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Introduction

This report describes what the Internal Revenue Service did in 1975 and how it did it. It also describes what you, the taxpayer, did and how well you met your responsibilities. Fiscal Year 1975 was a period of particular stress for the Service, and in this period Congress began its intensive interest in IRS oversight. I testified eighteen times before various congressional committees during FY 1975. Out of this stress, this self-examination and this heightened congressional activity will come a more responsive and responsible system of tax administration.

In 1975 the Service collected nearly $294 billion in Federal taxes. The 1975 filing period was highly successful from the standpoint of the IRS and taxpayers as more and better returns were filed earlier than ever before. Anticipating taxpayers' need for a prompt refund, the Service responded by processing returns faster than ever before.

The Tax Reduction Act of 1975, passed by the Congress midway through the filing period, called for a rebate of a portion of individual taxpayers' 1974 tax liability. This rebate program made unprecedented demands upon us, both in data processing and taxpayer service. The record shows how we responded to this challenge.

The real credit for this year's successful filing period again goes to the American people for the honest and conscientious way that the vast majority met their tax responsibilities.

We in the Service recognize our obligation to provide you with the information and assistance you need in order to prepare your return and in 1975 we continued to improve these services.

We also recognize our obligation to carry out a strong enforcement program to assure you, the many taxpayers who conscientiously comply with the law, that those few who do not will be held accountable. That is why we have done our best to design an enforcement program that is fair, effective and comprehensive—one designed to treat all taxpayers uniformly and with full recognition of their legal rights.

This report describes these activities and others. It discusses our continuing efforts to make sure that taxpayers understand their rights as well as their responsibilities under the law. It describes technical and administrative activities that may not be apparent to most taxpayers but which are necessary to the overall job of tax administration. A new chapter on Employee Plans and Exempt Organizations describes how we carried out our new responsibilities under the Employee Retirement Income Security Act of 1974.

We hope that this report will help you better understand tax administration and enforcement.

Donald C. Alexander

Donald C. Alexander
Commissioner

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All yearly data are on a fiscal year basis unless otherwise specified. For example, data headed "1975" pertain to the fiscal year ended June 30, 1975; data shown as of "July 1" are data as of July 1, 1974. In many tables and charts, figures may not add to totals, due to rounding.

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Chapter 1

Taxpayer Service

Assisting Taxpayers
Tax Form Improvements
Communications With Taxpayers
Tax Publications
The Mass Media
Electronic Tax Service

Assisting Taxpayers

The American tax system depends upon self-assessment and voluntary compliance. Every year, taxpayers must make their own determination of their income, exemptions, and deductions, compute their tax liability, and file returns reporting the correct tax. The Internal Revenue Service is fully aware that taxpayers do not find this an easy task and recognizes its responsibility to help them as much as possible. The IRS believes that with the assistance it provides through answering taxpayers' questions, most individual taxpayers should be able to prepare their own returns.

In recent years, the IRS has expanded its taxpayer service function, improved the training of taxpayer service representatives, offered toll-free telephone assistance, extended the normal business hours of many IRS offices, and made special efforts to help low-income, elderly and non-English speaking taxpayers.

During 1975, the Service received about 40.6 million written, telephone and walk-in inquiries, compared to 34.5 million in 1974. The total in 1975 consisted of over 29 million telephone calls, more than 11 million walk-in inquiries, and more than 190,000 written inquiries. More than 60 percent of these inquiries occurred during the filing period from January 1 through April 30, 1975. During that period, the IRS received more than 16 million telephone calls, about 8 million walk-in inquiries, and over 50,000 written inquiries—a total of nearly 25 million requests for assistance.

Walk-in taxpayer service was offered in 750 permanent offices and nearly 300 temporary locations in 1975. For taxpayers unable to call or visit an IRS office during normal business hours, 550 offices extended their hours into the evening on weekdays or were open on Saturdays.

The number of taxpayer service representatives was increased from about 1,900 to over 2,300 this year and their training was expanded so that they could provide better service to taxpayers.

While taxpayers were encouraged to prepare their own returns, IRS personnel prepared returns for those who needed such assistance.

In July 1974, taxpayer service was reorganized at the district level, separating this function from enforcement activities. Under this change, the collection and taxpayer service functions now have equal organizational status in all IRS districts. This organizational realignment provides for year-round managers who can give closer attention to the program, identify and correct problem areas, and improve the quality of the program.

Telephone Assistance

Toll-free telephone service was again offered in all 58 IRS districts in all 50 states. The actual number of answering sites was reduced from 135 in 1974 to 85 this year, which improved the quality and depth of assistance to taxpayers at each location.

Under this system, any taxpayer in the United States may call the IRS for assistance without having to pay a long-distance telephone charge. Toll-free numbers are listed in the income tax return packages provided to taxpayers. They may also use the toll-free telephone network to call the IRS for clarification of many of the computer-generated bills and notices relating to their accounts. These notices are accompanied by an enclosure which lists a toll-free telephone number and suggests that the taxpayer use the number to obtain assistance or further explanation.

Gabrielld Mitchell, a taxpayer service representative in the Springfield District, answers a taxpayer's inquiry about Federal taxes on the toll-free telephone system.

Other correspondence with taxpayers now contains a telephone number and, on manually prepared items, the name of an IRS employee to call if there are any questions about the item of correspondence.

The toll-free telephone system has provided taxpayers with greater telephone access to IRS offices and has made the entire assistance program more efficient by reducing the need for a taxpayer to visit an IRS office.

Special Assistance Programs

Special efforts were made in 1975 to meet the needs of the elderly and low-income taxpayers unable to visit IRS offices by providing them with income tax assistance in their own neighborhoods. Over 73,000 low-income and almost 26,000 elderly taxpayers were served in 1975.

The Service again provided special assistance to taxpayers speaking foreign languages with 148 IRS offices offering tax assistance in Spanish and 154 offices providing help in other foreign languages.

Nearly 800,000 taxpayers received assistance under the Volunteer Income Tax Assistance Program (VITA) in 1975. The Service trained more than 23,000 volunteers, who provided free assistance to elderly, Spanish-speaking, low-income and other taxpayers in their communities.

Tax Form Improvements

The successful 1975 filing period may be attributed partly to the fact that we made little change in the 1974 individual income tax forms, and taxpayers could use their 1973 forms as a guide in preparing their 1974 returns. Returns were more completely and accurately prepared with fewer taxpayer errors this year.

Among the minor changes we made on this year's return was the addition of a "no" box for the 1976 Presidential Election Campaign Fund check-off allowing taxpayers to check either "yes" or "no" regarding their desire to contribute to the Fund.

Schedule B (Form 1040) was reintroduced for the reporting of dividends and interest. Many taxpayers and practitioners found the reinstatement of this schedule helpful in correctly reporting such income.

We added lines on Schedule A to itemize deductions for taxes, interest, and miscellaneous expenses, and provided additional space on Schedule D for listing capital gains and losses.

Over 2.6 million tax packages sent to farmers and fishermen were printed on recycled paper as a cost reduction and environmental experiment. Public reaction was generally favorable.

The Tax Reduction Act of 1975 required the IRS to revise a number of major forms and to develop new forms including: New Form 1120–FY (1974–75), Corporation Fiscal Year Tax Computation Schedule; Revised Form 1120–W (1975), Corporation Estimated Income Tax; New Form 1040–FY (1974–75), Individual Fiscal Year Tax Computation Schedule; Revised Form 1040–ES, Individual Worksheet for Computation of Estimated Tax; New Form 5404–FY (1974–75), Credit for Purchase or Construction of New Principal Residence; Revised Form W–4, Employee's Withholding Allowance Certificate; Revised Circular E, *Employer's Tax Guide;* Revised Publication 493, *Supplement to Circular E;* and New Publication 870, *Tax Tables for 1975 Filers or 1974–75 Fiscal Year Filers.*

During 1975, a number of new pension forms were developed to implement the Employee Retirement Income Security Act of 1974, including: Form 5301, Application for Determination; Schedule A (Form 5301), Plan Characteristics Relevant to the Issuance of a Determination Letter; Form 5302, Schedule of 25 Highest Paid Participating Employees; Form 5304, Application for Determination-Individual Retirement Account; Form 5305, Individual Retirement Trust Account; Form 5303–A, Individual Retirement Custodial Account; Form 5306, Application for Approval of Prototype Individual Retirement Account; and Form 5330, Return of Initial Excise Taxes on Prohibited Transactions.

Communications With Taxpayers

During 1975, the IRS improvement of form letters, computer notices, and other similar taxpayer communications continued to be a major objective. A special unit of writer-editors now reviews all such standard communications to humanize them and to make sure they are clear and understandable to the average taxpayer. National Office units and field offices reviewed a total of 2,069 forms during the year, and were able to eliminate 553 of them as duplicative or unnecessary.

The Service continues to try to make all taxpayers aware of their rights under the tax laws and to provide complete and courteous responses to taxpayer inquiries.

Tax Publications

To reinforce information provided taxpayers during direct contact, and to assure nationwide consistency in the application of the tax laws, the Service also distributes, free of charge, a number of publications.

The major IRS publications are Publication 17, *Your Federal Income Tax,* Publication 334, *Tax Guide for Small Business,* and Publication 225, *Farmer's Tax Guide.* Also the Service has issued publications dealing with special tax problems, such as reporting the sale of a personal residence or computing the value of donated property. New tax publications developed in 1975 included Publication 587, *Tax Information on Operating a Business in Your Home;* Publication 588, *Tax Information on Condominiums and Cooperative Apartments;* Publication 589, *Tax Information on Subchapter S Corporations;* and Publication 590, *Tax Information on Individual Retirement Savings Programs.*

In 1975, we inaugurated free distribution of Publication 17, *Your Federal Income Tax,* and Publication 334, *Tax Guide for Small Business,* items that we had charged for previously. Distribution reports for 1975 show that 1.5 million copies of Publication 17 and 600,000 copies of Publication 334 were distributed to taxpayers at no charge.

These publications, along with copies of the various tax forms, were available to individual taxpayers at IRS offices throughout the country on a walk-in basis. Many banks and post offices also cooperated by making IRS forms available to taxpayers. As another option, the taxpayer could order forms or publications by writing or telephoning IRS offices. Over 4.4 million of these orders were filled during the last half of 1975. In addition, over 79 million individual income tax packages were mailed to taxpayers in advance of the filing period.

The Mass Media

The Service continued to use the nation's mass media to furnish tax information to the public. In 1975, over 17,000 radio and TV stations, daily and weekly newspapers, and magazines received material prepared by the IRS to inform and assist taxpayers. Service personnel participated in 6,500 interviews, answered more than 18,000 media inquiries, and made 5,500 talks to citizen groups.

Nearly 8,800 news releases were issued to the media. These releases covered such topics as services available to taxpayers, appeal rights, correct filing of returns, the Presidential campaign fund check-off, tax advice for disaster victims, and the tax rebate program. Some of the releases were translated into Spanish for use in areas where it is widely spoken as a second language. Tax question-and-answer columns were written for nationwide distribution to weekly newspapers and magazines.

The Service also produced and distributed to field offices a 27½-minute color film on audit and appeals procedures. This IRS film was shown on 393 occasions by TV outlets and 2,670 occasions by civic associations and educational groups from January through June of 1975.

Electronic Tax Service

The Integrated Data Retrieval System (IDRS), which links all district and area offices and Puerto Rico through video terminals to computer files at the IRS service centers, processed an average of 1.8 million inquiries per service center each month during the last half of 1975.

To cope with the rapid growth in use of IDRS since it was made operational in 1974, the Service has installed larger computers and related components with faster processing capabilities at all ten IRS service centers. For example, the IDRS can now report on a taxpayer's refund status and on rebates, which accounted for voluminous taxpayer contacts in 1975.

This increased IDRS capability will also provide a better method of controlling information concerning the number of audits being conducted, their status and their disposition. The new system, the Audit Information Management System (AIMS), will be installed and operating on a pilot basis in 1976 and is scheduled to be operating nationwide in 1977.

Chapter 2

Collecting the Revenue

Receipts, Refunds, and Returns Filed
Rebate Program
Presidential Election Campaign Fund
Income Sources on Magnetic Tape
Mathematical Verification

Receipts, Refunds and Returns Filed

A principal responsibility of the Internal Revenue Service—probably the world's largest collection agency—is the collection of tax revenues. In 1975, gross tax collections rose to a record high of $293.8 billion, an increase of $24.9 billion or 9.2 percent over 1974, in spite of such counteracting influences as the economic slowdown, and various provisions of the Tax Reduction Act of 1975.

Individual and corporation income taxes accounted for over two-thirds of all tax receipts. Individual income tax receipts, representing more than half of the total, were $156.4 billion, an increase of $13.5 billion or 9.4 percent over the previous year. Corporate income tax collections amounted to $45.7 billion, up $4.0 billion (9.6 percent) over 1974.

Employment taxes (Social Security, Unemployment and Railroad Retirement), the second largest source of revenue, totaled $70.1 billion, a rise of $8.0 billion or 13.0 percent over 1974. In the two previous years, increases were in excess of 19 percent. The increase in 1975 did not equal this previous growth rate mainly because of smaller increases in the social security tax rate and the maximum amount of earnings subject to tax.

Excise taxes, levied on a variety of products, services, and activities, declined slightly. Receipts from these taxes totaled $16.8 billion, dipping $0.3 billion (1.5 percent), reflecting the continued phasing out of the telephone excise tax, elimination of the Interest Equalization Tax, and an overall net reduction in receipts from auto and energy related excise taxes.

Although it is the Service's job to collect revenue, the IRS also makes refunds of any excessive payments. In 1975, 67.8 million regular refund checks were issued, 2.0 million more than in 1974. Regular refunds this year totaled $32.2 billion, $4.0 billion or 14.2 percent more than last year.

In addition to regular refunds, rebates of 1974 individual income taxes, as provided by the Tax Reduction Act of 1975, totaled $7.9 billion. Some 54.7 million checks were issued for the rebate alone and 9.1 million checks combined the rebate with a regular refund. (Further detail on the rebate program is provided on page 18.)

Returns Filed and Refunds Issued,
Individual Income Tax* January-June
(Cumulative 000's; cumulative percentages)

1974	Jan	Feb	Mar	Apr	May	June
Returns Filed						
Volume	3,638	34,669	51,610	77,283	79,747	80,672
Percent	4.5	43.0	64.0	95.8	98.9	100
Refunds Issued						
Volume	1,182	18,319	38,019	53,383	61,690	62,783
Percent	1.9	29.2	60.6	85.0	98.3	100
1975						
Returns Filed						
Volume	3,828	37,266	54,252	80,049	82,370	83,278
Percent	4.6	44.7	65.1	96.1	98.9	100
Refunds Issued						
Volume	895	21,989	41,494	55,130	63,598	64,730
Percent	1.4	34.0	64.1	85.2	98.3	100

*Refunds processed by National Computer Center and scheduled for issuance by Regional Disbursing Centers. Includes only forms 1040 and 1040A. Excludes Tax Rebates/Refunds.

IRS service centers received 125.1 million tax returns in 1975, compared to nearly 122 million in 1974. Individual and fiduciary returns totaled 85.5 million, compared to 83.0 million in 1974. More than 22 million individual taxpayers, 27 percent of all individual filers, used the short Form 1040A in 1975. Perhaps influenced by the economy, many taxpayers filed earlier this year. Anticipating taxpayers' need for a prompt refund, the Service responded by processing returns faster than in any year in history.

Number of returns filed, by principal type of return
(Figures in thousands. For details, see table 7 in Appendix.)

Type of return	1974	1975
Grand total	**121,914 r**	**125,117**
Income tax, total	**95,313 r**	**98,454**
Individual and Fiduciary, total	83,029	85,519
Individual-citizens and resident aliens, total	81,480 [1]	83,883 [1]
All other individual	109 [2]	121 [2]
Fiduciary	1,440	1,514
Declarations of estimated tax, total	7,437 r	7,543
Individual	7,437 r	7,543
Corporation	N/A	N/A
Partnerships	1,118	1,138
Corporations	1,981	2,133
Other	1,748	2,121
Employment tax, total	**24,794**	**24,757**
Employers' Form 941	16,960	16,925
Employers'Form 942 (household employees)	3,309	3,161
Employers' Form 943 (agricultural employees)	457	454
Railroad retirement, Forms CT-1, CT-2	13	13
Unemployment insurance, Form 940	4,056	4,204
Estate tax	**212**	**216**
Gift tax	**253**	**260**
Excise tax, total	**1,342**	**1,430**
Occupational tax	528	598
Form 720 (retailers, manufacturers, etc.)	308	310
Alcohol	19	20
Tobacco	5	5
Highway use tax	378	409
Other	104	89

r Revised

[1] Does not include Office of International Operations returns 1040NR, 1040SS-PR and 1042, while the total in column 2, table 7 in Appendix does include these returns.

[2] Consists of 1042, 1040NR and 1040SS-PR returns.

Gross Internal Revenue Collections
(Dollars in thousands. For details see table 1 in Appendix)

Source	Percent of 1975 Collections	1974	1975	Increase or Decrease Amount	Increase or Decrease Percent
Grand total [1]	**100.0**	**268,952,254**	**293,822,726**	**24,870,472**	**9.2**
Income taxes, total	**68.8**	**184,648,094**	**202,146,097**	**17,498,003**	**9.5**
Corporation	15.6	41,744,444	45,746,660	4,002,216	9.6
Individual, total	53.2	142,903,650	[3] 156,399,437 [4]	13,495,787	9.4
Withheld by employers [2]	41.6	112,091,799	122,103,137	10,011,338	8.9
Other [2]	11.7	30,811,851	34,296,301	3,484,450	11.3
Employment taxes, total	**23.9**	**62,093,632**	**70,140,809**	**8,047,177**	**13.0**
Old-age survivors disability and hospital insurance, total	22.8	59,105,066	67,136,584	8,031,518	13.6
Federal insurance contributions	21.7	56,096,856	63,720,164	7,623,308	13.6
Self-employment insurance contributions	1.2	3,008,210	3,416,420	408,210	13.6
Unemployment insurance	0.5	1,480,574	1,388,082	−92,492	−6.2
Railroad retirement	0.6	1,507,993	1,616,143	108,150	7.2
Estate and gift taxes	**1.6**	**5,100,675**	**4,688,079**	**−412,596**	**−8.1**
Excise taxes, total	**5.7**	**17,109,853**	**16,847,741**	**−262,112**	**−1.5**
Alcohol	1.8	5,358,477	5,350,858	−7,619	−0.1
Tobacco	0.8	2,437,005	2,315,090	−121,915	−5.0
Other	3.1	9,314,371	9,181,794	−132,577	−1.4

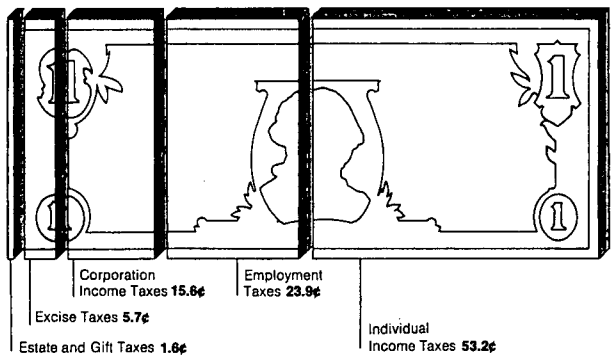
[1] Collections are adjusted to exclude amounts transferred to the Government of Guam.

[2] Estimated.—Collections of individual income tax withheld are not reported separately from old age, survivors disability and hospital insurance taxes on wages and salaries. Similarly, collections on individual income tax not withheld are not reported separately from old-age and disability insurance taxes on self-employment income. The amount on old-age, survivors, disability and hospital insurance tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of sec. 201(a) of the Social Security Act as amended, and includes all old-age, survivors disability and hospital insurance taxes. The estimates shown for the 2 classes of individual income taxes were derived by subtracting the old-age and disability insurance tax estimates from the combined totals reported.

[3] Includes Presidential Election Fund amounting to $27,592,000.

[4] Includes Presidential Election Fund amounting to $31,656,525.

The Tax Dollar
Where It Came From
Fiscal Year 1975 (Gross Collections)



Net Internal Revenue Collections
(including tax rebates) through June 30, 1975
(Dollars in thousands)

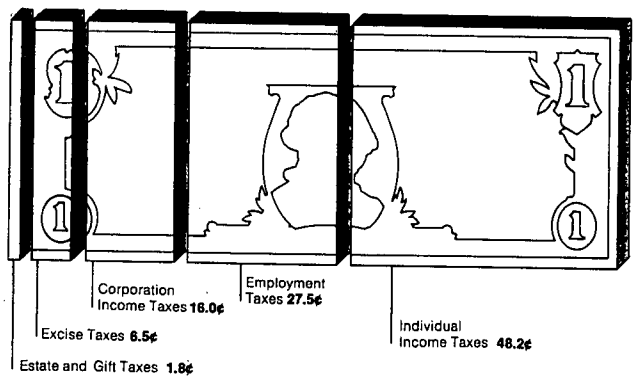
Source	Gross Collections	Refunds [1,2,3]	Net Collections Amount	Net Collections Percent of Total
Grand total	**293,822,726**	**39,906,742**	**253,915,984**	**100.0**
Corporation income taxes	45,746,660	5,125,547	40,621,113	16.0
Individual income taxes	156,399,437	34,012,221	122,387,216	48.2
Employment taxes, total	70,140,809	394,522	69,746,287	27.5
Old-age, survivors, disability and hospital insurance	67,136,584	360,000	66,776,584	26.3
Railroad retirement	1,616,143	313	1,615,830	0.6
Unemployment insurance	1,388,082	34,209	1,353,873	0.5
Estate and gift taxes	4,688,079	76,954	4,611,125	1.8
Excise taxes	16,847,741	297,498	16,550,243	6.5

[1] Does not include interest paid on refunds.

[2] For details see tables 5, 6, and 19 in Appendix.

[3] Includes rebates under the 1975 Tax Reduction Act.

The Tax Dollar
Where It Came From
Fiscal Year 1975 (Net Collections)



The Pipeline

Tax returns received at IRS service centers are systematically processed through a series of steps known as "the pipeline." Although service center machinery is modern, automated and organized to perform the processing function in the shortest period of time, many of the operations are performed by people. It is people, as this photo series illustrates, who unload the mail sacks bulging with tax returns, operate the machines that open the envelopes, sort, batch, number, examine and code returns, program information from the returns into computers, and most important of all, certify returns for refunds. These photographs were taken at the IRS service center in Ogden, Utah.

Step 1 Income tax returns are received at the service centers.

Step 2 Envelopes are opened and counted at the rate of 10,000—12,000 per hour.

Step 3 Returns are sorted by type of return.

Step 4 Tax returns and accompanying checks are compared.

Step 5 Returns are edited and coded for computer processing.

Step 6 Tax return information is fed into the computer.

Step 7 IRS computers perform validity checks on tax returns.

Step 8 Refund checks are printed by Treasury Department Disbursing Center.

Rebate Program

On March 29, 1975, the President signed into law the Tax Reduction Act of 1975, P.L. 94–12, which provided for a number of measures designed to reduce taxes for individuals and corporations, including the rebate of a portion of income taxes paid for 1974 to nearly 70 million individual taxpayers. Generally, the law authorized a rebate of 10 percent of the individual's 1974 income tax liability, with a minimum rebate of $100 and a maximum of $200. If a taxpayer's 1974 income tax was less than $100, the rebate would equal the amount of tax actually paid. In addition, if the taxpayer's adjusted gross income was between $20,000 and $30,000, the $200 maximum rebate was reduced by one percent of adjusted gross income in excess of $20,000 up to $30,000. Thus, taxpayers in this income bracket received checks for amounts between $100 and $200. Taxpayers with adjusted gross income in excess of $30,000 received $100. While the intent of the Congress was to concentrate the tax reductions among lower and middle income taxpayers, these minimum, maximum and phase-down provisions confused many taxpayers and prompted a great many inquiries to the IRS.

The rebate was enacted midway in the 1975 filing period and at the peak of returns processing. By planning for the rebate even before the President signed the law, however, the Service was able to implement its rebate program in late April and insure that the first of the rebate checks would be mailed to taxpayers on May 9, 1975. The bulk of rebate mailing had been completed when the fiscal year ended June 30. The table at right provides details of the rebate program.

Rebate Check Processing At the Bureau of Accounts, Washington Disbursing Office, the woman (rear right) manually reviews numerical sequence of checks, while the man in the foreground inserts checks for machine verification prior to insertion in envelopes.

Rebate Program Amounts and Applications
(through June 30, 1975)

Number of rebate credits	65.5 million
Amount of rebate credits	$ 8.2 billion
Average rebate credit	$125.39
Application [1] of rebate credits:	
Refunded [2]—Number	63.8 million
Amount	$ 8.0 billion
Average	$124.74
Applied to outstanding balance due or temporarily unapplied pending resolution of taxpayer's account	
Number	3.5 million
Amount	$ 0.3 billion

Details may not add to totals due to rounding
[1] Applications exceed the total rebates because some rebates were partially refunded and partially applied to an outstanding balance due.
[2] Rebates processed by National Computer Center and scheduled for issuance by Regional Disbursing Centers to taxpayers. Includes $21.4 million scheduled in June 1975 and issued the first week in July 1975. By the end of June 1975, $7.9 billion in rebates had been issued.

Milwaukee Postmaster Emerson Paulson shows Commissioner Alexander the first batch of rebate checks to be delivered to taxpayers in Milwaukee. On this date, May 8, 1975, the Commissioner was visiting the Milwaukee District Office. (Photo Courtesy of *Milwaukee Journal*)

Presidential Election Campaign Fund

The IRS processed approximately 81.7 million individual returns between January 1 and June 30, 1975. Of that total, 19.8 million or 24.2 percent had designations for the Presidential Election Campaign Fund, compared to 13.6 percent in the prior year. A block, indicating the taxpayer's desire not to designate to the fund, was placed on the return for the first time this year. Of the total returns processed, 33.7 million or 41.2 percent checked this block, thus declining to designate.

The total amount credited to the Fund during fiscal year 1975 was $31.7 million, including $31.5 million on 1974 returns and $0.2 million from prior year returns. The cumulative amount credited to the Fund (1972, 1973 and 1974 returns) since the check-off was initiated is approximately $61.7 million.

Mathematical Verification

During the year, the IRS checked the mathematics on 84.6 million individual returns. The IRS calculated the tax on 1.0 million returns, manually verified the tax on 2.5 million returns and computer verified the accuracy of taxpayers' calculation of tax on 81.1 million returns. As a result of computer verification, 1.8 million taxpayers had decreases in the tax liability shown on their returns totaling $163 million, an average of $93 per return. These decreases resulted in either a larger refund for the taxpayer or a smaller tax due billing. On 2.0 million returns, errors by taxpayers increased their tax liability by $270 million, an average of approximately $134 per return. The results of this year's computer mathematical verification program are shown in the table below.

In addition to mathematical verification of returns, the Service also used its computers to check the estimated tax credits claimed on individual returns. This verification determined that taxpayers underclaimed $185 million in estimated credits and overclaimed credits by $402 million.

Individual Income Tax Returns Mathematically Verified By Computer
(In Thousands)

	1974	1975
Number verified by computer	**81,649**	**81,067**
Number of returns on which mathematical errors were detected	5,061	3,771
Percent of returns with mathematical errors	6.2	4.7
Returns with increase:		
Number	3,073	2,014
Amount	$399,137	$270,095
Average amount (dollars)	$ 129.90	$ 134.14
Returns with decrease:		
Number	1,988	1,757
Amount	$177,890	$163,251
Average amount (dollars)	$ 89.53	$ 92.91

Income Sources on Magnetic Tape

During 1975, the IRS received more than 428 million information documents from businesses and organizations required to report payments of wages, interest, and dividends. Nearly 181 million of these documents were submitted on magnetic tape in 1975 as a result of the Service's program of actively encouraging all organizations which have tape capability or access to computers to report on tape. The increase in the number of reporting entities to 15,500 reflects a shifting by many organizations from paper filing to magnetic tape filing.

Information Documents Reported on Magnetic Tape

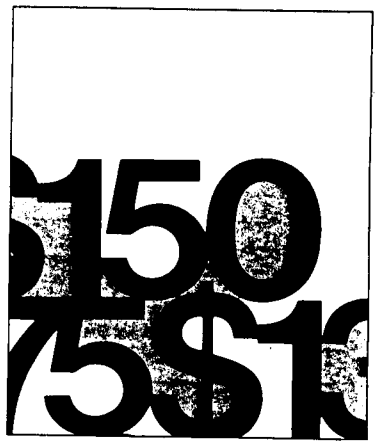
Tax Year	Documents (Thousands)	Reporting Entities
1966	26,248	591
1967	36,492	1,048
1968	47,686	2,426
1969	58,951	2,963
1970	68,300	4,637
1971	91,449	8,504
1972	115,008	12,758
1973	144,533 r	13,128
1974	180,946	15,500

r Revised

Chapter 3

Insuring Compliance

Audit of Returns
Delinquent Accounts
The Appeals Process
Tax Fraud Investigations



Audit of Returns

The IRS audits tax returns in order to help ensure the highest possible degree of voluntary compliance with the tax laws. While audit activity is the primary method that the IRS uses to encourage voluntary compliance, every return is subject to scrutiny by IRS employees and computers. When a return is received in one of the 10 IRS service centers, it is first checked manually for completeness and accuracy and certain obvious errors such as the claiming of a partial exemption or duplicate deductions. Then the service center's computers check the accuracy of the taxpayer's arithmetic (See Mathematical Verification, page 20) and pick up other errors which may have escaped manual detection, such as the failure to reduce medical deductions by 3 percent of adjusted gross income.

Returns Selection

The primary method used by the IRS in selecting returns for audits is a computer program of mathematical formulae—the Discriminant Function System (DIF)—which measures the probability of tax error in each return. Returns identified by the DIF system as having the highest probability of error are then reviewed manually, and those confirmed as having the highest error potential are selected for audit. Since this system was introduced in 1969, the IRS has reduced the number of taxpayers contacted whose audit would result in no tax change (all taxes) from a peak of 43 percent in 1968, to a historic low of 23 percent in 1975.

For the first time in 1975, the Service began using the DIF system for the selection of partnership returns. In 1975 and 1976, a Taxpayer Compliance Measurement Program (TCMP) will be conducted on fiduciary returns. Filing and reporting characteristics identified by this program will be used to determine the feasibility of developing DIF formulae for fiduciary returns.

Returns are also selected for audit through the application of certain criteria during the initial computer screening process which automatically trigger selection of the return.

Returns may also be chosen for audit under a third computerized selection system, the Taxpayer Compliance Measurement Program (TCMP), which makes a random selection of returns within income classes for research purposes, such as updating DIF formulae on more current taxpayer filing and reporting characteristics. Audits conducted under this program must be more intensive than most in order to develop the information required by the program.

The computer selection of returns is complemented by manual selection in various instances. For example, if the IRS is auditing the return of a partnership (or of one business partner) the returns of the partners (or additional partners) may also be audited. Other returns may be manually selected as a result of information from other enforcement activities, news reports or criminal investigations. The IRS also screens returns with adjusted gross income above certain limits and returns of taxpayers who submit claims for refund or credit after filing their returns.

Results of Audit Activity

The IRS audited 2,465,000 tax returns of all types in 1975, 277,000 more than the 2,187,864 audited in 1974. The 1975 total was more than in any year since 1969, when 2,543,929 were examined. Of the total returns audited in 1975, 112,550 were examined by service centers, compared to 80,200 last year. The remainder were examined in-district offices by either revenue agents or tax auditors. Examinations conducted by revenue agents under field audit techniques totaled 812,336 returns, an increase of 123,279 returns or 18 percent over last year. Examinations conducted by tax auditors under office audit procedures numbered 1,540,466 returns, an increase of 121,859 returns. Audit coverage of income, estate and gift returns increased to 2.55 percent, compared to 2.39 percent achieved in 1974.

The Service's examination program resulted in $5.3 billion of additional tax and penalties recommended. While recommendations exceeded $5 billion for the third straight year, the total was about $600 million below last year, mainly because there were nearly 600 fewer returns with unusually large deficiencies of $100,00 and over.

Number Returns Examined
(Thousands)
Fiscal Year 1971 thru 1975

Type of Return	1971	1972	1973	1974[2]	1975
Revenue Agents Grand Total	**566**	**593**	**588**	**689**	**812**
Income Tax Total	**429**	**424**	**411**	**506**	**606**
Individual	289	264	260	306	355
Fiduciary	[1]	7	5	5	12
Corporation	129	135	122	134	153
Exempt Organizations	11	18	22	19	21
Employee Plans (990P and 4848)	NA	NA	2	42	65
Estate and Gift Tax	36	35	41	49	50
Excise & Employment	100	133	136	133	156
Tax Auditors Grand Total	**1,080**	**1,103**	**1,183**	**1,419**	**1,540**
Income Tax Total	**1,058**	**1,073**	**1,143**	**1,377**	**1,486**
Individual	1,057	1,072	1,143	1,376	1,483
Fiduciary	[1]	*	*	*	*
Corporation	1	1	—	—	2
Exempt Organizations	—	—	—	1	1
Employee Plans (990P and 4848)	NA	NA	—	—	—
Estate and Gift Tax	4	5	8	10	12
Excise and Employment	18	25	31	32	42
Service Center Examinations					
Grand Total	—	—	—	80	113
Income Tax—Individual	—	—	—	80	105
Excise tax	—	—	—	—	8
Total Grand Total	**1,646**	**1,696**	**1,771**	**2,188**	**2,465**
Income Tax Total	**1,487**	**1,497**	**1,554**	**1,963**	**2,197**
Individual	1,346	1,336	1,404	1,762	1,943
Fiduciary	[1]	7	5	5	12
Corporation	130	136	122	134	155
Exempt Organizations	11	18	22	20	22
Employee Plans (990P and 4848)	NA	NA	2	42	65
Estate and Gift Tax	41	40	49	59	62
Excise and Employment	117	158	167	165	206

[1] Not Available—combined with Individual
*Less than 500
[2] 1974 Revised Data

During 1975, assessments totaled a record $4.5 billion, including an all-time high of $3.8 billion in assessed tax and penalties and $695 million in interest. In 1974, assessments amounted to $3.7 billion, of which $3.1 billion represented tax and penalties and $626 million represented interest.

Examining officers are required to determine a taxpayer's correct tax liability—no more, no less. This means that examiners look for indications that taxpayers have overstated, as well as understated, their tax liability. In 1975, Service examinations disclosed overassessments on 122,399 returns, accounting for refunds of $302.8 million.

Service Center Examinations

The IRS service center review program began in 1972. It is generally limited to the verification or resolution of issues which can be satisfactorily handled by service center personnel through correspondence with the taxpayer. More than 1,329,000 returns were checked in service centers in 1975, an 86 percent increase over 1974.

More than half of these returns involved obviously unallowable items, such as medical expenses not reduced by the 1 percent and 3 percent limitations. More than 952,000 returns with unallowable items were corrected in 1975, compared to approximately 406,000 in 1974. Another major issue verified by service center personnel through correspondence with taxpayers this year was that of taxpayers claiming to be heads of households. Approximately 209,000 returns claiming such status were verified in 1975, compared to 195,000 last year.

The service centers also conducted correspondence examinations of returns selected under district office criteria involving issues such as charitable contributions or interest payments, which generally can be resolved through correspondence with the taxpayer. Approximately 112,550 returns in this category were examined during 1975, an increase of nearly 40 percent over the 80,200 examined in 1974.

James Whitmore, well-known actor, discusses IRS audit procedures with Karne Podsadecki, office auditor, in a scene from the IRS film, "Why me, Tom Krolik?" Eight other IRS employees, along with professional talent, appear in the 27½-minute film, which highlights taxpayers' rights in dealings with the IRS. Among the topics discussed in the film are audits and appeals, delinquent taxes, taxpayer service and the processing and confidentiality of tax returns.

Recommended Additional Tax and Penalties
(millions)
Fiscal years 1971 thru 1975

Type of Return	1971	1972	1973	1974 [2]	1975
Revenue Agents Grand Total	**3,216.2**	**3,177.8**	**4,798.6**	**5,549.7**	**4,811.3**
Income Tax Total	**2,653.3**	**2,612.5**	**3,955.4**	**4,790.0**	**3,912.5**
Individual	718.5	761.3	858.4	881.5	926.7
Fiduciary	[1]	18.3	15.2	15.2	21.0
Corporation	1,933.1	1,828.6	3,068.6	3,888.1	2,931.9
Exempt Organizations	1.7	4.3	13.2	4.8	32.5
Employee Plans (990P and 4848)	NA	NA	NA	.4	.4
Estate and Gift Tax	471.1	432.2	690.4	564.3	611.2
Excise & Employment	91.9	133.1	152.7	195.4	287.6
Tax Auditors Grand Total	**192.1**	**235.4**	**269.9**	**297.3**	**355.5**
Income Tax Total	**181.9**	**222.3**	**248.6**	**273.6**	**327.0**
Individual	179.5	221.9	248.1	273.2	325.6
Fiduciary	[1]	.1	.2	.1	.3
Corporation	2.4	.3	.3	.3	1.1
Exempt Organizations	—	—	—	—	—
Employee Plans (990P and 4848)	—	—	—	—	—
Estate and Gift Tax	6.3	6.8	9.9	13.2	14.4
Excise and Employment	3.9	6.3	11.4	10.5	14.1
Service Center Grand Total	—	—	—	**62.2**	**143.7**
Income Tax—Individual	—	—	—	62.2	142.9
Excise Tax	—	—	—	—	.8
Total Grand Total	**3,408.3**	**3,413.1**	**5,068.4**	**5,909.2**	**5,310.5**
Income Tax Total	**2,835.2**	**2,834.8**	**4,203.9**	**5,125.8**	**4,382.4**
Individual	898.0	983.2	1,106.5	1,216.9	1,395.2
Fiduciary	[1]	18.4	15.4	15.3	21.3
Corporation	1,935.5	1,828.9	3,068.8	3,888.4	2,933.0
Exempt Organizations	1.7	4.3	13.2	4.8	32.5
Employee Plans (990P and 4848)	NA	NA	—	.4	.4
Estate and Gift Tax	477.4	439.0	700.3	577.5	625.6
Excise and Employment	97.5	139.4	164.1	205.9	302.5

[1] Not Available-combined with Individual
[2] 1974 Revised Data

Computer Assisted Audits

The Service is keeping pace with the growing number of automated accounting systems by expanding the use of computers in audits. Both generalized computer programs and specifically developed programs are used to retrieve and analyze data essential to the examination. They permit an automated "eye-balling" of massive data files with the printout of only those items of possible audit interest. Both taxpayers and the IRS save time and expense since computer-assisted audits can be done in a fraction of the time needed to do the same job manually.

These audits are done by computer audit specialists, experienced revenue agents who have received intensive training in computer hardware, programming languages and audit techniques. They work with automated accounting systems. During 1975, the number of these specialists was increased from 84 to 104, including, for the first time, two women revenue agents.

The Program Audit Library (PAL), a system of generalized computer programs developed by the Service and designed specifically for tax audits, was updated and expanded in 1975. In addition, the IRS has developed computer programs to perform statistical sampling techniques which will soon become part of the PAL System.

Coordinated Examination Program

Since larger corporations have complex accounting operations and present complex tax issues, the Service has increasingly turned to the team audit or coordinated examination approach when reviewing their accounts. This approach combines the skills of the accountant-revenue agent with those of economists, computer audit specialists, international tax examiners, engineering agents and employee plans examiners.

At the end of 1975, the 1,176 large cases identified by the National Office averaged 2.6 open years. This is the third consecutive year in which the average of open years in the large case program has been less than three.

The IRS, during 1975, expanded its practice of conducting industry-wide audits involving the contemporaneous examination of all major companies in a given industry.

So far, these audits have not only saved time for the Service and the taxpayers, but have also resulted in greater uniformity of tax treatment among the industries examined. Five industries are currently being audited by this technique.

Computer audit specialist Leo Terr checks final output of hardcopy which will become part of his workpapers.

Joint Committee Review

The Internal Revenue Code provides that all income, estate and gift tax refunds and credits which exceed $100,000 must be reported to the Joint Committee on Internal Revenue Taxation. During 1975, 1,356 cases involving overassessments of $969 million were reported to the Joint Committee, as compared with 1,671 and $1.1 billion in 1974.

Tax Shelter Program

In 1974, the IRS established a nationwide tax shelter examination program coordinated by the National Office. Due to the multi-district involvement of promoters and investors, these examinations were conducted under the industry-wide audit concept. The use of this approach insures a greater degree of consistency and uniformity in the Service's overall treatment of the tax aspects of shelter programs.

During 1975, industry-wide examinations of tax shelters were conducted by field personnel analyzing the entire enterprise first to determine whether participants, barring unexpected problems, can reasonably be expected to earn a profit appropriate to the investment and degree of risk involved. The business is then studied for the possibility of improper or excess allocation of deductions and also to make certain that individual items causing operating losses are properly claimed deductions.

Based on experience acquired in 1975, the IRS will continue to identify and examine other abusive tax shelter areas using industry-wide audit methods when appropriate. Possible tax shelter abuses by investors in oil, real estate, cattle, equipment leasing and motion picture industries are being studied.

The large size of the partnerships involved in this program (often thousands of individual partners) presented a major clerical problem in controlling large numbers of related returns and in processing subsequent audit adjustments to individual partners. The IRS has, when possible, automated the manual workflow involved in the audit of large scale partnerships and now has the capacity for computer-generated audit control documents and audit adjustment reports associated with these examinations.

National Shared Library

The Service has established a National Shared Library on the GSA-approved Infornet Time-Sharing Computer System which is utilized as a technical and administrative tool in performing the complex work involved in many examinations. The initial computer program placed in this library will recompute the highly complex Form 1120L Insurance Company Return to reflect audit adjustments and generate a marginal tax table for each return. This shared system avoids duplication of storage charges, since authorized users in IRS districts and regions do not have to store programs in a separately maintained library. It also facilitates standardized and consistent program changes or updates.

Computer Production of Report on Audit Changes

The IRS completed a study in 1975 on the type of report writing equipment necessary to produce Form 1902-E, The Report of Individual Income Tax Audit Changes, for audit operations at service centers and district offices. It was found that existing service center computer systems could best fulfill Form 1902-E requirements for the service center audit divisions since this type of equipment was on-site and affords a low user cost. A computer program was implemented at all service centers to generate both the basic Form 1902-E and its accompanying Form 3547, Explanation of Adjustments, consisting of standard explanations of adjustments. However, the study also showed that on-site equipment was also needed in district offices to service the office audit workload. As a result, efforts are presently underway to replace older machines in district audit operations with more modern and efficient report writing equipment.

Delinquent Accounts

The Service makes every reasonable effort to collect taxes due, starting with notices to taxpayers requesting payment and then establishing delinquent accounts for assignment to enforcement personnel.

In 1975, IRS district offices closed over 2.9 million delinquent accounts receivable cases, including approximately 376,000 cases in which the taxpayer, when notified of a delinquency, contacted the IRS field offices to resolve the matter ("notice" cases). The remaining 2.5 million delinquent accounts required field contact by district employees. Approximately 58 percent of these delinquent accounts involved business taxpayers.

More than $2.8 billion in delinquent taxes was collected during the year, an increase of $292 million over 1974. District personnel also closed over 1.2 million delinquent return investigations, including 168,000 cases in "notice" status. In addition, 388,000 contacts were made by district personnel in the returns compliance program, which detects the non-filing of tax returns. These efforts secured 943,000 delinquent returns involving nearly $548 million in additional taxes.

The Service has long recognized that preventing a delinquency is at least as important as collecting a delinquent account. The delinquency prevention program, which was given new emphasis in 1974, continued this year. Business taxpayers identified as posing significant risks of becoming tax delinquents were contacted by district collection personnel in an effort to help the taxpayers eliminate the cause of the potential delinquency and meet all tax obligations.

Withholding Tax Laws Strictly Enforced

In recent years, an increasing number of business taxpayers have failed to deposit and pay over the money they withhold from their employees' salaries. Instead, these trust funds have been improperly used as working capital or otherwise diverted. The Service uses a number of approaches with these employers to enforce compliance with the law regarding withholding requirements.

Under the Federal Tax Deposit Alert program, the Service's data processing system identifies employers who are not making appropriate deposits. Before the return is due, revenue officers call on these employers to learn why they have not complied with the deposit requirements.

To accelerate the billing of delinquent employers, delinquent accounts covering withheld tax are taken out of the ordinary processing cycle and immediately assigned to the district offices.

