**52,137**	**17,034**	**688,077**	**27,242**
October 2001 - December 2001	477,215	235,729	71,783	8,070	3,756	151,079	6,798
January 2002 - March 2002	494,506	250,689	38,760	15,632	3,957	178,982	6,486
April 2002 - June 2002	599,650	324,735	55,496	13,486	4,480	194,045	7,408
July 2002 - September 2002	462,289	226,580	45,399	14,949	4,841	163,971	6,549
FISCAL YEAR 2003, TOTAL	**1,969,648**	**987,209**	**194,146**	**52,771**	**16,719**	**695,976**	**22,827**
October 2002 - December 2002	444,259	209,947	51,821	12,461	3,791	160,448	5,792
January 2003 - March 2003	480,840	252,412	31,309	12,017	3,808	175,609	5,684
April 2003 - June 2003	596,078	310,723	67,381	12,821	4,336	194,902	5,916
July 2003 - September 2003	448,471	214,128	43,636	15,473	4,783	165,016	5,435
FISCAL YEAR 2004, TOTAL	**2,035,472**	**990,249**	**230,619**	**54,807**	**16,970**	**717,247**	**25,579**
October 2003 - December 2003	453,625	211,414	59,746	12,613	3,957	159,894	6,000
January 2004 - March 2004	489,927	253,054	33,289	13,018	3,745	180,871	5,950
April 2004 - June 2004	612,808	308,822	81,800	13,554	4,481	197,486	6,665
July 2004 - September 2004	479,112	216,958	55,784	15,623	4,786	178,996	6,965
FISCAL YEAR 2005,							
October 2004 - December 2004	492,020	282,536	74,547	12,692	4,107	112,197	5,942

See notes at end of this section.

Table 19.--Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2005

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1987, TOTAL	**96,969**	**73,583**	**19,891**	**1,381**	**1,900**	**214**
October 1986 - December 1986	8,668	3,406	4,789	111	312	50
January 1987 - March 1987	28,422	22,198	5,296	479	393	56
April 1987 - June 1987	50,063	42,858	5,948	332	869	57
July 1987 - September 1987	9,816	5,121	3,858	459	326	52
FISCAL YEAR 1988, TOTAL	**94,480**	**74,399**	**16,477**	**1,114**	**2,263**	**227**
October 1987 - December 1987	7,701	3,437	3,727	207	275	55
January 1988 - March 1988	27,798	21,744	5,248	198	553	55
April 1988 - June 1988	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988	9,776	5,449	3,654	288	321	67
FISCAL YEAR 1989, TOTAL	**93,613**	**73,597**	**14,921**	**2,054**	**2,771**	**269**
October 1988 - December 1988	8,380	3,362	4,461	118	359	80
January 1989 - March 1989	32,041	26,759	4,462	182	570	67
April 1989 - June 1989	43,538	38,895	3,849	350	381	63
July 1989 - September 1989	9,654	4,581	2,149	1,404	1,461	59
FISCAL YEAR 1990, TOTAL	**99,656**	**76,065**	**18,324**	**2,261**	**2,677**	**329**
October 1989 - December 1989	8,487	3,094	4,605	300	409	79
January 1990 - March 1990	37,121	31,367	4,922	342	423	67
April 1990 - June 1990	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990	10,740	4,652	4,588	1,070	353	77
FISCAL YEAR 1991, TOTAL	**104,380**	**82,877**	**17,440**	**1,188**	**2,471**	**404**
October 1990 - December 1990	8,284	3,367	4,148	344	323	102
January 1991 - March 1991	38,020	32,811	4,286	293	538	92
April 1991 - June 1991	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991	10,114	5,061	4,258	325	361	109
FISCAL YEAR 1992, TOTAL	**113,108**	**88,624**	**19,688**	**1,997**	**2,398**	**401**
October 1991 - December 1991	10,072	3,607	5,639	379	346	101
January 1992 - March 1992	44,657	38,183	5,750	201	430	93
April 1992 - June 1992	47,817	42,231	4,596	476	399	115
July 1992 - September 1992	10,562	4,603	3,703	941	1,223	92
FISCAL YEAR 1993, TOTAL	**93,580**	**74,234**	**16,035**	**958**	**1,969**	**384**
October 1992 - December 1992	7,891	3,081	4,190	208	324	88
January 1993 - March 1993	37,213	31,503	4,971	239	396	104
April 1993 - June 1993	39,325	35,353	3,195	290	397	90
July 1993 - September 1993	9,151	4,297	3,679	221	852	102
FISCAL YEAR 1994, TOTAL	**96,980**	**75,935**	**16,251**	**1,877**	**2,477**	**441**
October 1993 - December 1993	7,329	2,322	4,176	394	324	113
January 1994 - March 1994	34,614	27,859	5,800	403	445	107
April 1994 - June 1994	43,804	40,876	2,109	333	393	93
July 1994 - September 1994	11,233	4,878	4,165	747	1,315	128
FISCAL YEAR 1995, TOTAL	**108,035**	**84,056**	**19,350**	**2,223**	**1,972**	**434**
October 1994 - December 1994	9,086	3,440	4,909	319	304	114
January 1995 - March 1995	35,791	27,642	6,370	926	753	101
April 1995 - June 1995	53,388	47,433	4,904	500	443	108
July 1995 - September 1995	9,770	5,541	3,167	478	472	111
FISCAL YEAR 1996, TOTAL	**132,710**	**107,361**	**19,201**	**2,075**	**3,584**	**489**
October 1995 - December 1995	11,149	4,133	5,391	361	1,152	112
January 1996 - March 1996	48,625	41,633	6,103	239	538	112
April 1996 - June 1996	61,612	56,319	4,363	355	454	121
July 1996 - September 1996	11,324	5,276	3,344	1,120	1,440	144

See notes at end of this section.

Table 19.--Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2005--Continued

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1997, TOTAL	**142,599**	**113,083**	**24,046**	**1,790**	**3,104**	**576**
October 1996 - December 1996	13,306	4,460	8,082	155	433	176
January 1997 - March 1997	58,345	51,442	5,771	493	552	87
April 1997 - June 1997	57,421	51,980	4,399	375	522	146
July 1997 - September 1997	13,525	5,201	5,794	767	1,596	167
FISCAL YEAR 1998, TOTAL	**153,828**	**119,499**	**27,560**	**1,600**	**4,562**	**609**
October 1997 - December 1997	10,680	4,369	5,496	165	499	151
January 1998 - March 1998	66,516	56,124	9,326	266	670	130
April 1998 - June 1998	59,172	52,613	5,506	188	683	182
July 1998 - September 1998	17,460	6,393	7,232	981	2,708	146
FISCAL YEAR 1999, TOTAL	**185,282**	**146,406**	**34,062**	**1,690**	**2,470**	**654**
October 1998 - December 1998	15,684	5,010	9,885	143	455	191
January 1999 - March 1999	77,493	65,467	10,648	508	741	129
April 1999 - June 1999	76,729	68,418	7,139	369	646	157
July 1999 - September 1999	15,376	7,511	6,390	670	628	177
FISCAL YEAR 2000, TOTAL	**195,751**	**157,837**	**30,382**	**1,802**	**4,957**	**773**
October 1999 - December 1999	16,453	6,590	8,844	176	613	230
January 2000 - March 2000	94,728	84,290	8,933	539	791	175
April 2000 - June 2000	67,353	59,386	6,625	388	773	181
July 2000 - September 2000	17,217	7,571	5,980	699	2,780	187
FISCAL YEAR 2001, TOTAL	**252,787**	**205,690**	**37,941**	**1,948**	**6,283**	**925**
October 2000 - December 2000	17,859	6,685	10,148	232	549	245
January 2001 - March 2001	102,741	87,193	13,984	468	897	199
April 2001 - June 2001	75,813	66,964	7,409	465	789	186
July 2001 - September 2001	56,374	44,848	6,400	783	4,048	295
FISCAL YEAR 2002, TOTAL	**257,644**	**183,891**	**66,758**	**2,248**	**3,944**	**803**
October 2001 - December 2001	26,567	8,665	16,659	321	700	222
January 2002 - March 2002	94,761	76,571	16,658	545	821	166
April 2002 - June 2002	107,211	87,192	18,498	625	668	228
July 2002 - September 2002	29,105	11,463	14,942	758	1,754	188
FISCAL YEAR 2003, TOTAL	**296,064**	**223,317**	**65,332**	**2,026**	**4,445**	**944**
October 2002 - December 2002	32,964	11,292	20,580	215	609	268
January 2003 - March 2003	126,113	105,124	19,587	526	685	191
April 2003 - June 2003	98,530	81,958	14,958	607	789	217
July 2003 - September 2003	38,457	24,943	10,207	677	2,362	268
FISCAL YEAR 2004, TOTAL	**270,893**	**218,667**	**45,850**	**1,955**	**3,638**	**783**
October 2003 - December 2003	30,851	10,930	18,913	220	562	226
January 2004 - March 2004	127,181	116,146	9,528	580	755	172
April 2004 - June 2004	92,443	81,049	10,062	499	646	188
July 2004 - September 2004	20,418	10,542	7,347	656	1,675	198
FISCAL YEAR 2005						
October 2004 - December 2004	24,050	10,242	12,911	184	483	229

See notes at end of this section.

Table 20.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years of Offset, 1987-2004[1]

[Money amounts are in thousands of dollars]

Selected program or agency	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]
	1987		1988		1989	
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**1,150,365**	**566,175**	**1,194,901**	**637,504**	**1,259,297**	**708,545**
Department of Health and Human Services[4]	664,534	342,523	737,731	407,815	779,554	449,627
Child support (TANF)[5]	556,312	269,212	604,645	320,298	627,403	350,598
Child support (non-TANF)[6]	108,160	73,216	132,875	87,201	151,680	98,407
Program support center[7]	62	95	211	316	471	622
Social Security Administration[4]	N/A	N/A	N/A	N/A	N/A	N/A
Department of Veterans Affairs	129,466	54,302	52,602	23,268	56,085	27,209
Department of Education	278,490	137,425	315,742	167,990	334,740	191,940
Small Business Administration	5,834	4,031	3,949	2,530	3,816	2,648
Department of Housing and Urban Development	9,501	6,604	10,653	7,948	11,441	8,602
Department of Agriculture	6,505	3,446	4,838	2,669	66,269	24,189
Food and Consumer Service	N/A	N/A	N/A	N/A	N/A	N/A
Department of Defense[8]	54,950	17,561	59,533	18,202	61,804	21,622
All other	1,085	282	9,853	6,951	7,392	4,330
	1990		1991		1992	
	(7)	(8)	(9)	(10)	(11)	(12)
Total	**1,402,111**	**804,906**	**1,565,432**	**946,210**	**1,921,944**	**1,262,622**
Department of Health and Human Services[4]	831,966	483,474	869,941	523,953	1,070,999	683,656
Child support (TANF)[5]	651,893	365,613	672,801	392,802	737,254	464,462
Child support (non-TANF)[6]	179,611	117,249	196,381	130,348	254,435	178,198
Program support center[7]	462	612	759	803	618	646
Social Security Administration[4]	N/A	N/A	N/A	N/A	78,692	40,350
Department of Veterans Affairs	50,004	23,265	38,987	17,684	29,103	13,122
Department of Education	432,139	257,392	575,578	363,968	720,326	516,213
Small Business Administration	3,403	2,307	2,374	1,640	2,218	1,609
Department of Housing and Urban Development	10,850	8,076	11,250	8,380	13,520	10,815
Department of Agriculture	7,548	6,056	8,559	7,551	20,262	12,034
Food and Consumer Service	N/A	N/A	N/A	N/A	9,740	3,061
Department of Defense[8]	57,952	19,777	49,085	18,116	54,509	19,198
All other	8,249	4,559	9,628	4,918	11,007	5,975
	1993		1994		1995	
	(13)	(14)	(15)	(16)	(17)	(18)
Total	**1,758,162**	**1,160,397**	**2,009,877**	**1,379,675**	**2,188,257**	**1,505,736**
Department of Health and Human Services[4]	947,133	619,648	1,017,452	701,529	1,165,444	828,631
Child support (TANF)[5]	701,598	448,560	749,269	507,047	848,166	591,854
Child support (non-TANF)[6]	244,780	170,404	267,546	193,939	316,707	236,198
Program support center[7]	755	684	637	543	571	579
Social Security Administration[4]	28,791	13,931	19,722	10,297	16,092	8,696
Department of Veterans Affairs	33,844	10,914	35,368	9,973	45,761	11,830
Department of Education	651,056	472,928	781,829	582,662	778,446	571,280
Small Business Administration	1,853	1,355	2,228	1,834	2,567	2,359
Department of Housing and Urban Development	11,399	8,963	10,454	9,090	10,676	9,745
Department of Agriculture	28,969	13,075	73,452	33,382	73,644	30,295
Food and Consumer Service	21,828	7,213	66,726	27,618	66,449	24,166
Department of Defense[8]	46,125	14,829	59,459	25,345	85,023	35,970
All other	8,992	4,754	9,913	5,563	10,594	6,930

See notes at end of this section.

Table 20.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years of Offset, 1987-2004[1]--Continued

[Money amounts are in thousands of dollars]

Selected program or agency	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]	Number of offsets [2]	Refund offset amount [3]
	1996		1997		1998	
	(19)	(20)	(21)	(22)	(23)	(24)
Total	**2,120,935**	**1,678,504**	**2,162,102**	**1,758,154**	**2,375,081**	**1,963,834**
Department of Health and Human Services[4]	1,241,395	1,019,612	1,303,676	1,108,125	1,309,352	1,130,941
Child support (TANF)[5]	879,143	716,637	902,766	764,700	876,609	754,205
Child support (non-TANF)[6]	361,453	302,146	400,198	342,696	432,101	376,171
Program support center[7]	799	829	712	729	642	565
Less: Child support reversals	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social Security Administration[4]	30,190	17,961	27,996	17,584	62,487	39,282
Department of Veterans Affairs	49,989	12,743	45,479	12,476	43,290	11,430
Department of Education	573,308	517,169	518,844	482,241	653,997	623,914
Small Business Administration	3,503	3,638	3,952	4,206	4,036	4,504
Department of Housing and Urban Development	6,228	6,738	6,876	7,602	6,032	7,679
Department of Agriculture	93,884	42,504	115,076	53,680	159,633	78,056
Food and Consumer Service	87,203	35,843	108,612	47,162	146,127	65,476
Department of Defense[8]	111,207	53,404	127,103	63,052	129,409	62,770
All other	11,231	4,735	13,100	9,188	6,845	5,259
	1999		2000		2001	
	(25)	(26)	(27)	(28)	(29)	(30)
Total	**2,764,424**	**2,606,366**	**2,869,130**	**2,763,530**	**4,307,006**	**3,101,507**
Department of Health and Human Services[4]	1,440,993	1,479,598	1,426,635	1,479,598	2,200,333	1,714,968
Child support (TANF)[5]	936,622	953,682	885,635	902,037	1,262,018	965,864
Child support (non-TANF)[6]	503,589	525,002	540,342	581,805	937,381	746,668
Program support center[7]	782	914	658	1,210	934	2,436
Less: Child support reversals	116,742	131,913	53,051	64,819	51,037	59,379
Social Security Administration[4]	77,672	52,080	102,480	81,891	153,134	100,759
Department of Veterans Affairs	51,861	15,467	50,409	16,106	139,526	33,717
Department of Education	963,409	1,084,905	853,175	932,575	1,217,876	1,029,539
Small Business Administration	571	776	2,227	3,834	2,105	2,478
Department of Housing and Urban Development	10,909	15,382	10,565	15,988	16,062	16,593
Department of Agriculture	208,794	103,252	214,279	120,238	41,255	37,272
Food and Consumer Service	192,312	86,927	196,366	97,389	175,177	80,438
Department of Defense[8]	201,756	100,280	140,588	71,008	210,102	100,654
All other	7,467	5,143	68,772	36,838	255,334	118,883
Less: Reversals, except child support	82,266	118,604	54,247	80,064	52,861	74,414
	2002		2003		2004	
	(31)	(32)	(33)	(34)	(35)	(36)
Total	**2,921,769**	**2,608,905**	**3,236,882**	**2,824,433**	**2,890,975**	**2,935,073**
Department of Health and Human Services[4]	1,402,665	1,511,070	1,611,570	1,618,028	1,389,261	1,544,059
Child support (TANF)[5]	774,281	802,393	829,999	799,569	699,992	732,937
Child support (non-TANF)[6]	627,927	707,504	781,274	817,971	688,921	810,420
Program support center[7]	457	1,172	297	488	348	702
Less: Child support reversals	49,118	58,072	-44,024	-60,757	-43,537	60,189
Social Security Administration[4]	96,621	86,752	87,075	80,421	73,997	74,408
Department of Veterans Affairs	97,371	26,871	127,502	32,900	116,805	33,635
Department of Education	696,006	772,975	753,690	818,264	623,340	722,733
Small Business Administration	1,591	2,924	3,170	5,173	2,984	5,467
Department of Housing and Urban Development	8,310	12,058	9,150	12,030	6,244	9,480
Department of Agriculture	27,663	30,416	29,489	25,175	20,226	20,233
Food and Consumer Service	157,737	74,575	152,034	69,711	124,371	62,449
Department of Defense[8]	123,325	78,471	166,798	97,272	157,449	89,007
All other	410,617	140,054	384,898	197,376	462,501	245,126
Less: Reversals, except child support	51,019	69,189	-44,470	-71,160	-42,666	68,287

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	1997	1998	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total excise tax collections	**58,690,000**	**59,231,000**	**72,076,000**	**70,648,000**	**68,241,000**	**69,171,000**	**69,490,000**
Excise tax collections or liabilities reported by the Internal Revenue Service[1]							
Total excise tax collections	**44,805,621**	**45,642,716**	**58,585,763**	**54,810,038**	**52,418,848**	**52,136,835**	**52,771,160**
Tax liabilities by type of excise tax, total	**45,533,817**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Retail excise taxes:							
Luxury taxes:							
Passenger vehicles (expired, January 1, 2003)	440,347	428,471	401,535	407,222	341,981	252,834	65,162
Boats (repealed, January 1, 1993)	--	283	--	--	19	--	--
Aircraft (repealed, January 1, 1993)	19	3	--	--	--	--	--
Jewelry (repealed, January 1, 1993)	-5	--	--	--	--	--	--
Furs (repealed, January 1, 1993)	5	--	12	--	1	--	--
Dyed diesel fuel used in trains:							
Total, excluding floor stocks	152,700	206,617	170,463	170,960	167,161	147,408	162,654
Floor stocks	4	--	7	--	--	1	--
Dyed diesel fuel for certain intercity or local buses	-4,589	2,589	2,458	2,317	2,380	1,731	1,266
Special motor fuels:							
Total, excluding floor stocks	37,300	18,745	23,757	19,535	18,404	17,570	14,226
Floor stocks	--	--	-17	-1	--	--	--
Compressed natural gas	1,047	1,025	865	1,145	1,026	895	1,735
Alcohol fuels [2]	28	258	-377	807	5,462	408	-9,986
Fuels used commercially on inland waterways	120,687	117,313	121,903	118,666	114,110	111,311	111,058
Truck, trailer, and semitrailer chassis and bodies, and tractors	1,785,700	2,119,063	2,956,880	2,775,788	1,573,968	1,574,947	1,608,208
Manufacturer's excise taxes:							
Gas guzzlers [2]	48,155	47,687	68,327	70,788	78,157	79,705	126,685
Highway-type tires [2]	368,500	388,594	416,658	420,299	354,769	372,800	403,892
Aviation gasoline [3]	43,909	60,741	57,832	58,472	49,687	62,574	57,953
Gasoline except for use in gasohol:							
Total, excluding floor stocks	20,836,000	20,644,998	21,236,659	21,040,777	20,619,195	20,942,138	20,169,608
Floor stocks	-1,491	1	-65	2	-21	2	--
Diesel fuel, except for trains and intercity buses:							
Total, excluding floor stocks [2]	7,160,800	7,497,816	7,895,919	8,229,762	8,208,994	8,214,559	8,581,467
Floor stocks	105	-66	121	-133	--	--	--
Gasoline for use in gasohol by alcohol content:							
Total, excluding floor stocks:							
5.7 percent under 7.7 percent	1,390	741	42	65	9	77	2,320
7.7 percent under 10 percent	4,498	3,792	13,228	4,266	4,839	4,835	946
10 percent or more	214,090	241,946	231,114	265,273	243,702	302,407	358,002
Floor stocks	-3	--	--	--	1	-1	--
Gasohol by alcohol content:							
Total, excluding floor stocks:							
5.7 percent under 7.7 percent	107,114	68,917	81,873	25,934	297,763	406,578	1,296,991
7.7 percent under 10 percent	180,575	123,441	180,025	59,104	146,196	176,148	91,017
10 percent or more	1,060,250	1,511,363	1,537,235	2,039,428	1,918,995	1,932,347	2,313,542
Floor stocks	--	--	--	--	-4	--	--
Aviation fuel (except gasoline), noncommercial use:							
Total, excluding floor stocks	157,900	195,772	173,117	159,314	187,318	287,664	286,559
Floor stocks	14,202	-472	58	1	--	--	--
Aviation fuel (except gasoline) for commercial use (other than foreign trade)	566,860	609,750	649,900	667,647	620,044	509,944	453,361
Kerosene (effective July 1, 1998)	N/A	N/A	77,726	79,591	90,331	62,857	72,128

