

Statistics of Income

# SOI BULLETIN



Department of the Treasury  
Internal Revenue Service

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Fall 1990

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Statistics of Income

# SOI BULLETIN

Department of the Treasury  
Internal Revenue Service

Publication 1136 (Rev. 1-91)

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The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as the gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

In addition, special Statistics of Income tabulations based on income tax returns can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

Robert A. Wilson and Bettye Jamerson of the Statistics of Income Division were the technical editors and were assisted by Wendy Alvey and Beth Kilss, who wrote the SOI Bulletin Board column, and Clementine Brittain who provided editorial support and prepared the copy. Any views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department.

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## STATISTICS OF INCOME DIVISION

### PUBLICATIONS AND TAPES

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**Statistical Information Service Desk**  
**(202) 233-1755**  
**FAX (202) 233-1620**

The following Statistics of Income reports and tapes can be purchased from the Statistics of Income Division (unless otherwise indicated). Prepayment is required, with checks made payable to the IRS Accounting Section. For copies from the Statistics of Income Division, please write:

Director, Statistics of Income Division (R:S)  
Internal Revenue Service  
P. O. Box 2608  
Washington, DC 20013-2608

### **BUSINESS SOURCE BOOKS:**

- ***Corporation Source Book, 1987, Publication 1053 -- Price \$175.00***

This 480-page document presents detailed income statement, balance sheet and tax, by major and minor industries and size of total assets. The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150 per year). A magnetic tape containing the tabular statistics for 1986 can be purchased for \$1,500.

- ***Partnership Source Book, 1957-1983, Publication 1289 -- Price \$30.00***

This 291-page document shows key partnership data for 1957 through 1983, at the minor, major and division industry levels. It includes a historical definition of terms section and a summary of legislative changes affecting the comparability of partnership data during that period. Tables show:

- |                          |                        |                        |
|--------------------------|------------------------|------------------------|
| ○ Number of partnerships | ○ Depreciation         | ○ Payroll              |
| ○ Number of partners     | ○ Taxes paid deduction | ○ Payments to partners |
| ○ Business receipts      | ○ Interest paid        | ○ Net income           |

( A magnetic tape containing the tabular statistics for partnerships can be purchased for \$300 from the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161.) More recent partnership data are published annually in the *Statistics of Income Bulletin*.

- ***Sole Proprietorship Source Book, 1957-1984, Publication 1323 -- Price \$95.00***

This *Source Book* is a companion to that for partnerships, described above. It is a 244-page document showing key proprietorship data for 1957 through 1984; data for farm proprietorships excluded after 1981. Each page presents statistics for a particular industry. Tables show:

- |                        |                        |              |
|------------------------|------------------------|--------------|
| ○ Number of businesses | ○ Depreciation         | ○ Payroll    |
| ○ Business receipts    | ○ Taxes paid deduction | ○ Net income |
| ○ Interest paid        |                        |              |

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## STATISTICS OF INCOME DIVISION

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A magnetic tape containing the tabular statistics can be purchased for \$245. As with partnerships, more recent (nonfarm) sole proprietorship data are published annually in the *Statistics of Income Bulletin*.

#### COMPENDIUMS:

- *Studies of International Income and Taxes, 1979-1983, Publication 1267 -- Price \$45.00*

This report presents information from 13 *Statistics of Income* studies in the international area (many of them previously published in the *SOI Bulletin*), including:

- Foreign activity of U.S. corporations
- Activity of foreign corporations in the United States
- Foreign controlled U. S. corporations
- Statistics related to individuals, trusts and estates
- Data presented by--  
geographical area or industrial activity, as well as other classifiers

- *Partnership Returns, 1978-1982, Publication 369 -- Price \$22.00*

This report presents previously unpublished *Statistics of Income* data for 1980, 1981 and 1982, as well as data previously issued in the *SOI Bulletin* and in other publications. Features include:

- Number of partnerships
- Limited partnerships
- Receipts
- Cost of sales and operations
- Deductions
- Net income
- Capital gains
- Data presented by--  
industry  
size of total assets  
State  
number of partners

#### REIMBURSABLE SERVICES (prices dependent on the request):

- **Public Use Magnetic Tape Microdata Files**

This includes individual income tax returns for 1978-1986. (Individual income tax returns for 1966-1977 are available from the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408.) Files containing more limited data for each State are also available for 1985. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982, 1983 and 1985 and nonprofit charitable organizations for 1983 and 1985 are also available from the Statistics of Income Division. The individual, private foundation and charitable organization files are the only microdata files that can be released to the public.

- **Migration Data**

Compilations showing migration patterns, from where to where, by State and county, based on year-to-year changes in the tax return address. Data are available for selected time periods (according to the years in which returns were filed) between 1978 and 1988 and include counts of the number of individual income tax returns and personal exemptions. In addition, county income totals are available for Income Years 1982 and 1984 through 1987.

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## STATISTICS OF INCOME DIVISION

### PUBLICATIONS AND TAPES

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● **Other Unpublished Tabulations**

Unpublished tabulations also from *Statistics of Income (SOI)*, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of SOI computer programming resources.

### OTHER PUBLICATIONS:

The following *Statistics of Income* publications are available from the Superintendent of Documents, U.S. Government Printing Office. For copies write:

Superintendent of Documents  
U.S. Government Printing Office  
Washington, DC 20402

***Statistics of Income (SOI) Bulletin (Quarterly), Publication No. 1136***  
**Stock Number 748-005-00000-5 -- Subscription price \$20.00; Single copy price \$7.50**

Provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and on partnerships, as well as from periodic or special studies of particular interest to tax analysts and administrators and to economists. Historical tables include data from *SOI* as well as on tax collections and refunds by type of tax.

***Statistics of Income--1987, Corporation Income Tax Returns, Publication No. 16***  
**Stock Number 048-004-02299-1 -- Price \$15.00**

This report presents more comprehensive and complete data on corporation income tax returns with accounting periods ended July 1987 through June 1988, than those published earlier in the *SOI Bulletin*.

Presents information on--

- o Receipts
- o Deductions
- o Net income
- o Taxable income
- o Income tax
- o Tax credits
- o Assets
- o Liabilities

o Data classified by--

- industry
- accounting period
- size of total assets
- size of business receipts

***Statistics of Income--1987, Individual Income Tax Returns, Publication No. 1304***  
**Stock number 048-004-02296-6 -- Price \$9.00**

This report presents more comprehensive and complete data on individual income tax returns for 1987 than those published earlier in the *SOI Bulletin*.

o Presents information on--

- Sources of income
- Exemptions
- Itemized deductions
- Tax computations

o Data presented by--

- size of adjusted gross income
- marital status

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**Individual Income Tax Returns Data by State, 1986-1988** ..... 11

**By Barry Windhelm**

Statistics are presented by State for Tax Years 1986-1988, and include the first adjusted gross income size distributions data published since 1980. The data were tabulated from the Internal Revenue Service's Individual Master File of more than 100 million returns, in response to numerous requests for this information by Statistics of Income users.

**Environmental Excise Taxes, 1988** ..... 59

**By Susan J. Mahler**

For 1988, environmental excise taxes totalling \$841.9 million before adjustments were reported by 642 businesses. After statutory adjustments and credits, the tax was \$827.3 million, representing an increase of \$67.2 million over 1987. Since the inception of the Superfund Amendments and Reauthorization Act of 1986, a total of \$1.6 billion in environmental excise taxes was reported to the Internal Revenue Service, leaving \$2.5 billion to be accumulated in the "Superfund" through environmental excise taxes in order to meet the goal set by Congress.

**Corporate Foreign Tax Credit, 1986: An Industry Focus** ..... 65

**By Lissa Redmiles**

For 1986, U.S. corporations paid approximately \$23.1 billion in taxes to foreign governments on over \$65.8 billion of foreign-source taxable (net) income. The total foreign tax credit rose from \$21.4 billion for 1984 to \$24.3 billion for 1985, before falling to \$22.3 billion for 1986. Foreign-source taxable income reported by petroleum companies fell by 16.4 percent compared to 1984, while the foreign taxes they paid declined by 29.4 percent. Even so, the petroleum industry still claimed the largest portion, 31.8 percent, of the total foreign tax credit for 1986.

**Corporation Income Tax Returns, 1987** ..... 85

**By Ellen Legel and Jonathan Shook**

For 1987, the corporation income tax increased to \$87.0 billion, the net combined effect of a \$7.3 billion increase in the total income tax (before credits) and a \$5.8 billion decrease in total tax credits, partially due to repeal of the investment tax credit. The new "alternative minimum tax" amounted to \$2.2 billion, over twice that reported under the former minimum tax in effect for 1986, while the number of "S Corporations" increased by more than one-third.

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# SOI Bulletin Board

## SOME OBSERVATIONS AND INSIGHTS

The Office of Management and Budget (OMB) has, for the past 3 years, awarded a Quality Improvement Prototype Award to agencies of the Federal government that best exemplify the principles of "Total Quality Management" or TQM. Those applying for the award are rated on eight criteria concerning TQM: quality environment, quality measurement, quality improvement planning, employee involvement, employee training and recognition, quality assurance, customer focus and results of quality improvement efforts.

This past summer, the Statistics of Income (SOI) Division's Quality Council recommended that we apply for the prototype award this year, a process which spanned about 8 weeks and involved the participation of most of the Division in the writing, reviewing, revising and improving stages of the application. Moreover, to the extent possible, we sought and received input from representative SOI customers and suppliers, including our field processing centers.

After the award application was submitted in early August, we awaited the outcome on "pins and needles." Then came the "good news" and the "bad news." Though we had made the "first cut," we learned shortly thereafter that SOI Division was not among those selected for further review. Despite our initial disappointment, the effort was far from a total loss. It was quite clear that, in the process of contributing to our own

quality self-assessment, we had learned many things -- more about our organization, as a whole, and more about ourselves, individually -- and had, thus, increased our appreciation of what we have already accomplished and our awareness of what we still need to do.

It is in this context that we want to share with you more on what we are doing about quality. Therefore, over the next several issues of the *Bulletin*, we will be reprinting portions of the award application -- in particular, excerpts from each of the eight criteria on which we assessed ourselves and were, then, evaluated. We will begin with the first criterion, which examines how the senior management of our organization creates and sustains a clear and visible quality value system to guide all of our activities. The questions asked in the OMB application appear in boldface type followed by our answers.

*Excerpt from the QUALITY ENVIRONMENT Section of SOI Division's OMB Quality Improvement Prototype Award Application*

**Summarize the organization's policy on TQM and describe how management "ownership" of the policy was accomplished, and how it is reinforced.**

*The Statistics of Income function has traditionally viewed itself as producing products of outstanding quality. This self-assessment persisted even during a period of declining quality that began in the early 1960's, when we lost direct operating control of much of our statistical work because it was decentralized to the three (now ten) service centers and to the*

*Detroit Data (now Computing) Center. Beginning in 1963, attempts to maintain high quality were made using conventional Quality Control techniques. These were not sufficient, however, since -- despite the establishment of field statistician positions -- we did not have the necessary management structures in place to hold our suppliers accountable. By the late 1970's, many SOI operations were way behind schedule and badly over budget. This was largely because we were attempting to "review in" quality at the back end of our processing, rather than design it in earlier. SOI's customers were unhappy and the stage was set for change.*

*Changes did take place -- though not always the right ones. We did get our projects back on schedule, though, and began to alter our supplier relationships to make them more mutually supportive. We didn't have the TQM blueprint to guide us, so we stumbled early on. Part of our problem was that in the early 1980's, IRS was going through a period in which an effort was made to hold quality constant and still save money. SOI adopted the same strategy. Eventually, in 1983 and 1984, we began to realize that we were managing the wrong things. Quality was suffering and, with the generally disastrous 1985 IRS Service-wide tax filing season, some SOI projects were knocked off schedule, as well.*

*The Service-wide quality movement that SOI helped lead began with a transformation that has started us on a road to continuous improvement. Some of the steps along the way to full ownership and participation were: (1) the great outpouring of improvement ideas engendered by*

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our employees during the OMB A-76 Review [a Congressionally-mandated internal review to ensure that we were a "most efficient organization" in relation to potential competition from the private sector] that we conducted primarily in 1986; (2) the enormous success of SOI's first Quality Improvement Process (QIP) team in 1987; (3) the move to on-line data capture, which started in a small way in 1987, but now seems to have an unstoppable momentum; and (4) the improvements in the way we support front-line service center employees.

Even though we practice TQM principles, we don't have a formal organizational policy on TQM. Most SOI employees are committed to "saying yes" to our customers and to doing "whatever works" to achieve world-class quality. Virtually everybody in SOI "owns" these two commitments, managers and employees alike. These two simple ideas define how we are guided daily by our customers' needs; they are demonstrated in the examples we set for each other, in the way we treat our suppliers, and in the way we reward and thank each other.

**Describe how the organization establishes quality as a top priority, and encourages participative management at all levels.**

The SOI Quality Council is one of the main vehicles we employ to keep quality as a top priority. The Council, composed of the Director, the four Branch Chiefs, a Section Chief from each of the Branches, and a facilitator, was formed in late 1987. In early 1989, two members of NTEU [National Treasury Employees Union] were added. As stated in its

Charter, "the mission of the SOI Quality Council is to better meet the needs of our customers and suppliers by fostering the proper environment for all aspects of quality." To achieve that purpose, Council members are committed "to educate themselves and others in the quality process, to recommend, support, and participate in team approaches to quality, and to encourage and develop other quality initiatives."

Quality is emphasized in SOI's Annual Business Plan, which sets overall "stretch" goals. We also develop Annual Quality Plans jointly with each of our service center suppliers. Frequent trips to the field by the SOI Director and managers and analysts reinforce these goals and support their achievement.

[The IRS] National Office managers and employees are encouraged to participate in the quality process through QIP teams (both functional and cross-functional) and through numerous ad hoc teams. Furthermore, whole segments of the formal organization are devoted almost solely to supporting quality improvement (e.g., the [SOI] Quality Support Team and four research teams). All SOI managers also have committed to achieve personal quality stretch objectives as part of their annual performance plans.

An example of participative management at all levels is the development process for the SOI mission statement. The Branches developed their own mission statements in off-site meetings. These mission statements formed the basis for development of the SOI mission

statement, which was then circulated to all employees for their input.

**Describe how the organization communicates its quality vision to all employees, and promotes cooperation across departments to achieve quality objectives.**

The SOI function communicates its quality vision regularly and systematically. Probably our biggest single effort was the week-long series of orientation sessions we held with our employees in 1988 on the IRS/NTEU Joint Quality Improvement Process. Ongoing communication channels include the monthly Quality Council Meeting Minutes, weekly Staff Meeting Minutes, and the SOI Weekly Highlights, all of which are made available to our employees. The Weekly Highlights, as well as a monthly Statisticians' Newsletter, are also shared with the service centers and the Detroit Computing Center. Quality issues are discussed during weekly staff meetings held by managers, as well as at semi-annual program reviews, which cover each project in-depth. In addition, for specific activities, such as those related to the QIP Team on Tape Management, periodic newsletters for all employees are produced.

SOI managers have taken the lead to improve efficiency and quality in other parts of IRS. For example, we are currently working with the Exempt Organization, International, Compliance, and Taxpayer Service functions to provide higher quality and more efficient processing systems.

The SOI function uses the formal IRS structure to focus and communicate our vision of quality. For ex-



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ample, we have a National Office [IRS] Operating Manual section on quality that is being reformatted and expanded into an SOI function-wide Internal Revenue Manual Issuance. Two conferences were conducted (Fall, 1988 and Spring, 1989) in which managers and lead tax examiners from all service centers met to exchange ideas on SOI quality initiatives. Since then, generally day-long Quality Workshops have been added to all centralized training classes. We also participate in a host of voluntary activities that are less formal and demonstrate a commitment to the broader community and the taxpayer, such as collecting supermarket receipts to acquire computers for underprivileged schools and supporting the IRS Chorus. In particular, the National Office SOI staff provides over half of the IRS Chorus (including the Chorus Director). The Chorus, which participates in many major Service-wide activities, has received national media recognition for singing about taxes (what else!) to the last-minute taxpayers picking up forms on April 15.

**Describe how management has established an environment in which individual and group actions reflect a continuous improvement attitude. Give specific examples.**

*Formal QIP projects, through their utilization of the team approach to problem solving, are obviously among the more effective ways we create an environment for continuous improvement. The SOI project team structure, in place before the recent quality movement, has also been transformed from a vehicle largely intended to coordinate and implement a project into a means of making con-*

*tinuous improvements through teamwork. Consider a specific example -- the quality logs which we require in our Annual Quality Plan. These logs record quality problems and quality successes during project execution and have, thus, become a "lessons learned" data base. They are increasingly being used by the project manager or project team to make continuous improvements.*

*Ad hoc teams are fundamental to the way SOI operates; joint supplier and National Office [SOI] "skunk works" [ad hoc product-development groups\*] have sprung up. For example, the Ogden Service Center, with National Office support, has championed a new approach to helping employees improve the work they do on corporate SOI returns. The key components of the approach are continuous feedback on each employee's performance and the use of newly established Quality Lead Examiner positions, in combination with a nurturing management style that builds pride along with growing expertise. As a result, error rates dropped in Ogden by 75 percent in one year and continue to fall.*

**Give specific examples of expenditures for TQM efforts.**

*A change in the way we invest our staff resources has naturally arisen with SOI's involvement in TQM. For example, during fiscal year 1985, over 75 percent of our resources were devoted to current operations (including conventional quality control), about 20 percent to planning (including quality planning), leaving approximately 4 percent for quality improvement activities. In 1990, by contrast, with roughly the same con-*

*stant dollar budget and a much larger workload, we are devoting only 61 percent of our resources to operations; planning expenditures have risen to over 27 percent, due, in part, to the formation of a Quality Support Team; and improvement expenditures have more than doubled (to over 11 percent). Capital investments in new computer and telecommunications equipment were much greater in 1990 than in 1985 -- again, with resources raised in part by savings engendered by the changes we've made in the way we do business.*

\*See Peters, Thomas J. and Waterman, Robert H., Jr., *In Search of Excellence*, Warner Books, 1982, pp. 201, 211-212.

## BEHIND THE SCENES

As we promised in the last issue of the *SOI Bulletin*, this column will pick up again with the discussion of the Statistics of Income Division's initiatives to modernize its data processing systems.

As you may recall, we have been converting the service center processing of our programs to an on-line environment, using the ORACLE Relational Database Management System. (See the Summer 1990 issue of the *Bulletin* for more general details.) This time we will focus, in particular, on the key people involved in the conversion of one of our major programs -- the individual income tax return sample. This effort, known as the Prototype Individual SOI Modernization (PRISM) Project, was begun with Tax Year

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1989 and will be implemented in stages over the next several years.

Under this modernization program, the team responsible for PRISM has been converting our current system, by which data were handled in a time-consuming paper error register "loop" process, to a "one-pass" on-line interactive process. Systems specifications are being provided by the Individual Statistics Branch's team of subject matter specialists and systems analysts. Program development is being completed at the Cincinnati Service Center (CSC) and the Detroit Computing Center (DCC).

The SOI Division group leader and overall project manager is CARL GREENE, Chief of the Individual Statistics Branch's Research Section. Carl has had the main responsibility for overseeing the "nuts and bolts" of this effort and for the coordination with our counterparts at CSC and DCC. The team working here with Carl combines the experience and skills of subject matter analysts and systems analysts to great benefit. They reached their first major milestone (on time!) in June, when they completed the first phase of the project by putting the basic on-line system in place. The team is comprised of MARTY SHILEY and BARBARA LONGTON, subject matter analysts, who prepare the detailed processing specifications, write the edit manual for tax examiners, and lead the training of the service center tax examiners; TIM CRUCIANO and CONNIE MARROW, our computer systems analysts, who are responsible for computer specifications and work

closely with the programmers in Cincinnati and Detroit; and LISA MAYNARD, a statistician, who is primarily responsible for the development and implementation of the Quality Sensor Process system for PRISM.

We would also like to acknowledge some of our many colleagues in the field who have been helping us put the new system in place. At the CSC, we are grateful for the help of the Expert Site Group, the programming unit managed by BEVERLY KING, Group Chief. Working closely with Bev on the development of the PRISM project are JIM POOLE, DON FLYNN, KEITH CHALK and JEFF KLEIN, who are doing the programming; and NANCY JOHNSON, the systems administrator. We are appreciative of the important role this group has played in the success of the project. At the DCC, we are especially indebted to MARIANNE COOLEY, Project Leader; SALLY SCHMELZER, lead programmer; and CHARLENE BAKER and MARILYN WOLGAT, programmers, all of whom are a part of the team, there, which is also providing valuable support to us.

## THIS ISSUE AT A GLANCE

A wide range of topics is covered by the four main articles presented in the current issue of the *Bulletin*. The first provides individual income tax returns data classified by State and size of adjusted gross income; the next two articles present data from corporation income tax returns; and, finally, the last article is based on information from en-

vironmental excise income tax returns. A brief description of the data provided in each article follows:

- *Individual Income Tax Returns Data by State, 1986-88.*--Presents data classified by State and size of adjusted gross income for Tax Years 1986-1988 based on data from the IRS Individual Master File. (This marks the first time that size distributions have been published since 1980. For future years, the data will be expanded and updated annually.)
- *Corporation Income Tax Returns, 1987.*--Provides the first comprehensive statistics from corporation income tax returns for Income Year 1987, the transitional year under the 1986 tax reform.
- *Corporate Foreign Tax Credit, 1986: An Industry Focus.*--Presents biennial data on foreign income and taxes paid and on foreign tax credit, based on information reported on the Form 1118 foreign tax credit computation schedule.
- *Environmental Excise Taxes, 1988.*--Provides detailed tabulations of the taxes on petroleum, petrochemicals and inorganic chemicals as reported on Forms 6627 attached to quarterly excise tax returns for 1988. (Data reflect the second year under the Superfund Amendments and Reauthorization Act of 1986.)

There are two additional points about the Fall 1990 issue of the *Bul-*

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letin that are noted here and will, no doubt, be of interest to users of our data:

- First, geographic data by income class for Tax Years 1982-1985, previously available in our annual report, *Statistics of Income, Individual Income Tax Returns*, but which were dropped due to a redesign of the SOI samples necessitated by budget cuts and the higher priority needs of analysts in the Treasury Department's Office of Tax Analysis, may now be obtained by writing to us at the usual address:

Statistics of Income Division  
R:S:P  
Internal Revenue Service  
P.O. Box 2608  
Washington, DC 20013-2608.

In response to many requests for geographic data, we subsequently decided to make the State data available to the Public

from an alternative source -- the Internal Revenue Service's Individual Master file. Starting with 1983, the results have been published in the *SOI Bulletin*. But size distributions have only recently become available (as noted above in the description of the first article). Although these data are not subject to sampling variability, they do have certain limitations which are discussed in the article on individual income tax returns data by State found in this issue.

- Second, on the pages that follow, we have provided an *updated* list of Statistics of Income Projects and Contacts, containing the name of the primary analyst assigned and his or her current phone number. This list, however, should be used only if you have a specific question of a technical nature about a particular project. Otherwise, *for general statistical information, please contact our Statistical In-*

*formation Services Office on (202) 233-1755.*

## UPCOMING FEATURES

The following are a few of the articles to look for in upcoming issues of the *SOI Bulletin*:

- Corporate Foreign Tax Credit by Country, 1986;
- Foreign Corporations with U.S. Operations, 1986;
- Private Foundations, 1986-1987;
- Tax Return Projections, 1991-1998;
- Tax-exempt Organization Unrelated Business Income and Tax, 1987; and
- Marginal Tax Rates, 1987.

## STATISTICS OF INCOME PROJECTS AND CONTACTS

### General Statistical Information

(202) 233-1755

FAX (202) 233-1620

| PROJECT   | PRIMARY ANALYSTS   | FREQUENCY AND PROGRAM CONTENT   |
|---|--|---|
| <b>Americans Living Abroad:<br/>1987 Program</b>                | Melissa Redmiles<br>(233-1711)   | This periodic study, done every 4 years (every 5 years for years after 1991), covers foreign income and taxes paid and foreign tax credit reported on individual income tax returns. Data are classified by size of adjusted gross (AGI) and country.   |
| <b>Corporation Foreign Tax Credit:<br/>1988 Program</b>         | Karla Daronco<br>(233-1714)  | This periodic study, to be done every 2 years, provides data on foreign income and taxes paid and on foreign tax credit reported on corporation income tax returns. Data are classified by industry and country.  |
| 1990 Program  | Maggie Lewis<br>(233-1716)   |   |
| <b>Corporation Income Tax Returns:<br/>1988 Program</b>         | Patrice Treubert<br>(233-1549)   | Basic data, produced annually, cover complete income statement, balance sheet, tax and tax credits, and details from supporting schedules, classified mainly by industry and size of total assets.  |
| 1989 Program  | Victor Rehula<br>(233-1551)  |   |
| 1990 Program  | Karen Gutmann<br>(233-1564)  |   |
| <b>Environmental Excise Taxes (Superfund):<br/>1988 Program</b> | Susan Mahler<br>(233-1798)   | The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) authorizing the collection of environmental taxes, a type of excise tax. Beginning with 1989, this program will have data on imported chemical substances and, beginning with 1990, will include data on ozone depleting chemicals. This study, published annually, is the only source of data that provides detailed tabulations by type of chemical. |
| 1989 Program  |  |   |
| <b>Estate Collation</b>   | Janet McCubbin<br>(233-1791)<br>Barry Johnson<br>(233-1787)<br>Marvin Schwartz<br>(233-1800) | This periodic study links estate tax return data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last 2 years of the decedent's life. The most recent study is based on decedents who died in 1982. The next study is planned for decedents who died in 1989.  |
| <b>Estate Tax Returns:<br/>1986 Program</b>                     | Barry Johnson<br>(233-1787)  | This annual study includes information on gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every 3 years).  |
| 1987 Program  | Marvin Schwartz<br>(233-1800)  |   |
| 1988 Program  | Janet McCubbin<br>(233-1791)   |   |

## STATISTICS OF INCOME PROJECTS AND CONTACT

| PROJECT  | PRIMARY ANALYSTS   | FREQUENCY AND PROGRAM CONTENT  |
|--|--|--|
| <b>Exempt Organization Business Income Tax Returns:</b><br>1987 Program<br>1988 Program    | Sara Boroshok<br>(233-1797)  | This study is to be conducted annually. The first study, for Tax Year 1987, is to be published in 1991 and will include tabulations of "unrelated business" income and deductions. The data file will also be linked with the Form 990 data files of the related tax-exempt organizations.   |
| <b>Foreign Corporations:</b><br>1988 Program<br>1989 Program                               | Bill States<br>(233-1713)  | This periodic study, planned for every 2 years, provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.   |
| <b>Foreign Recipients of U.S. Income:</b><br>1989 Program<br>1990 Program                  | John Bradford<br>(233-1712)  | This annual study provides data on income paid to nonresident aliens and the amount of tax withheld for the U. S. Government.  |
| <b>Foreign Sales Corporations (FSC):</b><br>1987 Program                                   | Chris Carson<br>(233-1707)   | These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data will be tabulated annually through 1987, and then on a 4-year cycle.  |
| <b>Foreign Trusts:</b><br>1990 Program   | DeWitt Long<br>(233-1719)  | This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors, or beneficiaries. Data include country where trust was created, the value of the transfer to the trusts, and when the trust was created.   |
| <b>Individual Income Tax Return Public Use File</b>  | Mario Fernandez<br>(233-1688)  | Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual Statistics of Income program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.) |
| <b>Individual Income Tax Returns:</b><br>1988 Program<br>1989 Program                      | Michael Strudler<br>(233-1677)   | Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified mainly by size of adjusted gross income.   |
| <b>Interest Charge Domestic International Sales Corporations(IC-DISC):</b><br>1987 Program | Chris Carson<br>(233-1707)   | These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data will be tabulated annually, through 1987, and then on a 4-year cycle.   |
| <b>Intergenerational Wealth</b>  | Marvin Schwartz<br>(233-1800)<br>Janet McCubbin<br>(233-1787)<br>Barry Johnson<br>(233-1787) | This on-going study involves estate returns filed since the inception of the estate tax (1916), and focuses on changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.     |

## STATISTICS OF INCOME PROJECTS AND CONTACT

| PROJECT  | PRIMARY ANALYSTS   | FREQUENCY AND PROGRAM CONTENT   |
|--|--|---|
| <b>International Boycott Participation:</b><br>1990 Program                                | Melissa Redmiles<br>(233-1711)   | This study, planned for every 4 years, provides data on business operations of U. S. persons in boycotting countries, as well as on the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.   |
| <b>Nonprofit Charitable Organizations:</b><br>1986 Program<br>1987 Program<br>1988 Program | Cecelia Hilgert<br>(233-1799)<br>Susan Mahler<br>(233-1798)                                  | This annual study includes balance sheets and income statements for "charitable" organizations classified as tax-exempt under subsection 501(c)(3) of the Internal Revenue Code. The groups covered are religious, educational, scientific and literary (excluding private foundations). However, for Tax Year 1988, the study will be expanded to also include section 501(c)(4)-(9) organizations. A compendium of previously published Statistics of Income articles on tax-exempt organizations will be published in 1991.  |
| <b>Nonresident Alien Estates:</b><br>1990 Program  | DeWitt Long<br>(233-1719)  | This periodic study, planned for every 4 years, provides data on estates of nonresident aliens who had more than \$60,000 of assets in the United States. The estates are subject to U.S. estate taxation on the U.S. property.   |
| <b>Occupation Studies</b>  | Bobby Clark<br>(233-1683)  | This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.   |
| <b>Partnership Returns of Income:</b><br>1989 Program<br>1990 Program                      | Gail Moglen<br>(233-1767)  | Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules classified mainly by industry.  |
| <b>Personal Wealth Study:</b><br>1986 Program  | Marvin Schwartz<br>(233-1800)<br>Janet McCubbin<br>(233-1787)<br>Barry Johnson<br>(233-1791) | This periodic study provides data estimates of personal wealth of top wealthholders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate tax return data bases. The most recent data (1986) are based on returns filed from 1986 to 1988. A compendium of previously published Statistics of Income articles on wealth and wealth-related studies will be published in 1991. Other research papers and previously unpublished articles and tables will also be included. |
| <b>Private Foundations:</b><br>1986 Program<br>1987 Program<br>1988 Program                | Peggy Riley<br>(233-1786)<br>Alicia Meckstroth<br>(233-1790)                                 | This annual study includes balance sheets and income statements. A compendium of previously published Statistics of Income articles on tax-exempt organizations will be published in 1991. Other research papers and previously unpublished articles and tables will also be included. The 1989 study will include data on non-exempt charitable trusts.  |

## STATISTICS OF INCOME PROJECTS AND CONTACT

| PROJECT  | PRIMARY ANALYSTS   | FREQUENCY AND PROGRAM CONTENT   |
|--|--|---|
| <b>Sales of Capital Assets:</b><br>1985 Program<br><br>1985-89 Panel Study       | Laura Prizzi<br>(233-1663)<br>Janette Bradbury<br>(233-1685) | <p>This periodic study, to be done every 4 years, provides detailed data on the sales of capital assets reported on individual income tax return Schedule D, and on schedules that show sales of residence and of personal or business depreciable property.</p> <p>The Panel Study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, but data for these taxpayers are obtained over a 5-year period.</p> |
| <b>Sales of U.S. Real Property Interests by Foreign Persons:</b><br>1990 Program | John Latzy<br>(233-1710)                                     | <p>This annual study provides data on transfers of U.S. real property interests acquired from foreign persons. Data will include the amount realized on transfers, U.S. tax withheld, and the country of foreign persons.</p>   |
| <b>Secretary's Percentage, Foreign Life Insurance Companies</b>                  | Kimm Bates<br>(233-1769)                                     | <p>This annual study includes data for computation of the percentage used in determining income tax of foreign life insurance companies with operations in the United States.</p>   |
| <b>Sole Proprietorships:</b><br>1988 Program<br>1989 Program                     | Michael Strudler<br>(233-1677)                               | <p>Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C (for nonfarm proprietors). Similar data from Schedule F (for farmers) are available on an occasional basis. Data are classified mainly by industry.</p>  |
| <b>State Data:</b><br>1985 Program<br>1988 Program                               | Mario Fernandez<br>(233-1759)                                | <p>Special tabulations of selected individual income, deduction, and tax data by State are produced on a reimbursable basis. (Data file for 1988 is now in preparation.)</p>  |
| <b>Statistical Subscription Services:</b><br>Corporation Source Book             | Sandy Byberg<br>(233-1759)                                   | <p>Detailed industry data and other information, compiled annually, are available on a reimbursable basis. Corporation data, by industry and asset size, are more detailed than those included in the regular Statistics of Income reports.</p>   |
| <b>Migration Flow and County Income Data</b>                                     |  | <p>Migration flow data (based on changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis.</p>   |
| <b>Tax-Exempt Private Activity Bonds:</b><br>1987 Program<br>1988 Program        | Marvin Schwartz<br>(233-1800)                                | <p>This annual study provides information on industrial development bonds, student loan bonds, and qualified mortgage bonds, by industry, type of property financed, size of face amount of bond, and State. Beginning with 1987, information on public purpose bonds will be included.</p>   |
| <b>Taxpayer Usage Study:</b><br>1989 Program                                     | Laura Prizzi<br>(233-1682)<br>Janette Bradbury<br>(233-1685) | <p>Basic data, produced annually, provide frequencies of specific line entries made on individual income tax returns, the use of various individual income tax return schedules and associated forms, and general characteristics of the taxpayer population. Weekly reports are produced during the primary filing season (January through April).</p>   |

## STATISTICS OF INCOME PROJECTS AND CONTACT

| PROJECT   | PRIMARY ANALYSTS            | FREQUENCY AND PROGRAM CONTENT  |
|---|-----------------------------|--|
| U.S. Possessions<br>Corporations:<br>1989 Program | John Bradford<br>(233-1712) | This periodic study, planned for every 2 years, provides data on income statement, balance sheet, tax, and "possessions tax credit" data for qualifying U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.) |



# Individual Income Tax Returns Data by State, 1986-1988

By Barry Windheim\*

From the inception of the Statistics of Income (SOI) program for Tax Year 1916 through the publication of the report for Tax Year 1981, data classified by State and size of adjusted gross income were a regular part of the annual report *Statistics of Income, Individual Income Tax Returns*. Beginning with Tax Year 1982, the sample used to produce the annual SOI reports became too small to be used for reliable data by State and size of income, and State data disappeared from the report.

In response to numerous requests from the users of SOI data, the Statistics of Income Division has decided to make State data by income class available from an alternative source. These data were tabulated, not from the SOI sample, but from the Internal Revenue Service's Individual Master File (IMF) [1]. While these data are not subject to sampling variability, they do have certain limitations, which are discussed later. This article includes data by size of adjusted gross income from returns for Tax Years 1986-1988 [2]. In the future, data by size of adjusted gross income by State will be published annually in the *Statistics of Income Bulletin*.

## EFFECTS OF TAX REFORM

Part of the interest in State data is related to passage of the Tax Reform Act of 1986. The Act first became effective for 1987, although some of the major changes (i.e., the increase in the standard deduction and lower tax rates) were phased in over a 2-year period (1987 and 1988).

In comparing the data for the 3 years, it is important to keep in mind that the definition of "adjusted gross income" (AGI) changed radically as a result of the Tax Reform Act [3]. The elimination of the capital gains [4], dividend, and unemployment compensation exclusions; the introduction of limitations on the deductibility of contributions to Individual Retirement Arrangements (IRA's) and employee business expen-

ses; making moving expenses an itemized deduction rather than an adjustment to gross income, and changes in the rules regarding deductions for depreciation and "passive losses," all tended to increase adjusted gross income. The effect is to place many taxpayers in higher adjusted gross income classes in 1987 and 1988 than they would have been in under the pre-Tax Reform Act definition of AGI. The more inclusive definition of AGI after 1986 also means that the ratios of taxes paid to AGI ("effective" tax rates) are lower than they would have been under the pre-TRA definition of AGI.

It should also be kept in mind when comparing data across years for any State that changes in the number of returns filed (in total as well as by income class) are affected by several economic and demographic factors. Population movements among States, even over a short period of time, can have a significant effect on the data for a State. People moving into or out of a State may have quite different incomes and other characteristics from the current population of the State. Further, changes in income due to inflation as well as real growth move taxpayers into higher AGI classes over time, so the data for even a relatively stable State population will show shifts in the distribution of taxpayers.

The State of Alaska experienced a 33.3 percent decrease in average tax liability between 1986 and 1988. This decrease had more to do with changes in the filing requirements than with tax breaks. Total tax liability decreased by only 2.3 percent between 1986 and 1988. However, there was a 45 percent increase in the number of returns during this same period.

Since 1981, citizens of Alaska have enjoyed the benefits of the Alaska Permanent Fund, which pays out "dividends" from the State tax on oil and mineral production. In 1988, every man, woman, and child received a dividend of \$826.93 from the Alaska Fund. By receiving this dividend, children exceeded the min-

\*Individual Special Projects Section. Prepared under the direction of Peter Sailer, Chief.

## Individual Income Tax Returns Data by State, 1986-1988

imum filing requirement. Furthermore, if they were already being claimed as dependents on their parents' returns, they could not claim an exemption on their own returns (although they were entitled to a \$500 standard deduction). This resulted in a taxable income of \$326.93 and a tax liability of \$51.00 for a dependent child without any other additional income. The special circumstances in Alaska are reflected in the "under \$10,000" adjusted gross income class, in which there was an increase from 36,588 to 139,046 taxable returns between 1986 and 1988.

### DATA SOURCES AND LIMITATIONS

The data for these tables were taken from a report tabulating all returns filed and processed through the Individual Master File (IMF) system during Calendar Years 1987, 1988, and 1989. This information was not edited for Statistics of Income purposes. For this reason, care should be taken when a comparison is made to other sources [5].

The purpose of the IMF system is to check tax liability. Thus, taxpayer or keying errors that have no tax consequence are not always corrected. This happens most frequently on returns with negative AGI. For example, for Tax Year 1988, AGI less deficit for returns in the "under \$10,000" income category was \$10.3 billion (or 8.9 percent) less in these tabulations than in reports based on the Statistics of Income file.

The information on itemized deductions on the IMF is not entirely comparable to SOI information. If the taxpayer included a Schedule A for itemized deductions, but did not use this information in computing taxable income (either because there was no income, or because the standard deduction was more advantageous), the itemized deduction data were removed from the SOI file, but not from the IMF. Thus, for Tax Year 1987, the IMF data show 1.3 million more returns with itemized deductions than do the SOI data. Of this difference, 35 percent is accounted for by the "under \$10,000" income class.

"Total tax" liability includes income tax after credits, the "alternative minimum tax" on certain tax preferences, tax from recomputing prior-year investment or low-income housing credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. In contrast to data shown in

other Statistics of Income reports, total tax is shown before reduction by the earned income credit. The earned income credit, available to certain low-income workers, could result in a refund if there was no "total tax," in which case the full amount was refundable; or if the credit exceeded "total tax," the excess was refundable.

Finally, it should be noted that the number of exemptions shown in these tables for Tax Years 1987 and 1988 include additional "exemptions" for taxpayers who checked the age or blindness boxes on their tax returns (a total of 17.6 million for Tax Year 1988). These counts are shown in the statistics as exemptions solely for the purpose of maintaining comparability to the data for 1986 and earlier years, when elderly and blind taxpayers were, in fact, entitled to additional exemptions. Starting with Tax Year 1987, checking these boxes no longer increased the actual number of exemptions, but rather entitled the taxpayer to claim a higher standard deduction.

### NOTES AND REFERENCES

- [1] Based on this source, State totals, without size distributions, have been published in the *Statistics of Income Bulletin*, starting with Tax Year 1984.
- [2] Size distributions for Tax Year 1988 were published in a prior *Statistics of Income Bulletin*. They are reproduced as part of this article to facilitate comparison among recent years.
- [3] Hostetter, Susan, and Bates, Jeffrey, "Individual Income Tax Returns, Preliminary Data, 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4.
- [4] For Tax Year 1986, there was a 60 percent exclusion of long term gains in excess of short-term losses. For 1987, this exclusion was repealed, but the maximum tax rate on these gains was limited to 28 percent. For 1988, the maximum tax rate on capital gains was the same as for all other sources of income.
- [5] Data based on the edited Statistics of Income file are shown in: Internal Revenue Service, *Individual Income Tax Returns* 1986, 1987, Publication 1304. Also see Strudler, Michael, and Ring, Emily, "Individual Income Tax Returns, Preliminary Data, 1988," *Statistics of Income Bulletin*, Spring 1990, Volume 9, Number 4.



## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

(Money amounts are in thousands of dollars, except where indicated)

| State                             | Interest          |             | Sales of capital assets<br>Net gain less loss |             | Unemployment compensation |           |
|-----------------------------------|-------------------|-------------|---|-------------|---------------------------|-----------|
|                                   | Number of returns | Amount      | Number of returns                             | Amount      | Number of returns         | Amount    |
|                                   | (8)               | (9)         | (10)  | (11)        | (12)                      | (13)      |
| United States, total              |                   |             |   |             |                           |           |
| Total.....                        | 65,158,637        | 167,137,868 | 12,890,775                                    | 129,603,668 | 4,971,846                 | 7,011,892 |
| Under \$10,000 <sup>1</sup> ..... | 14,365,645        | 23,339,333  | 1,742,803                                     | 7,650,913   | 78,962                    | 52,058    |
| \$10,000 under \$15,000.....      | 7,198,609         | 16,178,828  | 967,370                                       | 1,459,301   | 471,566                   | 354,197   |
| \$15,000 under \$30,000.....      | 18,621,805        | 39,095,788  | 2,894,929                                     | 5,722,590   | 2,434,854                 | 3,408,278 |
| \$30,000 under \$50,000.....      | 15,919,154        | 34,160,740  | 3,282,193                                     | 9,412,213   | 1,627,518                 | 2,601,403 |
| \$50,000 or more.....             | 9,053,424         | 54,363,179  | 4,003,480                                     | 105,358,651 | 358,946                   | 595,956   |
| Alabama                           |                   |             |   |             |                           |           |
| Total.....                        | 781,959           | 1,643,153   | 130,307                                       | 1,152,369   | 83,920                    | 73,873    |
| Under \$10,000 <sup>1</sup> ..... | 166,299           | 250,190     | 17,053  | 70,492      | 776                       | 589       |
| \$10,000 under \$15,000.....      | 90,323            | 175,527     | 9,856   | 14,457      | 7,228                     | 3,489     |
| \$15,000 under \$30,000.....      | 233,747           | 407,688     | 29,607  | 53,757      | 47,101                    | 42,264    |
| \$30,000 under \$50,000.....      | 198,804           | 341,493     | 34,686  | 82,557      | 25,506                    | 24,193    |
| \$50,000 or more.....             | 92,786            | 468,255     | 39,105  | 931,106     | 3,309                     | 3,338     |
| Alaska                            |                   |             |   |             |                           |           |
| Total.....                        | 147,006           | 264,929     | 29,935  | 171,166     | 28,891                    | 66,605    |
| Under \$10,000 <sup>1</sup> ..... | 27,893            | 34,977      | 3,643   | 17,383      | 533                       | 403       |
| \$10,000 under \$15,000.....      | 11,216            | 11,885      | 1,460   | 3,012       | 2,566                     | 2,436     |
| \$15,000 under \$30,000.....      | 33,434            | 40,557      | 5,105   | 9,712       | 10,800                    | 22,762    |
| \$30,000 under \$50,000.....      | 37,397            | 55,104      | 7,380   | 16,652      | 9,923                     | 28,339    |
| \$50,000 or more.....             | 37,066            | 122,406     | 12,347  | 124,407     | 5,069                     | 12,665    |
| Arizona                           |                   |             |   |             |                           |           |
| Total.....                        | 849,024           | 2,605,656   | 209,181                                       | 2,068,547   | 45,332                    | 49,206    |
| Under \$10,000 <sup>1</sup> ..... | 174,859           | 315,801     | 26,738  | 166,110     | 552                       | 356       |
| \$10,000 under \$15,000.....      | 101,760           | 235,402     | 17,946  | 25,525      | 4,559                     | 2,931     |
| \$15,000 under \$30,000.....      | 255,247           | 611,248     | 53,095  | 110,156     | 23,093                    | 25,810    |
| \$30,000 under \$50,000.....      | 204,276           | 533,016     | 53,942  | 182,772     | 13,621                    | 16,491    |
| \$50,000 or more.....             | 112,882           | 910,189     | 57,460  | 1,583,984   | 3,507                     | 3,618     |
| Arkansas                          |                   |             |   |             |                           |           |
| Total.....                        | 461,444           | 1,294,035   | 95,394  | 576,316     | 43,142                    | 48,012    |
| Under \$10,000 <sup>1</sup> ..... | 116,833           | 217,206     | 17,134  | 47,680      | 656                       | 467       |
| \$10,000 under \$15,000.....      | 60,831            | 155,491     | 9,867   | 13,745      | 4,259                     | 2,534     |
| \$15,000 under \$30,000.....      | 144,197           | 344,064     | 26,022  | 48,075      | 26,894                    | 28,832    |
| \$30,000 under \$50,000.....      | 98,874            | 254,064     | 22,598  | 61,229      | 10,393                    | 14,694    |
| \$50,000 or more.....             | 40,709            | 323,210     | 19,773  | 405,587     | 940                       | 1,485     |
| California                        |                   |             |   |             |                           |           |
| Total.....                        | 7,412,186         | 21,639,047  | 1,577,337                                     | 19,033,404  | 603,323                   | 822,812   |
| Under \$10,000 <sup>1</sup> ..... | 1,421,900         | 2,490,334   | 167,140                                       | 1,311,418   | 8,535                     | 5,549     |
| \$10,000 under \$15,000.....      | 758,527           | 1,641,861   | 101,292                                       | 165,141     | 57,454                    | 42,174    |
| \$15,000 under \$30,000.....      | 2,048,360         | 4,458,441   | 330,440                                       | 709,420     | 266,343                   | 366,831   |
| \$30,000 under \$50,000.....      | 1,857,605         | 4,374,360   | 406,185                                       | 1,327,250   | 197,335                   | 301,423   |
| \$50,000 or more.....             | 1,325,794         | 8,674,051   | 572,280                                       | 15,520,175  | 73,656                    | 106,835   |
| Colorado                          |                   |             |   |             |                           |           |
| Total.....                        | 960,314           | 2,228,536   | 228,741                                       | 1,935,473   | 62,477                    | 97,871    |
| Under \$10,000 <sup>1</sup> ..... | 207,139           | 320,685     | 31,847  | 225,999     | 1,199                     | 757       |
| \$10,000 under \$15,000.....      | 100,259           | 190,224     | 16,387  | 24,761      | 6,505                     | 5,276     |
| \$15,000 under \$30,000.....      | 276,972           | 494,393     | 52,784  | 97,679      | 31,099                    | 47,312    |
| \$30,000 under \$50,000.....      | 242,325           | 473,096     | 61,970  | 155,549     | 19,655                    | 36,713    |
| \$50,000 or more.....             | 133,619           | 750,138     | 65,753  | 1,431,485   | 4,019                     | 7,813     |
| Connecticut                       |                   |             |   |             |                           |           |
| Total.....                        | 1,184,309         | 2,854,343   | 237,401                                       | 3,330,683   | 79,174                    | 99,489    |
| Under \$10,000 <sup>1</sup> ..... | 235,028           | 349,313     | 24,620  | 110,978     | 951                       | 570       |
| \$10,000 under \$15,000.....      | 113,529           | 254,663     | 13,106  | 24,334      | 7,496                     | 5,080     |
| \$15,000 under \$30,000.....      | 318,600           | 641,324     | 43,112  | 107,040     | 33,381                    | 41,115    |
| \$30,000 under \$50,000.....      | 301,302           | 641,022     | 59,084  | 218,185     | 29,774                    | 40,954    |
| \$50,000 or more.....             | 215,850           | 968,021     | 97,479  | 2,870,146   | 7,572                     | 11,770    |
| Delaware                          |                   |             |   |             |                           |           |
| Total.....                        | 180,200           | 385,870     | 35,675  | 310,043     | 14,536                    | 26,033    |
| Under \$10,000 <sup>1</sup> ..... | 36,155            | 48,736      | 3,576   | 8,953       | 179                       | 120       |
| \$10,000 under \$15,000.....      | 18,862            | 39,264      | 2,206   | 3,291       | 1,045                     | 889       |
| \$15,000 under \$30,000.....      | 48,929            | 93,869      | 7,126   | 14,934      | 5,993                     | 11,456    |
| \$30,000 under \$50,000.....      | 47,420            | 84,628      | 9,492   | 27,353      | 5,965                     | 11,151    |
| \$50,000 or more.....             | 28,834            | 119,373     | 13,275  | 255,512     | 1,354                     | 2,417     |
| District of Columbia              |                   |             |   |             |                           |           |
| Total.....                        | 163,093           | 420,899     | 30,921  | 655,653     | 6,544                     | 11,350    |
| Under \$10,000 <sup>1</sup> ..... | 27,145            | 36,699      | 2,652   | 32,807      | 460                       | 282       |
| \$10,000 under \$15,000.....      | 18,550            | 20,449      | 1,333   | 2,738       | 1,554                     | 1,558     |
| \$15,000 under \$30,000.....      | 52,658            | 67,334      | 5,028   | 11,236      | 2,914                     | 5,598     |
| \$30,000 under \$50,000.....      | 34,956            | 75,093      | 6,976   | 22,770      | 1,177                     | 2,738     |
| \$50,000 or more.....             | 29,784            | 221,325     | 14,932  | 586,103     | 439                       | 1,174     |
| Florida                           |                   |             |   |             |                           |           |
| Total.....                        | 3,153,630         | 12,384,371  | 806,868                                       | 11,838,409  | 110,530                   | 146,765   |
| Under \$10,000 <sup>1</sup> ..... | 701,776           | 1,407,342   | 100,574                                       | 472,515     | 2,003                     | 1,415     |
| \$10,000 under \$15,000.....      | 425,499           | 1,162,514   | 74,538  | 94,215      | 11,821                    | 8,842     |
| \$15,000 under \$30,000.....      | 959,746           | 2,942,396   | 210,395                                       | 437,195     | 57,833                    | 74,722    |
| \$30,000 under \$50,000.....      | 668,237           | 2,440,920   | 196,079                                       | 722,036     | 31,342                    | 48,890    |
| \$50,000 or more.....             | 398,372           | 4,431,199   | 225,282                                       | 10,112,448  | 7,531                     | 12,896    |
| Georgia                           |                   |             |   |             |                           |           |
| Total.....                        | 1,272,215         | 2,871,629   | 243,899                                       | 2,710,320   | 103,437                   | 89,746    |
| Under \$10,000 <sup>1</sup> ..... | 241,572           | 360,920     | 27,351  | 162,128     | 1,136                     | 833       |
| \$10,000 under \$15,000.....      | 128,188           | 246,338     | 14,711  | 26,378      | 11,095                    | 5,682     |
| \$15,000 under \$30,000.....      | 358,626           | 625,334     | 49,454  | 107,581     | 53,049                    | 44,708    |
| \$30,000 under \$50,000.....      | 337,164           | 588,555     | 64,124  | 181,932     | 32,550                    | 31,776    |
| \$50,000 or more.....             | 206,665           | 1,050,482   | 88,259  | 2,232,301   | 5,607                     | 6,747     |

See footnotes at end of table.



## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

(Money amounts are in thousands of dollars, except where indicated)

| State                             | Number of returns | Number of exemptions | Adjusted gross income (AGI) | Salaries and wages |             | Dividends         |           |
|-----------------------------------|-------------------|----------------------|-----------------------------|--------------------|-------------|-------------------|-----------|
|                                   |                   |                      |                             | Number of returns  | Amount      | Number of returns | Amount    |
|                                   | (1)               | (2)                  | (3)                         | (4)                | (5)         | (6)               | (7)       |
| <b>Hawaii</b>                     |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 485,014           | 1,096,934            | 10,959,168                  | 417,709            | 8,871,260   | 78,527            | 217,571   |
| Under \$10,000 <sup>1</sup> ..... | 155,888           | 236,416              | 580,153                     | 124,385            | 620,946     | 12,083            | 14,269    |
| \$10,000 under \$15,000.....      | 70,147            | 139,546              | 873,927                     | 60,757             | 731,552     | 6,196             | 6,676     |
| \$15,000 under \$30,000.....      | 133,570           | 326,404              | 2,867,876                   | 118,674            | 2,419,409   | 20,402            | 31,932    |
| \$30,000 under \$50,000.....      | 82,541            | 253,411              | 3,186,782                   | 75,873             | 2,736,643   | 20,582            | 39,825    |
| \$50,000 or more.....             | 42,868            | 141,157              | 3,450,430                   | 38,020             | 2,362,710   | 19,264            | 122,869   |
| <b>Idaho</b>                      |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 365,805           | 981,909              | 6,976,504                   | 300,963            | 5,766,421   | 50,961            | 136,644   |
| Under \$10,000 <sup>1</sup> ..... | 130,136           | 255,818              | 271,066                     | 98,024             | 515,959     | 9,699             | 12,991    |
| \$10,000 under \$15,000.....      | 52,429            | 134,573              | 651,733                     | 41,604             | 490,150     | 5,532             | 9,161     |
| \$15,000 under \$30,000.....      | 106,088           | 322,561              | 2,311,529                   | 92,227             | 1,895,831   | 14,406            | 26,461    |
| \$30,000 under \$50,000.....      | 58,266            | 202,503              | 2,202,302                   | 53,238             | 1,893,007   | 12,723            | 25,768    |
| \$50,000 or more.....             | 18,886            | 66,454               | 1,539,874                   | 15,870             | 971,474     | 8,601             | 62,263    |
| <b>Illinois</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 4,956,836         | 11,829,956           | 123,481,338                 | 4,189,258          | 100,849,866 | 904,886           | 3,100,433 |
| Under \$10,000 <sup>1</sup> ..... | 1,547,573         | 2,658,302            | 5,358,681                   | 1,179,104          | 5,579,914   | 144,027           | 185,931   |
| \$10,000 under \$15,000.....      | 602,026           | 1,321,217            | 7,495,483                   | 478,347            | 5,646,321   | 73,841            | 132,454   |
| \$15,000 under \$30,000.....      | 1,339,082         | 3,264,061            | 29,275,356                  | 1,181,972          | 24,697,752  | 208,257           | 522,337   |
| \$30,000 under \$50,000.....      | 974,760           | 2,969,213            | 37,580,769                  | 908,235            | 33,619,691  | 238,017           | 528,504   |
| \$50,000 or more.....             | 493,395           | 1,617,163            | 43,771,049                  | 441,600            | 31,306,188  | 240,744           | 1,731,207 |
| <b>Indiana</b>                    |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,308,198         | 5,590,219            | 51,454,068                  | 1,961,212          | 42,754,719  | 315,385           | 825,160   |
| Under \$10,000 <sup>1</sup> ..... | 769,717           | 1,319,775            | 3,018,300                   | 592,156            | 2,761,423   | 48,592            | 55,441    |
| \$10,000 under \$15,000.....      | 294,161           | 643,509              | 3,656,819                   | 235,123            | 2,773,859   | 27,192            | 43,006    |
| \$15,000 under \$30,000.....      | 625,770           | 1,640,731            | 13,728,041                  | 556,719            | 11,733,218  | 73,597            | 133,360   |
| \$30,000 under \$50,000.....      | 449,384           | 1,421,316            | 17,207,102                  | 424,677            | 15,699,769  | 91,076            | 151,030   |
| \$50,000 or more.....             | 169,156           | 564,888              | 13,843,806                  | 152,537            | 9,786,450   | 74,928            | 442,323   |
| <b>Iowa</b>                       |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,151,875         | 2,869,924            | 23,098,820                  | 902,165            | 17,969,665  | 196,679           | 475,835   |
| Under \$10,000 <sup>1</sup> ..... | 402,898           | 735,652              | 1,016,660                   | 280,918            | 1,351,738   | 37,111            | 36,117    |
| \$10,000 under \$15,000.....      | 150,963           | 344,737              | 1,876,347                   | 110,035            | 1,251,894   | 20,607            | 29,660    |
| \$15,000 under \$30,000.....      | 332,154           | 914,975              | 7,276,051                   | 277,956            | 5,656,314   | 55,101            | 88,793    |
| \$30,000 under \$50,000.....      | 198,385           | 645,916              | 7,531,849                   | 177,506            | 6,285,050   | 50,575            | 94,670    |
| \$50,000 or more.....             | 67,475            | 228,644              | 5,397,913                   | 55,750             | 3,424,669   | 33,285            | 226,595   |
| <b>Kansas</b>                     |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,029,405         | 2,535,614            | 23,141,840                  | 848,072            | 18,674,353  | 169,505           | 459,760   |
| Under \$10,000 <sup>1</sup> ..... | 330,051           | 582,161              | 766,769                     | 244,845            | 1,229,318   | 26,900            | 32,374    |
| \$10,000 under \$15,000.....      | 132,747           | 298,698              | 1,650,679                   | 103,534            | 1,199,571   | 14,657            | 21,634    |
| \$15,000 under \$30,000.....      | 289,008           | 766,774              | 6,318,486                   | 250,073            | 5,133,553   | 43,454            | 68,437    |
| \$30,000 under \$50,000.....      | 192,758           | 607,008              | 7,384,775                   | 176,169            | 6,362,553   | 45,984            | 80,606    |
| \$50,000 or more.....             | 84,841            | 280,973              | 7,021,131                   | 73,451             | 4,749,358   | 38,510            | 256,709   |
| <b>Kentucky</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,382,471         | 3,383,047            | 27,961,310                  | 1,166,565          | 22,904,413  | 152,702           | 523,209   |
| Under \$10,000 <sup>1</sup> ..... | 515,738           | 964,948              | 2,109,293                   | 396,299            | 1,956,709   | 23,755            | 34,369    |
| \$10,000 under \$15,000.....      | 193,557           | 449,886              | 2,396,464                   | 159,490            | 1,885,893   | 13,064            | 21,964    |
| \$15,000 under \$30,000.....      | 369,931           | 998,542              | 8,043,182                   | 331,744            | 6,918,294   | 37,297            | 71,819    |
| \$30,000 under \$50,000.....      | 223,129           | 705,472              | 8,493,652                   | 209,149            | 7,650,155   | 41,989            | 88,263    |
| \$50,000 or more.....             | 80,116            | 264,199              | 6,918,719                   | 69,883             | 4,493,362   | 36,597            | 306,794   |
| <b>Louisiana</b>                  |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,606,074         | 4,147,948            | 32,810,720                  | 1,382,750          | 27,518,646  | 173,817           | 558,088   |
| Under \$10,000 <sup>1</sup> ..... | 610,904           | 1,222,147            | 1,931,506                   | 493,459            | 2,511,937   | 26,275            | 41,105    |
| \$10,000 under \$15,000.....      | 223,223           | 507,037              | 2,758,606                   | 190,462            | 2,279,116   | 12,914            | 20,423    |
| \$15,000 under \$30,000.....      | 404,182           | 1,143,359            | 8,772,082                   | 361,967            | 7,537,271   | 39,832            | 70,412    |
| \$30,000 under \$50,000.....      | 255,624           | 832,263              | 9,803,765                   | 238,796            | 8,769,697   | 47,861            | 88,139    |
| \$50,000 or more.....             | 112,141           | 380,142              | 9,544,761                   | 98,066             | 6,420,625   | 46,935            | 338,009   |
| <b>Maine</b>                      |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 512,336           | 1,189,180            | 10,633,420                  | 438,252            | 8,327,608   | 74,779            | 279,173   |
| Under \$10,000 <sup>1</sup> ..... | 176,053           | 291,010              | 810,118                     | 140,988            | 680,605     | 13,630            | 17,507    |
| \$10,000 under \$15,000.....      | 75,472            | 156,332              | 156,332                     | 63,195             | 737,290     | 8,072             | 15,156    |
| \$15,000 under \$30,000.....      | 148,542           | 385,281              | 3,232,690                   | 132,795            | 2,730,737   | 20,742            | 46,060    |
| \$30,000 under \$50,000.....      | 84,222            | 264,755              | 3,188,219                   | 77,899             | 2,775,371   | 18,426            | 54,258    |
| \$50,000 or more.....             | 28,047            | 91,802               | 2,465,055                   | 23,375             | 1,403,605   | 13,909            | 146,192   |
| <b>Maryland</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,126,981         | 4,782,964            | 57,492,046                  | 1,857,677          | 47,453,346  | 355,106           | 1,159,130 |
| Under \$10,000 <sup>1</sup> ..... | 597,479           | 918,073              | 2,540,042                   | 484,334            | 2,422,022   | 48,374            | 69,634    |
| \$10,000 under \$15,000.....      | 265,311           | 515,504              | 3,309,635                   | 225,060            | 2,702,908   | 23,216            | 40,971    |
| \$15,000 under \$30,000.....      | 569,426           | 1,270,087            | 12,399,926                  | 509,870            | 10,660,857  | 71,783            | 138,507   |
| \$30,000 under \$50,000.....      | 419,484           | 1,189,473            | 16,269,818                  | 388,220            | 14,441,430  | 92,653            | 199,362   |
| \$50,000 or more.....             | 275,281           | 889,827              | 22,972,625                  | 250,193            | 17,226,129  | 119,080           | 710,636   |
| <b>Massachusetts</b>              |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,801,179         | 6,022,344            | 74,561,622                  | 2,408,927          | 59,830,878  | 508,025           | 1,901,212 |
| Under \$10,000 <sup>1</sup> ..... | 786,536           | 1,175,259            | 3,420,665                   | 603,089            | 2,981,493   | 83,588            | 101,635   |
| \$10,000 under \$15,000.....      | 354,275           | 638,567              | 4,427,185                   | 290,474            | 3,412,169   | 42,687            | 71,474    |
| \$15,000 under \$30,000.....      | 804,885           | 1,653,622            | 17,496,744                  | 722,670            | 14,919,153  | 119,312           | 319,464   |
| \$30,000 under \$50,000.....      | 545,223           | 1,561,198            | 21,038,363                  | 511,471            | 18,832,266  | 121,411           | 268,197   |
| \$50,000 or more.....             | 310,260           | 993,698              | 28,178,665                  | 281,223            | 19,685,797  | 141,027           | 1,140,442 |
| <b>Michigan</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 3,887,234         | 9,069,063            | 97,548,841                  | 3,320,352          | 82,183,789  | 771,279           | 2,023,277 |
| Under \$10,000 <sup>1</sup> ..... | 1,245,139         | 1,983,342            | 5,286,405                   | 967,347            | 4,413,593   | 103,365           | 124,240   |
| \$10,000 under \$15,000.....      | 448,841           | 925,401              | 5,566,968                   | 343,238            | 3,982,135   | 59,184            | 104,550   |
| \$15,000 under \$30,000.....      | 946,256           | 2,263,635            | 20,813,886                  | 830,151            | 17,356,782  | 154,343           | 312,979   |
| \$30,000 under \$50,000.....      | 821,502           | 2,475,469            | 31,807,939                  | 781,064            | 29,145,171  | 236,679           | 455,092   |
| \$50,000 or more.....             | 425,496           | 1,421,216            | 34,073,643                  | 398,552            | 27,286,128  | 217,708           | 1,026,416 |

See footnotes at end of table.

Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                             | Interest          |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------------|-------------------|-----------|---|-----------|---------------------------|---------|
|                                   | Number of returns | Amount    | Number of returns                             | Amount    | Number of returns         | Amount  |
|                                   | (8)               | (9)       | (10)  | (11)      | (12)                      | (13)    |
| <b>Hawaii</b>                     |                   |           |   |           |                           |         |
| Total.....                        | 358,642           | 690,704   | 56,164  | 528,772   | 17,107                    | 24,777  |
| Under \$10,000 <sup>1</sup> ..... | 84,781            | 89,525    | 6,457   | 52,187    | 274                       | 163     |
| \$10,000 under \$15,000.....      | 45,789            | 53,475    | 3,709   | 5,404     | 1,620                     | 1,195   |
| \$15,000 under \$30,000.....      | 108,615           | 157,014   | 13,125  | 25,682    | 7,797                     | 11,030  |
| \$30,000 under \$50,000.....      | 77,482            | 156,547   | 15,263  | 49,115    | 5,992                     | 9,814   |
| \$50,000 or more.....             | 41,975            | 234,143   | 17,610  | 396,384   | 1,424                     | 2,575   |
| <b>Idaho</b>                      |                   |           |   |           |                           |         |
| Total.....                        | 229,816           | 596,408   | 59,307  | 304,381   | 26,107                    | 36,614  |
| Under \$10,000 <sup>1</sup> ..... | 60,395            | 109,068   | 12,699  | 39,740    | 340                       | 202     |
| \$10,000 under \$15,000.....      | 29,571            | 73,724    | 6,559   | 10,030    | 2,685                     | 1,965   |
| \$15,000 under \$30,000.....      | 72,329            | 164,988   | 16,693  | 31,085    | 15,927                    | 22,699  |
| \$30,000 under \$50,000.....      | 49,664            | 117,656   | 13,694  | 35,852    | 6,593                     | 10,803  |
| \$50,000 or more.....             | 17,857            | 130,972   | 9,682   | 187,674   | 562                       | 945     |
| <b>Illinois</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 3,334,214         | 8,838,159 | 622,676                                       | 6,421,325 | 238,605                   | 396,121 |
| Under \$10,000 <sup>1</sup> ..... | 755,361           | 1,228,131 | 76,186  | 292,328   | 4,094                     | 2,452   |
| \$10,000 under \$15,000.....      | 345,594           | 876,228   | 42,234  | 59,772    | 20,945                    | 18,082  |
| \$15,000 under \$30,000.....      | 921,524           | 2,102,110 | 132,822                                       | 239,413   | 110,963                   | 185,631 |
| \$30,000 under \$50,000.....      | 842,656           | 1,896,664 | 165,643                                       | 411,122   | 84,727                    | 157,837 |
| \$50,000 or more.....             | 469,079           | 2,735,026 | 205,791                                       | 5,418,690 | 17,876                    | 32,119  |
| <b>Indiana</b>                    |                   |           |   |           |                           |         |
| Total.....                        | 1,448,373         | 3,253,387 | 244,777                                       | 1,662,893 | 105,101                   | 108,467 |
| Under \$10,000 <sup>1</sup> ..... | 342,992           | 525,194   | 35,563  | 88,523    | 776                       | 637     |
| \$10,000 under \$15,000.....      | 158,527           | 385,008   | 20,368  | 26,216    | 7,445                     | 4,423   |
| \$15,000 under \$30,000.....      | 407,707           | 866,195   | 58,640  | 98,152    | 55,024                    | 59,123  |
| \$30,000 under \$50,000.....      | 379,193           | 696,729   | 66,267  | 140,424   | 36,428                    | 39,025  |
| \$50,000 or more.....             | 159,954           | 780,261   | 63,939  | 1,309,578 | 5,428                     | 5,259   |
| <b>Iowa</b>                       |                   |           |   |           |                           |         |
| Total.....                        | 845,001           | 2,414,251 | 197,776                                       | 771,892   | 53,462                    | 70,892  |
| Under \$10,000 <sup>1</sup> ..... | 237,660           | 402,804   | 42,064  | 82,960    | 766                       | 476     |
| \$10,000 under \$15,000.....      | 103,741           | 301,606   | 21,181  | 28,557    | 5,018                     | 3,643   |
| \$15,000 under \$30,000.....      | 258,160           | 695,177   | 56,011  | 94,194    | 31,553                    | 42,141  |
| \$30,000 under \$50,000.....      | 180,164           | 511,826   | 45,577  | 102,770   | 14,689                    | 22,540  |
| \$50,000 or more.....             | 65,276            | 502,838   | 32,943  | 463,411   | 1,436                     | 2,092   |
| <b>Kansas</b>                     |                   |           |   |           |                           |         |
| Total.....                        | 687,804           | 1,960,446 | 149,334                                       | 907,397   | 48,211                    | 68,409  |
| Under \$10,000 <sup>1</sup> ..... | 166,319           | 296,082   | 24,504  | 95,767    | 933                       | 556     |
| \$10,000 under \$15,000.....      | 76,167            | 217,805   | 12,936  | 16,481    | 4,500                     | 3,584   |
| \$15,000 under \$30,000.....      | 198,819           | 504,194   | 37,401  | 59,888    | 25,453                    | 36,002  |
| \$30,000 under \$50,000.....      | 165,744           | 411,488   | 37,473  | 79,890    | 14,989                    | 24,347  |
| \$50,000 or more.....             | 80,755            | 530,877   | 37,020  | 655,371   | 2,336                     | 3,920   |
| <b>Kentucky</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 759,490           | 1,826,338 | 135,092                                       | 1,057,342 | 76,115                    | 79,154  |
| Under \$10,000 <sup>1</sup> ..... | 186,783           | 315,660   | 23,510  | 82,152    | 691                       | 467     |
| \$10,000 under \$15,000.....      | 91,338            | 216,250   | 12,091  | 19,891    | 5,554                     | 3,216   |
| \$15,000 under \$30,000.....      | 225,299           | 470,169   | 33,239  | 66,711    | 44,077                    | 46,191  |
| \$30,000 under \$50,000.....      | 181,307           | 362,475   | 33,262  | 91,777    | 23,225                    | 26,076  |
| \$50,000 or more.....             | 74,763            | 461,784   | 32,990  | 796,811   | 2,568                     | 3,204   |
| <b>Louisiana</b>                  |                   |           |   |           |                           |         |
| Total.....                        | 867,320           | 2,216,838 | 130,376                                       | 1,109,211 | 99,640                    | 192,189 |
| Under \$10,000 <sup>1</sup> ..... | 205,941           | 331,262   | 17,456  | 88,822    | 3,665                     | 2,599   |
| \$10,000 under \$15,000.....      | 99,449            | 199,112   | 8,964   | 12,650    | 11,728                    | 11,079  |
| \$15,000 under \$30,000.....      | 247,282           | 502,183   | 28,626  | 51,056    | 53,509                    | 98,990  |
| \$30,000 under \$50,000.....      | 209,673           | 444,542   | 34,534  | 77,651    | 26,352                    | 68,302  |
| \$50,000 or more.....             | 104,975           | 739,739   | 40,796  | 879,032   | 4,386                     | 11,219  |
| <b>Maine</b>                      |                   |           |   |           |                           |         |
| Total.....                        | 333,096           | 637,784   | 60,416  | 585,149   | 22,863                    | 24,496  |
| Under \$10,000 <sup>1</sup> ..... | 81,075            | 97,281    | 8,708   | 20,992    | 248                       | 163     |
| \$10,000 under \$15,000.....      | 42,794            | 73,356    | 5,559   | 11,869    | 2,423                     | 1,379   |
| \$15,000 under \$30,000.....      | 106,283           | 171,251   | 16,015  | 47,225    | 13,565                    | 14,601  |
| \$30,000 under \$50,000.....      | 75,564            | 135,227   | 15,842  | 69,023    | 5,997                     | 7,435   |
| \$50,000 or more.....             | 27,380            | 160,669   | 14,292  | 436,040   | 630                       | 918     |
| <b>Maryland</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 1,384,767         | 2,966,091 | 239,731                                       | 2,599,699 | 71,815                    | 102,484 |
| Under \$10,000 <sup>1</sup> ..... | 252,778           | 330,052   | 23,992  | 120,182   | 1,410                     | 916     |
| \$10,000 under \$15,000.....      | 131,979           | 223,192   | 12,207  | 21,766    | 7,688                     | 6,199   |
| \$15,000 under \$30,000.....      | 373,759           | 595,248   | 42,134  | 86,844    | 32,211                    | 45,911  |
| \$30,000 under \$50,000.....      | 362,442           | 638,272   | 60,835  | 171,452   | 24,526                    | 39,059  |
| \$50,000 or more.....             | 263,809           | 1,179,327 | 100,563                                       | 2,199,455 | 5,980                     | 10,399  |
| <b>Massachusetts</b>              |                   |           |   |           |                           |         |
| Total.....                        | 2,054,762         | 4,167,204 | 342,111                                       | 4,674,444 | 142,803                   | 231,949 |
| Under \$10,000 <sup>1</sup> ..... | 429,793           | 574,848   | 37,429  | 153,643   | 2,566                     | 1,655   |
| \$10,000 under \$15,000.....      | 221,631           | 418,241   | 20,670  | 39,867    | 13,612                    | 11,574  |
| \$15,000 under \$30,000.....      | 605,467           | 1,045,732 | 67,482  | 173,018   | 61,498                    | 97,313  |
| \$30,000 under \$50,000.....      | 495,598           | 942,719   | 85,628  | 332,543   | 51,827                    | 95,668  |
| \$50,000 or more.....             | 302,273           | 1,185,664 | 130,902                                       | 3,975,373 | 13,300                    | 25,739  |
| <b>Michigan</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 2,614,822         | 5,340,793 | 482,924                                       | 3,317,929 | 312,489                   | 417,860 |
| Under \$10,000 <sup>1</sup> ..... | 582,137           | 770,788   | 60,182  | 120,745   | 3,146                     | 1,941   |
| \$10,000 under \$15,000.....      | 268,020           | 597,032   | 37,004  | 44,938    | 21,282                    | 16,563  |
| \$15,000 under \$30,000.....      | 658,515           | 1,302,642 | 103,246                                       | 171,619   | 120,134                   | 180,362 |
| \$30,000 under \$50,000.....      | 703,283           | 1,128,565 | 128,187                                       | 281,705   | 134,056                   | 174,793 |
| \$50,000 or more.....             | 402,867           | 1,541,766 | 154,305                                       | 2,698,922 | 33,871                    | 44,201  |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                             | Itemized deductions <sup>2</sup> |            |                         | Tax liability <sup>3</sup> |            |                         | Earned income credit <sup>4</sup> |        |
|-----------------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|--------|
|                                   | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount |
|                                   | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)   |
| Hawaii                            |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 200,457                          | 2,234,375  | 11,146                  | 413,710                    | 1,517,039  | 3,667                   | 17,780                            | 5,332  |
| Under \$10,000 <sup>1</sup> ..... | 11,496                           | 70,742     | 6,154                   | 88,376                     | 40,557     | 459                     | 15,344                            | 5,185  |
| \$10,000 under \$15,000.....      | 11,632                           | 69,857     | 6,006                   | 68,094                     | 68,448     | 1,005                   | 2,436                             | 147    |
| \$15,000 under \$30,000.....      | 63,357                           | 431,093    | 6,804                   | 132,176                    | 297,030    | 2,247                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 72,097                           | 759,905    | 10,540                  | 82,278                     | 402,182    | 4,888                   | —                                 | —      |
| \$50,000 or more.....             | 41,875                           | 902,778    | 21,559                  | 42,786                     | 708,822    | 16,567                  | —                                 | —      |
| Idaho                             |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 145,765                          | 1,376,295  | 9,442                   | 301,839                    | 900,570    | 2,984                   | 27,118                            | 8,725  |
| Under \$10,000 <sup>1</sup> ..... | 13,500                           | 84,892     | 6,288                   | 70,848                     | 27,313     | 386                     | 24,272                            | 8,557  |
| \$10,000 under \$15,000.....      | 11,722                           | 76,987     | 6,568                   | 49,407                     | 44,056     | 892                     | 2,846                             | 168    |
| \$15,000 under \$30,000.....      | 52,880                           | 379,452    | 7,176                   | 104,684                    | 219,504    | 2,097                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 49,609                           | 479,636    | 9,668                   | 58,054                     | 273,429    | 4,710                   | —                                 | —      |
| \$50,000 or more.....             | 18,054                           | 355,328    | 19,681                  | 18,846                     | 336,268    | 17,843                  | —                                 | —      |
| Illinois                          |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 1,904,175                        | 19,404,540 | 10,191                  | 4,168,172                  | 20,193,691 | 4,845                   | 265,298                           | 85,161 |
| Under \$10,000 <sup>1</sup> ..... | 127,160                          | 840,471    | 6,610                   | 800,986                    | 295,946    | 369                     | 237,499                           | 83,489 |
| \$10,000 under \$15,000.....      | 101,325                          | 637,359    | 6,290                   | 573,236                    | 555,092    | 968                     | 27,799                            | 1,672  |
| \$15,000 under \$30,000.....      | 492,714                          | 3,347,160  | 6,793                   | 1,327,413                  | 3,207,781  | 2,417                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 721,763                          | 6,379,945  | 8,839                   | 973,457                    | 5,268,921  | 5,413                   | —                                 | —      |
| \$50,000 or more.....             | 461,213                          | 8,199,605  | 17,778                  | 493,080                    | 10,865,951 | 22,037                  | —                                 | —      |
| Indiana                           |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 795,410                          | 6,988,793  | 8,786                   | 1,919,661                  | 7,595,219  | 3,957                   | 126,067                           | 40,479 |
| Under \$10,000 <sup>1</sup> ..... | 48,043                           | 301,687    | 6,280                   | 395,787                    | 143,160    | 362                     | 112,727                           | 39,689 |
| \$10,000 under \$15,000.....      | 42,686                           | 258,975    | 6,067                   | 284,309                    | 272,090    | 957                     | 13,340                            | 790    |
| \$15,000 under \$30,000.....      | 223,899                          | 1,427,410  | 6,375                   | 621,603                    | 1,461,772  | 2,352                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 324,532                          | 2,645,484  | 8,152                   | 448,898                    | 2,398,008  | 5,342                   | —                                 | —      |
| \$50,000 or more.....             | 156,250                          | 2,355,237  | 15,074                  | 169,064                    | 3,320,189  | 19,639                  | —                                 | —      |
| Iowa                              |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 437,035                          | 3,761,853  | 8,608                   | 959,964                    | 3,229,280  | 3,364                   | 56,065                            | 17,514 |
| Under \$10,000 <sup>1</sup> ..... | 42,462                           | 242,740    | 5,717                   | 221,096                    | 87,196     | 394                     | 50,335                            | 17,182 |
| \$10,000 under \$15,000.....      | 31,072                           | 193,168    | 6,217                   | 144,588                    | 140,441    | 971                     | 5,730                             | 332    |
| \$15,000 under \$30,000.....      | 142,250                          | 907,414    | 6,379                   | 328,832                    | 763,572    | 2,322                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 158,063                          | 1,324,987  | 8,383                   | 198,029                    | 1,022,761  | 5,165                   | —                                 | —      |
| \$50,000 or more.....             | 63,188                           | 1,093,544  | 17,306                  | 67,419                     | 1,215,310  | 18,026                  | —                                 | —      |
| Kansas                            |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 426,914                          | 4,124,039  | 9,660                   | 873,306                    | 3,492,057  | 3,999                   | 49,752                            | 15,653 |
| Under \$10,000 <sup>1</sup> ..... | 34,026                           | 305,865    | 8,989                   | 182,814                    | 73,729     | 403                     | 44,084                            | 15,318 |
| \$10,000 under \$15,000.....      | 27,070                           | 169,373    | 6,257                   | 126,984                    | 122,813    | 967                     | 5,668                             | 335    |
| \$15,000 under \$30,000.....      | 127,803                          | 841,005    | 6,580                   | 286,275                    | 666,874    | 2,329                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 156,800                          | 1,381,301  | 8,809                   | 192,450                    | 1,002,636  | 5,210                   | —                                 | —      |
| \$50,000 or more.....             | 81,215                           | 1,426,495  | 17,564                  | 84,783                     | 1,626,005  | 19,178                  | —                                 | —      |
| Kentucky                          |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 481,724                          | 4,165,543  | 8,647                   | 1,136,929                  | 3,932,907  | 3,459                   | 119,612                           | 38,930 |
| Under \$10,000 <sup>1</sup> ..... | 32,367                           | 169,322    | 5,231                   | 278,081                    | 101,955    | 366                     | 108,113                           | 38,245 |
| \$10,000 under \$15,000.....      | 32,083                           | 178,816    | 5,574                   | 188,104                    | 172,657    | 918                     | 11,499                            | 685    |
| \$15,000 under \$30,000.....      | 159,801                          | 997,943    | 6,245                   | 367,838                    | 824,274    | 2,241                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 181,234                          | 1,523,744  | 8,408                   | 222,857                    | 1,141,608  | 5,123                   | —                                 | —      |
| \$50,000 or more.....             | 76,239                           | 1,295,718  | 16,995                  | 80,049                     | 1,692,413  | 21,142                  | —                                 | —      |
| Louisiana                         |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 522,627                          | 5,200,762  | 9,951                   | 1,270,955                  | 4,776,940  | 3,759                   | 202,052                           | 65,617 |
| Under \$10,000 <sup>1</sup> ..... | 43,597                           | 303,038    | 6,951                   | 295,627                    | 105,321    | 356                     | 182,614                           | 64,435 |
| \$10,000 under \$15,000.....      | 38,109                           | 278,019    | 7,295                   | 208,899                    | 179,153    | 858                     | 19,438                            | 1,182  |
| \$15,000 under \$30,000.....      | 158,596                          | 1,142,179  | 7,202                   | 399,537                    | 869,167    | 2,175                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 182,363                          | 1,683,515  | 9,232                   | 254,982                    | 1,322,252  | 5,186                   | —                                 | —      |
| \$50,000 or more.....             | 99,962                           | 1,794,011  | 17,947                  | 111,910                    | 2,301,047  | 20,562                  | —                                 | —      |
| Maine                             |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 167,105                          | 1,506,180  | 9,013                   | 433,975                    | 1,488,985  | 3,431                   | 28,167                            | 8,938  |
| Under \$10,000 <sup>1</sup> ..... | 9,718                            | 52,032     | 5,354                   | 100,461                    | 37,913     | 377                     | 25,096                            | 8,755  |
| \$10,000 under \$15,000.....      | 9,886                            | 60,881     | 6,158                   | 73,685                     | 73,793     | 1,001                   | 3,071                             | 183    |
| \$15,000 under \$30,000.....      | 54,300                           | 345,551    | 6,364                   | 147,727                    | 343,362    | 2,324                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 66,215                           | 554,971    | 8,381                   | 84,085                     | 431,961    | 5,137                   | —                                 | —      |
| \$50,000 or more.....             | 26,986                           | 492,745    | 18,259                  | 28,017                     | 601,956    | 21,485                  | —                                 | —      |
| Maryland                          |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 1,028,374                        | 12,207,897 | 11,871                  | 1,850,643                  | 8,709,934  | 4,706                   | 94,841                            | 30,105 |
| Under \$10,000 <sup>1</sup> ..... | 52,764                           | 329,641    | 6,247                   | 339,076                    | 129,769    | 383                     | 83,502                            | 29,422 |
| \$10,000 under \$15,000.....      | 48,950                           | 293,717    | 6,000                   | 254,130                    | 254,667    | 1,002                   | 11,339                            | 683    |
| \$15,000 under \$30,000.....      | 278,950                          | 1,960,982  | 7,030                   | 563,674                    | 1,317,742  | 2,338                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 375,270                          | 3,974,401  | 10,591                  | 418,674                    | 2,083,280  | 4,976                   | —                                 | —      |
| \$50,000 or more.....             | 272,440                          | 5,649,156  | 20,735                  | 275,089                    | 4,924,476  | 17,901                  | —                                 | —      |
| Massachusetts                     |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 1,147,145                        | 12,666,575 | 11,042                  | 2,470,823                  | 12,382,608 | 5,012                   | 77,830                            | 24,581 |
| Under \$10,000 <sup>1</sup> ..... | 68,028                           | 447,914    | 6,584                   | 473,051                    | 182,001    | 385                     | 68,629                            | 24,033 |
| \$10,000 under \$15,000.....      | 56,778                           | 356,018    | 6,270                   | 344,293                    | 369,977    | 1,075                   | 9,201                             | 548    |
| \$15,000 under \$30,000.....      | 288,903                          | 1,940,867  | 6,718                   | 799,262                    | 2,059,903  | 2,577                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 430,287                          | 3,872,796  | 9,000                   | 544,251                    | 2,972,443  | 5,462                   | —                                 | —      |
| \$50,000 or more.....             | 303,149                          | 6,048,980  | 19,954                  | 309,966                    | 6,798,284  | 21,932                  | —                                 | —      |
| Michigan                          |                                  |            |                         |                            |            |                         |                                   |        |
| Total.....                        | 1,776,484                        | 16,938,129 | 9,535                   | 3,284,233                  | 14,920,589 | 4,543                   | 159,952                           | 50,568 |
| Under \$10,000 <sup>1</sup> ..... | 96,054                           | 505,321    | 5,261                   | 663,536                    | 231,135    | 348                     | 143,539                           | 49,584 |
| \$10,000 under \$15,000.....      | 90,450                           | 615,448    | 6,804                   | 434,679                    | 420,774    | 968                     | 16,413                            | 984    |
| \$15,000 under \$30,000.....      | 450,916                          | 2,846,644  | 6,313                   | 940,135                    | 2,256,090  | 2,400                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 719,434                          | 6,099,325  | 8,478                   | 820,622                    | 4,363,538  | 5,317                   | —                                 | —      |
| \$50,000 or more.....             | 419,630                          | 6,871,391  | 16,375                  | 425,261                    | 7,649,052  | 17,987                  | —                                 | —      |

See footnotes at end of table.