Restaurant owners David Hedison and Pat Finley, stars of new IRS film, "Hey, We're in Business," mix business record keeping, taxes, and a late snack shortly after opening their restaurant in this scene from the film. Among the areas covered by the film are the necessity of proper recordkeeping, free taxpayer assistance available from IRS offices, what a business should do if tax deadlines cannot be met, and withholding tax responsibilities relating to employees. The film can be borrowed free from the IRS by contacting any district office.

The Service believes that another answer to this abuse and to the general problem of taxpayers using the government's money rather than borrowing funds through legitimate means is Public Law 93-625, which raised to 9 percent the interest rate on tax delinquencies. This rate will be adjusted periodically to reflect changes in the prevailing prime rate charged by major banks.

The IRS also is vigorously pursuing civil and criminal sanctions against noncompliant taxpayers. Public Law 85-321 provides for a $5,000 fine and/or a year in prison for failure to deposit withheld taxes properly. During 1975, an intensified program resulted in 127 convictions and guilty pleas in such cases.

Collection Initiatives

The Service also undertook, during 1975, a thorough reappraisal of delinquent tax collection practices. The goal was to make the collection process more clearly understood by the taxpaying public and to ensure that the tax laws are administered in a fair, impartial manner. To accomplish this goal, a major program, "The Collection Initiatives," was implemented and its changes are now showing results.

Some of the changes being considered or already implemented include: 1) the acceptance of postdated checks to cover the terms of an installment-payment agreement, for the greater convenience of taxpayers and the IRS; 2) expanded use of payroll deduction agreements; 3) reduction of the amount of information taxpayers must furnish on financial statements; 4) routinely extending installment arrangements to first-time delinquent individual income taxpayers who are otherwise in full compliance with the tax laws, 5) the substitution of a telephone contact for one of four written notices to explain the seriousness of tax delinquency and to help the taxpayer avoid drastic enforcement action, such as levy or seizure; 6) greater supervisory review before the property of a delinquent taxpayer is seized; 7) a review of the legislative and procedural exemptions and exclusions from our levy authority.

Also, the procedure for administering Public Law 85-321 has been strengthened and will be expanded to encompass a larger number of chronic trust fund delinquents. Uniform criteria for selecting, investigating and preparing trust fund prosecution cases have been established to better ensure quality referrals to the Department of Justice. As part of the revised "Trust Fund Compliance Program," noncomplying taxpayers who are not the subject of a criminal prosecution recommendation, as an alternative, will be required under Treas. Reg. 6011(a)-5 to file returns and pay withheld employment taxes monthly instead of quarterly.

Gross tax, penalties and interest resulting from direct enforcement
(In thousands of dollars)

Item	1974	1975
Additional tax, penalties, and interest assessed, total	**4,208,948** r	**5,203,155**
From examination of tax returns, total	3,724,121	4,526,347
Income tax, total	3,127,166	3,839,758
Corporation	2,142,340	2,596,803
Individual and fiduciary	984,826	1,242,955
Estate and gift tax	458,884	482,250
Employment tax (including withheld income tax)	82,970	131,082
Excise tax	55,102	73,257
From delinquent returns secured, total	484,827	676,808
By district collection divisions	417,735	547,568
By district audit division	67,092	129,240
Delinquent taxes collected, total	**2,527,845**	**2,819,752**

r Revised

IDRS

Delinquent accounts are controlled by the Integrated Data Retrieval System (IDRS), which automatically issues and controls case assignments, monitors index files, computes interest and penalties on accounts, allows direct input of payments on accounts, issues certain correspondence and forms, and provides necessary management reports.

The Appeals Process

Administrative Appeals

The Internal Revenue Service encourages the resolution of tax disputes through an administrative appeals system rather than through litigation. Taxpayers who disagree with a proposed change to their tax liability are entitled to a prompt, independent review of their case. The appeals system is designed to minimize inconvenience, expense, and delay to the taxpayer in disposing of contested tax cases.

Within the system, there are two levels of appeal: the district conference staff in the audit division of the district director's office and the appellate division in the regional commissioner's office. Each level of appeal is independent of the other, and each has different authority and jurisdiction. Their common and principal objective is the early disposition of disputed cases with a fair and impartial application of the law. For the initial appeal conference, a taxpayer may choose either the district conference staff or the regional appellate staff. Opportunities for such a hearing are offered at 58 district offices and 36 regional offices throughout the country. Conferences are also arranged as needed at other IRS locations by circuit-riding conferees at places and times convenient to the taxpayer.

Proceedings are informal in both of these offices. Taxpayers may represent themselves or be represented by an attorney, accountant, or any other advisor enrolled to practice before the IRS. If the disputed tax liability is $2,500 or less the taxpayer may obtain a district conference and a subsequent regional conference without filing a written protest. At the conference, taxpayers are given the opportunity to present their views and discuss the merits of the issues. If agreement cannot be reached during the district conference, the taxpayer is advised of his or her further appeal rights and may then request a regional appellate office conference.

In a majority of cases, the taxpayers and district or regional conferees reach a mutually acceptable basis for resolving their tax disputes. Consequently, very few cases go to trial. In the past 10 years, 97 percent of all disputed cases were closed without trial. District conference staffs reached agreement with the taxpayer in about 75 percent of the cases considered. In 1975, the appeals function disposed of 54,945 cases by agreement; the Tax Court tried 967 cases; and the United States District Courts and Court of Claims tried 376 cases. Thus in disputed tax matters, the administrative appeals system continues to serve taxpayers well. The system provides for an expeditious, independent, and impartial review of tax cases, and one measure of its success is its ability to resolve the great majority of tax disputes efficiently and without litigation.

Appellate Workload

The cases considered in the appeals process cover a wide range of issues from the most elementary to the most complex. They involve additional taxes or claims for refund ranging from small amounts to millions of dollars, including individual and corporation income tax, estate tax, gift tax, excise tax, employment tax, and offers in compromise. Deficiency cases can also be considered before a petition is filed in the Tax Court (nondocketed cases) and after the petition has been filed (docketed cases). Nondocketed cases make up about 62 percent of the appellate workload. In 1975, 75 percent of the nondocketed cases closed by appellate offices were closed by agreement with the taxpayer. The remaining 38 percent of the appellate workload consists of docketed cases in which settlement negotiations continue in appellate offices after the filing of the petition. In 1975 approximately 75 percent of the docketed cases completed by appellate offices were closed by agreement with the taxpayer.

District Conference Settlements

Since April 1, 1974, district conference staffs have had the authority, where the amount of tax in dispute was $2,500 or less, to settle cases by taking into account the hazards of litigation, including the chance that the Service might lose the case if it were litigated. Previously, only appellate conferees had this settlement authority, which meant that many taxpayers had to take their case to the regional appellate office in order to resolve unclear issues.

Since receiving this settlement authority, district conference staffs have significantly increased the percentage of agreed cases. About 25 percent of the cases where the new settlement authority could be exercised to resolve doubtful issues have been settled. The results have been favorable to taxpayers in terms of time, convenience and expense as well as to the IRS in terms of reducing the number of cases going to the regional appellate office or to the Small Case Division of the United States Tax Court.

Other Appeal Options

If a tax dispute cannot be resolved at either the district or the regional level, the taxpayer is advised of his or her remaining appeal rights. Generally, the taxpayer may petition the United States Tax Court. When the disputed tax does not exceed $1,500, a simplified procedure is available under the Tax Court's Small Case Rules. Except in unusual circumstances, the timely filing of a petition with the Tax Court prevents the assessment and collection of the tax until the court has made its decision. Even if a petition is filed with the Tax Court and the case is docketed for trial, the case may be settled with the regional appellate office at any time before the trial begins.

If the taxpayer does not want to litigate a case in the Tax Court, he or she may pay the tax deficiency and file a claim for refund within two years from the date of payment. The same administrative appeals are then available to the taxpayer. If the claim is denied by the IRS, or if the IRS takes no action within six months, the taxpayer may file suit against the Government for refund in either a United States District Court or the Court of Claims.

Tax Fraud Investigations

The Intelligence Division is responsible for the enforcement of the criminal provisions of the tax laws. Special agents investigate evasion of income, estate, gift and excise taxes, failure to file returns, failure to remit trust fund taxes (withheld income and social security taxes) the filing of false withholding exemption statements and false claims for refunds and the preparation of false returns for others. When evidence of tax evasion or tax fraud is identified, the Intelligence Division investigates and recommends prosecution when warranted.

Special projects are sometimes carried out to determine the extent of noncompliance in a given geographical area or occupational field, if a pattern of noncompliance is detected, or to increase the coordination of investigations covering an already identified area of noncompliance. One successful project dealing with the appraisers, inspectors and contractors working with the Federal Housing Authority was substantially completed this year. Since August 1972, when this investigation began, there have been 66 prosecution recommendations and the additional tax and penalties proposed exceed $13 million dollars. Other recent and significant intelligence investigations have focused on foreign bank and brokerage accounts, nuclear power plant construction, corruption of public officials through payoffs and kickbacks, and tax return preparation.

During 1975, the Intelligence Division completed 8,731 investigations and recommended prosecution of 2,760 taxpayers. Grand juries indicted or courts filed informations on 1,495 taxpayers. Prosecution was successfully completed in 1,219 cases. In 1,046 cases taxpayers entered guilty pleas, and in 173 cases taxpayers were convicted after trial. Acquittals and dismissals totaled 83 and 168, respectively. Of the 1,202 taxpayers sentenced during 1975, 485 or 40.3 percent received jail sentences compared with 42 percent last year.

Cases Prosecuted

Tax fraud is not restricted to any particular occupational or social group but reaches across a wide spectrum of industries and occupations. The following examples illustrate only a few successful prosecutions resulting from the Service's vigorous and balanced program of investigating tax fraud:

A San Francisco Bay area resident was found guilty of income tax evasion and sentenced to five years in prison. The investigation revealed that he had failed to report $128,000 in Irish Sweepstakes winnings, which he claimed in Dublin and deposited in a foreign bank account.

Two trials and eight guilty pleas resulted in the conviction of 10 Seattle residents who had filed false claims for refunds. The charges emanated from the filing of 13 fraudulent income tax returns using false Forms W-2. The individuals received sentences totaling 14 years.

A Philadelphia auto dealer and former city official was fined $7,500 and placed on probation for five years for failing to report money embezzled from his business. Additional tax and penalties proposed by the IRS were about $679,000.

A North Carolina school teacher was convicted of preparing false tax returns for others. The judge ordered the school teacher to deposit $5,000 in a trust fund to assist his clients who were injured by his fraudulent acts.

A Texas insurance agent was sentenced to three years in prison for income tax evasion. He was convicted of failing to report more than $130,000 received from a fraudulent scheme involving a life insurance company.

Three Wheeling, Illinois residents received fines ranging from $3,000 to $25,000 and up to four years in prison for failing to report income derived from payoffs extorted from building contractors.

A Georgia veterinarian was sentenced to three years in prison after pleading guilty to income tax evasion for the year 1967. The net worth method was used to determine his correct income for the years 1966 through 1969. Additional civil tax and penalties exceeded $1 million.

Organized Crime and Strike Force Activities

The IRS cooperates in the Federal government's fight against organized crime by participating in the Federal Organized Crime and Strike Forces Program. Located in 17 major cities, these units are headed by Strike Force attorneys from the Justice Department. The objective of this program is to coordinate the combined forces of Federal law enforcement agencies against the criminal element in our society. The IRS is responsible for ensuring that income from illegal activities is correctly reported and taxed and for detecting criminal violations of the tax laws. During 1975, the IRS contributed 513 man-years of direct investigative and examination time to the Strike Force effort.

A total of 97 organized crime members and their associates were convicted or pleaded guilty to tax charges during the year and 650 prosecution cases were pending when the year ended.

Since the inception of the organized crime program in 1966, 539 organized crime members and associates have been convicted or have pleaded guilty to various tax charges.

The following are examples of Organized Crime and Strike Force activities:

During 1975, probes were conducted in many areas of illegal activities by the various Strike Forces to identify individuals who may have violated the tax laws. One of the most important areas in terms of total monetary value involves the fencing of stolen goods, ranging from small items, such as jewelry and gold, to large, bulky oil drilling equipment. Other areas of prime concern to the Strike Forces have been union racketeering and corruption and the investment of income from illegal activities in legitimate businesses and real estate developments.

A major Atlanta racketeer was convicted of tax evasion for the years 1967 through 1969 and was fined $15,000 and sentenced to five years in prison.

In Los Angeles, an ex-IRS revenue agent and his business associate, an organized crime figure, were sentenced to four years and one year, respectively, upon conviction of income tax evasion for 1970. Total civil tax and penalties on the unreported income from the sale of bootleg eight-track tapes was nearly $1.4 million.

A Seattle racketeer was sentenced to six months in prison for violations of the tax laws covering withheld income and social security taxes. His defense that he was merely making an "unauthorized loan" from the government was not found acceptable by the trial judge.

Narcotics Traffickers

Since 1971, the IRS has cooperated with other Federal, state and local law enforcement agencies in a concerted effort against narcotics traffickers. The IRS contribution to this effort involves the identification and investigation of middle and upper echelon traffickers and financiers who violate the Internal Revenue laws.

Consistent with the IRS policy to achieve maximum compliance with the revenue laws, the Service will continue to identify and investigate significant tax violations by traffickers and financiers.

During 1975, the IRS completed 398 criminal tax investigations, obtained 81 indictments and achieved 83 convictions of traffickers and financiers. The IRS collected more than $3.8 million in narcotic trafficker assessments during 1975 and had property valued at $4.5 million under levy and seizure at the end of the year.

The following are examples of the results of IRS narcotics traffickers investigations:

A convicted Hawaiian crime figure received a 24-year sentence, the most severe penalty thus far handed down by a Federal court for tax evasion.

A Miami narcotics trafficker was convicted of tax evasion for the years 1969 and 1970 and was sentenced to 3 years in prison. Additional tax and penalty figures proposed by the IRS exceeded $38,000.

A Los Angeles narcotics wholesaler received prison sentences of six years for tax evasion and two years for his part in a conspiracy to violate the tax law.

Executive Order Limits Tax Information Disclosure

During 1975, attention was focused on the disclosure of tax information. While regulations issued by the Treasury Department and approved by the President pursuant to section 6103 of the Internal Revenue Code place strict limitations upon agency and public access to tax return information, there were no explicit legislative restrictions upon disclosure to the White House. On September 20, 1974, President Ford signed an Executive Order setting forth legally binding procedures whereby the President must personally sign all requests for copies or inspection of tax returns and must designate in writing the member of his staff who is authorized to see specifically identified returns on his behalf.

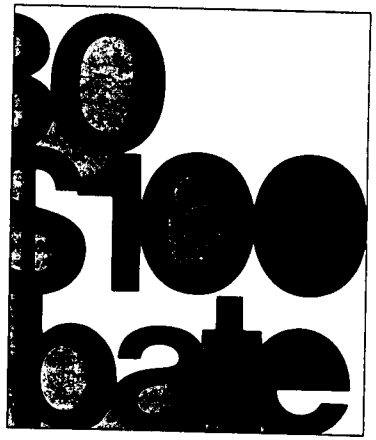
To insure that income tax return information is not disclosed improperly, present law provides for penalties of up to $1,000 or imprisonment for one year, or both, for any unauthorized disclosures. The Service is constantly on guard against any unauthorized use of tax return information.

Chapter 4
Technical Activities

Tax Rulings and Technical Advice

Internal Revenue Bulletin

Accounting Methods Rulings



Tax Rulings and Technical Advice

The Service's tax ruling program consists of letter rulings and published Revenue Rulings.

A letter ruling is a written statement issued to a taxpayer by the National Office interpreting and applying the tax laws to a specific set of facts. Such a ruling provides advice concerning the tax effects of a proposed transaction so that the taxpayer may structure the transaction to comply with the tax laws, thus resolving issues in advance and avoiding future controversy. Letter rulings are not precedents and may not be relied upon by other taxpayers.

A Revenue Ruling is an interpretation of the tax laws issued by the National Office and published in the Internal Revenue Bulletin for the information and guidance of taxpayers, practitioners and IRS personnel. Most Revenue Rulings are based on letter rulings which have the potential of setting precedents or have such broad applicability that general guidance should be offered to people in similar situations.

Technical advice is counsel or guidance as to the interpretation and proper application of the tax laws to a specific set of facts. It is furnished by the National Office at the request of a district office in connection with the audit of a taxpayer's return or claim for refund or credit. Frequently, the district director's request is made in response to the suggestion of the taxpayer that technical advice be sought.

Test Program for Processing Ruling Requests

On July 1, 1974, the Service initiated a test program in the Reorganization and Excise Tax Branches, Office of the Assistant Commissioner (Technical), to change the processing of ruling requests. Under the test program, tax law specialists would, within seven work days after receipt of the request, contact the taxpayer or the taxpayer's representative to discuss informally the procedural and substantive issues involved in the ruling request.

The test program, initially conducted for a six-month period and later extended to June 30, 1975, proved to be feasible in the two branches and was very favorably received by taxpayers. A report urging continuation of the program was received from the American Bar Association.

On April 7, 1975, the Service announced in Rev. Proc. 75–23 that the test program had been extended to June 30, 1976, and expanded to include (with only a few exceptions) ruling requests received by all the ruling branches in Technical. Under the expanded test program, the taxpayer or the representative will be contacted within fifteen work days after receipt of the ruling request and informed of a tax law specialist's tentative conclusions concerning the ruling request.

Requests for Tax Rulings and Technical Advice (Closings) 1975)

Subject	Total	Taxpayers' Requests	Field Requests
Total	**24,236**	**23,596**	**640**
Administrative Provisions	42	30	12
Changes in Accounting Methods	4,987	4,987	—
Changes in Accounting Periods	9,880	9,880	—
Earnings and Profits Determinations	719	719	—
Employment and Self-Employment Taxes	556	490	66
Engineering Questions	240	163	77
Estate and Gift Taxes	506	429	77
Excise Taxes	310	229	81
Individual Income Tax Matters	2,691	2,574	117
Corporation Tax Matters	4,305	4,095	210

Tax Credit for Purchase of Residence

Under the Tax Reduction Act of 1975, new Code Section 44 provides for a tax credit to taxpayers purchasing a new residence under certain conditions. Since this provision had no counterpart in previous tax law, the IRS promptly issued a Technical Information Release summarizing the provisions and the Service's interpretation of Section 44. From April to June, the National Office Technical organization received over 150 requests for written information in addition to 10–30 telephone calls per day.

Sick Pay Exclusion Clarified

Prior to April 1974, the IRS took the position that the sick pay exclusion under Section 105(d) of the Internal Revenue Code was applicable to disability pension payments only until the employee reached optional retirement age rather than mandatory retirement age. Optional retirement age was deemed to be the earliest age indicated in the pension plan at which the taxpayer could retire without the employer's consent and still receive retirement benefits based on service up to retirement computed at the full interest rate in the plan. After a number of adverse court decisions, the IRS announced in Technical Information Release 1283, on April 9, 1974, that taxpayers retired on disability prior to the mandatory retirement age could apply the sick pay exclusion to their disability payments.

During 1975, the Service received over 150 requests for rulings and information on specific plans that included the sick pay exclusion. Tax Regulations implementing the new procedures and superseding prior regulations were published in the Federal Register on April 14, 1975.

Internal Revenue Bulletin

The weekly *Internal Revenue Bulletin* is the authoritative publication of the Commissioner for announcing official rulings and procedures of the Service and for publishing Treasury Decisions, Executive Orders, tax conventions, legislation, court decisions, and other items of general interest. *Bulletin* contents of a permanent nature are consolidated semiannually into *Cumulative Bulletins*. Copies of the weekly and semiannual issues are distributed within the Service and are made available to the public by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, on a single copy or subscription basis.

During 1975, items in the *Bulletin* included 576 Revenue Rulings, 66 Revenue Procedures, 27 Public Laws relating to Internal Revenue matters and 31 committee reports, 3 Executive Orders, 42 Treasury Decisions containing new or amended regulations, 19 Delegation Orders, 3 Treasury Department Orders, 9 court decisions, 33 Notices of Suspension and Disbarment from Practice before the Service, and 181 Announcements of general interest.

The Bulletin Index-Digest System, revised as of December 31, 1974, provides a rapid and comprehensive means of researching material published in the *Internal Revenue Bulletin* after 1952. The major part of the System consists of digests of Bulletin items arranged under headings that facilitate a topical approach to a search for items on a specific issue. With the aid of finding lists, the researcher can locate items by Code section or number.

Revenue Rulings and Revenue Procedures Published in 1975

Type	Number
Administrative	23
Employment Taxes	32
Estate and Gift Taxes	30
Excise Taxes	70
Exempt Organizations	50
Income Taxes	403
Employee Plans	28
Tax Conventions	6
Total	**642**

Accounting Methods Rulings

During 1975, a sudden increase was experienced in requests for rulings regarding accounting methods. The increase occurred principally in two areas.

First, many taxpayers requested permission to adopt or readopt the last-in first-out (LIFO) method of inventorying their goods. The LIFO method softens the impact of inflationary trends on prices paid for goods and, in effect, reduces or defers taxpayers' current profits and taxes. The increase in requests for permission to adopt the LIFO method is expected to continue until the present inflationary spiral levels off or reverses.

Second, there were increases in the number of requests by manufacturers to change to the full absorption method for inventory valuation. This activity was primarily a result of the promulgation in 1973 of section 1.471–11 of the Income Tax Regulations, which provided a transition period for manufacturers to change to the full absorption method for inventory valuation.

Chapter 5

Employee Plans and Exempt Organizations

Employee Plans
Exempt Organizations
Actuarial Matters

Employee Plans and Exempt Organizations

To administer the Employee Retirement Income Security Act of 1974 (ERISA), the IRS established on December 2, 1974 an Office of Employee Plans and Exempt Organizations (EP/EO) headed by an Assistant Commissioner, the first created by statute. The purpose of ERISA is not to raise revenue, but rather to protect the retirement income security of some 30 million American workers. It also required major changes in the private pension field and had an impact comparable to the initial Social Security Act of 1935. ERISA was the most significant change in the Federal taxing provisions since the Tax Reform Act of 1969.

The new office is responsible for carrying out regulatory responsibilities assigned to the Service with respect to employee benefit plans as well as to tax exempt organizations. In the National Office, the new structure consists of Employee Plans, Exempt Organizations, and Actuarial Divisions, achieved by a transfer of functions from the Audit and Technical organizations. EP/EO field staff are located primarily in 7 regional offices and 19 key districts, and local service is provided in numerous other offices.

Employee Plans

Regulations have been developed to administer employee plans in accordance with the new law. Major emphasis has been placed on those regulations most urgently needed by taxpayers.

To insure that taxpayers receive consistent information on rulings and are not required to make duplicate reports, the IRS established liaison with the Department of Labor and the Pension Benefit Guaranty Corporation through a policy committee, an ERISA coordination board, and a joint interagency regulations drafting group.

From September 2, 1974 to the end of FY 1975, 12 regulations, 10 revenue rulings, 7 revenue procedures, 6 delegation orders, 22 technical information releases, 12 forms, 6 news releases and 1 publication were issued in the employee plans area. Fact sheets on the most common questions and answers were also developed for taxpayer assistance personnel.

The Employee Retirement Income Security Act requires the conformance of all new pension benefit plans, approximately 500,000 existing corporate plans, and an estimated 400,000 existing self-employed plans.

In 1975, the Service devoted an average of 555 field professional positions to carrying out its regulatory responsibility in the employee benefit plans area.

This responsibility is met by issuing advance determination letters regarding the qualification of pension, profit-sharing and other employee benefit plans and by conducting an examination program to determine whether plans continue to qualify in operation and to verify the appropriateness of deductions for plan contributions. The number of determination letters issued with respect to corporate pension and profit-sharing plans during 1975 was 70,818, a decrease of 17.7 percent from 1974. The decrease is attributed to the passage of ERISA and the fact that the IRS was in the process of developing regulations under the new law.

Preparations have been made for a case inventory control and management information reports system with computer terminals in all key districts and certain associate districts. This will enable IRS to control applications for approval of plans and plan amendments.

Exempt Organizations

During 1975, the Service received 42,411 applications and reapplications from organizations seeking a determination of their tax exempt status or seeking a determination of the effect of organizational or operational change on their status. The Service issued 34,203 determinations and ruling letters. In addition, 368 technical advice memoranda were issued. The Service devoted an average of 495 field professional positions to the examination of the returns of 22,168 exempt organizations.

Also, 1 regulation, 50 revenue rulings, 5 delegation orders, 8 forms, 4 news releases and 2 publications were issued in 1975. Question and answer sheets were also prepared for taxpayer service use on exempt organizations.

In 1975, the Service met its commitment to the Congress to examine all private foundations within a 5-year audit cycle which ended December 31, 1974.

A Taxpayer Compliance Measurement Program (TCMP) covering the examination of private foundations, public charities and social welfare organizations was initiated in 1975. The program is designed to identify patterns and characteristics of compliance and noncompliance of the exempt organizations being studied.

The number of active entities recorded on the Exempt Organizations Master File (EOMF) increased from 673,000 in 1974 to 692,000 in 1975.

As of July 1, 1975, the EOMF was redesigned to include additional data from returns to provide information to the Congress, the charitable community and the Service.

A revised Cumulative List (Publication 78) of charitable organizations described in Section 170(c) of the Internal Revenue Code was published in 1975. This publication, now issued annually with Cumulative Quarterly Supplements, identifies those organizations with outstanding ruling or determination letters holding that contributions to them are deductible.

A proposed Revenue Procedure concerning guidelines and recordkeeping requirements for private schools was published in the *Federal Register* for public comment. The public responses have been evaluated and will be incorporated into the final Revenue Procedure. A Revenue Ruling concerning the IRS position on church-related schools practicing racial or ethnic discrimination was also announced.

Three Revenue Rulings and a Revenue Procedure were published covering the tax exempt status of public interest law firms and the acceptance of legal fees by such firms.

Actuarial Matters

In 1975, the Service devoted 17 average positions to reviewing actuarial determinations, interpreting and clarifying provisions under ERISA, and overseeing the enrollment of actuaries to practice before the Internal Revenue Service.

The Joint Board for the Enrollment of Actuaries developed final regulations for enrollment which provide for examinations of applicants in all 58 Districts in a manner similar to the examination for enrollment to practice before the Internal Revenue Service. Enrollment on the basis of professional standing and experience is also provided.

Publication 861, *Annuity Factors for Lump-Sum Distribution*, was issued in 1975.

Revenue Rulings and Revenue Procedures Published in 1975

Type	Number
Exempt Organizations	50
Employee Plans	28
Total	**78**

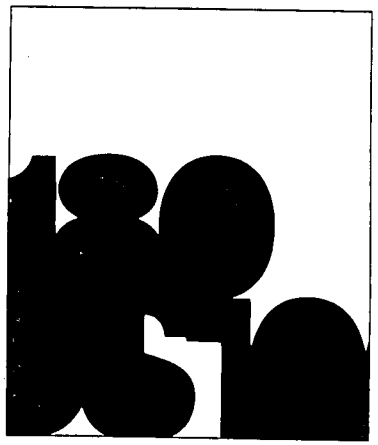
Requests for Tax Rulings and Technical Advice (Closings), 1975

Subject	Total	Taxpayers' Request	Field Requests
Total	6935	6024	911
Actuarial Matters	1359	1280	79
Exempt Organizations	3762	3386	376
Employee Plans	1814	1358	456

Chapter 6
International Programs

Tax Administration Abroad

Technical Assistance to Foreign Countries



Tax Administration Abroad

The Service maintains a system of permanent foreign posts to help coordinate its domestic and foreign tax programs. Revenue Service Representatives (RSRs) at these stations are involved in compliance and taxpayer assistance activities and maintain cooperative contacts with foreign tax agencies. Foreign operations of the IRS are the responsibility of the Office of International Operations (OIO).

The five new OIO posts authorized in 1974 are now fully operational. They are located in the U.S. embassies or consulates in the following cities: Canberra, Australia; Caracas, Venezuela; Johannesburg, South Africa; Kuala Lumpur, Malaysia and Teheran, Iran. These posts reinforce those already established in Bonn, London, Manila, Mexico City, Ottawa, Paris, Rome, Sao Paulo and Tokyo. In addition to the new posts, the staffs at several of the older locations were increased. This expansion program should significantly improve the Service's overseas operation by permitting a more intensified and efficient coverage of each post area.

To increase the foreign language proficiency of RSRs, training facilities of the State Department are used. In addition, the OIO maintains its own language laboratory, which in 1975 offered courses in conversational French and German. An expanded program is under development to provide in-housing training in Spanish and Italian as well as for personnel who are sent abroad on temporary assignments.

OIO conducted its annual Overseas Taxpayer Assistance Program in 1975 for the twenty-second consecutive year. A taxpayer service representative (TSR) was detailed to each of the OIO foreign offices to counsel taxpayers during the extended overseas filing period of January through June. Also, other "circuit riding" TSRs covered an additional 105 cities in 59 countries.

Assistant Commissioner (Compliance) S. B. Wolfe presents superior performance award to Linda Harris for her work with the overseas audit program during an assignment to the IRS foreign office in Rome, Italy.

Together with other IRS personnel, these specially trained representatives gave information and guidance to approximately 93,000 taxpayers overseas during the first six months of 1975, an all-time record in number of taxpayers assisted. In addition, several days of tax instruction were provided to members of the Armed Services at foreign bases, who were then able to help thousands of overseas military personnel prepare their returns.

Compliance Overseas

In 1975, the Service continued its overseas audit program to encourage a level of compliance among Americans abroad which will compare more favorably with the high degree of voluntary compliance in the United States. Under this program, revenue agents and tax auditors are detailed on six-month tours to the Service's foreign offices where they conduct both field and office audits, working together with the RSRs stationed overseas.

For the second consecutive year, revenue officers were also detailed to several foreign areas to collect tax payments and secure returns from delinquent taxpayers.

The majority of OIO audits and collections still take place within the United States. An important phase of this activity is designed to ensure tax compliance by foreign corporations doing business in this country. A growing counterpart program is represented by "support" audits, through which OIO renders assistance to district offices by examining foreign subsidiaries of U.S. corporations.

Resolution of Tax Jurisdiction Problems

In 1972, the Congress enacted legislation providing for jurisdictional coordination between the U.S. and the Territory of Guam on individual income tax payments. Taxpayers may now file and pay tax to only one of the two jurisdictions, depending on their place of residence at the end of the taxable year. The IRS and the Guam territorial government have cooperated closely in determining if taxpayers have filed erroneously under the new rules, and in resolving accounts between the two jurisdictions.

An active on-site audit program was conducted to determine the extent of compliance in the employment tax area by employers in all U.S. possessions. This program has resulted in increased taxpayer awareness of the filing requirements and improved compliance.

Competent Authority Cases

The interactions of U.S. and foreign tax systems inevitably generate such problems as double taxation. To provide relief to taxpayers in these situations, tax treaties include procedures for settlement of international tax issues by "competent authorities" of the signatory countries. During recent years, there has been a continuing increase in taxpayer requests for competent authority assistance. The U.S. competent authority, the Assistant Commissioner (Compliance), and his foreign counterparts have successfully resolved most of the problems which prompted these requests. In the past five years, U.S. and foreign adjustments to taxpayer income to provide relief through settlement procedures have totaled more than $110 million. Also, the time required to process most of these requests has been reduced by approximately 50 percent through improved case management techniques.

Exchange of Information

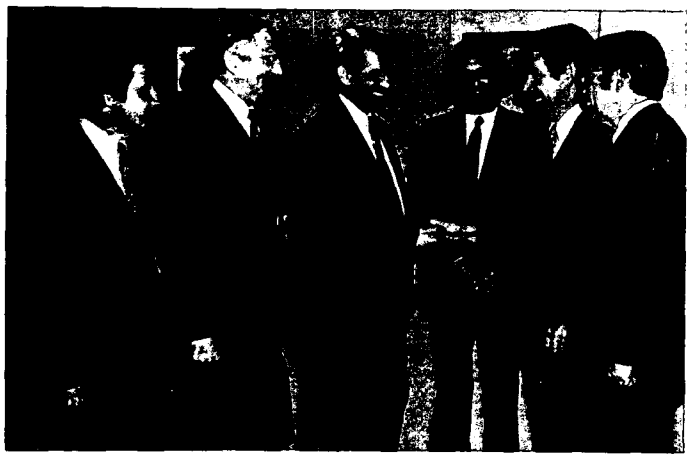
Effective administration of U.S. tax laws as to multinational corporations and other U.S. taxpayers engaged in international operations has required increased cooperation under our tax treaties. The IRS has continued to fulfill its reciprocal obligations specified in the treaties and has encouraged the appropriate use of the provisions for mutual exchange of information.

Technical Assistance to Foreign Countries

The IRS Tax Administration Advisory Services Division assigns tax advisors upon request by developing countries to help them modernize their tax administration systems. During 1975, 35 IRS employees performed such overseas assignments. Full-time advisors were assigned to eight countries—Bolivia, Columbia, Guatemala, Paraguay, Uruguay, Trinidad & Tobago, Viet Nam and Liberia. Short-term assistance in specific functions was provided to the Governments of Guyana, El Salvador and Ethiopia, while broad tax administration surveys were conducted for the Governments of Egypt and Portugal.

Tax officials from foreign countries visit IRS facilities for observation, to discuss problems in tax administration and for training. During 1975, 284 officials from 72 countries made such visits. Nearly 4,000 officials from 118 countries have visited the IRS during the past 13 years.

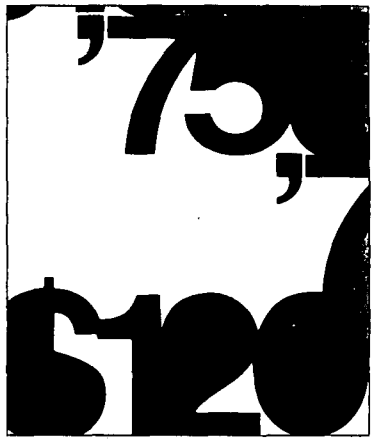
The Commissioner of Internal Revenue is a member of the Inter-American Center of Tax Administrators (CIAT), which has representation from 26 countries of the Western Hemisphere. The purpose of CIAT is to improve tax administration within the Western Hemisphere through the cooperative efforts of member countries. The Commissioner led the U.S. delegation to the Ninth annual CIAT Assembly in Ottawa, Canada in June 1975.



The Manhattan District hosts many foreign visitors each year. During October 1974, four members of Great Britain's Board of Inland Revenue visited the district to discuss the use of automatic data processing in audit and collection functions. From left, the photo shows Ralph Alexander Hamilton, Inspector of Taxes, Arthur Robert Brunsdon, Senior Inspector of Taxes, William Scotland Rankin, Principal Inspector of Taxes, and Ian Douglas Thomson, Senior Principal Inspector of Taxes, being greeted by Manhattan District Director Philip E. Coates and Assistant District Director George S. Alberts.

Chapter 7

Legal Activities



Responsibilities of the Chief Counsel

Litigation

Technical

Administration

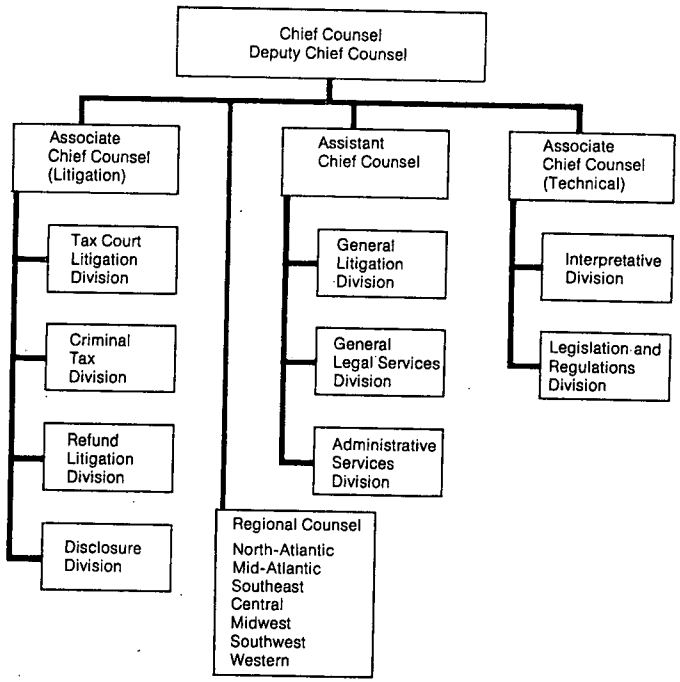
Responsibilities of the Chief Counsel

The Chief Counsel is the chief legal officer for the Internal Revenue Service and is a member of the Commissioner's executive staff. He advises the Commissioner on all matters pertaining to the administration and enforcement of the internal revenue laws and related statutes, as well as on all non-tax legal questions.

His advisory responsibilities are divided into two major areas: litigation and technical.

Organization

The Office of the Chief Counsel is organized as follows:



Tax Court, General Litigation, Criminal Tax, and General Legal Services have field counterparts. Refund Litigation, Disclosure, Interpretative, Legislation and Regulations, and Administrative Services do not.

Litigation

Both the National Office and the field offices are actively involved in litigation. Tax Court, General Litigation, Criminal Tax, and General Legal Services work is handled in the field offices subject to the overall direction of the National Office. Refund Litigation and Disclosure activities are centralized in the National Office.

Tax Court

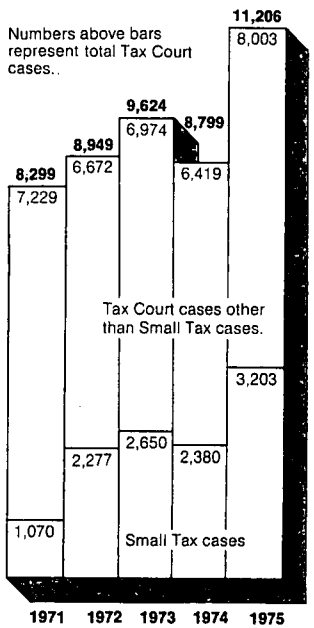
One of the major responsibilities of the Office of Chief Counsel is the representation of the Commissioner of Internal Revenue in all actions brought in the United States Tax Court. One of the most significant events affecting Tax Court litigation during 1975 was the enactment of the Employee Retirement Income Security Act of 1974, which confers jurisdiction upon the Tax Court as of September 2, 1975 to render declaratory judgments with respect to qualification of retirement plans. On June 18, 1975, the Tax Court issued its rules applicable to actions for declaratory judgments, effective September 2, 1975.

Refund Litigation

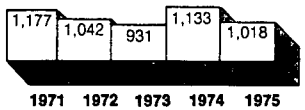
The Refund Litigation Division performs all necessary legal services on behalf of the Internal Revenue Service in connection with suits instituted in the United States District Courts and the Court of Claims by taxpayers for refunds of taxes. The Division determines and coordinates the legal position of the Service in these suits and incorporates such determinations in recommendations to the Department of Justice, which handles the trials of such cases.

One of the most significant matters handled by the Refund Litigation Division during 1975 involved motion picture investment credit. The principal issue in this area concerns the validity of Treas. Reg. § 1.48–1(f), which provides that motion picture production costs are not eligible for the investment credit. While pending cases involve only the motion picture and television industries, the issue could have wide significance in the recording, book publishing and similar industries.

Tax Court Cases Received 1971-1975



Refund Litigation Cases Received 1971-1975



Tax in Litigation—Tax Court
(In Thousands of Dollars)

Status	Number of Cases	All Tax Court Cases [1]			
		Taxes and Penalties		Over-payments	
		In Dispute	Determined	Claimed	Determined
Pending July 1, 1974	13,739 r	$2,144,978 r		$284,516 r	
Received	11,206	667,748		31,709	
Disposed of [2]	8,568	448,104	$146,589	14,905	$5,619
Recovery Rate [3]			32.7%		37.7%
Pending June 30, 1975	16,377	2,364,623		301,320	
Small Tax Cases					
Pending July 1, 1974	1,580 r	949 r		42	
Received	3,203	1,930		37	
Disposed of [2]	2,594	1,471	$793	42	$17
Recovery Rate [3]			53.9%		40.5%
Pending June 30, 1975	2,189	1,407		38	

[1] Includes both small tax cases and others
[2] Disposals include cases tried, settled, and dismissed. Some of the determined amounts are for cases which were subsequently appealed.
[3] Amount Determined expressed as percentage of Amount Asserted or Claimed. These amounts do not include proposed assessments which are agreed to by the taxpayer at District or Appellate conferences. In the case of a claimed overpayment, the Recovery Rates shown above represent the portion of the amount in dispute which was refunded to the taxpayer.
r Revised.

General Litigation

National Office and field office attorneys in the General Litigation area furnish legal advice to the Internal Revenue Service in connection with the assessment and collection of federal taxes and assist the Department of Justice in the prosecution and defense of suits to collect taxes, suits to recover erroneous refunds, proceedings under the Bankruptcy Act and other insolvencies, civil enforcement of summonses, and injunction and declaratory judgment actions. During 1975 the number of Bankruptcy Act proceedings handled by General Litigation attorneys, especially Arrangements under Chapter XI of the Act, increased substantially.

A major issue in the General Litigation area during 1975 concerned the use of "John Doe" summonses by the Service in tax investigations. In *United States v. Bisceglia*, 420 U.S. 141 (1975), the Supreme Court held that the Service has authority to issue a "John Doe" summons to compel production of a bank's records relating to transactions with unknown persons which suggest the possibility of liability for unpaid taxes. In *United States v. Humble Oil & Refining Co.*, 421 U.S. 943 (1975), which involved enforcement of a summons to compel a company to turn over certain data concerning leases with unidentified lessors, the Court vacated the judgment and remanded the case to the Fifth Circuit for further consideration in light of its decision in *Bisceglia*. The Fifth Circuit on remand determined that the facts in this case did not warrant enforcement of a "John Doe" summons. *United States v. Humble Oil & Refining Co.*, 518 F.2d 747 (5th Cir. 1975). The Service has publicly stated that the authority to issue "John Doe" summonses will be used only in limited and justifiable circumstances.

Tax in Litigation—Refund Suits [1]
(In Thousands of Dollars)

Status	District Courts		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending July 1, 1974	2,475	$379,741 r	
Received	889	270,095	
Disposed of [2]	784	81,013	$43,157
% Not Refunded			53.3%
Pending June 30, 1975	2,580	568,823	

Status	Court of Claims		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending July 1, 1974	384	$321,828 r	
Received	129	70,451	
Disposed of [2]	103	41,552	$31,536
% Not Refunded			75.9%
Pending June 30, 1975	410	350,727	

Status	Total		
	Number of Cases	Amount in Dispute [3]	Amount not Refunded [4]
Pending July 1, 1974	2,859	$701,569 r	
Received	1,018	340,546	
Disposed of [2]	887	122,565	$74,693
% Not Refunded			60.9%
Pending June 30, 1975	2,990	919,550	

[1] Cases in Courts of Appeal and the Supreme Court are included under the columns representing the court of origin.
[2] Disposals include cases tried, settled, and dismissed.
[3] Amount in Dispute includes claims for refund of taxes, penalties, and assessed interest.
[4] That portion of the Amount in Dispute which was not refunded to taxpayer.

Trial Court Case Record
(Opinions Rendered—Refund Litigation and Tax Court Cases) [1]

Action	Court of Claims		District Courts		Tax Court [6] Small Tax Cases		Tax Court [6] Other		Tax Court [6] Total	
	1974	1975 [2]	1974	1975 [3]	1974	1975 [4]	1974	1975 [5]	1974	1975
Decided in favor of Government—Number	38	10	211	217	170	192	234	255	404	447
—Percent	80.9%	52.6%	60.1%	66.2%	54.5%	61.7%	51.4%	54.7%	52.7%	57.5%
Decided in favor of Taxpayer—Number	5	4	95	82	23	35	61	49	84	84
—Percent	10.6%	21.1%	27.1%	25.0%	7.4%	11.3%	13.4%	10.5%	10.9%	10.8%
Decided partially for the Taxpayer and partially for the Government—Number	4	5	45	29	119	84	160	162	279	246
—Percent	8.5%	26.3%	12.8%	8.8%	38.1%	27.0%	35.2%	34.6%	36.4%	31.7%
Total Opinions	47	19	351	328	312	311	455	466	767	777

[1] Related cases are reflected as one opinion.
[2] 19 Opinions in Court of Claims involving 23 cases.
[3] 328 Opinions in District Courts involving 391 cases.
[4] 311 Tax Court Opinions involving 328 Small Tax cases.
[5] 466 Tax Court Opinions involving 661 cases other than Small Tax cases.
[6] In cases on which decisions were entered during the fiscal year.