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Tax rates in effect on October 1, 2003	Fiscal year 2004 Total	by quarter ending-- December 2003	March 2004	June 2004	September 2004
	(8)	(9)	(10)	(11)	(12)	(13)
Total excise tax collections	**various**	**71,777,000**	**16,570,000**	**16,763,000**	**18,035,000**	**20,409,000**
Excise tax collections or liabilities reported by the Internal Revenue Service[1]						
Total excise tax collections	**various**	**54,807,225**	**12,612,579**	**13,017,627**	**13,554,146**	**15,622,873**
Tax liabilities by type of excise tax, total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Retail excise taxes:						
Luxury taxes:	3 percent of price in excess of--					
Passenger vehicles (expired, January 1, 2003)	$40,000, expired 1/1/03	3,032	594	746	1,159	533
Boats (repealed, January 1, 1993)	$100,000, repealed 1/1/93	--	--	--	--	--
Aircraft (repealed, January 1, 1993)	$250,000, repealed 1/1/93	--	--	--	--	--
Jewelry (repealed, January 1, 1993)	$10,000, repealed 1/1/93	--	--	--	--	--
Furs (repealed, January 1, 1993)	$10,000, repealed 1/1/93	--	--	--	--	--
Dyed diesel fuel used in trains:						
Total, excluding floor stocks	$0.044 per gallon	127,169	39,762	25,096	31,002	31,309
Floor stocks	$0.044 per gallon based on 10/1/93 inventory	1	1	--	--	--
Dyed diesel fuel for certain intercity or local buses	$0.074 per gallon	1,139	166	293	358	322
Special motor fuels:						
Total, excluding floor stocks	$0.136 per gallon	12,990	4,128	4,092	1,783	2,987
Floor stocks	$0.043 per gallon based on 10/1/93 inventory	--	--	--	--	--
Compressed natural gas	$0.4854 per 1000 cubic feet	1,406	351	316	389	350
Alcohol fuels [2]	various	7,367	367	5,986	500	514
Fuels used commercially on inland waterways	$0.244 per gallon	110,364	29,674	22,200	31,921	26,569
Truck, trailer, and semitrailer chassis and bodies, and tractors	12 percent of price	2,235,178	490,223	497,982	614,379	632,594
Manufacturer's excise taxes:						
Gas guzzlers [2]	various	140,834	42,879	32,666	32,236	33,053
Highway-type tires [2]	various	433,116	103,967	98,299	110,328	120,522
Aviation gasoline [3]	$0.194 per gallon	44,611	9,296	9,916	12,786	12,613
Gasoline except for use in gasohol:						
Total, excluding floor stocks	$0.184 per gallon	18,232,507	4,539,083	4,246,443	4,694,503	4,752,478
Floor stocks	$0.043 per gallon	--	-1	1	--	--
Diesel fuel, except for trains and intercity buses:						
Total, excluding floor stocks [2]	$0.244 per gallon	9,016,694	2,201,765	2,162,101	2,315,153	2,337,675
Floor stocks	$0.244 per gallon based on 10/1/93 inventory	--	--	--	--	--
Gasoline for use in gasohol by alcohol content:						
Total, excluding floor stocks:						
5.7 percent under 7.7 percent	$0.16369 per gallon	15,436	2,943	3,308	4,958	4,227
7.7 percent under 10 percent	$0.15596 per gallon	503	328	271	11	-107
10 percent or more	$0.14666 per gallon	306,441	83,101	75,659	72,789	74,892
Floor stocks	$0.043 per gallon based on 10/1/93 inventory	--	--	--	--	--
Gasohol by alcohol content:						
Total, excluding floor stocks:						
5.7 percent under 7.7 percent	$0.15436 per gallon	2,363,320	543,395	605,483	603,316	611,126
7.7 percent under 10 percent	$0.14396 per gallon	97,098	52,551	43,140	180	1,277
10 percent or more	$0.132 per gallon	2,899,287	714,646	747,967	711,412	725,262
Floor stocks	$0.043 per gallon based on 10/1/93 inventory	--	--	--	--	--
Aviation fuel (except gasoline), noncommercial use:						
Total, excluding floor stocks	$0.219 per gallon	322,440	65,557	99,473	78,971	78,439
Floor stocks	$0.175 per gallon	--	--	--	--	--
Aviation fuel (except gasoline) for commercial use (other than foreign trade)	$0.044 per gallon	503,696	121,302	124,051	128,396	129,947
Kerosene (effective July 1, 1998)	$0.244 per gallon	62,085	22,565	34,299	4,116	1,105

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	1997	1998	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Manufacturer's excise taxes--continued:							
Coal:							
Mined underground:							
At 4.4 percent of sales price	179,911	183,445	190,133	197,478	183,531	155,966	134,588
At $1.10 per ton	224,409	220,426	162,442	115,291	135,189	149,366	147,646
Surface mined:							
At 4.4 percent of sales price	71,028	69,855	78,397	79,842	90,122	103,502	109,537
At $0.55 per ton	149,282	146,476	138,019	132,526	140,004	139,634	125,760
Certain vaccines [2]	174,818	153,108	169,046	163,528	152,349	161,764	179,009
Sport fishing equipment	93,500	94,571	97,548	100,539	100,642	97,901	97,986
Electric outboard motors, sonar devices	1,956	2,042	1,922	2,022	2,477	2,725	2,585
Bows and arrows	20,173	20,278	19,792	20,502	19,094	20,297	20,947
Taxes on facilities and services:							
Telephone and teletypewriter services	4,706,800	4,747,227	5,248,965	5,645,239	5,737,027	5,803,631	5,809,503
Transportation of persons by air	4,284,600	6,168,727	6,588,088	6,963,617	6,670,357	6,157,264	6,185,415
Use of international air travel facilities	240,200	1,119,156	1,272,725	1,323,558	1,450,458	1,406,192	1,452,015
Transportation of property by air	295,300	373,049	371,487	520,576	400,286	372,119	455,209
Taxes on policies issued by foreign insurers	**141,200**	**122,664**	**117,584**	**131,672**	**152,221**	**195,634**	**292,897**
Taxes related to wagering:							
Certain wagers [2]	20,668	10,146	13,805	10,726	([4])	([4])	([4])
Occupational taxes [2]	1,268	([4])	([4])	([4])	([4])	([4])	([4])
Certain other excise taxes:							
Passenger transportation by water	19,900	18,269	25,554	24,922	27,919	31,069	33,252
Use tax on heavy vehicles [1,2]	934,532	804,947	849,226	893,457	867,345	899,367	911,445
Environmental taxes:							
Domestic petroleum (Superfund) (expired effective January 1, 1996)	-2,500	-2,741	-3,637	4	14	-4	1
Imported petroleum (Superfund) (expired effective January 1, 1996)	-400	-18	1,071	2,660	337	641	-4
Domestic petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	-900	3	-128	-3	6	--	--
Imported petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	--	-13	13	253	--	--	--
Certain chemicals (Superfund) (expired effective January 1, 1996) [2]	9,700	3,331	12,687	2,395	-2,258	-2,842	-687
Certain imported substances (Superfund) (expired effective January 1, 1996) [2]	1,200	-334	-322	349	-492	-7	--
Ozone-depleting chemicals: [2]							
Total, excluding floor stocks	98,000	109,150	120,400	42,552	12,076	3,995	7,519
Floor stocks	8,200	11,594	6,306	2,273	1,313	1,182	905
Imported taxable products containing or manufactured using ozone-depleting chemicals [2]	-24,400	27,072	-6,166	17,580	11,978	-945	6,869
Taxes on Private Foundations:							
Net investment income [5]	297,134	364,629	502,675	503,453	720,047	490,425	262,662
Additional excise taxes [6]	1,091	1,209	1,951	2,445	3,072	4,520	5,059
Taxes on Black Lung Benefit Trusts [2]	**131**	**-25**	**2**	**2**	**-1**	**--**	**--**
Taxes on qualified pension and other plans:							
Failure to meet minimum funding standards	11,464	6,467	5,307	388	652	1,851	54
Nondeductible contributions	5,807	3,842	3,770	38	12,145	-25	6
Excess contributions to Individual Retirement Accounts and others	6,508	7,407	8,279	10,228	([4])	([4])	([4])
Prohibited transactions	6,341	9,484	576	432	1,091	207	1,476

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year 2004					
	Tax rates in effect on October 1, 2003	Total	by quarter ending-- December 2003	March 2004	June 2004	September 2004
	(8)	(9)	(10)	(11)	(12)	(13)
Manufacturer's excise taxes--continued:						
Coal:						
Mined underground:						
At 4.4 percent of sales price	4.4 percent of value	125,536	33,226	29,179	32,373	30,758
At $1.10 per ton	$1.10 per ton if less than 4.4 percent of value	194,585	44,292	49,975	49,968	50,350
Surface mined:						
At 4.4 percent of sales price	4.4 percent of value	120,012	28,602	29,058	29,992	32,360
At $0.55 per ton	$0.55 per ton if less than 4.4 percent of value	127,877	32,583	28,897	33,359	33,038
Certain vaccines [2]	$0.75 per dose	171,471	40,554	43,896	42,513	44,508
Sport fishing equipment	10 percent of sales price	10,339	19,777	31,782	30,969	20,811
Electric outboard motors, sonar devices	3 percent of sales price	3,240	728	965	1,152	395
Bows and arrows	11-12.4 percent of sales price	22,058	3,309	5,535	6,634	6,580
Taxes on facilities and services:						
Telephone and teletypewriter services	3 percent	5,792,246	1,442,640	1,414,587	1,483,447	1,451,572
Transportation of persons by air	7.5 percent of the price plus $3.05 flight segment for non-rural airports [7]	6,675,981	1,606,388	1,555,141	1,800,660	1,713,792
Use of international air travel facilities	$13.40 per person, $6.70 for domestic segments beginning in Alaska or Hawaii [8]	1,609,445	318,338	393,095	455,310	442,702
Transportation of property by air	6.25 percent	483,691	160,352	106,904	107,582	108,853
Taxes on policies issued by foreign insurers	**1 percent or 4 percent of premium paid**	**350,790**	**79,271**	**85,329**	**85,894**	**100,296**
Taxes related to wagering:						
Certain wagers [2]	$0.25 or 2.0 percent of wager	([4])	([4])	([4])	([4])	([4])
Occupational taxes [2]	$50 or $500 per person per year	([4])	([4])	([4])	([4])	([4])
Certain other excise taxes:						
Passenger transportation by water	$3.00 per passenger	34,721	8,137	8,820	9,053	8,711
Use tax on heavy vehicles [1,2]	$75-$550 per vehicle per year	9,340,473	86,663	205,962	137,589	503,859
Environmental taxes:						
Domestic petroleum (Superfund) (expired effective January 1, 1996)	$0.097 per barrel	-21	-19	-2	--	--
Imported petroleum (Superfund) (expired effective January 1, 1996)	$0.097 per barrel	-11	-12	-1	2	--
Domestic petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	$0.05 per barrel	-4	-4	--	--	--
Imported petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995)	$0.05 per barrel	-3	-3	--	--	--
Certain chemicals (Superfund) (expired effective January 1, 1996) [2]	$0.22-$4.87 per ton	-52	-49	-2	-1	--
Certain imported substances (Superfund) (expired effective January 1, 1996) [2]	various, per ton	-1	-1	--	--	--
Ozone-depleting chemicals: [2]						
Total, excluding floor stocks	various, per pound	1,457	254	419	1,114	-330
Floor stocks	various, per pound	934	191	311	371	61
Imported taxable products containing or manufactured using ozone-depleting chemicals [2]	various	4,352	23,680	-19,412	1,681	-1,597
Taxes on Private Foundations:						
Net investment income [5]	1 or 2 percent	240,508	100,481	20,653	78,908	40,466
Additional excise taxes [6]	various	4,498	1,542	427	1,444	1,085
Taxes on Black Lung Benefit Trusts [2]	**various**	**--**	**--**	**--**	**--**	**--**
Taxes on qualified pension and other plans:						
Failure to meet minimum funding standards	5 or 10 percent	3	3	--	--	--
Nondeductible contributions	10 percent	--	--	--	--	--
Excess contributions to Individual Retirement Accounts and others	6 percent	([4])	([4])	([4])	([4])	([4])
Prohibited transactions	5 percent	5	5	--	--	--

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	1997	1998	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Taxes on qualified pension and other plans --continued:							
Certain excess contributions	8,964	8,168	6,281	1,696	542	34	17
Reversion of qualified plan assets to employer	27,340	46,791	22,258	46,392	2,127	175	80
Penalties [2]	8,861	7,847	3,662	1,857	3,958	1,887	2,446
Taxes on undistributed income of qualified investment entities:							
Real Estate Investment Trusts	1,287	2,183	324	62	249	73	152
Regulated Investment Companies	5,499	8,666	5,412	42	6,068	1,872	3,892
Windfall profits tax on domestic crude oil (repealed August 23, 1988) [1]	**-10,394**	**-117**	**79**	**--**	**--**	**--**	**--**
Miscellaneous IRS taxes [2]	**31,250**	**-532,553**	**47,385**	**40,226**	**131,718**	**106,214**	**35,543**
Unclassified [9]	**N/A**	**-2,983,100**	**6,204,178**	**1,191,890**	**335,652**	**369,406**	**318,582**
Internal Revenue Service collections less reported amounts	**-728,196**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Excise tax collections or liabilities reported by the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau							
Total excise tax collections	**13,884,379**	**13,588,284**	**13,490,237**	**15,837,962**	**15,822,152**	**17,034,165**	**16,718,840**
Tax liabilities by type of excise tax [10]	**13,772,806**	**13,531,855**	**13,478,757**	**15,636,428**	**15,771,195**	**16,989,022**	**16,678,051** [r]
Distilled spirits:							
Domestic	2,927,554	2,857,430	2,974,674	3,043,375	3,004,527	3,138,705	3,132,577 [r]
Imported	687,249	682,280	758,726	816,922	892,230	901,173	982,016
Wine:							
Domestic	479,720	480,265	504,042	517,812	498,537	513,559	534,927 [r]
Imported	159,559	153,877	154,876	174,327	168,675	193,737	215,803
Beer:							
Domestic	3,146,491	3,147,823	3,168,158	3,216,402	3,171,384	3,236,231	3,189,580 [r]
Imported	241,372	272,645	321,317	350,924	383,793	414,895	415,280
Tobacco products: [11]							
Domestic [11]	5,819,552	5,608,259	5,189,723	7,019,884	7,120,255	7,879,499	7,435,391 [r]
Cigarettes [11]	5,898,191	5,583,318	5,147,438	6,684,265	7,015,291	7,644,520 [r]	7,293,338 [r]
Cigars [11]	59,754	62,844	69,497	95,204	116,371	140,763	156,041 [r]
Papers/tubes [11]	772	802	1,201	1,318	929	954	1,018 [r]
Chewing tobacco and snuff [11]	29,193	29,876	29,853	40,565	43,747	49,565 [r]	52,218
Pipe/roll-your-own tobacco [11]	4,053	3,698	3,917	12,511	13,919	15,416	17,979
Floor stocks	35	2	--	261,917	528	115,835	1,628
Imported	53,806	64,649	114,524	196,141	252,229	404,308	475,278
Firearms and ammunition	**150,803**	**158,383**	**187,977**	**197,840**	**175,959**	**205,025**	**193,420**
Special occupations	**106,700**	**106,244**	**104,740**	**102,801**	**103,606**	**101,890**	**103,779**
Alcohol and Tobacco Tax and Trade Bureau and Customs Service collections less reported amounts	**111,573**	**56,429**	**11,480**	**201,534**	**50,957**	**45,143**	**40,789** [r]
Total collections less reported amounts	**-616,623**	**56,429**	**11,480**	**201,534**	**50,957**	**45,143**	**40,789** [r]

See notes at end of this section.

Table 21.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 1997-2004--Continued

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year 2004					
	Tax rates in effect on October 1, 2003	Total	by quarter ending-- December 2003	March 2004	June 2004	September 2004
	(8)	(9)	(10)	(11)	(12)	(13)
Taxes on qualified pension and other plans --continued:						
Certain excess contributions	10 percent	-18	-18	--	--	--
Reversion of qualified plan assets to employer	20 percent	--	--	--	--	--
Penalties [2]	various	--	--	--	--	--
Taxes on undistributed income of qualified investment entities:						
Real Estate Investment Trusts	4 percent	--	--	--	--	--
Regulated Investment Companies	4 percent	--	--	--	--	--
Windfall profits tax on domestic crude oil (repealed August 23, 1988) [1]	**--**	**--**	--	**--**	**--**	**--**
Miscellaneous IRS taxes [2]	**various**	**104**	**104**	**--**	**--**	**--**
Unclassified [9]	**various**	**869,695**	**-487,078** [r]	**186,321**	**-286,514**	**1,456,966**
Internal Revenue Service collections less reported amounts	**--**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Excise tax collections or liabilities reported by the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau						
Total excise tax collections	**various**	**16,969,775**	**3,957,421**	**3,745,373**	**4,480,854**	**4,786,127**
Tax liabilities by type of excise tax [10]	**various**	**16,942,588**	**3,954,142**	**3,739,604**	**4,474,406**	**4,774,436**
Distilled spirits:						
Domestic	$13.50 per proof gallon	3,220,871	839,117	671,371	862,892	847,490
Imported	$13.50 per proof gallon	1,074,631	304,961	238,219	242,703	288,748
Wine:						
Domestic	$1.07 to $13.50 per gallon	547,505	154,080	122,977	128,592	141,857
Imported	$1.07 to $3.40 per proof gallon	220,386	62,051	46,892	53,159	58,283
Beer:						
Domestic	$7 or $18 per barrel	3,218,708	672,199	716,930	869,662	959,917
Imported	$18 per barrel	441,713	102,958	95,765	107,736	135,253
Tobacco products: [11]						
Domestic [11]	various	7,439,717	1,647,004	1,682,899	1,977,821	2,131,994
Cigarettes [11]	$19.50 to $40.95 per thousand	7,260,668	1,777,204	1,714,166 [r]	1,910,427	1,858,871
Cigars [11]	$1.828 to $48.75 per thousand	171,460	39,724	41,036 [r]	45,539	45,161
Papers/tubes [11]	$0.0122 to $0.0244 per 50	1,374	325	352	332	365
Chewing tobacco and snuff [11]	$0.195 to $0.585 per pound	53,153	12,468	13,367 [r]	13,497	13,821
Pipe/roll-your-own tobacco [11]	$1.0969 per pound	17,797	3,975	4,388 [r]	4,611	4,823
Floor stocks	various	--	--	--	--	--
Imported	various	470,017	115,596	110,147	119,876	124,399
Firearms and ammunition	**10 or 11 percent of sales price**	**214,987**	**54,095**	**51,694**	**50,725**	**58,473**
Special occupations	**$250 to $1,000 per dealer or manufacturer**	**94,053**	**2,081**	**2,710**	**61,240**	**28,022**
Alcohol and Tobacco Tax and Trade Bureau and Customs Service collections less reported amounts	**N/A**	**27,187**	**3,279**	**5,769**	**6,448**	**11,691**
Total collections less reported amounts	**N/A**	**27,187**	**3,279**	**5,769**	**6,448**	**11,691**

See notes at end of this section.

Table 22.--Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1980-2005

Type of return or form	Number filed in calendar year--					
	1980	1985	1990	1995	1998	1999
	(1)	(2)	(3)	(4)	(5)	(6)
Individual income [1]	**93,196,100**	**99,704,200**	**112,596,000**	**116,466,900**	**123,049,600**	**125,389,700**
Forms 1040, 1040A, 1040EZ, and 1040PC	93,052,300	99,528,900	112,305,000	116,059,700	122,546,900	124,887,100
Paper returns	93,052,300	99,528,900	108,100,900	104,252,800	97,966,600	95,557,600
Electronically-filed returns	N/A	N/A	4,204,200	11,806,900	24,580,300	29,329,500
Business returns	11,402,900	14,136,800	16,170,200	18,058,600	19,031,300	19,176,200
Schedule C or C-EZ	8,944,300	11,767,300	14,149,000	16,157,000	17,183,700	17,377,100
Schedule F	2,458,600	2,369,400	2,021,300	1,901,600	1,847,600	1,799,200
Nonbusiness returns	81,649,400	85,392,100	96,134,800	98,001,100	103,515,700	105,710,900
Forms 1040C, 1040NR, 1040PR, and 1040SS	143,800	175,300	291,000	407,200	502,700	502,500
Corporation income [2]	**2,675,700**	**3,437,300**	**4,319,500**	**4,817,900**	**5,241,200**	**5,398,300**
Form 1120	2,115,500	2,432,300	2,334,600	2,197,000	2,207,600	2,202,400
Form 1120A	N/A	199,700	332,000	319,100	272,500	260,800
Form 1120S	528,100	736,900	1,536,100	2,161,000	2,599,800	2,767,000
Other	32,100	68,400	116,800	140,800	161,300	168,100
Partnership, Forms 1065 and 1065B [3]	**1,401,600**	**1,755,300**	**1,750,900**	**1,580,300**	**1,861,000**	**1,974,700**
Estate and trust income, Forms 1041 and 1041S [4]	**1,881,800**	**2,125,000**	**2,680,900**	**3,190,900**	**3,397,600**	**3,403,300**
Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T) [5]	**147,300**	**80,800**	**60,800**	**81,400**	**110,100**	**116,400**
Gift tax, Form 709	**214,800**	**97,700**	**147,700**	**216,200**	**261,200**	**291,900**
Tax-exempt organizations [6]	**442,600**	**454,100**	**487,400**	**572,600**	**618,300**	**692,600**
Forms 990 and 990EZ	362,600	365,500	359,700	406,400	412,000	458,100
Form 990-PF	33,100	32,000	44,700	51,300	61,800	64,900
Form 990-T	23,500	26,200	39,100	49,800	50,200	62,800
Forms 990C, 4720, and 5227	23,400	30,400	43,900	65,100	94,300	106,800
Employment [7]	**26,387,000**	**27,409,300**	**28,911,300**	**28,654,900**	**29,106,400**	**28,973,600**
Forms 940, 940EZ, 940PR	4,702,000	4,813,000	5,367,400	5,482,600	5,483,300	5,479,100
Forms 941, 941PR/SS/M	18,854,000	20,304,200	21,632,100	22,219,100	23,098,500	22,985,100
Forms 943, 943PR	423,000	399,100	385,400	354,700	330,900	316,200
Other	2,408,000	1,893,000	1,526,400	598,500	193,700	193,200
Excise [8]	**875,000**	**1,160,500**	**852,000**	**788,600**	**821,900**	**822,300**
Form 2290	444,000	709,200	440,700	490,300	562,500	577,800
Form 720	366,000	416,200	339,100	225,300	194,000	183,800
Other	65,000	35,100	72,200	73,000	65,400	60,700

See notes at end of this section.