# Individual Income Tax Returns Data by State

**Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986**

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

| State                             | Number of returns | Number of exemptions | Adjusted gross income (AGI) | Salaries and wages |             | Dividends         |           |
|-----------------------------------|-------------------|----------------------|-----------------------------|--------------------|-------------|-------------------|-----------|
|                                   |                   |                      |                             | Number of returns  | Amount      | Number of returns | Amount    |
|                                   |                   |                      |                             | (4)                | (5)         | (6)               | (7)       |
| <b>Minnesota</b>                  |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,824,501         | 4,324,929            | 43,701,683                  | 1,530,650          | 35,841,273  | 347,167           | 882,820   |
| Under \$10,000 <sup>1</sup> ..... | 574,178           | 952,840              | 1,978,343                   | 430,020            | 2,131,898   | 56,620            | 63,585    |
| \$10,000 under \$15,000.....      | 225,537           | 466,053              | 2,808,555                   | 175,586            | 2,032,725   | 31,195            | 46,528    |
| \$15,000 under \$30,000.....      | 500,761           | 1,221,036            | 10,961,219                  | 437,234            | 8,962,988   | 87,254            | 137,449   |
| \$30,000 under \$50,000.....      | 360,557           | 1,133,738            | 13,867,251                  | 337,997            | 12,396,336  | 93,607            | 148,166   |
| \$50,000 or more.....             | 163,468           | 551,262              | 14,086,315                  | 149,813            | 10,317,326  | 78,491            | 487,092   |
| <b>Mississippi</b>                |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 917,726           | 2,419,071            | 16,395,150                  | 807,397            | 13,942,358  | 77,061            | 209,433   |
| Under \$10,000 <sup>1</sup> ..... | 379,046           | 811,065              | 1,394,980                   | 320,711            | 1,642,405   | 12,580            | 16,859    |
| \$10,000 under \$15,000.....      | 138,574           | 365,833              | 1,711,360                   | 121,847            | 1,460,105   | 6,667             | 9,649     |
| \$15,000 under \$30,000.....      | 234,985           | 696,836              | 5,058,676                   | 214,226            | 4,445,099   | 19,264            | 33,042    |
| \$30,000 under \$50,000.....      | 122,667           | 403,219              | 4,655,682                   | 114,137            | 4,139,522   | 20,700            | 39,108    |
| \$50,000 or more.....             | 42,454            | 142,118              | 3,574,452                   | 36,476             | 2,255,227   | 17,850            | 110,775   |
| <b>Missouri</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,125,569         | 5,079,879            | 48,181,438                  | 1,775,934          | 38,874,763  | 344,268           | 1,137,566 |
| Under \$10,000 <sup>1</sup> ..... | 713,920           | 1,249,849            | 2,777,726                   | 544,318            | 2,639,311   | 50,852            | 64,692    |
| \$10,000 under \$15,000.....      | 285,107           | 629,460              | 3,541,466                   | 225,841            | 2,654,579   | 29,221            | 50,913    |
| \$15,000 under \$30,000.....      | 571,850           | 1,458,319            | 12,470,277                  | 498,443            | 10,367,477  | 82,798            | 161,958   |
| \$30,000 under \$50,000.....      | 385,931           | 1,186,474            | 14,797,928                  | 357,953            | 13,177,347  | 97,820            | 193,230   |
| \$50,000 or more.....             | 168,761           | 555,777              | 14,594,041                  | 149,379            | 10,036,049  | 83,577            | 666,773   |
| <b>Montana</b>                    |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 331,153           | 820,597              | 5,745,838                   | 259,399            | 4,607,328   | 58,740            | 151,340   |
| Under \$10,000 <sup>1</sup> ..... | 133,248           | 249,362              | 200,931                     | 94,372             | 466,645     | 13,862            | 17,788    |
| \$10,000 under \$15,000.....      | 45,058            | 108,571              | 558,831                     | 34,597             | 403,123     | 6,622             | 11,347    |
| \$15,000 under \$30,000.....      | 88,292            | 249,513              | 1,924,438                   | 74,599             | 1,524,026   | 16,788            | 31,994    |
| \$30,000 under \$50,000.....      | 49,563            | 162,760              | 1,873,491                   | 44,084             | 1,550,892   | 13,684            | 32,448    |
| \$50,000 or more.....             | 14,992            | 50,391               | 1,188,147                   | 11,747             | 662,642     | 7,784             | 57,763    |
| <b>Nebraska</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 668,844           | 1,653,023            | 13,552,160                  | 539,548            | 10,727,059  | 109,686           | 267,720   |
| Under \$10,000 <sup>1</sup> ..... | 232,740           | 415,982              | 527,904                     | 169,692            | 848,562     | 19,513            | 21,311    |
| \$10,000 under \$15,000.....      | 92,010            | 205,418              | 1,143,716                   | 71,582             | 832,462     | 10,499            | 15,576    |
| \$15,000 under \$30,000.....      | 191,304           | 527,104              | 4,165,766                   | 163,690            | 3,338,519   | 29,923            | 46,166    |
| \$30,000 under \$50,000.....      | 112,405           | 367,501              | 4,267,361                   | 100,899            | 3,585,479   | 29,315            | 51,709    |
| \$50,000 or more.....             | 40,385            | 137,018              | 3,447,413                   | 33,685             | 2,122,037   | 20,436            | 132,958   |
| <b>Nevada</b>                     |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 467,586           | 1,047,854            | 11,211,641                  | 404,794            | 8,888,758   | 58,121            | 237,640   |
| Under \$10,000 <sup>1</sup> ..... | 144,440           | 233,320              | 477,130                     | 116,269            | 632,514     | 8,878             | 16,725    |
| \$10,000 under \$15,000.....      | 69,110            | 138,642              | 861,492                     | 59,751             | 725,092     | 5,281             | 10,169    |
| \$15,000 under \$30,000.....      | 133,760           | 315,685              | 2,896,151                   | 120,013            | 2,510,768   | 14,993            | 31,518    |
| \$30,000 under \$50,000.....      | 83,594            | 245,331              | 3,202,296                   | 77,392             | 2,852,557   | 15,227            | 36,834    |
| \$50,000 or more.....             | 36,682            | 114,876              | 3,774,572                   | 31,369             | 2,167,827   | 13,742            | 142,394   |
| <b>New Hampshire</b>              |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 504,826           | 1,129,373            | 13,079,734                  | 441,042            | 10,413,220  | 83,920            | 306,350   |
| Under \$10,000 <sup>1</sup> ..... | 141,725           | 209,636              | 611,019                     | 113,626            | 550,180     | 12,940            | 16,242    |
| \$10,000 under \$15,000.....      | 65,225            | 117,882              | 815,122                     | 55,378             | 655,386     | 7,193             | 13,349    |
| \$15,000 under \$30,000.....      | 143,637           | 325,566              | 3,133,133                   | 130,048            | 2,694,793   | 20,086            | 42,281    |
| \$30,000 under \$50,000.....      | 103,108           | 310,035              | 3,976,892                   | 96,584             | 3,556,396   | 21,689            | 51,798    |
| \$50,000 or more.....             | 51,131            | 166,254              | 4,543,568                   | 45,406             | 2,956,465   | 22,012            | 182,680   |
| <b>New Jersey</b>                 |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 3,809,056         | 8,733,854            | 108,177,408                 | 3,289,813          | 88,361,136  | 796,579           | 2,590,357 |
| Under \$10,000 <sup>1</sup> ..... | 1,035,535         | 1,629,389            | 4,887,238                   | 802,054            | 4,123,757   | 121,711           | 156,015   |
| \$10,000 under \$15,000.....      | 502,463           | 1,024,070            | 6,254,204                   | 419,064            | 4,990,149   | 61,766            | 120,622   |
| \$15,000 under \$30,000.....      | 1,033,865         | 2,335,211            | 22,473,529                  | 920,959            | 19,160,937  | 172,947           | 380,128   |
| \$30,000 under \$50,000.....      | 734,083           | 2,111,800            | 28,505,264                  | 684,148            | 25,425,515  | 195,616           | 470,253   |
| \$50,000 or more.....             | 503,110           | 1,633,384            | 46,057,173                  | 463,588            | 34,660,778  | 244,539           | 1,463,339 |
| <b>New Mexico</b>                 |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 594,610           | 1,507,536            | 11,588,975                  | 507,897            | 9,647,864   | 79,086            | 237,963   |
| Under \$10,000 <sup>1</sup> ..... | 226,042           | 444,347              | 734,566                     | 183,552            | 901,253     | 12,474            | 17,734    |
| \$10,000 under \$15,000.....      | 85,134            | 210,935              | 1,056,058                   | 72,358             | 871,614     | 6,605             | 12,054    |
| \$15,000 under \$30,000.....      | 155,792           | 439,794              | 3,362,506                   | 137,847            | 2,865,428   | 20,062            | 37,790    |
| \$30,000 under \$50,000.....      | 89,843            | 289,145              | 3,433,146                   | 81,722             | 2,981,156   | 21,652            | 46,533    |
| \$50,000 or more.....             | 37,799            | 123,315              | 3,002,699                   | 32,418             | 2,028,413   | 18,293            | 123,852   |
| <b>New York</b>                   |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 7,659,120         | 17,714,051           | 209,807,910                 | 6,482,306          | 164,379,475 | 1,465,839         | 6,194,836 |
| Under \$10,000 <sup>1</sup> ..... | 2,239,355         | 3,809,337            | 9,216,097                   | 1,662,878          | 8,526,544   | 233,389           | 318,263   |
| \$10,000 under \$15,000.....      | 984,122           | 2,084,378            | 12,240,764                  | 792,194            | 9,281,177   | 124,479           | 230,978   |
| \$15,000 under \$30,000.....      | 2,145,035         | 4,996,199            | 46,578,756                  | 1,910,404          | 39,340,088  | 333,287           | 710,939   |
| \$30,000 under \$50,000.....      | 1,423,998         | 4,080,281            | 54,921,181                  | 1,330,781          | 48,634,269  | 361,007           | 850,288   |
| \$50,000 or more.....             | 866,610           | 2,743,856            | 86,851,112                  | 786,049            | 58,597,397  | 413,677           | 4,084,368 |
| <b>North Carolina</b>             |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,710,326         | 6,297,773            | 57,576,908                  | 2,407,469          | 47,803,806  | 328,362           | 1,316,960 |
| Under \$10,000 <sup>1</sup> ..... | 933,056           | 1,580,803            | 4,246,953                   | 782,683            | 3,897,791   | 46,924            | 57,439    |
| \$10,000 under \$15,000.....      | 420,201           | 896,067              | 5,213,048                   | 373,857            | 4,455,526   | 26,119            | 45,173    |
| \$15,000 under \$30,000.....      | 741,873           | 1,910,665            | 16,049,506                  | 681,556            | 14,088,361  | 77,734            | 151,095   |
| \$30,000 under \$50,000.....      | 435,196           | 1,328,386            | 16,590,243                  | 409,260            | 14,871,710  | 89,672            | 396,210   |
| \$50,000 or more.....             | 180,000           | 581,852              | 15,477,158                  | 160,113            | 10,490,418  | 87,913            | 667,043   |
| <b>North Dakota</b>               |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 273,194           | 686,712              | 5,176,279                   | 211,485            | 3,883,579   | 38,106            | 71,680    |
| Under \$10,000 <sup>1</sup> ..... | 99,512            | 181,335              | 216,926                     | 71,018             | 362,708     | 7,158             | 7,647     |
| \$10,000 under \$15,000.....      | 38,601            | 89,869               | 479,388                     | 29,054             | 333,489     | 3,872             | 5,081     |
| \$15,000 under \$30,000.....      | 76,426            | 218,068              | 1,656,489                   | 62,311             | 1,231,956   | 10,707            | 15,470    |
| \$30,000 under \$50,000.....      | 44,157            | 147,911              | 1,673,937                   | 38,039             | 1,314,350   | 9,856             | 15,797    |
| \$50,000 or more.....             | 14,498            | 49,529               | 1,149,539                   | 11,063             | 641,076     | 6,513             | 27,685    |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                       | Interest             |            | Sales of capital assets<br>Net gain less loss |            | Unemployment compensation |         |
|-----------------------------|----------------------|------------|---|------------|---------------------------|---------|
|                             | Number of<br>returns | Amount     | Number of<br>returns                          | Amount     | Number of<br>returns      | Amount  |
|                             | (8)                  | (9)        | (10)  | (11)       | (12)                      | (13)    |
| Minnesota                   |                      |            |   |            |                           |         |
| Total                       | 1,328,622            | 3,015,100  | 301,671                                       | 2,207,839  | 97,256                    | 182,354 |
| Under \$10,000 <sup>1</sup> | 325,992              | 487,763    | 52,424  | 133,531    | 1,532                     | 874     |
| \$10,000 under \$15,000     | 147,356              | 353,875    | 26,743  | 39,617     | 9,250                     | 8,013   |
| \$15,000 under \$30,000     | 377,505              | 796,031    | 73,468  | 132,049    | 49,530                    | 92,674  |
| \$30,000 under \$50,000     | 321,156              | 613,258    | 74,472  | 172,802    | 31,827                    | 69,628  |
| \$50,000 or more            | 156,613              | 764,173    | 74,564  | 1,729,840  | 5,117                     | 11,165  |
| Mississippi                 |                      |            |   |            |                           |         |
| Total                       | 399,304              | 979,986    | 66,539  | 493,631    | 37,493                    | 39,370  |
| Under \$10,000 <sup>1</sup> | 94,370               | 159,458    | 10,206  | 37,954     | 616                       | 456     |
| \$10,000 under \$15,000     | 49,103               | 106,779    | 5,654   | 9,561      | 4,056                     | 2,260   |
| \$15,000 under \$30,000     | 122,396              | 248,462    | 16,575  | 34,398     | 23,454                    | 24,484  |
| \$30,000 under \$50,000     | 94,325               | 201,485    | 17,101  | 46,423     | 8,487                     | 10,858  |
| \$50,000 or more            | 39,110               | 263,802    | 17,003  | 365,295    | 880                       | 1,312   |
| Missouri                    |                      |            |   |            |                           |         |
| Total                       | 1,343,363            | 3,646,277  | 285,393                                       | 2,122,461  | 98,110                    | 100,190 |
| Under \$10,000 <sup>1</sup> | 315,610              | 557,824    | 46,069  | 112,305    | 1,023                     | 759     |
| \$10,000 under \$15,000     | 156,238              | 426,465    | 25,538  | 36,027     | 7,951                     | 4,714   |
| \$15,000 under \$30,000     | 383,192              | 960,761    | 70,371  | 126,149    | 50,436                    | 52,794  |
| \$30,000 under \$50,000     | 328,370              | 757,331    | 71,717  | 176,899    | 33,714                    | 36,533  |
| \$50,000 or more            | 159,953              | 943,896    | 71,698  | 1,671,081  | 4,986                     | 5,390   |
| Montana                     |                      |            |   |            |                           |         |
| Total                       | 224,408              | 621,115    | 63,085  | 273,086    | 17,146                    | 22,745  |
| Under \$10,000 <sup>1</sup> | 69,542               | 119,353    | 17,589  | 50,379     | 255                       | 141     |
| \$10,000 under \$15,000     | 29,163               | 71,279     | 6,939   | 10,492     | 1,604                     | 1,180   |
| \$15,000 under \$30,000     | 67,208               | 166,791    | 16,716  | 33,200     | 10,559                    | 14,334  |
| \$30,000 under \$50,000     | 44,100               | 128,817    | 13,432  | 38,575     | 4,342                     | 6,509   |
| \$50,000 or more            | 14,395               | 134,875    | 8,409   | 140,440    | 386                       | 581     |
| Nebraska                    |                      |            |   |            |                           |         |
| Total                       | 465,973              | 1,278,785  | 107,710                                       | 587,680    | 22,348                    | 23,293  |
| Under \$10,000 <sup>1</sup> | 126,958              | 216,697    | 22,238  | 58,438     | 279                       | 188     |
| \$10,000 under \$15,000     | 58,018               | 156,273    | 10,869  | 15,815     | 2,267                     | 1,448   |
| \$15,000 under \$30,000     | 141,938              | 355,977    | 29,133  | 49,975     | 13,601                    | 14,456  |
| \$30,000 under \$50,000     | 100,210              | 265,350    | 25,502  | 60,145     | 5,633                     | 6,472   |
| \$50,000 or more            | 38,849               | 284,488    | 19,968  | 403,307    | 568                       | 729     |
| Nevada                      |                      |            |   |            |                           |         |
| Total                       | 256,011              | 805,904    | 57,128  | 824,590    | 24,613                    | 31,863  |
| Under \$10,000 <sup>1</sup> | 50,041               | 93,981     | 7,592   | 41,705     | 409                       | 280     |
| \$10,000 under \$15,000     | 29,407               | 57,568     | 4,793   | 6,030      | 2,704                     | 1,943   |
| \$15,000 under \$30,000     | 77,552               | 156,534    | 14,242  | 26,401     | 11,596                    | 15,809  |
| \$30,000 under \$50,000     | 65,288               | 145,607    | 14,822  | 41,732     | 8,235                     | 11,537  |
| \$50,000 or more            | 33,723               | 352,214    | 15,679  | 708,722    | 1,669                     | 2,294   |
| New Hampshire               |                      |            |   |            |                           |         |
| Total                       | 356,885              | 751,149    | 66,126  | 988,202    | 18,463                    | 19,563  |
| Under \$10,000 <sup>1</sup> | 72,542               | 95,292     | 6,828   | 31,279     | 148                       | 87      |
| \$10,000 under \$15,000     | 37,858               | 68,650     | 4,288   | 10,488     | 1,476                     | 845     |
| \$15,000 under \$30,000     | 103,824              | 171,180    | 14,023  | 43,592     | 8,494                     | 8,114   |
| \$30,000 under \$50,000     | 92,812               | 159,056    | 18,016  | 81,688     | 6,797                     | 8,061   |
| \$50,000 or more            | 49,849               | 256,971    | 22,971  | 821,155    | 1,548                     | 2,456   |
| New Jersey                  |                      |            |   |            |                           |         |
| Total                       | 2,611,157            | 6,231,321  | 490,107                                       | 5,948,208  | 171,878                   | 295,541 |
| Under \$10,000 <sup>1</sup> | 506,314              | 759,866    | 50,284  | 143,367    | 3,648                     | 2,147   |
| \$10,000 under \$15,000     | 273,699              | 570,366    | 27,806  | 43,596     | 18,056                    | 16,020  |
| \$15,000 under \$30,000     | 714,647              | 1,423,574  | 90,994  | 183,233    | 69,090                    | 116,628 |
| \$30,000 under \$50,000     | 638,115              | 1,346,783  | 121,643                                       | 361,266    | 60,265                    | 118,316 |
| \$50,000 or more            | 478,382              | 2,130,732  | 199,380                                       | 5,216,746  | 20,819                    | 42,430  |
| New Mexico                  |                      |            |   |            |                           |         |
| Total                       | 326,553              | 816,866    | 72,495  | 458,045    | 19,664                    | 26,276  |
| Under \$10,000 <sup>1</sup> | 78,222               | 117,008    | 10,976  | 41,864     | 432                       | 263     |
| \$10,000 under \$15,000     | 39,430               | 75,443     | 6,057   | 9,368      | 2,366                     | 1,776   |
| \$15,000 under \$30,000     | 98,246               | 196,371    | 18,141  | 35,105     | 11,468                    | 15,458  |
| \$30,000 under \$50,000     | 74,680               | 174,595    | 19,039  | 55,188     | 4,715                     | 7,556   |
| \$50,000 or more            | 35,975               | 253,449    | 18,282  | 316,520    | 683                       | 1,223   |
| New York                    |                      |            |   |            |                           |         |
| Total                       | 5,298,715            | 14,244,503 | 1,002,503                                     | 13,881,133 | 317,747                   | 494,198 |
| Under \$10,000 <sup>1</sup> | 1,105,211            | 1,860,177  | 124,666                                       | 545,488    | 6,432                     | 3,560   |
| \$10,000 under \$15,000     | 575,447              | 1,325,690  | 66,976  | 100,056    | 34,266                    | 28,987  |
| \$15,000 under \$30,000     | 1,516,268            | 3,142,856  | 203,718                                       | 400,270    | 143,098                   | 226,298 |
| \$30,000 under \$50,000     | 1,267,615            | 2,790,906  | 247,211                                       | 687,975    | 102,732                   | 178,659 |
| \$50,000 or more            | 834,174              | 5,124,874  | 359,932                                       | 12,147,344 | 31,219                    | 56,694  |
| North Carolina              |                      |            |   |            |                           |         |
| Total                       | 1,458,578            | 2,925,538  | 278,032                                       | 2,430,881  | 119,786                   | 99,446  |
| Under \$10,000 <sup>1</sup> | 305,929              | 416,007    | 34,391  | 117,896    | 1,436                     | 952     |
| \$10,000 under \$15,000     | 175,262              | 293,029    | 20,766  | 34,916     | 13,963                    | 6,447   |
| \$15,000 under \$30,000     | 445,377              | 702,543    | 64,352  | 133,391    | 67,949                    | 55,611  |
| \$30,000 under \$50,000     | 360,233              | 606,073    | 75,408  | 214,671    | 33,304                    | 32,341  |
| \$50,000 or more            | 171,777              | 907,886    | 83,115  | 1,930,007  | 3,134                     | 4,095   |
| North Dakota                |                      |            |   |            |                           |         |
| Total                       | 194,710              | 541,652    | 46,282  | 184,738    | 13,199                    | 21,712  |
| Under \$10,000 <sup>1</sup> | 56,597               | 84,485     | 11,678  | 29,917     | 250                       | 149     |
| \$10,000 under \$15,000     | 25,533               | 63,836     | 5,151   | 8,269      | 1,516                     | 1,282   |
| \$15,000 under \$30,000     | 58,830               | 158,638    | 12,747  | 23,852     | 8,009                     | 13,400  |
| \$30,000 under \$50,000     | 39,753               | 117,083    | 9,785   | 24,105     | 3,179                     | 6,407   |
| \$50,000 or more            | 13,997               | 117,610    | 6,921   | 98,595     | 245                       | 474     |

See footnotes at end of table.

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                             | Itemized deductions <sup>2</sup> |            |                         | Tax liability <sup>3</sup> |            |                         | Earned income credit <sup>4</sup> |         |
|-----------------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|---------|
|                                   | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount  |
|                                   | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)    |
| Minnesota                         |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 866,237                          | 9,178,650  | 10,596                  | 1,565,900                  | 6,308,508  | 4,029                   | 69,033                            | 21,480  |
| Under \$10,000 <sup>1</sup> ..... | 57,327                           | 341,000    | 5,948                   | 331,845                    | 126,087    | 380                     | 61,823                            | 21,059  |
| \$10,000 under \$15,000.....      | 49,013                           | 305,964    | 6,243                   | 215,991                    | 216,915    | 1,004                   | 7,210                             | 421     |
| \$15,000 under \$30,000.....      | 265,705                          | 1,801,557  | 6,780                   | 495,021                    | 1,148,897  | 2,321                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 332,733                          | 3,241,771  | 9,743                   | 359,743                    | 1,737,539  | 4,830                   | —                                 | —       |
| \$50,000 or more.....             | 161,459                          | 3,488,358  | 21,605                  | 163,300                    | 3,079,070  | 18,855                  | —                                 | —       |
| Mississippi                       |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 261,814                          | 2,423,806  | 9,258                   | 706,696                    | 2,100,578  | 2,972                   | 155,269                           | 51,735  |
| Under \$10,000 <sup>1</sup> ..... | 19,908                           | 109,570    | 5,504                   | 179,902                    | 61,784     | 343                     | 141,640                           | 50,901  |
| \$10,000 under \$15,000.....      | 19,852                           | 125,567    | 6,325                   | 129,394                    | 107,738    | 833                     | 13,629                            | 834     |
| \$15,000 under \$30,000.....      | 88,241                           | 621,363    | 7,042                   | 232,607                    | 482,116    | 2,073                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 93,959                           | 851,685    | 9,064                   | 122,389                    | 609,233    | 4,978                   | —                                 | —       |
| \$50,000 or more.....             | 39,854                           | 715,621    | 17,956                  | 42,404                     | 839,707    | 19,803                  | —                                 | —       |
| Missouri                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 774,971                          | 7,242,414  | 9,345                   | 1,788,018                  | 7,378,231  | 4,126                   | 130,340                           | 41,865  |
| Under \$10,000 <sup>1</sup> ..... | 51,714                           | 358,995    | 6,942                   | 391,270                    | 144,573    | 369                     | 116,596                           | 41,065  |
| \$10,000 under \$15,000.....      | 44,820                           | 273,980    | 6,113                   | 274,939                    | 263,475    | 958                     | 13,744                            | 800     |
| \$15,000 under \$30,000.....      | 219,965                          | 1,418,605  | 6,449                   | 567,691                    | 1,335,628  | 2,353                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 298,491                          | 2,520,022  | 8,443                   | 385,481                    | 2,051,802  | 5,323                   | —                                 | —       |
| \$50,000 or more.....             | 159,981                          | 2,670,812  | 16,695                  | 168,637                    | 3,582,753  | 21,245                  | —                                 | —       |
| Montana                           |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 116,154                          | 1,114,925  | 9,598                   | 263,888                    | 785,293    | 2,976                   | 24,339                            | 7,716   |
| Under \$10,000 <sup>1</sup> ..... | 13,837                           | 88,288     | 6,381                   | 69,290                     | 26,501     | 382                     | 22,113                            | 7,583   |
| \$10,000 under \$15,000.....      | 9,965                            | 132,663    | 13,313                  | 42,987                     | 39,806     | 926                     | 2,226                             | 133     |
| \$15,000 under \$30,000.....      | 39,959                           | 320,472    | 8,020                   | 87,225                     | 195,226    | 2,238                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 38,772                           | 336,566    | 8,860                   | 49,419                     | 252,099    | 5,101                   | —                                 | —       |
| \$50,000 or more.....             | 13,621                           | 236,936    | 17,395                  | 14,967                     | 271,661    | 18,151                  | —                                 | —       |
| Nebraska                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 226,996                          | 2,154,589  | 9,490                   | 561,032                    | 1,954,595  | 3,484                   | 34,580                            | 10,815  |
| Under \$10,000 <sup>1</sup> ..... | 18,080                           | 110,221    | 6,096                   | 131,522                    | 53,279     | 405                     | 30,810                            | 10,593  |
| \$10,000 under \$15,000.....      | 15,221                           | 99,621     | 6,544                   | 87,768                     | 86,305     | 983                     | 3,770                             | 222     |
| \$15,000 under \$30,000.....      | 72,360                           | 493,706    | 6,823                   | 189,245                    | 432,724    | 2,287                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 84,407                           | 752,918    | 8,920                   | 112,153                    | 573,093    | 5,110                   | —                                 | —       |
| \$50,000 or more.....             | 36,928                           | 698,122    | 18,905                  | 40,344                     | 809,194    | 20,057                  | —                                 | —       |
| Nevada                            |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 168,013                          | 1,983,481  | 11,806                  | 399,866                    | 1,855,190  | 4,640                   | 23,421                            | 7,459   |
| Under \$10,000 <sup>1</sup> ..... | 12,261                           | 123,042    | 10,035                  | 81,814                     | 33,494     | 409                     | 20,591                            | 7,289   |
| \$10,000 under \$15,000.....      | 11,752                           | 80,828     | 6,878                   | 65,861                     | 65,440     | 994                     | 2,830                             | 170     |
| \$15,000 under \$30,000.....      | 50,998                           | 394,755    | 7,741                   | 132,243                    | 306,808    | 2,320                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 60,199                           | 648,196    | 10,768                  | 83,367                     | 432,944    | 5,193                   | —                                 | —       |
| \$50,000 or more.....             | 32,803                           | 736,660    | 22,457                  | 36,581                     | 1,016,504  | 27,788                  | —                                 | —       |
| New Hampshire                     |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 174,056                          | 1,798,123  | 10,331                  | 442,442                    | 2,190,188  | 4,950                   | 14,355                            | 4,438   |
| Under \$10,000 <sup>1</sup> ..... | 8,847                            | 63,283     | 7,153                   | 81,950                     | 31,904     | 389                     | 12,414                            | 4,323   |
| \$10,000 under \$15,000.....      | 8,068                            | 53,654     | 6,650                   | 63,701                     | 69,064     | 1,084                   | 1,941                             | 115     |
| \$15,000 under \$30,000.....      | 42,238                           | 301,632    | 7,141                   | 142,728                    | 358,705    | 2,513                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 69,105                           | 617,235    | 8,932                   | 102,963                    | 566,769    | 5,505                   | —                                 | —       |
| \$50,000 or more.....             | 45,798                           | 762,319    | 16,645                  | 51,100                     | 1,163,746  | 22,774                  | —                                 | —       |
| New Jersey                        |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,573,856                        | 18,669,575 | 11,862                  | 3,361,488                  | 18,336,028 | 5,455                   | 153,628                           | 49,003  |
| Under \$10,000 <sup>1</sup> ..... | 96,182                           | 629,403    | 6,544                   | 617,392                    | 232,755    | 377                     | 133,926                           | 47,810  |
| \$10,000 under \$15,000.....      | 80,419                           | 502,408    | 6,247                   | 482,798                    | 473,150    | 980                     | 19,702                            | 1,193   |
| \$15,000 under \$30,000.....      | 366,493                          | 2,578,017  | 7,034                   | 1,025,681                  | 2,517,298  | 2,454                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 548,760                          | 5,198,950  | 9,474                   | 732,832                    | 4,016,208  | 5,480                   | —                                 | —       |
| \$50,000 or more.....             | 482,002                          | 9,760,797  | 20,251                  | 502,785                    | 11,096,617 | 22,070                  | —                                 | —       |
| New Mexico                        |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 200,283                          | 1,942,826  | 9,700                   | 472,113                    | 1,560,823  | 3,306                   | 62,505                            | 19,841  |
| Under \$10,000 <sup>1</sup> ..... | 16,956                           | 107,955    | 6,367                   | 110,191                    | 40,806     | 370                     | 56,782                            | 19,498  |
| \$10,000 under \$15,000.....      | 14,880                           | 92,358     | 6,207                   | 80,575                     | 71,443     | 887                     | 5,723                             | 343     |
| \$15,000 under \$30,000.....      | 64,559                           | 457,604    | 7,088                   | 154,014                    | 330,907    | 2,149                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 68,559                           | 648,993    | 9,466                   | 89,606                     | 453,065    | 5,056                   | —                                 | —       |
| \$50,000 or more.....             | 35,329                           | 635,916    | 18,000                  | 37,727                     | 664,602    | 17,616                  | —                                 | —       |
| New York                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 3,674,359                        | 45,939,827 | 12,503                  | 6,633,319                  | 34,044,487 | 5,132                   | 439,923                           | 142,984 |
| Under \$10,000 <sup>1</sup> ..... | 217,148                          | 1,412,004  | 6,502                   | 1,289,924                  | 492,231    | 382                     | 390,035                           | 139,957 |
| \$10,000 under \$15,000.....      | 203,036                          | 1,236,716  | 6,091                   | 933,763                    | 898,862    | 963                     | 49,888                            | 3,027   |
| \$15,000 under \$30,000.....      | 1,089,823                        | 7,338,933  | 6,734                   | 2,123,378                  | 4,937,670  | 2,325                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 1,305,495                        | 12,808,129 | 9,811                   | 1,420,700                  | 7,194,660  | 5,064                   | —                                 | —       |
| \$50,000 or more.....             | 858,857                          | 23,144,045 | 26,947                  | 865,554                    | 20,521,064 | 23,709                  | —                                 | —       |
| North Carolina                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,011,017                        | 9,786,413  | 9,680                   | 2,264,416                  | 7,932,771  | 3,503                   | 212,369                           | 67,953  |
| Under \$10,000 <sup>1</sup> ..... | 60,730                           | 381,043    | 6,274                   | 505,846                    | 187,307    | 370                     | 186,178                           | 66,373  |
| \$10,000 under \$15,000.....      | 68,739                           | 433,444    | 6,306                   | 406,510                    | 384,027    | 945                     | 26,191                            | 1,580   |
| \$15,000 under \$30,000.....      | 334,377                          | 2,186,938  | 6,540                   | 737,549                    | 1,627,786  | 2,207                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 370,869                          | 3,380,630  | 9,115                   | 434,630                    | 2,160,327  | 4,970                   | —                                 | —       |
| \$50,000 or more.....             | 176,302                          | 3,404,358  | 19,310                  | 179,881                    | 3,573,324  | 19,865                  | —                                 | —       |
| North Dakota                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 76,352                           | 666,325    | 8,727                   | 228,549                    | 744,188    | 3,256                   | 15,581                            | 4,818   |
| Under \$10,000 <sup>1</sup> ..... | 7,885                            | 48,050     | 6,094                   | 57,749                     | 23,237     | 402                     | 14,017                            | 4,727   |
| \$10,000 under \$15,000.....      | 5,561                            | 36,945     | 6,644                   | 36,840                     | 36,177     | 982                     | 1,564                             | 91      |
| \$15,000 under \$30,000.....      | 23,685                           | 159,302    | 6,726                   | 75,447                     | 174,981    | 2,319                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 28,094                           | 238,266    | 8,481                   | 44,032                     | 237,309    | 5,389                   | —                                 | —       |
| \$50,000 or more.....             | 11,127                           | 183,762    | 16,515                  | 14,481                     | 272,484    | 18,817                  | —                                 | —       |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

(Money amounts are in thousands of dollars, except where indicated)

| State                             | Number of returns | Number of exemptions | Adjusted gross income (AGI) | Salaries and wages |             | Dividends         |           |
|-----------------------------------|-------------------|----------------------|-----------------------------|--------------------|-------------|-------------------|-----------|
|                                   |                   |                      |                             | Number of returns  | Amount      | Number of returns | Amount    |
|                                   | (1)               | (2)                  | (3)                         | (4)                | (5)         | (6)               | (7)       |
| Ohio                              |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 4,579,516         | 10,787,793           | 105,307,257                 | 3,891,705          | 87,381,936  | 764,663           | 2,512,694 |
| Under \$10,000 <sup>1</sup> ..... | 1,498,366         | 2,452,940            | 6,470,895                   | 1,160,914          | 5,378,737   | 117,975           | 150,556   |
| \$10,000 under \$15,000.....      | 574,347           | 1,214,420            | 7,138,799                   | 451,408            | 5,284,034   | 65,129            | 107,024   |
| \$15,000 under \$30,000.....      | 1,254,699         | 3,138,615            | 27,538,520                  | 1,112,075          | 23,369,349  | 182,120           | 339,786   |
| \$30,000 under \$50,000.....      | 891,891           | 2,780,028            | 34,172,327                  | 841,346            | 31,196,111  | 217,647           | 602,977   |
| \$50,000 or more.....             | 360,213           | 1,201,790            | 29,986,716                  | 325,962            | 22,153,705  | 181,792           | 1,312,351 |
| Oklahoma                          |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,243,715         | 3,120,105            | 26,126,269                  | 1,021,124          | 21,432,815  | 143,848           | 442,444   |
| Under \$10,000 <sup>1</sup> ..... | 432,898           | 830,801              | 1,004,553                   | 321,555            | 1,656,614   | 21,035            | 36,376    |
| \$10,000 under \$15,000.....      | 166,705           | 403,504              | 2,073,764                   | 133,031            | 1,594,794   | 11,233            | 17,656    |
| \$15,000 under \$30,000.....      | 345,450           | 940,961              | 7,519,993                   | 299,797            | 6,264,058   | 35,268            | 58,554    |
| \$30,000 under \$50,000.....      | 209,433           | 654,590              | 7,998,870                   | 190,974            | 6,967,941   | 40,004            | 70,566    |
| \$50,000 or more.....             | 89,229            | 290,249              | 7,529,089                   | 75,767             | 4,949,408   | 36,308            | 259,292   |
| Oregon                            |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,139,392         | 2,734,830            | 24,358,380                  | 926,394            | 19,196,581  | 184,956           | 624,276   |
| Under \$10,000 <sup>1</sup> ..... | 386,549           | 684,622              | 1,384,593                   | 284,804            | 1,423,535   | 34,262            | 145,038   |
| \$10,000 under \$15,000.....      | 152,242           | 341,791              | 1,891,408                   | 116,370            | 1,364,692   | 19,115            | 35,042    |
| \$15,000 under \$30,000.....      | 321,520           | 833,554              | 7,040,141                   | 275,852            | 5,721,389   | 50,286            | 100,840   |
| \$30,000 under \$50,000.....      | 201,441           | 623,420              | 7,676,043                   | 183,415            | 6,593,718   | 45,978            | 102,810   |
| \$50,000 or more.....             | 77,640            | 251,443              | 6,366,195                   | 65,953             | 4,093,247   | 35,315            | 240,546   |
| Pennsylvania                      |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 5,142,034         | 11,883,176           | 116,983,029                 | 4,265,919          | 93,268,724  | 931,099           | 3,176,719 |
| Under \$10,000 <sup>1</sup> ..... | 1,686,397         | 2,824,823            | 7,500,411                   | 1,247,410          | 5,827,096   | 169,812           | 212,310   |
| \$10,000 under \$15,000.....      | 691,657           | 1,446,598            | 8,596,510                   | 539,259            | 6,280,427   | 91,990            | 168,274   |
| \$15,000 under \$30,000.....      | 1,457,184         | 3,566,036            | 31,874,052                  | 1,283,276          | 26,658,772  | 238,427           | 502,134   |
| \$30,000 under \$50,000.....      | 925,311           | 2,800,246            | 35,250,463                  | 860,371            | 31,350,821  | 232,056           | 568,570   |
| \$50,000 or more.....             | 381,485           | 1,245,473            | 33,761,593                  | 335,603            | 23,151,608  | 198,814           | 1,725,431 |
| Rhode Island                      |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 447,240           | 986,093              | 10,444,078                  | 386,773            | 8,272,943   | 70,880            | 247,081   |
| Under \$10,000 <sup>1</sup> ..... | 142,807           | 219,754              | 690,829                     | 114,347            | 553,315     | 12,446            | 13,226    |
| \$10,000 under \$15,000.....      | 62,781            | 118,441              | 781,725                     | 52,756             | 620,021     | 6,875             | 11,028    |
| \$15,000 under \$30,000.....      | 125,815           | 292,845              | 2,741,077                   | 113,080            | 2,329,427   | 18,146            | 34,464    |
| \$30,000 under \$50,000.....      | 81,506            | 243,705              | 3,109,290                   | 76,271             | 2,751,724   | 17,354            | 41,695    |
| \$50,000 or more.....             | 34,331            | 111,348              | 3,121,157                   | 30,319             | 2,018,456   | 16,059            | 146,668   |
| South Carolina                    |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,346,996         | 3,239,597            | 27,774,612                  | 1,203,904          | 23,231,645  | 141,363           | 465,852   |
| Under \$10,000 <sup>1</sup> ..... | 475,694           | 832,426              | 2,118,224                   | 407,775            | 2,015,964   | 19,903            | 25,369    |
| \$10,000 under \$15,000.....      | 201,642           | 453,686              | 2,505,349                   | 179,776            | 2,164,051   | 10,968            | 18,387    |
| \$15,000 under \$30,000.....      | 368,890           | 991,324              | 7,971,586                   | 338,956            | 7,035,836   | 33,857            | 65,085    |
| \$30,000 under \$50,000.....      | 218,009           | 688,691              | 8,311,772                   | 204,971            | 7,458,549   | 39,181            | 84,982    |
| \$50,000 or more.....             | 82,761            | 273,470              | 6,867,681                   | 72,426             | 4,557,245   | 37,454            | 272,029   |
| South Dakota                      |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 284,907           | 719,113              | 4,811,620                   | 220,880            | 3,719,515   | 44,573            | 97,055    |
| Under \$10,000 <sup>1</sup> ..... | 114,502           | 220,243              | 207,337                     | 79,521             | 386,909     | 11,065            | 15,619    |
| \$10,000 under \$15,000.....      | 42,101            | 101,383              | 522,376                     | 32,606             | 372,302     | 5,130             | 7,618     |
| \$15,000 under \$30,000.....      | 79,440            | 232,986              | 1,719,349                   | 66,890             | 1,333,882   | 12,988            | 20,409    |
| \$30,000 under \$50,000.....      | 37,866            | 126,937              | 1,419,108                   | 33,251             | 1,132,159   | 9,994             | 19,423    |
| \$50,000 or more.....             | 10,998            | 37,564               | 943,450                     | 8,612              | 494,263     | 5,396             | 33,986    |
| Tennessee                         |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 1,967,923         | 4,700,375            | 41,071,250                  | 1,721,866          | 34,740,998  | 200,896           | 704,314   |
| Under \$10,000 <sup>1</sup> ..... | 705,283           | 1,274,597            | 2,871,862                   | 576,583            | 2,898,680   | 30,513            | 39,008    |
| \$10,000 under \$15,000.....      | 287,726           | 651,641              | 3,572,514                   | 249,462            | 3,005,118   | 16,387            | 25,628    |
| \$15,000 under \$30,000.....      | 542,729           | 1,425,485            | 11,736,737                  | 496,261            | 10,455,775  | 48,555            | 182,121   |
| \$30,000 under \$50,000.....      | 307,103           | 941,281              | 11,685,499                  | 288,839            | 10,707,550  | 53,475            | 96,226    |
| \$50,000 or more.....             | 125,082           | 407,371              | 11,204,638                  | 110,721            | 7,673,875   | 51,966            | 361,331   |
| Texas                             |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 6,641,788         | 16,693,551           | 152,811,524                 | 5,734,433          | 129,943,391 | 789,428           | 2,973,503 |
| Under \$10,000 <sup>1</sup> ..... | 2,229,182         | 4,296,062            | 3,914,082                   | 1,789,272          | 9,253,809   | 110,130           | 213,667   |
| \$10,000 under \$15,000.....      | 877,098           | 2,151,511            | 10,897,373                  | 749,838            | 9,070,630   | 52,664            | 90,183    |
| \$15,000 under \$30,000.....      | 1,766,385         | 4,705,851            | 38,422,469                  | 1,584,087          | 33,475,121  | 169,499           | 309,866   |
| \$30,000 under \$50,000.....      | 1,146,282         | 3,519,677            | 44,137,192                  | 1,062,064          | 39,615,397  | 207,704           | 505,755   |
| \$50,000 or more.....             | 622,841           | 2,020,450            | 55,440,408                  | 549,172            | 38,528,434  | 249,431           | 1,854,032 |
| Utah                              |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 598,429           | 1,686,920            | 13,264,172                  | 515,721            | 11,171,642  | 77,118            | 221,471   |
| Under \$10,000 <sup>1</sup> ..... | 193,990           | 336,017              | 648,480                     | 154,283            | 747,023     | 12,698            | 15,811    |
| \$10,000 under \$15,000.....      | 73,231            | 177,931              | 911,373                     | 59,633             | 712,368     | 7,067             | 11,357    |
| \$15,000 under \$30,000.....      | 170,735           | 537,375              | 3,773,756                   | 152,281            | 3,236,068   | 20,491            | 35,005    |
| \$30,000 under \$50,000.....      | 118,147           | 464,877              | 4,496,516                   | 111,503            | 4,073,224   | 20,792            | 37,780    |
| \$50,000 or more.....             | 42,326            | 170,720              | 3,434,047                   | 38,021             | 2,402,959   | 16,070            | 121,518   |
| Vermont                           |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 237,156           | 542,870              | 5,072,812                   | 201,814            | 3,994,883   | 44,123            | 167,792   |
| Under \$10,000 <sup>1</sup> ..... | 78,209            | 127,510              | 313,035                     | 60,377             | 300,623     | 8,466             | 11,732    |
| \$10,000 under \$15,000.....      | 34,686            | 68,366               | 431,059                     | 29,229             | 338,053     | 4,540             | 8,670     |
| \$15,000 under \$30,000.....      | 68,924            | 172,795              | 1,500,534                   | 62,056             | 1,269,438   | 11,711            | 26,502    |
| \$30,000 under \$50,000.....      | 39,627            | 122,402              | 1,504,442                   | 36,794             | 1,304,098   | 10,585            | 30,940    |
| \$50,000 or more.....             | 15,710            | 51,797               | 1,323,742                   | 13,358             | 782,671     | 8,821             | 89,948    |
| Virginia                          |                   |                      |                             |                    |             |                   |           |
| Total.....                        | 2,583,679         | 5,877,163            | 65,737,989                  | 2,268,296          | 54,426,287  | 415,159           | 1,395,255 |
| Under \$10,000 <sup>1</sup> ..... | 763,438           | 1,195,480            | 3,276,222                   | 625,593            | 3,109,737   | 53,622            | 65,986    |
| \$10,000 under \$15,000.....      | 336,086           | 670,975              | 4,178,921                   | 289,712            | 3,474,642   | 26,434            | 43,022    |
| \$15,000 under \$30,000.....      | 706,296           | 1,670,272            | 15,426,965                  | 639,179            | 13,489,668  | 87,363            | 154,186   |
| \$30,000 under \$50,000.....      | 485,533           | 1,406,333            | 18,731,808                  | 450,385            | 16,681,618  | 112,916           | 222,898   |
| \$50,000 or more.....             | 292,326           | 934,103              | 24,124,073                  | 263,427            | 17,670,622  | 134,824           | 909,163   |

See footnotes at end of table.

Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                             | Interest          |            | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------------|-------------------|------------|---|-----------|---------------------------|---------|
|                                   | Number of returns | Amount     | Number of returns                             | Amount    | Number of returns         | Amount  |
|                                   | (8)               | (9)        | (10)  | (11)      | (12)                      | (13)    |
| <b>Ohio</b>                       |                   |            |   |           |                           |         |
| Total.....                        | 2,970,830         | 6,488,978  | 476,652                                       | 3,611,337 | 246,047                   | 365,618 |
| Under \$10,000 <sup>1</sup> ..... | 697,121           | 1,009,345  | 60,423  | 156,698   | 3,167                     | 2,192   |
| \$10,000 under \$15,000.....      | 327,777           | 772,248    | 36,194  | 48,405    | 19,977                    | 15,441  |
| \$15,000 under \$30,000.....      | 846,245           | 1,731,279  | 110,902                                       | 195,712   | 119,858                   | 183,829 |
| \$30,000 under \$50,000.....      | 757,957           | 1,378,126  | 129,932                                       | 306,416   | 88,566                    | 142,413 |
| \$50,000 or more.....             | 341,730           | 1,597,980  | 139,201                                       | 2,904,106 | 14,479                    | 21,743  |
| <b>Oklahoma</b>                   |                   |            |   |           |                           |         |
| Total.....                        | 712,540           | 2,059,291  | 139,739                                       | 902,663   | 56,809                    | 82,731  |
| Under \$10,000 <sup>1</sup> ..... | 166,939           | 329,403    | 23,971  | 107,557   | 952                       | 674     |
| \$10,000 under \$15,000.....      | 80,319            | 200,526    | 12,027  | 15,079    | 4,704                     | 3,717   |
| \$15,000 under \$30,000.....      | 211,504           | 488,226    | 34,304  | 52,474    | 30,435                    | 43,411  |
| \$30,000 under \$50,000.....      | 170,019           | 399,352    | 34,262  | 71,259    | 17,656                    | 29,799  |
| \$50,000 or more.....             | 83,759            | 641,784    | 35,175  | 656,294   | 3,062                     | 5,130   |
| <b>Oregon</b>                     |                   |            |   |           |                           |         |
| Total.....                        | 752,475           | 1,952,294  | 181,515                                       | 1,067,169 | 79,976                    | 112,447 |
| Under \$10,000 <sup>1</sup> ..... | 184,787           | 324,745    | 30,813  | 84,947    | 1,376                     | 940     |
| \$10,000 under \$15,000.....      | 90,088            | 227,327    | 18,036  | 24,728    | 7,372                     | 5,730   |
| \$15,000 under \$30,000.....      | 227,418           | 508,760    | 48,749  | 87,622    | 42,421                    | 59,200  |
| \$30,000 under \$50,000.....      | 175,725           | 397,656    | 46,189  | 124,672   | 24,759                    | 40,244  |
| \$50,000 or more.....             | 74,457            | 493,806    | 37,728  | 745,200   | 4,048                     | 6,333   |
| <b>Pennsylvania</b>               |                   |            |   |           |                           |         |
| Total.....                        | 3,537,843         | 7,736,439  | 549,433                                       | 4,700,149 | 346,716                   | 558,050 |
| Under \$10,000 <sup>1</sup> ..... | 865,434           | 1,266,686  | 73,732  | 186,806   | 6,082                     | 4,109   |
| \$10,000 under \$15,000.....      | 428,693           | 944,976    | 43,900  | 64,348    | 33,180                    | 26,927  |
| \$15,000 under \$30,000.....      | 1,059,682         | 2,052,589  | 128,178                                       | 251,792   | 179,958                   | 286,938 |
| \$30,000 under \$50,000.....      | 817,397           | 1,588,379  | 142,216                                       | 509,380   | 112,103                   | 209,146 |
| \$50,000 or more.....             | 366,637           | 1,883,809  | 161,407                                       | 3,687,823 | 15,393                    | 30,930  |
| <b>Rhode Island</b>               |                   |            |   |           |                           |         |
| Total.....                        | 299,269           | 658,863    | 50,108  | 619,981   | 30,168                    | 39,213  |
| Under \$10,000 <sup>1</sup> ..... | 67,122            | 94,331     | 5,554   | 13,796    | 360                       | 196     |
| \$10,000 under \$15,000.....      | 36,403            | 72,241     | 3,518   | 6,817     | 2,881                     | 1,903   |
| \$15,000 under \$30,000.....      | 90,675            | 169,677    | 11,649  | 31,977    | 14,631                    | 18,539  |
| \$30,000 under \$50,000.....      | 71,995            | 141,242    | 13,705  | 59,590    | 10,482                    | 15,167  |
| \$50,000 or more.....             | 33,074            | 181,372    | 15,682  | 507,801   | 1,814                     | 3,408   |
| <b>South Carolina</b>             |                   |            |   |           |                           |         |
| Total.....                        | 674,431           | 1,354,839  | 124,863                                       | 1,160,696 | 51,275                    | 42,919  |
| Under \$10,000 <sup>1</sup> ..... | 136,070           | 193,353    | 14,688  | 51,923    | 601                       | 501     |
| \$10,000 under \$15,000.....      | 78,010            | 131,033    | 8,818   | 15,596    | 6,063                     | 2,638   |
| \$15,000 under \$30,000.....      | 207,526           | 327,650    | 28,978  | 65,196    | 28,730                    | 23,874  |
| \$30,000 under \$50,000.....      | 174,871           | 288,882    | 34,693  | 107,717   | 14,353                    | 14,085  |
| \$50,000 or more.....             | 77,954            | 413,921    | 37,686  | 920,264   | 1,528                     | 1,821   |
| <b>South Dakota</b>               |                   |            |   |           |                           |         |
| Total.....                        | 189,333           | 533,684    | 57,155  | 221,435   | 6,693                     | 6,478   |
| Under \$10,000 <sup>1</sup> ..... | 60,678            | 102,648    | 17,893  | 41,349    | 94                        | 72      |
| \$10,000 under \$15,000.....      | 26,306            | 71,609     | 7,006   | 11,322    | 751                       | 440     |
| \$15,000 under \$30,000.....      | 58,442            | 160,284    | 15,895  | 32,530    | 4,277                     | 4,256   |
| \$30,000 under \$50,000.....      | 33,385            | 103,099    | 10,294  | 28,565    | 1,462                     | 1,575   |
| \$50,000 or more.....             | 10,522            | 96,044     | 6,067   | 107,669   | 109                       | 135     |
| <b>Tennessee</b>                  |                   |            |   |           |                           |         |
| Total.....                        | 1,016,828         | 2,335,789  | 174,755                                       | 1,780,423 | 82,190                    | 73,767  |
| Under \$10,000 <sup>1</sup> ..... | 226,488           | 364,052    | 24,631  | 93,023    | 796                       | 585     |
| \$10,000 under \$15,000.....      | 119,351           | 253,254    | 14,039  | 21,576    | 7,539                     | 4,005   |
| \$15,000 under \$30,000.....      | 308,718           | 578,886    | 41,517  | 78,225    | 50,041                    | 43,853  |
| \$30,000 under \$50,000.....      | 245,347           | 466,981    | 43,868  | 115,635   | 21,415                    | 22,271  |
| \$50,000 or more.....             | 116,924           | 672,616    | 50,700  | 1,471,965 | 2,399                     | 3,053   |
| <b>Texas</b>                      |                   |            |   |           |                           |         |
| Total.....                        | 3,558,488         | 11,238,670 | 741,107                                       | 8,166,965 | 257,940                   | 459,752 |
| Under \$10,000 <sup>1</sup> ..... | 756,017           | 1,599,293  | 96,334  | 1,069,184 | 5,876                     | 3,791   |
| \$10,000 under \$15,000.....      | 358,153           | 817,490    | 49,079  | 71,495    | 26,886                    | 23,186  |
| \$15,000 under \$30,000.....      | 980,153           | 2,151,417  | 155,295                                       | 279,096   | 128,464                   | 217,565 |
| \$30,000 under \$50,000.....      | 888,817           | 2,089,707  | 189,046                                       | 441,786   | 77,117                    | 170,476 |
| \$50,000 or more.....             | 575,348           | 4,580,762  | 251,353                                       | 6,305,404 | 19,597                    | 44,734  |
| <b>Utah</b>                       |                   |            |   |           |                           |         |
| Total.....                        | 391,434           | 700,744    | 84,318  | 525,333   | 29,475                    | 45,262  |
| Under \$10,000 <sup>1</sup> ..... | 87,803            | 106,342    | 13,126  | 47,482    | 404                       | 265     |
| \$10,000 under \$15,000.....      | 42,348            | 74,640     | 6,924   | 10,976    | 2,477                     | 1,927   |
| \$15,000 under \$30,000.....      | 120,122           | 179,557    | 21,884  | 38,145    | 15,810                    | 24,361  |
| \$30,000 under \$50,000.....      | 101,192           | 147,214    | 23,341  | 51,236    | 9,619                     | 16,798  |
| \$50,000 or more.....             | 39,969            | 192,991    | 19,043  | 377,494   | 1,165                     | 1,911   |
| <b>Vermont</b>                    |                   |            |   |           |                           |         |
| Total.....                        | 160,029           | 329,992    | 35,441  | 309,555   | 10,053                    | 11,154  |
| Under \$10,000 <sup>1</sup> ..... | 38,914            | 52,179     | 5,791   | 17,837    | 153                       | 92      |
| \$10,000 under \$15,000.....      | 20,002            | 37,773     | 3,276   | 7,669     | 1,353                     | 898     |
| \$15,000 under \$30,000.....      | 50,148            | 86,646     | 8,982   | 26,604    | 5,783                     | 6,493   |
| \$30,000 under \$50,000.....      | 35,693            | 68,343     | 8,839   | 38,878    | 2,521                     | 3,231   |
| \$50,000 or more.....             | 15,272            | 85,051     | 8,553   | 218,567   | 243                       | 440     |
| <b>Virginia</b>                   |                   |            |   |           |                           |         |
| Total.....                        | 1,551,683         | 3,417,854  | 303,581                                       | 2,970,951 | 80,527                    | 76,356  |
| Under \$10,000 <sup>1</sup> ..... | 288,430           | 398,365    | 30,897  | 121,837   | 833                       | 572     |
| \$10,000 under \$15,000.....      | 152,091           | 280,291    | 16,922  | 29,878    | 8,177                     | 4,360   |
| \$15,000 under \$30,000.....      | 432,948           | 732,265    | 57,729  | 119,694   | 43,842                    | 39,401  |
| \$30,000 under \$50,000.....      | 402,136           | 737,296    | 80,198  | 220,599   | 23,348                    | 25,397  |
| \$50,000 or more.....             | 276,078           | 1,269,637  | 117,835                                       | 2,478,943 | 4,327                     | 6,626   |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

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

| State                             | Itemized deductions <sup>2</sup> |            |                         | Tax liability <sup>3</sup> |            |                         | Earned income credit <sup>4</sup> |         |
|-----------------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|---------|
|                                   | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount  |
|                                   | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)    |
| Ohio                              |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,676,441                        | 16,240,764 | 9,688                   | 3,866,646                  | 15,332,074 | 3,965                   | 222,212                           | 70,326  |
| Under \$10,000 <sup>1</sup> ..... | 90,765                           | 516,368    | 5,689                   | 810,147                    | 287,241    | 355                     | 198,592                           | 68,919  |
| \$10,000 under \$15,000.....      | 79,513                           | 563,088    | 7,082                   | 557,872                    | 541,275    | 970                     | 23,620                            | 1,407   |
| \$15,000 under \$30,000.....      | 468,608                          | 3,042,859  | 6,493                   | 1,247,521                  | 2,971,177  | 2,382                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 692,563                          | 5,936,955  | 8,572                   | 891,101                    | 4,661,951  | 5,232                   | —                                 | —       |
| \$50,000 or more.....             | 344,992                          | 6,181,494  | 17,918                  | 360,005                    | 6,870,430  | 19,084                  | —                                 | —       |
| Oklahoma                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 491,260                          | 5,193,924  | 10,573                  | 1,019,651                  | 3,738,326  | 3,666                   | 99,787                            | 32,863  |
| Under \$10,000 <sup>1</sup> ..... | 41,957                           | 419,279    | 9,993                   | 221,752                    | 85,155     | 384                     | 90,297                            | 32,303  |
| \$10,000 under \$15,000.....      | 34,342                           | 305,975    | 8,910                   | 158,362                    | 143,794    | 908                     | 9,490                             | 560     |
| \$15,000 under \$30,000.....      | 157,728                          | 1,140,938  | 7,234                   | 341,613                    | 750,640    | 2,197                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 171,541                          | 1,651,092  | 9,625                   | 208,849                    | 1,039,817  | 4,979                   | —                                 | —       |
| \$50,000 or more.....             | 85,692                           | 1,676,640  | 19,566                  | 89,075                     | 1,718,920  | 19,297                  | —                                 | —       |
| Oregon                            |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 495,003                          | 4,849,558  | 9,797                   | 951,485                    | 3,325,425  | 3,495                   | 63,956                            | 20,574  |
| Under \$10,000 <sup>1</sup> ..... | 44,453                           | 291,362    | 6,554                   | 209,523                    | 79,618     | 380                     | 57,597                            | 20,203  |
| \$10,000 under \$15,000.....      | 36,648                           | 236,527    | 6,454                   | 145,083                    | 136,921    | 944                     | 6,359                             | 371     |
| \$15,000 under \$30,000.....      | 161,315                          | 1,137,338  | 7,050                   | 318,288                    | 720,882    | 2,265                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 176,735                          | 1,680,999  | 9,511                   | 201,032                    | 990,703    | 4,928                   | —                                 | —       |
| \$50,000 or more.....             | 75,852                           | 1,503,332  | 19,819                  | 77,559                     | 1,397,301  | 18,016                  | —                                 | —       |
| Pennsylvania                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,813,083                        | 16,865,989 | 9,302                   | 4,339,329                  | 17,701,095 | 4,079                   | 237,378                           | 74,847  |
| Under \$10,000 <sup>1</sup> ..... | 112,247                          | 634,076    | 5,649                   | 912,426                    | 328,087    | 360                     | 210,649                           | 73,238  |
| \$10,000 under \$15,000.....      | 102,984                          | 640,506    | 6,219                   | 672,525                    | 656,902    | 977                     | 26,729                            | 1,609   |
| \$15,000 under \$30,000.....      | 544,081                          | 3,484,602  | 6,405                   | 1,448,899                  | 3,474,124  | 2,398                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 693,923                          | 5,826,007  | 8,396                   | 924,261                    | 4,910,408  | 5,313                   | —                                 | —       |
| \$50,000 or more.....             | 359,848                          | 6,280,798  | 17,454                  | 381,218                    | 8,331,574  | 21,855                  | —                                 | —       |
| Rhode Island                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 164,228                          | 1,638,675  | 9,978                   | 385,784                    | 1,579,594  | 4,095                   | 19,048                            | 6,060   |
| Under \$10,000 <sup>1</sup> ..... | 9,413                            | 48,550     | 5,158                   | 83,853                     | 31,017     | 370                     | 16,912                            | 5,935   |
| \$10,000 under \$15,000.....      | 8,878                            | 53,163     | 5,988                   | 61,176                     | 63,489     | 1,038                   | 2,136                             | 125     |
| \$15,000 under \$30,000.....      | 47,090                           | 319,218    | 6,779                   | 125,060                    | 302,497    | 2,419                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 65,360                           | 566,096    | 8,661                   | 81,392                     | 425,590    | 5,229                   | —                                 | —       |
| \$50,000 or more.....             | 33,487                           | 651,648    | 19,460                  | 34,303                     | 757,001    | 22,068                  | —                                 | —       |
| South Carolina                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 512,208                          | 4,997,352  | 9,756                   | 1,108,678                  | 3,650,940  | 3,293                   | 124,819                           | 40,994  |
| Under \$10,000 <sup>1</sup> ..... | 30,510                           | 166,624    | 5,461                   | 248,014                    | 87,767     | 354                     | 111,093                           | 40,161  |
| \$10,000 under \$15,000.....      | 36,620                           | 386,368    | 10,551                  | 193,860                    | 176,129    | 909                     | 13,726                            | 833     |
| \$15,000 under \$30,000.....      | 174,845                          | 1,176,016  | 6,726                   | 366,397                    | 780,584    | 2,130                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 189,313                          | 1,758,716  | 9,290                   | 217,707                    | 1,054,795  | 4,845                   | —                                 | —       |
| \$50,000 or more.....             | 80,920                           | 1,509,628  | 18,656                  | 82,700                     | 1,551,665  | 18,763                  | —                                 | —       |
| South Dakota                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 70,700                           | 592,561    | 8,381                   | 228,808                    | 678,664    | 2,966                   | 20,351                            | 6,360   |
| Under \$10,000 <sup>1</sup> ..... | 7,555                            | 47,575     | 6,297                   | 61,723                     | 25,071     | 406                     | 18,442                            | 6,248   |
| \$10,000 under \$15,000.....      | 6,019                            | 39,141     | 6,503                   | 40,004                     | 38,216     | 955                     | 1,909                             | 112     |
| \$15,000 under \$30,000.....      | 25,508                           | 171,680    | 6,730                   | 78,357                     | 176,159    | 2,248                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 23,601                           | 197,628    | 8,374                   | 37,741                     | 197,171    | 5,224                   | —                                 | —       |
| \$50,000 or more.....             | 8,017                            | 136,537    | 17,031                  | 10,983                     | 242,047    | 22,038                  | —                                 | —       |
| Tennessee                         |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 550,236                          | 5,372,245  | 9,764                   | 1,619,886                  | 6,072,049  | 3,748                   | 178,018                           | 58,182  |
| Under \$10,000 <sup>1</sup> ..... | 37,871                           | 218,621    | 5,773                   | 371,992                    | 135,682    | 365                     | 160,137                           | 57,105  |
| \$10,000 under \$15,000.....      | 37,331                           | 320,432    | 8,584                   | 276,817                    | 255,460    | 923                     | 17,881                            | 1,077   |
| \$15,000 under \$30,000.....      | 168,055                          | 1,153,469  | 6,864                   | 539,355                    | 1,213,546  | 2,250                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 199,168                          | 1,753,075  | 8,802                   | 306,739                    | 1,617,962  | 5,275                   | —                                 | —       |
| \$50,000 or more.....             | 107,811                          | 1,926,648  | 17,871                  | 124,983                    | 2,849,399  | 22,798                  | —                                 | —       |
| Texas                             |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 2,124,256                        | 24,661,541 | 11,609                  | 5,461,504                  | 25,078,319 | 4,592                   | 578,350                           | 189,736 |
| Under \$10,000 <sup>1</sup> ..... | 162,697                          | 1,492,978  | 9,176                   | 1,118,915                  | 451,252    | 403                     | 519,513                           | 186,202 |
| \$10,000 under \$15,000.....      | 117,903                          | 973,174    | 8,254                   | 828,082                    | 766,832    | 926                     | 58,837                            | 3,534   |
| \$15,000 under \$30,000.....      | 546,124                          | 4,104,362  | 7,515                   | 1,749,117                  | 4,068,854  | 2,326                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 755,831                          | 7,200,364  | 9,526                   | 1,143,651                  | 6,165,234  | 5,391                   | —                                 | —       |
| \$50,000 or more.....             | 541,701                          | 10,890,663 | 20,105                  | 621,739                    | 13,626,147 | 21,916                  | —                                 | —       |
| Utah                              |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 286,443                          | 3,139,368  | 10,960                  | 494,064                    | 1,632,674  | 3,305                   | 31,379                            | 9,910   |
| Under \$10,000 <sup>1</sup> ..... | 22,104                           | 192,390    | 8,704                   | 97,707                     | 34,524     | 353                     | 27,891                            | 9,705   |
| \$10,000 under \$15,000.....      | 18,343                           | 120,367    | 6,562                   | 68,419                     | 60,700     | 887                     | 3,488                             | 205     |
| \$15,000 under \$30,000.....      | 97,394                           | 760,522    | 7,809                   | 167,964                    | 337,045    | 2,007                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 107,119                          | 1,161,144  | 10,840                  | 117,753                    | 502,127    | 4,264                   | —                                 | —       |
| \$50,000 or more.....             | 41,483                           | 904,945    | 21,815                  | 42,221                     | 698,278    | 16,539                  | —                                 | —       |
| Vermont                           |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 84,537                           | 827,176    | 9,785                   | 204,489                    | 728,142    | 3,561                   | 11,193                            | 3,463   |
| Under \$10,000 <sup>1</sup> ..... | 5,961                            | 85,995     | 14,426                  | 47,046                     | 18,528     | 394                     | 9,905                             | 3,386   |
| \$10,000 under \$15,000.....      | 5,084                            | 30,122     | 5,925                   | 33,780                     | 35,268     | 1,044                   | 1,288                             | 77      |
| \$15,000 under \$30,000.....      | 26,511                           | 170,033    | 6,414                   | 68,432                     | 162,045    | 2,368                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 31,784                           | 269,568    | 8,481                   | 39,543                     | 205,542    | 5,198                   | —                                 | —       |
| \$50,000 or more.....             | 15,197                           | 271,458    | 17,863                  | 15,688                     | 306,759    | 19,554                  | —                                 | —       |
| Virginia                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,076,357                        | 12,204,453 | 11,339                  | 2,228,026                  | 9,851,528  | 4,422                   | 126,421                           | 40,421  |
| Under \$10,000 <sup>1</sup> ..... | 55,292                           | 323,403    | 5,849                   | 426,063                    | 160,243    | 376                     | 110,783                           | 39,480  |
| \$10,000 under \$15,000.....      | 50,055                           | 311,205    | 6,217                   | 324,371                    | 319,681    | 986                     | 15,638                            | 941     |
| \$15,000 under \$30,000.....      | 287,167                          | 2,080,652  | 7,245                   | 700,755                    | 1,636,189  | 2,335                   | —                                 | —       |
| \$30,000 under \$50,000.....      | 398,155                          | 3,963,003  | 9,953                   | 484,701                    | 2,465,156  | 5,086                   | —                                 | —       |
| \$50,000 or more.....             | 285,688                          | 5,526,190  | 19,343                  | 292,136                    | 5,270,259  | 18,040                  | —                                 | —       |

See footnotes at end of table.

# Individual Income Tax Returns Data by State

**Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986**

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

| State                             | Number of returns | Number of exemptions | Adjusted gross income (AGI) | Salaries and wages |            | Dividends         |         |
|-----------------------------------|-------------------|----------------------|-----------------------------|--------------------|------------|-------------------|---------|
|                                   |                   |                      |                             | Number of returns  | Amount     | Number of returns | Amount  |
|                                   |                   |                      |                             | (1)                | (2)        | (3)               | (4)     |
| Washington                        |                   |                      |                             |                    |            |                   |         |
| Total.....                        | 1,947,149         | 4,566,312            | 46,153,241                  | 1,625,903          | 37,346,541 | 330,263           | 966,823 |
| Under \$10,000 <sup>1</sup> ..... | 595,415           | 977,850              | 1,939,972                   | 459,524            | 2,290,613  | 51,276            | 66,846  |
| \$10,000 under \$15,000.....      | 242,139           | 511,890              | 3,014,364                   | 188,997            | 2,248,458  | 29,047            | 50,020  |
| \$15,000 under \$30,000.....      | 539,852           | 1,320,643            | 11,848,385                  | 462,703            | 9,725,412  | 85,323            | 163,656 |
| \$30,000 under \$50,000.....      | 394,937           | 1,193,104            | 15,195,036                  | 361,965            | 13,306,272 | 89,438            | 185,650 |
| \$50,000 or more.....             | 174,806           | 562,825              | 14,155,484                  | 152,714            | 9,775,786  | 75,179            | 500,651 |
| West Virginia                     |                   |                      |                             |                    |            |                   |         |
| Total.....                        | 663,519           | 1,657,788            | 13,552,665                  | 554,976            | 11,058,758 | 84,660            | 254,939 |
| Under \$10,000 <sup>1</sup> ..... | 237,415           | 449,263              | 1,094,256                   | 179,002            | 836,905    | 14,033            | 15,666  |
| \$10,000 under \$15,000.....      | 93,089            | 224,647              | 1,152,854                   | 73,518             | 859,891    | 8,406             | 14,086  |
| \$15,000 under \$30,000.....      | 178,248           | 488,409              | 3,895,017                   | 158,546            | 3,299,597  | 21,787            | 41,625  |
| \$30,000 under \$50,000.....      | 118,002           | 374,637              | 4,484,429                   | 111,609            | 4,072,640  | 23,575            | 47,426  |
| \$50,000 or more.....             | 36,765            | 120,832              | 2,926,109                   | 32,301             | 1,989,725  | 16,859            | 136,136 |
| Wisconsin                         |                   |                      |                             |                    |            |                   |         |
| Total.....                        | 2,034,831         | 4,817,360            | 44,928,005                  | 1,719,146          | 37,284,719 | 350,245           | 985,669 |
| Under \$10,000 <sup>1</sup> ..... | 688,564           | 1,148,210            | 2,748,938                   | 520,394            | 2,442,813  | 64,934            | 69,192  |
| \$10,000 under \$15,000.....      | 252,499           | 527,620              | 3,134,256                   | 198,132            | 2,267,807  | 35,498            | 58,226  |
| \$15,000 under \$30,000.....      | 554,447           | 1,397,037            | 12,217,623                  | 494,221            | 10,298,964 | 90,188            | 169,765 |
| \$30,000 under \$50,000.....      | 400,971           | 1,278,518            | 15,302,413                  | 380,734            | 13,981,838 | 92,930            | 187,611 |
| \$50,000 or more.....             | 138,350           | 465,975              | 11,524,775                  | 125,665            | 8,293,297  | 66,695            | 500,875 |
| Wyoming                           |                   |                      |                             |                    |            |                   |         |
| Total.....                        | 195,820           | 494,959              | 4,272,634                   | 166,732            | 3,626,691  | 31,367            | 99,753  |
| Under \$10,000 <sup>1</sup> ..... | 65,698            | 115,906              | 101,639                     | 51,180             | 257,757    | 5,617             | 9,006   |
| \$10,000 under \$15,000.....      | 23,311            | 54,045               | 289,411                     | 19,059             | 226,307    | 2,796             | 5,385   |
| \$15,000 under \$30,000.....      | 51,384            | 141,003              | 1,131,925                   | 45,472             | 961,670    | 7,634             | 16,098  |
| \$30,000 under \$50,000.....      | 40,316            | 132,632              | 1,554,082                   | 37,727             | 1,403,436  | 8,853             | 18,203  |
| \$50,000 or more.....             | 15,111            | 51,373               | 1,195,577                   | 13,294             | 777,521    | 6,467             | 51,061  |
| Other areas <sup>5</sup>          |                   |                      |                             |                    |            |                   |         |
| Total.....                        | 520,315           | 1,107,656            | 6,434,729                   | 297,647            | 12,099,614 | 98,764            | 431,505 |
| Under \$10,000.....               | 340,827           | 592,854              | -1,082,222                  | 151,089            | 3,522,238  | 38,599            | 55,845  |
| \$10,000 under \$15,000.....      | 42,558            | 111,949              | 523,399                     | 31,239             | 796,090    | 8,720             | 24,344  |
| \$15,000 under \$30,000.....      | 64,961            | 181,681              | 1,394,041                   | 52,552             | 1,884,995  | 17,071            | 60,268  |
| \$30,000 under \$50,000.....      | 35,642            | 105,888              | 1,366,845                   | 30,827             | 1,714,837  | 13,122            | 56,183  |
| \$50,000 or more.....             | 36,327            | 115,284              | 4,232,666                   | 31,940             | 4,181,454  | 21,252            | 234,865 |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986

(Money amounts are in thousands of dollars, except where indicated)

| State                        | Interest             |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|------------------------------|----------------------|-----------|---|-----------|---------------------------|---------|
|                              | Number of<br>returns | Amount    | Number of<br>returns                          | Amount    | Number of<br>returns      | Amount  |
|                              | (8)                  | (9)       | (10)  | (11)      | (12)                      | (13)    |
| Washington                   |                      |           |   |           |                           |         |
| Total.....                   | 1,304,446            | 3,330,132 | 314,687                                       | 2,341,183 | 124,117                   | 189,085 |
| Under \$10,000.....          | 278,705              | 440,221   | 41,065  | 149,716   | 2,142                     | 1,258   |
| \$10,000 under \$15,000..... | 140,097              | 330,177   | 25,662  | 33,568    | 12,126                    | 9,675   |
| \$15,000 under \$30,000..... | 378,142              | 834,202   | 79,247  | 144,934   | 62,281                    | 94,766  |
| \$30,000 under \$50,000..... | 340,646              | 749,710   | 87,489  | 236,002   | 40,276                    | 70,655  |
| \$50,000 or more.....        | 166,856              | 975,822   | 81,224  | 1,776,963 | 7,292                     | 12,731  |
| West Virginia                |                      |           |   |           |                           |         |
| Total.....                   | 399,594              | 835,300   | 52,552  | 330,713   | 45,046                    | 69,799  |
| Under \$10,000.....          | 99,999               | 150,330   | 8,029   | 13,708    | 519                       | 370     |
| \$10,000 under \$15,000..... | 50,424               | 114,603   | 4,939   | 6,804     | 2,908                     | 2,162   |
| \$15,000 under \$30,000..... | 117,193              | 225,908   | 13,043  | 24,455    | 25,313                    | 38,938  |
| \$30,000 under \$50,000..... | 97,552               | 165,596   | 13,662  | 32,445    | 14,758                    | 25,749  |
| \$50,000 or more.....        | 34,426               | 178,863   | 12,879  | 253,301   | 1,548                     | 2,580   |
| Wisconsin                    |                      |           |   |           |                           |         |
| Total.....                   | 1,508,191            | 3,174,512 | 301,757                                       | 1,660,009 | 153,211                   | 206,254 |
| Under \$10,000.....          | 400,175              | 556,974   | 60,173  | 119,223   | 2,038                     | 1,208   |
| \$10,000 under \$15,000..... | 172,478              | 407,921   | 30,767  | 47,723    | 13,568                    | 10,156  |
| \$15,000 under \$30,000..... | 434,182              | 862,473   | 77,170  | 149,721   | 76,332                    | 106,112 |
| \$30,000 under \$50,000..... | 367,301              | 647,138   | 73,711  | 181,839   | 54,535                    | 79,272  |
| \$50,000 or more.....        | 134,055              | 700,006   | 59,936  | 1,161,503 | 6,738                     | 9,506   |
| Wyoming                      |                      |           |   |           |                           |         |
| Total.....                   | 130,067              | 326,598   | 28,941  | 196,835   | 12,833                    | 20,568  |
| Under \$10,000.....          | 32,178               | 51,555    | 5,787   | 23,204    | 303                       | 166     |
| \$10,000 under \$15,000..... | 13,624               | 30,942    | 2,512   | 3,790     | 1,422                     | 1,288   |
| \$15,000 under \$30,000..... | 35,877               | 75,918    | 7,014   | 12,409    | 7,079                     | 11,521  |
| \$30,000 under \$50,000..... | 34,151               | 69,423    | 7,535   | 16,235    | 3,545                     | 6,651   |
| \$50,000 or more.....        | 14,237               | 98,760    | 6,093   | 141,197   | 484                       | 942     |
| Other areas <sup>5</sup>     |                      |           |   |           |                           |         |
| Total.....                   | 253,390              | 1,004,834 | 90,756  | 914,963   | 5,441                     | 10,713  |
| Under \$10,000.....          | 128,843              | 428,705   | 43,877  | 143,996   | 917                       | 1,641   |
| \$10,000 under \$15,000..... | 23,787               | 73,880    | 5,987   | 20,253    | 625                       | 1,037   |
| \$15,000 under \$30,000..... | 41,572               | 146,783   | 12,310  | 58,720    | 2,104                     | 3,758   |
| \$30,000 under \$50,000..... | 27,183               | 112,192   | 10,344  | 66,886    | 1,129                     | 2,536   |
| \$50,000 or more.....        | 32,005               | 243,274   | 18,238  | 625,108   | 666                       | 1,741   |

See footnotes at end of table.



# Individual Income Tax Returns Data by State

**Table 1. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1986**

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

| State                             | Itemized deductions <sup>2</sup> |           |                         | Tax liability <sup>3</sup> |           |                         | Earned income credit <sup>4</sup> |        |
|-----------------------------------|----------------------------------|-----------|-------------------------|----------------------------|-----------|-------------------------|-----------------------------------|--------|
|                                   | Number of returns                | Amount    | Average (whole dollars) | Number of returns          | Amount    | Average (whole dollars) | Number of returns                 | Amount |
|                                   | (14)                             | (15)      | (16)                    | (17)                       | (18)      | (19)                    | (20)                              | (21)   |
| Washington                        |                                  |           |                         |                            |           |                         |                                   |        |
| Total.....                        | 754,259                          | 7,698,175 | 10,206                  | 1,659,563                  | 7,012,270 | 4,225                   | 85,475                            | 27,040 |
| Under \$10,000 <sup>1</sup> ..... | 54,407                           | 377,151   | 6,932                   | 324,582                    | 127,003   | 391                     | 76,580                            | 26,512 |
| \$10,000 under \$15,000.....      | 45,422                           | 329,366   | 7,251                   | 231,616                    | 226,883   | 980                     | 8,895                             | 528    |
| \$15,000 under \$30,000.....      | 211,379                          | 1,564,437 | 7,401                   | 534,644                    | 1,277,657 | 2,390                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 286,639                          | 2,710,575 | 9,456                   | 394,132                    | 2,093,843 | 5,313                   | —                                 | —      |
| \$50,000 or more.....             | 156,412                          | 2,716,646 | 17,369                  | 174,589                    | 3,286,884 | 18,826                  | —                                 | —      |
| West Virginia                     |                                  |           |                         |                            |           |                         |                                   |        |
| Total.....                        | 180,111                          | 1,539,876 | 8,550                   | 549,907                    | 1,845,690 | 3,356                   | 53,188                            | 16,886 |
| Under \$10,000 <sup>1</sup> ..... | 10,389                           | 49,472    | 4,762                   | 126,407                    | 42,668    | 338                     | 47,672                            | 16,559 |
| \$10,000 under \$15,000.....      | 9,081                            | 53,678    | 5,911                   | 91,280                     | 81,934    | 898                     | 5,516                             | 327    |
| \$15,000 under \$30,000.....      | 49,970                           | 306,923   | 6,142                   | 177,567                    | 411,106   | 2,315                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 76,922                           | 586,897   | 7,630                   | 117,921                    | 634,510   | 5,381                   | —                                 | —      |
| \$50,000 or more.....             | 33,749                           | 542,906   | 16,087                  | 36,732                     | 675,472   | 18,389                  | —                                 | —      |
| Wisconsin                         |                                  |           |                         |                            |           |                         |                                   |        |
| Total.....                        | 877,845                          | 8,231,537 | 9,377                   | 1,712,228                  | 6,168,434 | 3,603                   | 82,146                            | 25,710 |
| Under \$10,000 <sup>1</sup> ..... | 64,398                           | 351,941   | 5,465                   | 379,799                    | 133,047   | 350                     | 73,661                            | 25,209 |
| \$10,000 under \$15,000.....      | 52,721                           | 324,330   | 6,152                   | 243,836                    | 238,771   | 979                     | 8,485                             | 501    |
| \$15,000 under \$30,000.....      | 266,392                          | 1,749,557 | 6,568                   | 549,917                    | 1,288,332 | 2,343                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 357,993                          | 3,213,997 | 8,978                   | 400,431                    | 1,963,843 | 4,904                   | —                                 | —      |
| \$50,000 or more.....             | 136,341                          | 2,591,712 | 19,009                  | 138,245                    | 2,544,441 | 18,405                  | —                                 | —      |
| Wyoming                           |                                  |           |                         |                            |           |                         |                                   |        |
| Total.....                        | 68,472                           | 626,001   | 9,142                   | 162,741                    | 658,837   | 4,048                   | 11,079                            | 3,515  |
| Under \$10,000 <sup>1</sup> ..... | 5,616                            | 40,086    | 7,138                   | 34,116                     | 13,541    | 397                     | 9,939                             | 3,448  |
| \$10,000 under \$15,000.....      | 4,120                            | 26,720    | 6,485                   | 22,365                     | 21,162    | 946                     | 1,140                             | 67     |
| \$15,000 under \$30,000.....      | 19,061                           | 133,082   | 6,982                   | 50,910                     | 118,975   | 2,337                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 27,465                           | 238,709   | 8,691                   | 40,254                     | 217,089   | 5,393                   | —                                 | —      |
| \$50,000 or more.....             | 12,210                           | 187,404   | 15,348                  | 15,096                     | 288,070   | 19,083                  | —                                 | —      |
| Other areas <sup>5</sup>          |                                  |           |                         |                            |           |                         |                                   |        |
| Total.....                        | 127,593                          | 1,152,543 | 9,033                   | 299,742                    | 1,355,460 | 4,522                   | 1,456                             | 462    |
| Under \$10,000 <sup>1</sup> ..... | 40,851                           | 140,075   | 3,429                   | 144,005                    | 123,238   | 856                     | 1,273                             | 450    |
| \$10,000 under \$15,000.....      | 11,580                           | 59,337    | 5,124                   | 35,917                     | 36,285    | 1,010                   | 183                               | 12     |
| \$15,000 under \$30,000.....      | 26,283                           | 177,712   | 6,761                   | 54,942                     | 129,654   | 2,360                   | —                                 | —      |
| \$30,000 under \$50,000.....      | 21,054                           | 197,848   | 9,397                   | 30,996                     | 173,353   | 5,593                   | —                                 | —      |
| \$50,000 or more.....             | 27,825                           | 577,571   | 20,757                  | 33,882                     | 892,930   | 26,354                  | —                                 | —      |

<sup>1</sup> Includes returns with adjusted gross deficit.

<sup>2</sup> See Data Sources and Limitations for additional information.

<sup>3</sup> Before earned income credit. See Data Sources and Limitations for additional information.

<sup>4</sup> Includes both the refundable and nonrefundable portions. See Data Sources and Limitations for additional information.

<sup>5</sup> Includes returns filed from Army Post Office and Fleet Post Office addresses by service men and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.



# Individual Income Tax Returns Data by State

**Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987**

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

| State                             | Interest          |             | Sales of capital assets<br>Net gain less loss |             | Unemployment compensation |            |
|-----------------------------------|-------------------|-------------|---|-------------|---------------------------|------------|
|                                   | Number of returns | Amount      | Number of returns                             | Amount      | Number of returns         | Amount     |
|                                   | (8)               | (9)         | (10)  | (11)        | (12)                      | (13)       |
| United States, total              |                   |             |   |             |                           |            |
| Total.....                        | 67,754,641        | 167,478,801 | 15,490,694                                    | 136,481,490 | 7,308,358                 | 12,228,524 |
| Under \$10,000 <sup>2</sup> ..... | 14,804,665        | 21,800,281  | 2,215,978                                     | 6,781,552   | 1,546,483                 | 2,242,116  |
| \$10,000 under \$15,000.....      | 7,033,215         | 14,701,806  | 1,130,812                                     | 1,554,056   | 1,161,130                 | 1,966,056  |
| \$15,000 under \$30,000.....      | 18,182,863        | 35,104,817  | 3,299,090                                     | 6,320,707   | 2,508,096                 | 4,499,658  |
| \$30,000 under \$50,000.....      | 16,098,083        | 30,919,054  | 3,684,070                                     | 10,320,969  | 1,612,442                 | 2,668,045  |
| \$50,000 or more.....             | 11,635,815        | 64,952,843  | 5,160,744                                     | 111,504,206 | 480,207                   | 852,649    |
| Alabama                           |                   |             |   |             |                           |            |
| Total.....                        | 806,370           | 1,642,035   | 152,374                                       | 1,055,289   | 146,995                   | 153,610    |
| Under \$10,000 <sup>2</sup> ..... | 168,765           | 231,517     | 20,589  | 40,993      | 42,130                    | 46,420     |
| \$10,000 under \$15,000.....      | 87,615            | 160,919     | 10,703  | 16,303      | 25,886                    | 26,670     |
| \$15,000 under \$30,000.....      | 223,256           | 369,503     | 32,389  | 61,055      | 49,509                    | 52,023     |
| \$30,000 under \$50,000.....      | 203,050           | 314,081     | 38,359  | 96,854      | 25,241                    | 24,191     |
| \$50,000 or more.....             | 123,684           | 566,015     | 50,334  | 840,084     | 4,229                     | 4,306      |
| Alaska                            |                   |             |   |             |                           |            |
| Total.....                        | 169,934           | 252,109     | 36,641  | 191,833     | 35,457                    | 82,761     |
| Under \$10,000 <sup>2</sup> ..... | 51,647            | 31,974      | 6,610   | 25,066      | 6,131                     | 10,787     |
| \$10,000 under \$15,000.....      | 10,722            | 9,692       | 1,522   | 2,356       | 4,351                     | 9,585      |
| \$15,000 under \$30,000.....      | 31,882            | 35,232      | 5,492   | 10,400      | 10,570                    | 26,063     |
| \$30,000 under \$50,000.....      | 35,580            | 49,582      | 8,208   | 19,706      | 8,901                     | 23,189     |
| \$50,000 or more.....             | 40,103            | 125,629     | 14,809  | 134,305     | 5,504                     | 13,137     |
| Arizona                           |                   |             |   |             |                           |            |
| Total.....                        | 889,331           | 2,765,677   | 243,896                                       | 2,221,464   | 77,828                    | 113,464    |
| Under \$10,000 <sup>2</sup> ..... | 179,794           | 324,165     | 33,938  | 148,176     | 18,831                    | 27,945     |
| \$10,000 under \$15,000.....      | 101,289           | 221,174     | 20,665  | 22,747      | 13,634                    | 21,610     |
| \$15,000 under \$30,000.....      | 254,613           | 568,298     | 58,864  | 110,736     | 26,523                    | 39,115     |
| \$30,000 under \$50,000.....      | 208,028           | 506,380     | 58,287  | 184,347     | 14,266                    | 19,135     |
| \$50,000 or more.....             | 145,607           | 1,145,660   | 72,142  | 1,755,458   | 4,574                     | 5,659      |
| Arkansas                          |                   |             |   |             |                           |            |
| Total.....                        | 472,910           | 1,211,094   | 105,151                                       | 652,995     | 81,828                    | 117,495    |
| Under \$10,000 <sup>2</sup> ..... | 115,714           | 188,042     | 17,640  | 46,729      | 22,213                    | 29,918     |
| \$10,000 under \$15,000.....      | 59,310            | 136,347     | 10,375  | 17,376      | 15,403                    | 23,316     |
| \$15,000 under \$30,000.....      | 140,678           | 302,554     | 27,635  | 60,467      | 30,508                    | 44,613     |
| \$30,000 under \$50,000.....      | 103,917           | 227,114     | 24,762  | 77,679      | 12,165                    | 17,220     |
| \$50,000 or more.....             | 53,291            | 357,037     | 24,739  | 450,744     | 1,539                     | 2,428      |
| California                        |                   |             |   |             |                           |            |
| Total.....                        | 7,710,496         | 22,253,437  | 1,831,668                                     | 20,677,965  | 905,713                   | 1,485,930  |
| Under \$10,000 <sup>2</sup> ..... | 1,429,355         | 2,351,428   | 216,367                                       | 1,124,478   | 214,328                   | 322,320    |
| \$10,000 under \$15,000.....      | 747,293           | 1,492,274   | 116,124                                       | 144,577     | 143,556                   | 246,858    |
| \$15,000 under \$30,000.....      | 2,003,409         | 4,002,129   | 358,572                                       | 684,782     | 279,969                   | 487,711    |
| \$30,000 under \$50,000.....      | 1,856,358         | 3,943,650   | 427,447                                       | 1,298,320   | 182,458                   | 290,778    |
| \$50,000 or more.....             | 1,674,081         | 10,463,956  | 713,158                                       | 17,425,808  | 85,402                    | 138,263    |
| Colorado                          |                   |             |   |             |                           |            |
| Total.....                        | 981,431           | 2,234,854   | 269,008                                       | 1,771,270   | 93,045                    | 176,173    |
| Under \$10,000 <sup>2</sup> ..... | 215,950           | 306,147     | 42,145  | 183,789     | 18,836                    | 30,415     |
| \$10,000 under \$15,000.....      | 96,445            | 172,111     | 19,128  | 24,049      | 15,654                    | 30,072     |
| \$15,000 under \$30,000.....      | 266,297           | 445,001     | 58,855  | 100,229     | 33,666                    | 67,445     |
| \$30,000 under \$50,000.....      | 236,727           | 422,956     | 66,814  | 162,134     | 19,527                    | 37,702     |
| \$50,000 or more.....             | 166,012           | 888,639     | 82,066  | 1,301,069   | 5,362                     | 10,539     |
| Connecticut                       |                   |             |   |             |                           |            |
| Total.....                        | 1,237,452         | 3,002,818   | 287,085                                       | 3,471,861   | 85,948                    | 128,888    |
| Under \$10,000 <sup>2</sup> ..... | 248,286           | 346,265     | 36,353  | 86,762      | 8,877                     | 13,494     |
| \$10,000 under \$15,000.....      | 106,817           | 236,576     | 15,818  | 21,560      | 11,126                    | 16,693     |
| \$15,000 under \$30,000.....      | 308,462           | 589,331     | 48,834  | 90,209      | 28,743                    | 43,922     |
| \$30,000 under \$50,000.....      | 293,565           | 594,436     | 63,088  | 185,278     | 26,190                    | 37,399     |
| \$50,000 or more.....             | 280,322           | 1,236,210   | 122,992                                       | 3,088,052   | 11,012                    | 17,380     |
| Delaware                          |                   |             |   |             |                           |            |
| Total.....                        | 192,153           | 388,530     | 42,070  | 322,619     | 14,817                    | 20,733     |
| Under \$10,000 <sup>2</sup> ..... | 38,959            | 46,478      | 4,961   | 8,264       | 2,182                     | 2,542      |
| \$10,000 under \$15,000.....      | 18,994            | 36,175      | 2,495   | 3,293       | 1,828                     | 2,595      |
| \$15,000 under \$30,000.....      | 48,130            | 85,177      | 7,989   | 14,242      | 4,602                     | 7,369      |
| \$30,000 under \$50,000.....      | 48,038            | 79,386      | 10,212  | 27,682      | 4,812                     | 6,311      |
| \$50,000 or more.....             | 38,032            | 141,314     | 16,413  | 269,138     | 1,393                     | 1,916      |
| District of Columbia              |                   |             |   |             |                           |            |
| Total.....                        | 165,675           | 461,445     | 37,690  | 614,559     | 11,346                    | 26,001     |
| Under \$10,000 <sup>2</sup> ..... | 26,012            | 53,287      | 3,572   | 45,520      | 3,594                     | 6,895      |
| \$10,000 under \$15,000.....      | 17,394            | 18,733      | 1,672   | 2,528       | 2,648                     | 6,222      |
| \$15,000 under \$30,000.....      | 51,532            | 59,915      | 6,158   | 10,094      | 3,445                     | 8,763      |
| \$30,000 under \$50,000.....      | 36,314            | 70,848      | 8,430   | 22,482      | 1,191                     | 2,986      |
| \$50,000 or more.....             | 34,423            | 258,661     | 17,858  | 533,935     | 468                       | 1,136      |
| Florida                           |                   |             |   |             |                           |            |
| Total.....                        | 3,294,153         | 12,629,541  | 966,992                                       | 11,415,800  | 166,473                   | 267,111    |
| Under \$10,000 <sup>2</sup> ..... | 700,318           | 1,350,558   | 133,694                                       | 416,446     | 39,990                    | 54,608     |
| \$10,000 under \$15,000.....      | 419,654           | 1,064,672   | 90,030  | 81,033      | 28,774                    | 46,538     |
| \$15,000 under \$30,000.....      | 952,644           | 2,683,344   | 240,851                                       | 426,323     | 57,330                    | 95,849     |
| \$30,000 under \$50,000.....      | 702,461           | 2,274,946   | 218,828                                       | 770,244     | 30,595                    | 51,388     |
| \$50,000 or more.....             | 519,076           | 5,256,021   | 283,589                                       | 9,721,754   | 9,784                     | 18,728     |
| Georgia                           |                   |             |   |             |                           |            |
| Total.....                        | 1,343,427         | 2,948,728   | 282,640                                       | 2,593,996   | 164,416                   | 185,370    |
| Under \$10,000 <sup>2</sup> ..... | 254,540           | 369,860     | 34,789  | 162,067     | 38,411                    | 41,485     |
| \$10,000 under \$15,000.....      | 126,138           | 227,049     | 16,144  | 27,437      | 28,144                    | 30,599     |
| \$15,000 under \$30,000.....      | 349,834           | 570,690     | 52,719  | 113,788     | 54,537                    | 60,906     |
| \$30,000 under \$50,000.....      | 341,401           | 540,838     | 67,173  | 195,850     | 34,942                    | 40,086     |
| \$50,000 or more.....             | 271,514           | 1,240,291   | 111,815                                       | 2,094,854   | 8,382                     | 12,294     |

See footnotes at end of table.





## Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

(Money amounts are in thousands of dollars, except where indicated)

| State                       | Interest          |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------|-------------------|-----------|---|-----------|---------------------------|---------|
|                             | Number of returns | Amount    | Number of returns                             | Amount    | Number of returns         | Amount  |
|                             | (8)               | (9)       | (10)  | (11)      | (12)                      | (13)    |
| <b>Hawaii</b>               |                   |           |   |           |                           |         |
| Total                       | 373,796           | 695,344   | 76,170  | 739,106   | 23,826                    | 39,200  |
| Under \$10,000 <sup>2</sup> | 84,618            | 76,873    | 9,671   | 21,957    | 4,371                     | 6,304   |
| \$10,000 under \$15,000     | 44,846            | 48,606    | 4,751   | 5,472     | 3,516                     | 6,024   |
| \$15,000 under \$30,000     | 108,039           | 139,295   | 16,466  | 28,198    | 7,951                     | 14,018  |
| \$30,000 under \$50,000     | 79,146            | 138,257   | 18,915  | 58,367    | 9,519                     | 9,509   |
| \$50,000 or more            | 57,147            | 292,313   | 26,367  | 625,112   | 2,069                     | 3,345   |
| <b>Idaho</b>                |                   |           |   |           |                           |         |
| Total                       | 235,355           | 559,997   | 67,259  | 356,471   | 43,864                    | 71,069  |
| Under \$10,000 <sup>2</sup> | 59,408            | 92,685    | 12,882  | 32,773    | 9,288                     | 12,503  |
| \$10,000 under \$15,000     | 28,057            | 63,548    | 6,902   | 12,004    | 8,319                     | 13,162  |
| \$15,000 under \$30,000     | 70,424            | 143,943   | 18,447  | 42,524    | 18,011                    | 31,563  |
| \$30,000 under \$50,000     | 52,994            | 109,438   | 15,952  | 51,239    | 7,275                     | 12,136  |
| \$50,000 or more            | 24,472            | 150,383   | 13,076  | 217,931   | 971                       | 1,705   |
| <b>Illinois</b>             |                   |           |   |           |                           |         |
| Total                       | 3,440,865         | 8,690,848 | 759,941                                       | 7,977,179 | 316,642                   | 663,578 |
| Under \$10,000 <sup>2</sup> | 777,541           | 1,147,544 | 103,602                                       | 269,831   | 58,484                    | 103,126 |
| \$10,000 under \$15,000     | 335,585           | 795,555   | 50,099  | 59,845    | 43,935                    | 95,260  |
| \$15,000 under \$30,000     | 887,616           | 1,860,946 | 151,764                                       | 253,100   | 109,246                   | 250,117 |
| \$30,000 under \$50,000     | 832,725           | 1,661,663 | 184,951                                       | 460,255   | 80,696                    | 166,224 |
| \$50,000 or more            | 607,398           | 3,225,140 | 269,525                                       | 6,934,148 | 24,281                    | 48,851  |
| <b>Indiana</b>              |                   |           |   |           |                           |         |
| Total                       | 1,500,612         | 3,127,463 | 286,689                                       | 1,544,158 | 151,529                   | 174,891 |
| Under \$10,000 <sup>2</sup> | 350,448           | 476,938   | 42,195  | 88,094    | 30,348                    | 35,295  |
| \$10,000 under \$15,000     | 155,589           | 349,373   | 22,521  | 28,990    | 22,152                    | 26,758  |
| \$15,000 under \$30,000     | 391,177           | 771,971   | 63,907  | 116,730   | 53,318                    | 64,681  |
| \$30,000 under \$50,000     | 386,811           | 628,421   | 73,473  | 177,015   | 37,332                    | 39,931  |
| \$50,000 or more            | 216,587           | 900,760   | 84,593  | 1,133,329 | 8,379                     | 8,226   |
| <b>Iowa</b>                 |                   |           |   |           |                           |         |
| Total                       | 879,867           | 2,224,755 | 232,977                                       | 957,989   | 74,349                    | 119,959 |
| Under \$10,000 <sup>2</sup> | 243,081           | 341,943   | 42,151  | 69,010    | 15,279                    | 21,367  |
| \$10,000 under \$15,000     | 98,833            | 262,237   | 22,950  | 35,567    | 12,010                    | 20,653  |
| \$15,000 under \$30,000     | 245,951           | 594,585   | 63,005  | 134,577   | 28,756                    | 49,606  |
| \$30,000 under \$50,000     | 197,414           | 465,740   | 57,834  | 166,470   | 15,695                    | 24,562  |
| \$50,000 or more            | 94,588            | 560,250   | 47,037  | 552,365   | 2,609                     | 3,771   |
| <b>Kansas</b>               |                   |           |   |           |                           |         |
| Total                       | 710,828           | 1,890,283 | 188,230                                       | 1,122,838 | 68,624                    | 123,009 |
| Under \$10,000 <sup>2</sup> | 172,764           | 272,512   | 29,472  | 84,677    | 14,101                    | 21,498  |
| \$10,000 under \$15,000     | 73,664            | 198,111   | 15,784  | 22,982    | 10,692                    | 19,698  |
| \$15,000 under \$30,000     | 191,046           | 452,316   | 45,790  | 83,755    | 25,591                    | 48,272  |
| \$30,000 under \$50,000     | 168,458           | 375,299   | 47,084  | 117,977   | 14,802                    | 26,762  |
| \$50,000 or more            | 104,896           | 592,045   | 50,100  | 813,447   | 3,438                     | 6,779   |
| <b>Kentucky</b>             |                   |           |   |           |                           |         |
| Total                       | 781,799           | 1,737,238 | 156,888                                       | 1,188,765 | 124,612                   | 151,260 |
| Under \$10,000 <sup>2</sup> | 185,298           | 286,975   | 24,924  | 67,167    | 27,275                    | 32,831  |
| \$10,000 under \$15,000     | 88,004            | 194,020   | 12,829  | 23,542    | 20,252                    | 26,906  |
| \$15,000 under \$30,000     | 216,569           | 416,952   | 36,229  | 83,217    | 47,372                    | 58,871  |
| \$30,000 under \$50,000     | 189,101           | 329,111   | 38,367  | 114,220   | 25,301                    | 27,844  |
| \$50,000 or more            | 102,827           | 510,180   | 44,539  | 900,619   | 4,412                     | 4,808   |
| <b>Louisiana</b>            |                   |           |   |           |                           |         |
| Total                       | 849,949           | 2,039,543 | 157,446                                       | 937,591   | 171,979                   | 332,396 |
| Under \$10,000 <sup>2</sup> | 203,765           | 298,562   | 23,483  | 66,278    | 54,024                    | 82,397  |
| \$10,000 under \$15,000     | 93,814            | 181,868   | 10,791  | 13,730    | 29,441                    | 61,248  |
| \$15,000 under \$30,000     | 229,625           | 444,602   | 33,290  | 51,945    | 57,970                    | 125,512 |
| \$30,000 under \$50,000     | 198,397           | 379,058   | 39,597  | 85,541    | 25,435                    | 52,150  |
| \$50,000 or more            | 124,348           | 735,453   | 50,285  | 720,097   | 5,109                     | 11,089  |
| <b>Maine</b>                |                   |           |   |           |                           |         |
| Total                       | 358,126           | 680,118   | 70,848  | 721,375   | 38,548                    | 50,439  |
| Under \$10,000 <sup>2</sup> | 84,553            | 91,185    | 10,116  | 23,341    | 8,410                     | 10,847  |
| \$10,000 under \$15,000     | 42,729            | 71,087    | 6,077   | 12,382    | 7,414                     | 9,349   |
| \$15,000 under \$30,000     | 106,443           | 164,539   | 17,338  | 52,032    | 14,241                    | 19,695  |
| \$30,000 under \$50,000     | 84,188            | 138,772   | 17,738  | 85,730    | 7,311                     | 8,894   |
| \$50,000 or more            | 40,213            | 214,535   | 19,579  | 547,890   | 1,172                     | 1,654   |
| <b>Maryland</b>             |                   |           |   |           |                           |         |
| Total                       | 1,460,139         | 3,096,303 | 306,546                                       | 2,733,251 | 96,529                    | 165,492 |
| Under \$10,000 <sup>2</sup> | 270,336           | 328,901   | 37,879  | 121,804   | 18,293                    | 28,892  |
| \$10,000 under \$15,000     | 127,900           | 205,729   | 15,287  | 21,539    | 15,137                    | 26,851  |
| \$15,000 under \$30,000     | 364,734           | 536,330   | 49,960  | 89,910    | 31,919                    | 57,009  |
| \$30,000 under \$50,000     | 362,342           | 577,834   | 70,283  | 176,116   | 23,212                    | 38,269  |
| \$50,000 or more            | 334,827           | 1,447,509 | 133,137                                       | 2,323,882 | 7,968                     | 14,471  |
| <b>Massachusetts</b>        |                   |           |   |           |                           |         |
| Total                       | 2,163,886         | 4,703,360 | 442,806                                       | 5,311,976 | 165,495                   | 333,392 |
| Under \$10,000 <sup>2</sup> | 447,465           | 550,301   | 55,771  | 172,743   | 20,747                    | 35,824  |
| \$10,000 under \$15,000     | 213,802           | 395,149   | 26,529  | 39,243    | 23,537                    | 46,970  |
| \$15,000 under \$30,000     | 598,701           | 972,997   | 83,848  | 161,644   | 57,597                    | 121,812 |
| \$30,000 under \$50,000     | 501,516           | 884,278   | 101,174                                       | 300,896   | 46,480                    | 92,017  |
| \$50,000 or more            | 402,402           | 1,900,635 | 175,484                                       | 4,637,450 | 17,134                    | 36,769  |
| <b>Michigan</b>             |                   |           |   |           |                           |         |
| Total                       | 2,689,336         | 5,286,316 | 578,843                                       | 3,167,186 | 422,401                   | 810,037 |
| Under \$10,000 <sup>2</sup> | 598,005           | 709,253   | 79,844  | 123,518   | 53,732                    | 92,041  |
| \$10,000 under \$15,000     | 264,868           | 542,443   | 43,667  | 54,415    | 49,102                    | 99,328  |
| \$15,000 under \$30,000     | 647,458           | 1,170,196 | 118,658                                       | 211,487   | 138,233                   | 311,328 |
| \$30,000 under \$50,000     | 690,985           | 1,027,345 | 141,858                                       | 329,678   | 137,306                   | 229,992 |
| \$50,000 or more            | 488,020           | 1,837,079 | 194,816                                       | 2,448,088 | 44,028                    | 77,348  |

See footnotes at end of table.







Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

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

| State                             | Interest          |            | Sales of capital assets<br>Net gain less loss |            | Unemployment compensation |         |
|-----------------------------------|-------------------|------------|---|------------|---------------------------|---------|
|                                   | Number of returns | Amount     | Number of returns                             | Amount     | Number of returns         | Amount  |
|                                   | (8)               | (9)        | (10)  | (11)       | (12)                      | (13)    |
| Minnesota                         |                   |            |   |            |                           |         |
| Total.....                        | 1,410,664         | 3,001,304  | 365,192                                       | 2,098,606  | 130,848                   | 276,859 |
| Under \$10,000 <sup>2</sup> ..... | 340,497           | 430,088    | 57,911  | 119,475    | 20,235                    | 31,824  |
| \$10,000 under \$15,000.....      | 148,283           | 314,996    | 31,741  | 54,229     | 20,480                    | 38,727  |
| \$15,000 under \$30,000.....      | 393,639           | 714,466    | 89,990  | 188,633    | 50,462                    | 117,921 |
| \$30,000 under \$50,000.....      | 329,026           | 553,454    | 88,752  | 226,215    | 32,180                    | 71,440  |
| \$50,000 or more.....             | 199,219           | 988,300    | 96,798  | 1,510,054  | 7,491                     | 16,947  |
| Mississippi                       |                   |            |   |            |                           |         |
| Total.....                        | 411,221           | 942,453    | 78,619  | 551,518    | 82,902                    | 98,740  |
| Under \$10,000 <sup>2</sup> ..... | 95,387            | 141,165    | 11,737  | 41,693     | 30,438                    | 35,405  |
| \$10,000 under \$15,000.....      | 47,718            | 97,584     | 6,351   | 11,040     | 15,344                    | 18,671  |
| \$15,000 under \$30,000.....      | 117,874           | 222,185    | 18,460  | 42,058     | 25,315                    | 31,185  |
| \$30,000 under \$50,000.....      | 98,154            | 182,418    | 19,848  | 60,569     | 10,335                    | 11,571  |
| \$50,000 or more.....             | 52,088            | 299,101    | 22,223  | 396,158    | 1,470                     | 1,908   |
| Missouri                          |                   |            |   |            |                           |         |
| Total.....                        | 1,380,530         | 3,504,831  | 338,707                                       | 1,975,855  | 166,845                   | 223,980 |
| Under \$10,000 <sup>2</sup> ..... | 318,315           | 482,440    | 51,996  | 118,911    | 39,992                    | 51,135  |
| \$10,000 under \$15,000.....      | 151,717           | 384,956    | 28,921  | 42,299     | 26,032                    | 33,775  |
| \$15,000 under \$30,000.....      | 371,785           | 858,001    | 80,247  | 159,073    | 55,967                    | 79,705  |
| \$30,000 under \$50,000.....      | 330,834           | 683,600    | 83,085  | 217,680    | 36,957                    | 48,331  |
| \$50,000 or more.....             | 207,879           | 1,095,834  | 94,458  | 1,437,892  | 7,897                     | 11,034  |
| Montana                           |                   |            |   |            |                           |         |
| Total.....                        | 229,260           | 580,664    | 70,523  | 338,651    | 28,635                    | 44,810  |
| Under \$10,000 <sup>2</sup> ..... | 68,287            | 96,934     | 17,044  | 42,665     | 7,322                     | 9,498   |
| \$10,000 under \$15,000.....      | 28,218            | 61,913     | 7,575   | 13,885     | 4,894                     | 7,968   |
| \$15,000 under \$30,000.....      | 66,265            | 148,274    | 19,139  | 46,823     | 11,039                    | 19,004  |
| \$30,000 under \$50,000.....      | 46,813            | 119,191    | 15,627  | 55,696     | 4,724                     | 7,303   |
| \$50,000 or more.....             | 19,677            | 154,352    | 11,138  | 179,582    | 656                       | 1,037   |
| Nebraska                          |                   |            |   |            |                           |         |
| Total.....                        | 484,498           | 1,183,119  | 128,071                                       | 580,483    | 36,947                    | 45,365  |
| Under \$10,000 <sup>2</sup> ..... | 130,639           | 180,131    | 23,068  | 49,647     | 10,122                    | 11,747  |
| \$10,000 under \$15,000.....      | 55,892            | 136,465    | 12,031  | 19,437     | 6,566                     | 8,697   |
| \$15,000 under \$30,000.....      | 137,507           | 308,816    | 33,861  | 71,503     | 13,454                    | 17,182  |
| \$30,000 under \$50,000.....      | 106,841           | 243,623    | 31,713  | 87,076     | 5,929                     | 6,717   |
| \$50,000 or more.....             | 53,619            | 314,084    | 27,398  | 352,820    | 876                       | 1,022   |
| Nevada                            |                   |            |   |            |                           |         |
| Total.....                        | 271,265           | 852,972    | 66,919  | 862,516    | 36,204                    | 57,941  |
| Under \$10,000 <sup>2</sup> ..... | 50,416            | 92,060     | 8,930   | 45,039     | 7,278                     | 10,925  |
| \$10,000 under \$15,000.....      | 29,456            | 52,725     | 5,191   | 6,270      | 6,015                     | 9,931   |
| \$15,000 under \$30,000.....      | 78,130            | 144,193    | 15,496  | 27,208     | 12,382                    | 21,085  |
| \$30,000 under \$50,000.....      | 67,143            | 131,500    | 16,403  | 47,644     | 8,309                     | 12,572  |
| \$50,000 or more.....             | 46,120            | 432,494    | 20,899  | 736,355    | 2,220                     | 3,428   |
| New Hampshire                     |                   |            |   |            |                           |         |
| Total.....                        | 383,894           | 790,317    | 79,843  | 1,040,504  | 19,828                    | 23,726  |
| Under \$10,000 <sup>2</sup> ..... | 78,189            | 91,089     | 9,390   | 27,037     | 1,793                     | 1,948   |
| \$10,000 under \$15,000.....      | 36,748            | 64,862     | 4,939   | 8,966      | 2,650                     | 2,588   |
| \$15,000 under \$30,000.....      | 102,843           | 161,206    | 15,463  | 39,137     | 7,245                     | 8,365   |
| \$30,000 under \$50,000.....      | 96,889            | 153,970    | 19,492  | 77,838     | 6,238                     | 7,718   |
| \$50,000 or more.....             | 69,225            | 319,190    | 30,559  | 887,526    | 1,902                     | 3,107   |
| New Jersey                        |                   |            |   |            |                           |         |
| Total.....                        | 2,745,125         | 6,469,449  | 615,865                                       | 6,232,602  | 220,925                   | 444,333 |
| Under \$10,000 <sup>2</sup> ..... | 547,290           | 734,097    | 80,136  | 121,021    | 37,165                    | 67,118  |
| \$10,000 under \$15,000.....      | 264,411           | 518,042    | 35,031  | 40,363     | 33,816                    | 67,942  |
| \$15,000 under \$30,000.....      | 702,582           | 1,271,847  | 108,733                                       | 169,191    | 67,995                    | 144,112 |
| \$30,000 under \$50,000.....      | 627,314           | 1,191,678  | 135,728                                       | 342,429    | 54,566                    | 108,489 |
| \$50,000 or more.....             | 603,528           | 2,753,785  | 256,237                                       | 5,559,598  | 27,383                    | 56,672  |
| New Mexico                        |                   |            |   |            |                           |         |
| Total.....                        | 334,405           | 802,968    | 82,087  | 474,804    | 40,304                    | 67,633  |
| Under \$10,000 <sup>2</sup> ..... | 78,666            | 107,958    | 13,049  | 34,441     | 13,751                    | 22,170  |
| \$10,000 under \$15,000.....      | 38,352            | 68,715     | 6,526   | 9,835      | 7,591                     | 14,273  |
| \$15,000 under \$30,000.....      | 94,905            | 178,526    | 19,148  | 37,847     | 13,075                    | 21,913  |
| \$30,000 under \$50,000.....      | 75,651            | 162,260    | 20,225  | 61,728     | 4,878                     | 7,569   |
| \$50,000 or more.....             | 46,831            | 285,509    | 23,139  | 330,953    | 1,009                     | 1,708   |
| New York                          |                   |            |   |            |                           |         |
| Total.....                        | 5,539,864         | 15,009,241 | 1,254,059                                     | 14,055,858 | 469,310                   | 861,981 |
| Under \$10,000 <sup>2</sup> ..... | 1,179,206         | 1,882,987  | 180,791                                       | 525,367    | 100,365                   | 162,878 |
| \$10,000 under \$15,000.....      | 562,092           | 1,212,252  | 83,599  | 102,711    | 78,524                    | 149,983 |
| \$15,000 under \$30,000.....      | 1,483,173         | 2,826,565  | 241,821                                       | 409,581    | 150,466                   | 296,400 |
| \$30,000 under \$50,000.....      | 1,268,923         | 2,494,467  | 283,788                                       | 712,045    | 98,339                    | 175,939 |
| \$50,000 or more.....             | 1,046,470         | 6,592,970  | 464,060                                       | 12,306,154 | 41,616                    | 76,781  |
| North Carolina                    |                   |            |   |            |                           |         |
| Total.....                        | 1,528,355         | 2,910,733  | 314,667                                       | 2,795,295  | 180,273                   | 177,228 |
| Under \$10,000 <sup>2</sup> ..... | 312,827           | 379,762    | 40,321  | 97,439     | 42,620                    | 41,205  |
| \$10,000 under \$15,000.....      | 169,134           | 263,328    | 21,880  | 37,712     | 34,676                    | 32,210  |
| \$15,000 under \$30,000.....      | 431,314           | 627,217    | 67,509  | 150,482    | 64,410                    | 64,095  |
| \$30,000 under \$50,000.....      | 378,234           | 553,915    | 78,658  | 240,899    | 33,770                    | 33,249  |
| \$50,000 or more.....             | 236,846           | 1,086,511  | 106,299                                       | 2,268,763  | 4,797                     | 6,469   |
| North Dakota                      |                   |            |   |            |                           |         |
| Total.....                        | 200,054           | 485,590    | 50,475  | 204,954    | 20,206                    | 36,661  |
| Under \$10,000 <sup>2</sup> ..... | 58,315            | 73,223     | 10,630  | 26,386     | 3,708                     | 5,193   |
| \$10,000 under \$15,000.....      | 24,943            | 59,152     | 5,458   | 11,035     | 3,525                     | 6,054   |
| \$15,000 under \$30,000.....      | 57,369            | 138,741    | 14,382  | 38,107     | 8,685                     | 17,277  |
| \$30,000 under \$50,000.....      | 41,644            | 103,149    | 11,298  | 37,074     | 8,335                     | 7,335   |
| \$50,000 or more.....             | 17,783            | 111,325    | 8,707   | 92,352     | 453                       | 802     |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

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

| State                       | Itemized deductions <sup>3</sup> |            |                         | Tax liability <sup>4</sup> |            |                         | Earned income credit <sup>5</sup> |         |
|-----------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|---------|
|                             | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount  |
|                             | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)    |
| Minnesota                   |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 842,942                          | 8,582,372  | 10,181                  | 1,718,690                  | 6,368,518  | 3,705                   | 95,772                            | 40,024  |
| Under \$10,000 <sup>2</sup> | 36,303                           | 319,301    | 8,795                   | 385,140                    | 124,688    | 324                     | 52,117                            | 28,939  |
| \$10,000 under \$15,000     | 41,458                           | 236,237    | 5,698                   | 222,324                    | 211,213    | 950                     | 40,124                            | 11,007  |
| \$15,000 under \$30,000     | 243,123                          | 1,489,535  | 6,127                   | 528,600                    | 1,127,966  | 2,134                   | 3,531                             | 78      |
| \$30,000 under \$50,000     | 318,602                          | 2,722,548  | 8,545                   | 374,578                    | 1,602,712  | 4,279                   | —                                 | —       |
| \$50,000 or more            | 203,456                          | 3,814,751  | 18,750                  | 208,048                    | 3,301,939  | 15,871                  | —                                 | —       |
| Mississippi                 |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 234,823                          | 2,079,165  | 8,854                   | 712,645                    | 2,094,265  | 2,939                   | 197,072                           | 96,353  |
| Under \$10,000 <sup>2</sup> | 10,594                           | 73,445     | 6,933                   | 168,379                    | 54,739     | 325                     | 130,413                           | 77,048  |
| \$10,000 under \$15,000     | 13,936                           | 81,820     | 5,871                   | 123,809                    | 94,726     | 765                     | 62,359                            | 19,209  |
| \$15,000 under \$30,000     | 69,371                           | 491,469    | 7,085                   | 231,174                    | 428,185    | 1,852                   | 4,300                             | 96      |
| \$30,000 under \$50,000     | 89,371                           | 684,887    | 7,663                   | 132,534                    | 566,121    | 4,272                   | —                                 | —       |
| \$50,000 or more            | 51,551                           | 747,544    | 14,501                  | 56,749                     | 950,494    | 16,749                  | —                                 | —       |
| Missouri                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 677,851                          | 6,011,633  | 8,869                   | 1,856,091                  | 7,217,637  | 3,889                   | 184,733                           | 81,845  |
| Under \$10,000 <sup>2</sup> | 27,060                           | 193,250    | 7,142                   | 409,699                    | 133,803    | 327                     | 105,055                           | 60,702  |
| \$10,000 under \$15,000     | 30,642                           | 194,866    | 6,359                   | 266,920                    | 231,877    | 869                     | 73,586                            | 21,011  |
| \$15,000 under \$30,000     | 164,148                          | 982,169    | 5,983                   | 564,472                    | 1,176,212  | 2,084                   | 6,092                             | 132     |
| \$30,000 under \$50,000     | 259,589                          | 1,913,893  | 7,373                   | 395,911                    | 1,818,179  | 4,592                   | —                                 | —       |
| \$50,000 or more            | 196,412                          | 2,727,455  | 13,886                  | 219,089                    | 3,857,566  | 17,607                  | —                                 | —       |
| Montana                     |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 116,991                          | 946,286    | 8,089                   | 270,459                    | 778,278    | 2,878                   | 33,061                            | 14,495  |
| Under \$10,000 <sup>2</sup> | 10,917                           | 65,393     | 5,990                   | 69,253                     | 23,285     | 336                     | 19,505                            | 10,929  |
| \$10,000 under \$15,000     | 9,107                            | 50,063     | 5,497                   | 40,915                     | 34,339     | 839                     | 12,543                            | 3,544   |
| \$15,000 under \$30,000     | 38,305                           | 234,532    | 6,123                   | 86,907                     | 169,570    | 1,951                   | 1,013                             | 22      |
| \$30,000 under \$50,000     | 40,201                           | 318,918    | 7,933                   | 52,951                     | 226,436    | 4,276                   | —                                 | —       |
| \$50,000 or more            | 18,461                           | 277,380    | 15,025                  | 20,433                     | 324,648    | 15,888                  | —                                 | —       |
| Nebraska                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 208,368                          | 1,911,002  | 9,171                   | 591,741                    | 1,955,460  | 3,305                   | 49,590                            | 21,264  |
| Under \$10,000 <sup>2</sup> | 10,455                           | 100,108    | 9,575                   | 144,702                    | 48,429     | 335                     | 26,867                            | 15,422  |
| \$10,000 under \$15,000     | 11,396                           | 72,591     | 6,370                   | 84,524                     | 76,212     | 902                     | 20,928                            | 5,802   |
| \$15,000 under \$30,000     | 57,891                           | 363,720    | 6,283                   | 185,698                    | 378,865    | 2,040                   | 1,795                             | 40      |
| \$30,000 under \$50,000     | 80,145                           | 625,346    | 7,803                   | 121,196                    | 535,697    | 4,420                   | —                                 | —       |
| \$50,000 or more            | 48,481                           | 749,237    | 15,454                  | 55,621                     | 916,257    | 16,473                  | —                                 | —       |
| Nevada                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 160,612                          | 1,756,325  | 10,935                  | 430,511                    | 1,908,667  | 4,433                   | 36,578                            | 15,606  |
| Under \$10,000 <sup>2</sup> | 8,544                            | 91,846     | 10,750                  | 83,711                     | 30,812     | 368                     | 18,712                            | 11,002  |
| \$10,000 under \$15,000     | 9,300                            | 62,385     | 6,708                   | 67,688                     | 61,626     | 910                     | 16,517                            | 4,575   |
| \$15,000 under \$30,000     | 43,548                           | 318,132    | 7,305                   | 139,307                    | 288,531    | 2,071                   | 1,349                             | 29      |
| \$30,000 under \$50,000     | 56,459                           | 505,525    | 8,954                   | 89,385                     | 407,172    | 4,555                   | —                                 | —       |
| \$50,000 or more            | 42,761                           | 778,437    | 18,204                  | 50,420                     | 1,120,526  | 22,224                  | —                                 | —       |
| New Hampshire               |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 177,605                          | 1,936,714  | 10,905                  | 478,414                    | 2,211,103  | 4,622                   | 22,463                            | 9,344   |
| Under \$10,000 <sup>2</sup> | 6,104                            | 84,348     | 13,818                  | 93,901                     | 31,439     | 335                     | 10,807                            | 6,398   |
| \$10,000 under \$15,000     | 6,524                            | 87,606     | 13,428                  | 60,795                     | 60,395     | 993                     | 10,686                            | 2,925   |
| \$15,000 under \$30,000     | 36,320                           | 251,567    | 6,926                   | 143,671                    | 319,588    | 2,224                   | 970                               | 21      |
| \$30,000 under \$50,000     | 66,746                           | 575,005    | 8,615                   | 109,119                    | 507,221    | 4,648                   | —                                 | —       |
| \$50,000 or more            | 61,911                           | 938,188    | 15,154                  | 70,928                     | 1,292,460  | 18,222                  | —                                 | —       |
| New Jersey                  |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 1,440,551                        | 17,653,363 | 12,255                  | 3,528,569                  | 18,919,420 | 5,362                   | 212,216                           | 89,143  |
| Under \$10,000 <sup>2</sup> | 45,270                           | 427,354    | 9,440                   | 679,225                    | 230,072    | 339                     | 103,080                           | 60,722  |
| \$10,000 under \$15,000     | 55,327                           | 460,324    | 8,320                   | 460,888                    | 420,230    | 912                     | 100,732                           | 28,237  |
| \$15,000 under \$30,000     | 281,230                          | 1,967,934  | 6,998                   | 1,023,875                  | 2,246,324  | 2,194                   | 8,404                             | 184     |
| \$30,000 under \$50,000     | 474,050                          | 4,152,770  | 8,760                   | 731,141                    | 3,534,865  | 4,835                   | —                                 | —       |
| \$50,000 or more            | 584,674                          | 10,644,981 | 18,207                  | 633,440                    | 12,487,929 | 19,714                  | —                                 | —       |
| New Mexico                  |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 179,114                          | 1,674,405  | 9,348                   | 477,467                    | 1,523,963  | 3,192                   | 84,794                            | 37,922  |
| Under \$10,000 <sup>2</sup> | 10,755                           | 78,896     | 7,336                   | 107,452                    | 35,406     | 330                     | 52,119                            | 29,058  |
| \$10,000 under \$15,000     | 10,398                           | 62,590     | 6,019                   | 75,137                     | 61,070     | 813                     | 30,257                            | 8,811   |
| \$15,000 under \$30,000     | 51,241                           | 335,240    | 6,542                   | 152,613                    | 289,148    | 1,895                   | 2,418                             | 53      |
| \$30,000 under \$50,000     | 62,537                           | 519,525    | 8,307                   | 92,925                     | 402,788    | 4,335                   | —                                 | —       |
| \$50,000 or more            | 44,183                           | 678,154    | 15,349                  | 49,340                     | 735,551    | 14,908                  | —                                 | —       |
| New York                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 3,223,852                        | 41,574,221 | 12,896                  | 6,908,152                  | 34,943,261 | 5,058                   | 556,373                           | 246,400 |
| Under \$10,000 <sup>2</sup> | 102,807                          | 1,077,858  | 10,484                  | 1,378,816                  | 472,519    | 343                     | 305,206                           | 179,973 |
| \$10,000 under \$15,000     | 128,169                          | 950,505    | 7,416                   | 900,487                    | 818,098    | 909                     | 231,642                           | 66,000  |
| \$15,000 under \$30,000     | 769,361                          | 5,042,823  | 6,555                   | 2,105,614                  | 4,480,002  | 2,128                   | 19,525                            | 427     |
| \$30,000 under \$50,000     | 1,166,244                        | 9,817,372  | 8,418                   | 1,438,714                  | 6,684,915  | 4,646                   | —                                 | —       |
| \$50,000 or more            | 1,057,271                        | 24,685,663 | 23,348                  | 1,084,521                  | 22,487,727 | 20,735                  | —                                 | —       |
| North Carolina              |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 960,791                          | 9,110,282  | 9,482                   | 2,374,741                  | 8,182,060  | 3,445                   | 307,190                           | 139,237 |
| Under \$10,000 <sup>2</sup> | 36,872                           | 247,966    | 6,725                   | 516,043                    | 167,900    | 325                     | 167,848                           | 101,268 |
| \$10,000 under \$15,000     | 51,411                           | 398,796    | 7,757                   | 398,371                    | 345,994    | 869                     | 129,430                           | 37,753  |
| \$15,000 under \$30,000     | 269,199                          | 1,620,610  | 6,020                   | 739,211                    | 1,467,511  | 1,985                   | 9,912                             | 216     |
| \$30,000 under \$50,000     | 363,363                          | 2,892,608  | 7,961                   | 471,778                    | 2,031,186  | 4,305                   | —                                 | —       |
| \$50,000 or more            | 239,946                          | 3,950,302  | 16,463                  | 249,338                    | 4,169,469  | 16,722                  | —                                 | —       |
| North Dakota                |                                  |            |                         |                            |            |                         |                                   |         |
| Total                       | 72,577                           | 624,402    | 8,603                   | 237,805                    | 706,667    | 2,972                   | 22,087                            | 9,242   |
| Under \$10,000 <sup>2</sup> | 5,247                            | 74,490     | 14,197                  | 62,321                     | 21,078     | 338                     | 11,905                            | 6,651   |
| \$10,000 under \$15,000     | 4,496                            | 29,525     | 6,567                   | 35,587                     | 31,741     | 892                     | 9,391                             | 2,573   |
| \$15,000 under \$30,000     | 20,508                           | 124,495    | 6,071                   | 74,754                     | 153,368    | 2,052                   | 791                               | 182     |
| \$30,000 under \$50,000     | 27,528                           | 200,878    | 7,297                   | 46,689                     | 211,188    | 4,523                   | —                                 | —       |
| \$50,000 or more            | 14,798                           | 195,014    | 13,178                  | 18,454                     | 289,292    | 15,676                  | —                                 | —       |

See footnotes at end of table.



## Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

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

| State                       | Interest          |            | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------|-------------------|------------|---|-----------|---------------------------|---------|
|                             | Number of returns | Amount     | Number of returns                             | Amount    | Number of returns         | Amount  |
|                             | (8)               | (9)        | (10)  | (11)      | (12)                      | (13)    |
| Ohio                        |                   |            |   |           |                           |         |
| Total                       | 3,095,393         | 6,239,989  | 610,030                                       | 4,230,848 | 333,314                   | 597,152 |
| Under \$10,000 <sup>2</sup> | 719,410           | 917,767    | 184,986                                       | 121,486   | 58,005                    | 90,386  |
| \$10,000 under \$15,000     | 327,789           | 697,516    | 46,081  | 56,216    | 47,993                    | 88,154  |
| \$15,000 under \$30,000     | 850,715           | 1,531,304  | 137,617                                       | 237,580   | 120,367                   | 239,368 |
| \$30,000 under \$50,000     | 763,450           | 1,212,935  | 155,459                                       | 387,274   | 86,906                    | 146,709 |
| \$50,000 or more            | 434,029           | 1,880,467  | 185,887                                       | 3,428,292 | 20,043                    | 32,535  |
| Oklahoma                    |                   |            |   |           |                           |         |
| Total                       | 708,777           | 1,899,639  | 153,446                                       | 918,072   | 80,664                    | 131,486 |
| Under \$10,000 <sup>2</sup> | 163,696           | 275,920    | 25,457  | 83,790    | 18,254                    | 29,928  |
| \$10,000 under \$15,000     | 77,039            | 181,310    | 12,732  | 18,396    | 13,313                    | 23,712  |
| \$15,000 under \$30,000     | 200,732           | 432,637    | 36,306  | 65,901    | 30,073                    | 48,811  |
| \$30,000 under \$50,000     | 167,817           | 356,762    | 37,086  | 91,069    | 15,531                    | 23,619  |
| \$50,000 or more            | 99,493            | 653,010    | 41,865  | 658,916   | 3,493                     | 5,416   |
| Oregon                      |                   |            |   |           |                           |         |
| Total                       | 782,619           | 1,873,078  | 213,545                                       | 1,284,415 | 114,301                   | 194,205 |
| Under \$10,000 <sup>2</sup> | 188,251           | 278,320    | 36,488  | 71,407    | 24,767                    | 34,130  |
| \$10,000 under \$15,000     | 87,963            | 201,114    | 20,241  | 28,082    | 18,194                    | 32,354  |
| \$15,000 under \$30,000     | 223,620           | 449,559    | 53,665  | 109,227   | 42,982                    | 77,899  |
| \$30,000 under \$50,000     | 182,029           | 367,600    | 52,079  | 160,586   | 23,479                    | 40,745  |
| \$50,000 or more            | 100,756           | 576,485    | 51,072  | 915,113   | 4,879                     | 9,077   |
| Pennsylvania                |                   |            |   |           |                           |         |
| Total                       | 3,670,097         | 7,474,324  | 720,199                                       | 5,059,846 | 466,444                   | 868,234 |
| Under \$10,000 <sup>2</sup> | 882,428           | 1,150,935  | 109,060                                       | 146,130   | 82,610                    | 124,190 |
| \$10,000 under \$15,000     | 415,297           | 847,226    | 57,943  | 73,244    | 70,381                    | 131,472 |
| \$15,000 under \$30,000     | 1,024,019         | 1,813,887  | 161,434                                       | 295,197   | 172,807                   | 356,147 |
| \$30,000 under \$50,000     | 850,203           | 1,419,657  | 172,677                                       | 484,660   | 113,953                   | 205,673 |
| \$50,000 or more            | 498,150           | 2,242,619  | 219,085                                       | 4,060,615 | 26,693                    | 50,752  |
| Rhode Island                |                   |            |   |           |                           |         |
| Total                       | 315,388           | 674,992    | 69,244  | 629,258   | 40,311                    | 60,637  |
| Under \$10,000 <sup>2</sup> | 69,269            | 85,969     | 9,651   | 11,220    | 6,776                     | 9,053   |
| \$10,000 under \$15,000     | 35,252            | 66,451     | 5,310   | 7,212     | 6,393                     | 9,026   |
| \$15,000 under \$30,000     | 88,767            | 157,186    | 15,265  | 29,261    | 13,969                    | 22,039  |
| \$30,000 under \$50,000     | 75,810            | 136,449    | 16,989  | 55,290    | 10,514                    | 15,774  |
| \$50,000 or more            | 46,290            | 228,937    | 22,029  | 526,275   | 2,659                     | 4,745   |
| South Carolina              |                   |            |   |           |                           |         |
| Total                       | 704,868           | 1,335,360  | 142,220                                       | 1,183,555 | 80,088                    | 80,680  |
| Under \$10,000 <sup>2</sup> | 139,476           | 177,482    | 18,378  | 41,079    | 23,542                    | 24,060  |
| \$10,000 under \$15,000     | 76,888            | 120,731    | 9,642   | 15,544    | 14,579                    | 13,921  |
| \$15,000 under \$30,000     | 202,316           | 293,074    | 30,589  | 64,091    | 25,786                    | 25,969  |
| \$30,000 under \$50,000     | 180,329           | 263,106    | 36,778  | 110,563   | 13,871                    | 13,772  |
| \$50,000 or more            | 105,859           | 480,967    | 46,833  | 952,278   | 2,310                     | 2,958   |
| South Dakota                |                   |            |   |           |                           |         |
| Total                       | 196,993           | 495,242    | 61,492  | 294,527   | 12,233                    | 14,753  |
| Under \$10,000 <sup>2</sup> | 60,462            | 82,803     | 14,083  | 48,174    | 2,770                     | 3,372   |
| \$10,000 under \$15,000     | 25,718            | 62,298     | 7,419   | 14,811    | 2,529                     | 2,997   |
| \$15,000 under \$30,000     | 57,643            | 141,927    | 17,927  | 50,942    | 4,991                     | 6,106   |
| \$30,000 under \$50,000     | 37,886            | 97,402     | 13,266  | 53,157    | 1,773                     | 2,032   |
| \$50,000 or more            | 15,284            | 110,812    | 8,797   | 127,443   | 170                       | 246     |
| Tennessee                   |                   |            |   |           |                           |         |
| Total                       | 1,069,121         | 2,334,226  | 204,638                                       | 1,710,011 | 157,775                   | 168,280 |
| Under \$10,000 <sup>2</sup> | 230,826           | 327,870    | 28,782  | 70,210    | 42,414                    | 43,134  |
| \$10,000 under \$15,000     | 117,437           | 231,087    | 15,056  | 24,222    | 27,973                    | 30,079  |
| \$15,000 under \$30,000     | 302,740           | 524,656    | 44,469  | 94,323    | 56,551                    | 60,432  |
| \$30,000 under \$50,000     | 258,704           | 432,919    | 49,137  | 147,406   | 26,421                    | 28,413  |
| \$50,000 or more            | 159,414           | 817,694    | 67,194  | 1,373,850 | 4,416                     | 6,222   |
| Texas                       |                   |            |   |           |                           |         |
| Total                       | 3,619,964         | 11,205,227 | 839,291                                       | 8,097,595 | 441,467                   | 888,969 |
| Under \$10,000 <sup>2</sup> | 778,193           | 1,619,907  | 117,221                                       | 995,235   | 118,458                   | 190,492 |
| \$10,000 under \$15,000     | 347,444           | 752,948    | 52,872  | 79,804    | 76,742                    | 158,098 |
| \$15,000 under \$30,000     | 936,792           | 1,965,341  | 165,151                                       | 304,984   | 143,398                   | 310,221 |
| \$30,000 under \$50,000     | 865,457           | 1,878,052  | 200,381                                       | 484,840   | 77,797                    | 171,185 |
| \$50,000 or more            | 692,078           | 4,988,979  | 303,666                                       | 6,232,732 | 25,072                    | 58,973  |
| Utah                        |                   |            |   |           |                           |         |
| Total                       | 403,894           | 703,711    | 92,818  | 488,207   | 43,223                    | 82,248  |
| Under \$10,000 <sup>2</sup> | 92,674            | 101,372    | 15,016  | 36,468    | 8,291                     | 12,602  |
| \$10,000 under \$15,000     | 41,322            | 69,671     | 7,536   | 10,388    | 6,948                     | 12,992  |
| \$15,000 under \$30,000     | 114,767           | 163,539    | 22,713  | 37,714    | 17,075                    | 36,701  |
| \$30,000 under \$50,000     | 103,253           | 137,468    | 24,342  | 53,963    | 9,303                     | 17,098  |
| \$50,000 or more            | 51,878            | 231,661    | 23,211  | 349,674   | 1,606                     | 2,855   |
| Vermont                     |                   |            |   |           |                           |         |
| Total                       | 172,426           | 335,283    | 42,185  | 370,923   | 15,841                    | 21,563  |
| Under \$10,000 <sup>2</sup> | 41,801            | 49,230     | 6,669   | 14,103    | 3,455                     | 4,386   |
| \$10,000 under \$15,000     | 19,698            | 35,209     | 3,650   | 7,833     | 3,151                     | 4,506   |
| \$15,000 under \$30,000     | 49,398            | 77,761     | 9,927   | 30,930    | 5,859                     | 8,057   |
| \$30,000 under \$50,000     | 39,388            | 65,465     | 10,258  | 46,622    | 2,922                     | 3,912   |
| \$50,000 or more            | 22,141            | 107,618    | 11,681  | 271,435   | 454                       | 702     |
| Virginia                    |                   |            |   |           |                           |         |
| Total                       | 1,639,056         | 3,510,911  | 378,080                                       | 3,142,446 | 123,708                   | 130,606 |
| Under \$10,000 <sup>2</sup> | 308,240           | 399,431    | 44,179  | 132,027   | 23,088                    | 23,894  |
| \$10,000 under \$15,000     | 148,204           | 255,033    | 19,821  | 29,988    | 22,896                    | 22,657  |
| \$15,000 under \$30,000     | 419,479           | 662,881    | 66,253  | 127,309   | 46,258                    | 49,048  |
| \$30,000 under \$50,000     | 408,107           | 666,057    | 90,957  | 231,848   | 25,690                    | 26,610  |
| \$50,000 or more            | 355,026           | 1,527,509  | 156,870                                       | 2,621,274 | 5,776                     | 8,397   |

See footnotes at end of table.



## Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

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

| State                             | Number of returns | Number of exemptions <sup>1</sup> | Adjusted gross income (AGI) | Salaries and wages |            | Dividends         |           |
|-----------------------------------|-------------------|-----------------------------------|-----------------------------|--------------------|------------|-------------------|-----------|
|                                   |                   |                                   |                             | Number of returns  | Amount     | Number of returns | Amount    |
|                                   | (1)               | (2)                               | (3)                         | (4)                | (5)        | (6)               | (7)       |
| Washington                        |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 2,051,168         | 4,662,277                         | 52,165,380                  | 1,712,267          | 40,240,261 | 434,758           | 1,162,212 |
| Under \$10,000 <sup>2</sup> ..... | 612,631           | 938,878                           | 2,050,582                   | 470,736            | 2,193,580  | 66,706            | 78,973    |
| \$10,000 under \$15,000.....      | 249,730           | 507,915                           | 3,104,481                   | 194,271            | 2,225,217  | 36,196            | 64,396    |
| \$15,000 under \$30,000.....      | 551,860           | 1,297,989                         | 12,082,852                  | 471,801            | 9,618,840  | 104,574           | 197,856   |
| \$30,000 under \$50,000.....      | 405,855           | 1,191,059                         | 15,647,776                  | 370,579            | 13,128,935 | 112,292           | 216,473   |
| \$50,000 or more.....             | 231,092           | 726,436                           | 19,279,689                  | 204,880            | 13,073,689 | 114,990           | 604,514   |
| West Virginia                     |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 671,358           | 1,627,616                         | 14,483,000                  | 557,248            | 11,352,901 | 119,406           | 289,494   |
| Under \$10,000 <sup>2</sup> ..... | 232,772           | 410,193                           | 1,058,367                   | 173,053            | 772,715    | 18,810            | 18,883    |
| \$10,000 under \$15,000.....      | 93,277            | 218,827                           | 1,156,240                   | 72,167             | 813,409    | 11,354            | 17,156    |
| \$15,000 under \$30,000.....      | 176,251           | 469,072                           | 3,833,939                   | 155,043            | 3,108,281  | 29,657            | 49,697    |
| \$30,000 under \$50,000.....      | 120,945           | 374,399                           | 4,633,647                   | 114,040            | 4,051,423  | 33,903            | 55,796    |
| \$50,000 or more.....             | 48,113            | 155,125                           | 3,800,807                   | 42,945             | 2,607,073  | 25,682            | 147,962   |
| Wisconsin                         |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 2,120,739         | 4,852,496                         | 50,642,198                  | 1,794,701          | 39,935,631 | 487,345           | 1,184,393 |
| Under \$10,000 <sup>2</sup> ..... | 701,850           | 1,075,026                         | 2,798,129                   | 534,238            | 2,337,392  | 88,707            | 86,833    |
| \$10,000 under \$15,000.....      | 255,823           | 509,420                           | 3,174,671                   | 199,610            | 2,220,806  | 45,160            | 72,459    |
| \$15,000 under \$30,000.....      | 544,192           | 1,311,540                         | 11,951,569                  | 480,482            | 9,643,785  | 115,354           | 200,831   |
| \$30,000 under \$50,000.....      | 422,342           | 1,310,682                         | 16,236,981                  | 399,493            | 14,116,295 | 129,187           | 212,287   |
| \$50,000 or more.....             | 196,532           | 645,828                           | 16,480,848                  | 180,878            | 11,617,353 | 108,937           | 611,983   |
| Wyoming                           |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 196,475           | 482,709                           | 4,509,276                   | 164,899            | 3,550,562  | 40,675            | 120,878   |
| Under \$10,000 <sup>2</sup> ..... | 65,424            | 106,464                           | 109,793                     | 49,947             | 227,224    | 7,064             | 10,272    |
| \$10,000 under \$15,000.....      | 23,019            | 51,607                            | 285,817                     | 18,491             | 206,846    | 3,363             | 6,189     |
| \$15,000 under \$30,000.....      | 49,591            | 134,000                           | 1,087,415                   | 43,103             | 865,829    | 9,564             | 19,750    |
| \$30,000 under \$50,000.....      | 40,001            | 129,186                           | 1,547,260                   | 37,112             | 1,327,752  | 11,461            | 21,668    |
| \$50,000 or more.....             | 18,440            | 61,452                            | 1,478,991                   | 16,246             | 922,911    | 9,223             | 62,999    |
| Other areas <sup>3</sup>          |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 533,875           | 1,088,548                         | 8,223,909                   | 304,667            | 12,529,459 | 119,620           | 490,030   |
| Under \$10,000 <sup>2</sup> ..... | 341,534           | 561,147                           | -627,565                    | 148,694            | -3,087,568 | 49,085            | 58,155    |
| \$10,000 under \$15,000.....      | 44,299            | 109,797                           | 545,004                     | 31,781             | 748,072    | 9,813             | 27,263    |
| \$15,000 under \$30,000.....      | 67,001            | 178,015                           | 1,433,102                   | 53,460             | 1,786,941  | 18,874            | 66,281    |
| \$30,000 under \$50,000.....      | 37,375            | 105,756                           | 1,435,678                   | 32,233             | 1,694,179  | 14,722            | 62,139    |
| \$50,000 or more.....             | 43,666            | 133,833                           | 5,437,688                   | 38,499             | 5,212,699  | 27,126            | 276,192   |

See footnotes at end of table.

# Individual Income Tax Returns Data by State

**Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987**

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

| State                             | Interest             |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------------|----------------------|-----------|---|-----------|---------------------------|---------|
|                                   | Number of<br>returns | Amount    | Number of<br>returns                          | Amount    | Number of<br>returns      | Amount  |
|                                   | (8)                  | (9)       | (10)  | (11)      | (12)                      | (13)    |
| Washington                        |                      |           |   |           |                           |         |
| Total.....                        | 1,371,010            | 3,322,649 | 367,802                                       | 2,433,084 | 180,279                   | 332,075 |
| Under \$10,000 <sup>2</sup> ..... | 287,431              | 401,551   | 50,040  | 109,217   | 34,345                    | 53,056  |
| \$10,000 under \$15,000.....      | 139,552              | 301,047   | 29,094  | 36,412    | 28,648                    | 52,139  |
| \$15,000 under \$30,000.....      | 377,977              | 755,322   | 86,911  | 154,287   | 65,741                    | 130,250 |
| \$30,000 under \$50,000.....      | 345,590              | 676,587   | 94,569  | 259,246   | 40,842                    | 75,910  |
| \$50,000 or more.....             | 220,460              | 1,188,142 | 107,188                                       | 1,873,922 | 10,703                    | 20,720  |
| West Virginia                     |                      |           |   |           |                           |         |
| Total.....                        | 403,921              | 788,994   | 64,458  | 329,889   | 70,171                    | 132,858 |
| Under \$10,000 <sup>2</sup> ..... | 97,822               | 130,238   | 9,793   | 11,768    | 14,782                    | 22,294  |
| \$10,000 under \$15,000.....      | 49,589               | 104,168   | 5,926   | 8,929     | 11,083                    | 23,194  |
| \$15,000 under \$30,000.....      | 112,995              | 205,581   | 15,603  | 31,769    | 26,847                    | 56,270  |
| \$30,000 under \$50,000.....      | 98,456               | 149,332   | 16,110  | 43,921    | 15,013                    | 26,885  |
| \$50,000 or more.....             | 45,059               | 199,675   | 17,026  | 233,502   | 2,446                     | 4,215   |
| Wisconsin                         |                      |           |   |           |                           |         |
| Total.....                        | 1,578,185            | 3,004,062 | 369,779                                       | 2,096,751 | 206,973                   | 318,547 |
| Under \$10,000 <sup>2</sup> ..... | 415,045              | 482,243   | 66,169  | 115,964   | 33,890                    | 44,257  |
| \$10,000 under \$15,000.....      | 170,129              | 358,812   | 35,184  | 65,858    | 29,326                    | 47,034  |
| \$15,000 under \$30,000.....      | 418,840              | 746,078   | 91,454  | 232,730   | 75,685                    | 126,872 |
| \$30,000 under \$50,000.....      | 383,419              | 580,679   | 90,143  | 278,052   | 56,730                    | 83,663  |
| \$50,000 or more.....             | 190,752              | 836,250   | 86,829  | 1,404,147 | 11,342                    | 16,721  |
| Wyoming                           |                      |           |   |           |                           |         |
| Total.....                        | 130,058              | 310,436   | 33,814  | 227,495   | 19,130                    | 38,746  |
| Under \$10,000 <sup>2</sup> ..... | 32,112               | 43,873    | 6,228   | 19,068    | 4,084                     | 7,132   |
| \$10,000 under \$15,000.....      | 13,116               | 26,993    | 2,887   | 4,845     | 3,255                     | 7,182   |
| \$15,000 under \$30,000.....      | 33,980               | 66,906    | 8,039   | 17,985    | 7,516                     | 16,281  |
| \$30,000 under \$50,000.....      | 33,462               | 60,298    | 8,702   | 24,557    | 3,649                     | 6,934   |
| \$50,000 or more.....             | 17,388               | 112,366   | 7,958   | 161,040   | 626                       | 1,217   |
| Other areas <sup>6</sup>          |                      |           |   |           |                           |         |
| Total.....                        | 265,846              | 915,199   | 102,768                                       | 1,025,389 | 6,945                     | 15,970  |
| Under \$10,000 <sup>2</sup> ..... | 132,873              | 310,042   | 46,127  | 75,603    | 2,288                     | 4,949   |
| \$10,000 under \$15,000.....      | 24,452               | 71,753    | 7,312   | 21,523    | 1,102                     | 2,755   |
| \$15,000 under \$30,000.....      | 42,177               | 137,293   | 14,458  | 65,387    | 2,089                     | 4,681   |
| \$30,000 under \$50,000.....      | 27,741               | 105,631   | 11,686  | 76,943    | 936                       | 2,202   |
| \$50,000 or more.....             | 38,603               | 290,480   | 23,185  | 785,933   | 530                       | 1,383   |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 2. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1987

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

| State                       | Itemized deductions <sup>3</sup> |           |                         | Tax liability <sup>4</sup> |           |                         | Earned income credit <sup>5</sup> |        |
|-----------------------------|----------------------------------|-----------|-------------------------|----------------------------|-----------|-------------------------|-----------------------------------|--------|
|                             | Number of returns                | Amount    | Average (whole dollars) | Number of returns          | Amount    | Average (whole dollars) | Number of returns                 | Amount |
|                             | (14)                             | (15)      | (16)                    | (17)                       | (18)      | (19)                    | (20)                              | (21)   |
| Washington                  |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 684,997                          | 6,652,293 | 9,711                   | 1,765,588                  | 7,214,494 | 4,086                   | 126,579                           | 54,063 |
| Under \$10,000 <sup>2</sup> | 33,062                           | 411,157   | 12,436                  | 350,789                    | 114,759   | 327                     | 69,989                            | 39,450 |
| \$10,000 under \$15,000     | 32,884                           | 277,154   | 8,428                   | 233,572                    | 209,338   | 896                     | 52,024                            | 14,514 |
| \$15,000 under \$30,000     | 170,210                          | 1,152,060 | 6,768                   | 545,175                    | 1,159,681 | 2,127                   | 4,566                             | 99     |
| \$30,000 under \$50,000     | 256,237                          | 2,091,159 | 8,161                   | 405,188                    | 1,874,857 | 4,627                   | —                                 | —      |
| \$50,000 or more            | 192,604                          | 2,720,763 | 14,126                  | 230,864                    | 3,855,859 | 16,702                  | —                                 | —      |
| West Virginia               |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 149,330                          | 1,244,341 | 8,333                   | 549,736                    | 1,746,777 | 3,177                   | 72,723                            | 32,137 |
| Under \$10,000 <sup>2</sup> | 4,577                            | 31,933    | 6,977                   | 118,298                    | 35,743    | 302                     | 41,912                            | 23,858 |
| \$10,000 under \$15,000     | 5,775                            | 34,097    | 5,904                   | 87,192                     | 68,744    | 788                     | 28,536                            | 8,228  |
| \$15,000 under \$30,000     | 35,133                           | 211,770   | 6,028                   | 175,315                    | 348,778   | 1,989                   | 2,275                             | 51     |
| \$30,000 under \$50,000     | 63,256                           | 438,425   | 6,931                   | 120,857                    | 546,697   | 4,524                   | —                                 | —      |
| \$50,000 or more            | 40,589                           | 528,116   | 13,011                  | 48,074                     | 746,815   | 15,535                  | —                                 | —      |
| Wisconsin                   |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 784,824                          | 7,165,343 | 9,130                   | 1,829,563                  | 6,362,271 | 3,477                   | 114,195                           | 48,549 |
| Under \$10,000 <sup>2</sup> | 33,207                           | 232,985   | 7,016                   | 430,123                    | 124,406   | 289                     | 63,657                            | 35,559 |
| \$10,000 under \$15,000     | 34,432                           | 208,345   | 6,051                   | 242,879                    | 217,978   | 897                     | 46,501                            | 12,903 |
| \$15,000 under \$30,000     | 195,788                          | 1,198,421 | 6,121                   | 538,480                    | 1,123,874 | 2,087                   | 4,037                             | 87     |
| \$30,000 under \$50,000     | 332,048                          | 2,588,844 | 7,797                   | 421,663                    | 1,796,764 | 4,261                   | —                                 | —      |
| \$50,000 or more            | 189,349                          | 2,936,748 | 15,510                  | 196,418                    | 3,099,249 | 15,779                  | —                                 | —      |
| Wyoming                     |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 61,055                           | 511,103   | 8,371                   | 164,777                    | 605,030   | 3,672                   | 15,897                            | 6,894  |
| Under \$10,000 <sup>2</sup> | 3,670                            | 28,241    | 7,695                   | 36,258                     | 11,940    | 329                     | 8,857                             | 5,033  |
| \$10,000 under \$15,000     | 3,075                            | 18,961    | 6,166                   | 21,250                     | 18,158    | 854                     | 6,515                             | 1,850  |
| \$15,000 under \$30,000     | 15,500                           | 99,590    | 6,425                   | 48,920                     | 98,840    | 2,020                   | 525                               | 11     |
| \$30,000 under \$50,000     | 24,658                           | 185,903   | 7,539                   | 39,927                     | 181,116   | 4,536                   | —                                 | —      |
| \$50,000 or more            | 14,152                           | 178,408   | 12,607                  | 18,422                     | 294,976   | 16,012                  | —                                 | —      |
| Other areas <sup>6</sup>    |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 135,553                          | 1,237,628 | 9,130                   | 310,416                    | 1,302,536 | 4,196                   | 1,620                             | 694    |
| Under \$10,000 <sup>2</sup> | 43,383                           | 118,116   | 2,723                   | 144,102                    | 122,601   | 851                     | 878                               | 500    |
| \$10,000 under \$15,000     | 12,013                           | 59,089    | 4,919                   | 35,348                     | 32,126    | 909                     | 681                               | 193    |
| \$15,000 under \$30,000     | 25,984                           | 174,280   | 6,707                   | 56,754                     | 112,332   | 1,979                   | 61                                | 1      |
| \$30,000 under \$50,000     | 20,688                           | 194,359   | 9,395                   | 32,478                     | 152,161   | 4,685                   | —                                 | —      |
| \$50,000 or more            | 33,485                           | 691,784   | 20,660                  | 41,734                     | 883,316   | 21,165                  | —                                 | —      |

<sup>1</sup> Includes data for taxpayers who checked the age and blindness box. See Data Sources and Limitations for additional information.<sup>2</sup> Includes returns with adjusted gross deficit.<sup>3</sup> See Data Sources and Limitations for additional information.<sup>4</sup> Before earned income credit. See Data Sources and Limitations for additional information.<sup>5</sup> Includes both the refundable and nonrefundable portions. See Data Sources and Limitations for additional information.<sup>6</sup> Includes returns filed from Army Post Office and Fleet Post Office addresses by service men and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.





## Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                       | Interest          |             | Sales of capital assets<br>Net gain less loss |             | Unemployment compensation |            |
|-----------------------------|-------------------|-------------|---|-------------|---------------------------|------------|
|                             | Number of returns | Amount      | Number of returns                             | Amount      | Number of returns         | Amount     |
|                             | (8)               | (9)         | (10)  | (11)        | (12)                      | (13)       |
| United States, total        |                   |             |   |             |                           |            |
| Total                       | 69,092,447        | 187,812,998 | 12,612,979                                    | 152,209,406 | 6,728,666                 | 11,320,207 |
| Under \$10,000 <sup>2</sup> | 14,431,057        | 21,028,752  | 1,617,342                                     | 6,446,889   | 1,342,758                 | 1,935,653  |
| \$10,000 under \$15,000     | 6,924,098         | 15,023,906  | 855,413                                       | 954,070     | 1,071,367                 | 1,784,837  |
| \$15,000 under \$30,000     | 18,000,532        | 36,880,121  | 2,504,041                                     | 4,268,043   | 2,247,114                 | 4,031,425  |
| \$30,000 under \$50,000     | 16,497,515        | 33,469,537  | 2,874,298                                     | 7,419,668   | 1,535,026                 | 2,590,085  |
| \$50,000 or more            | 13,239,245        | 81,410,682  | 4,761,885                                     | 133,120,736 | 532,401                   | 978,207    |
| Alabama                     |                   |             |   |             |                           |            |
| Total                       | 823,921           | 1,874,542   | 127,727                                       | 1,288,844   | 139,851                   | 130,638    |
| Under \$10,000 <sup>2</sup> | 165,975           | 222,411     | 15,408  | 30,627      | 37,817                    | 39,216     |
| \$10,000 under \$15,000     | 86,978            | 167,684     | 8,357   | 10,129      | 24,988                    | 23,088     |
| \$15,000 under \$30,000     | 220,328           | 393,659     | 25,945  | 44,258      | 44,947                    | 41,415     |
| \$30,000 under \$50,000     | 208,471           | 347,779     | 30,843  | 73,859      | 26,282                    | 21,777     |
| \$50,000 or more            | 142,169           | 743,009     | 47,174  | 1,129,972   | 5,817                     | 5,142      |
| Alaska                      |                   |             |   |             |                           |            |
| Total                       | 172,909           | 265,772     | 28,508  | 160,774     | 30,101                    | 66,121     |
| Under \$10,000 <sup>2</sup> | 53,241            | 28,232      | 3,615   | 10,218      | 4,746                     | 7,838      |
| \$10,000 under \$15,000     | 10,480            | 10,025      | 1,208   | 1,208       | 3,762                     | 7,435      |
| \$15,000 under \$30,000     | 30,931            | 34,206      | 4,233   | 6,544       | 9,035                     | 20,487     |
| \$30,000 under \$50,000     | 34,999            | 49,558      | 6,188   | 11,994      | 7,597                     | 18,938     |
| \$50,000 or more            | 43,258            | 143,751     | 13,264  | 130,735     | 4,961                     | 11,423     |
| Arizona                     |                   |             |   |             |                           |            |
| Total                       | 909,835           | 2,991,688   | 207,231                                       | 2,174,821   | 71,984                    | 107,553    |
| Under \$10,000 <sup>2</sup> | 179,580           | 312,719     | 27,816  | 164,716     | 17,715                    | 26,055     |
| \$10,000 under \$15,000     | 101,144           | 231,169     | 16,953  | 11,984      | 12,852                    | 20,220     |
| \$15,000 under \$30,000     | 252,143           | 595,607     | 47,248  | 64,155      | 23,755                    | 35,807     |
| \$30,000 under \$50,000     | 214,766           | 540,130     | 48,168  | 126,398     | 13,276                    | 18,898     |
| \$50,000 or more            | 162,202           | 1,312,063   | 67,046  | 1,807,568   | 4,386                     | 6,573      |
| Arkansas                    |                   |             |   |             |                           |            |
| Total                       | 480,959           | 1,313,481   | 95,458  | 797,504     | 76,374                    | 109,331    |
| Under \$10,000 <sup>2</sup> | 111,780           | 175,304     | 14,823  | 41,165      | 20,203                    | 26,891     |
| \$10,000 under \$15,000     | 58,558            | 137,513     | 9,003   | 12,803      | 14,448                    | 20,718     |
| \$15,000 under \$30,000     | 140,905           | 317,446     | 24,702  | 49,829      | 28,225                    | 41,848     |
| \$30,000 under \$50,000     | 108,058           | 249,553     | 22,379  | 65,366      | 11,780                    | 17,010     |
| \$50,000 or more            | 61,658            | 433,665     | 24,551  | 628,341     | 1,718                     | 2,864      |
| California                  |                   |             |   |             |                           |            |
| Total                       | 7,928,165         | 25,303,609  | 1,550,499                                     | 24,807,729  | 858,561                   | 1,377,211  |
| Under \$10,000 <sup>2</sup> | 1,395,428         | 2,291,309   | 164,062                                       | 1,212,271   | 205,790                   | 297,960    |
| \$10,000 under \$15,000     | 739,074           | 1,508,644   | 88,463  | 89,548      | 135,164                   | 225,300    |
| \$15,000 under \$30,000     | 1,994,928         | 4,164,995   | 273,096                                       | 473,938     | 258,553                   | 440,427    |
| \$30,000 under \$50,000     | 1,901,991         | 4,226,111   | 340,036                                       | 1,017,184   | 170,880                   | 269,520    |
| \$50,000 or more            | 1,896,744         | 13,112,550  | 684,842                                       | 22,014,788  | 88,174                    | 144,004    |
| Colorado                    |                   |             |   |             |                           |            |
| Total                       | 988,010           | 2,375,337   | 219,952                                       | 1,907,519   | 79,630                    | 145,969    |
| Under \$10,000 <sup>2</sup> | 211,913           | 302,659     | 31,666  | 124,176     | 15,177                    | 23,628     |
| \$10,000 under \$15,000     | 95,057            | 172,922     | 14,739  | 11,394      | 13,095                    | 24,392     |
| \$15,000 under \$30,000     | 260,268           | 453,721     | 45,748  | 62,740      | 28,563                    | 55,186     |
| \$30,000 under \$50,000     | 238,054           | 436,036     | 52,311  | 101,733     | 17,548                    | 32,891     |
| \$50,000 or more            | 182,718           | 1,009,999   | 75,488  | 1,607,476   | 5,247                     | 9,872      |
| Connecticut                 |                   |             |   |             |                           |            |
| Total                       | 1,262,390         | 3,614,724   | 222,347                                       | 3,750,965   | 85,468                    | 143,654    |
| Under \$10,000 <sup>2</sup> | 243,703           | 365,111     | 23,324  | 83,031      | 9,068                     | 13,715     |
| \$10,000 under \$15,000     | 101,099           | 244,740     | 10,559  | 9,024       | 10,468                    | 17,880     |
| \$15,000 under \$30,000     | 304,436           | 646,165     | 34,187  | 48,947      | 28,145                    | 48,036     |
| \$30,000 under \$50,000     | 297,794           | 680,069     | 45,900  | 117,535     | 25,617                    | 40,790     |
| \$50,000 or more            | 315,358           | 1,678,639   | 108,377                                       | 3,492,428   | 13,170                    | 23,233     |
| Delaware                    |                   |             |   |             |                           |            |
| Total                       | 198,005           | 441,525     | 33,520  | 365,116     | 16,410                    | 30,468     |
| Under \$10,000 <sup>2</sup> | 37,294            | 45,781      | 3,302   | 8,385       | 1,901                     | 2,457      |
| \$10,000 under \$15,000     | 18,626            | 37,524      | 1,778   | 1,812       | 1,859                     | 3,260      |
| \$15,000 under \$30,000     | 48,248            | 91,888      | 5,690   | 8,769       | 4,577                     | 10,488     |
| \$30,000 under \$50,000     | 49,629            | 86,315      | 7,622   | 18,565      | 5,745                     | 10,579     |
| \$50,000 or more            | 44,208            | 180,017     | 15,128  | 327,585     | 2,328                     | 3,684      |
| District of Columbia        |                   |             |   |             |                           |            |
| Total                       | 166,102           | 529,420     | 28,587  | 699,409     | 10,301                    | 25,109     |
| Under \$10,000 <sup>2</sup> | 24,517            | 46,703      | 2,360   | 69,685      | 3,066                     | 6,124      |
| \$10,000 under \$15,000     | 16,014            | 18,709      | 1,135   | 1,669       | 2,365                     | 5,802      |
| \$15,000 under \$30,000     | 50,866            | 61,786      | 3,972   | 6,387       | 3,331                     | 9,218      |
| \$30,000 under \$50,000     | 37,836            | 73,914      | 5,800   | 13,335      | 1,080                     | 2,751      |
| \$50,000 or more            | 36,869            | 328,308     | 15,320  | 608,333     | 459                       | 1,214      |
| Florida                     |                   |             |   |             |                           |            |
| Total                       | 3,409,369         | 14,521,561  | 828,824                                       | 13,465,894  | 169,573                   | 287,340    |
| Under \$10,000 <sup>2</sup> | 692,469           | 1,329,180   | 109,608                                       | 437,330     | 38,793                    | 54,440     |
| \$10,000 under \$15,000     | 419,474           | 1,109,337   | 70,972  | 31,580      | 28,687                    | 48,113     |
| \$15,000 under \$30,000     | 968,562           | 2,873,864   | 190,924                                       | 253,203     | 57,402                    | 101,436    |
| \$30,000 under \$50,000     | 738,350           | 2,511,871   | 182,202                                       | 539,821     | 32,704                    | 58,703     |
| \$50,000 or more            | 590,514           | 6,697,309   | 275,118                                       | 12,203,960  | 11,987                    | 24,648     |
| Georgia                     |                   |             |   |             |                           |            |
| Total                       | 1,380,540         | 3,324,720   | 241,639                                       | 3,398,371   | 154,085                   | 173,239    |
| Under \$10,000 <sup>2</sup> | 250,962           | 355,959     | 26,092  | 271,477     | 30,684                    | 32,597     |
| \$10,000 under \$15,000     | 124,615           | 233,718     | 13,068  | 21,232      | 26,815                    | 29,990     |
| \$15,000 under \$30,000     | 349,214           | 603,682     | 42,401  | 87,569      | 50,818                    | 57,425     |
| \$30,000 under \$50,000     | 349,465           | 593,572     | 55,268  | 152,401     | 35,163                    | 39,070     |
| \$50,000 or more            | 306,284           | 1,537,789   | 104,810                                       | 2,865,692   | 10,605                    | 14,157     |

See footnotes at end of table.





**Individual Income Tax Returns Data by State**

**Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988**

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

| State                             | Interest          |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------------|-------------------|-----------|---|-----------|---------------------------|---------|
|                                   | Number of returns | Amount    | Number of returns                             | Amount    | Number of returns         | Amount  |
|                                   | (8)               | (9)       | (10)  | (11)      | (12)                      | (13)    |
| <b>Hawaii</b>                     |                   |           |   |           |                           |         |
| Total.....                        | 384,352           | 764,545   | 59,852  | 924,863   | 22,967                    | 38,971  |
| Under \$10,000 <sup>2</sup> ..... | 81,289            | 75,996    | 6,409   | 42,742    | 3,626                     | 5,567   |
| \$10,000 under \$15,000.....      | 43,065            | 49,129    | 3,276   | 3,376     | 3,175                     | 5,458   |
| \$15,000 under \$30,000.....      | 110,716           | 142,636   | 11,483  | 19,204    | 7,772                     | 13,917  |
| \$30,000 under \$50,000.....      | 82,346            | 147,316   | 13,864  | 43,694    | 6,017                     | 10,020  |
| \$50,000 or more.....             | 66,936            | 349,468   | 24,820  | 815,847   | 2,377                     | 4,009   |
| <b>Idaho</b>                      |                   |           |   |           |                           |         |
| Total.....                        | 239,947           | 593,406   | 57,797  | 396,939   | 40,092                    | 58,980  |
| Under \$10,000 <sup>2</sup> ..... | 57,615            | 84,576    | 9,879   | 27,776    | 7,630                     | 9,172   |
| \$10,000 under \$15,000.....      | 27,298            | 63,539    | 5,696   | 9,494     | 7,408                     | 10,219  |
| \$15,000 under \$30,000.....      | 69,344            | 145,443   | 14,995  | 35,116    | 16,403                    | 25,926  |
| \$30,000 under \$50,000.....      | 56,355            | 114,677   | 13,816  | 43,540    | 7,529                     | 11,774  |
| \$50,000 or more.....             | 29,335            | 185,171   | 13,411  | 281,013   | 1,122                     | 1,889   |
| <b>Illinois</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 3,490,066         | 9,560,653 | 603,003                                       | 7,637,307 | 281,656                   | 585,018 |
| Under \$10,000 <sup>2</sup> ..... | 757,784           | 1,126,798 | 71,045  | 212,439   | 49,592                    | 87,402  |
| \$10,000 under \$15,000.....      | 328,255           | 797,527   | 36,154  | 32,916    | 39,150                    | 84,227  |
| \$15,000 under \$30,000.....      | 867,521           | 1,901,854 | 110,492                                       | 158,128   | 91,873                    | 207,805 |
| \$30,000 under \$50,000.....      | 843,404           | 1,737,242 | 139,139                                       | 297,608   | 73,962                    | 150,157 |
| \$50,000 or more.....             | 693,102           | 3,997,232 | 246,173                                       | 6,936,216 | 27,079                    | 55,427  |
| <b>Indiana</b>                    |                   |           |   |           |                           |         |
| Total.....                        | 1,525,193         | 3,354,363 | 237,086                                       | 1,888,613 | 123,038                   | 135,571 |
| Under \$10,000 <sup>2</sup> ..... | 340,777           | 453,627   | 31,371  | 67,493    | 23,016                    | 26,190  |
| \$10,000 under \$15,000.....      | 153,443           | 349,299   | 17,586  | 19,833    | 17,685                    | 20,178  |
| \$15,000 under \$30,000.....      | 381,997           | 792,664   | 49,933  | 85,699    | 41,270                    | 48,013  |
| \$30,000 under \$50,000.....      | 393,695           | 658,248   | 58,507  | 134,259   | 32,075                    | 32,642  |
| \$50,000 or more.....             | 255,281           | 1,100,525 | 79,689  | 1,581,329 | 8,992                     | 8,548   |
| <b>Iowa</b>                       |                   |           |   |           |                           |         |
| Total.....                        | 890,019           | 2,294,076 | 186,999                                       | 940,993   | 69,830                    | 109,122 |
| Under \$10,000 <sup>2</sup> ..... | 237,371           | 322,528   | 30,767  | 51,931    | 12,005                    | 16,595  |
| \$10,000 under \$15,000.....      | 96,766            | 257,186   | 18,103  | 29,514    | 10,703                    | 17,451  |
| \$15,000 under \$30,000.....      | 240,607           | 596,234   | 48,982  | 112,808   | 26,979                    | 44,152  |
| \$30,000 under \$50,000.....      | 204,174           | 472,056   | 45,108  | 137,402   | 16,868                    | 25,844  |
| \$50,000 or more.....             | 111,101           | 646,072   | 44,039  | 609,338   | 3,275                     | 5,080   |
| <b>Kansas</b>                     |                   |           |   |           |                           |         |
| Total.....                        | 713,848           | 2,024,404 | 146,527                                       | 1,232,137 | 62,551                    | 109,938 |
| Under \$10,000 <sup>2</sup> ..... | 164,345           | 252,465   | 20,194  | 77,197    | 11,839                    | 18,185  |
| \$10,000 under \$15,000.....      | 72,197            | 196,522   | 11,511  | 14,711    | 9,974                     | 18,650  |
| \$15,000 under \$30,000.....      | 187,580           | 459,814   | 33,688  | 58,660    | 22,569                    | 41,739  |
| \$30,000 under \$50,000.....      | 172,023           | 394,926   | 36,107  | 85,746    | 14,282                    | 24,718  |
| \$50,000 or more.....             | 117,703           | 720,677   | 45,027  | 995,823   | 3,887                     | 6,646   |
| <b>Kentucky</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 801,048           | 1,913,153 | 132,081                                       | 1,225,938 | 120,989                   | 157,841 |
| Under \$10,000 <sup>2</sup> ..... | 180,618           | 275,068   | 19,050  | 59,673    | 25,198                    | 31,602  |
| \$10,000 under \$15,000.....      | 88,381            | 199,978   | 10,595  | 18,634    | 19,482                    | 26,404  |
| \$15,000 under \$30,000.....      | 217,046           | 440,974   | 29,552  | 66,839    | 45,580                    | 61,989  |
| \$30,000 under \$50,000.....      | 195,916           | 356,017   | 31,446  | 95,681    | 25,514                    | 30,733  |
| \$50,000 or more.....             | 119,087           | 641,116   | 41,438  | 985,111   | 5,215                     | 7,113   |
| <b>Louisiana</b>                  |                   |           |   |           |                           |         |
| Total.....                        | 851,565           | 2,147,481 | 130,810                                       | 943,525   | 117,733                   | 191,654 |
| Under \$10,000 <sup>2</sup> ..... | 195,054           | 275,982   | 17,583  | 59,323    | 34,761                    | 46,226  |
| \$10,000 under \$15,000.....      | 91,827            | 182,411   | 8,632   | 7,368     | 20,093                    | 34,172  |
| \$15,000 under \$30,000.....      | 224,840           | 453,217   | 25,995  | 31,599    | 39,610                    | 70,012  |
| \$30,000 under \$50,000.....      | 199,988           | 396,975   | 30,989  | 58,229    | 18,963                    | 32,982  |
| \$50,000 or more.....             | 139,856           | 838,896   | 47,611  | 787,006   | 4,306                     | 8,262   |
| <b>Maine</b>                      |                   |           |   |           |                           |         |
| Total.....                        | 372,519           | 778,814   | 57,405  | 694,967   | 34,797                    | 49,729  |
| Under \$10,000 <sup>2</sup> ..... | 82,883            | 90,011    | 7,055   | 17,181    | 7,289                     | 9,816   |
| \$10,000 under \$15,000.....      | 42,886            | 75,465    | 4,470   | 9,025     | 6,888                     | 9,601   |
| \$15,000 under \$30,000.....      | 107,210           | 182,418   | 13,023  | 42,217    | 12,698                    | 19,333  |
| \$30,000 under \$50,000.....      | 89,895            | 155,191   | 14,100  | 69,087    | 6,773                     | 9,172   |
| \$50,000 or more.....             | 49,645            | 275,729   | 18,757  | 557,457   | 1,149                     | 1,807   |
| <b>Maryland</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 1,493,494         | 3,525,965 | 235,914                                       | 3,125,198 | 89,474                    | 162,025 |
| Under \$10,000 <sup>2</sup> ..... | 261,101           | 315,924   | 22,696  | 113,497   | 14,921                    | 25,376  |
| \$10,000 under \$15,000.....      | 122,845           | 210,488   | 10,469  | 12,011    | 13,993                    | 25,887  |
| \$15,000 under \$30,000.....      | 360,972           | 556,045   | 34,403  | 56,373    | 29,866                    | 55,809  |
| \$30,000 under \$50,000.....      | 370,105           | 618,148   | 50,708  | 117,479   | 21,505                    | 37,512  |
| \$50,000 or more.....             | 378,471           | 1,825,360 | 117,638                                       | 2,825,838 | 9,189                     | 17,441  |
| <b>Massachusetts</b>              |                   |           |   |           |                           |         |
| Total.....                        | 2,205,260         | 5,508,609 | 328,015                                       | 4,958,957 | 165,659                   | 404,661 |
| Under \$10,000 <sup>2</sup> ..... | 431,815           | 546,436   | 35,257  | 127,483   | 19,690                    | 37,845  |
| \$10,000 under \$15,000.....      | 204,038           | 413,514   | 16,644  | 17,014    | 22,847                    | 51,911  |
| \$15,000 under \$30,000.....      | 595,606           | 1,059,890 | 54,243  | 86,069    | 55,689                    | 143,829 |
| \$30,000 under \$50,000.....      | 515,052           | 997,695   | 70,178  | 190,269   | 46,704                    | 116,678 |
| \$50,000 or more.....             | 458,749           | 2,491,074 | 151,693                                       | 4,538,122 | 20,929                    | 54,398  |
| <b>Michigan</b>                   |                   |           |   |           |                           |         |
| Total.....                        | 2,706,856         | 5,782,382 | 468,370                                       | 3,306,294 | 406,529                   | 850,427 |
| Under \$10,000 <sup>2</sup> ..... | 574,237           | 661,999   | 58,134  | 145,141   | 49,744                    | 89,113  |
| \$10,000 under \$15,000.....      | 261,090           | 550,170   | 32,636  | 31,646    | 48,317                    | 105,869 |
| \$15,000 under \$30,000.....      | 631,325           | 1,236,913 | 91,431  | 139,170   | 121,922                   | 302,436 |
| \$30,000 under \$50,000.....      | 678,524           | 1,087,733 | 109,825                                       | 227,113   | 133,132                   | 250,307 |
| \$50,000 or more.....             | 561,680           | 2,245,567 | 176,344                                       | 2,763,224 | 53,414                    | 102,702 |

See footnotes at end of table.





## Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                       | Interest          |            | Sales of capital assets<br>Net gain less loss |            | Unemployment compensation |         |
|-----------------------------|-------------------|------------|---|------------|---------------------------|---------|
|                             | Number of returns | Amount     | Number of returns                             | Amount     | Number of returns         | Amount  |
|                             | (8)               | (9)        | (10)  | (11)       | (12)                      | (13)    |
| Minnesota                   |                   |            |   |            |                           |         |
| Total                       | 1,409,904         | 3,128,087  | 291,306                                       | 2,200,573  | 119,457                   | 262,451 |
| Under \$10,000 <sup>2</sup> | 332,487           | 400,286    | 42,230  | 111,313    | 16,394                    | 26,496  |
| \$10,000 under \$15,000     | 140,336           | 308,537    | 24,279  | 37,374     | 17,174                    | 33,141  |
| \$15,000 under \$30,000     | 362,523           | 696,872    | 66,624  | 135,942    | 44,466                    | 106,765 |
| \$30,000 under \$50,000     | 337,205           | 568,457    | 67,896  | 157,415    | 32,256                    | 74,957  |
| \$50,000 or more            | 237,353           | 1,153,935  | 90,277  | 1,758,529  | 9,167                     | 21,092  |
| Mississippi                 |                   |            |   |            |                           |         |
| Total                       | 417,992           | 1,023,175  | 67,629  | 566,473    | 74,956                    | 84,758  |
| Under \$10,000 <sup>2</sup> | 92,293            | 134,031    | 9,117   | 30,789     | 27,893                    | 31,582  |
| \$10,000 under \$15,000     | 47,066            | 100,385    | 5,143   | 7,739      | 13,973                    | 16,026  |
| \$15,000 under \$30,000     | 116,424           | 235,058    | 15,140  | 32,281     | 22,077                    | 25,021  |
| \$30,000 under \$50,000     | 101,717           | 198,647    | 16,720  | 47,832     | 9,588                     | 10,314  |
| \$50,000 or more            | 60,492            | 355,054    | 21,509  | 447,832    | 1,425                     | 1,815   |
| Missouri                    |                   |            |   |            |                           |         |
| Total                       | 1,394,915         | 3,789,808  | 272,906                                       | 2,117,936  | 158,110                   | 216,175 |
| Under \$10,000 <sup>2</sup> | 308,842           | 452,871    | 38,533  | 67,085     | 36,565                    | 48,676  |
| \$10,000 under \$15,000     | 150,652           | 387,460    | 22,650  | 31,212     | 25,646                    | 35,142  |
| \$15,000 under \$30,000     | 366,916           | 878,027    | 62,602  | 118,904    | 51,493                    | 73,628  |
| \$30,000 under \$50,000     | 336,242           | 715,845    | 64,146  | 157,931    | 35,447                    | 46,472  |
| \$50,000 or more            | 232,263           | 1,355,605  | 84,975  | 1,742,804  | 8,959                     | 12,257  |
| Montana                     |                   |            |   |            |                           |         |
| Total                       | 231,168           | 602,191    | 59,854  | 349,438    | 24,678                    | 37,338  |
| Under \$10,000 <sup>2</sup> | 65,952            | 91,377     | 13,391  | 32,331     | 5,548                     | 6,787   |
| \$10,000 under \$15,000     | 27,953            | 61,194     | 6,361   | 11,307     | 4,104                     | 6,258   |
| \$15,000 under \$30,000     | 65,238            | 149,809    | 15,665  | 39,567     | 9,705                     | 16,099  |
| \$30,000 under \$50,000     | 48,633            | 120,632    | 13,174  | 48,953     | 4,549                     | 7,003   |
| \$50,000 or more            | 23,392            | 179,179    | 11,263  | 217,280    | 772                       | 1,191   |
| Nebraska                    |                   |            |   |            |                           |         |
| Total                       | 489,575           | 1,252,752  | 102,436                                       | 630,526    | 31,269                    | 38,054  |
| Under \$10,000 <sup>2</sup> | 126,196           | 163,583    | 16,623  | 32,673     | 7,434                     | 8,819   |
| \$10,000 under \$15,000     | 54,913            | 134,204    | 9,352   | 16,364     | 5,467                     | 6,871   |
| \$15,000 under \$30,000     | 135,579           | 311,803    | 26,201  | 57,347     | 11,523                    | 14,314  |
| \$30,000 under \$50,000     | 110,906           | 257,375    | 24,743  | 73,106     | 5,869                     | 6,815   |
| \$50,000 or more            | 61,981            | 385,787    | 25,517  | 451,036    | 976                       | 1,235   |
| Nevada                      |                   |            |   |            |                           |         |
| Total                       | 283,881           | 961,020    | 60,054  | 1,380,217  | 33,740                    | 52,780  |
| Under \$10,000 <sup>2</sup> | 49,878            | 86,296     | 7,434   | 34,891     | 5,901                     | 8,904   |
| \$10,000 under \$15,000     | 29,326            | 54,470     | 4,332   | 3,357      | 5,325                     | 6,889   |
| \$15,000 under \$30,000     | 78,350            | 150,734    | 12,692  | 18,982     | 11,231                    | 18,566  |
| \$30,000 under \$50,000     | 71,316            | 144,154    | 14,102  | 42,015     | 8,390                     | 12,455  |
| \$50,000 or more            | 55,011            | 525,366    | 21,494  | 1,280,972  | 2,893                     | 4,166   |
| New Hampshire               |                   |            |   |            |                           |         |
| Total                       | 396,463           | 928,626    | 63,879  | 1,212,513  | 19,545                    | 26,215  |
| Under \$10,000 <sup>2</sup> | 77,562            | 94,727     | 6,625   | 16,591     | 1,754                     | 2,107   |
| \$10,000 under \$15,000     | 35,106            | 68,293     | 3,438   | 6,167      | 2,546                     | 2,716   |
| \$15,000 under \$30,000     | 102,738           | 175,368    | 11,245  | 26,772     | 6,816                     | 8,842   |
| \$30,000 under \$50,000     | 100,128           | 176,248    | 14,719  | 55,497     | 6,114                     | 8,454   |
| \$50,000 or more            | 80,929            | 413,990    | 27,852  | 1,107,486  | 2,315                     | 4,096   |
| New Jersey                  |                   |            |   |            |                           |         |
| Total                       | 2,801,454         | 7,636,823  | 472,012                                       | 7,067,732  | 221,279                   | 476,116 |
| Under \$10,000 <sup>2</sup> | 532,763           | 717,234    | 51,178  | 92,046     | 33,481                    | 64,631  |
| \$10,000 under \$15,000     | 256,369           | 541,223    | 23,712  | 15,789     | 32,859                    | 71,534  |
| \$15,000 under \$30,000     | 696,463           | 1,373,995  | 74,812  | 85,829     | 66,803                    | 152,057 |
| \$30,000 under \$50,000     | 637,515           | 1,337,916  | 98,304  | 206,937    | 55,268                    | 116,398 |
| \$50,000 or more            | 678,344           | 3,666,455  | 224,006                                       | 6,667,131  | 32,868                    | 71,496  |
| New Mexico                  |                   |            |   |            |                           |         |
| Total                       | 337,503           | 851,894    | 70,416  | 522,991    | 35,991                    | 58,662  |
| Under \$10,000 <sup>2</sup> | 76,508            | 102,471    | 10,524  | 27,164     | 11,500                    | 17,646  |
| \$10,000 under \$15,000     | 38,028            | 70,349     | 5,517   | 6,017      | 6,978                     | 12,337  |
| \$15,000 under \$30,000     | 93,960            | 183,269    | 15,628  | 25,723     | 11,715                    | 19,605  |
| \$30,000 under \$50,000     | 77,140            | 167,274    | 16,953  | 39,099     | 4,720                     | 7,341   |
| \$50,000 or more            | 51,867            | 328,531    | 21,794  | 424,988    | 1,078                     | 1,733   |
| New York                    |                   |            |   |            |                           |         |
| Total                       | 5,625,696         | 17,629,232 | 958,766                                       | 14,752,766 | 456,042                   | 856,876 |
| Under \$10,000 <sup>2</sup> | 1,131,068         | 1,779,436  | 112,018                                       | 469,816    | 91,726                    | 155,879 |
| \$10,000 under \$15,000     | 548,092           | 1,240,187  | 56,647  | 47,654     | 75,686                    | 149,133 |
| \$15,000 under \$30,000     | 1,474,472         | 3,070,544  | 170,541                                       | 226,329    | 142,118                   | 284,981 |
| \$30,000 under \$50,000     | 1,299,777         | 2,823,607  | 209,467                                       | 446,511    | 176,186                   | 369,276 |
| \$50,000 or more            | 1,172,287         | 8,715,458  | 410,093                                       | 13,562,456 | 48,236                    | 90,697  |
| North Carolina              |                   |            |   |            |                           |         |
| Total                       | 1,585,403         | 3,352,305  | 269,066                                       | 3,207,471  | 189,267                   | 175,460 |
| Under \$10,000 <sup>2</sup> | 307,327           | 377,448    | 30,414  | 74,792     | 38,283                    | 34,848  |
| \$10,000 under \$15,000     | 169,882           | 277,396    | 17,261  | 26,965     | 38,620                    | 32,054  |
| \$15,000 under \$30,000     | 435,221           | 674,764    | 53,068  | 113,778    | 68,404                    | 63,520  |
| \$30,000 under \$50,000     | 396,640           | 613,267    | 64,647  | 202,354    | 38,099                    | 36,913  |
| \$50,000 or more            | 276,333           | 1,409,430  | 103,676                                       | 2,789,582  | 5,861                     | 8,125   |
| North Dakota                |                   |            |   |            |                           |         |
| Total                       | 198,844           | 493,802    | 43,592  | 216,317    | 18,468                    | 30,261  |
| Under \$10,000 <sup>2</sup> | 56,184            | 67,380     | 8,435   | 22,982     | 3,393                     | 4,141   |
| \$10,000 under \$15,000     | 24,515            | 56,570     | 4,838   | 10,323     | 3,142                     | 4,856   |
| \$15,000 under \$30,000     | 56,163            | 138,804    | 12,400  | 38,404     | 7,776                     | 13,686  |
| \$30,000 under \$50,000     | 42,154            | 101,778    | 9,597   | 37,067     | 3,653                     | 6,688   |
| \$50,000 or more            | 19,828            | 129,270    | 8,322   | 107,541    | 504                       | 890     |

See footnotes at end of table.



Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                             | Itemized deductions <sup>3</sup> |            |                         | Tax liability <sup>4</sup> |            |                         | Earned income credit <sup>5</sup> |         |
|-----------------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|---------|
|                                   | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount  |
|                                   | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)    |
| Minnesota                         |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 717,060                          | 8,454,434  | 11,790                  | 1,704,970                  | 7,114,012  | 4,173                   | 122,226                           | 60,193  |
| Under \$10,000 <sup>2</sup> ..... | 23,970                           | 211,521    | 8,824                   | 358,202                    | 120,291    | 336                     | 49,122                            | 31,339  |
| \$10,000 under \$15,000.....      | 25,878                           | 189,155    | 7,309                   | 211,079                    | 203,279    | 963                     | 40,824                            | 23,215  |
| \$15,000 under \$30,000.....      | 152,418                          | 1,147,761  | 7,530                   | 499,121                    | 1,068,053  | 2,140                   | 32,280                            | 5,639   |
| \$30,000 under \$50,000.....      | 277,316                          | 2,501,302  | 9,019                   | 388,298                    | 1,684,503  | 4,338                   | —                                 | —       |
| \$50,000 or more.....             | 237,478                          | 4,408,696  | 18,565                  | 248,270                    | 4,037,887  | 16,264                  | —                                 | —       |
| Mississippi                       |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 196,098                          | 1,967,886  | 10,035                  | 699,294                    | 2,286,857  | 3,270                   | 227,381                           | 131,110 |
| Under \$10,000 <sup>2</sup> ..... | 7,492                            | 78,621     | 10,494                  | 140,893                    | 50,130     | 356                     | 128,831                           | 84,869  |
| \$10,000 under \$15,000.....      | 9,062                            | 66,149     | 7,300                   | 118,415                    | 91,026     | 769                     | 65,216                            | 40,060  |
| \$15,000 under \$30,000.....      | 47,873                           | 375,105    | 7,835                   | 233,906                    | 432,498    | 1,849                   | 33,334                            | 6,181   |
| \$30,000 under \$50,000.....      | 75,036                           | 621,653    | 8,285                   | 139,752                    | 599,654    | 4,291                   | —                                 | —       |
| \$50,000 or more.....             | 56,635                           | 826,358    | 14,591                  | 66,328                     | 1,113,549  | 16,789                  | —                                 | —       |
| Missouri                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 573,403                          | 6,205,031  | 10,821                  | 1,846,613                  | 7,765,828  | 4,205                   | 232,142                           | 122,113 |
| Under \$10,000 <sup>2</sup> ..... | 18,949                           | 342,912    | 18,097                  | 368,848                    | 126,743    | 344                     | 104,115                           | 67,941  |
| \$10,000 under \$15,000.....      | 20,946                           | 159,771    | 7,628                   | 260,242                    | 229,723    | 883                     | 76,342                            | 44,911  |
| \$15,000 under \$30,000.....      | 113,407                          | 901,134    | 7,946                   | 565,618                    | 1,171,582  | 2,071                   | 51,685                            | 9,261   |
| \$30,000 under \$50,000.....      | 213,679                          | 1,747,873  | 8,180                   | 406,693                    | 1,854,698  | 4,560                   | —                                 | —       |
| \$50,000 or more.....             | 206,422                          | 3,053,341  | 14,792                  | 245,212                    | 4,383,082  | 17,875                  | —                                 | —       |
| Montana                           |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 95,055                           | 899,655    | 9,465                   | 270,592                    | 885,490    | 3,272                   | 40,124                            | 20,856  |
| Under \$10,000 <sup>2</sup> ..... | 7,043                            | 51,202     | 7,270                   | 63,849                     | 23,360     | 366                     | 18,756                            | 11,955  |
| \$10,000 under \$15,000.....      | 5,963                            | 40,002     | 6,708                   | 40,104                     | 35,092     | 875                     | 12,807                            | 7,385   |
| \$15,000 under \$30,000.....      | 26,655                           | 190,303    | 7,139                   | 86,738                     | 172,459    | 1,988                   | 8,561                             | 1,516   |
| \$30,000 under \$50,000.....      | 34,641                           | 296,716    | 8,565                   | 55,507                     | 240,563    | 4,334                   | —                                 | —       |
| \$50,000 or more.....             | 20,753                           | 321,432    | 15,488                  | 24,394                     | 414,016    | 16,972                  | —                                 | —       |
| Nebraska                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 177,615                          | 1,932,053  | 10,878                  | 595,147                    | 2,223,594  | 3,736                   | 63,049                            | 32,034  |
| Under \$10,000 <sup>2</sup> ..... | 7,428                            | 70,520     | 9,494                   | 134,404                    | 46,446     | 346                     | 26,003                            | 17,008  |
| \$10,000 under \$15,000.....      | 8,339                            | 166,164    | 19,926                  | 82,746                     | 77,241     | 933                     | 21,276                            | 12,244  |
| \$15,000 under \$30,000.....      | 40,694                           | 293,204    | 7,205                   | 186,547                    | 386,124    | 2,070                   | 15,770                            | 2,782   |
| \$30,000 under \$50,000.....      | 68,155                           | 573,473    | 8,414                   | 127,050                    | 568,147    | 4,472                   | —                                 | —       |
| \$50,000 or more.....             | 52,999                           | 828,692    | 15,636                  | 64,400                     | 1,145,636  | 17,789                  | —                                 | —       |
| Nevada                            |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 150,656                          | 1,782,360  | 11,831                  | 451,305                    | 2,430,925  | 5,386                   | 49,379                            | 25,840  |
| Under \$10,000 <sup>2</sup> ..... | 6,935                            | 76,370     | 11,012                  | 77,270                     | 30,227     | 391                     | 19,543                            | 13,279  |
| \$10,000 under \$15,000.....      | 7,289                            | 56,375     | 7,734                   | 68,012                     | 62,839     | 924                     | 17,833                            | 10,358  |
| \$15,000 under \$30,000.....      | 35,834                           | 289,821    | 8,088                   | 147,124                    | 303,296    | 2,061                   | 12,003                            | 2,203   |
| \$30,000 under \$50,000.....      | 52,398                           | 498,148    | 9,507                   | 98,040                     | 445,349    | 4,543                   | —                                 | —       |
| \$50,000 or more.....             | 48,200                           | 861,646    | 17,876                  | 60,859                     | 1,589,214  | 26,113                  | —                                 | —       |
| New Hampshire                     |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 170,016                          | 2,084,874  | 12,263                  | 487,894                    | 2,493,351  | 5,110                   | 29,387                            | 14,430  |
| Under \$10,000 <sup>2</sup> ..... | 5,845                            | 68,319     | 11,688                  | 87,094                     | 30,561     | 351                     | 10,429                            | 6,949   |
| \$10,000 under \$15,000.....      | 5,405                            | 44,853     | 8,298                   | 57,279                     | 57,910     | 1,011                   | 10,434                            | 5,962   |
| \$15,000 under \$30,000.....      | 29,760                           | 278,300    | 9,351                   | 146,339                    | 326,247    | 2,229                   | 8,524                             | 1,519   |
| \$30,000 under \$50,000.....      | 59,624                           | 571,776    | 9,590                   | 114,146                    | 525,246    | 4,602                   | —                                 | —       |
| \$50,000 or more.....             | 69,382                           | 1,121,626  | 16,166                  | 83,036                     | 1,553,387  | 18,707                  | —                                 | —       |
| New Jersey                        |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,354,029                        | 19,026,943 | 14,052                  | 3,532,924                  | 21,016,484 | 5,949                   | 277,038                           | 141,900 |
| Under \$10,000 <sup>2</sup> ..... | 37,789                           | 503,811    | 13,332                  | 615,686                    | 218,732    | 355                     | 101,202                           | 68,430  |
| \$10,000 under \$15,000.....      | 44,785                           | 354,865    | 7,924                   | 429,930                    | 397,854    | 925                     | 104,806                           | 60,527  |
| \$15,000 under \$30,000.....      | 224,436                          | 1,899,432  | 8,463                   | 1,026,996                  | 2,235,342  | 2,177                   | 71,030                            | 12,943  |
| \$30,000 under \$50,000.....      | 414,845                          | 4,086,458  | 9,851                   | 747,991                    | 3,577,122  | 4,782                   | —                                 | —       |
| \$50,000 or more.....             | 632,174                          | 12,182,377 | 19,271                  | 712,321                    | 14,587,434 | 20,479                  | —                                 | —       |
| New Mexico                        |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 154,822                          | 1,677,765  | 10,837                  | 473,404                    | 1,652,676  | 3,491                   | 105,367                           | 56,536  |
| Under \$10,000 <sup>2</sup> ..... | 7,741                            | 65,128     | 8,413                   | 95,969                     | 34,411     | 359                     | 53,971                            | 34,060  |
| \$10,000 under \$15,000.....      | 7,357                            | 51,628     | 7,018                   | 72,138                     | 59,934     | 831                     | 31,923                            | 18,926  |
| \$15,000 under \$30,000.....      | 37,761                           | 294,435    | 7,797                   | 153,864                    | 290,620    | 1,889                   | 19,473                            | 3,550   |
| \$30,000 under \$50,000.....      | 54,829                           | 490,469    | 8,945                   | 96,393                     | 415,994    | 4,316                   | —                                 | —       |
| \$50,000 or more.....             | 47,134                           | 776,106    | 16,466                  | 55,040                     | 851,717    | 15,475                  | —                                 | —       |
| New York                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 2,881,562                        | 42,587,279 | 14,779                  | 6,922,932                  | 39,081,267 | 5,645                   | 710,531                           | 371,120 |
| Under \$10,000 <sup>2</sup> ..... | 81,472                           | 1,046,988  | 12,851                  | 1,241,364                  | 450,252    | 363                     | 300,250                           | 201,450 |
| \$10,000 under \$15,000.....      | 96,572                           | 809,657    | 8,384                   | 856,656                    | 791,884    | 924                     | 238,695                           | 139,308 |
| \$15,000 under \$30,000.....      | 549,852                          | 4,359,162  | 7,928                   | 2,120,741                  | 4,486,593  | 2,116                   | 171,586                           | 30,362  |
| \$30,000 under \$50,000.....      | 999,725                          | 9,132,469  | 9,135                   | 1,489,393                  | 6,946,723  | 4,664                   | —                                 | —       |
| \$50,000 or more.....             | 1,153,941                        | 27,239,003 | 23,605                  | 1,214,778                  | 26,405,815 | 21,737                  | —                                 | —       |
| North Carolina                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 838,262                          | 8,951,249  | 10,678                  | 2,394,791                  | 9,173,920  | 3,831                   | 389,037                           | 214,080 |
| Under \$10,000 <sup>2</sup> ..... | 28,194                           | 213,315    | 7,566                   | 456,907                    | 159,495    | 349                     | 169,160                           | 116,062 |
| \$10,000 under \$15,000.....      | 34,481                           | 229,073    | 6,643                   | 391,470                    | 341,468    | 872                     | 138,411                           | 82,887  |
| \$15,000 under \$30,000.....      | 190,248                          | 1,310,424  | 6,888                   | 756,795                    | 1,503,492  | 1,987                   | 81,466                            | 15,131  |
| \$30,000 under \$50,000.....      | 314,797                          | 2,717,772  | 8,633                   | 498,125                    | 2,159,195  | 4,335                   | —                                 | —       |
| \$50,000 or more.....             | 270,542                          | 4,480,665  | 16,562                  | 291,494                    | 5,010,270  | 17,188                  | —                                 | —       |
| North Dakota                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 56,412                           | 521,678    | 9,248                   | 232,905                    | 760,218    | 3,264                   | 27,920                            | 13,922  |
| Under \$10,000 <sup>2</sup> ..... | 3,318                            | 25,438     | 7,667                   | 57,117                     | 20,452     | 358                     | 11,479                            | 7,288   |
| \$10,000 under \$15,000.....      | 3,051                            | 23,099     | 7,571                   | 34,297                     | 31,816     | 928                     | 9,524                             | 5,416   |
| \$15,000 under \$30,000.....      | 13,304                           | 94,193     | 7,080                   | 73,433                     | 152,485    | 2,077                   | 6,917                             | 1,218   |
| \$30,000 under \$50,000.....      | 21,656                           | 171,959    | 7,940                   | 47,511                     | 216,253    | 4,552                   | —                                 | —       |
| \$50,000 or more.....             | 15,083                           | 206,989    | 13,723                  | 20,547                     | 339,212    | 16,509                  | —                                 | —       |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                       | Number of returns | Number of exemptions | Adjusted gross income (AGI) | Salaries and wages |             | Dividends         |           |
|-----------------------------|-------------------|----------------------|-----------------------------|--------------------|-------------|-------------------|-----------|
|                             |                   |                      |                             | Number of returns  | Amount      | Number of returns | Amount    |
|                             | (1)               | (2)                  | (3)                         | (4)                | (5)         | (6)               | (7)       |
| <b>Ohio</b>                 |                   |                      |                             |                    |             |                   |           |
| Total                       | 4,910,300         | 10,371,862           | 126,962,086                 | 4,168,436          | 99,121,164  | 1,092,878         | 3,076,617 |
| Under \$10,000 <sup>2</sup> | 1,523,898         | 1,796,902            | 6,012,543                   | 1,179,724          | 5,170,682   | 158,655           | 168,010   |
| \$10,000 under \$15,000     | 598,455           | 1,177,071            | 7,437,454                   | 465,411            | 5,287,023   | 86,731            | 132,402   |
| \$15,000 under \$30,000     | 1,314,943         | 2,960,463            | 28,669,276                  | 1,153,826          | 23,404,601  | 247,582           | 400,447   |
| \$30,000 under \$50,000     | 954,449           | 2,760,265            | 36,844,164                  | 895,171            | 32,056,738  | 302,638           | 454,698   |
| \$50,000 or more            | 518,555           | 1,677,161            | 47,998,649                  | 474,304            | 33,202,120  | 297,272           | 1,921,060 |
| <b>Oklahoma</b>             |                   |                      |                             |                    |             |                   |           |
| Total                       | 1,261,471         | 2,941,589            | 29,223,780                  | 1,033,979          | 22,370,959  | 205,269           | 566,469   |
| Under \$10,000 <sup>2</sup> | 422,406           | 640,227              | 867,148                     | 319,471            | 1,511,314   | 28,055            | 36,984    |
| \$10,000 under \$15,000     | 166,253           | 384,049              | 2,066,198                   | 130,293            | 1,503,567   | 15,196            | 21,955    |
| \$15,000 under \$30,000     | 336,986           | 885,022              | 7,310,901                   | 286,357            | 5,777,560   | 47,335            | 68,330    |
| \$30,000 under \$50,000     | 216,764           | 654,300              | 8,336,058                   | 194,971            | 6,831,755   | 56,742            | 79,978    |
| \$50,000 or more            | 119,062           | 377,991              | 10,643,475                  | 102,887            | 6,746,763   | 57,941            | 359,222   |
| <b>Oregon</b>               |                   |                      |                             |                    |             |                   |           |
| Total                       | 1,244,597         | 2,763,557            | 30,732,270                  | 1,019,632          | 22,404,763  | 250,765           | 698,511   |
| Under \$10,000 <sup>2</sup> | 403,326           | 549,881              | 1,373,448                   | 305,832            | 1,422,200   | 43,000            | 55,409    |
| \$10,000 under \$15,000     | 158,651           | 337,428              | 1,969,121                   | 120,983            | 1,369,509   | 22,930            | 42,160    |
| \$15,000 under \$30,000     | 330,595           | 808,573              | 7,211,112                   | 279,735            | 5,603,071   | 60,725            | 117,983   |
| \$30,000 under \$50,000     | 226,164           | 671,536              | 8,699,656                   | 204,031            | 7,071,303   | 61,735            | 120,239   |
| \$50,000 or more            | 125,861           | 396,139              | 11,478,933                  | 109,051            | 6,938,680   | 62,375            | 362,720   |
| <b>Pennsylvania</b>         |                   |                      |                             |                    |             |                   |           |
| Total                       | 5,415,730         | 11,437,072           | 144,760,544                 | 4,472,325          | 108,488,530 | 1,247,576         | 4,142,760 |
| Under \$10,000 <sup>2</sup> | 1,662,775         | 2,011,996            | 5,943,457                   | 1,211,811          | 5,265,782   | 212,975           | 250,770   |
| \$10,000 under \$15,000     | 685,039           | 1,352,723            | 8,519,182                   | 521,845            | 5,901,411   | 109,728           | 200,293   |
| \$15,000 under \$30,000     | 1,446,704         | 3,256,778            | 31,496,826                  | 1,253,366          | 25,232,572  | 284,261           | 560,279   |
| \$30,000 under \$50,000     | 1,019,230         | 2,922,541            | 39,268,007                  | 944,252            | 33,532,192  | 307,621           | 612,840   |
| \$50,000 or more            | 601,982           | 1,893,034            | 59,533,072                  | 541,051            | 38,556,573  | 332,991           | 2,518,578 |
| <b>Rhode Island</b>         |                   |                      |                             |                    |             |                   |           |
| Total                       | 473,107           | 942,725              | 13,237,315                  | 406,480            | 9,844,058   | 102,846           | 306,854   |
| Under \$10,000 <sup>2</sup> | 136,195           | 140,692              | 561,068                     | 106,405            | 492,011     | 15,647            | 14,948    |
| \$10,000 under \$15,000     | 60,883            | 106,949              | 759,440                     | 50,077             | 573,615     | 8,798             | 12,227    |
| \$15,000 under \$30,000     | 127,854           | 264,637              | 2,770,180                   | 113,514            | 2,268,416   | 23,553            | 35,840    |
| \$30,000 under \$50,000     | 90,725            | 253,121              | 3,507,490                   | 84,546             | 2,974,016   | 25,496            | 44,837    |
| \$50,000 or more            | 57,450            | 177,326              | 5,639,137                   | 51,938             | 3,536,000   | 29,352            | 199,002   |
| <b>South Carolina</b>       |                   |                      |                             |                    |             |                   |           |
| Total                       | 1,462,810         | 3,195,799            | 33,859,836                  | 1,305,494          | 26,983,333  | 217,386           | 603,915   |
| Under \$10,000 <sup>2</sup> | 487,202           | 656,035              | 2,050,355                   | 418,224            | 1,982,471   | 27,917            | 34,138    |
| \$10,000 under \$15,000     | 213,741           | 442,267              | 2,659,011                   | 189,121            | 2,240,072   | 15,058            | 23,150    |
| \$15,000 under \$30,000     | 385,185           | 939,483              | 8,273,174                   | 350,460            | 7,042,809   | 48,217            | 79,025    |
| \$30,000 under \$50,000     | 244,934           | 734,907              | 9,442,181                   | 229,169            | 8,088,531   | 59,824            | 98,504    |
| \$50,000 or more            | 131,748           | 423,107              | 11,435,115                  | 118,520            | 7,629,450   | 66,370            | 369,098   |
| <b>South Dakota</b>         |                   |                      |                             |                    |             |                   |           |
| Total                       | 298,523           | 689,697              | 5,987,482                   | 234,481            | 4,167,914   | 56,999            | 131,776   |
| Under \$10,000 <sup>2</sup> | 109,794           | 151,744              | 137,612                     | 80,268             | 353,367     | 11,962            | 12,324    |
| \$10,000 under \$15,000     | 41,668            | 94,204               | 518,042                     | 31,751             | 349,736     | 6,197             | 8,998     |
| \$15,000 under \$30,000     | 81,024            | 225,302              | 1,756,614                   | 66,481             | 1,263,011   | 15,576            | 24,590    |
| \$30,000 under \$50,000     | 47,326            | 155,426              | 1,795,460                   | 41,170             | 1,337,028   | 13,664            | 21,408    |
| \$50,000 or more            | 18,711            | 63,021               | 1,779,754                   | 14,811             | 864,772     | 9,600             | 64,456    |
| <b>Tennessee</b>            |                   |                      |                             |                    |             |                   |           |
| Total                       | 2,096,527         | 4,591,827            | 50,987,500                  | 1,828,935          | 40,096,007  | 300,751           | 930,112   |
| Under \$10,000 <sup>2</sup> | 701,635           | 979,046              | 2,537,497                   | 572,197            | 2,686,212   | 42,054            | 48,541    |
| \$10,000 under \$15,000     | 291,496           | 615,284              | 3,623,433                   | 248,335            | 2,900,632   | 22,278            | 31,627    |
| \$15,000 under \$30,000     | 555,953           | 1,353,993            | 12,005,895                  | 502,409            | 10,188,133  | 66,539            | 98,359    |
| \$30,000 under \$50,000     | 350,385           | 1,023,015            | 13,458,499                  | 328,206            | 11,715,340  | 77,964            | 113,920   |
| \$50,000 or more            | 197,058           | 620,489              | 19,362,176                  | 177,788            | 12,605,690  | 91,916            | 637,665   |
| <b>Texas</b>                |                   |                      |                             |                    |             |                   |           |
| Total                       | 7,004,545         | 16,311,182           | 179,976,591                 | 5,996,900          | 140,393,813 | 1,094,378         | 4,010,191 |
| Under \$10,000 <sup>2</sup> | 2,371,518         | 3,668,122            | 3,950,686                   | 1,896,860          | 9,043,322   | 143,949           | 220,453   |
| \$10,000 under \$15,000     | 903,783           | 2,128,009            | 11,215,224                  | 763,469            | 8,930,842   | 66,352            | 105,966   |
| \$15,000 under \$30,000     | 1,742,305         | 4,468,744            | 37,720,204                  | 1,538,483          | 31,364,706  | 215,842           | 347,744   |
| \$30,000 under \$50,000     | 1,156,957         | 3,413,327            | 44,752,952                  | 1,059,129          | 37,852,784  | 278,478           | 445,860   |
| \$50,000 or more            | 829,982           | 2,632,980            | 82,337,525                  | 738,959            | 53,202,159  | 389,757           | 2,890,168 |
| <b>Utah</b>                 |                   |                      |                             |                    |             |                   |           |
| Total                       | 633,791           | 1,638,327            | 15,621,806                  | 542,438            | 12,254,310  | 108,687           | 269,422   |
| Under \$10,000 <sup>2</sup> | 205,641           | 246,975              | 602,035                     | 163,652            | 734,750     | 16,854            | 20,140    |
| \$10,000 under \$15,000     | 72,879            | 168,813              | 906,342                     | 57,973             | 664,992     | 8,802             | 13,191    |
| \$15,000 under \$30,000     | 164,237           | 486,321              | 3,614,388                   | 143,306            | 2,917,295   | 25,936            | 38,151    |
| \$30,000 under \$50,000     | 127,740           | 486,371              | 4,917,982                   | 119,833            | 4,242,706   | 29,742            | 43,110    |
| \$50,000 or more            | 63,294            | 249,847              | 5,581,059                   | 57,674             | 3,694,567   | 27,353            | 154,830   |
| <b>Vermont</b>              |                   |                      |                             |                    |             |                   |           |
| Total                       | 262,246           | 543,556              | 6,718,500                   | 222,860            | 4,872,934   | 60,952            | 214,865   |
| Under \$10,000 <sup>2</sup> | 79,827            | 89,983               | 302,213                     | 61,108             | 277,507     | 10,606            | 13,646    |
| \$10,000 under \$15,000     | 34,874            | 63,206               | 435,231                     | 28,982             | 328,302     | 5,278             | 10,180    |
| \$15,000 under \$30,000     | 71,914            | 161,709              | 1,556,749                   | 63,926             | 1,262,000   | 13,858            | 30,343    |
| \$30,000 under \$50,000     | 48,065            | 141,202              | 1,850,125                   | 44,605             | 1,535,172   | 15,040            | 34,416    |
| \$50,000 or more            | 27,566            | 87,456               | 2,574,182                   | 24,239             | 1,469,953   | 16,170            | 126,280   |
| <b>Virginia</b>             |                   |                      |                             |                    |             |                   |           |
| Total                       | 2,775,451         | 5,801,423            | 82,543,262                  | 2,432,977          | 64,001,994  | 599,293           | 1,803,057 |
| Under \$10,000 <sup>2</sup> | 765,320           | 849,954              | 2,779,078                   | 625,908            | 2,934,853   | 73,958            | 78,714    |
| \$10,000 under \$15,000     | 335,949           | 629,601              | 4,182,210                   | 286,114            | 3,366,568   | 33,013            | 50,831    |
| \$15,000 under \$30,000     | 718,213           | 1,570,831            | 15,657,440                  | 643,278            | 13,208,764  | 111,096           | 175,898   |
| \$30,000 under \$50,000     | 527,629           | 1,433,074            | 20,453,998                  | 487,203            | 17,426,339  | 153,239           | 249,920   |
| \$50,000 or more            | 428,340           | 1,317,963            | 39,470,536                  | 390,474            | 27,065,470  | 227,987           | 1,247,694 |

See footnotes at end of table.

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                       | Interest          |            | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------|-------------------|------------|---|-----------|---------------------------|---------|
|                             | Number of returns | Amount     | Number of returns                             | Amount    | Number of returns         | Amount  |
|                             | (8)               | (9)        | (10)  | (11)      | (12)                      | (13)    |
| Ohio                        |                   |            |   |           |                           |         |
| Total                       | 3,154,227         | 6,831,511  | 475,378                                       | 3,993,992 | 295,039                   | 538,843 |
| Under \$10,000 <sup>2</sup> | 698,928           | 856,542    | 57,697  | 91,006    | 49,505                    | 76,768  |
| \$10,000 under \$15,000     | 327,349           | 709,631    | 33,227  | 30,707    | 43,577                    | 79,689  |
| \$15,000 under \$30,000     | 851,670           | 1,621,985  | 101,920                                       | 149,520   | 102,368                   | 207,184 |
| \$30,000 under \$50,000     | 786,266           | 1,324,720  | 118,623                                       | 267,660   | 78,298                    | 136,929 |
| \$50,000 or more            | 490,014           | 2,318,633  | 163,911                                       | 3,455,099 | 21,291                    | 38,273  |
| Oklahoma                    |                   |            |   |           |                           |         |
| Total                       | 705,581           | 2,006,992  | 132,558                                       | 874,504   | 64,264                    | 101,442 |
| Under \$10,000 <sup>2</sup> | 155,088           | 262,375    | 20,486  | 60,873    | 13,484                    | 21,269  |
| \$10,000 under \$15,000     | 75,087            | 179,948    | 10,712  | 12,782    | 10,662                    | 17,999  |
| \$15,000 under \$30,000     | 195,380           | 439,668    | 30,280  | 45,742    | 22,995                    | 37,015  |
| \$30,000 under \$50,000     | 169,294           | 377,831    | 31,643  | 63,966    | 13,661                    | 20,099  |
| \$50,000 or more            | 110,732           | 747,170    | 39,437  | 691,141   | 3,462                     | 5,060   |
| Oregon                      |                   |            |   |           |                           |         |
| Total                       | 803,759           | 2,041,915  | 182,601                                       | 1,348,346 | 102,804                   | 170,586 |
| Under \$10,000 <sup>2</sup> | 183,534           | 262,621    | 27,889  | 56,132    | 20,884                    | 28,563  |
| \$10,000 under \$15,000     | 87,476            | 206,793    | 16,287  | 16,914    | 16,411                    | 27,894  |
| \$15,000 under \$30,000     | 221,057           | 469,222    | 43,763  | 77,110    | 37,570                    | 65,967  |
| \$30,000 under \$50,000     | 191,367           | 391,520    | 43,433  | 125,112   | 22,512                    | 37,961  |
| \$50,000 or more            | 120,325           | 711,759    | 51,229  | 1,073,078 | 5,427                     | 10,201  |
| Pennsylvania                |                   |            |   |           |                           |         |
| Total                       | 3,729,601         | 8,421,501  | 541,092                                       | 5,913,040 | 410,351                   | 785,863 |
| Under \$10,000 <sup>2</sup> | 855,863           | 1,124,974  | 71,385  | 135,474   | 70,146                    | 106,549 |
| \$10,000 under \$15,000     | 407,469           | 882,745    | 39,439  | 34,013    | 63,354                    | 115,277 |
| \$15,000 under \$30,000     | 1,007,943         | 1,934,311  | 111,435                                       | 179,558   | 148,815                   | 310,921 |
| \$30,000 under \$50,000     | 880,551           | 1,572,556  | 124,323                                       | 324,663   | 102,251                   | 197,536 |
| \$50,000 or more            | 577,775           | 2,906,915  | 194,510                                       | 5,239,332 | 25,785                    | 55,580  |
| Rhode Island                |                   |            |   |           |                           |         |
| Total                       | 323,205           | 795,701    | 47,528  | 701,131   | 39,418                    | 73,312  |
| Under \$10,000 <sup>2</sup> | 66,326            | 84,856     | 5,381   | 17,478    | 5,775                     | 8,826   |
| \$10,000 under \$15,000     | 34,535            | 72,192     | 2,841   | 3,087     | 6,364                     | 11,045  |
| \$15,000 under \$30,000     | 88,109            | 173,308    | 8,942   | 16,803    | 13,111                    | 25,742  |
| \$30,000 under \$50,000     | 78,824            | 157,584    | 10,901  | 37,326    | 10,961                    | 20,749  |
| \$50,000 or more            | 55,411            | 307,761    | 19,463  | 626,437   | 3,207                     | 6,950   |
| South Carolina              |                   |            |   |           |                           |         |
| Total                       | 725,611           | 1,505,082  | 120,763                                       | 1,162,658 | 78,066                    | 78,573  |
| Under \$10,000 <sup>2</sup> | 135,783           | 163,180    | 13,685  | 31,575    | 20,649                    | 21,787  |
| \$10,000 under \$15,000     | 76,323            | 125,541    | 7,684   | 10,199    | 15,747                    | 15,059  |
| \$15,000 under \$30,000     | 203,089           | 316,423    | 24,387  | 47,857    | 24,217                    | 24,217  |
| \$30,000 under \$50,000     | 187,389           | 292,205    | 30,295  | 82,969    | 14,303                    | 14,207  |
| \$50,000 or more            | 123,027           | 607,733    | 44,712  | 990,058   | 2,526                     | 3,303   |
| South Dakota                |                   |            |   |           |                           |         |
| Total                       | 199,833           | 511,634    | 53,354  | 329,091   | 11,068                    | 14,782  |
| Under \$10,000 <sup>2</sup> | 58,643            | 76,042     | 11,118  | 24,846    | 2,384                     | 3,102   |
| \$10,000 under \$15,000     | 25,144            | 60,885     | 6,230   | 13,666    | 2,083                     | 2,720   |
| \$15,000 under \$30,000     | 57,466            | 137,954    | 15,436  | 50,352    | 4,396                     | 6,179   |
| \$30,000 under \$50,000     | 40,660            | 100,057    | 11,708  | 53,481    | 1,963                     | 2,479   |
| \$50,000 or more            | 17,920            | 136,696    | 8,862   | 186,746   | 242                       | 302     |
| Tennessee                   |                   |            |   |           |                           |         |
| Total                       | 1,097,985         | 2,674,033  | 174,231                                       | 2,481,960 | 157,896                   | 181,189 |
| Under \$10,000 <sup>2</sup> | 226,739           | 322,899    | 21,715  | 101,752   | 39,518                    | 42,463  |
| \$10,000 under \$15,000     | 117,433           | 243,304    | 12,095  | 21,949    | 28,102                    | 31,570  |
| \$15,000 under \$30,000     | 301,578           | 567,367    | 36,292  | 74,913    | 55,125                    | 63,689  |
| \$30,000 under \$50,000     | 269,046           | 485,267    | 40,672  | 117,336   | 28,936                    | 33,796  |
| \$50,000 or more            | 183,189           | 1,055,196  | 63,457  | 2,166,010 | 6,215                     | 9,671   |
| Texas                       |                   |            |   |           |                           |         |
| Total                       | 3,663,091         | 12,124,331 | 717,356                                       | 8,953,766 | 345,575                   | 649,098 |
| Under \$10,000 <sup>2</sup> | 764,936           | 1,529,427  | 92,664  | 994,542   | 87,919                    | 133,644 |
| \$10,000 under \$15,000     | 346,223           | 759,420    | 43,861  | 47,916    | 61,596                    | 117,912 |
| \$15,000 under \$30,000     | 923,202           | 2,020,408  | 134,045                                       | 184,268   | 113,165                   | 227,245 |
| \$30,000 under \$50,000     | 867,836           | 1,990,482  | 164,312                                       | 304,169   | 61,263                    | 123,904 |
| \$50,000 or more            | 760,894           | 5,824,594  | 282,474                                       | 7,422,871 | 21,632                    | 46,393  |
| Utah                        |                   |            |   |           |                           |         |
| Total                       | 409,780           | 746,020    | 76,762  | 498,496   | 34,768                    | 58,682  |
| Under \$10,000 <sup>2</sup> | 92,375            | 101,148    | 11,578  | 36,874    | 6,135                     | 8,393   |
| \$10,000 under \$15,000     | 40,485            | 69,224     | 5,952   | 7,732     | 5,564                     | 9,315   |
| \$15,000 under \$30,000     | 111,058           | 167,785    | 17,609  | 26,819    | 12,968                    | 23,721  |
| \$30,000 under \$50,000     | 106,315           | 139,473    | 19,477  | 37,091    | 8,458                     | 14,463  |
| \$50,000 or more            | 59,547            | 268,390    | 22,146  | 389,980   | 1,643                     | 2,790   |
| Vermont                     |                   |            |   |           |                           |         |
| Total                       | 179,010           | 392,927    | 34,772  | 450,656   | 14,611                    | 21,532  |
| Under \$10,000 <sup>2</sup> | 41,262            | 49,291     | 4,947   | 13,518    | 2,918                     | 3,940   |
| \$10,000 under \$15,000     | 19,198            | 37,056     | 2,662   | 6,003     | 2,870                     | 4,325   |
| \$15,000 under \$30,000     | 49,781            | 86,351     | 7,510   | 22,258    | 5,307                     | 8,086   |
| \$30,000 under \$50,000     | 42,017            | 74,267     | 8,153   | 39,618    | 2,946                     | 4,233   |
| \$50,000 or more            | 26,752            | 145,962    | 11,500  | 369,259   | 570                       | 948     |
| Virginia                    |                   |            |   |           |                           |         |
| Total                       | 1,670,898         | 4,015,045  | 302,106                                       | 3,810,973 | 124,450                   | 132,758 |
| Under \$10,000 <sup>2</sup> | 297,228           | 397,301    | 28,962  | 112,588   | 22,956                    | 22,991  |
| \$10,000 under \$15,000     | 143,946           | 262,641    | 14,279  | 19,432    | 23,224                    | 22,929  |
| \$15,000 under \$30,000     | 411,809           | 693,481    | 48,667  | 86,630    | 45,550                    | 49,042  |
| \$30,000 under \$50,000     | 416,184           | 724,136    | 68,732  | 176,286   | 26,166                    | 28,066  |
| \$50,000 or more            | 401,731           | 1,937,486  | 141,466                                       | 3,416,037 | 6,554                     | 9,730   |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

(Money amounts are in thousands of dollars, except where indicated)

| State                             | Itemized deductions <sup>3</sup> |            |                         | Tax liability <sup>4</sup> |            |                         | Earned income credit <sup>5</sup> |         |
|-----------------------------------|----------------------------------|------------|-------------------------|----------------------------|------------|-------------------------|-----------------------------------|---------|
|                                   | Number of returns                | Amount     | Average (whole dollars) | Number of returns          | Amount     | Average (whole dollars) | Number of returns                 | Amount  |
|                                   | (14)                             | (15)       | (16)                    | (17)                       | (18)       | (19)                    | (20)                              | (21)    |
| Ohio                              |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,357,259                        | 13,958,960 | 10,285                  | 4,131,853                  | 16,995,443 | 4,113                   | 397,824                           | 203,503 |
| Under \$10,000 <sup>2</sup> ..... | 33,684                           | 280,836    | 8,337                   | 802,957                    | 264,328    | 329                     | 176,277                           | 112,626 |
| \$10,000 under \$15,000.....      | 42,426                           | 364,612    | 8,594                   | 553,914                    | 506,085    | 914                     | 126,296                           | 73,990  |
| \$15,000 under \$30,000.....      | 302,043                          | 1,895,437  | 6,275                   | 1,302,886                  | 2,794,160  | 2,145                   | 95,251                            | 16,887  |
| \$30,000 under \$50,000.....      | 530,354                          | 4,242,243  | 7,999                   | 953,709                    | 4,371,925  | 4,584                   | —                                 | —       |
| \$50,000 or more.....             | 448,752                          | 7,175,832  | 15,991                  | 518,387                    | 9,058,945  | 17,475                  | —                                 | —       |
| Oklahoma                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 363,814                          | 3,851,695  | 10,587                  | 1,009,243                  | 3,773,751  | 3,739                   | 170,047                           | 91,095  |
| Under \$10,000 <sup>2</sup> ..... | 18,360                           | 160,092    | 8,720                   | 197,061                    | 73,519     | 373                     | 80,802                            | 53,305  |
| \$10,000 under \$15,000.....      | 17,259                           | 195,571    | 11,332                  | 144,886                    | 123,053    | 849                     | 53,780                            | 31,420  |
| \$15,000 under \$30,000.....      | 89,571                           | 648,564    | 7,241                   | 331,878                    | 649,550    | 1,957                   | 35,465                            | 6,370   |
| \$30,000 under \$50,000.....      | 133,271                          | 1,147,232  | 8,608                   | 216,447                    | 945,665    | 4,369                   | —                                 | —       |
| \$50,000 or more.....             | 105,353                          | 1,700,236  | 16,138                  | 118,971                    | 1,981,964  | 16,659                  | —                                 | —       |
| Oregon                            |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 432,026                          | 4,637,353  | 10,734                  | 1,022,446                  | 3,926,222  | 3,840                   | 115,402                           | 59,953  |
| Under \$10,000 <sup>2</sup> ..... | 24,703                           | 188,424    | 7,628                   | 202,785                    | 70,576     | 348                     | 52,119                            | 33,897  |
| \$10,000 under \$15,000.....      | 22,672                           | 163,158    | 7,196                   | 142,276                    | 126,099    | 886                     | 37,067                            | 21,355  |
| \$15,000 under \$30,000.....      | 106,522                          | 784,030    | 7,360                   | 325,779                    | 662,495    | 2,034                   | 26,216                            | 4,701   |
| \$30,000 under \$50,000.....      | 159,970                          | 1,444,680  | 9,031                   | 225,815                    | 973,097    | 4,309                   | —                                 | —       |
| \$50,000 or more.....             | 118,159                          | 2,057,061  | 17,409                  | 125,791                    | 2,093,955  | 16,646                  | —                                 | —       |
| Pennsylvania                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,397,735                        | 14,772,128 | 10,569                  | 4,573,403                  | 20,468,235 | 4,475                   | 413,340                           | 210,361 |
| Under \$10,000 <sup>2</sup> ..... | 38,590                           | 329,023    | 8,526                   | 883,859                    | 290,720    | 329                     | 171,480                           | 111,002 |
| \$10,000 under \$15,000.....      | 45,978                           | 345,428    | 7,513                   | 636,879                    | 580,443    | 911                     | 139,152                           | 81,118  |
| \$15,000 under \$30,000.....      | 280,495                          | 1,967,666  | 7,015                   | 1,432,842                  | 3,057,769  | 2,134                   | 102,708                           | 18,241  |
| \$30,000 under \$50,000.....      | 525,670                          | 4,316,644  | 8,212                   | 1,018,124                  | 4,659,349  | 4,576                   | —                                 | —       |
| \$50,000 or more.....             | 507,002                          | 7,813,367  | 15,411                  | 601,699                    | 11,879,954 | 19,744                  | —                                 | —       |
| Rhode Island                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 135,146                          | 1,597,405  | 11,820                  | 411,009                    | 1,849,294  | 4,499                   | 30,996                            | 15,630  |
| Under \$10,000 <sup>2</sup> ..... | 3,665                            | 32,601     | 8,895                   | 79,141                     | 27,597     | 349                     | 12,401                            | 7,990   |
| \$10,000 under \$15,000.....      | 4,352                            | 33,989     | 7,810                   | 57,333                     | 55,887     | 975                     | 10,706                            | 6,241   |
| \$15,000 under \$30,000.....      | 25,191                           | 190,091    | 7,546                   | 126,547                    | 275,873    | 2,180                   | 7,889                             | 1,399   |
| \$30,000 under \$50,000.....      | 50,418                           | 451,658    | 8,958                   | 90,575                     | 412,106    | 4,550                   | —                                 | —       |
| \$50,000 or more.....             | 51,520                           | 889,066    | 17,257                  | 57,413                     | 1,077,831  | 18,773                  | —                                 | —       |
| South Carolina                    |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 405,820                          | 4,262,597  | 10,504                  | 1,162,368                  | 4,033,980  | 3,470                   | 222,372                           | 123,444 |
| Under \$10,000 <sup>2</sup> ..... | 11,762                           | 95,615     | 8,129                   | 218,359                    | 75,287     | 345                     | 104,611                           | 71,145  |
| \$10,000 under \$15,000.....      | 16,453                           | 107,644    | 6,543                   | 188,368                    | 160,227    | 851                     | 73,701                            | 44,140  |
| \$15,000 under \$30,000.....      | 97,877                           | 694,181    | 7,092                   | 379,323                    | 731,763    | 1,929                   | 44,060                            | 8,159   |
| \$30,000 under \$50,000.....      | 157,098                          | 1,366,671  | 8,699                   | 244,663                    | 1,036,847  | 4,238                   | —                                 | —       |
| \$50,000 or more.....             | 122,630                          | 1,998,486  | 16,297                  | 131,655                    | 2,029,856  | 15,418                  | —                                 | —       |
| South Dakota                      |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 48,140                           | 438,933    | 9,118                   | 242,592                    | 806,725    | 3,325                   | 33,350                            | 16,983  |
| Under \$10,000 <sup>2</sup> ..... | 3,019                            | 24,422     | 8,089                   | 59,796                     | 21,178     | 354                     | 14,272                            | 9,101   |
| \$10,000 under \$15,000.....      | 2,960                            | 23,041     | 7,784                   | 37,312                     | 34,297     | 919                     | 11,226                            | 6,486   |
| \$15,000 under \$30,000.....      | 12,733                           | 95,488     | 7,499                   | 79,551                     | 162,732    | 2,046                   | 7,852                             | 1,396   |
| \$30,000 under \$50,000.....      | 18,067                           | 142,686    | 7,898                   | 47,226                     | 213,811    | 4,527                   | —                                 | —       |
| \$50,000 or more.....             | 11,361                           | 153,296    | 13,493                  | 18,707                     | 374,707    | 20,030                  | —                                 | —       |
| Tennessee                         |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 417,866                          | 4,443,989  | 10,634                  | 1,680,338                  | 6,949,202  | 4,136                   | 295,669                           | 160,502 |
| Under \$10,000 <sup>2</sup> ..... | 15,026                           | 159,248    | 10,598                  | 325,501                    | 115,861    | 356                     | 141,372                           | 93,343  |
| \$10,000 under \$15,000.....      | 17,428                           | 155,956    | 8,949                   | 258,971                    | 221,571    | 856                     | 94,258                            | 56,185  |
| \$15,000 under \$30,000.....      | 91,330                           | 672,310    | 7,361                   | 548,857                    | 1,095,028  | 1,995                   | 60,039                            | 10,974  |
| \$30,000 under \$50,000.....      | 148,055                          | 1,235,548  | 8,345                   | 350,042                    | 1,577,603  | 4,507                   | —                                 | —       |
| \$50,000 or more.....             | 146,027                          | 2,220,928  | 15,209                  | 196,967                    | 3,939,139  | 19,999                  | —                                 | —       |
| Texas                             |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 1,598,476                        | 19,412,438 | 12,144                  | 5,490,667                  | 26,243,766 | 4,780                   | 1,052,374                         | 576,551 |
| Under \$10,000 <sup>2</sup> ..... | 73,003                           | 1,101,221  | 15,085                  | 1,050,730                  | 395,936    | 377                     | 526,818                           | 345,328 |
| \$10,000 under \$15,000.....      | 60,232                           | 503,022    | 8,351                   | 752,239                    | 645,501    | 858                     | 329,033                           | 195,306 |
| \$15,000 under \$30,000.....      | 307,236                          | 2,427,540  | 7,901                   | 1,703,467                  | 3,400,703  | 1,996                   | 196,523                           | 35,917  |
| \$30,000 under \$50,000.....      | 523,802                          | 4,724,624  | 9,020                   | 1,155,049                  | 5,310,031  | 4,597                   | —                                 | —       |
| \$50,000 or more.....             | 634,203                          | 10,656,031 | 16,802                  | 829,182                    | 16,491,595 | 19,889                  | —                                 | —       |
| Utah                              |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 242,327                          | 2,763,786  | 11,405                  | 519,318                    | 1,785,660  | 3,438                   | 62,843                            | 32,028  |
| Under \$10,000 <sup>2</sup> ..... | 9,829                            | 86,305     | 8,781                   | 105,553                    | 34,862     | 330                     | 25,844                            | 17,104  |
| \$10,000 under \$15,000.....      | 10,065                           | 74,600     | 7,412                   | 63,719                     | 54,261     | 852                     | 21,064                            | 12,107  |
| \$15,000 under \$30,000.....      | 63,670                           | 496,985    | 7,806                   | 159,495                    | 292,495    | 1,834                   | 15,935                            | 2,817   |
| \$30,000 under \$50,000.....      | 99,012                           | 980,657    | 9,904                   | 127,343                    | 474,653    | 3,727                   | —                                 | —       |
| \$50,000 or more.....             | 59,751                           | 1,125,239  | 18,832                  | 63,208                     | 929,389    | 14,704                  | —                                 | —       |
| Vermont                           |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 71,773                           | 848,745    | 11,825                  | 226,301                    | 902,309    | 3,987                   | 19,853                            | 9,872   |
| Under \$10,000 <sup>2</sup> ..... | 2,862                            | 37,837     | 13,220                  | 46,811                     | 16,590     | 354                     | 7,815                             | 5,023   |
| \$10,000 under \$15,000.....      | 2,703                            | 82,189     | 30,407                  | 32,781                     | 32,426     | 989                     | 6,833                             | 3,933   |
| \$15,000 under \$30,000.....      | 15,165                           | 108,437    | 7,150                   | 71,178                     | 151,459    | 2,128                   | 5,205                             | 916     |
| \$30,000 under \$50,000.....      | 26,486                           | 222,160    | 8,388                   | 47,984                     | 215,233    | 4,486                   | —                                 | —       |
| \$50,000 or more.....             | 24,557                           | 398,122    | 16,212                  | 27,547                     | 486,601    | 17,664                  | —                                 | —       |
| Virginia                          |                                  |            |                         |                            |            |                         |                                   |         |
| Total.....                        | 947,342                          | 12,187,907 | 12,865                  | 2,384,297                  | 11,376,690 | 4,772                   | 240,019                           | 127,356 |
| Under \$10,000 <sup>2</sup> ..... | 22,421                           | 248,779    | 11,096                  | 416,897                    | 140,672    | 337                     | 98,619                            | 67,565  |
| \$10,000 under \$15,000.....      | 27,122                           | 213,664    | 7,878                   | 304,442                    | 279,537    | 918                     | 83,546                            | 49,394  |
| \$15,000 under \$30,000.....      | 174,660                          | 1,357,849  | 7,774                   | 708,090                    | 1,474,170  | 2,082                   | 57,854                            | 10,397  |
| \$30,000 under \$50,000.....      | 328,573                          | 3,176,353  | 9,667                   | 526,777                    | 2,346,538  | 4,455                   | —                                 | —       |
| \$50,000 or more.....             | 394,566                          | 7,191,262  | 18,226                  | 428,091                    | 7,135,773  | 16,669                  | —                                 | —       |

See footnotes at end of table.