Appellate Court Case Record
(Decisions—Refund Litigation and Tax Court Cases)

Court	Total	For the Government		Against the Government		Partly for and Partly Against the Government	
		No.	%	No.	%	No.	%
Courts of Appeals	245	179	73.1%	45	18.4%	21	8.6%
Originally tried in—Tax Court	133 [1]	103	77.4%	17	12.8%	13	9.8%
District Courts	112 [2]	76	67.9%	28	25.0%	8	7.1%
Supreme Court	—	—	—	—	—	—	—

[1] Of the cases originally tried in the Tax Court, the Courts of Appeals rendered 133 opinions in 234 dockets, including 168 dockets for the government, 45 partially for the government, and 21 against the government.

[2] Of the cases originally tried in District Courts, the Courts of Appeals rendered 112 opinions in 122 dockets, including 82 dockets for the government, 9 partially for the government, and 31 against the government.

Receipt and Disposal of General Litigation Cases—National and Regional

Status	Court	Non-Court	Total
Pending July 1, 1974	7,323	1,618	8,941
Received	9,867	8,283	18,150
Disposed of	8,296	7,990	16,286
Pending June 30, 1975	8,894	1,911	10,805

General Litigation and Disclosure Cases Received
1971–1975

Types of Cases—Regions:	1971	1972	1973	1974	1975
Bankruptcies and Receiverships	1,107	1,217	1,153	1,112	1,254
Wage Earners' Plans (CH. XIII)	58	61	81	102	62
Arrangements (CH. XI)	1,855	1,492	1,526	2,273	3,440
Reorganizations & Real Property Arrangements (CH. X and XII)	271	203	184	348	626
Miscellaneous Insolvencies	73	199	140	100	102
Decedents' Estates	438	424	423	413	374
Suits to Collect Taxes	604	624	608	623	565
Section 2410 (28 U.S.C. 2410) Interpleaders	174	206	226	242	222
Others	92	159	235	162	160
Injunctions	131	152	230	272	227
Disclosure and Testimony	297	411	449	481	424
Summons Cases	1,083	1,307	1,371	1,663	1,877
Erroneous Refund Suits	50	28	32	31	42
Miscellaneous Court Cases	527	513	593	530	564
Advisory Opinions	3,746	4,025	4,556	4,310	4,860
Discharges of Property from Lien	2,094	2,311	2,429	2,269	2,701
Total, All Regions	**12,600**	**13,332**	**14,236**	**14,931**	**17,500**
National Office:	**1971**	**1972**	**1973**	**1974**	**1975**
Appeals	136	176	216	184	197
Advisory	162	142	132	140	298
International Operations	118	113	88	165	126
Disclosure and Testimony	29	54	212	158	[1] 542
Other Centralized Cases [2]	19	40	22	26	29
Total National Office	**464**	**525**	**670**	**673**	**650**
Total All Regions and National Office	**13,064**	**13,857**	**14,906**	**15,604**	**18,150**

[1] Now handled in the Disclosure Division
[2] Includes Railroad Reorganizations and Actions for Injunctions and/or Declaratory Relief.

Disclosure

Attorneys in the Disclosure Division handle matters arising under the Freedom of Information Act, as well as requests for disclosure of documents and testimony in both tax and non-tax litigation. The Division is also responsible for providing legal advice to the Service concerning implementation of the Privacy Act of 1974, effective September 27, 1975.

Specifically, the Division is responsible for planning, directing and coordinating for the Internal Revenue Service all matters relating to requests for testimony and production of Internal Revenue documents, records or information under the Federal Rules of Civil or Criminal Procedure, the Tax Court Rules, the Court of Claims Rules and various State court rules. This Division works closely with the Disclosure Staff of the Internal Revenue Service. It also coordinates with the Department of Justice all litigation arising under the Freedom of Information Act, including recommendations about defense or settlement of suits and appeals of adverse decisions.

During 1975, the Division was extensively involved in the vital question of the publication of private letter rulings and technical advice memoranda.

Tax Analysts and Advocates filed suit in April 1975 in the District Court for the District of Columbia seeking all letter rulings issued since the effective date of the Freedom of Information Act, subject only to deletions of trade secrets, confidential commercial or financial information, or clearly unwarranted invasions of privacy. Persons who have received unpublished letter rulings were advised in a news release issued by the Service that the above action had been commenced and they could take whatever action or make whatever comment they felt appropriate. Earlier, the D.C. Circuit held in *Tax Analysis and Advocates v. Internal Revenue Service*, 505 F.2d 350 (D.C. Cir. 1974), that the Service had to disclose certain requested letter rulings under the Freedom of Information Act, but did not have to disclose technical advice memoranda. In *Fruehauf Corporation v. Internal Revenue Service*, 522 F.2d 284 (6th Cir. 1975), the Sixth Circuit determined that private excise tax rulings-letters were subject to disclosure, and technical advice memoranda as a category are not covered by *Code* § 6103 as tax return information. A petition for rehearing on this latter point was denied. A petition for certiorari was filed on November 6, 1975. The Service's position remains that technical advice memoranda are tax return information not subject to disclosure under the Freedom of Information Act.

In December 1974, the Commissioner announced a notice of proposed rule making which would authorize the prospective disclosure of future rulings and determination letters issued by the Internal Revenue Service. A public hearing on the proposed provision was held in March 1975.

Disclosure Division
Fiscal Year 1975

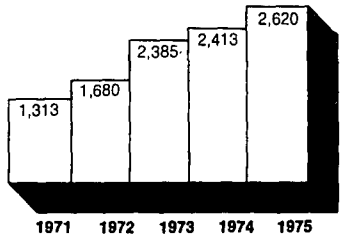
Types of Cases	Pending 7-1-74	Received	Disposed	Pending 6-30-75
FOIA & Miscellaneous Litigation	12	26	9	29
FOIA Opinions	58	98	66	90
Disclosure Opinions	37	200	152	85
Discovery Opinions	3	20	12	11
Miscellaneous Opinions	23	14	23	16
FOIA Requests	—	35	21	14
FOIA Appeals	—	118	59	59
Disclosure Litigation	1	7	3	5
Disclosure Coordination (excluding Discovery)	6	32	22	16
Division Totals	**140**	**552**	**367**	**325**

Criminal Tax

National Office and field office attorneys in the Criminal Tax area handle all criminal tax legal matters for the Internal Revenue Service, coordinate criminal tax prosecutions with the Department of Justice, assist the Tax Court and Refund Litigation Divisions in coordinating the application of the civil fraud penalties, and coordinate disclosure matters in cases where criminal action is anticipated or has been undertaken.

During 1975, Criminal Tax attorneys furnished an increasing amount of legal advice to criminal investigators in the Internal Revenue Service's Intelligence Division during the investigative stage of criminal tax cases. In addition, decentralization of criminal tax work to regional and branch offices resulted in a steady increase in pre-referral assistance to the Intelligence Division, and resulted in a more efficient use of manpower in criminal tax investigations.

Criminal Tax Cases Received 1971-1975



Receipt and Disposal of Criminal Tax Cases
1971–1975

Status	1971	1972	1973	1974	1975
Pending Beginning of F/Y	2,206	2,467	2,762	3,597	3,895
Received, Total	1,313	1,680	2,385	2,413	2,620
With Recommendation for Prosecution	1,204	1,523	2,304	2,304	2,440
With Requests for Opinion, Etc.	109	157	81	109	180
Disposed of, Total	1,052	1,385	1,550	2,115	2,156
Prosecution not Warranted	79	94	104	181	205
Dept. of Justice Declined	48	57	72	133 r	176
Prosecutions	759	1,009	1,077	1,521 r	1,397
Opinions Delivered	46	58	46	62	94
Other Closings	120	167	251	218 r	284
Pending end of F/Y	2,467	2,762	3,597	3,895	4,359

r Revised
NOTE: Some cases include more than one taxpayer.

Results of Criminal Action in Tax Fraud Cases
1971–1975

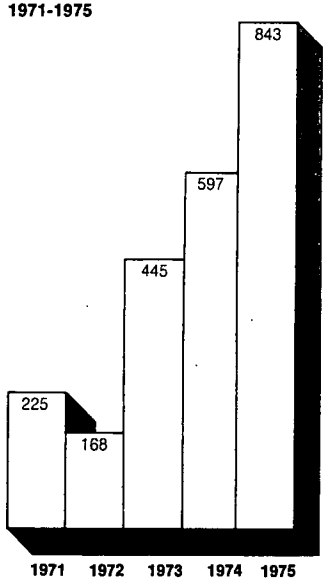
Action	Number of Defendants 1971	1972	1973	1974	1975
Plea of guilty or nolo contendere	645	733	914	1,062	1,046
Convicted after trial	142	113	190	191	173
Acquitted	57	40	55	97	83
Nol-prossed or dismissed	153	151	112	115	168
Total disposals	**997**	**1,037**	**1,271**	**1,465**	**1,470**
Indictments & Informations	956	1,085	1,186	1,441	1,495

General Legal Services

The General Legal Services Division was established on July 21, 1974 to handle the increasing volume of legal matters arising in the non-tax legal area. These matters were formerly handled by the General Legal Branch of the Operations and Planning Division, which was abolished on the same date.

Attorneys in the General Legal Services function in the National Office and the field offices represent the Service in labor cases, including representation hearings, impasse proceedings, unfair labor practices, and arbitration hearings, and serve as counsel to and a member of management teams negotiating individual and multi-unit labor agreements. In addition, the attorneys represent the Service in adverse action and discrimination proceedings, represent the Director of Practice, Office of the Secretary of the Treasury, in disciplinary actions brought against tax practitioners, and provide on-going advice to the Service concerning government contracts, tort claims, forfeitures, Inspection Service matters, and other areas not directly related to Federal tax matters. The most significant event affecting the General Legal Services function during 1975 was the decentralization of the function, so that advice in non-tax legal areas will be readily available to the Service both in the National Office and in the field offices.

General Legal Cases Received
1971-1975



Technical

The two technical divisions of the Office of Chief Counsel—Interpretative and Legislation and Regulations—are located in the National Office.

Interpretative

The Interpretative Division provides legal assistance to the Office of Assistant Commissioner (Technical) and the Office of Assistant Commissioner (Employee Plans and Exempt Organizations) in the issuance of letter rulings, technical advice, revenue rulings and revenue procedures. The Division also provides legal assistance to other Divisions in the Chief Counsel's Office in determining litigating positions and in coordinating the litigating positions with the ruling positions of the Service. The Interpretative Division was reorganized in 1975 by the creation of an additional Assistant Director, who will be responsible for the general supervision of the legal work received by the Division concerning employee plans or exempt organizations.

Legislation and Regulations

The Legislation and Regulations Division represents the Commissioner and the Service in tax legislative matters. Division attorneys also provide the Treasury Department's Assistant Secretary for Tax Policy with technical assistance and expertise in the development and drafting of internal revenue legislation and furnish assistance to Congressional committees in the drafting of committee reports on tax legislation.

Attorneys in the Legislation and Regulations Division are responsible for drafting proposed regulations, drafting Executive Orders, and for representing the Service in negotiating and drafting tax treaties with foreign governments. Working closely with Service officials, attorneys in this Division prepare and review tax forms and instructions, hold hearings on proposed regulations, evaluate suggestions by Service personnel for regulatory changes, and review publications issued for the information and guidance of taxpayers and Service officials.

Interpretative Division Cases Received
1971–1975

Type of Case	1971	1972	1973	1974	1975
Revenue Rulings	305	512	511	471	443
Letter Rulings	59	89	107	124	117
Technical Advice	95	114	117	90	80
Other Advice	220	173	185	158	212
Total	**679**	**888**	**920**	**843**	**852**

Legislation and Regulations Division Cases Received
1971–1975

Type of Case	1971	1972	1973	1974	1975
Legislation	24	76	46	77	85
Regulations	99	110	90	56	171
Miscellaneous	22	19	38	43	33
Total	**145**	**205**	**174**	**176**	**289**

During 1975, The Division established over 50 regulation projects to implement the Employee Retirement Income Security Act of 1974 (P.L. 93–406), approved Sept. 2, 1974. A substantial number of these projects were published either as proposed or temporary regulations during this past year, including regulations dealing with specific problem areas under the new minimum participation, vesting, and funding standards of *Code* §§ 410, 411, and 412 applicable to qualified plans; individual retirement accounts, annuities, and bonds; lump-sum treatment of distributions from qualified plans; "H.R. 10" plans covering self-employed individuals; and declaratory judgment procedures established for qualified plans under *Code* § 7476.

Administration

The Administrative Services Division is responsible for the general supervision of all matters relating to administration and management in the Office of Chief Counsel. The Division is also responsible for the attorney recruitment program of the office.

Under the aegis of the Division, an Equal Employment Opportunity Advisory Committee, composed of representatives from each division in the National Office, assists in the administration of the Chief Counsel's Equal Employment Opportunity Program. The Office has made substantial progress in achieving its stated objectives and goals under the Affirmative Action Plan during this past year. In addition, the Federal Women's Program Advisory Committee participated with the Commissioner's committees in the observance of International Women's Year with a series of monthly programs on new legislation and legal rights of particular concern to women.

During FY 1975, the Administrative Services Division completed testing a computerized legal research system, Technical Reference Information System, and is making plans for the installation of the system.

Chapter 8

Planning and Research

Planning Activities
Research and Testing
Legislative Activities
Federal-State Cooperation
Statistical Activities

Planning Activities

Planning activities of the Service during 1975 concentrated on the design and testing of improved automation systems, analysis of pending legislation, and statistical compilation and projection of tax return data. Long-range planning of workloads and resources and measurement of progress in meeting program objectives continued as central features of planning activities.

Tax Administration System

Plans for a redesigned IRS data processing framework—the Tax Administration System—were completed by the Tax Systems Redesign Division and, after pending Congressional approval, a solicitation document will be released to equipment manufacturers. The redesigned system was developed to improve service to the public, including the processing of tax returns and the retrieval of information related to those returns, to provide increased capability for compliance and enforcement programs, and to enable the Service to accommodate changes effectively and overcome the inefficiencies of the old system.

To accomplish the Tax Administration System objectives, the taxpayer account files at the National Computer Center in Martinsburg, West Virginia, will be decentralized to the ten IRS service centers; the National Computer Center, in turn, will assume the new role of controlling activities between the service centers and maintaining a directory of service center records so that an account is not kept on file at more than one service center.

Implementation of the redesign plans will be of such magnitude that it will take place in phases. The major phase, planned to begin in the initial service center in late 1979 and to be implemented nationwide over the next year, will consist of converting the individual master file accounts to the Tax Administration System. All phases are expected to be operational in all service centers for the 1982 filing season.

Optical Character Recognition

Recent technological advances in Optical Character Recognition (OCR) development indicate that OCR will probably be more economical than manual transcription. The Service plans to test this hypothesis in two areas: (1) converting to magnetic tape the data reported by taxpayers on information returns such as payments of wages, dividends and interest, or adjustments to income, and (2) conversion of data recorded on Federal Tax Deposit forms (FTD's), and other forms with print characteristics controlled by Service preparation, such as internal management documents, turn around documents, management information data, and others.

Research and Testing

Automatic Document Numbering

The IRS annually processes millions of paper documents, many of which are manually numbered to facilitate control. We now plan to conduct a test of Automatic Document Numbering machines in one service center. We expect these machines to be capable of automatically feeding, numbering, and sequentially stacking tax returns as received from taxpayers, therefore having the potential for eliminating current manual numbering activity and expediting the flow of returns processing. Subsequent tests will determine the feasibility of computer-controlled numbering.

Remittance Processing System (RPS)

Successful tests were made with a prototype computerized system to expedite clearance and deposit of tax remittances. Combined remittance data input, numbering and preparation of accounting documents are included in a single operation. The RPS will reduce processing costs, accelerate remittance posting to account status and tax data bases, and provide a "fact of filing" indicator for account status operations.

Technical Reference Information

Testing was successfully completed on a Technical Reference Information (TRI) system. Under the control of a large scale computer, the TRI applies computer techniques to help resolve legal research problems of the IRS. Researchers query the TRI system, which contains the current Internal Revenue Code and Regulations, Revenue Rulings since 1954 and selected tax cases from the various courts, via interactive video terminals for material relevant to various tax issues. Fifteen video terminals are currently installed in large IRS offices and we plan gradual expansion to other offices.

Statistical Sampling

A system is being developed to provide revenue agents with computer-generated sampling plans. This will reduce the amount of time needed to complete many large corporate examinations because only a fraction of the voluminous records which previously would receive individual scrutiny will now require such action. Instead, a probability sample of these records will be selected through the use of programmed random number generators. The results of these sample examinations will be evaluated in terms of established statistical principles.

Restructure of the Planning and Research Activity

Recognition of the necessity for a very close relationship between research efforts and the analysis of operations resulted in the restructure of the Office of Planning and Research. All Servicewide research and operations analysis functions were assigned to a new Research and Operations Analysis Division. Since applications of automated systems are closely related to these efforts, the functions of the former Systems Development Division were also assigned to the new Division. Another facet of the restructure was organizational identification of the increasing responsibilities associated with drafting of legislation related to the administration of the Internal Revenue Code. This was accomplished by establishment of the Legislative Analysis Division.

Legislative Activities

Pension Reform

Landmark legislation on pension reform, the Employee Retirement Income Security Act of 1974, was enacted during the second session of the 93rd Congress. Under the Act, the Service established an Office of Employee Plans and Exempt Organizations (EP/EO) with national and field office functions under an Assistant Commissioner. (See Chapter 5, page 40, for EP/EO activities)

Tax Reduction Act

The Tax Reduction Act of 1975 was enacted during the early part of the 94th Congress and required rapid response from the Service in implementation of a program to compute and issue rebates, revision of withholding tax tables, distribution of a new Circular E, and dissemination of information on other features of the law. Provisions of the Act made it necessary to revise a large number of taxpayer publications, tax regulations, returns, transcription instructions, and computer programs.

Freedom of Information Act Amendments and Rights to Privacy

Significant non-tax legislation affecting the IRS included the Freedom of Information Act Amendments and the Privacy Act of 1974. The FOI amendments impose strict time limitations within which an agency must act on information requests, and restrict the information which may be withheld. The Privacy Act imposes conditions under which disclosures may be made, establishes notice and recordkeeping requirements relating to disclosures, establishes procedures by which an individual may inspect and request amendment of records pertaining to himself, and provides civil remedies and criminal penalties for violations.

Tax Reform

During the 93rd Congress, extensive hearings were conducted by the House Ways and Means Committee on a proposed Tax Reform Act of 1974. The Committee reached tentative decisions on proposals which would have resulted in a large-scale revision of the Code, but a bill was not reported out. The IRS maintained close liaison with the tax writing committees of the Congress and assisted the Office of the Secretary in preparing a number of legislative proposals for tax simplification and reduction of administrative problems in enforcing current tax laws.

Confidentiality of Tax Returns

Numerous bills were introduced in the 93rd and 94th Congresses which would restrict the disclosure of tax returns and tax return information permitted under the Internal Revenue Code. The main thrust of these bills was to prescribe by statute the persons to whom and the purpose for which disclosure of such information may be made and to establish tighter rules and safeguards to insure the confidentiality of tax returns and tax data.

Energy Legislation

The Congress is actively considering energy legislation which will provide for new taxes and credits to encourage energy conservation. Provisions under consideration would have a substantial impact on Service operations.

Single Wage Reporting System

The Secretary of the Treasury has approved a draft bill which, if enacted, would provide for the combined annual reporting of wages on Form W-2, Wage and Tax Statement, to serve the needs of the Social Security Administration in determining social security program coverage and benefits as well as the IRS for tax enforcement. This system would benefit both employers and the Federal government through a substantial reduction in the volume of required wage reports. The IRS has long urged this reduction in the U.S. paperwork burden.

Other Legislative Developments

In addition to the laws on pension reform, freedom of information, and rights to privacy, 16 other public laws enacted during the second session of the 93rd Congress required implementing action by the IRS. Among significant laws passed were those dealing with tax relief for U.S. personnel who served in Vietnam and their families, an increase in interest rates applicable to refunds and delinquencies, and IRS assistance in locating absent parents and collecting court-ordered payments for child support.

Federal-State Cooperation

Aid to State Tax Authorities

Under the Intergovernmental Personnel Act, IRS employees have helped state tax authorities improve their programs and have contributed to increased cooperation between the IRS and state tax authorities. In 1975, the IRS provided almost 160 weeks of training assistance to 17 state and local governments. State revenue employees received training in special agent, revenue agent and income tax law courses. IRS instructor training courses have enabled the governments of New York State and the city of Philadelphia to develop training courses which will meet the future needs of their tax department employees.

Federal-State Exchange Program

The Service has formal agreements which provide for reciprocal exchange of tax information with 48 states, the District of Columbia, Puerto Rico, Guam, and American Samoa. A revised model agreement was designed to tighten up the language on disclosure of tax return information, and some states have already signed agreements conforming to the revised model.

Magnetic tapes containing standard data elements extracted from the Individual Master File for tax year 1973 were furnished to tax authorities in 38 states, the District of Columbia, and Puerto Rico. Also available to state tax agencies are magnetic tape extracts of information from the Business Master File and Service master files relating to gift taxes and exempt organizations.

Federal Collection of State Individual Income Taxes

No state has elected to have the Federal government collect individual state income taxes as authorized by the Federal-State Tax Collection Act of 1972, but in anticipation of such possible election by states, the IRS has completed preliminary plans for tax withholding and operating procedures.

Statistical Activities

Statistics of Income Highlights

The Statistics of Income (SOI) reports provide the public and the Government with a wide variety of data reported on income tax returns, without violating taxpayers' rights to privacy. The estimates are based on representative samples of returns.

SOI reports published in 1975 covered individual, corporation, and business income tax returns for 1972. The latter two were preliminary reports. All of these reports are issued annually.

Also in 1975, after an interval of some years, the IRS published an SOI report on estate tax returns. This report is based on Federal estate tax returns filed in 1973 for decedents (most of whom died in 1972). Work also began on the first of a projected series of statistical reports covering tax-exempt organizations, the first of which is expected to cover compensation plans, farmers' cooperatives, and other exempt organizations including charities, schools, and associations.

Statistics of Income publications can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Tax Models

Orginally developed over 10 years ago to meet Treasury's need for timely estimates of the revenue effects of proposed tax legislation, the tax models continue to be valuable tools for economic planning. Five basic models, representing the returns of individuals, corporations, proprietorships, partnerships, and estates, are now used.

Each model consists of a set of generalized computer programs used with specially structured data files comprising records in the Statistics of Income files. Statistical information is generated from a model file by using instruction cards designed by statisticians and economists.

In addition to the basic tax model for individual returns, the Service developed, in connection with the Federal-State Tax Collection Act of 1972, a special individual model set, "State Tax Models." These models are designed to permit reliable data estimates for each of the 50 states and the District of Columbia. Toward this end, the models are based on the full Statistics of Income sample (over 235,000 returns for 1973) instead of the subsample of about 100,000 returns used for the basic model.

Returns Filed Projections

Projections of the number of returns to be filed serve as the basis for the development of the Service's plans for the allocation of manpower and facilities as well as budget requests. These workload projections are prepared for the United States as well as for service center areas, regions, and districts. Statistical techniques are used to identify the relationship between tax returns filed and economic and demographic variables. Annual updating allows for the incorporation of the most recent economic outlook as well as allowing the incorporation of the effects of tax law changes.

The total number of returns filed in 1975 was about 3 million higher than in 1974. An additional increase of 3 million more returns is expected in 1976. Much of the anticipated 1976 increase can be attributed to the Earned Income Credit provisions which the Tax Reduction Act of 1975 made effective for that filing year only. Between 1977 and 1980, returns are expected to increase at an annual rate of 2.3 percent and at an annual rate of about 2 percent between 1980 and 1985.

The trend toward more complex returns is also expected to continue. Individual returns with adjusted gross income of $10,000 and over are expected almost to double between 1974–85. Fiduciary, estate, gift, exempt organization, and employee plan returns are also expected to increase rapidly.

Projections of some major categories of returns are shown in the following table.

Selected Types of Returns Filed in 1974, and Projected for 1975, 1976, 1980 and 1985, By Calendar Year
(Thousands)

Type of return	Actual 1974	Estimated 1975	Projected 1976	Projected 1980	Projected 1985	Percent change 1974–1985
	(1)	(2)	(3)	(4)	(5)	(6)
Total returns	**122,082**	**125,020**	**128,107**	**137,638**	**151,480**	**25.1**
Individual, total	81,386	84,022	86,364	93,781	104,206	28.0
Form 1040A	22,221	22,421	24,935	23,322	24,015	8.1
Form 1040, total	59,051	61,484	61,309	70,329	80,049	35.6
Adjusted gross income under $10,000	28,256	25,897	25,798	22,402	19,571	−30.7
Adjusted gross income $10,000 and over	30,795	35,587	35,511	47,927	60,478	96.4
Other Individual	114	117	120	130	142	25.1
Fiduciary	1,456	1,566	1,650	2,178	2,965	103.6
Partnership	1,106	1,132	1,153	1,221	1,299	17.4
Corporation, total	2,085	2,076	2,117	2,340	2,662	27.7
Forms 1120, 1120 Special, total	1,744	1,726	1,748	1,896	2,123	21.7
Assets under $50,000	762	755	765	820	910	19.4
Assets $50,000 under $1,000,000	853	848	858	934	1,050	23.1
Assets $1,000,000 or more	129	123	125	142	163	26.3
Form 1120S	341	350	369	444	539	58.2
Employment	24,740	24,666	24,746	25,358	26,489	7.1
Estate and Gift	474	499	528	687	924	94.9
Exempt Organization and Employee Plans	1,442	1,525	1,971	2,159	2,469	71.2
Excise	809	833	835	846	852	5.4
Other [1]	8,854	8,701	8,743	9,068	9,614	1[illegible].0

[1] Includes Forms 7, 8, 11, 11B, 11C, 4705, 4706, 4707, 4708, 1040ES, 7004, 7005, 2438 and 1042.

(Revised and final figures supplied by Statistics Division, October 16, 1975).

Chapter 9

Internal Management of IRS

Maintaining Integrity and Efficiency

Management and Administration

Advisory Groups

Maintaining Integrity and Efficiency

Internal audit and security programs of the Inspection Service help IRS managers maintain the highest levels of integrity and efficiency.

Internal Audit Activities

The Internal Audit Division independently reviews all IRS activities to ensure that policies, procedures, and controls protect taxpayer rights and the revenue, and that Service operations are carried out efficiently, effectively, and in accordance with laws and regulations. Varied auditing techniques, including computer analyses and statistical sampling, are used to detect operating problems and integrity breakdowns.

Savings and Improvements

Management actions resulting from internal audit reports have improved service to taxpayers, increased operating efficiency, strengthened internal controls, and stimulated an attitude of integrity awareness within the Service. In addition, measurable savings and additional revenue resulting from Internal Audit activities in 1975 are estimated to exceed $32 million.

Corrective actions on some internal audit findings do not result in measurable savings or additional revenue, but instead accelerate the collection of taxes or otherwise improve Service operations and procedures. Management actions to accelerate the collection of taxes were taken on accounts and returns estimated to total $17 million.

Disclosure Safeguards

Periodic reviews are made in all regions to evaluate security and controls over Federal tax data. As a result of these reviews in 1975, Service managers took action to strengthen the security and controls over the computerized Integrated Data Retrieval System and the tax document files. Also, actions were taken to strengthen the procedures and practices for exchanging tax data with the states.

Fraud, Embezzlement or Misconduct

One of the basic purposes of the Internal Audit program is to detect fraud, embezzlement, or other wrongdoing on the part of Service employees or others who attempt to corrupt employees.

Integrity reviews during 1975 resulted in the detection of fraudulent or erroneous refunds totaling $720,000. In one case, the preparer sent fictitious tax returns to all ten service centers seeking refunds totaling $270,000. Early detection of the scheme resulted in supression of all of the fraudulent refunds prior to issuance. The integrity reviews were also a contributing factor in the referral to Internal Security of information indicating possible breaches of integrity by 249 employees and other individuals.

In addition to the prevention of revenue losses due to early detection of improper actions, the integrity reviews have a deterrent effect on those contemplating improper actions, and also identify operational problems for correction by management.

Internal Security Activities

Internal Security Division inspectors conduct background investigations of IRS job applicants and investigate complaints of criminal and non-criminal misconduct and irregularities concerning employees. They also investigate persons outside the IRS who attempt to bribe or otherwise corrupt Service employees or who threaten or assault employees.

The Division also investigates the unauthorized disclosure of Federal tax return information, disclosure or use of information by preparers of returns, and investigates charges against tax practitioners. In addition, the Division conducts special investigations and inquiries as required by the Commissioner and the Office of the Secretary of the Treasury.

During 1975, Internal Security Division inspectors arrested or were responsible for the indictment of 140 individuals, including 20 employees or former employees and 120 taxpayers, tax practitioners or others. A total of 76 defendents were convicted during the year including 57 defendents who pleaded guilty rather than go to trial. Forty-one of these convictions were for bribery, 15 were for assault, and the remainder involved such other criminal charges as embezzlement, conspiracy to defraud the Government, obstruction of justice, subscribing to false returns and disclosure of confidential tax information.

Bribery Attempts

Last year, IRS employees continued to thwart those persons who challenged the integrity of the Service through attempted bribery. In 1975, 219 employees reported 238 possible bribery attempts, resulting in 61 arrests or indictments.

During the 14-year period that the IRS Inspection Service has had the responsibility for the bribery program, IRS employees have reported 1,647 bribery attempts. Approximately one of every four such attempts resulted in prosecution of the taxpayer; in the remainder there was insufficient evidence to warrant prosecution. Since 1961, bribery investigations have resulted in 442 arrests or indictments and 329 convictions or guilty pleas. At the end of 1975, 44 persons were awaiting trial on bribery charges.

The following cases illustrate bribery attempts during 1975:

Two Pennsylvania CPA's were each sentenced to three years probation and fined $10,000 for attempting to pay an audit conferee $15,000 to allow corporate travel and entertainment expenses of $103,000 which had previously been disallowed.

A Florida hotel owner was indicted for attempting to pay a revenue agent $1,050 to allow $70,000 worth of claimed business expenses that could not be substantiated during an audit.

A major pornography peddler and massage parlor owner in New York and his go-between were indicted for attempted bribery after paying special agents $14,000 to "fix" the pending tax case.

A $5,000 bribe payment to a revenue agent in Pennsylvania in an effort to reduce an $80,000 tax assessment resulted in the arrest and conviction of an auto parts manufacturer in California and a CPA in Pennsylvania. The payment was forwarded to the revenue agent through the Pennsylvania CPA from the manufacturer in California.

A New Jersey taxpayer and his CPA were arrested for bribery of a revenue agent and conspiracy after payment of $1,300 for a no change audit result.

A dentist in California was indicted for paying a revenue agent $1,000 in an effort to reduce tax deficiencies resulting from an audit of two tax returns.

Assaults and Threats on IRS Employees

Since March 1972, when it was assigned the responsibility for the Assault Program, the Internal Security Division has investigated 1,519 cases in this area. Prosecution was authorized in 137 cases and 57 of these resulted in convictions. During 1975, 619 investigations were initiated, and 15 persons were convicted. In instances where prosecution is not authorized, inspectors interview the alleged assailant, with the approval of the U.S. Attorney, to determine his or her full recollection of the incident. The alleged assailant is informed of the applicable Federal statutes and advised that repetitive acts could result in serious consequences, including prosecution.

The following cases illustrate examples of threat and assault cases this year:

An Oklahoma taxpayer was arrested for threatening two revenue officers who were attempting to seize his truck. The taxpayer brandished a pistol while threatening and ordering the revenue officers from his property.

An Indiana taxpayer was convicted for assaulting two revenue officers during a seizure of his automobile. The taxpayer struck both revenue officers and kicked one of the officers after knocking him to the ground.

A Georgia taxpayer was arrested after he pulled a knife on a revenue officer, shoved him in a room and physically assaulted him following a disagreement over delinquent taxes.

Prevention of Organized Crime Influence

The possible corruptive influence of organized crime upon the Service, always a matter of concern, has resulted in extensive investigations. In one case, extending over four years, ten individuals identified with organized crime were indicted on bribery

and conspiracy charges. Seven of them have been convicted, two were acquitted and the charges were dropped against one who pleaded guilty to other FBI charges. The last two convictions involved a gambling figure and an alleged kingpin in a crime family.

Other Criminal Prosecutions

Other criminal activities involving the Service which led to prosecutions as a result of Internal Security investigations this year were the following: An applicant for enrollment to practice before the IRS in Florida was arrested and convicted for submitting false statements on his application in an attempt to conceal a prior conviction stemming from failure to file an income tax return.

Two Michigan accountants were arrested for conspiracy and extortion in a scheme involving the impersonation of a revenue agent and an attempt to extort money from a taxpayer for ending a non-existent tax investigation.

A former Fresno Service Center employee and his brother were arrested and convicted after attempting to defraud the Government of $14,000 through a refund scheme conspiracy.

Investigation of Employees

Employees who engage in improper behavior or unlawful actions constitute a very small percentage of the IRS work force. The vast majority of investigations relating to alleged acts of impropriety by Service personnel result in exoneration of the employees.

The Internal Security Division completed 18,265 investigations during the year. In addition, singular and multiple police record searches were conducted on 14,329 persons considered for temporary short-term appointments or for positions created for special economic and educational programs.

These searches or investigations resulted in the rejection of 195 job applicants and in disciplinary actions such as separations, suspensions, reprimands, warnings or demotion against 1,126 employees.

The chart on the next page shows the type of investigations completed during the past two years and disposition of those cases.

Investigative Teamwork

Breaches of integrity by individuals can be investigated jointly by Internal Audit and Internal Security with the assistance of the IRS Intelligence Division in some cases.

In one case, a supervisory employee was indicted on 19 counts of embezzlement in October 1974. The investigation disclosed that he misappropriated more than $28,000 of taxpayers' payments and applied them to his own estimated tax account subsequently refunded to him. He pleaded guilty to the charges and received a prison term for his actions.

In another case, a former employee misappropriated nearly $9,000 while working for the Internal Revenue Service. She was indicted for this action and subsequently pleaded guilty to the charges. Part of the sentence provided that she must make full restitution to the Government for the money that she embezzled.

Violations of tax laws discovered during internal audits and integrity investigations are referred to the IRS Intelligence Division for investigation if no employees are involved. During the year, there were 52 such referrals.

In each region, joint Internal Audit-Internal Security integrity developmental projects were established to probe identified high risk Service operations. For example, tests of selected seizure and sale transactions were made to determine if seized property had been disposed of in accordance with prescribed procedures. Also, tax adjustments resulting in large refunds were reviewed at service centers to verify the propriety of the adjusting actions. A third project was established to determine the propriety of the release of tax liens for delinquent accounts which had been outstanding for long periods.

Internal Security Division Investigations

Type of Investigations and Actions	1974	1975
Total Investigations	**21,322**	**18,265**
Personnel Investigations		
Character and Security	13,823	11,104
Conduct	1,367	1,063
Special Inquiries	2,711	2,561
Total Personnel Investigations	**17,901**	**14,728**
Other Type Investigations		
Assault	472	619
Disclosure	103	179
Applications to Practice Before IRS	1,207	1,491
Charges Against Attorneys, CPA's and Enrollees	74	75
Federal Tort Claims	144	134
Bribery	215	214
Investigations for Other Treasury Bureaus	1,206	825
Total Other Investigations	**3,421**	**3,537**
Actions by Management Officials on Personnel Investigations		
Total Actions	**17,901**	**14,728**
Separations [1]	331	256
Suspensions From Duty and Pay	115	74
Reprimands, Warnings and Demotions	1,033	796
Rejected for Employment	329	195
Non-Disciplinary Actions [2]	16,093	13,407
Separations by Type of Offense		
Bribery, Extortion or Collusion	2	5
Embezzlement or Theft of Funds or Property	3	8
Failure of Employee to Pay Proper Tax	66	23
Falsification or Distortion of Reports, Records, etc.	117	123
Unauthorized Outside Activity	3	2
Failure to Discharge Duties Properly	10	12
Divulgence of Confidential Information	2	4
Acceptance of Fees and Gratuities	2	4
Refusal to Cooperate in Official Investigation	1	0
Personal and Other Misconduct	125	75

[1] Includes resignations, retirements or other separations while employees were under investigation or before administrative decision was made on disciplinary action where investigation disclosed derogatory information.

[2] Includes clearance and closed without action letters on conduct investigations.

Management and Administration

Cost Reduction and Management Improvement

With active support and involvement of executives and managers at all levels, the IRS in 1975 placed high priority on and carried out numerous projects aimed at reducing costs and improving the efficiency of operations. While it is not feasible to determine and report the savings from all cost reduction actions, the known results of several major cost reduction initiatives in overhead support operations indicate that savings of approximately $20 million (some of a cost avoidance nature) will be realized.

For example, estimated savings in space and property utilization of over $400,000 were reported in 1975, and savings of over $3.0 million are projected for 1976 as a result of actions to reduce office space expansion; repair and refinish existing furniture when economically sound; use multiple occupancy work stations where more than one worker can efficiently occupy one work station; verify actual IRS-occupied square footage against measurement and billing records; and review assigned quality ratings and classifications of IRS space.

In the telecommunications area, an intensive cost reduction campaign resulted in better use of telecommunications facilities and innovative approaches toward providing effective telecommunications at lower cost. This campaign has reduced the cost of toll-free Taxpayer Service, Federal Telecommunications Systems (FTS), and local and long distance telephone calls in 1975 by $1.1 million.

Several programs of effective mail management produced savings in 1975 of nearly $3.9 million.

Records disposal during calendar year 1974 resulted in the release of space and equipment valued at $2,047,000. A total of 126,953 cubic feet of records was destroyed in accordance with regular programs, and 265,580 cubic feet of records were retired to Federal Records Centers.

The Service's reports curtailment project, which in 1974 yielded an annual savings of $2.4 million was carried into 1975 and produced additional savings of $700,000 through the elimination of unessential reports and the modification of others. IRS employees Gary Hall, Roy Shiflett, and Joseph Tarantino received an Award for Special Merit from the Association of Records Executives and Administrators in recognition of their achievements on this project.

Employee participation in cost reduction efforts was successfully promoted through the incentive awards program. During 1975, 932 employee suggestions were adopted, resulting in tangible benefits of $710,200. In addition, 430 awards were granted for special achievements which saved $535,900.

This total tangible savings of $1,246,100 from suggestions and special achievements slightly exceeded incentive awards program savings reported in 1974, for which the Service received the Secretary's Award for Cost Reduction and Management Improvement.

Safety Programs

With a rate of 1.9 disabling employee injuries per million staff-hours worked in calendar year 1974—down from a rate of 2.0 in 1973—the Service continues to rank as one of the top Federal agencies in the area of health and safety.

Service personnel drove 127.6 million miles on official business in 1975 with only 812 accidents, for a low accident frequency rate of 6.4 accidents per million miles driven.

Executive Personnel

The IRS experienced an acute turnover of executive staff this year because of the large number of senior-level officials who retired in 1974 and the $36,000 ceiling on executive salaries. However, the Service undertook to meet its obligation to fill executive positions by training 18 employees in an executive development class.

Other special efforts used by the IRS to train mid-level and top-level employees and minimize the amount of time senior officials are away from their posts of duty included:

Development of "Technical Guidelines for Executives"—a ready desk reference providing current, concise and accurate interpretation and clarification of those complex portions of the Internal Revenue Code and Manual needed in the executive's day-to-day activities.

Communications via video tapes—a means, for the Commissioner and other headquarters officials to directly communicate their views, official policy, and new procedures on a person-to-person basis without the field executive having to travel to executive conferences.

Reduction in instructor time—reducing by almost 50 percent the time and number of executives needed to serve as instructors in improved mid-level training courses which accomplished in 2½ weeks what formerly took 4 weeks.

Commissioner Alexander made several visits to the North Atlantic Region during 1975. In the top photo, the Commissioner visits employees and managers at the newest Manhattan District post-of-duty at 55 West 125th Street in Harlem, New York City. In the bottom photo, taken at the Brookhaven Service Center, Holtsville, N.Y., from left, Regional Commissioner Elliott Gray and Commissioner Alexander discuss operational matters with two audit division managers Ed Glister and Charles DeMarco.

Labor Management Activities

In early February, the IRS concluded a 2-year collective bargaining agreement with the National Treasury Employees Union (NTEU) covering 2,200 employees in the headquarters office. It provides for bilateral union-management decision-making in personnel policies and practices, such as promotions and performance evaluations.

At the close of 1975, the IRS and NTEU were involved in the process of negotiating a new multicenter agreement covering 29,000 employees in the Data Center, National Computer Center and in 9 of the 10 service centers. Overall, the National Office agreement, the multicenter agreement, and the multiregional and multidistrict agreements cover over 62,000 IRS employees.

The collective bargaining agreements concluded between the IRS and employee unions renewed the need for training of managers and supporting staff people on their supervisory responsibilities under the agreements.

Orientation sessions were held in all regions for first-line and middle managers, and three executive seminars on union relations were given to field and National Office officials. We also conducted training for personnel officers to assist them in advising managers on union relations matters.

Additional specialized courses in grievance handling and arbitration have been developed and will be used in Service-wide training next year.

Employment of the Handicapped

The IRS continued to increase its employment of the handicapped in all occupations. By the end of calendar year 1974, 1,629 handicapped persons were employed by the IRS. Of this number, 107 were blind individuals working as taxpayer service representatives in IRS districts and as tax examiners in the service centers.

Every year, the IRS focuses attention on the valuable contributions of IRS handicapped employees and their ability to perform top-level work by presenting an IRS Outstanding Handicapped Employee of the Year Award. This year, Charles E. Johnson, computer operator at the Andover Service Center, received the award.

Equal Employment Opportunity

The IRS continued to increase equal employment opportunity and to insure Upward Mobility opportunities for all employees. While total Service year-end employment increased by 13.6 percent between 1974 and 1975, minority employment during the same period increased by 19.6 percent, from 11,971 to 14,321. This included a 36 percent increase in employment of Spanish-speaking employees, from 1,609 to 2,188.

On December 14, 1974, the IRS officially recognized 1975 as "International Women's Year" and programs and activities were planned throughout the Service to focus attention on the potential and accomplishments of IRS women. During the year, Ms. Anita Alpern was appointed Assistant Commissioner (Planning and Research), making her the first career woman in the IRS and the Department of the Treasury to reach grade GS-18.

Commissioner Alexander confers with Jesse L. Paredes, of the Audit Division, shortly after appointing him as National Spanish Speaking Program Coordinator. Spanish Speaking coordinators in the National Office, regions, and district offices serve as a focal point for helping to prepare and implement affirmative action plans covering recruitment, job restructuring, training and career development which enhance opportunities for Spanish Speaking Americans within the Service.

The IRS formalized its Upward Mobility program in August, 1974, to place special emphasis on providing opportunities for employees in grades GS-1 through 7, or the equivalent, to increase their effective utilization in the tax administration area. Although the program was not fully implemented until late in the year, approximately 800 employees actively participated in training under the program.

Taxpayer Service Specialists

In recognition of increased emphasis upon providing quality assistance to taxpayers, the IRS developed the new taxpayer service specialist series. The program established taxpayer service occupations with expanded duties and responsibilities, higher-level qualification requirements, an improved grade structure and more comprehensive training. To enhance these occupations, the IRS developed new position descriptions, an amendment to the qualification standard, and incumbent selection and screening criteria.

Taxpayer Relations Training

During 1975, a special effort was also made to improve the effectiveness of taxpayer relations. Most new and certain incumbent employees in the collection activity who have direct dealings with the public attended taxpayer relations training which covered interpersonal communications, taxpayer rights and responsibilities, and how to resolve issues with taxpayers in a fair and helpful manner.

Revenue Agent Training

The IRS-designed revenue agent training program (units I, II, III and IV) was evaluated by the American Council on Education (ACE) in March and found to be of such high quality that ACE has recommended to colleges and universities the granting of six upper division credit hours to IRS employees who successfully complete the training program and who subsequently enroll in universities to pursue a masters degree in tax law.

The revenue agent training program has been revised to reduce the classroom portion of training from 14½ weeks to 12 weeks with improved quality and effectiveness of instruction. Under the restructured training arrangement, a new revenue agent will be able to examine various tax returns with minimum supervision after 25 weeks of classroom and on-the-job training instead of 32 weeks. We estimate that about 1,200 agents will be trained next year with projected salary savings of $1.2 million and per diem savings of $360,000.

This year, another 31 experienced revenue agents were trained for computer audit specialist positions. By the end of 1975, 104 IRS employees were qualified to perform the complex auditing duties required by today's sophisticated computer-prepared tax returns.