Table 22.--Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1980-2005--Continued

Type of return or form	Number filed in calendar year--					
	2000	2001	2002	2003	2004	2005 (projected)
	(7)	(8)	(9)	(10)	(11)	(12)
Individual income [1]	**127,657,400**	**130,094,300**	**130,977,500**	**130,836,700**	**131,297,500**	**132,643,300**
Forms 1040, 1040A, 1040EZ, and 1040PC	127,097,200	129,444,900	130,341,200	130,134,300	130,576,900	131,887,300
Paper returns	91,695,100	89,238,100	83,505,100	77,265,300	69,148,600	63,725,600
Electronically-filed returns	35,402,200	40,206,800	46,836,100	52,869,000	61,428,300	68,161,700
Business returns	19,350,400	19,664,500	20,072,000	20,658,500	21,475,200	22,650,900
Schedule C or C-EZ	17,570,500	17,904,900	18,336,500	18,944,500	19,770,600	21,005,400
Schedule F	1,779,900	1,759,600	1,735,500	1,713,900	1,704,700	1,645,500
Nonbusiness returns	107,746,800	109,780,500	110,269,100	109,475,800	109,101,600	109,236,500
Forms 1040C, 1040NR, 1040PR, and 1040SS	560,200	649,300	636,400	702,400	720,700	756,100
Corporation income [2]	**5,469,600**	**5,561,300**	**5,738,800**	**5,919,600**	**6,018,300**	**6,261,300**
Form 1120	2,161,700	2,128,700	2,131,900	2,119,000	2,066,800	2,100,200
Form 1120A	245,500	235,800	229,700	225,300	214,700	217,900
Form 1120S	2,887,100	3,022,600	3,191,100	3,369,100	3,523,900	3,718,300
Other	175,300	174,200	186,200	206,200	212,800	224,900
Partnership, Forms 1065 and 1065B [3]	**2,066,800**	**2,165,000**	**2,271,800**	**2,405,400**	**2,546,400**	**2,684,100**
Estate and trust income, Forms 1041 and 1041S [4]	**3,528,900**	**3,918,900**	**3,658,000**	**3,705,000**	**3,722,400**	**3,853,600**
Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T) [5]	**123,600**	**122,400**	**114,000**	**87,100**	**74,200**	**63,800**
Gift tax, Form 709	**308,600**	**303,800**	**282,600**	**284,900**	**262,200**	**292,100**
Tax-exempt organizations [6]	**699,100**	**724,200**	**744,400**	**818,200**	**807,300**	**857,400**
Forms 990 and 990EZ	461,700	481,000	495,000	548,000	533,000	581,200
Form 990-PF	70,000	73,300	76,900	86,000	85,700	94,300
Form 990-T	52,600	48,200	46,400	55,200	57,700	47,800
Forms 990C, 4720, and 5227	114,900	121,700	126,200	129,000	131,000	134,000
Employment [7]	**28,841,200**	**28,935,800**	**29,514,200**	**30,091,200**	**30,463,600**	**30,611,200**
Forms 940, 940EZ, 940PR	5,463,100	5,545,400	5,546,300	5,705,600	5,757,200	5,757,600
Forms 941, 941PR/SS/M	22,890,300	22,919,800	23,510,100	23,942,300	24,278,400	24,437,900
Forms 943, 943PR	305,500	291,000	283,300	276,600	269,400	259,300
Other	182,300	179,600	174,600	166,700	158,600	156,400
Excise [8]	**852,500**	**815,100**	**836,400**	**844,500**	**834,800**	**850,000**
Form 2290	610,800	588,700	615,200	642,400	660,600	670,000
Form 720	174,700	164,900	161,100	142,100	118,000	124,100
Other	67,100	61,500	60,000	59,900	56,200	55,900

See notes at end of this section.

Table 23.--Taxpayers Receiving Assistance, Paid and Unpaid, Specified Tax Years 1998-2003

[Some estimates based on samples--all data are in thousands]

Type of assistance	Tax year					
	1998	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with paid preparer signature:[1]						
All returns	66,551	69,250	69,115	72,477	72,519	78,753
Form 1040EZ	701	761	958	2,096	1,953	1,764
Form 1040A	4,239	3,746	4,180	3,854	3,460	3,589
Form 1040, total	61,611	64,743	63,977	66,526	67,106	73,400
Form 1040 Business, total	14,130	14,198	13,855	14,194	14,461	15,974
Nonfarm	12,347	12,462	12,154	12,517	12,805	14,245
Farm	1,783	1,735	1,701	1,677	1,656	1,729
Form 1040 Nonbusiness, total	47,482	50,546	50,121	52,332	52,644	57,426
With itemized deductions	18,140	19,239	19,678	20,889	21,252	21,671
Without itemized deductions	29,342	31,307	30,444	31,443	31,392	35,755
Electronically-filed [2]	18,482	22,894	26,223	30,501	33,810	42,042
Assistance provided by IRS:[3]						
Telephone inquiries (including recorded telephone information)	110,879	93,212	110,524	85,593	88,510	77,579
Office walk-ins, information	9,981	9,663	9,362	9,211	8,589	7,320
Written inquiries	75	61	48	35	27	12
Number of taxpayers assisted by selected special programs:						
Outreach taxpayers assisted	523 [r]	1,416	577	11,029 [4]	36,957 [4]	72,031 [4]
Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)	3,479	3,790	3,587	3,611	1,607 [5]	1,935 [5]

See notes at end of this section.

General notations and statements

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised or corrected.

* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix--SOI Sampling Methodology and Data Limitations."

** - Not shown to avoid disclosure of information about specific taxpayers. However, the data are combined with data in an adjacent size class, as appropriate, and included in the appropriate totals.

Detail may not add to totals because of rounding. All amounts are in current dollars. Percentages shown in some of the tables are based on dollar amounts rounded to the units indicated in the specific table headings. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

In the data sources listed at the end of the footnotes, which cite a Statistics of Income publication or unpublished table, the following should be noted: Most of the data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data; and specific Statistics of Income reports cited include more complete discussions of sampling error and of other changes affecting comparability of the data.

See, also, the appendix to the *Bulletin* for a general description of "SOI Sampling Methodology and Data Limitations."

Footnotes

Table 1

[1] Year-to-year comparability of the "all returns" total is affected by changes in dollar income filing thresholds, while year-to-year comparability of the number of returns by type of tax form used is affected by changes in the specific filing requirements, including adjustments for inflation, for each form. In general, the filing of "short forms" (mostly Forms 1040A and 1040EZ, and Form 1040-T for 1995 only) has been encouraged by IRS to simplify both taxpayer filing requirements and IRS processing. Filing requirements for each of the short forms have, therefore, been gradually liberalized to facilitate their use. Increases in the number of short forms by type of form have mostly been at the expense of "long form" 1040 usage (although increases in the number of each of the short forms have often been at the expense of one short form over another). While the number of 1040 (paper) returns has, therefore, increased over the time period shown, the rate of increase has been reduced by the use of the short forms, and, later, by electronic filing options (see below), including, for 1991-1999, use of Form 1040PC. For additional information about the return filing requirements, see the annual reports, *Statistics of Income--Individual Income Tax Returns.*

Forms 1040, 1040A, and 1040EZ include "standard" electronically-filed ("ELF" or "e-file") returns, and Form 1040EZ returns filed electronically by telephone ("TeleFile"), starting with 1991. Prior to Tax Year 1994, data for these forms also include computer-generated "paper" returns (Form 1040PC) that were reclassified as Forms 1040, 1040A, or 1040EZ returns for Statistics of Income, depending on the filing characteristics of each return. Because Form 1040PC returns were not reclassified for Statistics of Income for 1994-1999, data for Forms 1040, 1040A, and 1040EZ for these years are not comparable with the preceding years. (Form 1040PC did not apply after 1999.) (However, some reclassified data for 1994-1999 may be found elsewhere, in most articles presenting projections of returns to be filed, in Winter issues of the *Bulletin*, starting with the 1993-1994 issue, Volume 13, Number 3.)

Included in the "all returns" total for 1995, but not shown separately, are returns filed on Form 1040-T, a "short form" lending itself to IRS optical scanning, which was used for this 1 year only, on an experimental basis.

[2] Starting with 1993, taxpayers could elect to assign $3 of the income tax reported on their income tax returns ($6 on a joint return, if both spouses contributed) to help pay for the cost of Presidential election campaigns. To do so, a taxpayer had to check a box on the tax return. Before 1993, this tax offset was limited to $1 (or $2) per return. The relationship between (a) the number of returns and boxes checked and (b) the dollar amounts shown is only approximate because the frequencies and the amounts were obtained from different sources, the frequencies from Statistics of Income tax return data and the dollar amounts from IRS monthly tax collections, aggregated by calendar year. It should be noted that the frequencies and amounts are related to the tax year for which statistics are shown, even though the designation by the taxpayer occurred in the following year, when the income tax return was filed and processed.

[3] Less deficit.

[4] Taxable interest includes “dividends” on deposits and withdrawable shares in mutual savings banks, savings and loan associations, and credit unions, but excludes interest from Regulated Investment Companies on money market mutual funds, which is included in “dividends” in “adjusted gross income” (AGI).

[5] Not included in AGI. Represents interest on State and local government obligations, including tax-exempt interest dividends from Regulated Investment Companies.

[6] Dividends in AGI exclude capital gains and liquidating dividends, reflected in the statistics for net capital gain or loss in AGI, but include interest from Regulated Investment Companies on money market mutual funds. Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a “qualified” foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was a part of an employee stock ownership plan (ESOP).

[7] Losses are after “passive loss” limitation.

[8] Includes capital gains from the sale of assets held for personal use or investment, and also net gains from the sale of certain business property treated as net capital gains (see also footnote 15) and from "involuntary conversions" of property, such as by casualty or theft. Also includes capital gains received from partnerships and S corporations.

Data represent total capital gains. Total includes capital gain distributions from Regulated Investment Companies. For other changes affecting capital gains, see *Statistics of Income--Individual Income Tax Returns*, various years. See also footnote 6.

[9] Includes capital losses (after limitation) from the sale of assets held for personal use or investment, including losses in excess of net gains from the sale of certain business property treated as net capital losses and "involuntary conversions" of property, such as by casualty or theft. Also includes capital losses received from partnerships and S corporations. See also footnotes 6, 15, and 16.

[10] Net gain or loss, not includable in capital gain or loss, from the sale of business property (excluding inventories and certain other assets and "involuntary conversions" of property, such as by casualty or theft). See also footnote 15.

[11] Excludes Individual Retirement Arrangement (IRA) distributions.

[12] Represents total unemployment compensation.

[13] Starting with 1994, up to 85 percent of Social Security benefits were taxable; previously, the maximum was 50 percent.

[14] Excludes sole proprietorship (including farm) rental income or loss. Rental losses are before “passive loss” limitation and, therefore, exceed the amount included in AGI.

[15] Excludes certain royalties included in the computations of capital gain or loss and of ordinary gain or loss in sales of noncapital assets.

[16] Excludes capital gains and losses.

[17] Includes adjustments not shown separately in this table. Total excludes certain business-related expenses, deduction for two-earner married couples, and certain alimony payments, but includes the self-employment health insurance deductions (liberalized effective 1998). (Also, for 1990-1993, excludes employee moving expense deduction.)

[18] Deductible Individual Retirement Arrangement (IRA) contributions were limited, then liberalized somewhat, starting with 1997 and 1998. Contributions to education and Roth IRA's, new starting with 1998, were nondeductible and are, therefore, not included in the statistics.

[19] The limitation on the deduction was raised, starting with 1999.

[20] Deduction expired during 1994, but was later reinstated retroactively for that year. The deduction was liberalized, starting with 1995, and again starting with 1998.

[21] Exemption amounts were indexed for inflation. Amounts were also limited for taxpayers with high incomes, starting with 1991. Statistics include exemptions for age and blindness, repealed effective 1987 and replaced by larger standard deduction amounts (see footnote 22). A check box on the return was used for taxpayers age 65 or over, in general, for use in establishing claims for the additional standard deductions, but many taxpayers not claiming the additional deductions also used the checkbox.

The amount shown for exemptions excludes amounts in excess of AGI, which were reported but could not be used by the taxpayer. The number of exemptions and amounts also excludes the number and amounts reported on returns with no AGI, which did not figure into the computation of tax as a result.

[22] In general, represents the sum of standard and itemized deductions from AGI to compute "taxable income" (the tax base for the regular income tax), but also includes deductions in excess of AGI that could not be used in the computation. Deductions erroneously reported on returns with no AGI were excluded from the deduction statistics.

Includes revised itemized deductions (see also footnotes 24-25), "basic" standard deduction, and "additional" standard deductions for age 65 or over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income--Individual Income Tax Returns,* for appropriate years). Starting with 1991, total itemized deductions are after statutory limitation (see footnote 24).

[23] Standard deductions were indexed for inflation. Statistics for taxpayers with the additional standard deduction for age 65 or over exclude those who checked the box on tax returns indicating age 65 or over, but then itemized their deductions instead of claiming standard deductions (see footnote 21). For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income--Individual Income Tax Returns*.

[24] Includes itemized deductions not shown separately in this table, including revised deductions, for "miscellaneous expenses" after limitation and for employee moving expenses. For the most part, moving expenses are excluded after 1993 (see also footnote 17). In general, total itemized deductions were limited for certain high-income taxpayers, starting with 1991. This limitation was indexed for inflation, thereafter.

[25] Deductible medical and dental expenses were limited, based on a revised percentage of AGI. The definition of expenses was expanded, effective 1997, to include payments for certain long-term care insurance premiums and for the unreimbursed cost of certain long-term care of a chronically ill individual.

[26] State sales taxes were no longer deductible.

[27] Deductions for "personal" interest and mortgage real estate loan interest were limited, and, starting with 1991, personal interest was no longer deductible.

[28] Includes "alternative minimum tax" (AMT), starting with 2000. For previous years, AMT

was excluded and was reflected only in "total income tax" (see in Table 1).

[29] Different tax rate structures for the regular income tax applied to Tax Years 1990, 1991-1992, 1993-2001, 2002 and 2003. Indexing of tax rate boundaries for inflation existed. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished, but a maximum capital gain tax rate less than the maximum regular tax rate continued to apply under certain conditions, starting with 1991; the maximum rate was further reduced, effective 1997. For additional information on changes affecting tax computations, see Table A of the appendix to the historical section of this report and *Statistics of Income--Individual Income Tax Returns.*

[30] Includes that portion of the "earned income credit" used to offset income tax before credits. Earned income credit is shown below in Table 1.

[31] Includes credits such as the earned income credit, low-income housing credit, child adoption credit (introduced, effective 1997), and "empowerment zone employment" (EZE) credit (introduced, effective 1994).

[32] Allowable credit per child was increased, starting with 1999.

[33] The statistics for all years shown are comparable. However, prior to Tax Year 2000, total income tax is the sum of two components, income tax after credits and "minimum tax" or "alternative minimum tax (AMT)"; see footnote 35. Starting with Tax Year 2000, total income tax is, in general, the same as income tax after credits, which was redefined to include AMT. (The small difference between the two amounts for 2000 is due mainly to the inclusion in the statistics for Tax Year 2000 of prior-year returns filed in Calendar Year 2001 that were used as proxies for Tax Year 2000 returns filed after 2001; the AMT on these returns was included in total income tax, but not in income tax before or after credits, consistent with the reporting sequence on the tax return forms for these years. The same is true for Tax Year 2002 for prior returns filed in Calendar Year 2003 for Tax Year 2000 and earlier. To a far lesser extent, the difference between total income tax and income tax after credits represents the tax on accumulation distributions of trusts, which was included in total income tax only.)

Total income tax reflects the amount reported on the tax return and is, therefore, before any examination or enforcement activities by the Internal Revenue Service. It represents the income tax liability that was payable to the U. S. Department of the Treasury.

[34] The "alternative minimum tax" (AMT) on "tax preferences," completely replaced the former "minimum tax." Under AMT, generally high-income taxpayers to which the tax applied were required to pay the larger of the regular income tax or the AMT. Computation of the AMT was revised (to change the starting point for computing "alternative minimum taxable income" from "adjusted gross income" to "taxable income," to change or eliminate many of the AMT adjustments to and exclusions from tax, and to increase a single tax rate); again for 1991 (to further increase the single tax rate); then, starting with 1993 (to substitute two higher, graduated rates for the one single rate). An additional change, was the elimination of the capital gain exclusion as a tax preference subject to the AMT. As of 2002, examples of preferences or adjustments subject to recapture through the AMT were accelerated depreciation, incentive stock options, certain itemized deductions, personal exemptions, certain tax-exempt interest, and income loss from tax-shelter farm or "passive" investment activities.

AMT is shown separately in the statistics for all years. However, starting with 2000, AMT is also included in "income tax before credits," as well as in "income tax after credits" and "total income tax." Previously, AMT was only included in "total income tax."

[35] In Table 1, the amounts "used to offset income tax before credits" and "used to offset other taxes" (that are income-related) are reflected in the statistics for "total tax credits"; however, "excess earned income credit (refundable)" is reflected in the statistics for tax "overpayments."

The refundable portion of the credit is the amount (in excess of the taxes) that could not be credited, including any "advance earned income credit payments" on those returns that had such an excess. ("Advance earned income credit payments" were made to employees electing to receive such payments currently through their paychecks. Such "payments" are included in the statistics only if the employees also met the tax return filing requirements; advance payments received by those not required to file are, therefore, excluded.)

[36] Represents payments reflecting the sum of "total income tax" (see footnote 34), tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), and Social Security taxes on "self-employment income" and on certain employee tip income, as well as on other income-related taxes applicable to the years shown (see *Statistics of Income--Individual Income Tax Returns).* The total also includes the following not shown separately below in Table 1: "advance earned income credit payments" and credits for (a) capital gain tax paid by a Regulated Investment Company, but considered paid by shareholders, and (b) part of the purchase price of a diesel-powered highway vehicle.

[37] Represents tax withheld on (a) salaries and wages; (b) certain tip income; (c) pensions and annuities; (d) certain gambling winnings; and (e) distributions from profit-sharing plans, retirement plans, and Individual Retirement Arrangements (IRA's). Also included are taxes withheld as a result of "backup withholding" on certain interest, dividends, and royalty payments, which otherwise were not subject to withholding.

[38] Represents the sum of (a) "estimated tax," generally paid quarterly throughout the tax year by self-employed and certain other taxpayers with insufficient or no tax withheld, and (b) prior-year tax overpayments taxpayers elected to credit to their current-year's "estimated tax" in lieu of requesting a refund.

[39] Represents the sum of payments made with a request for an "automatic" 4-month extension of time in which to file an income tax return, and payments with a request for an additional 2-month extension. Notwithstanding the timing of these requests, full payment of a tax estimate for the year had to be made with the original application; if adjustments to the amount thus paid were later necessitated, the difference was either refundable or payable subject to an interest charge (which is not reflected in the tax statistics).

[40] Includes refunds (shown separately), plus credits to the following year's "estimated tax" and the refundable portion of the "earned income credit" (see footnote 36). The taxes reflected in tax overpayments are the same as those listed in footnote 38.

SOURCE: Except for dollar amounts associated with the Presidential election campaign checkoff, data are from *Statistics of Income--Individual Income Tax Returns,* appropriate years. Depending on the year, dollar amounts associated with the Presidential election campaign checkoff were accumulated by calendar year either from U.S. Treasury Department, Internal Revenue Service, "Table S-1 Collections, Comparative Summary, Document 7038," Report NO-Treas-103, monthly, or from unpublished monthly data from Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems. See also "General notations and statements," preceding the footnotes section.

Table 2

[1] Includes returns with adjusted gross deficit.

[2] U.S. totals in Table 2 do not agree with Tables 1 and 3 because Table 2 also includes (a) "substitutes for returns," whereby the Internal Revenue Service constructs returns for certain nonfilers on the basis of available information and imposes an income tax on the resulting estimate of the tax base, i.e., "taxable income," and (b) returns of nonresident or departing aliens. In addition, for Table 2:

a. "Itemized deductions" include any amounts reported by the taxpayer, even if they could not be used in computing "taxable income," the base on which the regular income tax was computed. Thus, total itemized

deductions include amounts that did not have to be reported by taxpayers with no "adjusted gross income." (Adjusted gross income is the total from which these deductions would normally be subtracted.) In addition, if standard and itemized deductions were both reported on a tax return, the form of deduction actually used in computing income tax was the one used for the statistics. Therefore, if the standard deduction was the form of deduction used, the total reported for itemized deductions was excluded from the statistics. However, the component deductions were not similarly excluded. As a result, the number of returns and related amounts for the component deductions are slightly overstated in relation to the grand total shown for itemized deductions. These components are also overstated in relation to the total because there was a statutory limitation on the total of itemized deductions that could be claimed by certain high-income taxpayers. This limitation did not affect the component deductions, the sum of which therefore exceeded the total used in computing income tax. See, also, Table 1, footnote 22.

b. "Income tax" includes the "alternative minimum tax," but differs from "total income tax" in Tables 1 and 3 in that it is after subtraction of all tax credits except a portion of the "earned income credit." See, also, footnote 2d below for an explanation of the treatment of the earned income credit, and Table 1, footnotes 31, 34, and 37.

c. "Total tax liability" differs from "income tax," shown above in Table 2, in that it is the sum of income tax after subtraction of all tax credits except the portions of the "earned income credit," used to offset income tax before credits and all other taxes and, in addition, includes the taxes from recapture of certain prior-year credits, tax applicable to Individual Retirement Arrangements (IRA's), Social Security taxes on self-employment income and on certain tip income, and certain other income-related taxes. See also footnote 2d, below, for an explanation of the treatment of the earned income credit.

d. "Earned income credit," limited somewhat starting with 1996, includes both the refundable and non-refundable portions. The non-refundable portion could reduce income tax and certain related taxes to zero; credit amounts in excess of tax, or amounts when there was no tax liability at all, were refundable. See, also, footnote 2c, above.

[3] Less deficit.

[4] "Number," here, and elsewhere in Table 2, represents number of returns, unless otherwise specified.

[5] See footnote 2a, above.

[6] Unlike Table 1, "total tax credits" exclude the "earned income credit," shown separately below, in Table 2.

[7] See footnote 2d, above; see also, Table 1, footnote 37.

[8] The refundable portion of the "earned income credit" equals the amount in excess of "total tax liability," which is shown below in Table 2 and defined in footnote 2c. The excess credit shown includes any "advance earned income credit payments" for those returns that had such an excess. See also, footnote 2d, above, and Table 1, footnote 37.

[9] See footnote 2b, above.

[10] See footnote 2c, above.

[11] Reflects payments of the taxes listed in footnote 2c, above.

[12] See Table 1, footnote 41.

[13] Includes the Alaskan permanent fund, reported by residents of Alaska on Forms 1040A and 1040EZ's.

[14] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by members of the armed forces stationed overseas; returns filed by other U.S. citizens abroad; and

returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of *all* returns filed and processed through the Individual Master File (IMF) system during Calendar Year 2004, including any returns filed for tax years preceding 2003.

In general, during administrative or Master File processing, taxpayer reporting discrepancies are corrected only to the extent necessary to verify the income tax liability reported. Most of the other corrections to the taxpayer records used for these statistics could not be made because of time and resource constraints. The statistics in Table 2 should, therefore, be used with the knowledge that some of the data have not been perfected or edited for statistical purposes and that U.S. totals in this table may not be altogether comparable to U.S. totals in Tables 1 and 3, as a result. Also, see footnote 2, above for differences in tax return coverage, which affects U.S. totals in this table.

Classification by State was usually based on the taxpayer's home address. However, some taxpayers may have used the address of a tax lawyer or accountant or the address of a place of business; moreover, such addresses could each have been located in a State other than the State in which the taxpayer resided.