Paraprofessional Positions

By the end of 1975, over 1,000 paraprofessional positions had been established and filled in the Audit, Collection, and Intelligence Divisions. These employees, in grades GS-4 through GS-7, perform work that would otherwise be done by professional and technical employees at grades GS-9 and above. This program has resulted in savings of over $4.5 million dollars plus more effective use of the higher-level skills, knowledge and abilities of the professional and technical workforce.

Advisory Groups

Commissioner's Advisory Group

In January 1975, the Commissioner named 14 prominent accountants, attorneys, business executives, educators and public interest representatives to serve as his Advisory Group for 1975.

The group met with the Commissioner twice before the fiscal year ended to provide him and his staff with useful views and criticism of IRS operations so that the Service could do a better job of serving the public. Members of the group are selected on the basis of suggestions by professional and public interest organizations in the tax field, IRS officials around the country and other groups and individuals interested in sound tax administration. Members of the Commissioner's Advisory Group serve for one calendar year without compensation.

Art Advisory Panel

Since 1968, a 12-member panel of art experts including museum directors, scholars, and art dealers, has helped the Service determine the correct value of works of art donated to charity or included in taxable gifts or estates.

In its seven years of operation, the panel has reviewed estimates valued at more than $145 million and has recommended valuation adjustments of over $35 million. At the three meetings held during 1975, the panel reviewed works of art valued in tax returns at approximately $27 million and recommended substantial adjustments in approximately 60 percent of the cases.

Small Business Advisory Committee

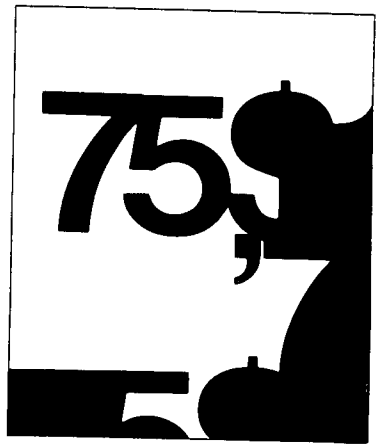
As a step towards recognizing and dealing with the particular tax problems of small businessmen, the Service announced the organization of a new Small Business Advisory Committee. The Committee held its first meeting in the fall of 1975.

An IRS retirement gathering in December 1974 brought five Internal Revenue Commissioners together, and this picture records the notable event. (L to R) Sheldon S. Cohen, 1965–69; Johnnie M. Walters, 1971–73; Donald C. Alexander, 1973 to present; Mortimer M. Caplin, 1961–64; Randolph W. Thrower, 1969–71.

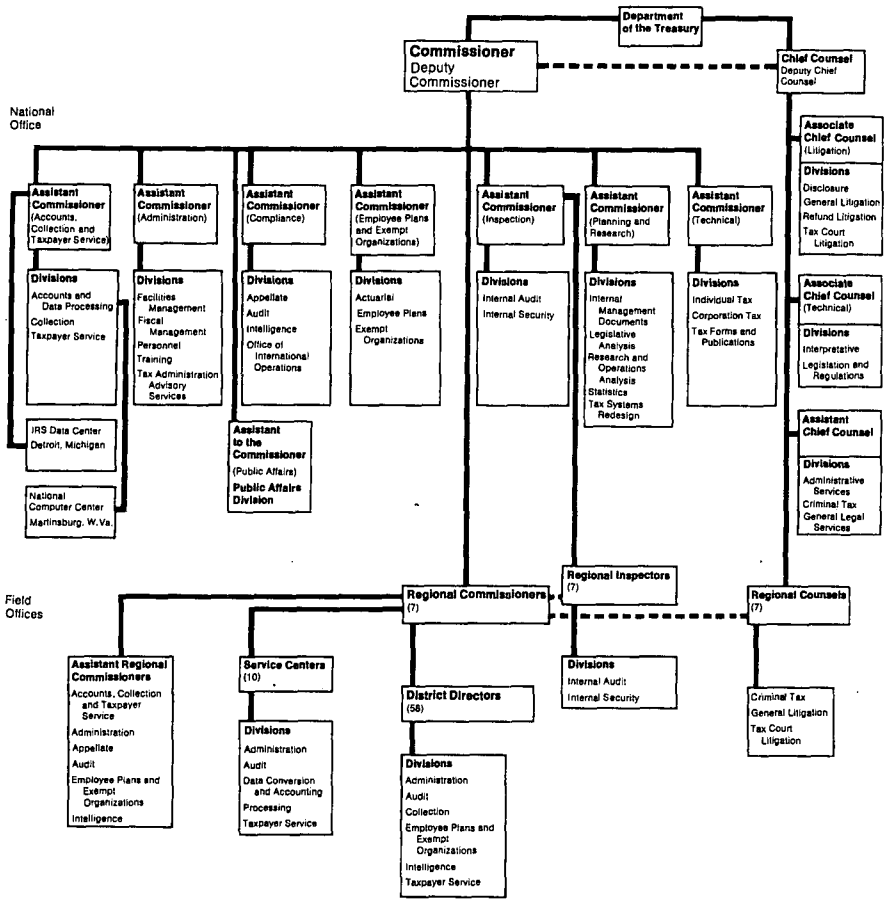
Chapter 10

Appendix

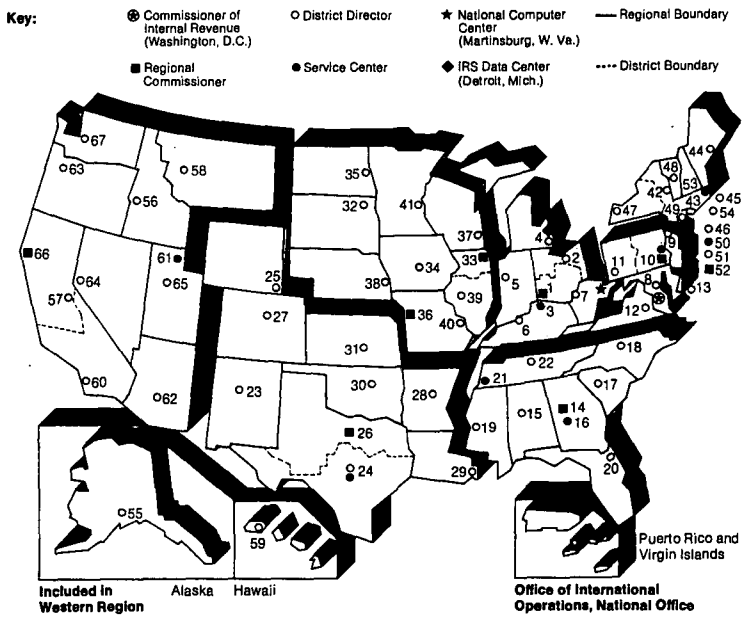
IRS Organizational Chart
Map of Regions, Districts, and Service Centers
Commissioners of the IRS (1862–1975)
Principal Officers of the IRS as of June 30, 1975
Audit Charts and Tables
Statistical Tables
Index



Organization



Internal Revenue Regions and Districts



Region and District Legend:

Central Region

1 Cincinnati, Ohio
2 Cleveland, Ohio
3 Covington, Ky. (Cincinnati SC)
4 Detroit, Mich.
5 Indianapolis, Ind.
6 Louisville, Ky.
7 Parkersburg, W. Va.

Mid-Atlantic Region

8 Baltimore, Md.
9 Newark, N.J.
10 Philadelphia, Pa.
11 Pittsburgh, Pa.
12 Richmond, Va.
13 Wilmington, Del.

Southeast Region

14 Atlanta, Ga.
15 Birmingham, Ala.
16 Chamblee, Ga.
17 Columbia, S.C.
18 Greensboro, N.C.
19 Jackson, Miss.
20 Jacksonville, Fla.
21 Memphis, Tenn.
22 Nashville, Tenn.

Southwest Region

23 Albuquerque, N. Mex.
24 Austin, Tex.
25 Cheyenne, Wyo.
26 Dallas, Tex.
27 Denver, Colo.
28 Little Rock, Ark.
29 New Orleans, La.
30 Oklahoma City, Okla.
31 Wichita, Kans.

Midwest Region

32 Aberdeen, S. Dak.
33 Chicago, Ill.
34 Des Moines, Iowa
35 Fargo, N. Dak.
36 Kansas City, Mo.
37 Milwaukee, Wis.
38 Omaha, Neb.
39 Springfield, Ill.
40 St. Louis, Mo.
41 St. Paul, Minn.

North Atlantic Region

42 Albany, N.Y.
43 Andover, Mass.
44 Augusta, Maine
45 Boston, Mass.
46 Brooklyn, N.Y.
47 Buffalo, N.Y.
48 Burlington, Vt.
49 Hartford, Conn.
50 Holtsville, N.Y. (Brookhaven SC)
51 Manhattan, N.Y.
52 New York, N.Y.
53 Portsmouth, N.H.
54 Providence, R.I.

Western Region

55 Anchorage, Alaska
56 Boise, Idaho
57 Fresno, Calif.
58 Helena, Mont.
59 Honolulu, Hawaii
60 Los Angeles, Calif.
61 Ogden, Utah
62 Phoenix, Ariz.
63 Portland, Ore.
64 Reno, Nev.
65 Salt Lake City, Utah
66 San Francisco, Calif.
67 Seattle, Wash.

Historical List of Commissioners of Internal Revenue

George S. Boutwell
Massachusetts
July 17, 1862/Mar. 4, 1863

Joseph J. Lewis
Pennsylvania
Mar. 18, 1863/June 30, 1865

William Orton
New York
July 1, 1865/Oct. 31, 1865

Edward A. Rollins
New Hampshire
Nov. 1, 1865/Mar. 10, 1869

Columbus Delano
Ohio
Mar. 11, 1869/Oct. 31, 1870

Alfred Pleasonton
New York
Jan. 3, 1871/Aug. 8, 1871

John W. Douglass
Pennsylvania
Aug. 9, 1871/May 14, 1875

Daniel D. Pratt
Indiana
May 15, 1875/July 31, 1876

Green B. Raum
Illinois
Aug. 2, 1876/Apr. 30, 1883

Walter Evans
Kentucky
May 21, 1883/Mar. 19, 1885

Joseph S. Miller
West Virginia
March 20, 1885/Mar. 20, 1889

John W. Mason
West Virginia
Mar. 21, 1889/Apr. 18, 1893

Joseph S. Miller
West Virginia
Apr. 19, 1893/Nov. 26, 1896

W. St. John Forman
Illinois
Nov. 27, 1896/Dec. 31, 1897

Nathan B. Scott
West Virginia
Jan. 1, 1898/Feb. 28, 1899

George W. Wilson
Ohio
Mar. 1, 1899/Nov. 27, 1900

John W. Yerkes
Kentucky
Dec. 20, 1900/Apr. 30, 1907

John G. Capers
South Carolina
June 5, 1907/Aug. 31, 1909

Royal E. Cabell
Virginia
Sept. 1, 1909/Apr. 27, 1913

William H. Osborn
North Carolina
Apr. 28, 1913/Sept. 25, 1917

Daniel C. Roper
South Carolina
Sept. 26, 1917/Mar. 31, 1920

William M. Williams
Alabama
Apr. 1, 1920/Apr. 11, 1921

David H. Blair
North Carolina
May 27, 1921/May 31, 1929

Robert H. Lucas
Kentucky
June 1, 1929/Aug. 15, 1930

David Burnet
Ohio
Aug. 20, 1930/May 15, 1933

Guy T. Helevering
Kansas
June 6, 1933/Oct. 8, 1943

Robert E. Hannegan
Missouri
Oct. 9, 1943/Jan. 22, 1944

Joseph D. Nunan, Jr.
New York
Mar. 1, 1944/June 30, 1947

George J. Schoeneman
Rhode Island
July 1, 1947/July 31, 1951

John B. Dunlap
Texas
Aug. 1, 1951/Nov. 18, 1952

T. Coleman Andrews
Virginia
Feb. 4, 1953/Oct. 31, 1955

Russell C. Harrington
Rhode Island
Dec. 5, 1955/Sept. 30, 1958

Dana Latham
California
Nov. 5, 1958/Jan. 20, 1961

Mortimer M. Caplin
Virginia
Feb. 7, 1961/July 10, 1964

Sheldon S. Cohen
Maryland
Jan. 25, 1965/Jan. 20, 1969

Randolph W. Thrower
Georgia
Apr. 1, 1969/June 22, 1971

Johnnie M. Walters
South Carolina
Aug. 6, 1971/Apr. 30, 1973

Donald C. Alexander
Ohio
May 25, 1973

Office of Commissioner of Internal Revenue Created by Act of Congress, July 1, 1862

In addition, the following were Acting Commissioners during periods of time when there was no Commissioner holding the office:

John W. Douglas, of Pennsylvania from Nov. 1, 1870, to Jan. 2, 1871; Henry C. Rogers, of Pennsylvania, from May 1 to May 10, 1883, and from May 1 to June 4, 1907; John J. Knox, of Minnesota from May 11 to May 20, 1883; Robert Williams, Jr., of Ohio, from Nov. 28 to Dec. 19, 1900; Millard F. West, of Kentucky, from Apr. 12 to May 26, 1921; H. F. Mires, of Washington, from Aug. 16 to Aug. 19, 1930; Pressly R. Baldridge, of Iowa, from May 16 to June 5, 1933; Harold N. Graves, of Illinois, from Jan. 23 to Feb. 29, 1944; John S. Graham, of North Carolina, from Nov. 19, 1952, to Jan. 19, 1953; Justin F. Winkle, of New York, from Jan. 20 to Feb. 3, 1953; O. Gordon Delk, of Virginia, from Nov. 1 to Dec. 4, 1955, and from Oct. 1 to Nov. 4, 1958; Charles I. Fox, of Utah, from Jan. 21 to Feb. 6, 1961; Bertrand M. Harding, of Texas, from July 11, 1964 to Jan. 24, 1965; William H. Smith of Virginia, from Jan. 21 to Mar. 31, 1969; Harold T. Swartz of Indiana, from June 23 to Aug. 5, 1971; and Raymond F. Harless of California from May 1 to May 25, 1973.

Principal Officers as of June 30, 1975

National Office

Office of the Commissioner

Commissioner
Donald C. Alexander

Deputy Commissioner
William E. Williams

Assistant to the Commissioner
Burke W. Willsey

Assistant to the Deputy Commissioner
Robert B. Nelson

Assistant to the Commissioner (Public Affairs)
Philip L. Rothchild

Administration

Assistant Commissioner
Joseph T. Davis

Director, Program Staff
Julius H. Lauderdale

Division Directors:
Facilities Management
Leo C. Inglesby

Fiscal Management
Alan A. Beck

Personnel
Billy J. Brown

Training
Richard C. McCullough

Tax Administration Advisory Services
Gordon C. Hill, Jr.

Deputy Equal Employment Opportunity Officer
Barbara R. Thompson

Compliance

Assistant Commissioner
S. B. Wolfe

Deputy Assistant Commissioner
Harold A. McGuffin

Division Directors:
Appellate
James C. Stigamire

Intelligence
Thomas J. Clancy

Audit
John L. Wedick, Jr.

Office of International Operations
Joseph G. McGowan

Accounts, Collection and Taxpayer Service

Assistant Commissioner
Robert H. Terry

Deputy Assistant Commissioner
James I. Owens

Director, Program Planning & Review Staff
Stephen J. Stalcup

Division Directors:
Collection
Thomas L. Davis

Taxpayer Service
Stanley Goldberg

National Computer Center, Martinsburg, W. Va.
William E. Palmer

Accounts and Data Processing
Vacant

IRS Data Center, Detroit, Mich.
James E. Daly, Jr.

Inspection

Assistant Commissioner
Warren A. Bates

Deputy Assistant Commissioner
William C. Rankin, Jr.

Division Directors:
Internal Audit
Rudolph W. Arena

Internal Security
William J. Hulihan

Planning and Research

Assistant Commissioner
Anita F. Alpern

Division Directors:
Research and Operations Analysis
Vacant

Tax Systems Redesign
Donald G. Elsberry

Legislative Analysis
Claude D. Baldwin

Statistics
Vito Natrella

Internal Management Documents
Jeremiah R. Thompson

Technical

Assistant Commissioner
Lawrence B. Gibbs

Deputy Assistant Commissioner
S. A. Winborne

Division Directors:
Corporation Tax
John W. Holt

Individual Tax
Aaron Feibel

Tax Forms and Publications
Roy J. Linger

Employee Plans/Exempt Organizations

Assistant Commissioner
Alvin D. Lurie

Deputy Assistant Commissioner
Theodore C. Rademaker

Division Directors:
Employee Plans
Fred J. Ochs

Exempt Organizations
Joseph A. Tedesco

Actuarial
Donald S. Grubbs, Jr.

Office of Chief Counsel

Chief Counsel
Meade Whitaker

Deputy Chief Counsel
Charles L. Saunders, Jr.

Technical Advisors to Chief Counsel
David E. Dickinson
Daniel S. Folzenlogen

Staff Assistant to Chief Counsel
Richard A. Fisher

Associate Chief Counsel (Litigation)
Robert A. Bridges

Associate Chief Counsel (Technical)
Richard M. Hahn

Assistant Chief Counsel
Leon G. Wigrizer

Special Assistant to the Chief Counsel
Lester Stein

Division Directors:
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J. Walter Feigenbaum

Criminal Tax
David E. Gaston

Refund Litigation
Jerome D. Sebastian

Tax Court Litigation
Dennis J. Fox

General Legal Services
Joseph J. Stengel

Disclosure
Harold T. Flanagan

Interpretative
John L. Withers

Legislation and Regulations
James F. Dring

Administrative Services
Margaret M. Richardson

Regional and District Officers

Central Region

All Regional Officers at 550 Main Street, Cincinnati, Ohio 45202, unless a different address is indicated

Regional Commissioner
Leon C. Green

Assistant Regional Commissioners:
Administration
Arthur J. Collinson

Audit
Jack P. Chivatero

Accounts, Collection & Taxpayer Service
L. Stanley Baker

Appellate
Claude C. Rogers, Jr.

Intelligence
Harold B. Holt

Employee Plans/Exempt Organizations
Merlin W. Heye

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Dwight L. James, Jr.

Cleveland, Ohio 44199
Robert J. Dath

Detroit, Mich. 48226
Roger L. Plate

Indianapolis, Ind. 46204
James W. Caldwell

Louisville, Ky. 40202
Paul F. Niederecker

Parkersburg, W. Va. 26101
T. Blair Evans

Director, Cincinnati Service Center, Covington, Ky. 41012
Patrick J. Ruttle

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Regional Inspector
John E. McManus

Mid-Atlantic Region

All Regional Officers at 2 Penn Center Plaza, Philadelphia, Pa. 19102, unless a different address is indicated

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Assistant Regional Commissioner

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Americo P. Attorri

Audit
Paul H. Thornton

Accounts, Collection & Taxpayer Service
Leroy C. Gay

Appellate
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Vacant

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Gerald G. Portney

Newark, N.J. 07102
Elmer H. Klinsman

Philadelphia, Pa. 19108
James T. Rideoutte

Pittsburgh, Pa. 15222
Cornelius J. Coleman

Richmond, Va. 23240
James P. Boyle

Wilmington, Del. 19801
James E. Quinn

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Emanuel L. Schuster

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Assistant Regional Commissioners:

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Audit
Philip J. Sullivan

Accounts, Collection & Taxpayer Service
William E. Douglas

Appellate
Kenneth F. Montz

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Employee Plans/Exempt Organizations
Nelson L. Hower

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John W. Henderson

Birmingham, Ala. 35203
Dwight T. Baptist

Jacksonville, Fla. 32202
Charles O. DeWitt

Greensboro, N.C. 27401
Robert A.LeBaube

Jackson, Miss. 39202
William Daniel

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James A. O'Hara

Columbia, S.C. 29201
Harold Bindsell

Director, Atlanta Service Center, Chamblee, Ga. 30006
William B. Hartlage

Director, Memphis Service Center, Memphis, Tenn. 38110
Claude A. Kyle

Regional Counsel
Henry C. Stockell, Jr.

Regional Inspector
Dale W. Gardner

Southwest Region

All Regional Officers at 1114 Commerce St., Dallas, Tex. 75202, unless a different address is indicated

Regional Commissioner
Walter T. Coppinger

Assistant Regional Commissioners:

Administration
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Audit
Howard C. Longley

Accounts, Collection, & Taxpayer Service
George M. Oliver

Appellate
Paul D. Williams

Intelligence
Robert D. Elledge

Employee Plans/Exempt Organizations
Percy P. Woodard, Jr.

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Arturo A. Jacobs

Austin, Tex. 78701
Robert M. McKeever

Little Rock, Ark. 72203
Emmett E. Cook, Jr.

New Orleans, La. 70130
Roger F. Shockcor

Denver, Colo. 80202
Gerald L. Mihlbachler

Cheyenne, Wyo. 82001
Bobby G. Hughes

Dallas, Tex. 75202
Alden M. McCanless

Oklahoma City, Okla. 73102
Clyde L. Bickerstaff

Wichita, Kans. 67202
Maurice E. Johnson

Director, Austin Service Center, Austin, Tex. 78740
Leonard E. Semrick

Regional Counsel
William B. Riley

Regional Inspector
Paul F. Kearns

Midwest Region

All Regional Officers at 1 North Wacker Dr., Chicago, Ill. 60606, unless a different address is indicated

Regional Commissioner
Edwin P. Trainor

Assistant Regional Commissioners:

Administration
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Audit
John H. Rauen, Jr.

Accounts, Collection & Taxpayer Service
Thomas J. Laycock

Appellate
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Employee Plans/Exempt Organizations
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District Directors:

Aberdeen, S. Dak. 57401
John B. Langer

Chicago, Ill. 60602
Charles F. Miriani

Des Moines, Iowa 50309
Donald J. Porter

Fargo, N. Dak. 58102
Mitchell E. Premis, Jr.

Springfield, Ill. 62704
Ira S. Loeb

Milwaukee, Wis. 53202
Lawrence M. Phillips

Omaha, Neb. 68102
Everett Loury

St. Louis, Mo. 63101
Richard C. Voskuil

St. Paul, Minn. 55101
C. Dudley Switzer

Director, Kansas City Service Center Kansas City, Mo. 64170
Roy D. Clark

Regional Counsel
Frank C. Conley

Regional Inspector
William E. Mulroy

North-Atlantic Region

All Regional Officers at 90 Church Street, New York, N.Y. 10007, unless a different address is indicated

Regional Commissioner
Elliott H. Gray

Assistant Regional Commissioners:
Administration
Harry J. Bodkin

Audit
William H. Tompkins

Accounts, Collection & Taxpayer Service
Marshall P. Cappelli

Appellate
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Intelligence
Harry P. McCall

Employee Plans/Exempt Organizations
Toomer F. Carr

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George S. Alberts

Augusta, Maine 04330
John J. Jennings

Boston, Mass. 02203
John E. Foristall

Brooklyn, N.Y. 11201
Charles H. Brennan

Providence, R.I. 02903
John J. O'Brien

Buffalo, N.Y. 14202
Herbert B. Mosher

Burlington, Vt. 05401
Carolyn K. Buttolph

Hartford, Conn. 06103
Joseph J. Conley, Jr.

Manhattan, N.Y. 10007
Philip E. Coates

Portsmouth, N.H. 03801
Frank T. Murphy

Director, Andover Service Center, Andover, Mass. 01812
M. Eddie Heironimus

Director, Brookhaven Service Center, Holtsville, N.Y. 11742
Henry P. Seufert

Regional Counsel
Theodore E. Davis

Regional Inspector
Sidney M. Wolk

Western Region

All Regional Officers at 525 Market Street, San Francisco, Calif. 94105 unless a different address is indicated

Regional Commissioner
Thomas A. Cardozo

Assistant Regional Commissioners:
Administration
Warren N. Slack

Audit
Johnnie Robertson

Accounts, Collection & Taxpayer Service
John D. Johnson

Appellate
Wallace J. Spencer, Jr.

Intelligence
Richard C. Wassenaar

Employee Plans/Exempt Organizations
Ralph F. Albrecht

District Directors:
Anchorage, Alaska 99510
Charles E. Roddy

Boise, Idaho 83702
Howard T. Martin

Helena, Mont. 59601
Frederick C. Nielsen

Honolulu, Hawaii 96813
Robert M. Cutts

Los Angeles, Calif. 90012
William H. Connett

Seattle, Wash. 98121
Michael D. Sassi

Phoenix, Ariz. 85025
Prescott A. Berry

Portland, Ore. 97204
Ralph B. Short

Reno, Nev. 89502
Gerald F. Swanson

Salt Lake City, Utah 84110
Roland V. Wise

San Francisco, Calif. 94102
Francis L. Browitt

Director, Ogden Service Center, Ogden, Utah 84201
John O. Hummel

Director, Fresno Service Center, Fresno, Calif. 93730
Fredric F. Perdue

Regional Counsel
Emory L. Langdon

Regional Inspector
Frederick R. Rowe, Jr.

Audit Charts and Tables

Table 1.—Audit Staff Years Realized, FY 1975

	Years		
	Planned [1]	Actual [2]	Percent
Revenue Agents			
United States	**14,079**	**14,265**	**101.3**
North-Atlantic	2,873	2,892	100.7
Mid-Atlantic	1,867	1,895	101.5
Southeast	1,558	1,597	102.5
Central	1,554	1,565	100.7
Midwest	2,051	2,061	100.5
Southwest	1,771	1,806	102.0
Western	2,295	2,339	101.9
OIO	110	110	100.0
Tax Auditors			
United States	**4,636**	**4,666**	**100.6**
North-Atlantic	777	795	102.3
Mid-Atlantic	568	585	103.0
Southeast	630	653	103.7
Central	451	440	97.6
Midwest	572	556	97.2
Southwest	517	522	101.0
Western	1,053	1,039	98.7
OIO	68	76	111.8
Other (Permanent) [3]			
United States	**6,765**	**6,477**	**95.7**
North-Atlantic	1,214	1,137	93.7
Mid-Atlantic	792	786	99.2
Southeast	846	731	86.4
Central	731	714	97.7
Midwest	975	955	97.9
Southwest	821	815	99.3
Western	1,248	1,220	97.8
OIO	138	119	86.2

[1] Operating Financial Plan.
[2] Report of Average Positions Realized and Costs Incurred. (Includes Regional Analysts).
[3] Other includes ARC Audit, Executive Assistant, Chief of Audit and Clerks.

Table 2.—Returns Filed, Examinations, and Audit Coverage

	Returns Filed	Returns Examined FY 1975			
	CY 1974	Revenue Agents	Tax Auditors	Total	Percent Coverage
Individual, total	**81,271,762**	**355,170**	**1,483,388**	**1,838,558**	**2.3**
NB Under $10,000, Total	43,216,487	41,430	740,872	782,302	1.8
NB Under $10,000—Standard	30,279,027	6,967	213,942	220,909	.7
NB Under $10,000—Itemized	12,937,460	34,463	526,930	561,393	4.3
NB $10,000 Under $50,000	27,765,747	79,507	609,952	689,459	2.5
NB $50,000 and Over	471,803	45,313	13,917	59,230	12.6
B Under $10,000	4,724,378	49,067	86,322	135,389	2.9
B $10,000 Under $30,000	4,293,098	71,710	25,834	97,544	2.3
B $30,000 and Over	800,249	68,143	6,491	74,634	9.3
Fiduciary	**1,456,311**	**11,558**	**199**	**11,757**	**.8**
Corporation, total	**1,744,068**	**153,240**	**1,649**	**154,889**	**8.9**
Assets not reported	130,611	6,207	69	6,276	4.8
Under $50,000	631,455	19,171	997	20,168	3.2
$50,000 Under $100,000	250,030	16,230	393	16,623	6.7
$100,000 Under $250,000	319,793	23,478	107	23,585	7.4
$250,000 Under $500,000	176,333	24,223	40	24,263	13.8
$500,000 Under $1 Mil.	106,724	19,760	20	19,780	18.5
$1 Mil. Under $5 Mil	90,871	28,115	16	28,131	31.0
$5 Mil. Under $10 Mil.	14,210	5,184	3	5,187	36.5
$10 Mil. Under $50 Mil.	17,508	6,306	1	6,307	36.0
$50 Mil. Under $100 Mil.	2,845	1,542	1	1,543	54.2
$100 Mil. and Over	3,688	3,024	2	3,026	82.1
Estate, total	**215,537**	**40,591**	**8,357**	**48,948**	**22.7**
Gross Estate Under $300,000	186,468	22,745	7,369	30,114	16.2
Gross Estate $300,000 and Over	29,069	17,846	988	18,834	64.8
Gift	**258,477**	**9,955**	**3,118**	**13,073**	**5.1**
Income, Estate and Gift, Total	**84,946,155**	**570,514**	**1,496,711**	**2,067,225**	**2.43**
Service Center Examination Inc., Est. and Gift	—	—	—	104,698	.12
Income, Estate and Gift, Grand Total	**84,946,155**	**570,514**	**1,496,711**	**2,171,923**	**2.55**
Excise [1]	**784,362**	**74,493**	**12,774**	**95,119**	**12.1**
District	—	74,493	12,774	87,627	—
Service Center	—	—	—	7,852	—
Employment	**24,739,561**	**61,250**	**29,683**	**110,933**	**.5**
Service Center Dispossals:					
Total	—	—	—	1,329,305	—
District Type Returns	—	—	—	112,550	—
Service Center Limited	—	—	—	1,216,755	—

[1] Excludes special occupational and alcohol and tobacco taxes.

Table 3.—Accomplishments vs Plan, FY 1975
Revenue Agents

Tax Class	Desys [1] Plan	Desys [1] Actual	Returns Plan	Returns Actual	Percent of Plan Desys	Percent of Plan Returns
Individual, Total	**2,805**	**2,896**	**303,300**	**355,170**	**103**	**117**
Form 1040-Standard	2	31	385	6,967	1,550	1,810
NB under $10,000—Itemized	172	153	26,010	34,463	89	133
NB $10,000 under 50,000	406	394	61,320	79,507	97	130
NB $50,000 and over	370	434	41,625	45,313	117	109
B under $10,000	531	470	50,155	49,067	89	98
B $10,000 under $30,000	602	631	59,190	71,710	105	121
B $30,000 and over	723	783	64,615	68,143	108	105
Fiduciary	117	97	13,800	11,558	83	64
Corporation, Total	**3,360**	**3,406**	**149,400**	**153,240**	**101**	**103**
No Balance Sheet	53	44	4,160	6,207	83	149
Under $50,000	175	198	19,180	19,171	113	100
$50,000 under $100,000	127	163	13,260	16,230	128	122
$100,000 under $250,000	223	253	22,230	23,478	113	106
$250,000 under $500,000	243	292	20,660	24,223	120	117
$500,000 under $1 Mil.	259	272	18,860	19,760	105	105
$1 Mil. under $5 Mil.	596	558	31,580	28,115	94	89
$5 Mil. under $10 Mil.	192	171	6,720	5,184	89	77
$10 Mil. under $50 Mil.	381	330	8,315	6,306	87	76
$50 Mil. under $100 Mil.	144	154	1,685	1,542	107	92
$100 Mil. and over	965	972	2,750	3,024	101	110
Estate	571	577	36,100	40,591	101	112
Gift	52	56	7,700	9,955	108	129
Income, Estate and Gift						
Total	**6,904**	**7,032**	**510,300**	**570,514**	**102**	**112**
Excise	177	180	62,500	74,493	102	119
Employment	223	231	72,500	81,250	104	112
Exempt Organization	198	218	14,919	20,870	110	140
Pension Trust	108	110	41,624	65,482	102	157
Joint Compliance	98	54	—	—	55	—
Special Enforcement Program	314	272	—	—	87	—

[1] Direct examination staff years.

Table 4.—Accomplishment vs Plan, FY 1975
Tax Auditors

Tax Class	Desys [1] Plan	Desys [1] Actual	Returns Plan	Returns Actual	Percent of Plan Desys	Percent of Plan Returns
Individual, total	**2,101**	**2,419**	**1,403,300**	**1,483,388**	**115**	**106**
Form 1040—standard	155	172	187,175	213,942	111	114
NB under $10,000—itemized	546	646	459,000	526,930	118	115
NB $10,000 under $50,000	786	957	613,970	609,952	122	99
NB $50,000 and over	35	36	17,140	13,917	103	81
B under $10,000	460	465	100,150	86,322	101	86
B 10,000 under $30,000	77	109	16,915	25,834	142	153
B $30,000 and over	41	34	8,950	6,491	83	73
Fiduciary	—	—	—	199	—	—
Corporation	26	18	5,500	1,649	69	30
Estate	38	37	7,600	8,357	97	110
Gift	11	9	3,300	3,118	82	94
Income, estate, gift						
Total	**2,176**	**2,483**	**1,419,700**	**1,496,711**	**114**	**105**
Excise	18	18	10,800	12,774	100	118
Employment	37	35	23,400	29,683	95	127
Exempt Organization	17	10	2,931	1,298	59	44
Pension Trust	4	1	1,359	80	25	6

[1] Direct examination staff years.

Table 5.—Audit Recruitment—Commitments and Appointments, FY's 1973–1975

Region	FY 1975	FY 1974	FY 1973
Revenue agents [1]			
United States	**597**	**3,376**	**1,372**
North-Atlantic	77	512	272
Mid-Atlantic	34	492	220
Southeast	143	491	226
Central	30	206	147
Midwest	27	596	160
Southwest	25	529	111
Western	261	550	236
Tax auditors			
United States	**1,150**	**2,031**	**504**
North-Atlantic	205	350	94
Mid-Atlantic	53	403	48
Southeast	228	305	104
Central	130	84	26
Midwest	112	283	82
Southwest	—	197	48
Western	422	409	102

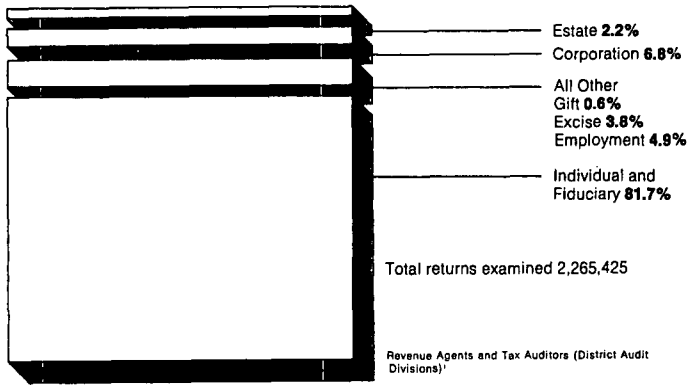
[1] Includes Estate Tax Attorneys and Valuation Engineers.

Table 6.—Audit Attrition—Revenue Agents and Tax Auditors, FY's 1973–1975

Region	FY 1975	FY 1974	FY 1973
Revenue Agents			
United States	**981**	**956**	**1,124**
North-Atlantic	160	156	180
Mid-Atlantic	118	133	191
Southeast	115	115	127
Central	112	101	143
Midwest	178	159	177
Southwest	137	120	120
Western	152	162	172
OIO	9	10	14
Tax Auditors			
United States	**484**	**512**	**382**
North-Atlantic	64	81	82
Mid-Atlantic	59	76	53
Southeast	77	70	42
Central	40	40	50
Midwest	63	82	51
Southwest	53	66	50
Western	125	96	53
OIO	3	1	1

Table 7 - Revenue Agents and Tax Auditors (District Audit Divisions) [1]

Percent of Returns Examined
By Type of Tax
FY 1975



Percent of Time Spent on Examinations
By Type of Tax
FY 1975

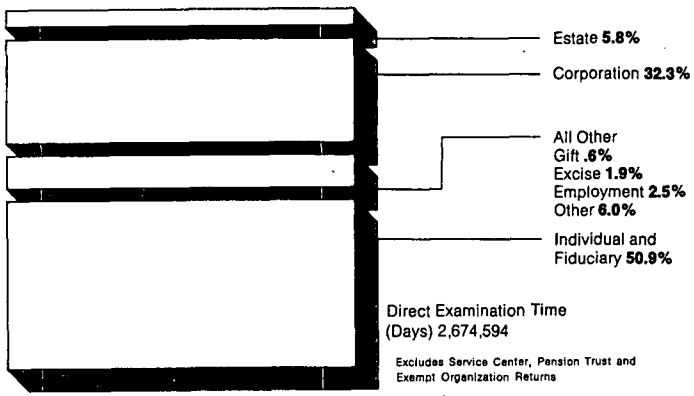
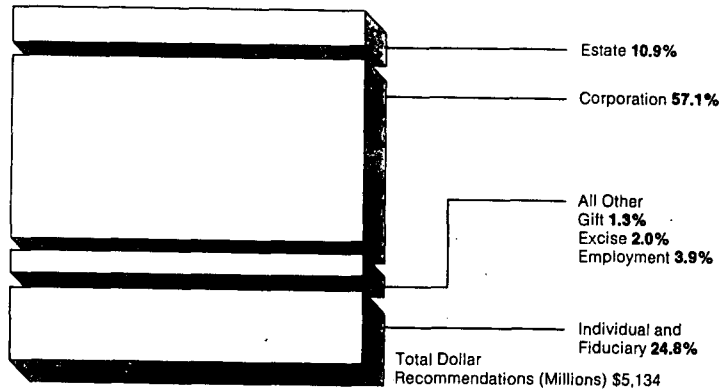


Table 7 - Revenue Agents and Tax Auditors - Continued

Percent of Dollar Recommendations (Millions)
By Type of Tax
FY 1975



Percent of Collections By
Type of Tax
FY 1975

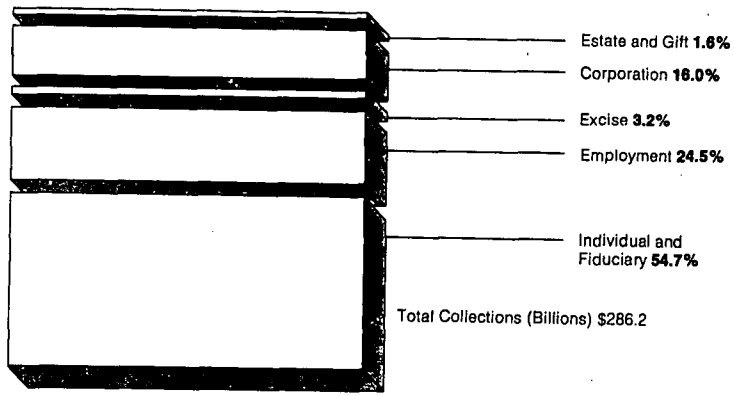
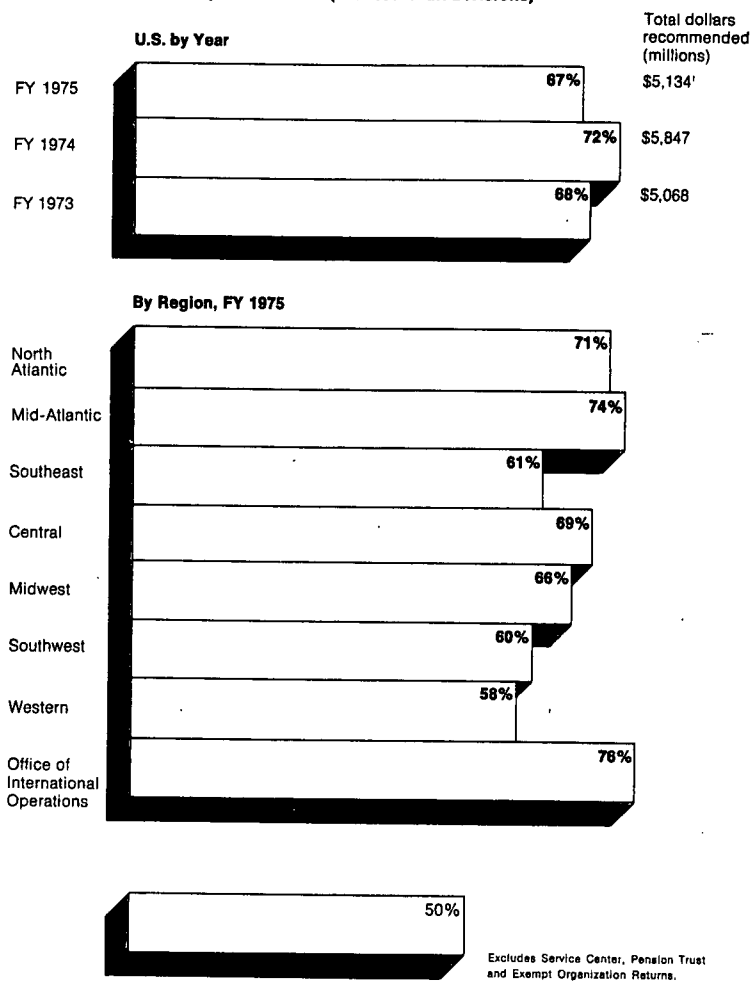


Table 8.—Large Deficiencies Recommended ($100,000 & over) Returns and Dollars, FY's 1973—1975

Region	FY 1975	FY 1974	FY 1973
Returns			
United States	**[1] 5,137**	**[1] 5,731**	**[1] 5,152**
North-Atlantic	1,122	1,436	828
Mid-Atlantic	797	703	674
Southeast	633	683	744
Central	559	686	747
Midwest	683	868	977
Southwest	602	625	538
Western	831	1,001	930
OIO	112	61	97
Dollar Recommendations (Millions)			
United States	**$3,421.3**	**$4,220.9**	**$3,464.7**
North-Atlantic	814.4	1,241.1	573.5
Mid-Atlantic	608.2	370.3	507.2
Southeast	396.0	385.0	326.3
Central	415.6	509.4	427.9
Midwest	403.5	630.9	672.7
Southwest	294.5	394.5	224.9
Western	427.3	668.6	704.2
OIO	61.7	21.2	28.1

[1] Regional totals do not add to U.S. Total because of special reporting procedures for large cases.

Table 9
Large Deficiencies ($100,000 and over)
Percent of Relationship to Total Tax (District Audit Divisions)



Excludes Service Center, Pension Trust and Exempt Organization Returns.

Table 10.—Individual Returns—Accomplishments in Relation to Plan FY 1975 Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**706,783**	**729,768**	**103**
North-Atlantic	126,457	120,261	95
Mid-Atlantic	83,970	84,343	100
Southeast	86,181	98,799	115
Central	71,087	75,914	107
Midwest	93,253	92,474	99
Southwest	98,777	108,376	110
Western	143,782	145,914	102
OIO	3,276	3,688	113
Returns Examined			
United States	**303,300**	**355,170**	**117**
North-Atlantic	47,300	54,142	115
Mid-Atlantic	36,300	42,131	116
Southeast	37,100	46,206	125
Central	28,400	40,126	141
Midwest	42,200	44,096	105
Southwest	41,800	50,298	120
Western	69,200	76,953	111
OIO	1,000	1,218	122

Table 11.
Revenue Agents Accomplishments-Individual Returns
(District Audit Divisions)

U.S. Activity
FY's 1973-1975

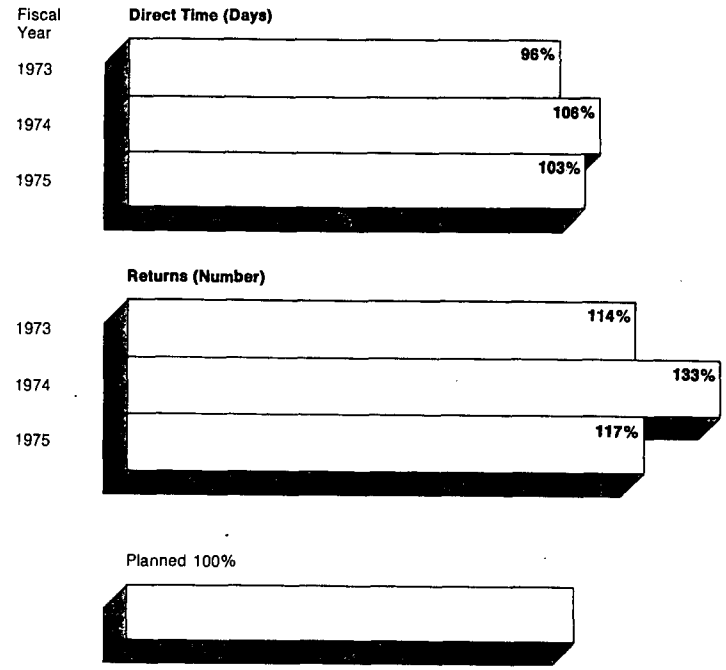


Table 12.—Accomplishments in Relation to Plan Fiduciary Returns—FY 1975
Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**29,478**	**24,462**	**83**
North-Atlantic	9,726	7,767	80
Mid-Atlantic	3,097	2,102	68
Southeast	2,415	2,203	91
Central	2,917	2,253	77
Midwest	4,254	3,199	75
Southwest	2,892	2,933	101
Western	4,157	3,980	96
OIO	20	26	130
Returns Examined			
United States	**13,800**	**11,558**	**84**
North-Atlantic	3,900	3,455	89
Mid-Atlantic	1,400	1,133	81
Southeast	1,300	1,204	93
Central	1,200	1,019	85
Midwest	2,400	1,142	48
Southwest	1,400	1,454	104
Western	2,200	2,142	97
OIO	—	9	—

Table 13.—Examination Time, Returns and Dollars—Individual and Fiduciary—FY's 1973–1975
Revenue Agents

Region	FY 1975 [1]	FY 1974	FY 1973
Direct Examination Time (Days)			
United States	**754,230**	**586,660**	**529,107**
North-Atlantic	128,028	97,487	88,572
Mid-Atlantic	86,445	71,378	58,565
Southeast	101,002	75,686	68,547
Central	78,167	66,025	61,841
Midwest	95,673	75,402	66,336
Southwest	111,309	81,251	74,069
Western	149,894	115,815	107,030
OIO	3,714	3,619	4,150
Returns Examined			
United States	**366,728**	**311,267**	**265,276**
North-Atlantic	57,597	44,120	36,297
Mid-Atlantic	43,264	34,963	30,089
Southeast	47,410	38,406	36,637
Central	41,145	31,394	30,117
Midwest	45,238	44,216	35,993
Southwest	51,752	52,862	36,256
Western	79,095	64,120	58,528
OIO	1,227	1,186	1,359
Dollar Recommendations (Millions)			
United States	**$947.7**	**$896.8**	**$873.6**
North-Atlantic	194.6	185.0	144.5
Mid-Atlantic	116.0	96.7	106.0
Southeast	155.5	129.8	150.2
Central	93.4	81.5	90.3
Midwest	87.4	67.8	85.5
Southwest	96.8	102.1	99.1
Western	194.9	225.9	184.7
OIO	9.2	8.0	13.1

Note: Dollars may not add due to rounding.

[1] Individual and Fiduciary combined for comparision with prior years.

Table 14.—Revenue Agents (Average Hours Per Return) Individual and fiduciary returns by class and region FYS 1973–75

	Fiscal Years		
	1975	1974	1973
Class			
Total (Individual & Fiduciary)	***16.3**	**16.0**	**18.7**
Form 1040-Standard	10.0	9.4	11.5
Nonbusiness, under $10,000—Itemized	13.6	11.9	13.5
Nonbusiness, $10,000 under $50,000	11.0	9.3	14.1
Nonbusiness, $50,000 and over	15.9	17.5	19.5
Business, under $10,000	19.4	22.0	21.0
Business, $10,000 under $30,000	18.6	19.5	21.2
Business, $30,000 and over	20.9	21.9	23.4
Total Fiduciary	10.3	—	—
Region			
United States	****16.3**	**16.0**	**18.7**
North-Atlantic	18.9	21.1	22.9
Mid-Atlantic	16.8	16.9	18.4
Southeast	16.0	15.5	17.8
Central	16.7	18.2	20.7
Midwest	16.0	14.2	18.5
Southwest	15.5	12.6	18.4
Western	14.5	15.1	16.3
International Operations	22.5	22.5	18.9

*Individual by class only for FY 1975, prior years Individual and Fiduciary are combined.
**Includes Individual and Fiduciary by region for comparison with prior years.

Table 15.—Revenue Agents (Average Dollar Recommendations Per Return) Individual and Fiduciary Returns by Class and Region FYs 1973–1975

	Fiscal Years		
	1975	1974	1973
Class			
Total (Individual & Fiduciary)	***$2,584**	**$2,881**	**$3,293**
Form 1040-Standard	846	1,307	2,211
Nonbusiness, under $10,000—Itemized	2,917	2,023	1,912
Nonbusiness, $10,000 under $50,000	1,530	1,377	2,298
Nonbusiness, $50,000 and over	5,887	7,731	8,237
Business, under $10,000	1,565	2,236	1,769
Business, $10,000 under $30,000	1,463	1,941	1,817
Business, $30,000 and over	3,672	4,752	5,821
Total Fiduciary	1,817	—	—
Region			
United States	****$2,584**	**$2,881**	**$3,293**
North-Atlantic	3,379	4,194	3,982
Mid-Atlantic	2,680	2,765	3,524
Southeast	3,279	3,379	4,101
Central	2,270	2,595	2,999
Midwest	1,931	1,534	2,377
Southwest	1,871	1,931	2,733
Western	2,464	3,523	3,155
International Operations	7,487	6,777	9,664

*Individual by class only for FY 1975, prior years individual and Fiduciary are combined.
**Includes individual and Fiduciary by region for comparison with prior years.

Table 16.—No Change Percent—Individual and Fiduciary—Return and Time—by Class and Region—FYs 1973–1975
Revenue Agents

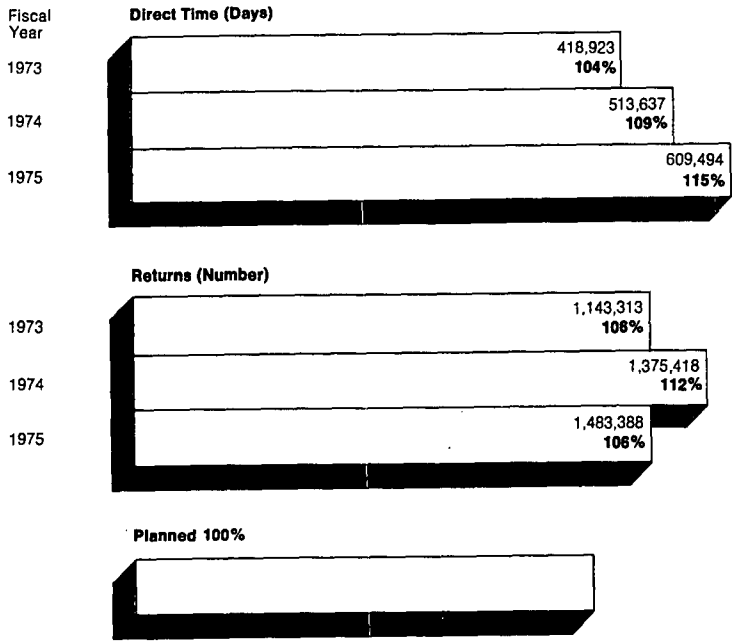
	Returns			Time		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Class						
Total (Individual & Fiduciary)	***19**	**23**	**19**	***15**	**14**	**14**
Form 1040-Standard	23	34	34	15	17	18
Nonbusiness under $10,000	20	24	22	14	15	17
Nonbusiness $10,000 under 50,000	16	27	17	12	15	14
Nonbusiness $50,000 and over	18	21	17	15	13	12
Business under $10,000	19	20	22	14	13	15
Business $10,000 under $30,000	18	20	19	14	15	13
Business $30,000 and over	18	20	18	14	14	13
Total Fiduciary	55			51		
Region						
United States	****19**	**23**	**19**	****15**	**14**	**14**
North-Atlantic	19	18	16	16	13	13
Mid-Atlantic	23	24	23	19	17	16
Southeast	18	21	20	14	13	14
Central	19	21	22	15	15	15
Midwest	16	25	18	13	15	14
Southwest	21	30	20	16	16	13
Western	19	19	18	15	14	14
OIO	22	24	30	19	19	22

*Individual by class only for FY 1975, prior year Individual and Fiduciary are combined.
**Includes Individual and Fiduciary by region for comparison with prior years.

Table 17.—Accomplishments in Relation to Plan—Individual Returns—FY 1975
Tax Auditors

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**529,490**	**609,494**	**115**
North-Atlantic	90,004	102,810	114
Mid-Atlantic	65,567	74,957	114
Southeast	78,220	94,621	121
Central	45,564	54,456	120
Midwest	64,643	72,828	113
Southwest	64,998	72,571	112
Western	112,907	128,790	114
OIO	7,587	8,460	112
Returns Examined			
United States	**1,403,300**	**1,483,388**	**106**
North-Atlantic	255,600	272,630	107
Mid-Atlantic	185,800	200,481	108
Southeast	212,200	214,977	101
Central	117,700	133,064	113
Midwest	152,700	155,661	102
Southwest	156,200	162,467	104
Western	305,600	323,191	106
OIO	17,500	20,917	120

Table 18.
Tax Auditors Accomplishments-Individual Returns
(District Audit Divisions)



Note: Individual and Fiduciary combined for FY's 1974 and 1973

Table 19.—Examination Time, Returns and Dollars—Individual and Fiduciary—FYs 1973–1975
Tax Auditors

Region	FY 1975 [1]	FY 1974	FY 1973
Direct Examination Time (Days)			
United States	**609,591**	**513,637**	**418,923**
North-Atlantic	102,820	88,025	79,259
Mid-Atlantic	74,962	69,766	50,169
Southeast	94,625	73,261	51,181
Central	54,464	49,483	52,105
Midwest	72,892	65,605	55,229
Southwest	72,573	66,727	47,896
Western	128,795	92,426	75,409
OIO	8,460	8,343	7,676
Returns Examined			
United States	**1,483,587**	**1,375,418**	**1,143,313**
North-Atlantic	272,651	241,611	232,840
Mid-Atlantic	200,493	180,853	143,185
Southeast	214,986	223,104	156,109
Central	133,070	140,174	140,896
Midwest	155,744	156,319	144,445
Southwest	162,475	191,953	118,938
Western	323,250	224,069	189,568
OIO	20,918	17,335	17,332
Dollar Recommendations (Millions)			
United States	**$325.9**	**$273.3**	**$248.3**
North Atlantic	60.2	54.5	48.6
Mid-Atlantic	42.3	32.7	29.7
Southeast	49.7	46.5	37.9
Central	25.1	25.4	26.2
Midwest	33.1	27.1	28.6
Southwest	33.5	30.5	27.1
Western	75.1	50.5	45.2
OIO	6.9	6.2	4.9

[1] Individual and Fiduciary Returns combined for comparison with prior year.
Note: Dollars may not add due to rounding.

Table 20.—Tax Auditors (Average Hours per Return)
Individual and Fiduciary Returns by Class and Region FYs 1973–75

	Fiscal Years		
	1975	1974	1973
Class			
Total (Individual & Fiduciary)	***2.8**	**2.5**	**2.6**
Form 1040-Standard	1.6	1.4	1.3
Nonbusiness, under $10,000—Itemized	2.4	2.1	2.1
Nonbusiness, $10,000 under $50,000	2.8	2.4	2.6
Nonbusiness, $50,000 and over	3.7	3.3	3.6
Business, under $10,000	7.8	8.3	8.1
Business, $10,000 under $30,000	6.3	5.9	6.0
Business, $30,000 and over	6.5	6.1	6.5
Total Fiduciary	4.5	—	--
Region			
United States	****2.8**	**2.5**	**2.6**
North-Atlantic	2.6	2.6	2.3
Mid-Atlantic	2.7	2.5	2.4
Southeast	2.9	2.2	2.5
Central	2.8	2.6	2.6
Midwest	3.3	2.7	3.0
Southwest	3.1	2.3	2.8
Western	2.8	2.8	2.9
International Operations	2.4	2.6	2.3

*Individual by class only for FY 1975, prior years individual and fiduciary are combined.
**Includes individuals and Fiduciary by region for comparison with prior years.

Table 21.—Tax Auditors (Average Dollar Recommendations per Return)
Individual and Fiduciary Returns by Class and Region FYs 1973–1975

	Fiscal Years		
	1975	1974	1973
Class			
Total (Individual & Fiduciary)	***$220**	**$199**	**$217**
Form 1040-Standard	143	120	143
Nonbusiness under $10,000—Itemized	172	156	172
Nonbusiness $10,000 under $50,000	230	203	225
Nonbusiness $50,000 and over	562	801	1,053
Business under $10,000	472	533	507
Business $10,000 under $30,000	414	476	470
Business $30,000 and over	691	916	1,293
Total Fiduciary	1,396	—	—
Region			
United States	****$220**	**$199**	**$217**
North-Atlantic	221	226	209
Mid-Atlantic	211	181	207
Southeast	231	208	243
Central	188	181	186
Midwest	212	173	196
Southwest	206	159	228
Western	232	225	238
International Operations	332	355	283

*Individual by class only for FY 1975 prior years individual and fiduciary are combined.
**Includes Individual and Fiduciary by region for comparison with prior years.

Table 22.—No Change Percent—Individual and Fiduciary—Returns and Time by Class and Region, FY 1973–1975
Tax Auditors

	Returns			Time		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Class						
Total	***24**	**29**	**27**	***18**	**20**	**20**
Form 1040-Standard	33	43	36	32	37	34
NB under $10,000—Itemized	21	25	23	16	19	18
NB $10,000 under $50,000	24	29	29	17	20	21
NB $50,000 and over	40	39	31	28	28	22
Business under $10,000	21	21	22	18	17	18
Business $10,000 under $30,000	17	16	16	13	13	13
Business $30,000 and over	27	25	19	20	19	15
Region						
United States	****24**	**29**	**27**	****18**	**20**	**20**
North-Atlantic	26	25	26	20	20	21
Mid-Atlantic	26	33	29	21	24	23
Southeast	22	29	23	17	20	17
Central	22	23	30	16	16	21
Midwest	21	29	27	15	18	19
Southwest	28	41	29	21	27	21
Western	22	26	24	17	19	19
OIO	28	30	34	19	21	24

*Individual by class only for FY 1975, prior years Individual and Fiduciary are combined.
**Includes Individual and Fiduciary by region for comparison with prior years.

Table 23.—Corporation Returns—Accomplishments in Relation to Plan FY 1975
Revenue Agents

Region	Planned	Actual	Percent
Direct Examination Time (Days)			
United States	**846,672**	**858,435**	**101.4**
North-Atlantic	186,314	197,193	105.8
Mid-Atlantic	129,956	127,554	98.2
Southeast	84,853	82,759	97.5
Central	97,043	97,756	100.7
Midwest	130,367	129,662	99.5
Southwest	104,342	87,875	84.2
Western	106,424	127,745	120.0
International Operations	7,373	7,892	107.0
Returns Examined			
United States	**149,400**	**153,240**	**102.6**
North-Atlantic	27,100	27,470	101.4
Mid-Atlantic	22,200	24,555	110.6
Southeast	18,900	18,162	96.1
Central	18,800	19,764	105.1
Midwest	23,400	24,038	102.7
Southwest	19,700	16,911	85.8
Western	18,700	21,672	115.9
International Operations	600	668	111.3

Table 24.—Revenue Agent Audits of Corporations (Average Hours Per Returns) Corporation Returns by Class and Region FYs 1973–1975

	Fiscal Years		
	1975	1974	1973
Class			
Total	**38.2**	**49.1**	**47.0**
No balance sheet	25.6	32.3	30.9
Under $50,000	19.3	13.2	16.4
$50,000 under $100,000	19.0	15.9	16.0
$100,000 under $250,000	19.3	19.0	17.5
$250,000 under $500,000	21.6	22.2	22.3
$500,000 under $1,000,000	24.5	26.1	25.3
$1,000,000 under $5,000,000	35.4	39.4	37.4
$5,000,000 under $10,000,000	60.7	58.0	58.4
$10,000,000 under $50,000,000	90.4	91.5	73.2
$50,000,000 under $100,000,000	147.0	175.7	172.5
$100,000,000 and over	478.1	620.7	564.3
Region			
United States	**38.2**	**49.1**	**47.0**
North-Atlantic	49.7	54.6	48.4
Mid-Atlantic	35.4	39.1	50.0
Southeast	30.0	40.0	35.7
Central	36.7	52.2	52.1
Midwest	37.1	50.4	48.2
Southwest	33.7	53.0	42.2
Western	38.6	50.9	49.3
International Operations	65.9	53.0	79.2

Table 25.—Revenue Agent Audits of Corporations (Average Dollar Recommendations Per Return) Corporation Returns by Class and Region FYs 1973–1975

	Fiscal Years		
	1975	1974	1973
Class			
Total	**$19,078**	**$28,951**	**$25,207**
No balance sheet	13,061	11,545	6,984
Under $50,000	1,828	1,892	2,275
$50,000 under $100,000	1,323	1,596	1,561
$100,000 under $250,000	1,821	2,141	2,206
$250,000 under $500,000	2,240	2,490	3,362
$500,000 under $1,000,000	3,874	3,916	4,708
$1,000,000 under $5,000,000	7,395	9,639	9,331
$5,000,000 under $10,000,000	20,068	23,859	20,581
$10,000,000 under $50,000,000	43,553	39,913	33,855
$50,000,000 under $100,000,000	93,628	93,580	87,031
$100,000,000 and over	622,137	673,198	588,637
Region			
United States	**$19,078**	**$28,951**	**$25,207**
North-Atlantic	25,572	32,614	23,883
Mid-Atlantic	22,863	16,833	29,173
Southeast	14,763	24,949	17,740
Central	20,104	33,046	24,855
Midwest	15,836	33,891	31,241
Southwest	14,188	28,404	11,914
Western	15,983	31,048	31,717
International Operations	40,593	31,654	38,046

Table 26.—Examination Time, Returns and Dollars—Corporation—FYs 1973–1975
Revenue Agents

Region	FY 1975	FY 1974	FY 1973
Direct Examination Time (Days)			
United States	**858,435**	**662,778**	**652,178**
North-Atlantic	197,193	160,502	151,512
Mid-Atlantic	127,554	94,151	96,635
Southeast	82,759	60,448	56,314
Central	97,756	79,239	84,571
Midwest	129,662	102,168	99,145
Southwest	87,875	62,065	63,034
Western	127,745	98,831	96,450
International Operations	7,892	5,377	4,520
Returns Examined			
United States	**153,240**	**134,083**	**121,737**
North-Atlantic	27,470	34,337	21,089
Mid-Atlantic	24,555	21,012	16,468
Southeast	18,162	13,777	16,510
Central	19,764	14,774	17,479
Midwest	24,038	18,008	21,374
Southwest	16,911	12,565	11,473
Western	21,672	19,115	16,929
International Operations	668	495	415
Dollar Recommendations (Millions)			
United States	**$2,923.4**	**$3,881.9**	**$3,068.6**
North-Atlantic	702.5	1,119.9	503.7
Mid-Atlantic	561.4	353.7	480.4
Southeast	268.1	343.7	292.9
Central	397.3	488.2	434.4
Midwest	380.7	610.3	667.7
Southwest	239.9	356.9	136.7
Western	346.4	593.5	536.9
International Operations	27.1	15.7	15.8

Note: Dollars may not add due to rounding.

Table 27.—No Change Percent—Corporation—Returns and Time—by Class and Region—FYs 1973–1975
Revenue Agents

	Returns			Time		
Class	**1975**	**1974**	**1973**	**1975**	**1974**	**1973**
Total	**28**	**26**	**26**	**16**	**13**	**13**
No Balance Sheet	31	28	30	20	22	21
Under $50,000	38	29	34	32	34	31
$50,000 under $100,000	34	29	32	31	30	27
$100,000 under $250,000	28	28	29	27	27	26
$250,000 under $500,000	29	27	28	27	25	24
$500,000 under $1,000,000	25	26	26	25	23	22
$1,000,000 under $5,000,000	24	24	24	18	19	19
$5,000,000 under $10,000,000	19	21	21	12	16	15
$10,000,000 under $50,000,000	15	16	12	8	11	9
$50,000,000 under $100,000,000	9	10	12	3	6	5
$100,000,000 and over	5	8	7	2	3	3
Region						
United States	**28**	**26**	**26**	**16**	**13**	**13**
North-Atlantic	26	20	18	14	12	12
Mid-Atlantic	31	25	25	17	15	12
Southeast	27	29	23	18	14	14
Central	32	30	30	16	13	15
Midwest	21	24	29	14	11	10
Southwest	32	32	29	19	12	15
Western	26	27	28	14	15	14
International Operations	41	35	32	25	22	17

Table 28.—Estate Tax Returns

	Revenue Agents			Tax Auditors		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Total Examinations	40,591	40,143	34,443	8,357	7,586	5,956
Total Direct Examination Time (Days)	145,306	141,542	144,319	9,331	8,476	8,460
Total Dollar Recommendations (Mils)	$546.9	$498.4	$612.6	$11.8	$10.3	$7.6
Average Hours Per Return	29.9	30.2	31.7	8.0	8.7	9.5
Average Dollar Recommendations Per Return	$13,472	$12,415	$17,787	$1,408	$1,353	$1,279
No Change Percentage	14%	14%	15%	15%	18%	18%

Table 29.—Gift Tax Returns

	Revenue Agents			Tax Auditors		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Total Examinations	9,955	8,876	6,857	3,118	2,594	1,980
Total Direct Examination Time (Days)	14,195	12,367	11,309	2,344	2,265	1,974
Total Dollar Recommendations (Mils)	$64.4	$65.9	$77.7	$2.7	$2.9	$2.3
Average Hours Per Return	10.4	10.9	11.4	5.7	6.6	6.5
Average Dollar Recommendations Per Return	$6,465	$7,424	$11,337	$860	$1,118	$1,163
No Change Percentage	30%	28%	28%	34%	31%	36%

Table 30.—Excise Tax Returns

	Revenue Agents			Tax Auditors		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Total Examinations	74,493	72,405	80,475	12,774	15,943	16,145
Total Direct Examination Time (Days)	45,336	43,771	45,189	4,421	4,158	4,456
Total Dollar Recommendations (Mils)	$102.1	$95.5	$83.3	$2.2	$2.4	$2.7
Average Hours Per Return	4.6	4.8	4.3	1.6	1.4	1.2
Average Dollar Reccommendations Per Return	$1,370	$1,319	$1,035	$171	$151	$167
No Change Percentage	35%	34%	34%	19%	20%	17%

Table 31.—Employment Tax Returns

	Revenue Agents			Tax Auditors		
	FY 1975	FY 1974	FY 1973	FY 1975	FY 1974	FY 1973
Total Examinations	81,250	60,842	55,828	29,683	15,690	15,176
Total Direct Examination Time (Days)	58,094	40,669	36,533	8,698	5,716	4,469
Total Dollar Recommendations (Mils)	$185.6	$99.9	$69.5	$12.0	$8.1	$8.7
Average Hours Per Return	4.7	5.0	4.8	1.6	1.8	1.7
Average Dollar Recommendations Per Return	$2,284	$1,642	$1,244	$403	$519	$573
No Change Percentage	14%	18%	18%	7%	8%	9%

Statistical Tables

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas (In thousands of dollars)

Internal revenue regions, districts, States and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Total internal revenue collections	Corporation income tax [2]	Individual income and employment taxes: Total	Income tax not withheld and self-employment tax [3,4]	Income tax withheld and old-age survivors disability and hospital insurance taxes [3,4,5]	Railroad retirement	Unemployment insurance
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total		293,822,726	45,746,660	226,540,246	37,712,721	185,823,300	1,616,143	1,388,082
North-Atlantic Region		55,573,976	10,879,678	41,901,304	5,092,645	36,466,807	68,009	273,843
Albany	(See (c) below)	2,818,526	255,938	2,517,418	200,562	2,297,269	5,492	14,095
Augusta	(Maine)	760,463	103,272	625,911	132,279	482,593	6,758	4,281
Boston	(Massachusetts)	7,622,046	1,032,161	6,143,386	883,744	5,230,074	9,328	40,242
Brooklyn	(See (c) below)	5,370,549	484,896	4,493,372	933,526	3,513,619	18,938	27,289
Buffalo	(See (c) below)	4,848,624	766,108	3,885,823	509,373	3,351,045	278	25,128
Burlington	(Vermont)	319,275	32,237	276,149	57,571	216,288	462	1,828
Hartford	(Connecticut)	5,946,491	1,119,865	4,393,417	741,891	3,615,032	22	36,473
Manhattan	(See (c) below)	25,971,780	6,830,259	17,977,342	1,416,713	16,420,518	26,538	113,573
Portsmouth	(New Hampshire)	714,325	84,943	588,676	109,512	475,255	5	3,905
Providence	(Rhode Island)	1,203,897	169,997	999,810	127,475	865,115	191	7,030
Mid-Atlantic Region		43,115,625	6,124,093	33,754,528	4,923,558	28,098,238	543,299	189,433
Baltimore	(Maryland & D.C.)	7,833,606	632,592	6,607,594	854,256	5,537,690	190,838	24,810
Newark	(New Jersey)	11,083,338	2,081,998	8,406,205	1,375,339	6,972,340	6,102	52,423
Philadelphia	(See (e) below)	10,351,892	1,432,908	8,226,495	1,180,609	6,755,087	242,452	48,347
Pittsburgh	(See (e) below)	7,345,309	1,066,694	5,799,716	653,767	5,086,170	24,061	35,719
Richmond	(Virginia)	5,035,590	597,059	3,659,057	741,061	2,816,189	79,846	21,961
Wilmington	(Delaware)	1,465,890	312,842	1,055,461	118,526	930,761	(*)	6,173
Southeast Region		27,697,685	3,728,820	21,387,843	4,719,054	16,440,997	73,411	154,381
Atlanta	(Georgia)	4,784,194	615,213	3,785,990	618,694	3,136,301	3,885	27,111
Birmingham	(Alabama)	2,684,207	371,356	2,125,656	418,808	1,689,306	2,026	15,516
Columbia	(South Carolina)	1,675,323	269,302	1,551,007	284,616	1,253,506	178	12,706
Greensboro	(North Carolina)	5,996,358	878,490	3,722,638	650,337	3,041,965	396	29,917
Jackson	(Mississippi)	1,167,302	176,263	942,112	276,681	657,841	425	7,185
Jacksonville	(Florida)	7,878,357	906,476	6,445,613	1,855,663	4,482,509	66,355	41,085
Nashville	(Tennessee)	3,511,943	509,719	2,814,829	614,256	2,179,547	144	20,881
Central Region		43,984,422	6,152,282	33,942,192	4,560,147	29,081,777	111,072	189,195
Cincinnati	(See (d) below)	6,199,908	1,184,175	4,632,995	667,376	3,935,414	103	30,102
Cleveland	(See (d) below)	10,994,480	1,616,029	8,535,700	937,785	7,511,941	38,596	47,379
Detroit	(Michigan)	14,776,374	1,896,837	12,066,071	1,215,663	10,760,332	21,780	68,296
Indianapolis	(Indiana)	6,859,877	713,119	5,690,236	908,774	4,754,551	1,975	24,936
Louisville	(Kentucky)	3,891,478	455,147	2,085,877	586,064	1,438,835	48,529	12,449
Parkersburg	(West Virginia)	1,260,305	286,974	931,312	244,486	680,705	88	6,033
Midwest Region		46,846,448	7,846,989	36,133,761	6,075,465	29,328,169	513,475	216,653
Aberdeen	(South Dakota)	475,033	52,079	404,206	159,421	242,634	3	2,148
Chicago	(See (b) below)	18,270,173	3,059,662	14,053,035	1,766,339	12,007,996	188,035	90,665
Des Moines	(Iowa)	2,857,979	474,259	2,267,515	762,741	1,491,710	733	12,331
Fargo	(North Dakota)	547,748	54,843	465,127	203,615	259,244	34	2,234
Milwaukee	(Wisconsin)	5,422,021	887,136	4,152,785	609,451	3,515,245	1,144	26,945
Omaha	(Nebraska)	2,091,212	345,001	1,606,946	417,752	1,106,895	74,369	7,931
St. Louis	(Missouri)	7,528,490	1,171,182	5,744,383	809,861	4,602,040	97,897	34,585
St. Paul	(Minnesota)	6,149,807	1,104,194	4,794,022	631,507	3,989,738	146,451	26,326
Springfield	(See (b) below)	3,503,986	498,634	2,645,742	714,778	1,912,666	4,810	13,488
Southwest Region		32,142,605	5,189,446	24,169,677	5,523,098	18,381,925	145,004	139,651
Albuquerque	(New Mexico)	708,186	58,029	621,551	137,856	481,889	38	3,768
Austin	(See (f) below)	8,835,664	1,638,207	6,132,910	1,367,018	4,721,340	7,188	37,365
Cheyenne	(Wyoming)	344,612	38,011	269,937	106,894	159,582	7	1,454
Dallas	(See (f) below)	7,212,298	1,244,569	5,379,973	1,381,765	3,943,878	19,929	34,401
Denver	(Colorado)	4,653,189	311,156	4,040,793	476,943	3,532,686	18,642	14,521
Little Rock	(Arkansas)	1,241,154	145,466	1,018,947	334,379	676,363	849	7,356
New Orleans	(Louisiana)	3,287,289	566,083	2,585,573	625,452	1,942,500	1,764	15,857
Oklahoma City	(Oklahoma)	3,361,508	815,560	2,123,770	496,444	1,611,029	184	14,112
Wichita	(Kansas)	2,498,683	372,366	1,994,223	592,346	1,292,858	96,403	10,816
Western Region		41,903,842	5,485,423	33,621,845	6,173,744	27,114,222	135,201	198,678
Anchorage	(Alaska)	544,703	43,436	488,678	57,971	428,424	(*)	2,282
Boise	(Idaho)	881,295	148,696	710,228	163,538	541,354	761	4,575
Helena	(Montana)	514,893	47,773	447,106	165,864	278,212	596	2,434
Honolulu	(Hawaii)	1,087,520	244,506	817,459	142,658	670,118		4,684
Los Angeles	(See (a) below)	16,039,815	2,310,037	12,691,096	2,194,914	10,415,653	721	79,809
Phoenix	(Arizona)	1,789,381	149,839	1,582,668	326,743	1,245,354	279	10,293
Portland	(Oregon)	2,620,124	395,005	2,127,554	448,164	1,664,279	1,315	13,797
Reno	(Nevada)	702,932	85,184	588,646	129,890	454,962	1	3,794
Salt Lake City	(Utah)	971,361	142,411	799,834	136,218	656,832	1,365	5,418
San Francisco	(See (a) below)	12,470,449	1,324,001	9,950,119	1,713,965	8,053,721	129,792	52,640
Seattle	(Washington)	4,281,369	594,733	3,418,456	693,820	2,705,314	371	18,951
Office of International Operations		1,354,529	132,576	1,081,228	173,944	894,134	4,502	8,949
Puerto Rico		406,106	2,377	289,996	14,466	267,380		8,150
Other		948,423	130,199	791,234	159,478	626,755	4,502	499
Undistributed:								
Federal tax deposits [6]		547,794	376,313	122,644		82,875	22,170	17,599
Gasoline lubricating oil, and excess FICA credits [7]		501,905	30,840	471,064	471,064			
Transferred to Government of Guam		−16,001		−16,001		−16,001		
Withheld taxes of Federal employees		−61,498		−61,498		−61,498		
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy		−62						
Presidential Election Fund [8]		31,857		31,657		31,657		
Totals for States not shown above								
	(a) California	28,510,065	3,634,039	22,641,215	3,908,879	18,469,374	130,513	132,449
	(b) Illinois	21,774,159	3,558,295	16,696,777	2,481,117	13,920,862	192,845	104,154
	(c) New York	39,007,479	8,337,203	28,873,955	3,060,174	25,582,450	51,246	180,066
	(d) Ohio	17,194,388	2,800,204	13,188,695	1,605,161	11,447,354	38,699	77,480
	(e) Pennsylvania	17,697,201	2,499,602	14,026,211	1,834,375	11,841,257	268,513	84,066
	(f) Texas	16,047,962	2,882,776	11,512,883	2,748,783	8,665,218	27,116	71,766

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued (In thousands of dollars)

Internal revenue regions, districts, States, and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Estate tax	Gift tax	Excise taxes, total (sum of columns 11, 26, 30, 36, 41, and 55	Alcohol taxes: Total (sum of columns 12, 18 and 22)	Distilled spirits taxes: Total	Imported (collected by Customs)	Domestic [9]	Rectification [9]	Occupational [10]	Other [10]
		(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
United States, total		4,312,657	375,421	16,847,741	5,350,858	3,885,162	704,513	3,124,645	22,156	13,329	519
North-Atlantic Region		819,959	70,839	1,902,196	611,673	473,435	224,092	245,421	1,650	2,263	8
Albany	(See (c) below)	31,610	844	10,717	561	193		3		191	(*)
Augusta	(Maine)	20,194	940	10,147	2,919	2,802		2,724	27	52	
Boston	(Massachusetts)	120,996	8,601	316,902	173,705	158,154	65,206	71,735	798	414	(*)
Brooklyn	(See (c) below)	191,352	5,562	195,365	44,441	7,504		7,189	1	313	1
Buffalo	(See (c) below)	89,903	4,723	102,067	42,754	448		1		447	(*)
Burlington	(Vermont)	6,620	1,433	2,838	80	41				41	
Hartford	(Connecticut)	97,810	8,256	327,143	128,205	127,646		127,090	267	288	(*)
Manhattan	(See (c) below)	232,012	38,504	893,664	185,663	175,158	138,886	35,323	544	401	5
Portsmouth	(New Hampshire)	14,757	1,215	24,735	20,423	1,408		1,357	13	37	1
Providence	(Rhode Island)	14,705	762	18,622	12,921	61				80	(*)
Mid-Atlantic Region		559,535	50,868	2,626,602	888,884	696,990	69,422	618,342	7,033	2,127	66
Baltimore	(Maryland & D.C.)	129,288	9,939	454,213	299,977	274,926	69,422	202,014	3,112	375	4
Newark	(New Jersey)	139,889	11,000	444,246	264,073	190,985		188,396	2,017	567	3
Philadelphia	(See (e) below)	131,297	12,132	549,060	176,615	125,587		123,716	1,265	604	2
Pittsburgh	(See (e) below)	54,844	11,505	412,549	96,769	61,455		60,453	477	469	57
Richmond	(Virginia)	74,799	4,430	700,245	51,394	23,985		23,762	162	61	
Wilmington	(Delaware)	29,438	1,862	68,288	56	52				52	
Southeast Region		541,653	43,976	2,195,392	306,093	112,026	49,437	61,476	76	877	160
Atlanta	(Georgia)	52,707	5,249	325,035	42,275	10,236		9,960	57	159	59
Birmingham	(Alabama)	38,990	4,486	143,719	2,884	2,690	2,571	27		56	38
Columbia	(South Carolina)	27,768	1,798	25,448	731	131		5		111	14
Greensboro	(North Carolina)	65,447	4,997	1,324,786	47,609	165		109		56	
Jackson	(Mississippi)	23,744	2,523	22,660	255	148		57		64	27
Jacksonville	(Florida)	283,076	21,712	219,480	122,162	52,904	46,866	5,845	19	353	22
Nashville	(Tennessee)	49,920	3,211	134,264	90,177	45,752		45,674		78	
Central Region		427,070	33,002	3,429,876	1,583,347	1,442,372	157,651	1,274,635	8,375	1,658	53
Cincinnati	(See (d) below)	67,787	4,427	290,525	237,529	188,763		187,342	1,186	234	(*)
Cleveland	(See (d) below)	91,937	10,540	740,274	50,831	38,948	27,681	10,684	152	431	
Detroit	(Michigan)	118,403	8,730	688,332	313,712	261,447	129,970	130,161	727	536	53
Indianapolis	(Indiana)	70,378	4,779	381,365	282,419	268,874		264,267	4,323	284	
Louisville	(Kentucky)	40,972	3,196	1,306,285	693,548	679,103		676,986	1,967	130	
Parkersburg	(West Virginia)	17,592	1,331	23,095	5,308	5,238		5,195		43	
Midwest Region		709,249	50,047	2,306,402	819,377	460,776	84,368	389,868	3,335	3,130	76
Aberdeen	(South Dakota)	9,485	599	8,663	76	51				51	
Chicago	(See (b) below)	254,059	15,403	888,015	189,225	182,282	45,155	135,815	420	818	75
Des Moines	(Iowa)	69,462	4,073	42,671	865	321		121		200	
Fargo	(North Dakota)	11,950	1,086	14,743	132	115	56			58	
Milwaukee	(Wisconsin)	75,433	4,837	301,830	194,206	6,872	3,599	2,360	17	896	
Omaha	(Nebraska)	39,432	3,473	96,380	5,724	122				122	
St. Louis	(Missouri)	92,662	6,344	513,918	155,648	58,962	12,203	45,556	808	395	(*)
St. Paul	(Minnesota)	82,581	10,827	158,182	46,995	16,176	3,355	12,513	130	177	1
Springfield	(See (b) below)	74,185	3,404	282,021	226,505	195,876		193,503	1,960	413	
Southwest Region		508,648	72,306	2,202,527	271,499	60,009	35,109	23,493	4	1,246	156
Albuquerque	(New Mexico)	11,558	1,641	13,407	1,823	1,815		1,745	1	70	
Austin	(See (f) below)	146,523	26,130	889,916	71,961	26,087	22,599	3,170		263	56
Cheyenne	(Wyoming)	8,402	1,777	26,484	43	35				35	
Dallas	(See (f) below)	122,663	16,297	448,796	45,812	189		2		178	11
Denver	(Colorado)	39,612	10,548	251,081	109,997	140		(*)		139	
Little Rock	(Arkansas)	21,309	2,430	53,003	583	79		3		75	
New Orleans	(Louisiana)	53,753	3,964	77,896	40,598	31,230	12,510	18,334	3	336	47
Oklahoma City	(Oklahoma)	54,969	3,652	363,558	245	105		2		69	34
Wichita	(Kansas)	49,859	3,849	78,387	438	328		236		82	8
Western Region		727,669	53,981	2,014,524	769,631	519,225	104,433	411,099	1,867	2,026	(*)
Anchorage	(Alaska)	959	193	11,436	122	117	77			40	
Boise	(Idaho)	14,175	919	7,277	95	38				38	
Helena	(Montana)	11,454	1,422	7,138	2,221	2,190	4	2,106	7	73	
Honolulu	(Hawaii)	8,555	1,236	15,669	3,895	2,866	2,679	114	4	68	
Los Angeles	(See (a) below)	288,223	18,347	731,450	199,858	134,079	35,845	97,401	148	685	
Phoenix	(Arizona)	39,870	2,180	14,823	4,032	1,715	1,535			180	
Portland	(Oregon)	34,724	3,032	59,808	18,220	11,538	933	10,052	481	72	
Reno	(Nevada)	15,746	4,339	9,016	75	66				66	(*)
Salt Lake City	(Utah)	10,605	2,386	16,126	32	5				5	
San Francisco	(See (a) below)	246,276	11,690	938,918	457,026	338,259	39,106	297,502	1,006	644	(*)
Seattle	(Washington)	57,081	8,235	202,664	84,055	28,352	24,255	3,923	19	155	
Office of International Operations		18,875	402	121,448	100,353	100,328		100,311	16	1	
Puerto Rico		373	8	113,352	100,352	100,327		100,311	16	(*)	
Other		18,502	394	8,095	1	1				1	
Undistributed:											
Federal tax deposits [6]				48,837							
Gasoline lubricating oil, and excess FICA credits [7]											
Transferred to Government of Guam											
Withheld taxes of Federal employees											
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy				−62							
Presidential Election Fund [8]											
Totals for States not shown above											
	(a) California	534,499	30,038	1,670,368	656,884	472,338	74,951	394,903	1,155	1,329	(*)
	(b) Illinois	328,244	18,807	1,170,035	415,730	378,157	45,155	329,317	2,380	1,231	75
	(c) New York	544,877	49,633	1,201,813	273,419	183,303	138,886	42,515	544	1,351	7
	(d) Ohio	179,724	14,967	1,030,799	268,360	227,710	27,681	198,026	1,338	665	(*)
	(e) Pennsylvania	188,141	23,637	961,609	273,384	207,042		204,168	1,742	1,073	59
	(f) Texas	269,185	44,425	1,338,713	117,773	26,276	22,599	3,172		439	67

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued
(In thousands of dollars)

Internal revenue regions, districts, States, and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Alcohol taxes—Continued: Wines, cordials, etc., taxes: Total (18)	Imported (collected by Customs) (19)	Domestic [9] (20)	Occupational taxes [10] (21)	Beer taxes: Total (22)	Imported (collected by Customs) (23)	Domestic [9] (24)	Occupational taxes [10] (25)
United States, total		177,113	18,081	154,358	4,674	1,308,583	11,638	1,293,396	3,548
North-Atlantic Region		30,963	7,486	23,216	260	107,276	6,558	100,222	496
Albany	(See (c) below)	317		290	18	50			50
Augusta	(Maine)	79		40	39	37			37
Boston	(Massachusetts)	1,578	1,413	121	43	13,973	3,091	10,872	10
Brooklyn	(See (c) below)	3,628		3,602	24	33,311		33,184	127
Buffalo	(See (c) below)	18,285		18,245	40	24,022		23,913	109
Burlington	(Vermont)	38		1	37	2			2
Hartford	(Connecticut)	72		59	13	487		445	42
Manhattan	(See (c) below)	6,953	6,073	848	31	3,553	3,467		86
Portsmouth	(New Hampshire)	8		1	7	19,008		18,976	31
Providence	(Rhode Island)	7			7	12,833		12,832	1
Mid-Atlantic Region		16,082	2,575	12,740	767	175,812	587	174,821	404
Baltimore	(Maryland & D.C.)	2,641	2,575	3	63	22,410	587	21,778	44
Newark	(New Jersey)	8,053		7,541	512	65,035		64,994	41
Philadelphia	(See (e) below)	2,564		2,532	32	48,464		48,341	123
Pittsburgh	(See (e) below)	59		4	55	15,255		15,146	110
Richmond	(Virginia)	2,763		2,659	104	24,648		24,562	84
Wilmington	(Delaware)	2			2	2			2
Southeast Region		3,072	1,239	1,054	778	190,995	710	189,644	641
Atlanta	(Georgia)	566		439	127	31,473		31,424	48
Birmingham	(Alabama)	76	48		28	118	42		76
Columbia	(South Carolina)	558		437	120	42			42
Greensboro	(North Carolina)	139		(*)	138	47,306		47,230	74
Jackson	(Mississippi)	6		3	3	102			102
Jacksonville	(Florida)	1,722	1,191	175	356	67,536	668	66,653	215
Nashville	(Tennessee)	5			5	44,420		44,336	84
Central Region		5,652	1,650	3,349	653	135,324	725	134,403	196
Cincinnati	(See (d) below)	815		689	126	47,952		47,930	21
Cleveland	(See (d) below)	2,411	986	1,227	198	9,472	21	9,434	16
Detroit	(Michigan)	2,128	664	1,223	241	50,137	704	49,424	10
Indianapolis	(Indiana)	283		203	80	13,262		13,235	27
Louisville	(Kentucky)	12		6	5	14,434		14,379	55
Parkersburg	(West Virginia)	3			3	67			67
Midwest Region		8,012	1,899	5,990	123	350,589	460	349,371	759
Aberdeen	(South Dakota)	3			3	23			23
Chicago	(See (b) below)	4,611	1,316	3,258	37	2,333	326	1,979	28
Des Moines	(Iowa)	33		27	7	511		441	70
Fargo	(North Dakota)	8	6		2	9	2		7
Milwaukee	(Wisconsin)	291	251	9	31	187,045	125	186,794	125
Omaha	(Nebraska)	8			8	5,594		5,348	246
St. Louis	(Missouri)	1,418	154	1,253	11	95,267	3	95,150	114
St. Paul	(Minnesota)	1,825	172	1,442	11	29,195	4	29,068	123
Springfield	(See (b) below)	15		1	14	30,614		30,591	22
Southwest Region		2,609	927	472	1,211	208,880	488	207,627	767
Albuquerque	(New Mexico)	3		1	2	5			5
Austin	(See (f) below)	1,654	695	2	958	44,220	425	43,516	279
Cheyenne	(Wyoming)	1			1	6			6
Dallas	(See (f) below)	194		(*)	194	45,428		45,343	86
Denver	(Colorado)	10		3	7	109,847		109,797	50
Little Rock	(Arkansas)	478		464	13	27			27
New Orleans	(Louisiana)	247	233	2	13	9,120	61	8,971	88
Oklahoma City	(Oklahoma)	4		(*)	4	136			136
Wichita	(Kansas)	18			18	91			91
Western Region		110,710	2,305	107,523	883	139,695	2,113	137,298	284
Anchorage	(Alaska)	4	1	(*)	3	1	1		(*)
Boise	(Idaho)	32			32	25			25
Helena	(Montana)	6	1		5	25	3		22
Honolulu	(Hawaii)	67	63	1	3	962	158	803	1
Los Angeles	(See (a) below)	6,858	1,043	5,578	235	58,922	1,440	57,399	84
Phoenix	(Arizona)	52	(*)		52	2,265	1	2,250	14
Portland	(Oregon)	195	39	31	125	6,486	15	6,459	13
Reno	(Nevada)	7			7	2			2
Salt Lake City	(Utah)	1			1	26			26
San Francisco	(See (a) below)	100,873	965	99,636	272	17,895	432	17,382	61
Seattle	(Washington)	2,618	193	2,278	147	53,085	65	53,006	14
Office of International Operations		14		14		11		11	(*)
Puerto Rico		14		14		11		11	
Other						(*)			(*)
Undistributed:									
Federal tax deposits [8]									
Gasoline lubricating oil, and excess FICA credits [7]									
Transferred to Government of Guam									
Withheld taxes of Federal employees									
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy									
Presidential Election Fund [8]									
Totals for States not shown above									
(a) California		107,729	2,008	105,214	507	76,818	1,872	74,781	165
(b) Illinois		4,627	1,316	3,260	51	32,946	326	32,570	50
(c) New York		29,181	8,073	22,994	113	60,936	3,467	57,097	372
(d) Ohio		3,226	986	1,916	324	57,423	21	57,365	38
(e) Pennsylvania		2,623		2,536	86	63,719		63,486	233
(f) Texas		1,849	695	2	1,152	89,648	425	88,859	364