SOURCE: Internal Revenue Service, Individual Master File System.

Table 3

[1] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in "adjusted gross income" or "taxable income," which are subject to the "alternative minimum tax" (included in "total income tax"), defined in Table 1, footnote 35.

[2] A study for 1993 showed that about half of all returns with "adjusted gross income" under $5,000 were filed by dependents of other taxpayers.

[3] "Adjusted gross income" (AGI) minus "personal exemptions and total deductions" will not equal "taxable income" because the total of deductions and exemptions could exceed AGI and, therefore, includes amounts that could not be used in computing "taxable income."

[4] Not computed.

SOURCE: *Statistics of Income--Individual Income Tax Returns*, appropriate years. See also "General notations and statements," preceding the footnotes section.

Table 4

[1] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at: http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[2] Consists of imputed rental income of owner-occupied non-farm dwellings (less actual rental income and subsidies); services to individuals furnished without payment by certain financial intermediaries; premium supplements to individuals for property and casualty insurance; farm products consumed on farms; food furnished to employees, including military and domestic service; clothing issued to military personnel; employee's lodging; and imputed income of individuals participating in the construction of their own housing.

[3] Consists of income earned by low-income individuals who are not required to file income tax returns, of unreported income that is included in the NIPA measure, and of errors and omissions which comprise items in the portion of personal income not included in AGI and the portion of AGI not included in personal income. Also includes the net effect of errors in the IRS adjusted gross income and NIPA personal income measures. Such errors can arise from the sample used by the IRS to estimate AGI and from the source data used by BEA to estimate personal income (per NIPA).

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts (NIPA's), Table 7.19: *Comparison of Personal Income in the National Income and Product Accounts with Adjusted Gross Income as Published by the Internal Revenue Service.* This table appears periodically in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp.

Tables 5 and 6

[1] See Table 4 for the differences between "personal income" and "adjusted gross income" (AGI).

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] Data for years 1987 and after are not comparable to pre-1987 data because of major changes in the definition of "adjusted gross income" (AGI).

SOURCE: Data on "personal income" and "adjusted gross income" (AGI) (per NIPA's) are from U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts (NIPA's), Table 7.19: *Comparison of Personal Income in the National Income and Product Accounts with Adjusted Gross Income as Published by the Internal Revenue Service.* This table appears periodically in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "adjusted gross income" (AGI) (per SOI) in Table 6 are from *Statistics of Income-Individual Income Tax Returns,* appropriate years.

Table 7

[1] Sum of standard and itemized deductions, plus charitable contributions deduction reported on standard deduction returns for Tax Years 1982-1986. Amount of total deductions for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, using his estimate of the standard deduction for these years (see footnote 4, below) plus the total for itemized deductions published in *Statistics of Income--Part 1* for 1950-1953 and *Statistics of Income--Individual Income Tax Returns* for 1954-1957. Starting with 1958, total deductions were obtained directly from *Statistics of Income--Individual Income Tax Returns*. Deductions exclude amounts shown as "statutory adjustments" in Table 1. For Tax Years 1987-1988, total deductions also include the "zero bracket amount" reported on a small number of returns (see footnote 4). It includes total deductions as reported by taxpayers, even if the total exceeded "adjusted gross income" (AGI) and, therefore, could not be used.

[2] See Tables 5 and 6, footnote 3.

[3] Series revised, starting with the Spring 1997 *Bulletin,* to exclude from the standard deduction statistics the relatively small number of returns with no adjusted gross income and no deductions. Previously, these returns were classified as if they showed a standard deduction. For the 1977-1986 statistics, the standard deduction is the "zero bracket amount" (reported on returns with only a "zero bracket amount"). Such an amount was also included for a small number of returns for 1987-1988 (see footnote 4). For years in which the "zero bracket amount" was in effect, frequencies shown for standard deduction returns were derived by subtracting the number reporting an income tax liability, but no itemized deductions, from the total of all returns. For 1950-1952, returns with itemized deductions include the small number of returns with no deductions and, for 1950-1954, the small number with no income, regardless of whether or not deductions were itemized. For later years, returns in these two categories were excluded from all the deduction statistics in this table.

[4] Amount of standard deduction for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of returns by income class and marital status in *Statistics of Income--Part 1* for 1950-1953 and *Statistics of Income--Individual Income Tax Returns* for 1954-1957, and, starting with 1958, was obtained directly from *Statistics of Income--Individual Income Tax Returns*. It represents the "zero bracket amount" for 1977-1986. Starting with 1987, it represents the sum of "basic" and "additional" standard deductions (for age 65 or over and for blindness); also includes the "zero bracket amount" reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics as proxies for returns due but not received.

[5] For 1977-1986, total itemized deductions are

before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see Table 1, footnote 24).

SOURCE: Except as indicated in footnotes 1 and 4, *Statistics of Income--Individual Income Tax Returns* and unpublished tables, appropriate years. Data referred to in footnote 4 which are attributed to Joseph A. Pechman are from Pechman, *Federal Tax Policy,* fifth edition, The Brookings Institution, 1987. See also "General notations and statements," preceding the footnotes section.

Table 8

[1] See Table 4 for differences between "personal income" and "adjusted gross income."

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis website at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] Excludes the "zero bracket amount" for 1977-1986; therefore, Table 8 differs from Table 1. Because of major changes in tax law, "taxable income," starting with 1954 and 1987, is not comparable with earlier years. See also Table 1, footnote 28.

[4] Note that the "taxable income" tax base excludes the base for computing both the "minimum tax" and "alternative minimum tax" components of "total income tax." Therefore, the percentages shown in column 6, starting with 1970, are only approximate. See also Table 1, footnote 35. Also, because conceptually "taxable income" did not exist prior to 1954, the taxable income shown for 1950-1953 and the percentages based on it in columns 3 and 6 are estimated, in part, by adjusting available statistics for statutory "net income" for these years.

SOURCE: Data on "Personal income" are from the Bureau of Economic Analysis' National Income and Product Accounts, Table 2.1: *Personal Income and Its Disposition.* This table appears in the *Survey of Current Business* and can also be accessed on-line at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "Taxable income (per SOI)" and "Total income tax (per SOI)" are from *Statistics of Income--Individual Income Tax Returns,* appropriate years.

Table 9

[1] Starting with 1975, includes the refundable portion of the "earned income credit."

SOURCE: *Statistics of Income--Individual Income Tax Returns* and unpublished tables, appropriate years. See also "General notations and statements," preceding the footnotes section.

Table 10

[1] Represents the number of returns, even if there was more than one business per return.

[2] "Total deductions" include amounts not shown separately in this table, as well as amounts not itemized separately on Schedule C-EZ (short form) used by certain of the smaller businesses, starting with 1992. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. After 1986, total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, "business receipts" minus "total deductions" do not equal "net income (less deficit)."

NOTE: There are slight differences between: (a) the number of individual income tax returns "with business or profession net income or loss" and the associated amounts, based on the summarized totals on the face of the tax return (Table 1), and (b) the related number of individual income tax returns "with nonfarm business net income or deficit" and the associated amounts, based on data from Schedules C filed in support of the total on the face of the return (Table 10). These differences result from the somewhat larger tax return samples underlying the sole proprietorship statistics for more recent years, and also from the taxpayer reporting variations and inconsistencies, e.g., in the occasional misreporting of farm versus nonfarm business activity on the face of the return compared to what was indicated in supporting schedules, and in the equating of

certain partnership income or employee business expenses with the presence of sole proprietorship activity.

SOURCE: *Statistics of Income--Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 11

[1] After 1990, certain small partnerships were not required to file balance sheets.

[2] Number of limited partnerships, limited liability companies, and the associated number of partners are understated because some businesses failed to answer the question about type of partnership on their tax returns as originally filed. Also, before Tax Year 1993, the question of identifying partnerships as limited liability companies was not present on the returns. No attempt was made to identify these companies for the statistics for earlier years.

[3] Total assets, total liabilities, and partners' capital account represent end-of-year amounts. Moreover, they are understated somewhat because not all partnerships included a complete balance sheet and, for the later years, because of the change in the reporting requirement mentioned in footnote 1, above.

[4] Short-term debt is the abbreviated title for mortgages, notes, and bonds payable in less than 1 year.

[5] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.

[6] "Total receipts" and "total deductions" include amounts not shown separately. Starting with 1981, only the net incomes or deficits from farming, rents, and royalties were tabulated; the positive amounts were included under "total receipts" and the negative amounts under "total deductions." The related expenses were not tabulated. Because of a redesign of the partnership return, starting with 1987, total receipts were computed for the statistics as the sum of "total income from a trade or business"; and the following income distributed directly to partners: "ordinary" gain from sales of property other than "capital assets"; "ordinary" income from estates, trusts, and other partnerships; portfolio income, comprising interest, dividends, royalties, and other portfolio income (excluding net capital gains, see below); and rental real estate income (positive amounts only); and income from other rental activities (positive amounts only). Most, but not all, of these types of income were included in receipts data for 1986 and earlier years. See also footnote 9, below.

Total deductions were computed as the sum of "cost of goods sold," or "cost of sales and operations," "total deductions from a trade or business," and the following, which were allocated directly to partners: "ordinary" loss from sales of property other than "capital assets"; "ordinary" loss from estates, trusts, and other partnerships; rental real estate losses; other rental losses; and portfolio losses (excluding net capital losses).

Portfolio income or loss from sales of "capital assets" was intentionally omitted from receipt and deduction statistics to improve comparability with earlier years. Therefore, the statistics in Table 11 will not agree with statistics in articles on partnerships that appear in prior issues of the *Bulletin.* See also footnote 8, below.

[7] Taxable interest only.

[8] Represents the more complete amounts reported in depreciation computation schedules, rather than the amounts reported as the depreciation deduction.

SOURCE: *Statistics of Income--Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 12

[1] Excludes business income tax returns filed by tax-exempt organizations. See Table 16.

[2] Size classes for corporations are based on "business receipts," i.e., gross amounts from

sales and operations, for industries (a) except those in the "finance, insurance, and real estate" industrial division, using the former Standard Industrial Classification or SIC system for years preceding 1998, (b) then, starting with 1998, except those in the "finance and insurance" industrial sector and those in the "management of companies (holding companies)" sector (which includes bank holding companies, as well as other holding companies), using the North American Industrial Classification System or NAICS. For the groupings comprising these two exceptions, "total receipts," which are the sum of business receipts and investment income, were used instead of "business receipts" as the basis for the size classification. Because of the differing treatment of holding companies (other than bank holding companies) and of real estate and rental and leasing, the statistics, starting with 1998, are not completely comparable with those for earlier years.

[3] Includes returns with no "business receipts" (or no "total receipts" in the case of certain corporations as described in footnote 2).

[4] Beginning Tax Year 2001, size of assets of under $500,000 and $500,000 under $1,000,000 replaced size of assets of under $100,000 and $100,000 under $1,000,000, of earlier years. Also, size of assets of $250,000,000 under $500,000,000; $500,000,000 under $2,500,000,000; and $2,500,000,000 or more are shown beginning with Tax Year 2001.

[5] Includes corporations and partnerships with "zero assets and liabilities." For corporations, returns with zero assets represent final returns of liquidating or dissolving corporations which had disposed of all assets; final returns of merging corporations whose assets were included in the returns of the acquiring corporations; part-year returns of corporations changing accounting periods (except for certain newly-incorporated businesses); and returns of foreign corporations with income "effectively connected" with a U.S. business (except foreign insurance companies providing separate balance sheets for U.S. branches). For partnerships, returns with zero assets include businesses not required to file balance sheets, as well as businesses that failed to provide balance sheets on their returns as originally filed. See also Table 11, footnote 1.

[6] Size classes for partnerships are affected by changes in the definition of receipts. (See Table 11, footnote 6.) Only partnership net rental income is reflected in the size distribution.

[7] Sole proprietors are not required to provide balance sheet information.

NOTE: Statistics for corporations are for accounting periods ended July of one year through June of the next. Thus, for example, corporation data for 2002 are for accounting periods ended July 2002 through June 2003. Statistics for nonfarm sole proprietorships and partnerships are, in general, for the calendar year.

SOURCE: *Statistics of Income--Corporation Income Tax Returns; Statistics of Income--Partnership Returns*, *Sole Proprietorship Returns,* and *Business Income Tax Returns*, depending on the year; and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). See also "General notations and statements," preceding the footnotes section.

Table 13

[1] Excludes inactive corporation returns. Excludes taxable farmers' cooperatives; Real Estate Mortgage Investment Conduits (REMIC's); Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's). "Number of returns" also excludes Personal Service Corporations for 1988-1993. Because of the omission of these categories of returns, annual totals for the income, financial, and tax items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax," and tax credits) are not altogether comparable.

Starting with 1997, corporations that otherwise qualified as S corporations, but that had subsidiaries, could qualify, provided the subsidiaries also qualified as S corporations. These subsidiaries, which previously filed separate returns, are included in the income tax returns of the parent S corporations.

Because of the definition of S corporation net income, totals for receipts and deductions are slightly understated to the extent that they were not directly related to the "income from a trade or business" reported by these companies. Comparability of data for "returns with net income" is also affected, as well by a change in the Statistics of Income definition of Regulated Investment Company net income for certain years. For additional information about these changes and the estimated effect they have on the net income statistics, see footnote 18, below.

[2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group, and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates. Consolidated returns exclude S corporations (defined in footnote 4), although, starting with 1997, S corporation returns could include subsidiaries that were also S corporations. Returns filed by parent S corporations which include qualifying subsidiaries are included in the S corporation frequencies shown below in Table 13. Consolidated returns also exclude all real estate investment trusts (REIT's).

[3] Included in "number of returns, total" and "number with net income."

[4] In general, certain small qualifying corporations that elected to be taxed at the shareholder level. These corporations could have no more than 75 shareholders (mostly individuals), starting with Income Year 1997; no more than 35 for Income Years 1983-1996. Starting with 1997, S corporation returns could include subsidiaries if the subsidiaries also qualified as S corporations, with income and financial data for both parent and subsidiaries combined on the return of the parent corporation.

[5] Balance sheet data are end-of-year amounts.

[6] Inventories include amounts reported by real estate subdividers and developers.

[7] Tax-exempt securities include not only investments in State and local government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.

[8] After 1990, accounts payable of banking and savings and loan institutions could include deposits and withdrawable shares previously reported in "other current liabilities."

[9] Starting with 1998, amounts for "adjustments to shareholders' equity" are reported separately on the tax return. Previously, these amounts were part of "Retained Earnings Unappropriated."

[10] In general, Statistics of Income data for receipts, deductions, and net income (or deficit) of S corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; and deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion, foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179) are not reflected in net income (because they were allocated directly to shareholders instead). See also footnote 4.

Prior to 1992, statistics for the "cost of goods sold" represent the more inclusive "cost of sales and operations." Cost of goods sold applies when inventories are an income-determining factor, i.e., when the corporation was engaged in the production, manufacture, purchase, or sale of merchandise in the course of its trade or business. Cost of operations applies whenever inventories are not an income-determining factor, as in the case of certain utilities and services (see below). The statistics for the cost of goods sold after 1991, therefore, also exclude estimates of the cost of operations previously constructed for the statistics from expense data reported elsewhere on the tax return (often in "other deductions") by corporations reporting "business receipts" without a corresponding cost of goods sold. These corporations were assumed to have a cost of operations that was not reported as

such. Most of the companies involved were classified either in the transportation and public utility or services industries.

For all years, identifiable amounts of depreciation, depletion, amortization, taxes paid, advertising, bad debts, compensation of officers, employee plan contributions, interest paid, and rent found in taxpayer schedules in support of the total cost of goods sold/cost of operations were transferred to their respective deduction headings for the statistics. This enabled more complete statistics for these expenditures to be produced.

[11] "Business receipts" include the gross proceeds (netting during statistical processing against the cost of these sales) reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers, and operative builders, even when they bought and sold securities, commodities, and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets." If gross amounts were reported by stock and commodity brokers and exchanges, costs and sales proceeds were netted during statistical processing.

[12] "Other interest" includes any dividends reported in combination with interest on the Form 1120S tax return by S corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4).

[13] Identifiable amounts reported on Form 1120-A are included in the statistics for the appropriate deduction. Starting with 1992, "other deductions" include certain amounts previously treated as part of the combined "cost of goods sold/cost of operations" for Statistics of Income. See also footnote 10.

[14] In general, "total receipts less total deductions" include tax-exempt interest on State and local government obligations, but exclude income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represent all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and exclude all income only "constructively" or "deemed" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local government obligations" plus "constructive taxable income from related foreign corporations" equal "net income (less deficit)." For the exception, due to Regulated Investment Companies, see footnote 16.

[15] Represents "income" that was only "constructively" or "deemed" received from foreign corporations and that was taxed to the U. S. corporation. (In general, such income was otherwise subject to U. S. income tax only when actually repatriated as dividends.) For the statistics, it is the sum of "includable income of Controlled Foreign Corporations" and the "foreign dividend gross-up," reported separately on the tax return. The "includable income" was comprised of specific types of undistributed income earned by a Controlled Foreign Corporation that were taxed under certain conditions to the U. S. shareholder corporations unless an actual "minimum distribution" was made. The foreign dividend gross-up represents a share of the foreign taxes paid on the profits of certain foreign subsidiaries out of which they paid dividends to their U. S. parent corporations and for which the parent corporation then claimed a foreign tax credit.

[16] "Net income (less deficit)," "net income," and "deficit" shown for 1990 exclude: (a) net long-term capital gain reduced by net short-term capital loss reported by Regulated Investment Companies (see footnote 14), and (b) amounts other than from a trade or business, i.e., portfolio and rental income, reported by S corporations (see footnote 4). Regulated Investment Company net long-term capital gain (reduced by net short-term capital loss) was excluded from net income in the Table 13 statistics. With respect to Table 13, the amounts excluded were: $7.5 billion for 1990; $57.2 billion for 1995; $192.6 billion for 1998; $252.3 billion for 1999; $296.6 billion for 2000; $41.1 billion for 2001 and $12.9 billion for 2002. Estimates of the S corporation

net income (less deficit) excluded from the statistics in Tables 13-14a were revised for the Summer 2002 *Bulletin* as follows: $22.2 billion for 1995; $56.9 billion for 1998; $56.4 billion for 1999; $59.4 billion for 2000; $45.1 billion for 2001; and $32.9 billion for 2002. Data with which to estimate S corporation net income (less deficit) excluded from the statistics for 1990 were not tabulated. For additional information about S corporation net income, see the various articles on S corporations in the *Bulletin,* starting with 1990.

[17] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined for the statistics as net income minus certain statutory special non-business deductions, such as for intercorporate dividends received and "net operating losses" carried forward from prior years). Profits of S corporations were mostly taxed through shareholders (who had to be individuals, estates, or trusts).

[18] Includes Personal Holding Company tax; tax on "branch profits" of foreign corporations with U.S. operations; and, certain lesser taxes, including special taxes applicable to Real Estate Investment Trusts (REIT's) and foreign corporations with U.S.-source income. Total income tax includes an environmental excise tax reported on the corporation income tax return and collected as part of the corporation income tax. This tax was repealed, effective during 1996.

"Total income tax" more closely represents worldwide income tax liability because it is before subtraction of the foreign tax credit, the largest of the tax credits. To the extent that foreign tax credits adequately reflect the total foreign income tax burden, total income tax includes these taxes. See also footnotes 19, 21, and 24.

[19] Different tax rate structures applied for 1990-1992 and 1993-2002.

[20] Under AMT, corporations are required to compute their regular tax liability and their "tentative minimum tax" liability. The difference between the "tentative minimum tax" and the regular tax is the legally defined alternative minimum tax. The AMT was designed to ensure that, at least, a minimum amount of income tax was paid in spite of the legitimate use of exclusions, deductions, and credits. For tax years beginning after 1997, new corporations and certain small corporations were not subject to the AMT.

[21] Tax credits are applied against "regular tax" only. See also footnote 22.

[22] In prior publications, data in this table for foreign tax credit for 1990, 1995, and 1998, and for U.S. possessions credit for 1995, were revised, based on results of special studies. For this publication, the data have been restored to their original values to be consistent with published corporate data and to be comparable with data for 1999, 2000, 2001, and 2002.

[23] The general business credit includes the following components and their years of implementation, almost all of which were subject to a combined overall limitation, therefore the amounts shown in the table for these credits are tentative: the alcohol fuel credit, the investment credit, the work opportunity credit, (formerly the "jobs credit"), the orphan drug credit (1996), increased research expenditures credit, low-income housing credit, "disabled access" credit (1990), enhanced oil recovery credit (1991), renewable electricity production credit (1992), Indian employment credit (1993), employer social security and Medicare taxes paid on certain employee tips credit (1993), contributions to selected community development corporations credit (1993), the trans-Alaska pipeline liability fund credit, and general credits from an electing large partnership (Schedule K-1 (Form 1065-B)), small employer pension plan startup costs credit (2002), employer-provided child care facilities and services credit (2002), and new markets credit (2002).

The empowerment zone and renewal community employment credit (1994), and New York Liberty Zone business employee credit (not shown separately, 2001), while components of the general business credit, have separate tax liability limits and are not subject to the combined limitation.

For other changes in the definition of components of the general business credit, see *Statistics of Income—Corporation Income Tax Returns*, for the years concerned.

[24] "Total income tax after credits" is before any examination or enforcement activities by the Internal Revenue Service. It is the amount payable to the U.S. Government as reported on the income tax return. Because it is after subtraction of foreign tax credit, this total does not include income taxes paid to foreign governments. In prior publications, amounts shown for 1990, 1995, and 1998 had been revised because of revisions to the foreign tax credit (for each of these years) and to the U.S. possessions credit (for 1995) based on special studies. For this publication, the data have been restored to their original values to be consistent with published corporate data and to be comparable with data for 1999, 2000, 2001, and 2002.

NOTE: Statistics are for corporate accounting periods ended July of one year through June of the next. Thus, for example, data for 2002 are for accounting periods ended July 2002 through June 2003.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*. Additional data on the foreign tax credit and U.S. Possessions Credit from special indepth studies are included in various issues of the *Statistics of Income Bulletin*. See also "General notations and statements," preceding the footnotes section.

Tables 14a and 14b

[1] Industrial classification is based on the product or service accounting for the largest percentage of "total receipts." (Total receipts are the sum of business or gross receipts, plus capital gains and income from investments, including rentals.) Starting with 1998, this classification is based on the North American Industry Classification System (NAICS), which replaced the Standard Industrial Classification (SIC) system. The SIC, in its various versions, was used to classify statistics for the years before 1998. Both systems were intended for Government-wide use in classifying business statistics. (For information about NAICS and its usage in Canadian, Mexican, and U.S. Government statistics, see the *Statistics of Income Bulletin,* Summer 1997, Volume 17, Number 1, pp. 3-5.) Because there are substantial differences between NAICS and its predecessor SIC system, data by "industrial sector" for years beginning with 1998 (Table 14b) are shown apart from data for earlier years by "industrial division" (Table 14a). As an example of differences between the two systems, using NAICS, Statistics of Income classifies banks that were bank holding companies in the new "management of companies (holding companies)" sector, instead of in the "finance and insurance" sector. Using the SIC, bank holding companies had previously been classified in the "finance, insurance, and real estate" industrial division. For additional information about breaks in comparability caused by the changeover to NAICS, see *Statistics of Income--1998, Corporation Income Tax Returns.*

If information for the business activity and product was not discernible from the corporation income tax return, the return was classified as with nature of business "not allocable." Data for nature of business "not allocable" are included in the totals for "all industrial divisions" (Table 14a) and "all industrial sectors" (Table 14b), but are not shown separately. Therefore, in addition to rounding differences, the statistics by industrial division or sector will not add to their respective grand totals.

[2] See Table 13, footnote 1.

[3] Balance sheet data are end-of-year amounts. Net worth is the sum of "capital stock," "additional paid-in capital," "retained earnings, appropriated," "retained earnings, unappropriated," and "adjustments to shareholders' equity" minus "cost of treasury stock." (Prior to 1997, data for "retained earnings, unappropriated" included "adjustments

to shareholders' equity," not reported separately on the tax return.) Each of these amounts is presented separately in Table 13.

[4] See Table 13, footnotes 10 and 14.

[5] See Table 13, footnote 11.

[6] Interest received is the sum of "interest on State and local government obligations" (i.e., tax-exempt interest) and "other interest" (which includes interest paid by banking and savings institutions). Data for both of these amounts are presented separately in Table 13. See also Table 13, footnote 12.

[7] In addition to regular tax (and alternative tax) for years prior to 1988, includes certain other taxes either shown separately in Table 13 or mentioned in Table 13, footnote 18.

[8] Beginning with tax year 987, "Alternative tax" was repealed. See also Table 13, footnote 19.

NOTE: Statistics are for corporate accounting periods ended July of one year through June of the next. Thus, for example, data for 2002 are for accounting periods ended July 2002 through June 2003.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*. Additional data on the foreign tax credit and U.S. Possessions Credit from special indepth studies are included in various issues of the *Statistics of Income Bulletin*. See also "General notations and statements," preceding the footnotes section.

Table 15

[1] In general, includes profits of U.S. corporations filing income tax returns as recorded in Statistics of Income, but with exceptions and adjustments (see below). Also includes profits of nonprofit institutions that primarily serve business and income of Federal Reserve Banks and Federally-sponsored credit agencies. However, profits of S corporations, only partially included in Statistics of Income data for recent years, are excluded from profits in the National Income and Product Accounts (NIPA) and are treated, instead, as "personal income" (see Table 4). For other corporations excluded in NIPA profits, see footnote 2, below, and footnote 1, Table 13.

Compared to Statistics of Income net income, profits for NIPA purposes are defined to include tax-exempt interest on State and local government obligations, but to exclude capital gains and losses, intercorporate dividends received, depletion, and bad debt losses. Consistent with Statistics of Income, NIPA profits reflect the inventory and depreciation accounting practices used for tax purposes. NIPA profits include income earned abroad by U.S. corporations, but exclude profits earned in the United States by foreign corporations.

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm.

[3] For Statistics of Income, "net income (less deficit)" and "income subject to tax" exclude taxable cooperatives, starting with the 1985 data; Real Estate Mortgage Investment Conduits (REMIC's), starting with 1987; and Personal Service Corporations for 1988-1993. Net income (less deficit), starting with 1985, excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's). See also Table 13, footnote 1. For changes in the definition of Regulated Investment Company and S corporation net income, see Table 13, footnote 18. For the coverage of corporations and the definition of corporate profits used for the National Income and Product Accounts, see footnote 1, above.

[4] For the definition of "income subject to tax," see Table 13, footnote 19. See also footnote 3, above.

SOURCE: Data on corporate "Profits before tax (per NIPA)" are from the Bureau of Economic Analysis' National Income and Product Accounts, Table 1.12: *National Income by Type of Income.* This table appears in the *Survey of Current Business* and can also be accessed online at: http://www.bea.gov/bea/dn/nipaweb/index.asp. Data on "Net income (less deficit) (per SOI)" and "Income subject to tax (per SOI)" are from *Statistics of Income--Corporation Income Tax Returns,* various years.

Table 16

[1] Includes data reported by organizations described in Internal Revenue Code section 501(c)(3), excluding private foundations and most religious organizations. Organizations with receipts under $25,000 were not required to file.

[2] Balance sheet data are end-of-year amounts.

[3] Represents fees collected by organizations in support of their tax-exempt purposes, and income such as from tuition and fees at educational institutions; hospital patient charges; and admission and activity fees collected by museums and other nonprofit organizations or institutions.

[4] The amounts of contributions, gifts, and grants shown reflects the amount actually disbursed, on a cash basis, for charitable purposes.

[5] Represents income not considered related to a foundation's charitable purpose, e.g., interest, dividends, and capital gains. Foundations could be subject to an excise tax on such income.

[6] Includes returns filed by or for entities described in Internal Revenue Code sections 401(a) (qualified pension, profit-sharing, or stock bonus plans), 408(e) (Individual Retirement Accounts, or IRA's), 408A (Roth IRA's), and 501(c)(2) through (27) (charitable and most other types of tax-exempt organizations).

[7] The primary reason for the drop in gross unrelated business income (UBI) and total deductions between Income Years 1997 and 1998 is the exclusion from the 1998 statistics of one association, which reported relatively large amounts of gross UBI and deductions for 1997 and prior years. The tax-exempt status of this association was terminated, effective 1998. For additional information, see Riley, Margaret, "Unrelated Business Income Tax Returns, 1998," *Statistics of Income Bulletin*, Spring 2002, Volume 21, Number 4.

[8] Aggregate amounts of total deductions, unrelated business taxable income (less deficit), and deficit previously published in various issues of the *SOI Bulletin* have been adjusted in Table 16 for Years prior to 1999. The revisions were required to take into account certain adjustments made to reported amounts of the "net operating loss deduction." During processing of the SOI sample of Tax Year 1999 returns, it was discovered that many Form 990 T filers were deducting the entire amount of any previous years' net operating loss carryover from net income (even when net income was zero or negative), rather than deducting only the part of the carryover amount needed to offset any positive net income amount. Entering the entire amount of the net operating loss carryover, as opposed to entering only the appropriate deduction amount, did not affect a filer's unrelated business income tax liability, but it did inflate the amount of deficit reported.

[9] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services is a component of "gross unrelated business income" (on which the filing requirement is based).

[10] Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the "proxy tax" on certain lobbying expenditures, tax from recomputing certain prior-year credits ("recapture taxes"), the "alternative minimum tax," and the environmental tax (applicable only to tax years prior to 1996). Beginning with Income Year 2001, total tax can include interest due, computed under the look-back method for certain depreciated property and completed long-term contracts, and "other" taxes, as described by the return filer, such as recapture taxes, which were reported separately prior to Income Year 2001.

SOURCE: *Statistics of Income Bulletin*, various issues. See also "General notations and statements," preceding the footnotes section.

Table 17

[1] Starting with 1965, number of returns, total gross estate at date of death, and estate tax after credits are estimates based on samples.

[2] Prior to 1982, year of death figures were approximated, using data from returns filed in a single calendar year. While many of the returns filed in a given calendar year represent returns of dece-

dents who died in the immediately preceding year, others represent returns of decedents who died in earlier years. Starting with 1982, the statistics are by year of death, using the year of death reported on the estate tax returns filed during periods of at least 3 successive years.

[3] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.

[4] Prior to 1964, a return was taxable if it showed an estate tax before credits. Starting with 1964, the classification was based on estate tax after credits.

[5] Year-to-year comparability of the data is affected by changes in the gross estate filing threshold which is based on year of death: 1934 ($50,000); 1935 ($50,000 changing to $40,000); 1936-1941($40,000); 1942 ($40,000 changing to $60,000); 1943-1976 ($60,000); 1977 ($120,000); 1978 ($134,000); 1979 ($147,000); 1980 ($161,000); 1981 ($175,000); 1982 ($225,000); 1983 ($275,000); 1984 ($325,000); 1985 ($400,000); 1986 ($500,000); 1987-1997 ($600,000); 1998 ($625,000); 1999 ($650,000); 2000-2001 ($675,000); 2002-2003 ($1,000,000); 2004-2005 ($1,500,000); 2006-2008 ($2,000,000); 2009 ($3,500,000); and 2010 (no estate tax).

NOTE: Beginning with 1982, numbers in columns 2-5 have been revised to reflect returns filed more than 3 calendar years after a decedent's death.

SOURCE: Data are shown only for years for which Statistics of Income data are available. For years after 1953, *Statistics of Income--Estate Tax Returns; Estate and Gift Tax Returns;* or *Fiduciary, Estate, and Gift Tax Returns,* depending on the year, and *Statistics of Income Bulletin*, various issues; also unpublished tabulations for certain years. For years prior to 1954, *Statistics of Income--Part I.* Adult deaths are from the Centers for Disease Control and Prevention, National Center for Health Statistics, U.S. Department of Health and Human Services, *Vital Statistics of the United States, Report Number 11, Supplement 2, Table 2*, annual and *National Vital Statistics Report, Volume 50, Number 15, September 2002, Table 3* and *Volume 52, Number 3, September 2003, Table 3*. See also "General notations and statements," preceding the footnotes section.

Table 18

[1] Includes not only taxes collected by the Internal Revenue Service (IRS) but, starting in Fiscal Year 1988 and the second quarter of Fiscal Year 1991, excise taxes collected by the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service, respectively. These excise taxes were formerly administered by IRS. See footnote 4, below, for an explanation of the revisions to the excise tax data, starting with the Summer 1997 issue of the *Bulletin*.

[2] Includes income taxes of estates and trusts which are taxed at the individual income tax rates, but excludes various taxes paid by certain other tax-exempt organizations. These latter organizations are also taxed at individual income tax rates, but, for classification purposes, are included in the corporation income tax collection statistics because the majority of these organizations are subject to the corporation income tax.

Individual income tax collections include that portion of the individual income tax transferred to the Presidential Election Campaign Fund based on elections made by taxpayers on their income tax returns. Presidential election campaign designations and associated amounts are shown in Table 1 for recent calendar-year tax years; designation amounts in recent fiscal years, without regard to tax year, are as follows:

Fiscal year	Millions of dollars
2004	$55.9
2003	55.2
2002	67.0
2001	58.1
2000	60.7
1999	61.0
1998	63.3
1997	66.9
1996	66.3
1995	68.5
1994	69.7
1993	27.7
1992	29.6

1991	32.3
1990	32.5
1989	32.3
1988	33.2
1987	33.2

Collections of income tax of estates and trusts in fiscal years, without regard to tax year, are as follows:

Fiscal year	Billions of dollars
2004	$10.7
2003	8.4
2002	10.8
2001	17.5
2000	16.7
1999	14.3
1998	14.2
1997	11.2
1996	8.0
1995	5.3
1994	6.2
1993	6.0
1992	6.1
1991	4.8
1990	5.9
1989	6.0
1988	6.5
1987	8.4

[3] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Such taxes also include the taxes paid by certain tax-exempt trusts at individual income tax rates; however, these taxes were combined with the corporation income tax collections when tabulated. Total taxes collected in recent fiscal years, without regard to tax year, from organizations otherwise tax-exempt are as follows:

Fiscal year	Total	Unrelated business income tax
	(Millions of dollars)	
2004	$510.7	$347.1
2003	386.0	270.4
2002	494.5	319.2
2001	652.1	523.3
2000	674.8	553.6
1999	810.8	665.9
1998	689.8	473.2
1997	666.8	484.9
1996	699.9	501.9
1995	484.9	294.3
1994	571.5	372.4
1993	342.7	173.6
1992	379.5	181.6
1991	288.2	155.6
1990	304.0	127.9
1989	271.4	115.6
1988	284.0	137.5
1987	244.3	119.9

[4] Data shown for the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) also include data for the Customs Service. To preserve the historical time series interrupted by transferring collection of the manufacturers' excise taxes paid on alcohol and tobacco and of the manufacturers' excise taxes on recreational products for the taxes paid on firearms from IRS to TTB, starting in July 1987 and January 1991, respectively, the combined excise taxes for these two Treasury agencies are shown in Table 18 alongside the IRS excise tax collections, for fiscal years beginning with 1988. They have also been added to the total tax collections reported by IRS to show a grand total of all Treasury Department tax collections (with the exception of a cargo excise tax collected by the Customs Service).

Although responsibility for the administration of alcohol and tobacco excise taxes was transferred to the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service, effective July 1, 1987, i.e., with the beginning of the fourth quarter of Fiscal Year 1987, the taxes collected were treated as Internal Revenue Service tax collections (column 4) through September 30, 1987, i.e., through the end of the fourth quarter of Fiscal Year 1987, rather than as TTB/Customs collections (column 5), as a transitional measure.

[5] Employment taxes include:

(a) Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes, i.e., Social Security taxes, levied on salaries and wages

(under the Federal Insurance Contributions Act, FICA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$664.9
2003	647.9
2002	639.7
2001	634.2
2000	593.3
1999	555.3
1998	513.9
1997	484.0
1996	455.2
1995	394.4
1994	409.6
1993	381.1
1992	365.2
1991	349.3
1990	336.3
1989	317.8
1988	289.9
1987	252.6

(b) Social Security taxes levied on "self-employment income" (under the Self-Employment Insurance Contributions Act, SECA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$41.2
2003	37.1
2002	37.1
2001	36.3
2000	34.6
1999	32.2
1998	32.6
1997	34.0
1996	26.9
1995	60.9
1994	24.4
1993	20.6
1992	24.4
1991	25.5
1990	21.3
1989	19.0
1988	17.7
1987	14.0

(c) unemployment insurance taxes (under the Federal Unemployment Tax Act, FUTA). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$6.7
2003	6.6
2002	6.7
2001	7.1
2000	7.0
1999	6.7
1998	6.5
1997	6.2
1996	6.0
1995	5.8
1994	5.6
1993	5.6
1992	5.8
1991	5.5
1990	5.5
1989	4.7
1988	6.2
1987	6.2

(d) Railroad Retirement (carriers) tax. Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars
2004	$4.4
2003	4.4
2002	4.6
2001	4.7
2000	4.8
1999	4.5
1998	4.8
1997	4.4
1996	4.3
1995	4.3
1994	4.2
1993	4.3
1992	4.4
1991	4.2
1990	4.2
1989	4.1
1988	4.3
1987	4.2

NOTES: In general, collections represent the gross amounts before refunds and include (a) amounts paid

with the tax return, (b) amounts paid prior to filing the return, as applicable (income tax withheld by employers and "estimated tax" payments), and (c) amounts paid subsequent to filing the return (chiefly the result of initial IRS administrative return processing or later examination and enforcement activities). Collections also include interest and penalties, but do not reflect any revisions to the IRS data for specific fiscal years made after the close of the fiscal year. Instead, revisions are reflected in the data for the later fiscal year in which the revision was made. However, revisions to the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and Customs excise tax collections are treated differently. See the "Notes" to Table 21.

Collection statistics reported by the Internal Revenue Service are not altogether comparable to those published by the Financial Management Service, also in the Treasury Department, because of timing differences resulting from the definitions each agency uses. The Internal Revenue Service counts the monies as they are received (to reflect the status of its tax collection operation); the Financial Management Service counts these amounts as received, but only after discrepancies (such as between what the employer reports as tax withheld and the amount actually withheld) are resolved. Also, the Financial Management Service classifies the tax collected according to the Federal Budget account to which the tax receipts are assigned (so that, for example, the former "environmental tax" reported on the corporation income tax return was not included in Treasury's monthly corporation income tax statistics because, by law, collections of this tax were assigned to the environmental "Superfund," rather than to the General Fund to which most income taxes are assigned. In contrast, this tax was classified as a part of the corporation income tax in Internal Revenue Service tax collection statistics).

For purposes of Table 18 (and to facilitate comparisons with Table 21), the grand totals of all excise taxes were obtained by accumulating data from the *Treasury Monthly Statement. S*ee also the citation under "Source," below. Totals for excise taxes collected by IRS were then subtracted from these grand totals to derive the combined totals shown as having been collected by the TTB and the Customs Service. This subtraction is not precise because of definitional differences between the two agencies.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems; and Financial Management Service, *Monthly Statement on Receipts and Outlays of the United States Government*, monthly.

Table 19

[1] Even though the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service have had responsibility for collecting and refunding excise taxes on alcohol and tobacco since July 1987 and of excise taxes on firearms since January 1991, the Internal Revenue Service (IRS) continues to be responsible for the recording of refunds of these taxes. Consequently, IRS statistics for excise tax refunds include refunds made by TTB and the Customs Service in years subsequent to the dates on which organizational responsibility was transferred. In contrast, TTB and Customs Service excise tax collections are recorded by these two Treasury agencies and are, therefore, shown separately in Table 18 under the heading, Alcohol and Tobacco Tax and Trade Bureau. See also footnote 4.

[2] Includes special statutory refunds, e.g., in 2001, and refunds of taxes paid on the "unrelated business income" of certain tax-exempt trusts. Also, to preserve the year-to-year comparability of the historical series, individual income tax refund data have been revised, as necessary, starting with 1996, to include net refunds due to the "earned income credit" (see also Table 1, footnote 37), in addition to overpayment and other refunds. This credit is already reflected in the refund statistics for previous years. Therefore, refund data may not always agree with those presented in the annual *Internal Revenue Service Data Book,* for certain years starting with 1996, although, conceptually, they agree with refund data published in the Treasury Department's

Monthly Statement of Receipts and Outlays of the United States Government. See also the citation under "Source," below.

Individual income tax refunds are net of offsets under laws that require the Department of the Treasury to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs. See Table 20 (which, however, is by calendar year rather than by fiscal year).

[3] Includes refunds of taxes on the "unrelated business income" of tax-exempt organizations, except for certain trusts.

[4] See footnote 1. Also, as further explained in the "Notes" to Table 21, taxpayers can offset certain refundable excise tax payments against the tax of subsequent time periods and claim certain other refunds as a credit against income tax; however, these amounts are not reflected in the excise tax refund statistics.

[5] The kinds of employment taxes subject to refund are listed in Table 18, footnote 5.

NOTE: Refund data include interest paid on the refunds by IRS or the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) as shown below. See also the "Notes" to Table 18.

Fiscal year	Total	Individuals	Corporations
	(Billions of dollars)		
2004	$5.1	$.4	$4.6
2003	3.3	.5	2.6
2002	4.2	.6	3.4
2001	2.7	.5	2.0
2000	2.6	.6	2.0
1999	2.7	.4	2.2
1998	2.6	.3	2.1
1997	2.4	.4	1.8
1996	2.2	.3	1.6
1995	2.7	.4	1.7
1994	3.1	.3	2.3
1993	2.1	.4	1.6
1992	3.2	.4	2.1
1991	2.8	.5	2.0
1990	2.4	.5	1.4
1989	1.8	.5	n.a.
1988	1.7	.4	n.a.
1987	2.0	.4	n.a.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems.

Table 20

[1] Represents repayments to specific Federal agencies (or State treasuries) for debts, such as student loans, mortgage and loan foreclosures, dishonored checks, and overpayments of benefits. There was no refund offset program prior to Fiscal Year 1982. Data are shown by year in which the offset was made, regardless of tax year.

Starting January 1999, the IRS tax refund offset program was merged into the Treasurywide offset program. This combined U.S. Government debt collection program is administered by the Financial Management Service (FMS), Department of the Treasury. (The sharp increase in tax refund offsets, starting with 1999--to $2.6 billion in 1999--was attributed by FMS to (1) system enhancements which include offset matching on the Social Security numbers of both husbands and wives as reported on joint individual income tax returns, (2) increased debt referrals for child support and Federal non-tax debt, (3) system flexibility allowing creditor agencies to add and update debt records on a continuous basis, and (4) increases in the average number and amount of tax refund payments due in part to new tax credits. For additional information, see U.S. Department of the Treasury, Financial Management Service, *Annual Report to the Congress: U.S. Government Debt Collection Activities of Federal Agencies,* Fiscal Year 1999.)

[2] After 1990, number of offsets includes adjustments for injured spouse claims filed with the original tax return. See also footnote 1.

[3] For all years, data exclude fees charged by the Internal Revenue Service or the Financial Management Service. For years preceding 1999, data by program or Federal agency represent the net amounts offset against refunds, after injured

spouse claims and other types of reversals. Starting with 1999, the totals by program or Federal agency are the gross amounts before injured spouse claims and other types of reversals, with the reversals shown separately as summarized totals. However, the grand totals for 1999 are comparable to those shown for earlier years.

[4] From 1992 through 1994, the Social Security Administration (SSA) participated in the refund offset program as part of the Department of Health and Human Services (HHS), but, starting in 1995, SSA became an independent agency. Nevertheless, SSA refund offsets are shown separately for all these years, and are not included in the HHS totals for 1992-1994.

[5] Represents repayments to State treasuries for funds disbursed to families receiving State assistance and for funds distributed under the Temporary Assistance for Needy Families (TANF) program, before 1997 known as the Aid to Families with Dependent Children (AFDC) program.

[6] Represents repayments to State treasuries for distribution to custodial parents (non-TANF). See also footnote 5, above.

[7] Before 1996, known as the Public Health Service.

[8] Includes affiliated exchange services.

SOURCE: U.S. Department of the Treasury. For years starting with 1999, Financial Management Service. For previous years, Internal Revenue Service.

Table 21

[1] Tax "liability" statistics also include "collections" of the use tax on heavy highway vehicles and of the "crude oil windfall profit tax." See also the "Notes" below.

[2] Represents aggregates for two or more specific taxes for which amounts have either been combined or are not available separately.

[3] This tax is in addition to the regular tax on gasoline.

[4] Revised data for this and certain other taxes are combined and included in the revised totals for excise taxes "unclassified," shown below in Table 21. Revisions for the specific taxes were not separately tabulated.

[5] Based on information obtained from Forms 990-PF as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Excludes data from nonexempt charitable trusts and foreign private foundations that file Form 990-PF.

[6] Based on information obtained from Forms 4720 as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Includes data for initial taxes on self-dealing, required distributions, excess business holdings, jeopardizing investments, and taxable expenditures as reported on Forms 4720 filed by organizations, other than nonexempt charitable trusts, that were also required to file Form 990-PF.