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued
(In thousands of dollars)

Internal revenue regions, districts, States and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Tobacco taxes: Total (26)	Cigarettes (27)	Cigars (28)	Other [10] (29)
United States, total		2,315,090	2,261,116	51,226	2,748
North-Atlantic Region		1,441	242	354	845
Albany	(See (c) below)	95		75	20
Augusta	(Maine)				
Boston	(Massachusetts)	226	(*)	1	225
Brooklyn	(See (c) below)	32	30	2	
Buffalo	(See (c) below)	(*)	(*)		
Burlington	(Vermont)				
Hartford	(Connecitcut)	260	(*)	260	(*)
Manhattan	(See (c) below)	828	211	17	600
Portsmouth	(New Hampshire)	(*)		(*)	
Providence	(Rhode Island)				
Mid-Atlantic Region		601,151	579,938	20,833	380
Baltimore	(Maryland & D.C.)	106	(*)		106
Newark	(New Jersey)	502	352	28	122
Philadelphia	(See (e) below)	20,720	(*)	20,720	(*)
Pittsburgh	(See (e) below	3		3	
Richmond	(Virginia)	579,820	579,586	82	152
Wilmington	(Delaware)				
Southeast Region		1,199,545	1,184,427	13,840	1,277
Atlanta	(Georgia)	967	(*)	967	
Birmingham	(Alabama)	1,620	(*)	1,620	(*)
Columbia	(South Carolina)				
Greensboro	(North Carolina)	1,187,147	1,184,403	2,117	627
Jackson	(Mississippi)				
Jacksonville	(Florida)	9,304	24	9,133	147
Nashville	(Tennessee)	508		5	503
Central Region		501,038	496,451	4,534	53
Cincinnati	(See (d) below)	23		23	
Cleveland	(See (d) below)	651		641	11
Detroit	(Michigan)	1		1	(*)
Indianapolis	(Indiana)	429		429	(*)
Louisville	(Kentucky)	499,686	496,451	3,192	42
Parkersburg	(West Virginia)	248		248	
Midwest Region		69		10	59
Aberdeen	(South Dakota)				
Chicago	(See (b) below)	60		3	57
Des Moines	(Iowa)				
Fargo	(North Dakota)	3			3
Milwaukee	(Wisconsin)	7		7	(*)
Omaha	(Nebraska)				
St. Louis	(Missouri)	(*)		(*)	
St. Paul	(Minnesota)	(*)			(*)
Springfield	(See (b) below)				
Southwest Region		251	5	231	16
Albuquerque	(New Mexico)				
Austin	(See (f) below)	242	4	231	7
Cheyenne	(Wyoming)				
Dallas	(See (f) below)	(*)	(*)		
Denver	(Colorado)				
Little Rock	(Arkansas)				
New Orleans	(Louisiana)	9	(*)	(*)	9
Oklahoma City	(Oklahoma)				
Wichita	(Kansas)				
Western Region		147	2	27	118
Anchorage	(Alaska)	(*)	(*)		(*)
Boise	(Idaho)				
Helena	(Montana)	(*)			(*)
Honolulu	(Hawaii)	1	(*)		1
Los Angeles	(See (a) below)	104	1	26	78
Phoenix	(Arizona)	9			9
Portland	(Oregon)	(*)			(*)
Reno	(Nevada)	1		1	
Salt Lake City	(Utah)				
San Francisco	(See (a) below)	23	1	1	21
Seattle	(Washington)	9	(*)	(*)	9
Office of International Operations		11,447	51	11,396	
Puerto Rico		11,447	51	11,396	
Other					
Undistributed:					
Federal Tax deposits [8]					
Gasoline lubricating oil, and excess FICA credits [7]					
Transferred to Government of Guam					
Withheld taxes of Federal employees					
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy					
Presidential Election Fund [8]					
Totals for States not shown above					
(a) California		127	2	26	99
(b) Illinois		60		3	57
(c) New York		956	241	94	620
(d) Ohio		674		664	11
(e) Pennsylvania		20,723	(*)	20,723	(*)
(f) Texas		242	4	231	7

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued
(In thousands of dollars)

Internal revenue regions, districts, States, and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Manufacturer's excise taxes: Total	Gasoline	Lubricating oil, etc.	Tires (wholly or in part of rubber), inner tubes, and tread rubber	Motor vehicle chassis bodies parts and accessories [10]	Other [10]	Retailer's excise taxes: Total	Non-Commercial aviation fuel gasoline	Non-Commercial aviation fuel other than gasoline
		(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
United States, total		5,516,611	3,980,412	91,053	697,660	662,552	84,934	404,187	11,127	22,573
North-Atlantic Region		333,112	112,127	721	158,396	12,482	49,386	20,446	776	2,212
Albany	(See (c) below)	3,621	3,129	1	74	372	44	1,398	41	64
Augusta	(Maine)	3,924	3,291	(*)	547	82	3	1,397	32	69
Boston	(Massachusetts)	42,071	36,601	264	1,127	939	3,141	3,512	249	180
Brooklyn	(See (c) below)	27,744	6,597	73	18,798	2,105	172	1,428	64	117
Buffalo	(See (c) below)	40,447	19,117	38	16,752	2,508	2,032	5,236	159	710
Burlington	(Vermont)	1,313	1,155	(*)	51	16	91	664	16	11
Hartford	(Connecticut)	171,816	16,158	30	114,502	2,104	39,022	3,332	151	546
Manhattan	(See (c) below)	35,927	21,233	315	6,235	3,681	4,462	2,518	28	485
Portsmouth	(New Hampshire)	2,036	1,444	(*)	134	173	284	716	24	24
Providence	(Rhode Island)	4,213	3,400	(*)	176	502	135	244	13	4
Mid-Atlantic Region		718,158	540,728	17,565	75,831	78,979	5,055	48,103	834	4,593
Baltimore	(Maryland & D.C.)	73,695	27,568	279	44,385	1,312	152	3,425	85	158
Newark	(New Jersey)	84,936	66,584	3,185	6,943	5,124	3,100	7,215	256	1,777
Philadelphia	(See (e) below)	249,481	159,933	4,573	20,106	63,660	1,209	10,520	171	205
Pittsburgh	(See (e) below)	292,627	271,865	9,522	3,690	7,483	66	19,486	174	1,204
Richmond	(Virginia)	16,492	14,024	5	695	1,263	505	5,827	137	383
Wilmington	(Delaware)	926	754		11	137	23	1,629	11	866
Southeast Region		158,598	115,967	455	13,744	24,121	4,309	46,396	2,181	3,231
Atlanta	(Georgia)	26,662	19,562	118	1,095	5,745	142	6,903	324	658
Birmingham	(Alabama)	20,776	12,314	3	2,161	5,872	427	4,559	143	318
Columbia	(South Carolina)	15,624	14,531	11	249	443	390	3,642	121	389
Greensboro	(North Carolina)	41,072	35,812	(*)	2,247	2,898	114	8,434	438	400
Jackson	(Mississippi)	14,663	6,680	6	7,363	598	16	3,305	264	119
Jacksonville	(Florida)	19,592	10,340	151	378	5,656	3,068	8,583	559	927
Nashville	(Tennessee)	20,206	16,728	167	251	2,909	151	10,971	332	440
Central Region		1,053,918	344,395	4,906	414,474	287,475	2,666	50,273	1,182	2,470
Cincinnati	(See (d) below)	16,583	12,327	39	1,268	2,893	57	4,954	134	314
Cleveland	(See (d) below)	602,272	141,402	1,512	417,998	40,461	900	14,932	233	610
Detroit	(Michigan)	296,884	69,590	535	−5,507	231,081	1,183	9,142	466	590
Indianapolis	(Indiana)	39,576	29,555	156	232	9,124	508	11,938	205	556
Louisville	(Kentucky)	94,867	89,062	2,630	278	2,883	14	7,255	94	183
Parkersburg	(West Virginia)	3,735	2,459	34	204	1,033	5	2,051	50	217
Midwest Region		684,219	505,986	9,926	11,216	143,832	12,259	66,270	1,657	4,656
Aberdeen	(South Dakota)	4,933	3,939	6	11	976	(*)	1,810	45	54
Chicago	(See (b) below)	422,510	297,125	7,254	4,759	109,657	3,715	25,219	529	1,018
Des Moines	(Iowa)	24,487	14,801	166	4,351	4,479	669	6,984	147	392
Fargo	(North Dakota)	7,470	3,237	29	25	4,178	(*)	1,044	59	26
Milwaukee	(Wisconsin)	67,601	56,165	159	373	9,846	1,057	6,627	139	339
Omaha	(Nebraska)	7,875	6,464	317	26	748	121	3,844	119	339
St. Louis	(Missouri)	66,833	56,874	918	1,704	6,880	457	9,461	207	1,824
St. Paul	(Minnesota)	50,616	40,739	1,075	103	2,877	5,822	6,306	172	514
Springfield	(See (b) below)	32,113	27,641	2	−138	4,190	417	4,975	238	151
Southwest Region		1,897,273	1,816,471	45,868	7,925	23,971	3,038	107,870	2,227	7,577
Albuquerque	(New Mexico)	7,135	7,045	(*)	46	44	1	3,595	131	111
Austin	(See (f) below)	1,116,685	1,077,909	30,854	4,055	3,796	71	43,399	502	3,443
Cheyenne	(Wyoming)	23,397	23,347	4	12	29	4	2,721	61	57
Dallas	(See (f) below)	250,323	235,308	5,860	1,065	7,637	454	21,296	338	683
Denver	(Colorado)	39,298	32,686	654	1,849	3,535	575	4,019	233	612
Little Rock	(Arkansas)	37,581	33,765	364	61	1,783	1,607	5,223	161	190
New Orleans	(Louisiana)	20,226	18,049	528	37	1,461	151	5,584	260	620
Oklahoma City	(Oklahoma)	344,814	333,073	7,118	725	3,751	147	15,627	328	1,270
Wichita	(Kansas)	57,815	55,289	485	76	1,936	28	6,505	213	391
Western Region		670,806	543,719	11,613	16,086	91,659	7,719	64,666	2,270	−2,166
Anchorage	(Alaska)	114	5	(*)	3	106	(*)	367	120	36
Boise	(Idaho)	2,380	1,874	(*)	144	203	160	2,496	96	99
Helena	(Montana)	1,194	1,034	(*)	41	95	24	1,862	93	86
Honolulu	(Hawaii)	280	5	−2	211	41	24	263	25	8
Los Angeles	(See (a) below)	291,643	258,965	3,978	12,473	13,232	2,995	14,716	624	−3,870
Phoenix	(Arizona)	728	413	(*)	182	128	5	6,002	207	226
Portland	(Oregon)	38,636	10,285	67	562	27,021	702	5,042	175	326
Reno	(Nevada)	1,886	1,837		31	15	2	1,771	53	49
Salt Lake City	(Utah)	5,149	1,865	1	213	337	2,733	3,050	84	83
San Francisco	(See (a) below)	273,485	258,873	7,529	2,041	4,264	779	25,313	606	636
Seattle	(Washington)	55,312	8,562	40	186	46,229	296	3,765	188	154
Office of International Operations		531	19		−12	23	501	63		(*)
Puerto Rico		3				3	1	1		
Other		527	19		−12	20	500	62		(*)
Undistributed:										
Federal tax deposits [5]										
Gasoline lubricating oil, and excess FICA credits [7]										
Transferred to Government of Guam										
Withheld taxes of Federal employees										
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy										
Presidential Election Fund [8]										
Totals for States not shown above										
(a) California		565,128	517,838	11,506	14,514	17,496	3,774	40,029	1,229	−3,234
(b) Illinois		454,623	324,786	7,256	4,622	113,847	4,132	30,194	767	1,168
(c) New York		107,738	50,076	428	41,659	8,667	6,709	10,581	291	1,376
(d) Ohio		618,856	153,728	1,551	419,266	43,354	956	19,887	367	924
(e) Pennsylvania		542,108	431,798	14,095	23,796	71,144	1,275	30,007	346	1,409
(f) Texas		1,367,008	1,313,217	38,714	5,119	11,433	525	64,696	840	4,326

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued
(In thousands of dollars)

Internal revenue regions, districts, States, and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Retailer's excise taxes Continued: Diesel and special motor fuels	Other [10]	Total [11]	Miscellaneous excise taxes: Telephone and teletypewriter services	Transportation of persons by air	Use of international air travel facilities	Transportation of property by air	Sugar
		(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
United States, total		370,489	−2	3,306,077	2,023,744	750,641	52,594	47,332	103,769
North-Atlantic Region		17,460		577,498	232,314	220,407	22,344	9,640	35,795
Albany	(See (c) below)	1,294		4,617	3,163	84		15	9
Augusta	(Maine)	1,297		1,738	468	87	5	2	16
Boston	(Massachusetts)	3,083		89,452	82,019	480	(*)	20	827
Brooklyn	(See (c) below)	1,249	−2	148,954	83	132,499	6,222	7,385	2
Buffalo	(See (c) below)	4,368		13,138	9,121	150	7	30	13
Burlington	(Vermont)	638		713	148	21		12	(*)
Hartford	(Connecticut)	2,632		34,110	29,263	100	38	12	33
Manhattan	(See (c) below)	2,006		282,879	107,779	86,954	16,071	2,156	34,887
Portsmouth	(New Hampshire)	668		1,065	244	9		4	7
Providence	(Rhode Island)	227		812	5	25		3	1
Mid-Atlantic Region		42,676		449,157	395,001	4,338	1,850	−312	9,123
Baltimore	(Maryland & D.C.)	3,181		77,887	43,502	27,538	465	821	4
Newark	(New Jersey)	5,183		184,679	193,720	−23,654	1,375	−1,326	4,933
Philadelphia	(See (e) below)	10,144		121,733	105,189	254	7	64	4,136
Pittsburgh	(See (e) below)	18,108		15,017	9,559	52	(*)	14	16
Richmond	(Virginia)	5,308		45,399	40,616	128	3	25	32
Wilmington	(Delaware)	752		4,442	2,415	19		90	1
Southeast Region		40,985		489,412	297,754	128,748	3,589	6,281	10,670
Atlanta	(Georgia)	5,921		249,518	132,576	98,441	1,165	3,266	5,897
Birmingham	(Alabama)	4,098		114,668	105,700	19		(*)	4,125
Columbia	(South Carolina)	3,151		5,549	2,475	108	(*)	5	−2
Greensboro	(North Carolina)	7,596		40,353	22,985	8,577	21	324	31
Jackson	(Mississippi)	2,923		2,788	490	29	(*)	10	2
Jacksonville	(Florida)	7,096		62,337	27,256	20,859	1,896	1,475	611
Nashville	(Tennessee)	10,199		14,199	5,270	714	506	1,200	6
Central Region		46,620		258,889	208,974	2,044	12	992	6,721
Cincinnati	(See (d) below)	4,507		32,703	20,717	717	2	17	4,609
Cleveland	(See (d) below)	14,089		74,966	65,049	238	(*)	331	169
Detroit	(Michigan)	8,086		84,473	68,263	785	4	511	1,793
Indianapolis	(Indiana)	11,177		46,862	37,816	262	6	88	41
Louisville	(Kentucky)	6,977		8,573	5,469	22		45	54
Parkersburg	(West Virginia)	1,785		11,311	9,659	20	1	(*)	35
Midwest Region		59,957		810,111	457,864	263,614	11,817	19,241	6,175
Aberdeen	(South Dakota)	1,711		1,830	769	4		(*)	7
Chicago	(See (b) below)	23,672		296,599	127,876	139,301	6,436	6,472	1,445
Des Moines	(Iowa)	6,445		9,897	5,521	49		91	7
Fargo	(North Dakota)	959		4,239	907	−1	(*)		2,322
Milwaukee	(Wisconsin)	6,149		39,626	32,997	509	1	83	2
Omaha	(Nebraska)	3,386		93,560	90,885	37		2	7
St. Louis	(Missouri)	7,429		288,941	183,114	83,983	3,014	10,884	2
St. Paul	(Minnesota)	5,620		56,702	3,485	39,487	2,364	1,691	1,354
Springfield	(See (b) below)	4,586		16,716	12,310	244	2	18	1,029
Southwest Region		99,167		249,639	126,005	54,526	1,913	1,922	19,160
Albuquerque	(New Mexico)	3,353		1,242	194	101		91	22
Austin	(See (f) below)	39,454		38,135	2,511	15,080	394	476	5,592
Cheyenne	(Wyoming)	2,604		977	135	21	(*)	7	13
Dallas	(See (f) below)	20,076		58,092	18,282	27,412	1,372	987	10
Denver	(Colorado)	3,174		118,006	91,820	10,724	60	310	10,866
Little Rock	(Arkansas)	4,872		4,980	2,332	−30		11	(*)
New Orleans	(Louisiana)	4,704		9,505	2,014	963	66	14	2,642
Oklahoma City	(Oklahoma)	14,030		7,495	1,559	46		17	1
Wichita	(Kansas)	5,901		11,206	7,158	189	1	10	15
Western Region		64,562		461,914	307,808	73,208	8,497	9,567	14,211
Anchorage	(Alaska)	230		9,285	3,126	2,770	61	2,665	
Boise	(Idaho)	2,301		2,040	239	28		1	1
Helena	(Montana)	1,683		1,809	441	159		2	3
Honolulu	(Hawaii)	231		11,118	6,952	2,832	77	238	2
Los Angeles	(See (a) below)	17,962		126,490	48,350	56,972	3,896	3,873	136
Phoenix	(Arizona)	5,570		2,564	156	171		12	(*)
Portland	(Oregon)	4,540		8,109	2,080	60		303	28
Reno	(Nevada)	1,669		5,258	169	180		17	1
Salt Lake City	(Utah)	2,882		7,595	166	54		2	5,689
San Francisco	(See (a) below)	24,071		215,106	182,622	7,604	3,522	2,449	8,337
Seattle	(Washington)	3,423		72,542	63,506	2,377	921	5	14
Office of International Operations		63		9,457	26	3,757	2,572	(*)	1,914
Puerto Rico		1		1,953		(*)	5		1,914
Other		62		7,503	26	3,757	2,566	(*)	
Undistributed:									
Federal tax deposits [5]									
Gasoline lubricating oil, and excess FICA credits [7]									
Transferred to Government of Guam									
Withheld taxes of Federal employees									
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy									
Presidential Election Fund [8]									
Totals for States not shown above									
(a) California		42,033		341,596	230,972	64,576	7,418	6,323	8,474
(b) Illinois		28,258		315,315	140,186	139,545	6,439	6,490	2,474
(c) New York		8,916	−2	449,588	120,146	219,688	22,300	9,587	34,910
(d) Ohio		18,596		107,669	85,766	955	2	348	4,798
(e) Pennsylvania		28,252		136,750	114,748	306	7	78	4,153
(f) Texas		59,530		96,227	20,792	42,492	1,767	1,463	5,801

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and other areas —Continued
(In thousands of dollars)

Internal revenue regions, districts, States and other areas [1] (States represented by single districts indicated in parentheses; totals for other States shown at bottom of the table)	Miscellaneous excise taxes—Continued								
	Narcotics and marijuana including occupational taxes	Coin-operated gaming devices	Wagering taxes		Use tax on highway motor vehicles	Use tax on civil aircraft	Private foundations net investment income	Other [10]	Unclassified excise tax
			Occupational	Wagers					
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
United, States, total	152	6,826	227	5,540	207,663	20,959	63,828	22,800	−45,082
North-Atlantic Region	4	23	7	440	20,107	5,016	23,361	8,040	358,027
Albany (See (c) below)	(*)		(*)	2	1,212	40	79	12	425
Augusta (Maine)		1			1,020	18	108	13	169
Boston (Massachusetts)	2	17	1	31	3,846	70	1,752	388	7,936
Brooklyn (See (c) below)	1	(*)	4	121	2,374	111	119	34	−27,233
Buffalo (See (c) below)	(*)		1	153	3,308	65	211	60	491
Burlington (Vermont)					443	11	77	2	65
Hartford (Connecticut)	(*)	(*)	(*)	3	2,218	73	1,136	1,213	−10,580
Manhattan (See (c) below)	(*)		(*)	129	4,567	4,580	19,560	6,194	365,848
Portsmouth (New Hampshire)	(*)	6	(*)	(*)	596	17	192	8	475
Providence (Rhode Island)	(*)		1	1	523	10	127	116	431
Mid-Atlantic Region	4	551	11	387	25,408	898	8,590	2,309	−78,851
Baltimore (Maryland & D.C.)	1	407	(*)	175	3,259	362	829	526	−876
Newark (New Jersey)	2	31	1	43	6,118	132	2,612	690	−97,160
Philadelphia (See (e) below)	1	4	1	60	7,817	137	3,516	544	−30,008
Pittsburgh (See (e) below)	(*)	56	4	45	4,437	127	468	240	−11,354
Richmond (Virginia)	(*)	53	2	56	3,912	91	415	63	1,312
Wilmington (Delaware)	(*)	(*)	2	5	865	49	750	246	59,236
Southeast Region	11	1,841	16	638	31,524	3,130	3,594	1,616	−4,650
Atlanta (Georgia)	(*)	56	(*)	207	4,618	1,539	1,001	752	−1,290
Birmingham (Alabama)	1	1	1	15	4,302	251	125	127	−788
Columbia (South Carolina)		732	1	2	1,945	59	211	13	−97
Greensboro (North Carolina)	(*)	11	1	8	6,673	243	1,134	343	172
Jackson (Mississippi)	(*)	140	4	17	1,985	70	32	8	1,648
Jacksonville (Florida)	6	6	4	344	8,145	791	638	301	−2,497
Nashville (Tennessee)	1	893	5	44	3,856	178	453	72	−1,798
Central Region	8	452	22	533	32,024	879	7,525	702	−17,588
Cincinnati (See (d) below)	3	178	1	67	4,131	133	1,966	161	−1,268
Cleveland (See (d) below)	1	49	4	78	8,078	197	556	196	−3,379
Detroit (Michigan)	2	1	1	44	9,420	333	3,140	177	−15,879
Indianapolis (Indiana)	2	42	11	217	6,708	143	1,463	62	140
Louisville (Kentucky)		17	3	30	2,471	46	314	102	2,356
Parkersburg (West Virginia)		165	2	96	1,216	27	86	4	442
Midwest Region	26	352	19	246	34,774	5,775	7,710	2,498	−73,644
Aberdeen (South Dakota)	1	122	(*)	11	885	25	1	3	14
Chicago (See (b) below)	16	14	7	114	8,456	3,252	3,343	1,867	−47,599
Des Moines (Iowa)			1	32	3,803	127	254	13	457
Fargo (North Dakota)	(*)	21	3	5	929	30	19	3	1,856
Milwaukee (Wisconsin)	2	(*)	1	1	4,767	127	1,044	93	−6,239
Omaha (Nebraska)	(*)	38	4	47	2,160	74	256	50	−14,443
St. Louis (Missouri)	(*)	80	1	8	5,458	995	1,085	318	−6,965
St. Paul (Minnesota)	7	1	(*)	6	5,500	1,075	1,594	137	−2,438
Springfield (See (b) below)	(*)	75	1	23	2,817	69	114	14	1,712
Southwest Region	11	151	28	300	31,031	1,971	8,314	4,305	−324,106
Albuquerque (New Mexico)	(*)	8	1	(*)	766	45	8	6	−388
Austin (See (f) below)	2	(*)	4	31	6,616	468	5,153	1,808	−380,505
Cheyenne (Wyoming)	(*)	20	(*)	1	656	44	80	1	−653
Dallas (See (f) below)	4		2	116	7,934	665	511	797	73,272
Denver (Colorado)	4	27	1	(*)	2,861	217	991	125	−20,238
Little Rock (Arkansas)	(*)	6	6	45	2,500	61	38	10	4,635
New Orleans (Louisiana)	(*)	16	6	45	2,585	118	245	752	1,974
Oklahoma City (Oklahoma)	(*)	63	8	61	3,658	218	1,148	718	−4,624
Wichita (Kansas)	(*)	12	(*)	(*)	3,453	135	141	92	2,421
Western Region	87	3,456	124	2,991	31,530	3,289	4,448	2,698	47,359
Anchorage (Alaska)	1	(*)	12	15	397	198	5	15	1,529
Boise (Idaho)		(*)	(*)	(*)	1,500	39	35	196	266
Helena (Montana)		76	16	21	1,019	44	26	1	52
Honolulu (Hawaii)	7	87	(*)	105	502	64	212	39	111
Los Angeles (See (a) below)	27	28	1	24	7,641	1,851	2,491	1,200	98,638
Phoenix (Arizona)	1	100	1	8	1,891	101	97	27	1,489
Portland (Oregon)	19	246	1	9	4,973	113	229	47	−10,199
Reno (Nevada)	(*)	2,143	6	2,059	407	59	199	18	26
Salt Lake City (Utah)	1	145	12	41	1,405	32	44	4	300
San Francisco (See (a) below)	27	36	2	16	6,682	535	625	649	−32,034
Seattle (Washington)	4	594	73	693	3,114	253	485	503	−12,819
Office of International Operations				6	266	2	285	629	−403
Puerto Rico				6	1	(*)	3	23	−404
Other					264	1	283	605	1
Undistributed:									
Federal tax deposits									48,837
Gasoline lubricating oil, and excess FICA credits [7]									
Transferred to Government of Guam									
Withheld taxes of Federal employees									
Clearing account for Excise taxes—aviation fuel and oil—Air Force and Navy									−62
Presidential Election Fund [8]									
Totals for States not shown above									
(a) California	54	63	3	39	16,322	2,386	3,116	1,849	66,604
(b) Illinois	16	89	8	136	11,272	3,321	3,457	1,881	−45,886
(c) New York	2	(*)	5	405	11,461	4,817	19,969	6,300	359,530
(d) Ohio	3	228	5	145	12,209	330	2,522	357	−4,647
(e) Pennsylvania	1	60	6	105	12,254	264	3,984	784	−41,362
(f) Texas	6	(*)	6	147	14,550	1,133	5,664	2,606	−307,233

Table 2.—Internal revenue collections by sources and by quarters
(In thousands of dollars)

Source of revenue	Quarter ended			
	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975
Grand total	67,580,672	62,107,288	73,452,963	90,681,803
Corporation income tax	8,961,337	9,285,493	10,247,861	17,251,069
Individual income and employment taxes, total	52,943,055	47,330,692	58,196,441	68,070,068
Income tax not withheld and self-employment tax [2,4]	8,011,613	1,340,690	9,779,485	20,580,933
Income withheld and old-age, survivors, disability, and hospital insurance [2,4,5]	46,191,105	45,374,260	47,679,410	46,578,526
Railroad retirement	402,082	425,936	408,818	379,305
Unemployment insurance	338,254	189,805	328,729	531,294
Estate tax	1,135,435	1,005,710	1,050,765	1,128,747
Gift tax	105,372	75,745	109,968	84,338
Excise taxes, total	4,435,473	4,409,648	3,847,926	4,154,692
Alcohol taxes, total [10]	1,254,469	1,471,650	1,240,011	1,384,729
Distilled spirits [9]	862,590	1,112,358	903,970	986,244
Wines, cordials, etc. [9]	34,632	47,629	46,827	47,625
Beer [9]	357,247	311,462	289,214	350,860
Tobacco taxes, total [10]	574,878	604,088	544,303	592,041
Cigarettes [9]	562,016	589,391	531,627	578,081
Cigars [9]	12,067	14,116	11,884	13,159
Other [9,10]	595	560	792	801
Manufacturer's excise taxes, total	1,420,030	1,470,823	1,386,053	1,239,705
Gasoline	984,005	1,055,735	1,012,606	928,067
Lubricating oil, etc.	23,291	25,374	22,366	20,023
Tires (wholly or in part of rubber), inner tubes, and tread rubber	206,662	190,760	165,428	134,811
Motor vehicles, chassis, bodies, parts, and accessories	163,102	179,161	169,251	131,038
Other [10]	22,970	19,794	16,402	25,766
Retailer's excise taxes, total	100,576	102,553	110,062	90,997
Noncommercial aviation gasoline	3,042	3,002	2,951	2,132
Noncommercial aviation fuel other than gasoline	1,889	6,999	6,574	7,111
Diesel and special motor fuels	95,646	92,551	100,538	81,754
Other [10]	−2			
Miscellaneous excise taxes, total [11]	1,040,352	741,247	774,411	750,067
Telephone and teletypewriter exchange services	657,438	437,606	481,554	447,146
Transportation of persons by air	193,288	201,001	182,631	173,721
Use of international air travel facilities	13,284	16,547	11,749	11,015
Transportation of property by air	12,285	12,407	13,031	9,810
Sugar	30,753	32,101	23,553	17,362
Narcotics and marihuana, including occupational taxes	47	38	26	43
Coin-operated gaming devices	4,683	754	381	1,027
Wagering Taxes:				
Occupational	56	49	49	73
Wagers	1,546	1,648	1,504	842
Use tax on highway motor vehicles	109,202	25,929	38,577	33,955
Use tax on civil aircraft	9,244	2,885	4,681	4,170
Private foundations, total	3,328	5,690	11,636	44,416
Other [10]	5,198	4,594	5,079	6,687
Unclassified excise taxes	45,368	19,308	−206,912	97,154

Table 3.—Internal revenue collections by sources, fiscal years 1974 and 1975 (In thousands of dollars)

Sources of revenue	Fiscal Year [20] 1974	Fiscal Year [20] 1975
Grand total, all sources	268,952,254	293,822,726
Corporation income taxes, total [12]	41,744,444	45,746,660
Regular	41,725,250	45,723,608
Exempt organization business income tax	19,193	23,052
Individual income and employment taxes, total	204,997,282	226,540,246
Income tax not withheld and self-employment tax [3 4 12]	33,820,060	37,712,721
Income tax withheld and old-age, survivors, disability and hospital insurance taxes, total [3 4 6 14]	168,188,655	185,823,300
Railroad retirement, total	1,507,993	1,616,143
Unemployment insurance, employers of 1 or more persons at any time in each of 20 calendar weeks, or paid wages of $1,500 or more in any calendar quarter, taxed 3.28 percent, effective January 1, 1973 and 3.2 percent, effective January 1, 1974, on taxable portion of wages	1,480,574	1,388,082
Estate tax, graduated rates from 3 percent on first $5,000 of net estate in excess of $60,000 exemption to 77 percent on portion over $10,000,000; credit allowed for State death taxes	4,659,825	4,312,657
Gift tax, graduated rates from 2¼ percent on first $5,000 of net gifts in excess of $30,000 exemption to 57¾ percent on portion over $10,000,000; $3,000 annual exclusion for each donee	440,849	375,421
Excise taxes, total	17,109,853	16,847,741
Alcohol taxes, total	5,358,477	5,350,858
Distilled spirits taxes, total	3,918,971	3,865,162
Imported (collected by Customs, rates same as domestic)	767,384	704,513
Domestic, $10.50 per proof gallon or wine gallon when below proof [9]	3,115,006	3,124,645
Rectification, 30 cents per proof gallon	24,434	22,156
Occupational taxes:		
Nonbeverage manufacturers of spirits, $25, $50, $100, per year	115	80
Rectifiers:		
Less than 20,000 proof gallons, $110 per year	4	4
20,000 proof gallons or more, $220 per year	21	23
Retail dealers in liquor or medicinal spirits, $54 per year	10,850	12,500
Wholesale liquor dealers, $225 per year	630	714
Manufacturers of stills, $55 per year	4	4
Seizures, penalties, etc.	520	519
Stills or condensers manufactured, $22 each	2	3
Wines, cordials, etc., taxes, total	173,515	177,113
Imported (collected by Customs, rates same as domestic)	19,259	18,081
Domestic (Still-wines, 17 cents, 67 cents, $2.25 per wine gallon; sparkling wines, $3.40; artificially carbonated wines, $2.40; liqueurs, cordials, $1.92) [9]	150,399	154,358
Occupational taxes:		
Retail dealers in wines or in wines and beer, $54 per year	3,483	4,296
Wholesale dealers in wines or in wines and beer, $225 per year	374	377
Beer taxes, total	1,265,990	1,308,583
Imported (collected by Customs, rates same as domestic)	9,695	11,638
Domestic, $9 per barrel of 31 gallons [9]	1,253,213	1,293,396
Occupational taxes:		
Brewers:		
Less than 500 barrels, $55 per year	2	1
500 barrels or more, $110 per year	10	13
Retail dealers in beer, $24 per year (includes limited retail dealers in wines or beer, $2.20 per month)	2,488	2,838
Wholesale dealers in beer, $123 per year	582	697
Tobacco taxes, total	2,437,005	2,315,090
Cigarettes, total	2,383,038	2,261,116
Small (Class A), $4 per thousand	2,383,018	2,261,099
Large (Class B), $8.40 per thousand, except if over 6½ inches long $4 per thousand for each 2¾ inches or fraction thereof [9]	18	16
Prepayments	2	1
Cigars, total	51,581	51,226
Large cigars, total [9]	49,074	48,733
Class A (Retailing at not over 2½ cents each), $2.50 per thousand	16	77
Class B (Over 2½ cents, not over 4 cents each), $3 per thousand	1,797	1,315
Class C (Over 4 cents, not over 6 cents each), $4 per thousand	8,108	6,460
Class D (Over 6 cents, not over 8 cents each), $7 per thousand	7,603	8,351
Class E (Over 8 cents, not over 15 cents each), $10 per thousand	20,279	18,173
Class F (Over 15 cents, not over 20 cents each), $15 per thousand	6,829	9,689
Class G (Over 20 cents each), $20 per thousand	4,441	4,668
Small cigars, 75 cents per thousand	2,481	2,472
Prepayments	26	20
Imported cigars, cigarettes, cigarette papers and cigarette tubes (collected by Customs, rates same as domestic)	909	1,254
Miscellaneous tobacco	1	
Cigarette papers and tubes, papers one-half cent per 50; tubes 1 cent per 50	1,477	1,494

Table 3.—Internal revenue collections by sources, fiscal years 1974 and 1975—Continued (In thousands of dollars)

Sources of revenue	Fiscal Year [20] 1974	Fiscal Year [20] 1975
Stamp taxes on documents, other instruments, and playing cards, total [14]	287	113
Manufacturer's excise taxes, total	5,742,154	5,518,611
Gasoline, 4 cents per gallon	4,087,669	3,980,412
Lubricating oil, etc., 6 cents per gallon; cutting oil, 3 cents per gallon [17]	105,723	91,053
Tires (wholly or in part of rubber), inner tubes, and tread rubber:		
Tires, highway type, 10 cents per pound, other, 5 cents per pound except laminated tires (other than type used on highway vehicles), 1 cent per pound	768,776	647,187
Inner tubes, 10 cents per pound	32,791	27,989
Tread rubber, 5 cents per pound	25,690	22,484
Motor vehicles, chassis, bodies, parts, and accessories:		
Passenger automobiles, chassis, bodies, etc., 7 percent [16]	6,049	3,343
Trucks, and buses, chasis, bodies, etc., 10 percent [16]	519,699	534,158
Parts and accessories for automobiles, trucks, etc., 8 percent [17]	120,604	125,052
Electric, gas, and oil appliances, 5 percent [18]	40	
Pistols and revolvers, 10 percent	9,100	11,331
Musical instruments, 10 percent [19]		−11
Fishing rods, creels, etc., 10 percent	18,259	21,899
Bows and arrows, 11 percent		546
Firearms (other than pistols and revolvers), shells and cartridges, 11 percent	47,754	51,170
Retailer's excise taxes, total	416,244	404,187
Noncommercial aviation gasoline, 3 cents per gallon	10,877	11,127
Noncommercial aviation fuel other than gasoline, 7 cents per gallon	31,955	22,573
Diesel and special motor fuels, 4 cents per gallon (in some instances 2 cents per gallon)	373,414	370,489
Luggage, etc. 10 percent [19]	−2	
Jewelry, etc., 10 percent [19]	(*)	
Furs, 10 percent [19]	(*)	
Toilet preparations, 10 percent [19]	2	−2
Miscellaneous excise taxes, total	3,154,037	3,305,964
Admissions taxes, total [20]	−53	131
Theaters, concerts, athletic contests, etc:		
Admissions, 1 cent for each 10 cents or major fraction thereof of the amount paid in excess of $1	−1	11
Leases of boxes or seats, 10 percent of the amount for which similar accommodations are sold	−35	(*)
Roof gardens, cabarets, etc., 10 percent of total paid for admissions, services, etc.	−17	120
Club dues and initiation fees, 20 percent (if dues or fees are in excess of $10 per year) [21]	2	(*)
Telephone and teletypewriter exchange services [22]	1,892,731	2,023,744
Transportation of persons by air, 8 percent (which was increased from 5 percent effective July 1, 1970)	659,177	750,641
Transportation of property by air, 5 percent	41,931	47,332
Use of international air-travel facilities, $3 per person	56,908	52,594
Coconut and other vegetable oils processed, 2 cents per pound repealed, effective August 31, 1963	37	
Sugar, approximately half-cent per pound	120,006	103,769
Narcotics and marihuana, total [22]	188	151
Narcotics	35	16
Marihuana	153	135
Coin-operated amusement devices $10 per device, per year, bowling alleys, pool tables, etc. $20 per alley or table, per year [24]	1	(*)
Coin-operated gaming devices, $250 per device per year	6,571	6,826
Wagering taxes:		
Occupational tax, $500 per year [25]	107	227
Wagers, 2 percent of amount waged [26]	6,451	5,540
Use tax on highway vehicles weighing over 26,000 pounds, $3 per 1,000 pounds per year (installment privileges permitted)	198,462	207,663
Use tax on civil aircraft, $25 per year with an additional 2 cents per pound on nonturbine engine powered over 2,500 pounds or 3½ cents per pound on turbine engine powered	20,786	20,959
Adulterated butter and filled cheese (imported and domestic), process or renovated butter and imported oleo margarine [27]	3	2
Firearms transfer and occupational taxes [28]	232	280
Interest equalization [29]	63,328	1,536
Foreign insurance	16,914	19,456
Private foundations; total	70,256	65,069
Net investment income, 4 percent	69,802	63,828
Self dealing, 5 percent on self-dealer, lesser of $10,000 or 2½ percent on foundation manager	229	324
Excess business holdings, 5 percent on foundation	3	6
Taxable expenditures, 10 percent on foundation, lesser of $5,000 or 2½ percent on foundation	8	1
Failure to file certain information returns, $10 per day up to a maximum of $5,000	46	549
Assessable penalties with respect to annual reports, $10 per day up to a maximum of $5,000	(*)	1
Failure to distribute income, 15 percent of undistributed income	160	360
Investments which jeopardize charitable purpose, 5 percent on foundation, lesser of $5,000 or 5 percent on foundation manager	6	
Prohibited transactions		39
Unclassified excise taxes	1,648	−45,082

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1975 (In thousands of dollars)

Fiscal year ended June 30	Total internal revenue collections	Income and profits taxes: Total	Income and profits taxes: Corporation income and profits taxes [2, 12]	Income and profits taxes: Individual income taxes [3, 13, 14]	Employment taxes [3, 5]	Estate and gift taxes	Alcohol taxes [6]	Tobacco taxes [6]	Manufacturers' excise taxes	All other taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1940	5,340,452	2,129,609	1,147,592	982,017	833,521	360,071	624,253	608,518	447,088	337,392
1941	7,370,108	3,471,124	2,053,469	1,417,655	925,856	407,058	820,056	698,077	617,373	430,564
1942	13,047,869	8,006,884	4,744,083	3,262,800	1,185,362	432,540	1,046,517	780,982	771,902	821,682
1943	22,371,386	16,296,688	9,666,956	6,629,932	1,498,705	447,496	1,423,646	923,857	504,748	1,274,048
1944	40,121,760	33,027,802	14,766,796	18,261,005	1,738,372	511,210	1,618,775	988,483	503,462	1,733,655
1945	43,800,388	35,061,526	16,027,213	19,034,313	1,779,177	643,055	2,309,866	932,145	782,511	2,292,108
1946	40,672,097	31,258,138	12,553,602	18,704,536	1,700,828	676,832	2,526,165	1,165,519	922,671	2,421,944
1947	39,108,386	29,019,756	9,676,459	19,343,297	2,024,365	779,291	2,474,762	1,237,768	1,425,260	2,147,184
1948	41,864,542	31,172,191	10,174,410	20,997,781	2,381,342	899,345	2,255,327	1,300,280	1,649,234	2,206,822
1949	40,463,125	29,605,491	11,553,669	18,051,822	2,476,113	796,538	2,210,607	1,321,875	1,771,533	2,280,969
1950	38,957,132	28,007,659	10,854,351	17,153,308	2,644,575	706,227	2,219,202	1,328,464	1,836,053	2,214,951
1951	50,445,686	37,384,879	14,387,569	22,997,309	3,627,479	729,730	2,546,806	1,380,396	2,383,677	2,392,719
1952	65,009,586	50,741,017	21,466,910	29,274,107	4,464,264	833,147	2,549,120	1,565,162	2,348,943	2,507,633
1953	69,686,535	54,130,732	21,594,515	32,536,217	4,718,403	891,284	2,780,925	1,654,911	2,862,788	2,647,492
1954	69,919,991	54,380,014	21,546,322	32,813,691	5,107,623	935,121	2,783,012	1,580,229	2,689,133	2,484,859
1955	66,288,692	49,914,826	18,264,720	31,650,106	6,219,665	936,267	2,742,840	1,571,213	2,885,016	2,018,866
1956	75,112,649	56,636,164	21,298,522	35,337,642	7,295,784	1,171,237	2,920,574	1,613,497	3,456,013	2,019,380
1957	80,171,971	60,560,425	21,530,653	39,029,772	7,580,522	1,377,999	2,973,195	1,674,050	3,761,925	2,243,856
1958	79,978,476	59,101,874	20,533,316	38,568,559	8,644,386	1,410,925	2,948,461	1,734,021	3,974,135	2,166,675
1959	79,797,973	58,826,254	18,091,509	40,734,744	8,853,744	1,352,982	3,002,096	1,806,818	3,958,789	1,997,292
1960	91,774,803	67,125,126	22,179,414	44,945,711	11,158,589	1,626,348	3,193,714	1,931,504	4,735,129	2,004,394
1961	94,401,066	67,917,941	21,764,940	46,153,001	12,502,451	1,916,392	3,212,801	1,991,117	4,896,602	1,963,582
1962	99,440,839	71,945,305	21,295,711	50,649,594	12,708,171	2,035,187	3,341,282	2,025,736	5,120,340	2,264,817
1963	105,925,395	75,323,714	22,336,134	52,987,581	15,004,486	2,187,457	3,441,656	2,079,237	5,610,309	2,276,536
1964	112,260,257	78,891,218	24,300,863	54,590,354	17,002,504	2,416,303	3,577,499	2,052,545	6,020,543	2,299,645
1965	114,434,634	79,792,016	26,131,334	53,660,683	17,104,306	2,745,532	3,772,634	2,148,594	6,418,145	2,453,406
1966	128,879,961	92,131,794	30,834,243	61,297,552	20,256,133	3,093,922	3,814,378	2,072,956	5,613,869	1,695,909
1967	148,374,815	104,288,420	34,917,825	69,370,595	26,958,241	3,014,406	4,075,723	2,079,869	5,478,347	2,479,809
1968	153,636,838	106,148,585	29,896,520	76,252,045	28,085,898	3,081,979	4,287,237	2,122,277	5,713,973	2,196,909
1969	187,919,560	135,778,052	38,337,646	97,440,406	33,068,657	3,530,065	4,555,560	2,137,585	6,501,146	2,348,495
1970	195,722,096	138,688,568	35,038,983	103,651,585	37,449,188	3,680,076	4,746,382	2,094,212	6,683,061	2,380,609
1971	191,647,196	131,072,374	30,319,953	100,752,421	39,918,690	3,784,283	4,800,482	2,206,585	6,684,799	3,179,985
1972	209,855,737	143,804,732	34,925,546	108,879,186	43,714,001	5,489,969	5,110,001	2,207,273	5,728,657	3,801,104
1973	237,787,204	164,157,315	39,045,309	125,112,006	52,081,709	4,975,862	5,149,513	2,276,951	5,395,750	3,750,104
1974	268,952,254	184,648,094	41,744,444	142,903,650	62,093,632	5,100,875	5,358,477	2,437,005	5,742,154	3,572,217
1975	293,822,726	202,146,097	45,746,660	156,399,437	70,140,809	4,688,079	5,350,858	2,315,090	5,516,611	3,665,182

Footnotes for Tables 1–4

*Less than $500.

r Revised.