[7] The flight segment charged for nonrural airports changed effective January 1, 2004. The domestic flight segment increased from $3.05 to $3.10 per person. The 7.5-percent rate is still in effect. There is no flight segment tax on rural airports.

[8] The taxes on the use of international air facilities changed, effective January 1, 2004. The rate increased from $13.40 to $13.70 per person. For domestic flight segments beginning or ending in Alaska or Hawaii, the rate increased from $6.70 to $6.90.

[9] Starting with Fiscal Year 1998, includes excise taxes collected through the Federal Tax Deposit (FTD) system, which the Internal Revenue Service had not yet classified by type of excise tax. Classification is based on returns filed in the quarter following tax payment. Negative amounts for "unclassified" taxes result from subsequent classification of the previously unclassified taxes. For fiscal years before 1998, "unclassified" taxes are included in the statistics for "Internal Revenue Service collections less reported amounts." See also the "Notes," below.

[10] Tax "liability" statistics shown for the Customs Service/Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) include tax "collections" on imported items for which the Customs

Service is responsible. See also the "Notes," below.

[11] Taxes shown for the different types of domestic tobacco products are before post-filing tax adjustments. Therefore, the statistics by type of tax for domestic tobacco products will not add to the total tax on domestic tobacco products, which is after these adjustments. For additional information, see the "Notes," below, under "Statistics on Excise Taxes Administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service."

NOTES: Grand totals for taxes shown for the Internal Revenue Service (IRS), the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]), and the Customs Service represent tax "collections." (Fees for the Harbor Maintenance tax treated as excise taxes under the Internal Revenue Code are also collected by the Customs Service, but are excluded from Table 21 for consistency with the excise tax definitions and totals published in the Federal Budget. Also excluded is an environmental excise tax reported on the corporation income tax return for 1987 through 1996 and collected as part of the corporation income tax.) Prior to Fiscal Year 1998, all other Table 21 data (with the exceptions noted below) represent tax "liabilities" as reported on excise tax returns, rather than the tax actually collected. For data for Fiscal Years beginning with 1998, see below.

For the grand totals, collections rounded to millions of dollars are all that are available. In general, amounts shown are the gross amounts, i.e., before refunds. However, as explained below, refunds are sometimes claimed as a credit against the tax reported on the excise tax return of a subsequent quarter so that, to this extent, the data are after refunds.

"Floor stocks taxes" are shown separately in Table 21 because they are nonrecurring. They are generally imposed on holders of inventories on the date a new excise tax is imposed or a tax rate increased.

Total collections represent tax payments made during the indicated fiscal year (or quarter), either through: (a) the semimonthly tax deposits required of most taxpayers with significant excise tax liabilities using Federal Tax Deposit (FTD) coupons, in the case of taxes collected by IRS, or Electronic Funds Transfers (EFT's), in the case of taxes collected by TTB/Customs, or (b) payments attached to quarterly excise tax returns. Prior to Fiscal Year 1998, excise tax collections by the Treasury Department were accounted for without identifying the specific types of excise tax to which the payments applied. Therefore, the only statistics on the specific types of tax for these years are for the tax "liabilities," which are reported by type on the excise tax return. There were three exceptions: the use tax on heavy highway vehicles and the former "crude oil windfall profit" tax, both administered by IRS, which taxpayers were required to account for separately when taxes were paid, and the taxes on imports administered by the Customs Service. As a result, "collections," rather than "liabilities," for each of these three types of tax, are included in the Table 21 statistics for all years.

Beginning with Fiscal Year 1998, statistics for both the total for taxes administered by the IRS and the taxes by type of tax represent tax "collections" (see below). For Fiscal Year 1997, the amounts shown for the total represent tax collections, while the taxes by type of tax represent the tax liability reported on excise tax returns. Also, for these latter years, statistics on the types of tax take into account the normal lag that exists between the time most taxes are collected (through FTD's, the means by which most excise taxes are collected), and the recording of tax liabilities by type of tax as reported on excise tax returns and "certified" by IRS, as described below. For additional information, see the notes to Table 20, *Statistics of Income Bulletin*, Fall 1998, Volume 18, Number 2, and also, "Federal Excise Taxes, Fiscal Years 1994 and 1995," Fall 1996, Volume 16, Number 2.

a. Statistics on excise taxes administered by the Internal Revenue Service:

For years before Fiscal Year 1998, the table entry for IRS "collections less reported amounts" is a balancing amount, representing the difference between the tax collected and the IRS "certified" tax liability. It, therefore, reflects the timing adjustments taken into account for the statistics in recognition of: (1) the lag between time of tax payment and time of filing the return and (2) the previous inability of equating tax payments with the tax liability reported on the excise tax return.

Inasmuch as the difference between the certified tax liability and the tax collected was apportioned in order to make the tax liability and the tax collected equal, starting with Fiscal Year 1998, there are no entries for "collections less reported amounts," starting with that year.

Corrections to the IRS data are reflected in the quarter(s) and year in which the corrections were made, rather than in the data for the quarter(s) and year in which the original tax liability arose (unlike the TTB /Customs data). The certified tax is net of refund credits reported on excise tax returns, not only for this reason, but for conformity with the Internal Revenue Code. As examples, tax can be offset for commodities exported that were previously taxed (exports are usually nontaxable), or for the sale of previously-taxed gasoline to a State or local government (or, in the case of TTB taxes, for alcohol used for a nonbeverage purpose). Other taxpayers apply directly for refunds and, for some of the taxes, are allowed to claim refunds by means of a credit against income tax. Because such refundable amounts were not reported on the excise tax return, they are not reflected in the Table 21 totals. (Other corrections to the IRS data for certain specific taxes are assumed to be due to misclassification and have been adjusted for as additions (or subtractions) to "Unclassified IRS taxes.")

b. Statistics on excise taxes administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms [ATF]) and the Customs Service:

Excise taxes on alcoholic beverages and tobacco products are collected by both Customs Service (on imports) and TTB (on domestic production). Taxes on firearms and certain occupational taxes are also collected by TTB. TTB tax liability statistics, for all of the years shown in Table 21, are presented in more detail, beginning with the Summer 1998 *Bulletin* (formerly, this table was numbered Table 20). The less detailed TTB statistics shown for each year in previous issues of the *Bulletin* also represent tax "liabilities" on domestic alcohol and tobacco productions, as well as tax "liabilities" on firearms and certain occupations. By contrast, the taxes on imported alcohol and tobacco production reported by the Customs Service are tax "collections" in data for all years.

The grand totals for TTB and Customs Service tax "collections," as presented in Table 21, are residual amounts. They were derived by subtracting total IRS tax collections, which are available before most refunds, from the grand total of all excise tax gross collections reported in the *Monthly Treasury Statement*, rounded to millions of dollars, as shown at the beginning of Table 21. This subtraction is not precise because of definitional differences between IRS and TTB or Customs Service.

In Table 21, TTB data have been rearranged, starting with the Spring 1997 *Bulletin* (then Table 20), so that tax liabilities are matched with tax collections in that same quarter. Previously, tax liabilities arising in a given quarter were not directly related to reported tax collections during that same quarter. Also, as previously noted, TTB amounts are often revised slightly as late returns are processed or post-filing adjustments are made to the tax. As a result, tax reported for prior periods is updated on a continuing basis, although the updated prior-year data are actually retabulated only for the one, most recent, prior year. Retabulated post-filing tax revisions for these earlier years are included for the first time in Table 21 of the Spring 2002 issue of the *Bulletin* and affect previously published data for fiscal years, beginning with 1996.

However, as stated in footnote 11, above, post-filing revisions to the data for the immediately preceding fiscal year are not available for the detailed types of taxes on domestic tobacco products. Therefore, because revisions are available and are reflected in the total presented as the sum of these taxes, adding up the (unrevised) detail by type of tax will not yield the (revised) total.

SOURCE: U.S. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement of Receipts and Outlays of the United States Government*; Alcohol and Tobacco Tax and Trade Bureau *Statistical*

Release: Alcohol, Tobacco and Firearms Tax Collections, quarterly (this release also includes data for the Customs Service), and previously unpublished special tabulations; Internal Revenue Service, *Internal Revenue Service Data Book*, and its predecessor, *Annual Report, Commissioner and Chief Counsel, Internal Revenue Service;* also Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems, *Internal Revenue Report of Excise Taxes*. Also see Davie, Bruce F., "Federal Excise Taxes, Fiscal Years 1994 and 1995," *Statistics of Income Bulletin,* Fall 1996, Volume 16, Number 2. See also (unrevised) data included in Davie, Bruce F., "Excise Taxes, Fiscal Year 1992," *Statistics of Income Bulletin,* Fall 1993, Volume 13, Number 2. Also see data in Francis, Brian D., "Excise Taxes, Fiscal Years 1995-1997," *Statistics of Income Bulletin*, Spring 1998, Volume 17, Number 4, and Francis, Brian D., "Federal Excise Taxes, Including the Slow Death of Expired Taxes," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1. For additional information about the process used to match quarterly excise tax "collections" with excise tax "liabilities" as reported on quarterly excise tax returns, see the "Notes" to Table 20 in the Fall 1998 (Volume 18, Number 2) issue of the *Statistics of Income Bulletin.*

Table 22

[1] Form 1040 is the "long form," and Form 1040A, one of the two (three for Calendar Year 1996) "short forms." Starting with Calendar Year 1991, use of Form 1040A was expanded to reflect provisions designed to facilitate usage by elderly taxpayers. Prior to 1994, Form 1040EZ, the other "short form" (introduced in 1983), was for single taxpayers with no dependents; starting in 1994, certain married taxpayers with no dependents could also use this form. The types of income that could be reported on Form 1040EZ were also expanded, starting in 1996, to include unemployment compensation. (For Calendar Year 1996, the third "short form" was Form 1040-T, an experimental form, discontinued after this one year.) Form 1040PC, introduced in 1992 and discontinued after 2000, was the equivalent of a "paper" Form 1040, 1040A, or 1040EZ return for which an IRS-approved computer software-generated compressed format was used. Schedule C is for reporting nonfarm sole proprietorship business profits, and Schedule F is for reporting farm sole proprietorship business profits.

Starting with Calendar Year 1986, the reported data for total Forms 1040, 1040A, 1040EZ, and 1040PC returns, and for Forms 1040-T (for 1996), as well as the totals for nonbusiness and business Form 1040 returns with Schedules C or F attached, are comprised of "paper" returns, plus "standard" electronically-filed ("e-file") returns. Standard e-file returns are filed by authorized third parties, such as paid preparers and, starting in 1994, approved "online" tax filing companies, as well. Starting in 1992, the electronically-filed totals also include returns filed by touch-tone telephone ("TeleFile").

The last category under individual income tax returns is comprised of Form 1040C (departing alien) for filing years preceding 1992; 1040NR (nonresident alien); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands). Amended returns filed on Form 1040X are excluded.

[2] Form 1120 is the basic corporation income tax return. Form 1120A is the "short form" (introduced in Calendar Year 1985; filers formerly used Form 1120). Form 1120S is for S corporations (certain qualifying small corporations electing to be taxed through shareholders; to qualify, such corporations could have no more than 75 shareholders, starting in 1998, no more than 35 shareholders in 1984-1997, no more than 25 in 1983, no more than 15 in 1981-1982, and no more than 10 prior to 1981; also, starting with 1997, S corporation returns could include subsidiaries of a parent S corporation if the subsidiaries were also S corporations). "Other" includes Forms 1120-F (most foreign companies with U.S. income); Forms 1120-L (domestic and foreign life insurance companies), which are combined with Form 1120 statistics for years before 1995; Forms 1120POL (certain political associations); Forms 1120-H (homeowners' associations); Forms 1120-FSC (Foreign Sales Corporations, or FSC's), starting in

1986; Forms 1120-REIT (Real Estate Investment Trusts) and 1120-RIC (Regulated Investment Companies), starting in 1988 (filers formerly used Form 1120); and Forms 1120-PC (Property and Casualty Insurance Companies), starting in 1987 (filers formerly used Forms 1120 or 1120M, described below). "Other" also includes Form 1120DF (for nuclear decommissioning trust funds and related persons), starting in 1988; these funds were then included on Form 1120SF (for certain settlement funds), starting in 1994; and, for years before 1988, Form 1120M (now discontinued) for most mutual nonlife insurance companies that now file Form 1120 or 1120-PC (and are included in the statistics for Form 1120 in the years preceding 1988). After 1985, "other" excludes Form 1120-DISC for Domestic International Sales Corporations, which were discontinued and mostly replaced by FSC's (see above); and Form 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations (which was used by certain other DISC's after 1985). Amended returns filed on Form 1120X are excluded.

[3] Includes Form 1065B for certain large partnerships, starting in 1999.

[4] Form 1041 is the regular income tax return filed for estates and trusts. For 1988-1990, includes former Form 1041S (short form).

[5] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens; Forms 706 GS(D) and 706 GS(T) are for estate tax returns for which the generation-skipping transfer tax applies.

[6] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' co-operatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations, and Form 5227 is for split-interest trusts treated as private foundations.

[7] Form 940 is the annual unemployment (FUTA) tax return filed by employers; Form 940PR is used by employers in Puerto Rico; and Form 940EZ is a shorter version of Form 940. Form 940EZ is only included in the Form 940 totals for 1990 and subsequent years. Form 941 is the employer's quarterly return for income tax withheld; Form 941PR is used by employers in Puerto Rico; and Form 941SS, by employers in the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. Form 941M (monthly tax withholdings) is included with Form 941 in 1980 and prior years. Form 943 is filed to report income tax withheld by employers for agricultural employees. Form 943PR is used by employers in Puerto Rico. "Other" includes Form 945 (annual tax withholding from non-payroll distributions), included in 1995 and subsequent years; Form 942 (quarterly return for household employees) and Form 942PR (quarterly return for household employees filed by Puerto Rico employers, both discontinued after 1995); Form CT-1 (annual Railroad Retirement and unemployment tax return); and Form CT-2 (representative's quarterly railroad tax return), not included in years following 1980.

[8] Form 720 is the IRS quarterly excise tax return and includes related Form 720M for 1980. Form 2290 is the IRS return used to report heavy highway vehicle use tax. "Other" includes Form 730 (tax on wagering); Form 11C (occupational tax and registration return for wagering); Form 4638 (use tax on civil aircraft) in 1982 and prior years; and Form 11B (tax on gaming devices) in 1980. (After 1985, excise tax returns exclude those now filed with the Alcohol and Tobacco Tax and Trade Bureau (TTB), (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives [ATF]), and the Customs Service.)

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Office of Research, Analysis, and Statistics, Office of Research, Projections and Forecasting Group.

Table 23

[1] Number of returns with a paid preparer signature is based on the sample used for *Statistics of Income--Individual Income Tax Returns*.

[2] Data on electronically-filed returns are included

in the counts of Form 1040 returns, shown above in Table 23, for all years. Data are based on the full SOI samples of returns filed throughout the entire year.

[3] Data on IRS taxpayer assistance programs are actually for the fiscal year. Assistance rendered in a given fiscal year may be associated with returns due on April 15 of that fiscal year and is, therefore, for the tax year ending with the previous December. Thus, data in Table 23 on taxpayer assistance, shown as for Tax Year 2003, are actually for Fiscal Year 2004.

[4] The number of outreach taxpayers assisted has increased significantly. This was a result of both expanded partner activity and a revision in this classification. For 2001-2003, "Outreach taxpayers assisted" included estimates of both direct (IRS) and indirect (partner) contacts through seminars, training classes, mail-out campaigns, etc.

[5] Only return preparation activity was captured and reported for VITA and TCE sites. In prior years, the number of taxpayers assisted through VITA and TCE included the number of questions answered and returns prepared.

NOTE: Data on IRS assistance represent taxpayer contacts, unless indicated. Some taxpayers are contacted more than once. The number of taxpayers assisted (versus those contacted) is not known.

SOURCE: Data on paid preparers were obtained from SOI and from Assistant Deputy Commissioner, Modernization/Chief Information Officer. Data on IRS assistance were obtained from the *Internal Revenue Service Data Book*.

Table A.--U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2004

[Amounts are in dollars.]

Tax year	Personal exemptions [1]			Tax rates for regular tax--			
				Lowest bracket		Highest bracket	
	Single persons	Married couples	Dependents	Tax rate[2] (percent)	Taxable income under--[3]	Tax rate[2] (percent)	Taxable income over--[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1913	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1914	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1915	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1916	3,000	4,000	N/A	2.0	20,000	15.0	2,000,000
1917	1,000	2,000	200	2.0	2,000	67.0	2,000,000
1918	1,000	2,000	200	6.0	4,000	77.0	1,000,000
1919	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1920	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1921	1,000	2,500 [4]	400	4.0	4,000	73.0	1,000,000
1922	1,000	2,500 [4]	400	4.0	4,000	58.0	200,000
1923	1,000	2,500 [4]	400	3.0[5]	4,000	43.5[5]	200,000
1924	1,000	2,500	400	1.5 [6]	4,000	46.0	500,000
1925	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1926	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1927	1,500	3,500	400	1.125 [7]	4,000	25.0	100,000
1928	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1929	1,500	3,500	400	0.375 [8]	4,000	24.0	100,000
1930	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1931	1,500	3,500	400	1.125 [8]	4,000	25.0	100,000
1932	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1933	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1934	1,000	2,500	400	4.0[9]	4,000	63.0	1,000,000
1935	1,000	2,500	400	4.0[9]	4,000	63.0	1,000,000
1936	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1937	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1938	1,000	2,500	400	4.0[9]	4,000	79.0	5,000,000
1939	1,000	2,500	400	4.0 [9]	4,000	79.0	5,000,000
1940	800	2,000	400	4.4[9, 10]	4,000	81.1[10]	5,000,000
1941	750	1,500	400	10.0 [9]	2,000	81.0	5,000,000
1942	500	1,200	350	19.0 [9]	2,000	88.0	200,000
1943	500	1,200	350	19.0 [9]	2,000	88.0	200,000
1944	500 [11]	1,000 [11]	500 [11]	23.0	2,000	94.0 [12]	200,000
1945	500 [11]	1,000 [11]	500 [11]	23.0	2,000	94.0 [12]	200,000
1946	500	1,000	500	19.0 [13]	2,000	86.45[13]	200,000
1947	500	1,000	500	19.0[13]	2,000	86.45[13]	200,000
1948	600 [14]	1,200 [14]	600	16.6 [15]	4,000	82.13[15]	400,000
1949	600 [14]	1,200[14]	600	16.6 [15]	4,000	82.13[15]	400,000
1950	600 [14]	1,200[14]	600	17.4 [16]	4,000	84.36[16]	400,000
1951	600 [14]	1,200[14]	600	20.4	4,000	91.0[17]	400,000
1952	600[14]	1,200 [14]	600	22.2	4,000	92.0[18]	400,000
1953	600[14]	1,200[14]	600	22.2	4,000	92.0[18]	400,000
1954	600[14]	1,200 [14]	600	20.0	4,000	91.0[19]	400,000
1955	600[14]	1,200 [14]	600	20.0	4,000	91.0[19]	400,000

See notes at end of this section.

Table A.--U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2004--Continued

[Amounts are in dollars.]

Tax year	Personal exemptions [1]			Tax rates for regular tax--			
				Lowest bracket		Highest bracket	
	Single persons	Married couples	Dependents	Tax rate[2] (percent)	Taxable income under--[3]	Tax rate[2] (percent)	Taxable income over--[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1956	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1957	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1958	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1959	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1960	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1961	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1962	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1963	600[14]	1,200[14]	600	20.0	4,000	91.0[19]	400,000
1964	600[14]	1,200[14]	600	16.0	1,000	77.0	400,000
1965	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1966	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1967	600[14]	1,200[14]	600	14.0	1,000	70.0	200,000
1968	600[14]	1,200[14]	600	14.0	1,000	75.25[20]	200,000
1969	600[14]	1,200[14]	600	14.0	1,000	77.0[21]	200,000
1970	625[14]	1,250[14]	625	14.0	1,000	71.75[22]	200,000
1971	675[14]	1,350[14]	675	14.0	1,000	70.0[23]	200,000
1972	750[14]	1,500[14]	750	14.0	1,000	70.0[24]	200,000
1973	750[14]	1,500[14]	750	14.0	1,000	70.0[24]	200,000
1974	750[14]	1,500[14]	750	14.0[25]	1,000	70.0[24, 25]	200,000
1975	750[14, 26]	1,500[14, 26]	750[26]	14.0	1,000	70.0[24]	200,000
1976	750[14, 27]	1,500[14, 27]	750[27]	14.0	1,000	70.0[24]	200,000
1977	750[14, 27]	1,500[14, 27]	750[27]	14.0[28]	3,200[28]	70.0[24]	203,200
1978	750[14, 27]	1,500[14, 27]	750[27]	14.0[28]	3,200[28]	70.0[24]	203,200
1979	1,000[14]	2,000[14]	1,000	14.0[28]	3,400[28]	70.0[24]	215,400
1980	1,000[14]	2,000[14]	1,000	14.0[28]	3,400[28]	70.0[24]	215,400
1981	1,000[14]	2,000[14]	1,000	13.825[28, 29]	3,400[28]	69.125[24, 29]	215,400
1982	1,000[14]	2,000[14]	1,000	12.0[28]	3,400[28]	50.0	85,600
1983	1,000[14]	2,000[14]	1,000	11.0[28]	3,400[28]	50.0	109,400
1984	1,000[14]	2,000[14]	1,000	11.0[28]	3,400[28]	50.0	162,400
1985	1,040[14, 30]	2,080[14, 30]	1,040[30]	11.0[28]	3,540[28, 31]	50.0	169,020[31]
1986	1,080[14, 30]	2,160[14, 30]	1,080[30]	11.0[28]	3,670[28, 31]	50.0	175,250[31]
1987	1,900[30]	3,800[30]	1,900[30]	11.0	3,000[31]	38.5	90,000[31]
1988	1,950[30, 32, 33]	3,900[30, 32, 33]	1,950[30, 32, 33]	15.0[34, 35]	29,750[31, 35]	28.0[34, 35]	29,750[31, 35]
1989	2,000[30, 32, 33]	4,000[30, 32, 33]	2,000[30, 32, 33]	15.0[34, 35]	30,950[31, 35]	28.0[34, 35]	30,950[31, 35]
1990	2,050[30, 32, 33]	4,100[30, 32, 33]	2,050[30, 32, 33]	15.0[34, 35]	32,450[31, 35]	28.0[34, 35]	32,450[31, 35]
1991	2,150[30, 32]	4,300[30, 32]	2,150[30, 32]	15.0	34,000[31]	31.0	82,150[31]
1992	2,300[30, 32]	4,600[30, 32]	2,300[30, 32]	15.0	35,800[31]	31.0	86,500[31]
1993	2,350[30, 32]	4,700[30, 32]	2,350[30, 32]	15.0	36,900[31]	39.6	250,000[31r]
1994	2,450[30, 32]	4,900[30, 32]	2,450[30, 32]	15.0	38,000[31]	39.6	250,000[31]
1995	2,500[30, 32]	5,000[30, 32]	2,500[30, 32]	15.0	39,000[31]	39.6	256,500[31]
1996	2,550[30, 32]	5,100[30, 32]	2,550[30, 32]	15.0	40,100[31]	39.6	263,750[31]
1997	2,650[30, 32]	5,300[30, 32]	2,650[30, 32]	15.0	41,200[31]	39.6	271,050[31]
1998	2,700[30, 32]	5,400[30, 32]	2,700[30, 32]	15.0	42,350[31]	39.6	278,450[31]
1999	2,750[30, 32]	5,500[30, 32]	2,750[30, 32]	15.0	43,050[31]	39.6	283,150[31]
2000	2,800[30, 32]	5,600[30, 32]	2,800[30, 32]	15.0[36]	43,850[31]	39.6[36]	288,350[31]
2001	2,900[30, 32]	5,800[30, 32]	2,900[30, 32]	10.0[37]	6,000[31, 38]	39.1[37]	297,350[31, 38]
2002	3,000[30, 32]	6,000[30, 32]	3,000[30, 32]	10.0	12,000[31]	38.6	307,050[31]
2003	3,050[30, 32]	6,100[30, 32]	3,050[30, 32]	10.0	14,000[31]	35.0	311,950[31]
2004	3,100[30, 32]	6,200[30, 32]	3,100[30, 32]	10.0	14,300[31]	35.0	319,100[31]

See notes at end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]

Year [2]	Taxable income brackets [3]	Rates (percent)
1909-1913 (February 28)	First $5,000	--
	Over $5,000	1.00
1913 (March 1)-1915	All taxable income	1.00
1916	All taxable income	2.00
1917 [4]	All taxable income	6.00
1918 [4]	First $2,000	--
	Over $2,000	12.00
1919-1921 [4]	First $2,000	--
	Over $2,000	10.00
1922-1924 [4]	First $2,000	--
	Over $2,000	12.50
1925	First $2,000	--
	Over $2,000	13.00
1926-1927	First $2,000	--
	Over $2,000	13.50
1928	First $3,000	--
	Over $3,000	12.00
1929	First $3,000	--
	Over $3,000	11.00
1930-1931	First $3,000	--
	Over $3,000	12.00
1932-1935 [5]	All taxable income	13.75
1936-1937 [5,6]	First $2,000	8.00
	Over $2,000, not over $15,000	11.00
	Over $15,000, not over $40,000	13.00
	Over $40,000	15.00
1938-1939 [5]	Taxable income $25,000 or less:	
	First $5,000	12.50
	Next $15,000	14.00
	Next $5,000	16.00
	Taxable income over $25,000	19.00
1940 [5,7]	Taxable income $31,964.30 or less:	
	First $5,000	14.85 [8]
	Next $15,000	16.50 [8]
	Next $5,000	18.70 [8]
	Next $6,964.30	38.30 [8]
	Taxable income over $31,964.30, not over $38,565.84:	
	First $5,000	15.40 [8]
	Next $15,000	16.90 [8]
	Next $5,000	18.90 [8]
	Next $13,565.84	36.90 [8]
	Taxable income over $38,565.84	24.00 [8]
1941 [5,7]	Taxable income $38,461.54 or less:	
	First $5,000	21.00 [9]
	Next $15,000	23.00 [9]
	Next $5,000	25.00 [9]
	Next $13,461.54	44.00 [9]
	Taxable income over $38,461.54	31.00 [9]

See notes at the end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]--Continued

Year [2]	Taxable income brackets [3]	Rates (percent)
1942-1945 [5, 7]	Taxable income $50,000 or less:	
	First $5,000	25.00 [9]
	Next $15,000	27.00 [9, 10]
	Next $5,000	29.00 [9, 10]
	Next $25,000	53.00 [9, 10]
	Taxable income over $50,000	40.00 [9, 10]
1946-1949	Taxable income $50,000 or less:	
	First $5,000	21.00 [9]
	Next $15,000	23.00 [9]
	Next $5,000	25.00 [9]
	Next $25,000	53.00 [9, 10]
	Taxable income over $50,000	38.00 [9, 10]
1950 [11]	First $25,000	23.00
	Over $25,000	42.00 [10]
1951 [11]	First $25,000	28.75 [12]
	Over $25,000	50.75 [12]
1952-1963 [11]	First $25,000	30.00 [13]
	Over $25,000	52.00 [13]
1964	First $25,000	22.00
	Over $25,000	50.00 [13]
1965-1967	First $25,000	22.00
	Over $25,000	48.00 [13]
1968-1969 [14]	First $25,000	24.20 [15]
	Over $25,000	52.80 [13, 15]
1970 [14]	First $25,000	22.55 [16]
	Over $25,000	49.20 [16, 17]
1971-1974 [14]	First $25,000	22.00
	Over $25,000	48.00 [18]
1975-1978 [14]	First $25,000	20.00
	$25,000-$50,000	22.00
	Over $50,000	48.00 [19]
1979-1981 [14]	First $25,000	17.00
	$25,000-$50,000	20.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1982 [14]	First $25,000	16.00
	$25,000-$50,000	19.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1983 [14, 21]	First $25,000	15.00
	$25,000-$50,000	18.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	Over $100,000	46.00 [20]
1984-1986 [14]	First $25,000	15.00
	$25,000-$50,000	18.00
	$50,000-$75,000	30.00 [20]
	$75,000-$100,000	40.00 [20]
	$100,000-$1,000,000	46.00 [20]
	$1,000,000-$1,405,000	51.00 [20]
	Over $1,405,000	46.00 [20]

See notes at the end of this section.

Table B.--U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2003 [1]--Continued

Year [2]	Taxable income brackets [3]	Rates (percent)
1987 [22, 23]	First $25,000	15.00
	$25,000-$50,000	16.50
	$50,000-$75,000	27.50
	$75,000-$100,000	37.00[24]
	$100,000-$335,000	42.50[24]
	$335,000-$1,000,000	40.00[24]
	$1,000,000-$1,405,000	42.50[24]
	Over $1,405,000	40.00[24]
1988-1992	First $50,000	15.00
	$50,000-$75,000	25.00
	$75,000-$100,000	34.00
	$100,000-$335,000	39.00
	Over $335,000	34.00
1993-2003	First $50,000	15.00
	$50,000-$75,000	25.00
	$75,000-$100,000	34.00
	$100,000-$335,000	39.00
	$335,000-$10,000,000	34.00
	$10,000,000-$15,000,000	35.00
	$15,000,000-$18,333,333	38.00
	Over $18,333,333	35.00

See notes at the end of this section.

Footnotes

Table A

N/A—Not applicable.

[1] Personal exemption amounts were deducted at different points in the tax computation, depending on the tax year. For some of the earlier years, they were deducted only from the statutory "net income" subject to the basic "normal tax," for other years, only from the "net income" subject to the "surtax," and, for still other years, from the "net income" subject to both normal tax and surtax. (Footnote 2, below, includes a description of "normal tax" and "surtax.") For more recent years, personal exemptions have been deducted in computing "taxable income," the current tax base for "regular" tax purposes.

[2] Tax rates shown in this table are for the "regular" income tax, i.e., for "normal tax" and "surtax," applicable to U.S. citizens and residents. Therefore, the rates exclude provisions unique to nonresident aliens. Tax rates exclude the effect of tax credits (which reduce the tax liability), except as noted, and several specific add-on or other taxes applicable to all or some tax years. Excluded are the "war excess profits tax" (1917), "victory tax" (1942-1943), Social Security "self-employment tax" (starting with 1951), tax under the "income averaging" provisions (1964-1986) and under the farm income averaging provisions (starting with 1998), and the "recapture taxes" resulting from having to recompute and pay back certain tax credits in later years (starting with 1963), the "maximum tax" on "earned income" or on "personal service income"(1971-1981), the "minimum tax" on "tax preferences" (1970-1983), and the "alternative minimum tax" on "tax preferences" (starting with 1979). Also excluded are such other taxes as the tax on recipients of accumulation distributions of trusts (starting with 1954) and the "special averaging tax" or "multiple recipient special averaging tax" on recipients of lump-sum distributions from qualified retirement plans (starting with 1974).

In addition, Table 1 excludes the taxes associated with the preferential treatment of capital gains, starting with 1922 (although certain gains received preferential treatment as early as 1918). At various times, these treatments have taken the form of special tax rates; special definitions; different asset holding periods; ceilings on taxes; and exclusions from income. Included among these special treatments were "alternative tax" (1938-1986) and its variations for the earlier years, although all of these taxes were in some way tied to the tax structure for regular tax.

Until 1948, a single set of tax rates applied to all taxpayers, regardless of marital or filing status, and married couples filing joint returns were taxed on the combined income of each spouse. However, a second, lower set of rates was introduced, starting with 1948, for married couples filing jointly. (To simplify the Table 1 presentation for these more recent years, only the lowest and highest tax rates for married persons filing jointly are shown.) Under this change, the combined tax of husband and wife became twice the combined tax that would have applied if their combined "taxable income" ("net income" for years before 1954) were cut in half. Thus, taxpayers using the joint return filing status "split" their incomes for tax purposes, in effect doubling the width of their taxable income (or net income) size "brackets." The lowest and highest tax rate brackets shown in columns 4 and 6 in Table 1 are, therefore, the brackets for married couples filing jointly that result from taking into account this doubling of the bracket widths.

Starting with 1952, a third set of rates was introduced (not shown) for "heads of household," i.e., for unmarried individuals who paid over half the cost of maintaining a home for a qualifying person (e.g., a child or parent), or for certain married individuals who had lived apart from their spouses for the last 6 months of the tax year. This filing status was liberalized, starting with 1970, and provides approximately half the advantage of the income-splitting described above.

Starting with 1954, the full benefits of income splitting allowed married couples filing jointly (i.e., the same tax rates and taxable income brackets) were extended to a new, fourth filing status, "surviving spouse" (i.e., individuals widowed for 1 to 2 years following the death of a spouse, provided they had a dependent child and had not remarried). The remaining filing status was for "single persons," who used the rates formerly applicable to taxpayers in general. However, these latter rates were moderated, starting with 1969, by limiting the tax so that it would not exceed 20 percent more than the tax on married couples filing jointly. One result of the 1969 law change was that certain married couples filing jointly had to pay more tax than they would have paid if each spouse had filed separately. To help mitigate this effect, a special deduction in computing adjusted gross income was allowed for 1982-1986 for two-earner couples filing jointly. This deduction was initially 5 percent of the lesser of $30,000 or the "earned income" of the spouse with the lesser earnings. The percentage was increased to 10 percent, starting with 1983. The deduction provision was repealed, starting with 1987, when new, lower rates and a reduced number of tax brackets began.

For tax years preceding 1954, the lowest tax rate, as shown in Table 1, was either the rate for the basic "normal tax" (if there was just one rate for normal tax) or the lowest of the several rates for "normal tax" (if there was more than one rate for normal tax). The highest tax rate was the sum of the uppermost of the graduated rates (if any) for normal tax, plus the uppermost of the additional, graduated "surtax" rates, provided that both rates were applied to the same income. For example, for 1932, there were two graduated rates for normal tax, 4 percent (on the first $4,000 of income) and 8 percent (on all income over $4,000), and graduated rates for "surtax" that ranged from 1 percent to 55 percent. In Table 1, the lowest rate for 1932 is, therefore, shown as 4 percent (the lower of the two normal tax rates) and the highest rate as 63 percent (the sum of the 8-percent higher, graduated rate for normal tax on income over $4,000, plus 55 percent, the highest of the graduated, surtax rates, on income over $1 million.). As another example, for 1941, there was just one rate for normal tax, 4 percent, but it applied to all income. The lowest of the surtax rates, 6 percent, was applied to all income under $2,000, so that income under $2,000 was taxed at both the 4-percent normal tax rate and the 6-percent surtax rate. Therefore, the lowest rate shown in Table 1 for 1941 is 10 percent, the sum of these two tax rates. The highest rate is the sum of the 4-percent normal tax on total statutory "net income," plus the highest graduated surtax rate, 77 percent on income over $5 million, so that income over $5 million was taxed at 81.0 percent, the sum of the two rates. For tax years starting with 1954, normal tax and surtax rates were, in effect, combined into a single rate structure.

[3] The definition of the income base (and, thus, the tax "bracket" boundaries) to which the tax rates were applied differs over the years, depending on how the following were determined and figured: statutory adjustments to or exclusions from income; personal exemptions; itemized deductions (which, for certain expenditures, were sometimes described as income "credits"); standard deductions; the various thresholds and ceilings; and statutory "taxable income" (and its predecessor "net income"). Therefore, the lowest and highest taxable income amounts, as shown in Table 1, are not comparable for all years, and the amounts described as for statutory taxable income for tax years preceding 1954 are actually for statutory net income. (Statutory net income was income after subtracting deductions but, for most years, was before subtracting personal exemptions. Statutory taxable income was after subtracting both deductions and personal exemptions. Taxable income is the tax base for recent years. Net income required certain adjustments to arrive at the tax base, depending on whether the income was subject to normal tax, surtax, or both). See also footnote 2, above.

[4] For 1921-1923, the personal exemption amount for married couples (column 2) increased to

$2,000 if statutory "net income" exceeded $5,000.

[5] For 1923, the tax rates shown (columns 4 and 6) are after a 25-percent statutory credit or refund.

[6] For 1924, the lowest tax rate (column 4) is after reduction by an "earned income credit," equal to 25 percent of the "normal tax" on the first $5,000 of total statutory "net income" and the normal tax on the first $10,000 of "earned net income," but limited to 25 percent of the normal tax on total net income.

[7] For 1925-1927, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first $5,000 of total statutory "net income" and the total tax on the first $20,000 of "earned net income," but limited to 25 percent of the total tax on earned net income (not to exceed 25 percent of the sum of "normal tax" on total net income plus the "surtax" on earned net income.)

[8] For 1928-1931, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first $5,000 of total statutory "net income" and the total tax on the first $30,000 of "earned net income," but subject to the same limitations described in footnote 7, above. For 1929 only there was a special reduction in normal tax rates as provided for in a joint resolution of congress.

[9] For 1934-1943, the tax rate (column 4) excludes the effect of an "earned income credit," allowed as a *deduction* equal to 10 percent of the first $14,000 of "earned net income" (before credit) and the first $3,000 of total statutory "net income" (before credit), but limited to 10 percent of earned net income (not to exceed 10 percent of total net income).

[10] For 1940, tax rates (columns 4 and 6) include "defense tax," computed as 10 percent of the total "regular" tax, but limited to 10 percent of statutory "net income" in excess of the total regular tax.

[11] For 1944-1945, the personal exemption amounts (columns 1-3) were for "surtax" purposes only. The exemption for basic "normal tax" purposes was $500 per tax return, augmented by the "earned income" of the spouse, up to $500, on joint returns.

[12] For 1944-1945, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 90 percent of statutory "net income."

[13] For 1946-1947, tax rates (columns 4 and 6) are the effective rates after a statutory 5-percent reduction of combined "tentative normal tax and surtax." The highest rate (column 6) was subject to a maximum effective rate limitation equal to 85.5 percent of statutory "net income."

[14] For 1948-1986, in addition to the personal exemptions (columns 1-2), there were additional personal exemptions for blind taxpayer(s) and for taxpayers(s) age 65 or over.

[15] For 1948-1949, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 17.0 percent of the first $400 of combined "tentative normal tax and surtax" to 9.75 percent of combined tentative normal tax and surtax over $100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 77.0 percent of statutory "net income."

[16] For 1950, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 13.0 percent of the first $400 of combined "tentative normal tax and surtax" to 7.3 percent of combined tentative normal tax and surtax over $100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent of statutory "net income."

[17] For 1951, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.2 percent of statutory "net income."

[18] For 1952-1953, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 88.0 percent of statutory "net income."

[19] For 1954-1963, the highest tax rate (column 6) was subject to a maximum effective rate

limitation equal to 87.0 percent of statutory "taxable income."

[20] For 1968, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 7.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[21] For 1969, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 10 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[22] For 1970, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 2.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.

[23] For 1971, "earned net income" was subject to a "maximum tax" of 60 percent (not shown in column 6).

[24] For 1972-1981, "earned net income" (broadened to become "personal service net income" after 1976) was subject to a "maximum tax" of 50 percent (not shown in column 6).

[25] For 1974, tax rates (columns 4 and 6) do not take into account a statutory rebate of 10 percent of total income tax after credits. In general, the minimum rebate was $100 and the maximum, $200, but could not exceed the tax liability.

[26] For 1975, a $30-per-capita tax credit was allowed in addition to the personal exemptions shown in columns 1-3.

[27] For 1976-1978, a tax credit was allowed, in addition to the personal exemptions shown in columns 1-3, that was equal to the larger of $35 per capita or 2 percent of the first $9,000 of statutory "taxable income."

[28] For 1977-1986, in order to help preserve the conceptual comparability of the amounts shown with those for earlier and later years, the lowest tax rates in column 4 and the lowest "taxable income" amounts in column 5 exclude the so-called "zero tax rate" and the "zero bracket amount," which were unique to the tax computation for these 10 years.

[29] For 1981, tax rates (columns 4 and 6) are after a 1.25-percent statutory tax credit.

[30] Starting with 1985, the personal exemption amounts (columns 1-3) reflect annual adjustments for inflation, using the U.S. Department of Labor Consumer Price Index for Urban Consumers ("CPS-U").

[31] Starting with 1985, tax "bracket" boundaries (columns 5 and 7) were indexed for inflation, using the U.S. Department of Labor Consumer Price Index (as described in footnote 30).

[32] Starting with 1988, the amount eligible to be deducted for personal exemptions (columns 1-3) was phased out for certain high-income taxpayers. For 1988-1990, this was accomplished as part of the tax computation (see footnote 34, below).

[33] For 1988-1990, excludes the effect on certain high-income taxpayers of the phaseout of the amount deductible for personal exemptions (columns 1-3).

[34] For 1988-1990, the tax rates (columns 4 and 6) exclude the effects on certain high-income taxpayers of the phaseout both of the benefit of the 15-percent tax rate (compared to the 28-percent rate) and the amount deductible for personal exemptions. This phaseout was accomplished by imposing an additional, 5-percent tax on income above certain levels, based on filing status, thus creating a "temporary" 33-percent tax rate. At the point where the taxpayer had completely phased out the two benefits by use of the 33-percent rate, the tax rate on any remaining taxable income above the phaseout range returned to 28 percent (see also footnote 35). As Table 1 shows, beginning with 1991, this phaseout was replaced by including an additional, 31-percent, graduated rate for taxable incomes above certain levels. Two other, higher, graduated rates were subsequently added, starting with 1993, the higher of which is shown in Table 1.

[35] For 1988-1990, the 15-percent tax rate (column 4), which applied to the first $29,750 of statutory "taxable income"(column 5), gradually increased to the top "brackets" rate, 28 percent (column 6), when taxable income (included in column 7) reached between $71,900 and $149,250. This was the range at which the 15-percent rate was phased out for certain high-income taxpayers, all of whose income was then effectively taxed at the higher 28-percent rate through use of the "temporary" 33-percent rate (see footnote 34, above, for additional information). The boundaries of the phaseout range were adjusted for inflation for 1989-1990, although the top tax rate on the taxable income above that covered by the phaseout range remained 28 percent. Therefore, the top taxable income and top tax bracket rate shown in Table 1 for 1988-1990 do not take into account the higher, 33-percent, "temporary" phaseout rate.

[36] For 2000, the tax rates (columns 4 and 6) do not reflect a special statutory refund, partially offset for 2001, of between $300 and $600, depending on the size of income tax for 2000 and filing status. See also footnote 37, below.

[37] For 2001, the tax rate (columns 4 and 6) does not reflect a 5-percent tax credit of up to $300, $500, or $1,000, depending on the filing status. This credit effectively reduced the lowest rate on the income shown in column 5 from 15 percent to 10 percent, in lieu of an explicit 10-percent rate. However, the credit was reduced by the amount of the special statutory refund made in 2001 (based on tax for 2000), described in footnote 36, above. The 10 percent rate was only for dependents.

[38] For the change in the lowest tax "bracket" boundary (columns 5 and 7) for 2001, see footnotes 36 and 37, above.

SOURCE: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, Volume I, Budget Processes and Tax Systems, 1995, September 1996 (based, in part, on *Tax Foundation, Facts and Figures on Government Finance*, 1988-89 edition, 1988); Pechman, Joseph A., *Federal Tax Policy*, fifth edition, The Brookings Institution, 1987 (based on relevant public laws and reports prepared by the Congressional Joint Economic Committee, including *The Federal Revenue System: Facts and Problems*, 1961, and *The Federal Tax System: Facts and Problems*, 1964); Statistics of Income—Part I (in particular, the historical synopses of laws included as appendices in the reports for 1949-1953) and *Statistics of Income—Individual Income Tax Returns* (annually, for 1954-1988); and relevant public laws and reports issued by the Congressional Joint Committee on Taxation for subsequent years, as well as reports, such as *Overview of the Federal Tax System* for 1990, 1991, and 1994, Committee on Ways and Means, U.S. House of Representatives, and reports issued by the Congressional Joint Committee on Taxation for subsequent years, including *Overview of Present Law and Economic Analysis Relating to Marginal Tax Rates and the President's Individual Income Tax Rate Proposals,* 2001.

Table B

[1] The rates shown are the "standard" or "ordinary" rates, applying to all taxable corporate net income unless otherwise provided. However, there have always been numerous exceptions and special rates based on the type of corporation, the type of income, and other factors. In addition, there have been, at various times, additional taxes related to income that increased the statutory rates. When possible, these are noted in other footnotes to this table for the years for which they were effective. Credits, deductions, and other alterations in the definition of taxable income also effectively alter the tax rate, but these are too numerous and too frequent to include in a table such as this.