1. The receipts in the various States do not indicate the Federal tax burden of each since, in many instances, taxes are collected in one State from residents of another State. For example, withholding taxes reported by employers located near State lines may include substantial amounts withheld from salaries of employees who reside in neighboring States.

2. Includes taxes on unrelated business income of exempt organizations.

3. Collections of individual income tax not withheld include old-age, survivors, disability, and hospital insurance taxes on self-employment income. Similarly, the collections of individual income tax withheld are reported in combined amounts with old-age, survivors, disability, and hospital insurance taxes on salaries and wages. Estimated separate national totals for individual income tax and for old-age, survivors, disability, and hospital insurance taxes are shown in the text table on p. and are used in obtaining national totals for individual income taxes and employment taxes in table 4.

4. Self-employment tax and taxes imposed by the Federal Insurance Contributions Act are applicable with respect to Guam and American Samoa. Amounts of such taxes collected in Guam and American Samoa are combined with similar taxes reported for Office of International Operations-Other.

5. Beginning with fiscal year 1957, the United States total is adjusted to exclude withheld individual income taxes transferred to the Government of Guam in accordance with the provisions of Public Law 630, approved Aug. 1, 1950 (64 Stat. 392). This adjustment amounted to $16.0 million for 1975.

6. Tax payments made to banks, under the Federal tax deposit system, are included in the internal revenue collections for the period in which the Federal tax deposit is purchased. However, such payments are not classified by internal revenue districts (nor by tax subclasses to which excise tax payments relate) until the Federal tax deposit payment is applied to the taxpayer's liability from tax returns filed.

7. Represents credits allowable on income tax returns for certain gasoline and lubricating oil tax payments and for excess payments under the Federal Insurance Contributions Act (FICA).

8. Designations by taxpayers of a portion of their taxes to the Presidential Election Campaign Fund are not collections, as such, because they do not affect taxpayer liability. Transfers of amounts to this fund are made on a national basis only and, therefore, have no effect on district and regional collection data.

9. Amounts of internal revenue taxes collected on Puerto Rican products transported to the United States or consumed on the island (less refunds, drawbacks, and expenses) are covered into the Treasury of Puerto Rico under provisions of secs. 7652(a)(3) and 5314(a)(4) of the Internal Revenue Code of 1954. The gross amounts are included in overall collection results (Tables 1 through 4).

10. Refer to Table 3 for components.

11. Includes stamp taxes on documents, other instruments, and playing cards amounting to $113 thousand for fiscal 1975.

12. Corporation income tax rates: Effective January 1, 1965, first $25,000 of net income normal tax of 22 percent; net income in excess of $25,000 combined normal and surtax of 48 percent. Normal tax and surtax also apply to net income derived by certain exempt organizations from unrelated trade or business. Effective January 1, 1968, a 10 percent per annum surcharge was added to the tax. (Public Law 90-364). The 10 percent per annum surcharge was extended to December 31, 1969, by Public Law 91-53, extended to June 30, 1970 by Public Law 91-172 at a 5 percent annual rate, and then discontinued.

13. Rates of tax are as follows: Individual income tax: Effective January 1, 1965, graduated rates from 14 percent to 70 percent of taxable income. Includes old-age, survivors, disability, and hospital insurance taxes on self-employment income. The 10 percent per annum surcharge added by Public Law 90-364, effective April 1, 1968, for individuals, was extended to December 31, 1969, at the same annual rate (Public Law 91-53), extended to June 30, 1970 (Public Law 91-172) at a 5 percent annual rate, and then discontinued.

14. Rates of tax are as follows: Income Tax graduated withholding on wages in excess of exemptions: Public Law 89-368, effective July 1, 1967, 14 to 33 percent; Public Law 91-172, effective January 1, 1970, 14 to 25 percent; 14 to 36 percent effective January 16, 1972, under Public Law 92-178, and 16 to 36 percent, effective April 30, 1975, under Public Law 94-12. Old-age, survivors, disability and hospital insurance taxes on salaries and wages up to $13,200 were subjected to a combined FICA tax rate of 11.7 percent for calendar years 1974 and 1975. Effective January 1, 1975, the base was raised to $14,100.

15. Consists of regular railroad retirement combined tax rate of 21.2 percent for calendar years 1974 and 1975. Tax applies to employers (15.35%) and employees (5.85%) and is imposed on taxable portion of wages (limited to first $1,100 of monthly taxable compensation for 1974 and $1,175 for 1975). Further includes railroad employee representatives' tax of 21.2 percent for calendar years 1974 and 1975 on taxable portion of compensation received. In addition, a supplemental tax levied quarterly by the Railroad Retirement Board is imposed on employers and employee representatives based on man-hours worked.

16. Issues and transfers of stocks and bonds, repealed, effective January 1, 1966. Deeds of conveyances; $100 to $500, 55 cents; each additional $500 or fraction thereof, 55 cents; repealed effective January 1, 1968.

17. Cutting oil, automobile parts and accessories (except truck parts), repealed effective January 1, 1966, (Public Law 89-44).

18. Taxes on passenger automobiles and light trucks repealed December 11, 1971, by the Revenue Act of 1971.

19. Repealed, effective June 22, 1965 (Public Law 89-44).

20. Repealed, effective noon, December 31, 1965 (Public Law 89-44).

21. Repealed, effective January 1, 1966 (Public Law 89-44).

22. Rate was reduced from 10 percent to 9 percent on January 1, 1973, to 8 percent on January 1, 1974, and to 7 percent January 1, 1975 (Public Law 91-814).

23. Narcotics, 1 cent per ounce; narcotics order blanks, $1 per hundred. Marihuana, $1 per ounce; Marihuana order blanks, 2 cents each. Amounts shown also include occupational taxes levied on manufacturers, dealers, and practitioners. Repealed, effective May 1, 1971 (Public Law 91-513).

24. Repealed, effective July 1, 1965 (Public Law 89-44).

25. Tax increased from $50 to $500, effective December 1, 1974 (Public Law 93-499).

26. Rate reduced from 10 percent to 2 percent, effective December 1, 1974 (Public Law 93-499).

27. Adulterated butter, 10 cents per pound. Process or renovated butter, 1/4 cent per pound. Domestic filled cheese, 1 cent per pound. Imported filled cheese, 8 cents per pound. Imported adulterated butter and oleo-margarine, 15 cents per pound. Occupational taxes are levied on manufacturers or dealers in these products and are included in the amounts shown. Filled cheese taxes repealed effective October 26, 1974 (Public Law 93-490).

28. Transfers of machine guns, short-barreled firearms, silencers, etc., $200 each; certain guns with combination shotguns and rifle barrels, and other special types of firearms, $5 each. Occupational taxes are levied on manufacturers, importers, or dealers in firearms and are included in the amounts shown.

29. By Executive Orders, rate reduced from 11.25 percent to 3.75 percent on January 1, 1974, and to zero on January 29, 1974. Legislative authority for the IET expired on June 30, 1974.

30. Negative figures (excluding unapplied collections) stem primarily from floor stock credits taken on certain taxes repealed by the Excise Tax Reduction Act of 1965.

Table 5.—Amount of internal revenue refunds including interest (excluding tax rebates) (In thousands of dollars)

Internal revenue regions, districts, States and other areas. (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Total [1]	Corporation income	Individual income and employment taxes: Excessive pre-payment [2]	Individual income and employment taxes: Other [3]	Estate	Gift	Excise [4]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total		**32,208,671**	**5,290,433**	**25,444,032**	**1,068,527**	**79,364**	**5,496**	**300,820**
North-Atlantic Region		**4,969,691**	**1,092,612**	**3,738,117**	**93,537**	**17,928**	**2,074**	**25,424**
Albany	(See (c) below)	233,113	25,451	203,384	3,356	763	7	153
Augusta	(Maine)	116,150	12,155	101,161	2,117	604	3	110
Boston	(Massachusetts)	863,156	129,933	713,136	14,628	2,476	674	2,310
Brooklyn	(See (c) below)	970,014	78,805	866,612	14,322	4,068	100	6,107
Buffalo	(See (c) below	667,920	98,914	575,796	9,885	1,795	61	1,469
Burlington	(Vermont)	48,282	3,483	43,383	1,218	150	1	46
Hartford	(Connecticut)	595,298	108,155	463,228	9,876	2,521	1,079	10,438
Manhattan	(See (c) below)	1,221,531	605,886	571,545	34,206	5,142	144	4,608
Portsmouth	(New Hampshire)	104,434	9,946	92,364	1,923	156	3	43
Providence	(Rhode Island)	129,793	19,884	107,508	2,006	253	2	140
Mid-Atlantic Region		**4,619,055**	**752,561**	**3,726,929**	**88,225**	**11,385**	**648**	**41,329**
Baltimore	(Maryland and D.C.)	839,405	107,215	710,137	13,981	2,788	403	4,881
Newark	(New Jersey)	1,277,852	213,794	1,013,270	27,580	4,434	110	18,664
Philadelphia	(See (e) below)	1,099,291	207,918	856,291	20,321	1,895	43	12,824
Pittsburgh	(See (e) below)	604,099	78,074	513,861	9,612	666	24	1,663
Richmond	(Virginia)	637,533	55,465	565,304	12,839	1,515	40	2,371
Wilmington	(Delaware)	160,875	90,095	68,066	1,692	87	28	906
Southeast Region		**3,786,405**	**614,228**	**3,040,525**	**99,129**	**9,675**	**990**	**21,880**
Atlanta	(Georgia)	699,798	148,672	524,426	16,607	719	108	9,267
Birmingham	(Alabama)	366,746	35,085	321,705	6,967	495	10	468
Columbia	(South Carolina)	285,236	29,253	249,461	5,959	332	38	194
Greensboro	(North Carolina)	612,511	120,127	474,884	11,907	1,460	80	4,054
Jackson	(Mississippi)	180,771	13,942	160,684	5,594	199	157	197
Jacksonville	(Florida)	1,135,101	198,384	892,677	37,193	4,660	428	1,557
Nashville	(Tennessee)	506,240	68,765	416,488	12,882	1,810	169	6,125
Central Region		**4,660,759**	**801,399**	**3,751,467**	**78,079**	**6,425**	**353**	**23,037**
Cincinnati	(See (d) below)	657,163	85,730	554,498	12,764	871	65	3,236
Cleveland	(See (d) below	978,063	151,097	807,083	17,377	1,206	67	1,253
Detroit	(Michigan)	1,756,558	447,859	1,273,061	21,546	1,865	79	12,348
Indianapolis	(Indiana)	721,833	74,443	626,911	14,867	1,592	50	3,970
Louisville	(Kentucky)	360,123	30,415	318,281	8,701	655	29	2,042
Parkersburg	(West Virginia)	186,999	11,855	171,633	2,824	436	63	188
Midwest Region		**4,409,189**	**839,421**	**3,421,299**	**111,982**	**10,322**	**421**	**25,766**
Aberdeen	(South Dakota)	57,749	5,035	48,711	3,792	84	60	87
Chicago	(See (b) below)	1,579,261	368,758	1,167,917	33,174	3,710	62	5,640
Des Moines	(Iowa)	326,341	52,269	261,387	10,913	851	28	892
Fargo	(North Dakota)	54,866	2,538	47,441	4,657	88	7	135
Milwaukee	(Wisconsin)	624,731	113,762	495,554	12,903	1,354	83	1,076
Omaha	(Nebraska)	179,548	30,905	137,483	9,940	806	11	404
St. Louis	(Missouri)	649,781	111,740	505,370	15,645	1,467	82	15,477
St. Paul	(Minnesota)	556,678	99,914	443,350	11,850	659	25	1,081
Springfield	(See (b) below)	380,034	54,500	314,086	9,088	1,323	63	974
Southwest Region		**3,267,506**	**410,771**	**2,724,247**	**118,512**	**5,907**	**361**	**7,709**
Albuquerque	(New Mexico)	123,087	8,523	110,025	4,393	73	6	68
Austin	(See (f) below)	901,698	129,251	743,029	26,159	1,509	81	1,668
Cheyenne	(Wyoming)	46,552	2,902	41,583	1,792	135	4	136
Dallas	(See (f) below)	561,432	110,609	516,874	28,616	1,417	157	3,760
Denver	(Colorado)	375,004	40,877	320,897	12,338	773	30	288
Little Rock	(Arkansas)	193,514	21,764	163,982	7,195	279	11	283
New Orleans	(Louisiana)	405,480	38,921	353,808	11,675	608	33	436
Oklahoma City	(Oklahoma)	304,375	29,435	258,237	15,563	527	16	597
Wichita	(Kansas)	256,384	28,689	215,812	10,781	586	23	473
Western Region		**5,852,623**	**757,489**	**4,932,400**	**134,288**	**16,636**	**616**	**11,192**
Anchorage	(Alaska)	80,100	2,236	75,809	1,891	17	2	144
Boise	(Idaho)	90,112	7,711	77,600	4,628	93	(*)	80
Helena	(Montana)	78,028	4,731	69,140	3,787	249	11	110
Honolulu	(Hawaii)	146,162	18,738	124,220	2,932	167	11	93
Los Angeles	(See (a) below)	2,492,920	353,834	2,079,722	46,896	7,634	184	4,651
Phoenix	(Arizona)	342,626	50,813	281,656	8,059	1,828	37	233
Portland	(Oregon)	362,390	66,716	286,106	8,865	480	8	216
Reno	(Nevada)	113,744	12,442	97,948	2,760	553	(*)	39
Salt Lake City	(Utah)	157,829	15,094	139,001	3,458	84	64	129
San Francisco	(See (a) below)	1,482,420	151,154	1,268,889	32,717	4,852	250	4,577
Seattle	(Washington)	526,292	74,020	432,329	18,295	679	49	920
Office of International Operations		**139,435**	**21,851**	**109,054**	**6,793**	**1,087**	**33**	**518**
Puerto Rico		24,845	129	21,877	2,348	56	—	435
Other		114,590	21,822	87,177	4,445	1,031	33	81
Gasoline, lubricating oil and excess FICA credits		**501,905**			**360,000**			**141,905**
Bureau of Customs		**2,105**						**2,105**
Totals for States not shown above								
	(a) California	3,955,340	504,988	3,348,591	79,613	12,486	434	9,228
	(b) Illinois	1,959,295	423,258	1,482,003	42,262	5,033	125	6,614
	(c) New York	3,112,578	809,056	2,217,337	61,769	11,768	312	12,337
	(d) Ohio	1,635,246	236,827	1,361,561	30,141	2,077	132	4,489
	(e) Pennsylvania	1,703,390	285,992	1,370,152	30,133	2,561	67	14,487
	(f) Texas	1,563,130	239,860	1,259,903	54,775	2,926	238	5,428

[1] Figures include credits for the Federal Old Age and Survivors, Federal Disability, and Federal Hospital Insurance Trust Funds amounting to $360,000,000; for the Highway Trust Fund amounting to $145,764,000.
[2] Net of 89,481 undeliverable checks totaling $25,509,000.
[3] Includes credits for excess Social Security payments under the Federal Insurance Contributions Act (FICA) of $360,000,000.
[4] Includes credits for certain gasoline and lubricating oil tax payments.
* Less than $500.

Table 6.—Number of internal revenue refunds issued (excluding tax rebates)

Internal revenue regions, districts, States and other areas. (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Total	Corporation income	Individual income and employment taxes: Excessive pre-payment [1]	Individual income and employment taxes: Other	Estate	Gift	Excise
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total		**67,834,472**	**359,238**	**64,953,020**	**2,433,296**	**26,366**	**7,033**	**55,519**
North-Atlantic Region		**9,824,016**	**62,067**	**9,424,935**	**316,286**	**6,050**	**4,176**	**10,502**
Albany	(See (c) below)	565,703	3,070	543,155	18,654	312	31	481
Augusta	(Maine)	330,328	2,041	316,208	11,506	180	18	375
Boston	(Massachusetts)	1,962,713	14,388	1,885,153	57,610	888	3,592	1,082
Brooklyn	(See (c) below)	2,105,164	8,138	2,034,179	59,276	1,406	106	2,059
Buffalo	(See (c) below)	1,518,409	7,645	1,467,254	41,328	813	93	1,276
Burlington	(Vermont)	143,158	1,076	135,233	6,582	86	4	177
Hartford	(Connecticut)	1,217,717	6,047	1,173,060	35,685	700	105	2,100
Manhattan	(See (c) below)	1,380,804	15,083	1,294,218	67,340	1,442	198	2,523
Portsmouth	(New Hampshire)	276,570	2,202	264,431	9,548	129	17	243
Providence	(Rhode Island)	323,450	2,377	312,024	8,757	94	12	186
Mid-Atlantic Region		**9,905,192**	**47,675**	**9,547,880**	**296,605**	**3,358**	**480**	**9,184**
Baltimore	(Maryland and D.C.)	1,756,966	8,483	1,696,238	50,759	449	90	947
Newark	(New Jersey)	2,548,325	14,727	2,449,627	79,971	1,550	148	2,302
Philadelphia	(See (e) below)	2,392,629	10,327	2,303,822	75,331	678	123	2,348
Pittsburgh	(See (e) below)	1,429,515	4,519	1,388,057	35,775	256	39	889
Richmond	(Virginia)	1,584,024	7,108	1,527,039	48,512	376	63	928
Wilmington	(Delaware)	193,723	2,511	183,097	6,257	49	17	1,792
Southeast Region		**9,586,130**	**50,870**	**9,159,381**	**364,828**	**3,001**	**575**	**7,475**
Atlanta	(Georgia)	1,533,015	8,694	1,465,857	56,747	332	66	1,319
Birmingham	(Alabama)	1,016,906	3,846	976,722	35,328	165	45	800
Columbia	(South Carolina)	858,691	3,859	827,021	26,883	181	51	696
Greensboro	(North Carolina)	1,656,096	9,478	1,592,874	52,042	390	74	1,238
Jackson	(Mississippi)	576,009	2,440	549,588	23,235	117	27	602
Jacksonville	(Florida)	2,592,398	17,376	2,444,701	126,621	1,531	253	1,913
Nashville	(Tennessee)	1,353,015	5,174	1,302,618	43,972	285	59	907
Central Region		**9,581,641**	**43,302**	**9,246,961**	**282,356**	**2,732**	**323**	**5,967**
Cincinnati	(See (d) below)	1,496,038	7,191	1,445,335	42,361	406	52	693
Cleveland	(See (d) below)	2,063,407	10,284	1,994,896	56,591	566	56	1,014
Detroit	(Michigan)	2,917,846	14,140	2,820,212	80,862	814	75	1,743
Indianapolis	(Indiana)	1,666,990	5,734	1,603,831	55,426	555	85	1,359
Louisville	(Kentucky)	933,864	3,810	895,959	32,997	266	28	804
Parkersburg	(West Virginia)	503,496	2,143	486,728	14,119	125	27	354
Midwest Region		**9,334,971**	**53,653**	**8,884,862**	**383,801**	**4,206**	**539**	**7,810**
Aberdeen	(South Dakota)	172,993	1,026	157,724	13,844	62	15	322
Chicago	(See (b) below)	2,853,650	14,703	2,746,089	90,059	1,134	118	1,547
Des Moines	(Iowa)	789,170	4,385	737,789	45,455	512	59	970
Fargo	(North Dakota)	157,205	749	142,784	13,296	104	17	255
Milwaukee	(Wisconsin)	1,413,624	8,525	1,351,503	51,655	676	85	1,180
Omaha	(Nebraska)	438,608	3,389	405,365	29,057	263	44	490
St. Louis	(Missouri)	1,435,265	10,673	1,365,019	57,563	811	76	1,323
St. Paul	(Minnesota)	1,198,041	6,647	1,145,046	44,792	395	46	1,115
Springfield	(See (b) below	876,415	3,556	833,643	38,060	449	79	609
Southwest Region		**8,112,478**	**42,082**	**7,698,879**	**362,381**	**2,357**	**383**	**6,396**
Albuquerque	(New Mexico)	339,968	1,491	325,123	13,084	67	13	190
Austin	(See (f) below)	2,197,406	9,228	2,100,531	85,243	485	95	1,824
Cheyenne	(Wyoming)	119,583	1,079	111,625	6,672	44	10	153
Dallas	(See (f) below)	1,570,561	8,638	1,481,772	78,172	517	93	1,389
Denver	(Colorado)	849,773	5,552	808,401	35,024	216	37	543
Little Rock	(Arkansas)	553,844	2,977	524,545	25,739	122	31	430
New Orleans	(Louisiana)	1,037,369	4,696	993,621	37,988	227	24	811
Oklahoma City	(Oklahoma)	777,803	4,145	733,581	39,094	312	35	646
Wichita	(Kansas)	666,171	4,274	619,680	41,375	367	45	430
Western Region		**11,292,273**	**59,018**	**10,818,975**	**401,120**	**4,534**	**533**	**8,093**
Anchorage	(Alaska)	113,654	652	107,858	4,980	12	10	142
Boise	(Idaho)	233,855	1,498	218,858	13,154	51	4	290
Helena	(Montana)	216,929	1,942	200,199	14,249	99	26	414
Honolulu	(Hawaii)	292,716	2,260	281,133	9,133	59	15	116
Los Angeles	(See (a) below)	4,322,236	22,318	4,160,746	134,889	1,995	205	2,083
Phoenix	(Arizona)	689,291	3,605	660,701	24,360	236	32	357
Portland	(Oregon)	823,341	4,867	785,191	32,453	207	30	593
Reno	(Nevada)	225,206	1,205	216,179	7,601	53	6	162
Salt Lake City	(Utah)	372,058	1,770	357,138	12,655	67	13	415
San Francisco	(See (a) below)	2,861,757	12,906	2,743,084	101,827	1,415	136	2,389
Seattle	(Washington)	1,141,230	5,995	1,087,888	45,918	340	56	1,132
Office of International Operations		**197,781**	**571**	**171,047**	**25,919**	**128**	**24**	**92**
Puerto Rico		44,217	24	30,087	14,099	1	—	6
Other		153,564	547	140,960	11,820	127	24	86
Totals for States not shown above								
	(a) California	7,183,993	35,224	6,903,830	236,716	3,410	341	4,472
	(b) Illinois	3,730,065	18,259	3,579,732	128,139	1,583	197	2,155
	(c) New York	5,570,080	33,936	5,338,806	186,598	3,973	428	6,336
	(d) Ohio	3,559,445	17,475	3,440,231	98,952	972	108	1,707
	(e) Pennsylvania	3,822,144	14,846	3,691,879	111,106	934	162	3,217
	(f) Texas	3,767,967	17,866	3,582,303	163,415	1,002	188	3,193

[1] Net of 89,481 undeliverable refund checks.

Table 7.—Number of returns filed, by internal revenue regions, districts, States, and other areas.

Internal revenue regions, districts, States and other areas (States represented by single districts indicated in parentheses; total for other States shown at bottom of table.)		Total (1)	Individual income tax (2)	Corporation income tax (3)	Partnership (4)	Declaration of estimated tax and all other income taxes[1] (5)	Employment taxes (6)	Estate tax (7)	Gift tax (8)	Excise tax (9)
United States, total		125,117,100	[2]83,989,847	3,031,279	1,137,961	10,295,185	24,756,630	215,916	260,094	1,430,386
North-Atlantic Region		18,604,028	12,143,043	695,267	139,959	1,625,759	3,754,177	39,845	41,321	164,657
Albany	(See (c) below)	1,048,777	693,661	28,481	8,581	81,473	216,187	2,884	2,143	15,387
Augusta	(Maine)	619,251	401,901	18,541	3,403	47,612	134,198	1,158	1,281	10,957
Boston	(Massachusetts)	3,519,528	2,374,098	106,052	17,862	326,580	652,617	6,111	8,292	25,916
Brooklyn	(See (c) below)	3,939,203	2,703,762	158,197	30,194	294,453	710,903	9,412	5,968	28,314
Buffalo	(See (c) below)	2,627,901	1,851,615	69,636	18,753	199,423	445,686	6,553	5,599	30,636
Burlington	(Vermont)	288,710	176,065	8,781	2,565	25,568	69,773	557	738	4,663
Hartford	(Connecticut)	2,209,959	1,495,495	63,235	19,030	202,185	401,094	4,586	6,181	18,151
Manhattan	(See (c) below)	3,264,960	1,723,523	207,102	33,898	359,535	903,668	6,783	9,205	21,246
Portsmouth	(New Hampshire)	503,160	334,109	13,370	2,879	38,450	105,010	977	1,144	7,221
Providence	(Rhode Island)	582,579	388,814	19,872	2,794	50,280	115,041	842	770	4,166
Mid-Atlantic Region		18,295,510	12,215,805	[3]449,373	139,184	[4]1,992,101	3,262,700	28,684	29,550	[5]178,105
Baltimore	(Maryland and D.C.)	3,044,192	2,154,148	49,103	23,528	236,607	544,844	4,347	5,812	25,803
Newark	(New Jersey)	4,649,116	3,105,813	180,841	38,485	376,874	888,808	9,795	7,738	40,764
Philadelphia	(See (e) below)	4,251,548	2,945,569	65,135	33,885	389,489	763,837	6,447	6,394	40,792
Pittsburgh	(See (e) below)	2,569,345	1,859,925	27,142	20,416	196,413	427,243	3,202	3,031	31,973
Richmond	(Virginia)	2,767,235	1,913,380	49,341	20,695	183,552	562,702	4,133	5,654	27,778
Wilmington	(Delaware)	362,055	236,970	7,531	2,175	33,294	75,266	760	931	5,128
Southeast Region		17,623,654	11,724,436	354,065	145,872	1,235,076	3,905,052	26,244	38,631	194,278
Atlanta	(Georgia)	2,702,743	1,806,612	52,798	22,067	156,198	625,554	2,873	6,432	30,209
Birmingham	(Alabama)	1,773,818	1,208,872	28,853	14,261	98,357	396,898	1,596	3,253	21,728
Columbia	(South Carolina)	1,492,511	1,014,349	26,625	12,616	83,832	330,683	1,753	2,861	19,792
Greensboro	(North Carolina)	2,973,698	2,024,888	54,255	22,403	177,993	653,643	3,589	5,435	31,492
Jackson	(Mississippi)	1,087,816	708,464	19,014	9,815	59,485	268,454	994	2,134	19,656
Jacksonville	(Florida)	5,214,996	3,306,286	137,135	40,841	526,519	1,131,795	12,659	14,583	45,178
Nashville	(Tennessee)	2,378,072	1,654,965	35,385	24,069	132,692	498,025	2,780	3,933	26,223
Central Region		16,567,924	11,630,778	350,624	129,668	1,224,308	2,985,555	25,594	28,695	192,702
Cincinnati	(See (d) below)	2,579,382	1,815,606	50,884	18,876	199,593	460,144	4,638	4,545	25,096
Cleveland	(See (d) below)	3,584,843	2,513,361	85,834	22,680	281,468	628,157	6,179	6,211	40,753
Detroit	(Michigan)	4,850,282	3,448,610	110,057	40,617	344,212	838,373	5,526	7,888	54,999
Indianapolis	(Indiana)	2,945,443	2,072,829	59,409	21,618	221,129	521,230	5,716	5,689	37,823
Louisville	(Kentucky)	1,717,169	1,168,060	28,828	17,956	117,796	357,980	2,436	2,980	21,333
Parkersburg	(West Virginia)	891,005	612,312	15,812	7,921	60,110	179,671	1,099	1,382	12,698
Midwest Region		17,777,829	11,979,323	426,249	161,126	1,480,574	3,397,878	41,559	46,928	244,192
Aberdeen	(South Dakota)	401,232	252,015	10,822	4,926	29,221	92,550	1,153	1,644	8,901
Chicago	(See (b) below)	4,944,143	3,485,186	114,019	41,766	423,784	821,732	9,722	10,935	36,999
Des Moines	(Iowa)	1,748,405	1,114,259	44,912	19,094	161,241	368,229	5,985	5,718	28,967
Fargo	(North Dakota)	391,520	243,899	13,349	4,341	28,050	91,831	1,305	1,974	8,771
Milwaukee	(Wisconsin)	2,673,572	1,795,906	68,449	20,811	226,676	503,805	5,697	5,979	46,249
Omaha	(Nebraska)	961,085	608,986	26,502	11,120	78,174	209,487	3,186	5,528	18,102
St. Louis	(Missouri)	2,704,931	1,794,733	58,458	21,770	227,614	551,355	4,368	5,995	40,638
St. Paul	(Minnesota)	2,249,866	1,540,678	60,181	20,901	163,190	423,356	5,184	4,047	32,329
Springfield	(See (b) below)	1,703,075	1,143,661	29,557	16,397	144,624	335,533	4,959	5,108	23,236
Southwest Region		15,259,346	10,028,528	315,913	171,063	1,098,210	3,361,255	23,056	40,079	221,242
Albuquerque	(New Mexico)	604,422	409,901	11,974	5,812	37,448	129,741	652	1,181	7,713
Austin	(See (f) below)	3,926,030	2,661,101	68,381	42,862	259,605	825,505	4,842	10,515	53,039
Cheyenne	(Wyoming)	244,400	150,889	6,429	3,105	18,760	56,241	340	1,069	5,547
Dallas	(See (f) below)	3,079,178	1,961,886	63,665	46,234	235,179	715,603	4,580	7,841	44,190
Denver	(Colorado)	1,547,150	1,030,877	39,192	19,069	118,386	313,922	2,538	4,145	18,121
Little Rock	(Arkansas)	1,077,882	705,482	20,636	11,093	71,465	247,721	1,298	2,597	17,590
New Orleans	(Louisiana)	1,887,157	1,245,254	42,497	13,348	119,406	434,565	1,790	2,717	27,550
Oklahoma City	(Oklahoma)	1,493,739	971,979	28,555	14,844	115,776	329,253	3,091	4,352	25,887
Wichita	(Kansas)	1,399,388	891,159	34,604	13,796	121,983	306,674	3,925	5,842	21,605
Western Region		20,347,093	13,875,687	435,309	250,745	1,576,430	3,910,367	30,273	34,312	[5]233,970
Anchorage	(Alaska)	193,772	133,885	4,161	2,541	7,865	39,784	182	219	5,155
Boise	(Idaho)	464,393	301,381	11,178	5,771	31,274	102,400	719	1,286	10,384
Helena	(Montana)	468,537	290,070	12,001	5,814	36,033	108,388	1,065	2,364	12,802
Honolulu	(Hawaii)	504,723	343,741	16,182	5,672	41,708	91,447	573	1,510	3,890
Los Angeles	(See (a) below)	7,553,109	5,217,830	160,416	97,433	585,419	1,422,131	10,706	8,844	50,326
Phoenix	(Arizona)	1,209,059	828,267	24,720	10,859	86,977	228,933	1,878	2,649	12,756
Portland	(Oregon)	1,509,191	1,025,202	34,023	16,999	113,813	290,178	2,428	3,514	23,034
Reno	(Nevada)	377,687	261,655	8,538	3,910	23,845	71,765	346	826	8,802
Salt Lake City	(Utah)	834,469	435,229	14,566	7,422	39,392	125,570	617	1,454	10,219
San Francisco	(See (a) below)	5,305,805	3,618,977	100,049	71,460	432,880	1,005,603	8,706	8,081	50,049
Seattle	(Washington)	2,117,982	1,419,430	49,473	22,884	165,224	424,168	3,053	3,565	30,185
Office of International Operations		641,716	392,047	4,479	344	62,727	179,646	663	570	1,240
Puerto Rico		251,320	71,464	748	47	11,223	167,386	40	36	376
Other		390,396	320,583	3,731	297	51,504	12,260	623	534	864
Totals for States not shown above										
	(a) California	12,858,914	8,836,807	260,467	168,893	1,018,299	2,427,734	19,412	16,925	110,377
	(b) Illinois	6,647,218	4,628,947	143,576	58,153	568,408	1,157,265	14,681	16,043	60,235
	(c) New York	10,880,841	6,972,561	463,416	91,426	934,884	2,276,444	25,612	22,915	93,583
	(d) Ohio	6,164,025	4,328,987	136,718	41,556	481,061	1,088,301	10,817	10,756	65,849
	(e) Pennsylvania	6,820,893	4,805,494	92,277	54,301	585,902	1,191,080	9,649	9,425	72,765
	(f) Texas	7,005,206	4,622,987	132,026	89,096	494,984	1,541,108	9,422	16,356	97,229

[1] Includes estimated tax declarations not available by districts.
[2] Forms 1040X are not included.
[3] Form 4846 not available by district.
[4] Includes Forms 7004, 7005, tentative 1120 L and M, and Forms 990, 990C, 990P and 990T not available by districts.
[5] Includes Forms 4638 not available by districts.

Table 8.—Internal revenue collections, costs, employees, and U.S. population, 1946 through 1975

Fiscal Year	Operating cost (1)	Gross collections (2)	Cost of collecting $100 (3)	Population (Thousands) (4)	Tax per capita (5)	Number of employees: Total (6)	National Office (7)	Field (8)
1946	174,795,640	40,672,096,998	0.43	141,936	286.55	59,693	5,144	54,549
1947	203,916,822	39,108,385,742	0.52	144,698	270.28	52,830	4,771	48,049
1948	183,731,060	41,864,542,295	0.44	147,208	284.39	52,143	4,662	47,481
1949	209,205,715	40,463,125,019	0.52	149,767	270.17	52,266	4,554	47,712
1950	230,408,200	38,957,131,788	0.59	152,271	255.84	55,551	4,303	51,248
1951	245,869,538	50,445,686,315	0.49	154,878	325.71	57,795	4,030	53,765
1952	271,872,192	65,009,585,560 r	0.42	157,553	412.62	55,370	3,842	51,528
1953	268,590,806	69,886,535,389	0.38	160,184	435.00	53,483	3,834	49,629
1954	268,969,107	69,919,990,791	0.38	163,026	428.89	51,411	2,707	48,704
1955	278,834,278	66,288,692,000	0.42	165,931	399.50	50,890	2,675	48,215
1956	299,894,710	75,112,649,000	0.40	168,903	444.71	50,682	2,583	48,099
1957	305,537,814	80,171,971,000	0.38	171,984	466.16	51,364	2,602	48,762
1958	337,428,789	79,978,476,484	0.42	174,882	457.33	50,816	2,638	48,178
1959	355,469,228	79,797,972,806	0.44	177,830	448.73	50,200	2,633	47,567
1960	363,735,359	91,774,802,823	0.40	180,671	507.96	50,199	2,702	47,497
1961	413,295,238	94,401,086,398	0.44	183,691	513.91	53,680	3,031	50,649
1962	450,080,420	99,440,839,245	0.45	186,538	533.09	56,510	3,357	53,153
1963	500,804,314	105,925,395,281	0.47	189,242	559.74	59,486	3,562	55,924
1964	549,692,131	112,260,257,115	0.49	191,889	585.03	59,357	3,753	55,604
1965	597,387,471	114,434,633,721	0.52	194,303	588.95	60,360	3,790	56,570
1966	624,861,929	128,879,961,342	0.48	196,560	655.68	61,689	3,816	57,873
1967	667,080,295	148,374,814,552	0.45	198,712	746.68	65,122	4,060	61,062
1968	699,190,304	153,636,837,665	0.46	200,706	765.48	65,177	3,939	61,238
1969	758,785,475	187,919,559,668	0.40	202,677	927.19	64,507	4,037	60,470
1970	886,159,162	195,722,096,497	0.45	204,878	955.31	68,098	4,356	63,742
1971	981,065,297	191,647,198,138	0.51	207,053 r	925.63	68,987	4,521	64,466
1972	1,127,390,411	209,855,736,878	0.54	208,846 r	1,004.83 r	74,086	4,623	69,263
1973	1,162,009,945	237,787,204,058	0.49	210,410 r	1,130.11 r	71,846	4,646	67,200
1974	1,312,894,661	268,952,253,663 r	0.49	211,894 r	1,269.15 r	78,233	4,685	73,548
1975	1,586,570,000 *	293,822,725,772	0.54	213,631	1,375.37	82,266	4,960	77,306

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* This figure represents actual IRS operating costs for FY 1975, exclusive of reimbursements received from other agencies for services performed. While the operating cost figures for fiscal years prior to 1975 may in some cases include reimbursements, those amounts are sufficiently small so as not to alter the cost figures in column 3

Table 9.—Number of returns examined by class of tax and by internal revenue regions, districts, and other areas

Region, service center, and district	Total	Individual	Fiduciary*	Corporation	Estate	Gift	Excise	Employment	Exempt Organization	Pension trust
Total	2,465,705	1,943,256	11,757	154,889	48,948	13,073	95,119	110,933	22,168	65,562
North-Atlantic	436,888	349,827	3,476	27,785	9,216	2,054	10,989	14,597	4,209	14,715
Mid-Atlantic	325,201	252,547	1,145	24,724	5,602	1,566	11,612	12,724	3,303	11,978
Southeast	345,738	278,860	1,213	18,455	5,515	2,581	14,503	15,874	2,760	5,975
Central	242,119	178,683	1,025	19,963	5,374	1,244	12,485	11,361	2,830	9,193
Midwest	297,881	216,273	1,225	24,153	8,675	1,987	13,445	18,104	3,305	10,714
Southwest	288,560	221,487	1,462	17,139	5,826	2,097	14,327	17,555	3,053	5,614
Western	502,597	423,388	2,201	21,998	8,370	1,506	17,274	17,863	2,624	7,373
International Operations	26,743	22,211	10	672	370	38	503	2,855	84	
North-Atlantic Region:										
Albany	20,691	17,339	109	793	429	74	1,048	899		
Augusta	10,293	7,874	61	544	116	34	547	1,117		
Boston	60,221	43,948	678	4,419	1,104	242	2,212	1,957	1,846	4,015
Brooklyn	107,825	92,792	162	3,621	2,186	364	1,926	3,115		3,659
Buffalo	45,476	37,059	310	3,224	938	304	1,715	1,926		
Burlington	5,228	4,330	28	262	65	30	203	310		
Hartford	35,305	28,723	469	2,457	1,147	276	568	1,665		
Manhattan	110,385	80,441	1,531	10,768	2,978	675	1,725	2,663	2,563	7,041
Portsmouth	9,521	7,696	80	684	136	39	212	672		
Providence	8,390	6,568	48	1,013	117	16	355	273		
Andover Service Center	12,914	12,455					459			
Brookhaven Service Center	10,619	10,600					19			
Mid-Atlantic Region:										
Baltimore	58,233	41,904	409	3,930	873	342	3,016	1,723	1,499	4,537
Newark	97,507	77,299	203	7,661	1,784	378	2,684	3,819		3,679
Philadelphia	80,175	62,946	171	5,744	1,330	285	2,004	2,129	1,804	3,762
Pittsburgh	33,018	24,855	164	3,075	722	315	1,727	2,160		
Richmond	39,329	31,472	128	2,413	730	230	1,743	2,613		
Wilmington	6,679	4,136	70	1,901	163	18	113	280		
Philadelphia Service Center	10,260	9,935					325			
Southeast Region:										
Atlanta	50,663	36,043	237	2,803	664	351	2,524	1,885	2,760	3,396
Birmingham	32,026	26,437	123	1,422	336	136	1,247	2,325		
Columbia	22,667	18,690	54	1,458	331	78	950	1,106		
Greenboro	50,853	42,582	94	2,734	681	343	2,881	1,538		
Jackson	21,749	17,246	95	1,366	269	135	892	1,746		
Jacksonville	106,868	85,914	476	6,401	2,552	1,343	3,273	4,346		2,579
Nashville	42,489	34,271	134	2,271	682	195	2,010	2,926		
Atlanta Service Center	9,426	8,781					645			
Memphis Service Center	8,977	8,896					81			
Central Region:										
Cincinnati	38,815	24,470	159	3,967	759	161	1,089	1,794	1,056	3,360
Cleveland	56,152	39,425	378	4,961	1,189	361	2,963	3,319	993	2,543
Detroit	75,745	58,386	143	4,652	1,249	294	4,372	2,578	781	3,290
Indianapolis	36,641	27,974	169	3,066	1,348	185	2,216	1,683		
Louisville	20,268	15,145	90	1,934	569	163	1,215	1,152		
Parkersburg	10,816	7,790	86	1,383	260	80	382	835		
Cincinnati Service Center	5,682	5,473					209			
Midwest Region:										
Aberdeen	6,355	4,402	25	333	255	23	650	667		
Chicago	90,346	68,410	338	7,969	1,988	356	1,761	4,274	703	4,547
Des Moines	20,721	12,439	115	2,400	1,141	309	2,146	2,171		
Fargo	5,854	4,159	9	323	341	74	184	764		
Milwaukee	36,114	28,754	102	3,393	912	228	1,091	1,634		
Omaha	15,126	10,142	134	818	806	275	1,392	1,559		
St. Louis	48,222	30,763	172	5,745	1,314	370	2,234	2,961	1,084	3,579
St. Paul	34,420	23,846	130	1,804	1,079	203	912	2,340	1,518	2,588
Springfield	22,355	18,842	200	1,368	839	149	1,223	1,734		
Kansas City Service Center	18,368	16,516					1,852			
Southwest Region:										
Albuquerque	8,613	7,236	30	429	93	22	218	585		
Austin	73,294	55,992	414	4,848	1,442	514	2,374	3,283	1,494	2,933
Cheyenne	3,271	2,412	27	231	91	22	286	202		
Dallas	65,367	46,832	483	3,469	1,496	756	3,790	4,301	1,559	2,681
Denver	24,931	19,358	46	1,355	537	136	1,384	2,113		
Little Rock	17,538	14,425	29	1,391	261	64	553	815		
New Orleans	37,453	30,520	114	1,921	557	265	1,267	2,809		
Oklahoma City	23,727	18,289	129	1,903	703	173	1,188	1,342		
Wichita	24,617	17,701	188	1,592	646	145	2,240	2,105		
Austin Service Center	9,749	8,722					1,027			
Western Region:										
Anchorage	6,508	5,935	11	245	15		155	147		
Boise	7,988	6,840	24	360	167	16	320	461		
Helena	11,222	9,608	40	656	164	43	419	292		
Honolulu	9,437	7,971	43	572	111	51	270	419		
Los Angeles	215,807	186,704	982	9,878	3,501	612	3,774	5,665	1,257	3,434
Phoenix	25,204	22,177	145	1,083	425	101	432	841		
Portland	22,704	17,589	108	1,289	529	94	1,158	1,937		
Reno	12,790	10,808	42	584	156	79	541	580		
Salt Lake City	12,490	9,990	110	918	166	46	685	575		
San Francisco	111,240	92,249	508	4,305	2,386	323	4,406	3,949	825	2,289
Seattle	40,736	30,473	188	2,108	750	141	1,887	2,997	542	1,650
Ogden Service Center	15,729	14,393					1,336			
Fresno Service Center	10,742	8,851					1,891			

Table 10.—Additional tax and penalties recommended after audit examination by class of tax, and by internal revenue regions, districts and other areas. (In thousands of dollars)

Region, service center, and district	Total	Individual	Fiduciary	Corporation	Estate	Gift	Excise	Employment	Exempt Organization
Total	5,310,628	1,395,222	21,275	2,932,941	558,820	67,041	105,078	197,558	32,893
North-Atlantic	1,168,400	279,122	3,854	703,426	103,986	7,940	9,417	59,898	757
Mid-Atlantic	839,381	166,452	3,265	562,755	59,046	5,530	31,346	8,838	2,149
Southeast	677,302	230,317	1,922	272,864	104,954	10,097	11,576	45,298	274
Central	617,291	131,654	2,317	397,830	51,494	6,591	19,069	6,905	1,431
Midwest	638,799	132,880	2,769	381,532	69,276	5,830	11,337	26,450	8,725
Southwest	511,286	142,476	2,833	240,381	75,760	23,415	10,337	11,479	4,605
Western	776,285	295,868	4,305	346,984	82,169	7,593	10,796	13,643	14,927
International Operations	81,884	16,454	9	27,170	11,934	46	1,198	25,048	25
North-Atlantic Region:									
Albany	52,710	6,479	18	42,967	2,029	108	320	789	
Augusta	9,636	3,674	57	4,793	722	16	155	221	
Boston	113,874	27,448	1,625	64,177	14,017	2,874	938	2,587	408
Brooklyn	122,247	59,310	192	36,894	21,045	1,305	1,317	2,185	
Buffalo	78,069	16,947	120	52,324	6,693	541	658	805	
Burlington	2,732	1,786	(*)	644	155	13	28	106	
Hartford	86,233	14,359	388	55,113	14,395	628	488	662	
Manhattan	648,998	113,806	635	431,594	43,061	2,552	4,842	52,160	349
Portsmouth	9,124	3,809	811	2,672	1,097	39	595	100	
Providence	16,507	3,275	7	12,248	773	64	58	82	
Andover Service Center	14,104	14,088					16		
Brookhaven Service Center	14,143	14,141					2		
Mid-Atlantic Region:									
Baltimore	101,581	28,676	353	46,441	17,698	2,455	1,940	2,046	1,971
Newark	202,788	53,122	636	125,426	16,000	525	5,094	1,977	7
Philadelphia	287,761	34,832	539	228,919	13,672	729	6,529	2,374	167
Pittsburgh	162,709	15,096	1,220	122,212	4,761	1,230	17,146	1,044	
Richmond	57,369	19,883	80	29,428	5,706	570	598	1,104	
Wilmington	15,666	3,364	437	10,330	1,208	20	10	293	4
Philadelphia Service Center	11,507	11,479					28		
Southeast Region:									
Atlanta	65,486	25,047	168	25,380	6,799	1,023	3,160	3,663	246
Birmingham	39,202	15,420	1,270	14,912	4,448	889	1,135	1,128	
Columbia	26,878	10,663	10	11,319	3,545	185	456	701	
Greensboro	92,733	24,798	111	57,089	5,644	606	2,273	2,211	
Jackson	32,418	11,068	104	5,047	4,956	1,068	308	9,848	
Jacksonville	305,255	99,573	188	121,352	49,473	6,082	2,799	25,761	28
Nashville	88,274	16,728	71	37,765	30,090	224	1,410	1,987	
Atlanta Service Center	12,881	12,852					29		
Memphis Service Center	14,176	14,167					8		
Central Region:									
Cincinnati	97,590	15,420	173	73,514	5,214	392	332	1,266	1,279
Cleveland	125,179	20,250	213	87,175	8,793	758	6,343	1,560	88
Detroit	217,904	29,972	232	165,816	10,716	442	8,768	1,695	62
Indianapolis	93,425	27,234	1,249	38,573	18,591	4,526	2,053	1,200	
Louisville	53,285	17,328	430	26,949	6,372	319	1,285	619	2
Parkersburg	14,256	5,938	21	5,802	1,809	154	169	364	
Cincinnati Service Center	15,651	15,512					140		
Midwest Region:									
Aberdeen	5,084	2,550	23	1,426	819	20	53	193	
Chicago	237,990	46,274	1,537	151,637	22,276	2,316	1,467	6,771	5,692
Des Moines	47,638	8,745	126	20,727	9,173	473	555	7,838	
Fargo	4,738	2,123	2	1,061	1,129	86	42	274	(*)
Milwaukee	48,475	10,864	58	25,674	6,684	851	461	3,684	(*)
Omaha	32,920	8,504	67	18,166	4,517	342	444	879	
St. Louis	79,951	17,139	433	38,908	12,960	714	7,257	2,300	221
St. Paul	120,511	14,111	111	93,917	5,991	628	762	2,179	2,812
Springfield	46,116	7,335	412	29,795	5,708	398	134	2,333	
Kansas City Service Center	15,375	15,235					140		
Southwest Region:									
Albuquerque	6,146	2,680	106	1,197	1,833	129	34	165	
Austin	148,608	29,714	433	87,287	23,882	4,239	824	1,799	630
Cheyenne	2,358	1,087	2	571	535	48	66	51	
Dallas	121,113	31,848	1,089	55,144	21,387	1,784	2,266	3,630	3,964
Denver	29,755	8,996	389	10,610	7,249	328	1,022	1,157	3
Little Rock	25,756	8,207	95	11,290	2,177	2,640	926	415	8
New Orleans	55,664	13,123	314	29,384	6,406	1,689	3,959	788	(*)
Oklahoma City	48,190	9,429	32	27,890	8,041	771	783	1,242	(*)
Wichita	58,467	22,408	372	17,006	4,248	11,786	416	2,231	
Austin Service Center	15,025	14,983					41		
Western Region:									
Anchorage	4,123	1,894	11	2,079	53		22	65	
Boise	29,153	2,085	2	25,644	862	21	287	251	1
Helena	9,142	4,884	10	3,026	910	51	113	147	
Honolulu	12,886	5,352	28	5,815	1,124	55	57	555	
Los Angeles	360,484	132,829	1,247	163,033	39,400	1,499	5,152	4,144	13,180
Phoenix	20,330	9,380	64	6,952	2,794	237	362	541	
Portland	25,498	9,892	175	10,352	3,732	122	564	660	
Reno	50,911	11,580	48	34,196	2,627	766	846	849	
Salt Lake City	25,452	13,414	53	10,531	704	156	135	458	(*)
San Francisco	144,566	61,369	1,782	55,509	17,403	410	1,355	5,010	1,728
Seattle	63,096	13,078	883	29,848	12,560	4,277	1,472	962	18
Ogden Service Center	13,482	13,432					50		
Fresno Service Center	17,062	16,681					381		

* Less than $500.