The most important types of corporations to which these rates have not always applied, or not applied as they did to other corporations, are: *Section 501(c) and similar nonprofit corporations*: Corporations not organized or operated for profit are generally exempt from the corporation income tax except, since 1950, on business income unrelated to their exempt

purposes. *Mutual and cooperative organizations*: Most of these were treated as nonprofits in the early days of the income tax. Most have long since been made taxable as ordinary corporations, but there are still some exceptions. Credit unions and small mutual property insurance companies are exempt. Rural electrical and telephone cooperatives are exempt on income generated in transactions with their members. Farmers' cooperatives are not taxed on income distributed to their members. *Insurance companies*: Because of the nature of insurance, determining taxable income has often been a problem for the tax system. Insurance companies have been subjected to a number of different tax structures since 1921, including special rates and complete exemption of premium income. They are currently taxed at the same rates as other corporations on income calculated using reserve deductions (which other corporations are not allowed). *Regulated Investment Companies (since 1936) and Real Estate Investment Trusts (since 1961)*: These investment companies are not taxed on profits distributed to shareholders if they distribute substantially all of their incomes annually. *S Corporations*: Since 1958, certain closely held corporations could elect to be taxed through their shareholders, as partnerships are, and not pay the corporate tax at all (except in special, unusual circumstances). *Foreign corporations*: Companies incorporated outside the U.S. are taxed on business income earned in the U.S. at the regular corporate rates, but may be taxed on investment income at special statutory or treaty rates. *U. S. corporations with foreign-source income*: The U.S. taxes the worldwide income of U.S. corporations; however, since 1918, taxes paid to foreign governments on foreign-source income can be credited against the U.S. tax otherwise due on that income. (Before 1918, the foreign taxes were allowed as a deduction against worldwide income.) *U.S. Possessions Corporations*: Since 1921, corporations earning most of their incomes in a U.S. possession were subject to reduced taxes. From 1921 to 1976, they were taxable only on U.S.-source income; since 1976, they have received a credit for manufacturing income earned in a possession (including Puerto Rico). The credit is now being phased out and is scheduled to end after 2005. *Affiliated groups*: Corporations that are closely affiliated through stock ownership have usually been allowed to consolidate their financial statements for tax purposes and file one return for the group, but there have always been restrictions and, sometimes, they have been charged an additional tax for the privilege. In 1932 and 1933, consolidated returns were subject to an additional tax of .75 percent. In 1934 and 1935, only railroad companies were allowed to file consolidated returns, and the additional tax was 1 percent. From 1936 to 1941, there was no additional tax, but the privilege was restricted to railroads and a few other companies. From 1942 to 1964, most domestic affiliated groups that met the stock ownership and other requirements could file consolidated returns, but the surtax on such a group was increased by 2 percentage points. The additional tax on consolidated returns was repealed, effective December 31, 1963.

The most important type of income to have received special rates was "long-term" capital gains. From 1942 through 1987, the tax rate was capped at a maximum rate lower than the highest corporate rate. (The rates are noted in footnotes to the table.) Although there is currently no special rate for corporations' capital gains, long-term capital gains are still treated separately from other income in the tax code.

During World War I, the Great Depression, World War II, and the Korean War, additional taxes were imposed on what were called "war profits" or "excess profits." These are noted in the table in footnotes to the applicable years.

In addition to taxes based on net income, there have been from time to time taxes based on accumulated earnings that were not distributed to shareholders, designed to limit tax avoidance at the individual stockholder level. Taxes on "undue" accumulations have been imposed (though seldom paid) since the inception of the income tax. These were supplemented, since 1934, by a "personal holding company" tax, equal to the highest individual income tax rate,

on the undistributed earnings of closely held companies accumulating investment income. There was also a Depression-era tax on accu mulated earnings (noted below).

In recent years, there have also been "minimum taxes" designed to supplement the regular taxes. These have the effect of a separate set of tax rates. These are noted in footnotes to the table.

[2] Calendar year unless otherwise noted. Taxpayers whose fiscal years spanned years with different rates were required to prorate the year's income between the two rate structures. Before 1933, the proration was based on the number of months in each year; after 1932, it was based on the number of days in each year.

[3] "Taxable income" is used here to mean the amount of income to which the rates shown were applied. The concept has had various names and various meanings over the years covered; so, brackets for one year are not necessarily comparable with those for another.

[4] An additional tax on "excess profits" and /or "war profits" was in effect from 1917 to 1922. It was allowed as a deduction in computing income tax.

[5] An additional "declared value" excess profits tax, based on profits in excess of a percentage of the value of corporate stock, was in effect from 1933 through 1945. It was a deduction for income tax purposes.

[6] An additional surtax ranging from 7 percent to 27 percent was imposed on undistributed profits.

[7] From June 1940 to the end of 1945, a tax on profits in excess of average prewar earnings was also imposed. It was taken into account, as either a deduction or a credit, for the income tax and the other excess profits tax.

[8] The rates for 1940 include extra "defense tax" rates that are integrated with the regular rates in later years.

[9] These rates are the sum of the "normal tax" rates and the "surtax" rates, which actually applied to slightly different definitions of taxable income.

[10] Beginning with Tax Year 1942, gains on the sale of assets held for more than 6 months (long-term capital gains) could be treated separately from other taxable income and taxed at a maximum rate of 25 percent.

[11] An excess profits tax was also in effect from July 1950 through Calendar Year 1953. The tax was 30 percent of an adjusted profits figure reduced by credits for the level of prewar profits. It was not offset against income tax, but the sum of income and excess profits taxes was capped at a given percentage of income (from 62 percent to 70 percent).

[12] These rates reflect a tax increase (for the Korean War), effective March 31, 1951. The maximum capital gains tax rate was also increased to 26 percent.

[13] From April 1, 1954, through Calendar Year 1969, the maximum tax rate on capital gains was 25 percent.

[14] From 1969 through 1986, corporations were also subject to an "add-on minimum tax" on certain "tax preference" items (such as percentage depletion, accelerated depreciation, etc.) above a certain amount. For Tax Years 1969 through 1976, the tax was 10 percent of tax preferences in excess of $30,000; after 1976, the tax was 15 percent of preferences in excess of the greater of $10,000 or regular income tax.

[15] Rates include the Vietnam War surcharge of 10 percent.

[16] Includes a 2.5-percent Vietnam War surcharge.

[17] The maximum tax rate on long-term capital gains was increased to 28 percent.

[18] The maximum tax rate on long-term capital gains was increased to 30 percent.

[19] The holding period for long-term capital gain treatment of assets was increasedfrom 6 to 9 months in 1977 and 12 months in 1978. The rate remained at 30 percent.

[20] The maximum tax rate on long-term capital gains was 28 percent.

[21] Beginning in 1983, incorporated professional practices ("personal service corporations") have been taxed on all taxable income at the corporate tax rate applicable to the highest income bracket.

[22] The Tax Reform Act of 1986 (TRA86) established a new rate structure effective for Tax Year 1988 and made the rates for Transition Year 1987 an average of the pre-TRA rates for 1986 and the post-TRA rates for 1988.

[23] A new "alternative minimum tax" (AMT) replaced the add-on minimum tax, effective in 1987. It required a calculation of an alternative measure of taxable income that reduced or eliminated many tax preference items. The tax was 20 percent of the excess of this "alternative minimum taxable income" (AMTI) over $40,000. The $40,000 exemption was reduced by 25 percent of the excess of AMTI over $150,000. AMT in excess of regular tax could be carried over as a credit against regular tax in future years. In 1998, "small" corporations (generally, those with average gross receipts of less than $5 million) were exempted from the AMT.

[24] The maximum tax rate on capital gains was capped at 34 percent for 1987, which was to be the rate on the highest corporate tax bracket in 1988 and after, according to TRA86. The maximum capital gain rate was raised to 35 percent when the highest corporate rate bracket was increased in 1993.

SOURCE: Blakey, Roy G. and Blakey, Gladys C. (1940), *The Federal Income Tax,* New York. Gravelle, Jane G. (1994), *The Economic Effects of Taxing Capital Income*, Appendix A, History of Capital Income Taxation in the United States. MIT. Internal Revenue Service, *Form 1120 series and Instructions,* various years. Internal Revenue Service, *Statistics of Income for 1949, Part 2,* Appendix A. U. S. Congress, Joint Committee on Taxation, Explanations of various tax acts, published after each major tax act since the 1960's. U. S. Senate, Committee on the Budget, *Tax Expenditures: Compendium of Background Materials on Individual Provisions,* published periodically.

SOI Sampling Methodology and Data Limitations

Appendix

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see page 304 at the end of this *Bulletin*). More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years--3 for corporations because of the incidence of fiscal (non-calendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated processing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population--the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each sample return in a stratum are

Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.

Information for this appendix was compiled under the direction of Beth Kilss, Chief, Statistical Data Section. Major contributions were made by Paul McMahon and Tamara Rib, Statistical Computing Branch, Mathematical Statistics Section, under the direction of Yahia Ahmed, Chief.

then multiplied by that weight. To produce the tabulated estimates, the weighted data are summed to produce the published statistical totals.

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

150,000	(sample estimate)
x0.02	(coefficient of variation)
=3,000	(standard error of estimate)

then:

150,000	(sample estimate)
+ or - 3,000	(standard error)
={147,000, 153,000}	(68-percent confidence interval).

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose; or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data

reported on sampled returns and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, usually through published errata.

Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A dash, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a dash indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. (A double asterisk is used in a cell where a frequency or amount has been deleted.) Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Americans Living Abroad:		This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
2001 Program	Jeff Curry Maureen Keenan Kahr	
Controlled Foreign Corporations:		This semi-annual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
2001 Program	John Comisky	
2002 Program	Catterson Oh	
2004 Program	Randy Miller	
Controlled Foreign Partnerships:		This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
2000 Program	Bill States	
2004 Program		
Corporation Foreign Tax Credit:		This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
2002 Program	Brian Raub	
2003 Program	Rob Singmaster	
2004 Program	Scott Luttrell	
Corporation Income Tax Returns:		Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
2002 Program	Heather Duffy Ellen Legel	
2003 Program	Glenn Hentz Gabe Schneider	
Entity Classification Election ("Check-the-Box"):	John Comisky	This annual study includes data from all Entity Classification Elections including the type of election, and whether the entity is foreign or domestic.
Estate Tax:		This annual study includes information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than $60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2003.
2004-2006 Program	Martha Eller	
Excise Taxes:	Eric Henry	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by Fiscal Year for 1997-2004, quarterly for 2004.

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Exempt Organizations (Charitable and Other, Except Private Foundations): 2001 Program 2002 Program 2003 Program	Paul Arnsberger	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Exempt Organizations (Private Foundations): 2001 Program 2002 Program 2003 Program	Melissa Ludlum	This annual study includes balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Exempt Organizations Unrelated Business Income: 2001 Program 2002 Program 2003 Program	Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for reporting year 2001 returns filed in calendar years 2002-2003.
Foreign-Controlled Domestic Corporations: 2002 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
Foreign Recipients of U.S. Income: 2002 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
Foreign Sales Corporations (FSC's): 2000 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISC's, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
Foreign Trusts: 2002 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 1998.
Gift Tax: 2004-2005 Program	Darien Jacobson	This annual study will provide data for Gift Year 2003 and Filing Years 2004 and 2005. Data cover type and amount of gift; information on donee; and tax computation items.

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Individual Income Tax Return Public-Use File:	Mario Fernandez Mike Weber	Microdata on CD-ROM's are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
Individual Income Tax Returns: 2002 Program 2003 Program 2004 Program	 Maureen Keenan Kahr Jeff Curry Mike Strudler	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
Individual Income Tax Returns Special Tabulations: Individuals Sole Proprietorships	 Mike Strudler Mario Fernandez	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
Interest-Charge Domestic International Sales Corporations (IC-DISC's): 2000 Program 2004 Program	 Cynthia Belmonte	These corporations replaced the Domestic International Sales Corporations, or DISC's, as of 1985. Balance sheet, income statement, and export-related data are tabulated every four years. The most recent study is for Tax Year 2000.
International Boycott Reports: 2002 Program 2003 Program	 Lawrence Sao	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
Migration Flow and County Income Data:	Emily Gross	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2002-2003.
Occupation Studies:	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
Partnership Returns of Income:	Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
Partnership Withholding Study: 2001 Program	 Chris Carson	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Personal Wealth Study: 2001 Program	Barry Johnson Martha Eller	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data, 1998, are based on returns filed from 1998 to 2000.
S Corporations:	Kelly Luttrell Matt Scoffic	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
Sales of Capital Assets: 2002 Program 2003 Program 2004 Program	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
Sales of U.S. Real Property Interest by Foreign Persons: 2001 Program	Chris Carson	This annual study provides data on transfers of U.S. real property interests acquired from foreign "persons." Data include the amount realized on transfers, U.S. tax withheld, and countries of foreign persons.
Sole Proprietorships: 2001 Program 2002 Program 2003 Program	Mike Strudler Mike Parisi Kevin Pierce	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C (for nonfarm proprietors), classified by industry group.
Split-Interest Trust Information Return: 2002 Program 2003 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, and, beginning with Study Year 2000, charitable lead trusts and pooled income funds as well. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Tax Year 2002.
Tax-Exempt Bond Issues: 2001 Program 2002 Program 2003 Program	Marvin Schwartz Cynthia Belmonte	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Tax Year 2000 public purpose bonds and private activity bonds.
Taxpayer Usage Study:	Vickie Bryant Mike Weber	Produced annually, this program provides weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population, for returns received during the primary filing season (January through April).

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Planned Projects, Year*	Primary Analysts	Frequency and Program Content
Transactions of Foreign-Controlled Corporations: 2002 Program	Will Jauquet Heather Duffy	This biennial study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
U.S. Possessions Corporations: 2001 Program 2003 Program	Dan Holik	This periodic study, planned for every 2 years, provides data on income statements, balance sheets, tax, and "possessions tax credit" for qualifying U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)
ZIP Code Area Data:	Emily Gross Mike Weber	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP code. Data are available for 2002 on a reimbursable basis. (Data for Tax Year 1991, 1998, and 2001 are also available, free of charge on the IRS Web site: http://www.irs.gov/taxstats/article/0,,id=96947,00.htm1.)

*Most projects shown are currently in progress and, therefore, may not be completed. Many of the data release dates, i.e., the months in which the Statistics of Income Division expects to release data to users, ahead of publication, on request, are published annually in the Fall issue of the *SOI Bulletin*. For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

SOI Products & Services

Statistics of Income (SOI) data are available in electronic formats and in printed publications. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS) Office:**

Statistical Information Services (sis@irs.gov)
Statistics of Income Division
Internal Revenue Service
P.O. Box 2608 • Washington, DC 20013-2608
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202)622-4000.

Electronic Products and Services

Products Available Free on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including annual *IRS Data Book* tables, Compliance Research projections, and nonprofit Master File microdata records. At present, over 3,700 files reside there.

Web site: www.irs.gov/taxstats.

There is also a direct link to our web site from FedStats, the gateway to official statistics from the Federal Government: www.fedstats.gov.

Tax Stats

On the Tax Stats Home Page you will find the following list of topics that will lead you to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

Business Tax Statistics

Corporations • International • Partnerships
Nonfarm Sole Proprietorships
S Corporations • All Topics

Charitable and Exempt Organization Statistics
Charities • Exempt Organization Master File
Private Foundations • Trusts
Tax-Exempt Bonds • All Topics

Individual Tax Statistics
Filing Season Statistics • Estate and Gift Tax
Individual Income Tax • International
Personal Wealth • All Topics

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SOI Bulletins • IRS Data Books
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IRS Operations, Budget, and Compliance
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All Topics

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Products Available From SOI

Many of SOI's data files are available for sale on CD-ROM, diskette, tape, or via e-mail through the Statistical Information Services Office. **Prepayment is required for orders of $100 or more**, with checks made payable to the **IRS Accounting Section.** Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns covering corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

Corporation Income Tax Returns

Corporation Source Book

A magnetic tape, PC-diskettes, or CD-ROM containing the tabular statistics from the *Corporation Source Book*, for years 1996-2002. Price is $1,500 per year for 2001 and 2002; earlier years are $250 per year. See also *Printed Publications* section below.

Individual Income Tax Returns

Individual Public-Use Microdata Files

These files include individual income tax returns for 1960, 1962, 1964, and 1966-2001. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling (301) 713-6630. Files for 1992 through 2001 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is $4,000 per year.

County-to-County Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households), the number of personal exemptions (which approximates the population), total "adjusted gross income" (starting with 1995-1996), "median adjusted gross income" (starting with 1995-1996), total money income (for years 1992-1993 through 1995-1996), and median total money income (for years 1992-1993 through 1995-1996). Available for 1984-2003. Price is $200 per year for the entire United States or $10 per State per year. (All years for the entire United States are also available for $500.)

State-to-State Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by State for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households), the number of personal exemptions (which approximates the population), total "adjusted gross income" (starting with 1995-1996), "median adjusted gross income" (starting with 1995-1996), total money income (for years 1992-1993 through 1995-1996), and median total money income (for years 1992-1993 through 1995-1996). Available for 1989-2003. Price is $50 per year for the entire United States or $10 per State per year.

County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for 1989-2002 for the entire United States. Price is $50 per year for the entire United States or $10 per State per year.

ZIP Code Area Data

Statistics are available for Income Year 2002 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with a Schedule A, by State and 5-digit ZIP code. Price is $500 for the entire United States; $25 for a single State. (Data for Income Years 1991, 1998, and 2001 are available free on SOI's internet site.) Go to **www.irs.gov,** click on the **Tax Stats** option; click on Statistics by Topic; click on Individual Tax Statistics; and click on Zip Codes-SOI, under Data by Geographic Areas.

Tax-Exempt Organizations

Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

Microdata Records for Tax Year 2001

Microdata records of all Forms 990 and 990-EZ sampled for

the annual SOI study of tax-exempt organizations. The samples include 16,788 Internal Revenue Code section 501(c)(3) organizations and 10,267 section 501(c)(4)-(9) organizations. Sampling rates ranged from 1 percent for small-asset classes to 100 percent for large-asset classes (i.e., those with assets $30,000,000 or more). Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Price is $300.

Microdata Records for Tax Years 1992-2000

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Price is $100 per reporting year.

Private Foundations (and Charitable Trusts)

Microdata Records for Tax Year 2001

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes approximately 6,300 returns. Sampling rates ranged from 0.2 percent for small-asset classes to 100 percent for large-asset classes. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $300.

Microdata Records for Tax Year 2000

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes approximately 8,100 returns. Sampling rates ranged from 0.3 percent for small-asset classes to 100 percent for large-asset classes. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $200.

Microdata Records for Tax Years 1992-1999

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Price is $50 per reporting year.

Printed Publications

Publications Available for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250.** (Credit cards are accepted.) Publications may also be obtained by using the order form at the end of this *Bulletin* or write to:

Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

If you determine from the Government Printing Office that any of the next four items is out of print, telephone the **Statistical Information Services Office on (202) 874-0410** for assistance.

IRS Data Book 2004

Annually, Publication 55B, Stock No. 048-004-02481-1
Price $9

This volume pertains to Fiscal Year 2004-October 1, 2003, through September 30, 2004. The report provides data on collecting the revenue, enforcing the law, assisting the taxpayer, and managing the system, as well as lists and a chart about the structure and administration of the IRS itself.

Statistics of Income (SOI) Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-5
Subscription price: $53; Single copy price: $39

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables include data from SOI, as well as tax collections and refunds by type of tax.

Statistics of Income--2001, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02478-1
Price $45

This report presents more comprehensive data on corporation income tax returns with accounting periods that ended July 2001 through June 2002 than those published earlier in the *SOI Bulletin.*

Presents information on:
- receipts
- deductions
- net income
- taxable income
- income tax
- tax credits
- assets
- liabilities

Classifies data by:
- industry
- accounting period
- size of total assets
- size of business receipts
- size of income tax after credits

Statistics of Income--2002, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02482-9
Price: $24 Foreign $33.60

This report presents more comprehensive and complete data on individual income tax returns for 2001 than those published earlier in the *SOI Bulletin.*

Presents information on:
- sources of income
- exemptions
- itemized deductions
- tax computations

Classifies data by:
- size of adjusted gross income
- marital status
- type of tax computation

Publications Available From SOI

Other SOI periodicals and one-time reports are available for sale from the Statistical Information Services Office. These reports include data from returns covering corporations, exempt organizations, international income and taxes, and estate taxes. The report from the IRS methodology reports series is available free while supplies last.

Corporation Source Book, 2002

Publication 1053--Price: $175, plus $10 for shipping and handling

This 612-page document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through present are available at a cost of $30, plus $1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2001, are also for sale at $175 per year, plus $10 for shipping and handling. See also *Electronic Products and Services* section.

Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773--Price: $26, plus $10 for shipping and handling

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

Special Studies in Federal Tax Statistics--2003

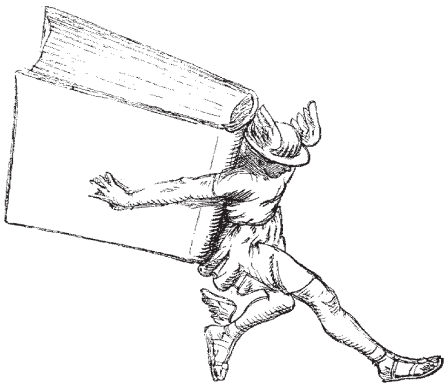
Publication 1299--No charge

This is the third edition of a new set in the IRS Methodology Report series, now entitled *Special Studies in Federal Tax Statistics* (previous volumes in the series were called *Turning Administrative Systems Into Information Systems* and *Statistics of Income and Related Administrative Record Research).* The title was changed to more clearly reflect the nature of the papers prepared by SOI as it adapts to better meet the data and information needs of its wide-ranging customers.

This year's compilation has been divided into four major sections, each focusing on a somewhat different area of research:
- are the rich getting richer and the poor getting poorer?;
- recent development in survey methods;
- new developments in tax statistics and administrative records;
- survey nonresponse and imputation.

JUST PUBLISHED!

IRS Source Book of Detailed Corporation Income Tax Statistics



Statistics of Income -- 2002 Corporation Source Book

This 612-page document presents detailed income statement, balance sheet, tax, and selected other items, by sector, major and minor industrial groups, and size of total assets, for accounting periods ending between July 2002 and June 2003. All industry data contained in this publication are based on the North American Industry Classification System (NAICS). The ***Source Book*** also presents data separately for S corporations (qualifying corporations electing to be taxed through shareholders), by size of total assets, and by industry sector. The report, which underlies the ***Statistics of Income—Corporation Income Tax Returns*** publication, is part of an annual series and can be purchased in its entirety or by page. A magnetic tape, diskette, or CD-ROM containing the tabular statistics for 2002 can also be purchased.

To obtain copies of this report, or supplemental information on both the topics included in this volume and on other SOI products and services, call **SOI's Statistical Information Service Office at (202) 874-0410**; or write to:

Director, Statistics of Income Division RAS:S
Internal Revenue Service
P.O. Box 2608
Washington, DC 20013-2608

You may also obtain information on this publication from http://www.irs.gov/pub/irs-soi/prodserv.pdf in the document titled "SOI Products & Services."

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