Table 11.—Appellate Division receipts and dispositions of cases not before the Tax Court (nondocketed cases)

A. Progress of work

F.Y. 1975

Status	Number of cases (1)	Amount stated in revenue agent's report (thousand dollars): Deficiency and penalty (2)	Overassessment (3)
Pending July 1	22,551	4,068,121	199,396
Received	18,629	1,406,308	64,326
Disposed of, total	21,492	1,560,290	72,118
By agreement	16,080	1,155,305	70,501
Unagreed: (Overassessments, claims, excise, employment, and offer in compromise rejections)	1,979	42,871	1,527
By taxpayer default on statutory notice	751	47,160	0
By petition to the Tax Court—transferred to docketed status	2,682	314,954	0
Pending June 30	19,688	3,914,139	191,604

B. Results obtained in dispositions

Method	Number of cases (1)	Appellate determination (thousand dollars): Deficiency and penalty (2)	Overassessment (3)
Disposed of, total	21,492	851,524	90,889
By agreement	16,080	472,966	87,477
Unagreed: (Overassessments, claims, excise, employment, and offer in compromise rejections)	1,979	41,087	3,412
By taxpayer default on statutory notice	751	43,009	0
By petition to the Tax Court—transferred to docketed status	2,682	294,462	0

Table 12.—Appellate Division receipt and disposition of income, estate and gift tax cases petitioned to the Tax Court (docketed cases)

A. Progress of work

F.Y. 1975

Status	Number of cases (1)	Amount stated in statutory notice (thousand dollars): Deficiency and penalty (2)	Overassessment (3)
Pending July 1	12,588	2,005,295	
Received, total	11,206	667,750	not applicable
Petitions filed in response to—			
District Directors' statutory notices	8,729	369,753	
Appellate Division's statutory notices [1]	2,477	297,997	
Disposed of, total	8,535	565,766	
By stipulated agreement	6,426	379,753	not applicable
By dismissal by the Tax Court or taxpayer default	1,142	12,855	
Tried before the Tax Court on the merits	967	173,158	
Pending June 30	15,259	2,108,279	

[1] Difference from table 11, transferred to docketed status is caused by excluding district directors' statutory notices considered by Appellate in 90-day status.

B. Results obtained in dispositions

Method	Number of cases (1)	Appellate determination (thousand dollars): Deficiency and penalty (2)	Overassessment (3)
Disposed of, total	8,535	298,272	
By stipulated agreement	6,426	112,282	not applicable
By dismissal by the Tax Court or taxpayer default	1,142	11,455	
Tried before the Tax Court on the merits [1]	967	174,535	

[1] Represents amounts petitioned.

Table 13.—Appellate Division processing of all cases for 1974–1975 (Income, estate, gift, excise, employment, and offers-in-compromise)

Status	Number of cases: 1974	1975
Pending July 1	34,768	35,139
Received	30,066	29,635
Disposed of, total	29,722	30,027
By agreement	22,300	22,506
Unagreed: (Overassessments, claims, excise, employment, and offer-in-compromise rejections)	1,743	1,979
By taxpayer default on statutory notice or dismissal by Tax Court	1,803	1,893
By petition to the Tax Court	2,879	2,682
Tried in the Tax Court	997	967
Pending June 30	35,112	34,947

Table 14.—District conference activity

F.Y. 1975

	Field Audit	Office Audit	Total
Cases pending July 1	6,688	6,119	12,807
Cases received	18,827	26,977	45,804
Conference completed	17,269	26,121	43,390
Number agreed	11,411	21,028	32,439
Agreed as a percent of total	66.1	80.5	74.8
Cases pending June 30	8,246	6,975	15,221

Table 15.—Overassessments of tax exclusive of claims for refund

	Number: 1974	1975	Amount Recommended (thousand-dollars): 1974	1975
Total	103,473	122,399	$364,454	$302,796
Individual and Fiduciary	73,507	97,586	52,015	71,917
Corporation	16,677	11,464	266,706	185,823
Estate	5,892	5,902	30,580	34,406
Gift	610	665	2,723	1,694
Excise	4,209	4,145	9,857	5,708
Employment	1,870	2,637	1,609	2,248
Exempt Organizations	708	—[1]	962	—[1]

[1] Exempt organizations activity transferred to new office of employee plans and exempt organizations in December 1974

Table 16.—Workflow in the Internal Revenue Service and the courts, fiscal years 1974 and 1975

Returns	1974	1975
	RETURNS	
Tax returns filed, total	121,914,073	125,117,100
Individual income	83,028,941	85,518,719
Corporation income	1,981,380	2,132,847
Estate and gift	464,193	476,012
Employment	24,794,221	24,756,630
Excise	1,342,220	1,430,386
Other income	10,303,118	10,802,506
Income, Estate and Gift Taxes		
Number of returns examined by Audit Division	1,960,375	2,171,923
Returns with adjustments proposed by Audit Division	1,422,190	1,667,492
Disposed of by Audit Division:		
Agreed, paid or defaulted	1,378,092	1,625,147
Transferred to Appellate	32,600	28,624
Other	11,498	13,721
Number of returns examined by Exempt Organization Division	20,487	22,168
Returns with adjustments proposed by Exempt Organization Division	4,731	6,247
Number of returns examined by Employee Plans Division	37,671	65,562
Returns with adjustments proposed by Employee Plans Division	4,599	6,225
Civil Cases	CASES	
Total received in appellate division	18,569	15,641
Disposed of by appellate divisions: Agreed, paid or defaulted	15,800	15,924
Courts of original jurisdiction:		
Tax court:		
Total petitioned to Tax Court	8,799	11,206
Dismissed	911	1,143
Settled by stipulation	6,493	6,436
Settled by Tax Court decision	1,100	989
Decided by Tax Court, but appealed	257	265
District courts and Court of Claims:		
Total filed in district courts and Court of Claims	1,133	1,018
Settled in district courts and Court of Claims	552	606
Decided by district courts and Court of Claims	471	414
Courts of Appeals:		
Settled by courts of appeals decision	363	356
Favorable to Government	250	250
Favorable to taxpayers	96	52
Modified	17	54
Decided by courts of appeals but reviewed by Supreme Court	4	—
Supreme Court: Settled by Supreme Court decision	4	—
Fraud Cases		
Received for investigation in intelligence divisions	8,078	9,268
Disposed of by intelligence division:		
Prosecution recommended	2,554	2,760
Prosecution not recommended	4,761	5,971
Disposed of by Office of Chief Counsel:		
Prosecution not warranted, including cases declined by the Department of Justice	272	381
Prosecutions	1,423	1,397

Table 17.—Amounts of revenue involved at each level of the tax system, fiscal years 1974 and 1975

Item	(million dollars) 1974	1975
Internal revenue collections, total	268,952	293,823
Individual income taxes, total	142,904	156,399
Withholding	112,092	122,103
Other	30,812	34,296
Corporation income taxes	41,744	45,747
Estate and gift taxes	5,101	4,688
Employment taxes	62,094	70,141
Excise taxes	17,110	16,848
Income, Estate, and Gift Taxes		
Civil Cases		
Additional tax and penalties disposed of in audit divisions by agreement, payment or default	2,253	2,576
Additional tax and penalties disposed of in exempt organization division	5	33
Additional tax and penalties disposed of in employee plans division	[1]	[1]
Additional tax and penalties in cases disposed of in appellate divisions by agreement, payment or default	500	516
Tax and penalties determined by settlement in Tax Court	123	114
Tax and penalties determined by Tax Court decisions:		
Dismissed	8	11
Decisions on merits [2]	22	21
Tax and penalties determined in cases decided by the Supreme Court and Courts of Appeals	10	6
Amount in dispute but not refunded to taxpayers as a result of final action on refund suits	77	75
Fraud Cases		
Deficiencies and penalties in cases disposed of in intelligence divisions:		
Prosecution recommended	374	235
Prosecution not warranted and cases declined by Department of Justice	9	7

[1] Additional tax proposed by employee plans division are included in the additional tax proposed by audit and exempt organization divisions.
[2] Reflects amount determined in all Tax Court decisions, including those subsequently appealed

Table 18.—Determination letters issued on employee benefit plans, fiscal year 1975

Item	Profit-sharing and stock bonus plans	Pension or annuity plans	Total
Determination letters issued with respect to—			
1. Initial qualification:			
a. Plans approved	22,038	25,568	47,606
b. Plans disapproved	139	205	344
c. Number of participating employees in plans requesting initial qualification	254,704	1,001,913	1,256,617
2. Termination	2,326	3,229	5,555
3. Amendments	4,812	12,305	17,117
4. Investments	117	77	194
Cases closed without issuance of determination letter and other disposals	2,425	3,783	6,208

Table 19.—1974 Individual tax rebates as provided for in the 1975 Tax Reduction Act (Amounts in thousands of dollars)

Internal revenue regions, districts, States and other areas. (States represented by single districts indicated in parentheses; total for other States shown at bottom of table)	TOTAL REBATE CREDITS		REFUNDED [2]		APPLICATION OF REBATE CREDITS [1] Applied to 1974 Balance Due		Applied to other Balance Due		Other [3]	
	Number (1)	Amount (2)	Number (3)	Amount (4)	Number (5)	Amount (6)	Number (7)	Amount (8)	Number (9)	Amount (10)
United States, total	65,468,989	8,209,504	63,775,926	7,955,530	2,933,975	197,435	357,903	24,966	177,478	31,570
North-Atlantic Region	9,685,659	1,226,627	9,438,712	1,189,583	402,252	27,126	59,187	4,272	35,669	5,544
Albany (See (c) below)	547,330	69,290	536,805	67,639	20,985	1,320	2,849	192	264	139
Augusta (Maine)	306,061	36,224	298,732	35,175	12,613	851	1,476	94	503	104
Boston (Massachusetts)	1,896,576	241,121	1,852,832	234,444	73,304	5,185	9,107	663	4,536	830
Brooklyn (See (c) below	2,151,567	273,184	2,089,882	263,934	97,735	6,426	16,310	1,200	11,383	1,625
Buffalo (See (c) below)	1,467,592	188,317	1,440,602	184,250	47,373	3,071	6,273	441	2,456	556
Burlington (Vermont)	134,146	16,096	131,268	15,657	5,407	330	717	44	290	55
Hartford (Connecticut)	1,210,251	155,726	1,179,477	151,089	50,696	3,495	6,578	471	4,621	671
Manhattan (See (c) below)	1,409,981	176,498	1,359,144	169,127	73,370	5,020	13,410	1,000	10,617	1,350
Portsmouth (New Hamshire)	259,346	32,251	253,603	31,386	9,844	676	1,155	80	492	109
Providence (Rhode Island)	302,809	37,920	296,567	36,973	10,925	752	1,312	89	507	106
Mid-Atlantic Region	9,673,610	1,234,604	9,420,855	1,197,127	407,878	28,385	53,954	3,762	25,921	4,730
Baltimore (Maryland and D.C.)	1,684,070	213,260	1,625,893	205,004	61,379	5,981	11,051	775	9,987	1,500
Newark (New Jersey)	2,522,617	325,398	2,455,448	315,446	103,841	7,336	15,980	1,201	8,743	1,416
Philadelphia (See (e) below [4]	2,352,114	300,935	2,296,180	292,729	93,603	6,244	11,242	776	1,996	586
Pittsburgh (See (e) below)	1,400,389	181,172	1,372,904	176,968	49,570	3,327	5,155	339	1,988	538
Richmond (Virginia)	1,527,541	189,834	1,487,068	183,797	70,620	4,872	9,213	582	2,646	584
Wilmington (Delaware)	186,879	24,005	181,382	23,183	8,865	626	1,313	89	559	106
Southeast Region	9,010,075	1,078,083	8,734,044	1,036,698	476,554	32,273	67,567	4,615	28,966	4,297
Atlanta (Georgia)	1,391,304	168,164	1,350,598	162,075	68,666	4,818	9,758	664	4,326	606
Birmingham (Alabama)	924,829	110,584	900,992	107,025	42,949	2,795	5,727	367	2,608	397
Columbia (South Carolina)	781,848	92,770	760,046	89,567	35,999	2,493	6,176	414	1,939	295
Greensboro (North Carolina)	1,581,645	188,014	1,536,945	181,356	79,439	5,190	13,263	829	3,914	638
Jackson (Mississippi)	518,674	59,655	501,674	57,146	31,092	1,966	4,941	320	1,509	223
Jacksonville (Florida)	2,534,570	305,841	2,443,128	292,221	153,559	10,569	18,836	1,435	11,687	1,617
Nashville (Tennessee)	1,277,205	153,056	1,240,661	147,508	64,850	4,440	8,866	585	2,983	522
Central Region	9,320,420	1,198,886	9,129,708	1,170,562	329,818	22,185	36,914	2,598	17,227	3,540
Cincinnati (See (d) below)	1,468,822	184,523	1,434,170	179,616	55,441	3,810	5,977	418	4,089	680
Cleveland (See (d) below)	2,060,121	267,117	2,018,732	261,037	69,212	4,615	7,496	536	4,527	879
Detroit (Michigan)	2,783,273	365,462	2,729,383	357,386	92,303	6,344	10,602	768	3,595	964
Indianapolis (Indiana)	1,639,358	213,437	1,607,595	208,504	58,201	3,865	6,798	491	2,655	577
Louisville (Kentucky)	889,058	108,262	868,757	105,204	38,073	2,464	4,357	275	1,871	319
Parkersburg (West Virginia)	479,788	60,064	471,071	58,765	16,588	1,087	1,684	110	490	121
Midwest Region	9,457,921	1,209,738	9,250,844	1,176,443	423,580	26,762	41,469	2,769	20,079	3,763
Aberdeen (South Dakota)	182,408	21,466	177,869	20,719	11,246	635	838	44	283	69
Chicago (See (b) below)	2,851,005	377,317	2,782,545	366,483	123,457	8,363	13,916	1,032	8,889	1,437
Des Moines (Iowa)	871,651	109,841	853,470	106,711	44,146	2,616	3,538	201	1,911	313
Fargo (North Dakota)	183,420	21,817	178,224	20,921	13,237	762	1,008	53	477	81
Milwaukee (Wisconsin)	1,405,307	180,304	1,379,146	176,157	53,618	3,397	5,094	348	1,460	402
Omaha (Nebraska)	471,950	58,114	461,160	56,336	24,785	1,476	2,047	116	966	186
St. Louis (Missouri)	1,392,263	174,197	1,361,161	169,431	59,116	3,787	6,822	455	3,019	525
St. Paul (Minnesota)	1,179,044	147,546	1,155,651	143,773	51,193	3,076	4,238	276	1,326	422
Springfield (See (b) below)	920,873	119,136	901,618	115,911	42,782	2,651	3,968	245	1,748	328
Southwest Region	7,584,670	925,281	7,369,252	892,589	390,379	26,287	43,432	2,946	19,002	3,460
Albuquerque (New Mexico)	293,340	34,737	286,388	33,698	12,783	818	1,400	91	747	130
Austin (See (f) below)	1,991,695	243,089	1,932,982	234,445	96,598	6,816	11,591	827	5,383	1,001
Cheyenne (Woming)	114,745	14,592	111,490	14,094	6,085	393	662	44	323	61
Dallas (See (f) below)	1,499,746	184,207	1,451,245	176,831	86,301	6,021	9,559	642	3,887	713
Denver (Colorado)	796,928	99,294	775,471	96,114	36,157	2,466	3,867	258	2,592	436
Little Rock (Arkansas)	519,403	60,156	503,628	57,804	30,533	1,932	3,501	224	1,220	196
New Orleans (Louisiana)	949,861	115,310	924,389	111,498	46,140	3,061	5,578	376	1,813	374
Oklahoma City (Oklahoma)	728,218	87,932	708,880	84,881	39,390	2,511	4,020	255	1,491	285
Wichita (Kansas)	691,334	85,975	674,779	83,224	36,392	2,268	3,254	220	1,546	263
Western Region	10,652,757	1,327,358	10,349,160	1,283,332	492,452	33,869	54,455	3,951	30,542	6,217
Anchorage (Alaska)	103,742	13,600	99,966	13,037	5,444	416	519	43	638	105
Boise (Idaho)	227,599	27,267	220,314	26,146	14,375	916	1,385	81	835	124
Helena (Montana)	213,462	25,879	207,144	24,891	13,131	793	1,366	83	707	112
Honolulu (Hawaii)	270,509	34,031	264,823	33,189	9,712	642	893	63	338	138
Los Angeles (See (a) below)	3,978,478	490,463	3,866,601	474,757	165,890	11,511	22,024	1,704	12,567	2,490
Phoenix (Arizona)	628,287	76,955	611,069	74,437	28,747	1,970	2,950	202	2,066	346
Portland (Oregon)	783,649	97,338	760,833	93,958	39,406	2,663	3,928	272	2,609	445
Reno (Nevada)	206,785	25,798	200,822	24,927	8,322	603	1,450	117	825	151
Salt Lake City (Utah)	327,557	39,574	320,038	38,451	13,787	874	1,489	96	949	154
San Francisco (See (a) below)	2,797,139	353,184	2,710,683	340,771	139,051	9,851	14,046	997	6,537	1,564
Seattle (Washington)	1,115,550	143,279	1,066,567	138,767	54,585	3,630	4,405	293	2,471	589
Office of International Operations [4]	83,877	8,916	83,351	8,896	11,082	548	925	53	72	18
Puerto Rico	11,900	1,118	11,819	1,107	616	40	46	3	11	2
Other	71,977	7,798	71,532	7,789	10,446	508	879	50	61	16
(a) California	6,775,617	843,647	6,577,484	815,528	304,941	21,362	36,070	2,701	19,104	4,054
(b) Illinois	3,771,878	496,453	3,684,183	482,394	166,239	11,014	17,884	1,277	10,637	1,765
(c) New York	5,576,470	707,289	5,426,433	684,950	239,463	15,837	38,842	2,833	24,720	3,670
(d) Ohio	3,528,943	451,640	3,452,902	440,703	124,653	8,425	13,473	954	8,616	1,559
(e) Pennsylvania	3,752,503	482,107	3,671,064	469,697	143,173	9,571	16,397	1,115	3,984	1,124
(f) Texas	3,490,841	427,296	3,384,227	411,276	182,899	12,837	21,150	1,469	9,270	1,714

[1] Number of applications exceeds number of credits because one credit may have a dual application, i.e., partially refunded and partially applied to 1974 Balance Due.
[2] The Rebate Credits refunded include 216,795 refunds amounting to $21,417,229.27 scheduled in the last week of June 1975 and issued in the first week of July 1975. Data reflects refunds processed by National Computer Center and scheduled for issuance by Regional Disbursing Centers.
[3] Rebate Credit generated but temporarily unapplied pending resolution of taxpayer's account.
[4] The numbers and amounts in columns 9 and 10 for the Office of International Operations and the Philadelphia District are based on an allocation of the total for those two offices. Returns for the Office of International Operations are processed by the Philadelphia Service Center.

Table 20.—Tax withheld from payments to foreign persons of treaty and nontreaty countries—calendar year 1973 (Thousand dollars)

Country	Income	Tax withheld by domestic withholding agents	Tax from foreign governments or withholding agents	Total tax withheld	Number of information documents filed by withholding agents
Treaty Countries:					
Australia	3,596	622	—	622	3,785
Austria	2,473	311	—	311	4,530
Belgium	32,885	4,024	541	4,565	9,135
Former Belgian o/s Territories	26	4	—	4	94
Canada	320,351	27,393	2,909 [1]	30,302	203,852
Denmark	2,602	195	1	196	1,288
Finland	583	33	—	33	373
France	107,513	9,690	58	9,748	13,422
Federal Republic of Germany	56,577	5,213	—	5,213	55,949
Greece	1,823	322	—	322	2,669
Ireland	4,038	494	2	496	3,719
Italy	18,880	2,114	—	2,114	10,234
Japan	61,764	5,858	—	5,858	3,821
Luxembourg	16,076	3,796	388	4,184	1,581
Netherlands	234,922	12,782	212	12,994	12,320
Netherlands Antilles	167,765	3,661	2	3,663	1,581
New Zealand	681	123	—	123	1,051
Norway	2,626	332	—	332	3,369
Pakistan	164	14	—	14	181
Sweden	12,257	746	—	746	3,365
Switzerland	494,727	43,679	43,567	87,246	27,469
Trinidad & Tobago	107	14	22	36	262
Republic of South Africa	1,119	284	—	284	1,345
United Kingdom	417,881	36,547	334	36,881	50,094
Former U.K. o/s Territories	1,002	85	—	85	1,029
Nontreaty countries	443,813	69,453	—	69,453	202,738
TOTAL	2,408,051	227,789	48,035	275,825	819,356

[1] At printing, only total amount of tax withheld is available; breakdown between tax withheld by domestic withholding agents and tax from foreign governments or withholding agents is estimated from past experience.

Table 21.—Internal revenue refunds, including interest, fiscal years 1974 and 1975 (excluding rebates) (For refunds by region and district, see tables 5 and 6)

	Number		Amount refunded (principal and interest-thousand dollars)		Amount of interest included (thousand dollars)	
	1974	1975	1974	1975	1974	1975
Total refunds of internal revenue [1] [2]	65,788,713	67,834,472	28,192,634	32,206,671	220,921	236,034
Corporation income taxes	318,836	359,238	3,282,094	5,290,433	157,304	164,886
Individual income and employment taxes, total [3]	65,376,146	67,386,316	24,569,191	28,532,559	55,267	59,921
Excessive prepayment income tax [3]	63,253,803	64,853,020	23,423,091	25,444,032	27,047	28,953
Other income tax and Federal Insurance Contributions Act taxes [3] [4]	1,970,456	2,212,418	1,119,710	1,053,256	27,634	30,220
Railroad retirement	434	726	512	332	15	18
Unemployment insurance	151,453	220,152	25,878	34,939	571	730
Estate tax	22,747	28,366	68,769	79,364	6,353	7,154
Gift tax	3,196	7,033	4,055	5,498	437	751
Excise taxes, total	67,788	55,519	268,525	300,820	1,560	3,322
Alcohol taxes [5]	12,410	14,080	110,302	112,534	14	10
Tobacco taxes [6]	365	323	3,277	3,485	*	*
Manufacturers' and retailers' excise taxes, total	3,801	3,981	129,315	157,489	447	1,718
Gasoline used on farms	105	144	109,596	128,417	—	—
Gasoline, nonhighway	1,077	876	−6,583	1,946	—	—
Other [4]	2,619	2,961	26,303	27,125	447	1,718
All other excise taxes [7]	51,212	37,135	25,630	27,313	1,099	1,596

[1] Figures include credits for the Federal Old-Age and Survivors, Federal Disability, and Federal Hospital Insurance Trust Funds amounting to $535,208,000 in 1974 $360,000,000 in 1975; for the Highway Trust Fund amounting to $123,178,000 in 1974 $145,764,000 in 1975.
[2] Net of 77,116 undeliverable checks totaling $20,866,000 in 1974 and 69,481 undeliverable checks totaling $25,509,000 in 1975.
[3] Includes refunds "not otherwise classified."
[4] Includes excess FICA credits.
[5] Includes drawbacks and stamp redemptions.
[6] Includes lubricating oil use for nonhighway purposes.
[7] Includes narcotics, silver, wagering (excise and stamps), capital stock, and other excise tax refunds.
* Less than $500.

Table 22.—Obligations incurred by the Internal Revenue Service by appropriation and activity (In thousands of dollars)

Appropriation by Activity	Total		Personnel Compensation and Benefits		Other	
	1974	1975	1974	1975	1974	1975
Total obligations, appropriations and reimbursable	1,312,895	1,589,125	1,069,276	1,215,540	243,619	373,585
Obligations against appropriation funds	1,303,528	1,584,711	1,061,397	1,211,923	242,131	372,788
Salaries and expenses:						
Total	36,452	41,607	31,036	35,533	5,416	6,074
Executive direction	15,688	18,181	13,211	15,478	2,477	2,683
Internal audit and security	20,764	23,446	17,825	20,055	2,939	3,391
Accounts, collection and taxpayer service:						
Total	603,984	732,442	455,052	519,328	148,932	213,114
Data processing operations	315,088	385,104	251,967	284,462	63,121	100,642
Statistical reporting	10,801	12,102	9,216	9,801	1,585	2,301
Collection	193,477	226,178	161,385	185,128	32,092	41,050
Taxpayer service	84,618	109,058	32,484	39,937	52,134	69,121
Compliance:						
Total	663,092	810,662	575,309	657,062	87,783	153,600
Audit of tax returns	495,152	578,191	431,012	467,956	64,140	110,235
Employees plans	—	23,004	—	18,974	—	4,030
Tax fraud and special investigations	85,903	101,061	69,367	78,066	16,536	22,995
Exempt organizations	—	19,303	—	16,059	—	3,244
Taxpayer conferences and appeals	32,812	36,892	30,315	31,850	2,497	5,042
Technical rulings and services	18,870	17,181	16,878	14,292	1,992	2,889
Legal Services	30,355	35,030	27,737	29,865	2,618	5,165
Reimbursable obligations, Total	9,367	4,414	7,879	3,617	1,488	797

Note: Transfer to GSA for rent of space totaling $8,369,000 in fiscal year 1974 is not included.

Table 23—Staff-years authorized and realized[1]

Appropriation	Authorized		Realized		Percentage Realized	
	1974	1975	1974	1975	1974	1975
Salaries and expenses	1,653	1,823	1,741	1,867	105.3	102.4
Accounts, collection and taxpayer service	39,527	42,613	39,597	42,517	100.2	99.8
Compliance	34,717	38,050	34,424	37,955	99.2	99.8
Total	75,897	82,486	75,762	82,339	99.8	99.8
Increase 1975 over 1974	—	+6,589	—	+6,577	—	—

[1] Does not include staff years devoted to reimbursable projects.

Table 24.—Costs incurred by the Internal Revenue Service (In thousands of dollars)

Internal revenue office, district, or region	Total (1)	Personnel Compensation (2)	Travel (3)	Equipment (4)	Other (5)
A. National Office and regional totals (including district director's offices and service centers)					
Total Internal Revenue Service[1]	1,589,126	1,215,541	44,708	27,041	301,837
National Office	297,131	85,520	2,213	6,789	202,609
North-Atlantic	235,492	210,438	5,209	2,749	17,095
Mid-Atlantic	162,654	145,338	4,095	2,172	11,049
Southeast	165,296	140,438	6,110	3,206	15,542
Central	136,523	119,065	4,693	2,613	10,133
Midwest	157,034	138,233	5,282	2,981	10,538
Southwest	141,105	122,818	6,085	2,562	9,841
Western	215,964	187,254	7,941	2,835	17,934
Regional Counsel	18,966	18,264	213	----	489
Regional Inspection	18,553	16,614	1,403	66	470
Office of International Operations	11,338	8,612	1,243	485	996
National Computer Center	8,591	5,160	49	41	3,341
IRS Data Center	20,479	17,966	174	541	1,799
B. Regional commissioner's offices (excluding district director's offices and service centers)					
North-Atlantic	12,856	11,213	191	352	1,101
Mid-Atlantic	9,417	7,793	226	187	1,231
Southeast	9,236	7,433	310	361	1,132
Central	8,075	7,044	165	213	652
Midwest	9,829	8,029	423	450	927
Southwest	7,771	6,535	317	248	671
Western	15,113	12,686	474	442	1,512
C. Regional costs undistributed					
North-Atlantic	2,759	1,036	1,518	27	177
Mid-Atlantic	2,337	891	1,265	----	181
Southeast	3,133	1,201	1,805	----	127
Central	2,437	814	1,526	10	87
Midwest	2,309	950	1,269	----	90
Southwest	2,529	698	1,717	24	92
Western	2,281	3	2,078	----	200
D. District director's offices and service centers:					
North Atlantic:					
Albany	6,687	6,189	203	78	417
Augusta	4,012	3,386	168	85	372
Boston	24,786	22,724	500	355	1,207
Brooklyn	27,067	25,276	404	350	1,057
Buffalo	17,085	15,115	456	278	1,237
Burlington	2,131	1,805	96	32	198
Hartford	12,876	11,884	327	136	549
Manhattan	54,166	51,246	707	442	1,772
Portsmouth	3,144	2,839	111	52	143
Providence	4,724	4,257	92	116	259
North-Atlantic Regional Training Ctr.	154	106	2	2	45
North-Atlantic Region-Centralized Tr.	153	----	150	----	3
Andover Service Center	28,428	24,403	102	223	3,700
Brookhaven Service Center	34,244	28,979	183	221	4,860
Mid-Atlantic:					
Baltimore	20,914	19,090	336	607	882
Newark	31,853	29,638	688	264	1,264
Philadelphia	27,787	25,773	521	314	1,179
Pittsburgh	15,108	13,985	320	193	610
Richmond	13,831	12,592	473	140	626
Wilmington	3,399	3,155	87	20	138
Mid-Atlantic Regional Training Ctr.	327	253	1	27	46
Mid-Atlantic Regional-Centralized Tr.	92	----	92	----	----
Philadelphia Service Center	37,589	32,169	87	441	4,892

Table 24.—Costs incurred by the Internal Revenue Service—Continued (In thousands of dollars)

Internal revenue office, district, or region	Total (1)	Personnel Compensation (2)	Travel (3)	Equipment (4)	Other (5)
Southeast:					
Atlanta	17,765	15,695	805	403	863
Birmingham	8,941	7,909	352	190	491
Columbia	6,995	6,099	254	169	472
Greensboro	14,005	12,409	598	271	727
Jackson	6,053	5,343	267	102	340
Jacksonville	30,588	26,769	1,036	756	2,028
Nashville	11,704	10,309	454	262	679
Southeast Regional Training Ctr.	87				87
Southeast Region-Centralized Tr.	79		78		1
Atlanta Service Center	28,416	23,300	81	446	4,589
Memphis Service Center	28,296	23,971	71	248	4,006
Central:					
Cincinnati	15,345	13,961	390	278	716
Cleveland	22,529	20,604	524	356	1,045
Detroit	29,971	26,833	853	916	1,368
Indianapolis	15,039	13,380	498	304	857
Louisville	8,778	7,889	330	95	484
Parkersburg	5,316	4,615	217	153	331
Central Regional Training Ctr.	685	539	6	74	65
Central Region-Centralized Training	102		101		1
Cincinnati Service Center	28,249	23,426	83	213	4,527
Midwest:					
Aberdeen	2,581	2,254	147	42	138
Chicago	38,094	35,043	843	257	1,941
Des Moines	8,682	7,618	322	242	500
Fargo	2,553	2,199	112	76	176
Milwaukee	12,631	11,481	348	163	639
Omaha	5,928	5,111	217	277	323
St. Louis	19,720	17,658	630	411	1,021
St. Paul	13,540	12,077	406	402	655
Springfield	9,878	8,837	387	80	671
Midwest Regional Training Ctr.					
Midwest Region-Centralized Training	84		84		
Kansas City Service Center	31,107	26,975	95	580	3,457
Southwest:					
Albuquerque	3,953	3,440	172	74	267
Austin	24,574	21,683	980	445	1,465
Cheyenne	2,046	1,696	108	60	182
Dallas	23,366	20,798	865	323	1,379
Denver	9,680	8,491	388	142	659
Little Rock	5,910	5,317	230	98	266
New Orleans	12,127	10,753	339	496	540
Oklahoma City	10,779	9,553	430	160	635
Wichita	7,860	6,963	314	146	436
Southwest Region-Centralized Training	119	58	(*)	14	46
Austin Service Center	30,258	26,637	89	332	3,201
Austin Reg. Tr. Center	133		133		
Western:					
Anchorage	3,100	2,450	256	126	268
Boise	3,335	2,892	205	61	177
Helena	3,189	2,780	185	27	197
Honolulu	3,968	3,527	149	30	262
Los Angeles	50,797	45,795	1,498	480	3,024
Phoenix	8,009	7,051	251	89	618
Portland	8,981	7,613	328	142	898
Reno	5,822	5,197	233	23	368
Salt Lake City	3,997	3,612	114	35	236
San Francisco	32,900	29,569	1,020	280	2,030
Seattle	13,267	11,753	527	310	697
Western Regional Training Ctr.	619	513	9	201	96
Western Region-Centralized Training	241		230		11
Ogden Service Center	30,081	26,044	232	324	3,481
Fresno Service Center	30,045	25,769	151	265	3,861

Table 25.—Personnel summary

Location and type	Average Positions Realized 1974	Average Positions Realized 1975	Number Employees At Close of Year 1974	Number Employees At Close of Year 1975
Service Total	78,921	82,616	78,700	82,266
Permanent	67,977	70,923	69,635	71,734
Temporary	10,944	11,693	9,065	10,532
National Office [1]	3,958	4,579	4,305	4,585
Field Service Total [2]	72,469	78,037	73,928	77,681
Data Processing, total	25,187	25,732	22,450	23,694
Collection, total	N.A.	11,492	N.A.	11,810
Revenue Officers	N.A.	6,765	N.A.	6,919
Other	N.A.	4,727	N.A.	4,891
Taxpayer Service, total	N.A.	2,917	N.A.	3,001
Taxpayer Ser. Specs.	N.A.	N.A.	N.A.	N.A.
Taxpayer Ser. Reps.	N.A.	2,072	N.A.	2,032
Other	N.A.	845	N.A.	969
Audit, total	24,975	28,386	27,898	27,411
Revenue Agents	14,144	14,265	15,400	14,223
Off. Audit & Tax Tech.	4,174	4,666	4,526	4,772
Other	6,657	7,455	7,972	8,416
Employee Plans Org., total	N.A.	761	N.A.	970
Revenue Agents	N.A.	525	N.A.	592
Tax Law Specialists	N.A.		N.A.	8
Tax Auditors	N.A.	30	N.A.	34
Other	N.A.	206	N.A.	336
Intelligence, total	3,472	3,757	3,701	3,795
Special Agents	2,493	2,638	2,577	2,626
Other	979	1,119	1,124	1,169
Exempt Org., total	N.A.	658	N.A.	666
Revenue Agents	N.A.	412	N.A.	417
Tax Law Specialists	N.A.		N.A.	3
Tax Auditors	N.A.	83	N.A.	86
Other	N.A.	163	N.A.	160
Appellate, total	1,288	1,288	1,291	1,273
Appellate Conferees	615	615	618	603
Auditors	123	125	119	122
Other	550	548	554	548
Administration, total	2,935	3,256	3,154	3,211
Regional Counsel	898	920	953	949
Regional Inspection	819	870	866	901
Economic Stablization Program. Total [4]	2,289	N.A.	457	N.A.

Note: Reimbursements are included in above figures.
[1] Includes terminal leave man-years for entire service.
[2] Includes Office of International Operations, National Computer Center and IRS Data Center.
[3] Includes overseas employees hired locally (3 in 1974 and 4 in 1975).
[4] Reflects man-years realization and personnel on roll for National Office and field; not shown on Table 8.
N.A. Not applicable.

Table 26.—Quantity and Cost Statistics for Printing [1]

Class of Work	Quantity: Tax Packages	Quantity: Other Printing FY-74	Quantity: Other Printing FY-75	Cost (1,000 dollars) FY-73	Cost (1,000 dollars) FY-74	Cost (1,000 dollars) FY-75
1. Tax Packages (1975) [2]						
Package 1 (Form 1040, Instructions, Schedules A&B—40 pages)	23,445					1,281
Package 2 (Form 1040, Schedules A&B, D, E, R, & Instructions—52 pages)	10,490					751
Package 3 (Form 1040, Schedules A, B, C, D, E&R, SE & Instructions—60 pages)	8,840					695
Package 4 (Form 1040, Schedules A&B, C, D, E&R, F, SE, Forms 3468, 4136, 4797, & Instructions—60 pages)	2,725					359
Package 1040A (Form 1040A & Instructions—24 pages)	38,673					1,443
Package 1065 (Form 1065; Schedule K-1, Form 4797 & Instructions—48 pages)	2,400					1
Package 1120 (Form 1120, Schedule D, Forms 1120-W, 3468, 4797, 4874, 7004 & Instructions—40 pages)	2,360					1
2. Tax Packages (1974)						
Package 1 (Form 1040, Instructions, Schedules A&B—32 pages)	37,639				325	2,206
Package 2 (Form 1040, Schedules A&B, D, E, R, and Instructions—44 pages)	10,570				225	752
Package 3 (Form 1040, Schedules A, B, C, D, E&R, SE and Instructions—52 pages)	8,300				225	804
Package 4 (Form 1040, Schedules A&B, C, D, E&R, F, SE, Forms 3468, 4136, 4797, and Instructions—72 pages)	2,725				80	369
Package 1040A (Form 1040A and Instructions—16 pages)	22,400				175	679
Package 1065 (Form 1065, Schedule K-1, Form 4797 and Instructions—48 pages)	2,000				0	240
Package 1120 (Form 1120, Schedule D, Forms 1120-W, 3468, 4797, 4874, 7004 and Instructions—40 pages)	2,200				1	242
3. Tax Packages (1973) [3]						
Package 1 (Form 1040, Instructions, Schedule A—32 pages)	34,925			25	1,694	
Package 2 (Form 1040, Schedules A, D, E&R, and Instructions—44 pages)	11,425			25	788	
Package 3 (Form 1040, Schedules A, C, D, E&R, SE, and Instructions—52 pages)	7,830			25	552	
Package 4 (Form 1040, Schedules A, C, D, E&R, F, SE, Form 4136 & Instructions—60 pages)	2,600			25	204	
Package 1040A (Form 1040A, & Instructions—16 pages)	21,690			110	844	
Package 1065 (Form 1065, Schedule K-1, Form 4797 & Instructions—48 pages)	1,800			0	208	
Package 1120 (Form 1120, Schedule D, Forms 1120-W, 3468, 4797, 4874, 7004 & Instructions—40 pages)	2,000			0	201	
4. Employment Tax Package						
Pub. 393 (1975)	5,640			2		700
Pub. 393 (1974)	5,635				20	666
Pub. 393 (1973)	5,426				401	
Total Cost of Tax Returns & Instructions for Major Mailings to Taxpayer				212	5,943	11,189
5. Other Tax Returns, Instructions, Public-use Forms, and Pamphlets		2,341,955	2,634,374		15,348	21,142
6. Administrative Forms and Pamphlets		611,921	631,988		6,555	8,207
7. Field Printing		295,989	373,450		2,072	2,775
8. All Printing to Support the Economic Stabilization Program [4]		4,560			204	
Grand Total		3,254,425	3,639,812		30,122	43,313

[1] Due to the volume of printing requirements, solicitations for the major tax packages are issued in each year in the spring. Expenditures may, therefore, overlap two fiscal years.
[2] Additional costs will be incurred for the 1975 tax packages in FY-76.
[3] FY-73 costs may be only that amount expended during FY-73 for tax year 1973 packages.
[4] Economic Stabilization Program was no longer in effect in FY-75.

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