# Individual Income Tax Returns Data by State

**Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988**

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

| State                             | Number of returns | Number of exemptions <sup>1</sup> | Adjusted gross income (AGI) | Salaries and wages |            | Dividends         |           |
|-----------------------------------|-------------------|-----------------------------------|-----------------------------|--------------------|------------|-------------------|-----------|
|                                   |                   |                                   |                             | Number of returns  | Amount     | Number of returns | Amount    |
|                                   |                   |                                   |                             | (1)                | (2)        | (3)               | (4)       |
| Washington                        |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 2,128,574         | 4,613,926                         | 58,391,204                  | 1,777,629          | 43,748,858 | 445,400           | 1,323,490 |
| Under \$10,000 <sup>2</sup> ..... | 616,304           | 748,134                           | 1,869,986                   | 478,332            | 2,208,136  | 65,625            | 80,500    |
| \$10,000 under \$15,000.....      | 252,698           | 502,718                           | 3,141,726                   | 195,789            | 2,243,937  | 35,540            | 63,698    |
| \$15,000 under \$30,000.....      | 560,265           | 1,285,094                         | 12,256,767                  | 474,834            | 9,669,289  | 101,759           | 190,970   |
| \$30,000 under \$50,000.....      | 430,543           | 1,239,659                         | 16,655,159                  | 391,028            | 13,888,724 | 114,211           | 213,756   |
| \$50,000 or more.....             | 268,764           | 838,321                           | 24,467,566                  | 237,646            | 15,738,772 | 128,265           | 774,566   |
| West Virginia                     |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 678,668           | 1,576,116                         | 15,439,009                  | 565,320            | 11,855,123 | 119,838           | 341,451   |
| Under \$10,000 <sup>2</sup> ..... | 230,400           | 344,355                           | 1,024,842                   | 174,686            | 775,868    | 18,258            | 19,080    |
| \$10,000 under \$15,000.....      | 93,599            | 216,290                           | 1,159,940                   | 71,981             | 808,369    | 11,237            | 16,972    |
| \$15,000 under \$30,000.....      | 176,015           | 461,503                           | 3,818,660                   | 153,398            | 3,059,969  | 28,502            | 48,256    |
| \$30,000 under \$50,000.....      | 124,066           | 378,992                           | 4,784,212                   | 116,505            | 4,170,024  | 33,924            | 53,513    |
| \$50,000 or more.....             | 54,588            | 174,976                           | 4,651,355                   | 48,750             | 3,040,893  | 27,917            | 203,630   |
| Wisconsin                         |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 2,168,726         | 4,672,098                         | 56,322,304                  | 1,841,424          | 43,293,615 | 495,589           | 1,319,282 |
| Under \$10,000 <sup>2</sup> ..... | 690,184           | 790,149                           | 2,583,290                   | 532,921            | 2,329,557  | 86,223            | 86,407    |
| \$10,000 under \$15,000.....      | 258,784           | 506,183                           | 3,213,605                   | 201,014            | 2,242,777  | 44,711            | 72,934    |
| \$15,000 under \$30,000.....      | 546,340           | 1,273,221                         | 11,964,859                  | 477,614            | 9,551,737  | 112,896           | 196,208   |
| \$30,000 under \$50,000.....      | 439,116           | 1,336,695                         | 16,985,921                  | 413,744            | 14,704,635 | 129,151           | 205,631   |
| \$50,000 or more.....             | 234,302           | 765,850                           | 21,574,629                  | 216,131            | 14,464,909 | 122,608           | 758,102   |
| Wyoming                           |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 198,632           | 461,960                           | 4,869,800                   | 167,062            | 3,670,475  | 41,455            | 142,817   |
| Under \$10,000 <sup>2</sup> ..... | 65,558            | 83,972                            | 88,468                      | 50,625             | 227,959    | 7,040             | 12,884    |
| \$10,000 under \$15,000.....      | 22,911            | 50,071                            | 284,492                     | 18,376             | 206,221    | 3,356             | 6,194     |
| \$15,000 under \$30,000.....      | 49,204            | 130,229                           | 1,077,676                   | 42,576             | 849,512    | 9,244             | 18,129    |
| \$30,000 under \$50,000.....      | 40,160            | 128,414                           | 1,561,065                   | 37,125             | 1,324,852  | 11,525            | 21,295    |
| \$50,000 or more.....             | 20,799            | 69,274                            | 1,858,099                   | 18,360             | 1,061,931  | 10,290            | 84,315    |
| Other areas <sup>6</sup>          |                   |                                   |                             |                    |            |                   |           |
| Total.....                        | 592,936           | 1,141,227                         | 10,085,508                  | 320,695            | 14,371,062 | 135,393           | 554,397   |
| Under \$10,000 <sup>2</sup> ..... | 377,470           | 574,771                           | -973,166                    | 151,421            | 3,186,606  | 57,786            | 60,780    |
| \$10,000 under \$15,000.....      | 49,822            | 114,384                           | 612,633                     | 33,470             | 781,412    | 11,050            | 27,252    |
| \$15,000 under \$30,000.....      | 72,948            | 184,633                           | 1,557,017                   | 55,680             | 1,875,027  | 20,207            | 63,158    |
| \$30,000 under \$50,000.....      | 41,393            | 114,110                           | 1,591,219                   | 35,171             | 1,859,318  | 15,386            | 60,257    |
| \$50,000 or more.....             | 51,303            | 153,329                           | 7,297,804                   | 44,953             | 6,668,699  | 30,964            | 342,950   |

See footnotes at end of table.

## Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                             | Interest          |           | Sales of capital assets<br>Net gain less loss |           | Unemployment compensation |         |
|-----------------------------------|-------------------|-----------|---|-----------|---------------------------|---------|
|                                   | Number of returns | Amount    | Number of returns                             | Amount    | Number of returns         | Amount  |
|                                   | (8)               | (9)       | (10)  | (11)      | (12)                      | (13)    |
| Washington                        |                   |           |   |           |                           |         |
| Total.....                        | 1,410,995         | 3,622,581 | 308,178                                       | 2,897,085 | 173,128                   | 321,154 |
| Under \$10,000 <sup>2</sup> ..... | 281,750           | 382,470   | 37,703  | 91,854    | 31,538                    | 49,949  |
| \$10,000 under \$15,000.....      | 138,304           | 302,142   | 23,056  | 22,633    | 27,067                    | 50,531  |
| \$15,000 under \$30,000.....      | 374,387           | 779,121   | 67,961  | 106,661   | 61,079                    | 120,022 |
| \$30,000 under \$50,000.....      | 360,972           | 721,535   | 76,590  | 190,802   | 41,260                    | 75,952  |
| \$50,000 or more.....             | 255,582           | 1,437,313 | 102,868                                       | 2,485,135 | 12,184                    | 24,700  |
| West Virginia                     |                   |           |   |           |                           |         |
| Total.....                        | 404,069           | 851,095   | 51,256  | 400,975   | 60,090                    | 110,946 |
| Under \$10,000 <sup>2</sup> ..... | 93,615            | 120,284   | 7,068   | 9,232     | 12,720                    | 18,186  |
| \$10,000 under \$15,000.....      | 49,210            | 107,568   | 4,311   | 5,787     | 9,695                     | 18,558  |
| \$15,000 under \$30,000.....      | 110,514           | 215,211   | 11,636  | 22,544    | 23,072                    | 46,825  |
| \$30,000 under \$50,000.....      | 99,720            | 161,756   | 12,707  | 35,207    | 12,493                    | 23,399  |
| \$50,000 or more.....             | 51,010            | 246,276   | 15,534  | 328,205   | 2,110                     | 3,978   |
| Wisconsin                         |                   |           |   |           |                           |         |
| Total.....                        | 1,611,898         | 3,224,865 | 298,932                                       | 2,700,381 | 185,647                   | 274,196 |
| Under \$10,000 <sup>2</sup> ..... | 405,339           | 445,395   | 47,441  | 103,767   | 28,222                    | 35,571  |
| \$10,000 under \$15,000.....      | 169,323           | 361,608   | 27,260  | 53,774    | 26,099                    | 38,324  |
| \$15,000 under \$30,000.....      | 413,686           | 764,310   | 71,639  | 198,783   | 65,145                    | 105,862 |
| \$30,000 under \$50,000.....      | 396,251           | 607,367   | 71,041  | 233,374   | 52,572                    | 75,611  |
| \$50,000 or more.....             | 227,299           | 1,046,185 | 81,551  | 2,110,683 | 13,609                    | 18,828  |
| Wyoming                           |                   |           |   |           |                           |         |
| Total.....                        | 129,258           | 353,087   | 28,114  | 239,712   | 14,160                    | 24,326  |
| Under \$10,000 <sup>2</sup> ..... | 31,217            | 40,607    | 4,938   | 15,556    | 2,630                     | 3,615   |
| \$10,000 under \$15,000.....      | 12,681            | 26,450    | 2,305   | 3,630     | 2,301                     | 3,934   |
| \$15,000 under \$30,000.....      | 32,711            | 66,559    | 6,403   | 12,345    | 5,826                     | 10,923  |
| \$30,000 under \$50,000.....      | 33,165            | 61,016    | 6,983   | 18,356    | 2,827                     | 4,813   |
| \$50,000 or more.....             | 19,484            | 158,455   | 7,485   | 189,825   | 576                       | 1,041   |
| Other areas <sup>6</sup>          |                   |           |   |           |                           |         |
| Total.....                        | 306,477           | 1,240,734 | 107,932                                       | 1,135,019 | 6,876                     | 17,216  |
| Under \$10,000 <sup>2</sup> ..... | 153,620           | 385,423   | 54,647  | 82,391    | 2,232                     | 5,513   |
| \$10,000 under \$15,000.....      | 28,465            | 99,275    | 7,676   | 15,581    | 1,113                     | 2,778   |
| \$15,000 under \$30,000.....      | 47,452            | 182,490   | 13,132  | 47,803    | 2,072                     | 4,968   |
| \$30,000 under \$50,000.....      | 31,395            | 131,433   | 9,733   | 59,243    | 931                       | 2,425   |
| \$50,000 or more.....             | 45,545            | 442,113   | 22,744  | 930,001   | 528                       | 1,532   |

See footnotes at end of table.

Individual Income Tax Returns Data by State

Table 3. (Continued)—Individual Income and Tax Data by State and Size of Adjusted Gross Income, 1988

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

| State                       | Itemized deductions <sup>3</sup> |           |                         | Tax liability <sup>4</sup> |           |                         | Earned income credit <sup>5</sup> |        |
|-----------------------------|----------------------------------|-----------|-------------------------|----------------------------|-----------|-------------------------|-----------------------------------|--------|
|                             | Number of returns                | Amount    | Average (whole dollars) | Number of returns          | Amount    | Average (whole dollars) | Number of returns                 | Amount |
|                             | (14)                             | (15)      | (16)                    | (17)                       | (18)      | (19)                    | (20)                              | (21)   |
| Washington                  |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 609,609                          | 6,468,649 | 10,611                  | 1,803,651                  | 8,226,418 | 4,561                   | 164,165                           | 83,199 |
| Under \$10,000 <sup>2</sup> | 25,144                           | 288,105   | 11,458                  | 322,539                    | 113,709   | 353                     | 70,140                            | 44,893 |
| \$10,000 under \$15,000     | 24,765                           | 192,424   | 7,770                   | 230,135                    | 212,625   | 924                     | 53,937                            | 31,206 |
| \$15,000 under \$30,000     | 127,879                          | 964,507   | 7,542                   | 552,430                    | 1,180,493 | 2,137                   | 40,088                            | 7,100  |
| \$30,000 under \$50,000     | 224,733                          | 1,972,553 | 8,777                   | 429,948                    | 1,984,879 | 4,617                   | —                                 | —      |
| \$50,000 or more            | 207,088                          | 3,051,060 | 14,733                  | 268,599                    | 4,734,712 | 17,627                  | —                                 | —      |
| West Virginia               |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 112,784                          | 1,095,659 | 9,715                   | 543,065                    | 1,892,380 | 3,485                   | 88,501                            | 46,610 |
| Under \$10,000 <sup>2</sup> | 3,146                            | 24,937    | 7,927                   | 106,179                    | 35,040    | 330                     | 41,023                            | 26,348 |
| \$10,000 under \$15,000     | 3,513                            | 28,469    | 8,104                   | 83,654                     | 67,480    | 807                     | 28,395                            | 16,818 |
| \$15,000 under \$30,000     | 21,047                           | 146,196   | 6,946                   | 174,690                    | 343,947   | 1,969                   | 19,083                            | 3,444  |
| \$30,000 under \$50,000     | 45,423                           | 354,557   | 7,806                   | 123,983                    | 556,688   | 4,490                   | —                                 | —      |
| \$50,000 or more            | 39,655                           | 541,500   | 13,655                  | 54,559                     | 889,225   | 16,298                  | —                                 | —      |
| Wisconsin                   |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 690,165                          | 7,135,563 | 10,339                  | 1,855,499                  | 7,378,982 | 3,977                   | 144,322                           | 72,626 |
| Under \$10,000 <sup>2</sup> | 23,609                           | 179,525   | 7,604                   | 400,925                    | 123,306   | 308                     | 61,219                            | 39,067 |
| \$10,000 under \$15,000     | 24,269                           | 246,536   | 10,158                  | 241,493                    | 222,647   | 922                     | 47,389                            | 27,317 |
| \$15,000 under \$30,000     | 136,752                          | 950,223   | 6,949                   | 540,302                    | 1,142,565 | 2,115                   | 35,714                            | 6,242  |
| \$30,000 under \$50,000     | 287,583                          | 2,390,661 | 8,313                   | 438,541                    | 1,901,810 | 4,337                   | —                                 | —      |
| \$50,000 or more            | 217,952                          | 3,368,618 | 15,456                  | 234,238                    | 3,988,654 | 17,028                  | —                                 | —      |
| Wyoming                     |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 47,687                           | 449,606   | 9,428                   | 162,950                    | 679,182   | 4,168                   | 19,658                            | 10,191 |
| Under \$10,000 <sup>2</sup> | 2,487                            | 25,731    | 10,346                  | 33,027                     | 11,650    | 353                     | 8,558                             | 5,561  |
| \$10,000 under \$15,000     | 1,953                            | 14,400    | 7,373                   | 20,530                     | 18,282    | 891                     | 6,536                             | 3,813  |
| \$15,000 under \$30,000     | 10,191                           | 72,706    | 7,134                   | 48,508                     | 98,690    | 2,035                   | 4,564                             | 817    |
| \$30,000 under \$50,000     | 18,805                           | 150,237   | 7,989                   | 40,100                     | 182,922   | 4,562                   | —                                 | —      |
| \$50,000 or more            | 14,251                           | 186,532   | 13,089                  | 20,785                     | 367,638   | 17,688                  | —                                 | —      |
| Other areas <sup>6</sup>    |                                  |           |                         |                            |           |                         |                                   |        |
| Total                       | 142,878                          | 1,432,067 | 10,023                  | 342,413                    | 1,592,029 | 4,649                   | 2,046                             | 1,079  |
| Under \$10,000 <sup>2</sup> | 45,822                           | 127,289   | 2,778                   | 153,263                    | 141,931   | 926                     | 890                               | 569    |
| \$10,000 under \$15,000     | 12,839                           | 68,507    | 5,336                   | 39,407                     | 40,685    | 1,032                   | 753                               | 434    |
| \$15,000 under \$30,000     | 25,095                           | 165,725   | 6,604                   | 63,426                     | 126,694   | 1,998                   | 403                               | 76     |
| \$30,000 under \$50,000     | 20,771                           | 194,666   | 9,372                   | 36,583                     | 163,753   | 4,476                   | —                                 | —      |
| \$50,000 or more            | 38,351                           | 875,880   | 22,839                  | 49,734                     | 1,118,966 | 22,499                  | —                                 | —      |

<sup>1</sup> Includes data for taxpayers who checked the age and blindness box. See Data Sources and Limitations for additional information.

<sup>2</sup> Includes returns with adjusted gross deficit.

<sup>3</sup> See Data Sources and Limitations for additional information.

<sup>4</sup> Before earned income credit. See Data Sources and Limitations for additional information.

<sup>5</sup> Includes both the refundable and nonrefundable portions. See Data Sources and Limitations for additional information.

<sup>6</sup> Includes returns filed from Army Post Office and Fleet Post Office addresses by service men and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

# Environmental Excise Taxes, 1988

By Susan J. Mahler \*

Environmental excise tax liabilities of \$841.9 million before adjustments were reported by 642 businesses during 1988, the second year of the Superfund Amendments and Reauthorization Act of 1986, or SARA. After statutory adjustments and credits, the tax was \$827.3 million. This represents an increase of \$67.2 million (9 percent) over the previous year. This brought the total environmental excise tax reported since SARA's inception through 1988, to almost \$1.6 billion. From the beginning of the "Superfund" in April 1981 through the end of 1988, a total of \$2.8 billion in environmental excise taxes was reported to the Internal Revenue Service.

Under SARA, Congress planned to amass \$8.5 billion for the Superfund during the 5-year period beginning January 1, 1987.

Approximately \$6.7 billion was to be raised through taxes, including \$4.1 billion from the environmental excise taxes on petroleum, petrochemicals, and inorganic chemicals [1]. To meet this goal, \$2.5 billion must be accumulated in the Fund over the remaining 3-year period, 1989-1991. For the first 2 years under SARA, 39 percent of the planned \$4.1 billion was reported.

## BACKGROUND

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) was originally enacted in December 1980. It established the Hazardous Substance Trust Fund, or Superfund, to fund the cleaning up of chemical spills and abandoned hazardous waste disposal sites. Congress intended to accumulate \$1.4 billion through the imposition of environmental excise taxes on crude oil used in or exported from the United States, imported crude oil and petroleum products, petrochemicals and inorganic chemicals [2]. Monies in the Superfund were available for expenditures incurred under CERCLA, which included but were not limited to the following: 1) costs of responding to the presence of hazardous substances, including clean-up and removal of such substances; 2) payment of claims for injury to, or

destruction or loss of, natural resources belonging to or controlled by the Federal or State Governments; and 3) certain costs related to response efforts.

Upon CERCLA's expiration on September 30, 1985, \$1.2 billion of the intended \$1.4 billion in environmental excise taxes had been reported for the period from April 1981 through September 1985 [3]. It became clear to Congress that the tax liabilities reported under CERCLA were insufficient to meet program needs. In response, Congress extended and amended CERCLA by enacting the Superfund Amendments and Reauthorization Act of 1986 (SARA) and reestablished the Superfund, effective January 1, 1987, through December 31, 1991 [4].

## TAXES REPORTED FOR 1988

For 1988, the percentage of environmental tax attributable to the various substances remained basically the same as it was for 1987. Petroleum (both imported and domestic) accounted for two-thirds of total environmental excise taxes, while petrochemicals accounted for 29 percent. Inorganic chemicals accounted for the remaining 6 percent (Figure A).

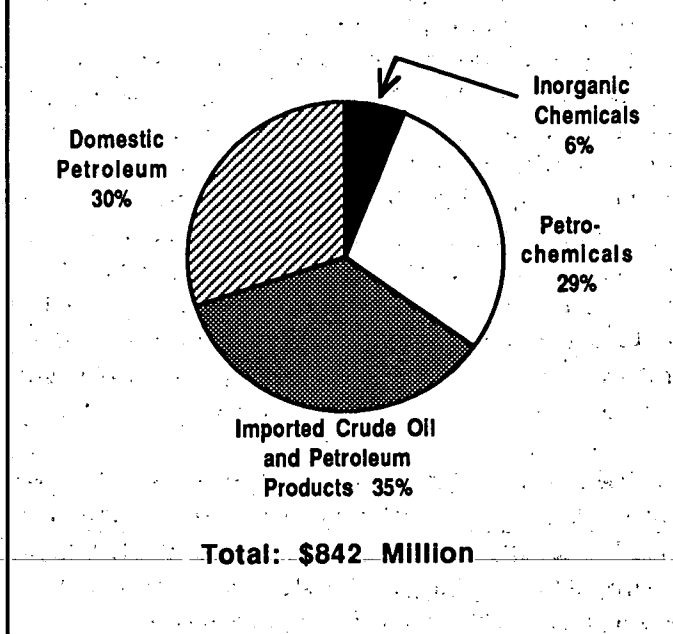
Average taxes on domestic petroleum, imported crude oil and petroleum products, and petrochemicals were nearly equal for 1988. Fifty-seven percent of the businesses reporting environmental excise taxes, reported liabilities on petroleum. The average tax under SARA for 1988 was \$1.3 million per taxpayer (Figure B).

Total environmental excise taxes generated for 1988 for the Superfund amounted to \$841.9 million. The amount of total environmental excise taxes distributed by the types of substances that were taxed and by the quarter in which the tax was incurred is shown in Figure C. The substance with the highest tax reported was imported crude oil and petroleum products, which amounted to \$297.5 million for 1988, followed by domestic petroleum tax, which amounted to \$250.1 million.



## Environmental Taxes, 1988

**Figure A**  
Sources of Environmental Excise Taxes,  
Quarters Ending March 31, 1988 -  
December 31, 1988



The top five companies in 1988, each reporting more than \$35 million in environmental excise tax, reported more than \$248 million in tax before adjustments. This was almost 30 percent of the total environmental excise tax for 1988. The top 14 companies, those that reported over \$14 million in environmental excise tax, were responsible for more than half the total environmental excise tax.

**PETROLEUM**

SARA imposed an excise tax of \$.082 per barrel on crude oil received at U.S. refineries or exported from the United States. Petroleum products imported into the United States for consumption or warehousing were taxed at a rate of \$.117 per barrel (Table 1). For 1988, approximately 57 percent of the total businesses with environmental excise taxes reported a tax on petroleum (imported, domestic, or both). The 369 companies with a petroleum tax reported a total environmental excise tax of \$547.6 million, compared to the 382 for 1987 that reported a total environmental excise tax of \$527.4 million (Table 2). Thus, for 1988, the number of companies reporting petroleum tax liabilities fell by 3.4 percent while the amount of environmental excise tax due to petroleum increased by 3.8 percent.

**Figure B.—Number of Businesses and Environmental Excise Taxes, Before Adjustments and Credits, Quarters Ended March 1988 through December 1988**

[Money amounts are in thousands of dollars]

| Type of substance                              | Number of businesses reporting environmental excise taxes | Tax before adjustments |                |
|--|---|------------------------|----------------|
|  |   | Total tax <sup>2</sup> | Average tax    |
|  | (1)   | (2)                    | (3)            |
| <b>Total environmental taxes.....</b>          | <b>642</b>  | <b>\$841,946</b>       | <b>\$1,311</b> |
| Taxes on:                                      |   |                        |                |
| Total petroleum.....                           | 369   | 547,644                | 1,484          |
| Domestic petroleum.....                        | 150   | 250,122                | 1,667          |
| Imported crude oil and petroleum products..... | 219   | 297,522                | 1,359          |
| Petrochemicals.....                            | 145   | 241,294                | 1,664          |
| Inorganic chemicals.....                       | 287   | 53,009                 | 185            |

<sup>1</sup> Number of businesses do not add to total because businesses could report a tax on more than one type of substance.

<sup>2</sup> Detail may not add to total due to rounding.

**Figure C.—Environmental Excise Taxes Before Adjustments by Quarter, Quarters ended March 1988 through December 1988**

[Money amounts are in millions of dollars]

| Quarter ended            | Total          | Domestic petroleum | Imported crude oil and petroleum products | Petrochemicals | Inorganic chemicals |
|--------------------------|----------------|--------------------|---|----------------|---------------------|
|                          | (1)            | (2)                | (3)                                       | (4)            | (5)                 |
| <b>All quarters.....</b> | <b>\$841.9</b> | <b>\$250.1</b>     | <b>\$297.5</b>                            | <b>\$241.3</b> | <b>\$53.0</b>       |
| March.....               | 209.2          | 65.4               | 70.5                                      | 60.4           | 12.9                |
| June.....                | 209.6          | 62.1               | 75.4                                      | 58.8           | 13.2                |
| September.....           | 215.0          | 64.8               | 76.9                                      | 60.0           | 13.3                |
| December.....            | 208.2          | 57.8               | 74.7                                      | 62.1           | 13.6                |

NOTE: Detail may not add to the total due to rounding.

## PETROCHEMICALS

For 1988, taxed petrochemicals were reported by nearly one-fourth of the companies reporting an environmental excise tax and accounted for 29 percent of the total tax reported. These percentages are not much different from those of 1987, when petrochemicals were reported by one-fourth of the companies and accounted for 28 percent of the tax. For nine of the 11 petrochemicals taxed, the tax rate was \$4.87 per ton. Xylene was taxed at a rate of \$10.13 per ton, and methane at a rate of \$3.44 per ton.

Of the 11 petrochemicals, ethylene once again dominated the statistics. Ethylene is a major byproduct of petroleum refining and natural gas extraction and is used in plastics, fibers, and rubber products. Thirty companies reported a tax on ethylene, totaling over \$93 million. Toluene was the most frequently reported petrochemical. While 55 companies reported taxes for toluene, they accounted for only \$10 million in tax. At the other end, naphthalene was the least frequently reported petrochemical. Only five companies reported a tax on naphthalene which totaled \$133 thousand.

## INORGANIC CHEMICALS

Taxes reported for the 31 inorganic chemicals that are subject to tax under SARA amounted to \$53 million. Inorganic chemicals are those chemicals that do not have a carbon base. The tax rates on these chemicals vary from \$0.22 to \$4.45 per ton, depending on the chemical. Although more than 45 percent (or 287) of the businesses with an environmental tax reported a tax on inorganic chemicals, the total amount of tax incurred was a relatively small fraction of total environmental excise taxes for both 1987 and 1988. The average tax for 1988 was \$185,000 per business.

The largest amounts of tax were reported for chlorine (\$30.9 million) and ammonia (\$10.4 million). These inorganic chemicals are widely used in synthetic fibers, plastics, and explosives. The largest average tax per filer was \$702,000 for chlorine. Phosphorous was next with a \$181,000 average. Ammonia was the most frequently reported inorganic chemical for 1988, with 74 businesses reporting. In contrast, for 1987, sulfuric acid was the most frequently reported inorganic chemical, with 77 businesses accounting for \$1.5 million, or 3 percent of the tax reported that year for all inorganic chemicals. Ammonia ranked second, with 73 businesses accounting for \$9.5 million.

## ADJUSTMENTS

A business could adjust, i.e., reduce, its total tax by the amount computed on a chemical that was previously taxed and later used to manufacture or produce another substance subject to the environmental excise tax. The taxpayer could reduce current tax by: (1) claiming a credit for taxes previously paid, or (2) paying the total but filing a claim for a refund of those taxes, or (3) applying the previously paid amount toward the next quarter's tax if no tax was due currently. A credit or refund was also allowed to the user for a tax previously paid on a chemical such as nitric acid, sulfuric acid, or ammonia, which was used to produce fertilizer; methane used to produce ammonia; or a chemical used to produce animal feed. Each of these was considered to be a nontaxable use. Credits or refunds could also be claimed for taxes paid on crude oil removed from a pipeline and later returned to the same pipeline.

Total adjustments reported for 1988 were \$14.7 million and tax liability after adjustments was \$827.3 million. For 1987, total adjustments had amounted to \$40.8 million. The larger amount of adjustment in 1987 can be attributed in part to credits claimed by taxpayers for taxes previously paid on xylene. SARA retroactively repealed the tax on xylene for the quarters ending before October 1, 1985.

## SUMMARY

Through the calendar year which ended December 1988, \$841.9 million in tax liability was reported for environmental excise taxes by 642 businesses. Sixty-five percent of the tax reported was from petroleum. The top five companies in 1988 accounted for nearly 30 percent of the total tax.

Since the inception of SARA, a total of \$1.6 billion in environmental excise taxes has been reported to the Internal Revenue Service. In order to reach Congress' goal of \$4.1 billion, \$2.5 billion dollars remains to be accumulated in the Fund over the next 3 years.

## DATA SOURCES AND LIMITATIONS

The Quarterly Excise Tax Return, Form 720, is the form on which environmental excise taxes are reported. Form 6627, Environmental Taxes, is the supporting schedule on which the tax liability for petroleum and chemicals is computed. These unaudited returns are the source of data used for the statistics in this study.

For tax years beginning after 1986 and before 1992, in addition to the excise taxes previously discussed, a cor-

poration is liable for an income tax surcharge equal to 0.12 percent of the excess over \$2 million dollars of modified alternative minimum taxable income for the year. This tax is reported on the corporation income tax return in the Form 1120 series, and is not included in these statistics.

Excise tax returns are due to be filed with the Internal Revenue Service (IRS) within 1 month after the end of the quarter in which the business is liable for environmental tax. Data in this article reflect information reported on unaudited returns filed for tax quarters ending March 31, 1988, through December 31, 1988.

IRS also releases environmental tax statistics in a report on excise taxes [5]. These figures are taken from the Form 720, rather than the Form 6627 and show tax liability, after adjustments, for returns recorded in the computerized IRS Business Master File (BMF) as part of routine processing for tax administration. The data, however, are not classified by type of chemical.

Because returns are due 1 month after the end of the calendar quarter in which the tax liability was incurred, the tax for a given quarter reflected in the statistics from Form 720 is the amount reported on returns processed that quarter, regardless of when the liability was incurred. Conversely, for this article, taxes for a given quarter represent the amounts reported on the return for the quarter the liability was incurred, regardless of when the return was processed. These statistics also include amounts paid with returns filed after the original due date because of routine filing extensions and other reasons. For this study, the tax for these returns was included in the quarter in which the tax liability was incurred. In summary, the data from Form 720 cover whatever tax was recorded during a quarter, regardless of when it was incurred. Consequently, the two data series are not directly comparable.

Since no statistical sampling was involved, the data presented here are not subject to sampling error but may be subject to nonsampling error. For example, although efforts were made to secure all returns, because of time and resource constraints, information from returns for prior quarters for the same businesses were used as the basis for estimating data for returns unavailable for this study.

## NOTES AND REFERENCES

- [1] Approximately \$2.5 billion dollars was to be raised by a corporate environmental income tax and \$0.1 billion dollars from a tax on imported chemical substances.
- [2] U.S. Senate, Report of the Committee on Finance on 5.51, Report 99-73, May 23, 1985.
- [3] For prior years, see Barnhardt, Janet, "Superfund for Environmental Taxes," *Statistics of Income Bulletin*, Fall 1982, Volume 2, Number 2; Beal, Rashida, "Superfund for Environmental Taxes, 1981 and 1982," *Statistics of Income Bulletin*, Fall 1983, Volume 3, Number 2; "Environmental Taxes 1981-83," *Statistics of Income Bulletin*, Spring 1985, Volume 4, Number 4; "Environmental Taxes, 1981-84," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4; "Superfund for Environmental Taxes, 1981-1985," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4; Kozielec, John, "Superfund for Environmental Taxes, 1987," *Statistics of Income Bulletin*, Fall 1989, Volume 9, Number 2.
- [4] The Omnibus Budget Reconciliation Act of 1990 extended the Superfund taxes and trust fund through December 31, 1995.
- [5] U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Report of Excise Taxes*, issued quarterly.

# Environmental Taxes, 1988

**Table 1.—Environmental Excise Taxes, by Type of Substance, Aggregate for the Quarters Ended March 1988 to December 1988**

[Money amounts are in thousands of dollars]

| Type of substance                              | Number of businesses reporting environmental excise taxes <sup>1</sup> | Number of barrels or tons (thousands) | Tax rate per barrel or ton (dollars) | Average tax per business (dollars) |
|--|--|---------------------------------------|--------------------------------------|------------------------------------|
|  | (1)  | (2)                                   | (3)                                  | (4)                                |
| <b>Total petroleum.....</b>                    | <b>369</b>   | <b>5,593,189</b>                      | <b>N/A</b>                           | <b>\$1,484,129</b>                 |
| Domestic Petroleum.....                        | 150  | 3,050,264                             | .082                                 | 1,667,478                          |
| Imported crude oil and petroleum products..... | 219  | 2,542,924                             | .117                                 | 1,358,548                          |
| <b>Petrochemicals, total.....</b>              | <b>145</b>   | <b>46,419</b>                         | <b>N/A</b>                           | <b>1,664,096</b>                   |
| Acetylene.....                                 | 26   | 154                                   | 4.87                                 | 28,935                             |
| Benzene.....                                   | 40   | 6,781                                 | 4.87                                 | 825,564                            |
| Butane.....                                    | 15   | 421                                   | 4.87                                 | 136,555                            |
| Butylene.....                                  | 9  | 672                                   | 4.87                                 | 363,521                            |
| Butadiene*.....                                | 26   | 1,922                                 | 4.87                                 | 360,052                            |
| Ethylene.....                                  | 30   | 19,211                                | 4.87                                 | 3,118,539                          |
| Methane.....                                   | 26   | 2,336                                 | 3.44                                 | 309,053                            |
| Naphthalene.....                               | 5  | 27                                    | 4.87                                 | 26,563                             |
| Propylene.....                                 | 47   | 9,239                                 | 4.87                                 | 957,295                            |
| Toluene.....                                   | 55   | 2,125                                 | 4.87                                 | 188,139                            |
| Xylene.....                                    | 45   | 3,531                                 | 10.13                                | 794,951                            |
| <b>Inorganic chemicals, total.....</b>         | <b>287</b>   | <b>35,150</b>                         | <b>N/A</b>                           | <b>184,699</b>                     |
| Ammonia.....                                   | 74   | 3,953                                 | 2.64                                 | 141,028                            |
| Antimony.....                                  | 11   | 9                                     | 4.45                                 | 3,753                              |
| Antimony trioxide.....                         | 17   | 24                                    | 3.75                                 | 5,336                              |
| Arsenic.....                                   | 4  | 1                                     | 4.45                                 | 163                                |
| Arsenic trioxide.....                          | 8  | 27                                    | 3.41                                 | 11,616                             |
| Barium sulfide.....                            | (*)  | (*)                                   | 2.30                                 | (*)                                |
| Bromine.....                                   | 8  | 215                                   | 4.45                                 | 119,758                            |
| Cadmium.....                                   | 13   | 2                                     | 4.45                                 | 654                                |
| Chlorine.....                                  | 44   | 11,434                                | 2.70                                 | 701,640                            |
| Chromium.....                                  | 6  | 7                                     | 4.45                                 | 5,536                              |
| Chromite.....                                  | 7  | 259                                   | 1.52                                 | 56,192                             |
| Potassium dichromate.....                      | 5  | 1                                     | 1.69                                 | 90                                 |
| Sodium dichromate.....                         | 8  | 7                                     | 1.87                                 | 1,736                              |
| Cobalt.....                                    | 9  | 5                                     | 4.45                                 | 2,603                              |
| Cupric sulfate.....                            | 16   | 31                                    | 1.87                                 | 3,674                              |
| Cupric oxide.....                              | 9  | 12                                    | 3.59                                 | 4,843                              |
| Cuprous oxide.....                             | 6  | 5                                     | 3.97                                 | 3,572                              |
| Hydrochloric acid.....                         | 44   | 1,029                                 | 0.29                                 | 6,784                              |
| Hydrogen fluoride.....                         | 11   | 346                                   | 4.23                                 | 132,957                            |
| Lead oxide.....                                | 28   | 414                                   | 4.14                                 | 61,241                             |
| Mercury.....                                   | 5  | 1                                     | 4.45                                 | 88                                 |
| Nickel.....                                    | 11   | 79                                    | 4.45                                 | 31,939                             |
| Phosphorus.....                                | 8  | 326                                   | 4.45                                 | 181,201                            |
| Stannous chloride.....                         | (*)  | (*)                                   | 2.85                                 | (*)                                |
| Stannic chloride.....                          | 5  | 12                                    | 2.12                                 | 4,983                              |
| Zinc chloride.....                             | 13   | 13                                    | 2.22                                 | 2,281                              |
| Zinc sulfate.....                              | 19   | 26                                    | 1.90                                 | 2,640                              |
| Potassium hydroxide.....                       | 22   | 338                                   | 0.22                                 | 3,384                              |
| Sodium hydroxide.....                          | 63   | 9,295                                 | 0.28                                 | 41,311                             |
| Sulfuric acid.....                             | 65   | 5,500                                 | 0.26                                 | 22,000                             |
| Nitric acid.....                               | 24   | 1,779                                 | 0.24                                 | 17,791                             |

\*This figure is not shown to avoid disclosure of information for specific businesses. However, the data are included in the appropriate totals.

N/A - Not applicable.

<sup>1</sup> Number of businesses do not add to total because businesses could report a tax on more than one type of substance.

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

## Environmental Taxes, 1988

Table 2.—Environmental Excise Taxes Before Adjustments, by Type of Substance, Quarters Ended March 1988 to December 1988

[Money amounts are in thousands of dollars]

| Type of substance                              | Quarter ended    |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
|  | Total            | March 1988       | June 1988        | September 1988   | December 1988    |
|  | (1)              | (2)              | (3)              | (4)              | (5)              |
| <b>Total</b> .....                             | <b>\$841,946</b> | <b>\$209,179</b> | <b>\$209,556</b> | <b>\$214,979</b> | <b>\$208,232</b> |
| <b>Petroleum, total</b> .....                  | <b>547,644</b>   | <b>135,933</b>   | <b>137,500</b>   | <b>141,687</b>   | <b>132,522</b>   |
| Domestic petroleum.....                        | 250,122          | 65,426           | 62,087           | 64,825           | 57,783           |
| Imported crude oil and petroleum products..... | 297,522          | 70,507           | 75,413           | 76,862           | 74,739           |
| <b>Petrochemicals, total</b> .....             | <b>241,294</b>   | <b>60,364</b>    | <b>58,807</b>    | <b>59,976</b>    | <b>62,147</b>    |
| Acetylene.....                                 | 752              | 188              | 185              | 180              | 199              |
| Benzene.....                                   | 33,023           | 8,427            | 7,679            | 8,023            | 8,894            |
| Butane.....                                    | 2,048            | 437              | 606              | 525              | 480              |
| Butylene.....                                  | 3,272            | 921              | 787              | 755              | 809              |
| Butadiene.....                                 | 9,361            | 2,107            | 2,725            | 2,227            | 2,303            |
| Ethylene.....                                  | 93,556           | 23,719           | 22,670           | 23,312           | 23,854           |
| Methane.....                                   | 8,035            | 1,866            | 1,887            | 1,971            | 2,311            |
| Naphthalene.....                               | 133              | 20               | 26               | 64               | 22               |
| Propylene.....                                 | 44,993           | 11,415           | 10,691           | 11,272           | 11,615           |
| Toluene.....                                   | 10,348           | 2,800            | 2,672            | 2,320            | 2,555            |
| Xylene.....                                    | 35,773           | 8,462            | 8,880            | 9,326            | 9,105            |
| <b>Inorganic chemicals, total</b> .....        | <b>53,009</b>    | <b>12,883</b>    | <b>13,248</b>    | <b>13,315</b>    | <b>13,562</b>    |
| Ammonia.....                                   | 10,436           | 2,367            | 2,586            | 2,613            | 2,868            |
| Antimony.....                                  | 41               | 13               | 10               | 8                | 10               |
| Antimony trioxide.....                         | 91               | 25               | 24               | 22               | 19               |
| Arsenic.....                                   | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Arsenic trioxide.....                          | 93               | 21               | 26               | 27               | 19               |
| Barium sulfide.....                            | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Bromine.....                                   | 958              | 335              | 231              | 230              | 163              |
| Cadmium.....                                   | 8                | 3                | 1                | 1                | 3                |
| Chlorine.....                                  | 30,872           | 7,487            | 7,653            | 7,808            | 7,925            |
| Chromium.....                                  | 33               | 11               | 8                | 7                | 7                |
| Chromite.....                                  | 393              | 112              | 99               | 70               | 113              |
| Potassium dichromate.....                      | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Sodium dichromate.....                         | 14               | 1                | 1                | 3                | 8                |
| Cobalt.....                                    | 23               | 6                | 5                | 5                | 8                |
| Cupric sulphate.....                           | 59               | 15               | 17               | 15               | 11               |
| Cupric oxide.....                              | 44               | 12               | 10               | 10               | 11               |
| Cuprous oxide.....                             | 21               | 6                | 7                | 5                | 4                |
| Hydrochloric acid.....                         | 299              | 61               | 115              | 58               | 64               |
| Hydrogen fluoride.....                         | 1,463            | 358              | 368              | 395              | 341              |
| Lead oxide.....                                | 1,715            | 375              | 417              | 389              | 534              |
| Mercury.....                                   | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Nickel.....                                    | 351              | 114              | 102              | 95               | 40               |
| Phosphorus.....                                | 1,450            | 385              | 386              | 364              | 315              |
| Stannous chloride.....                         | 1                | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Stannic chloride.....                          | 25               | 6                | 6                | 7                | 6                |
| Zinc chloride.....                             | 30               | 10               | 9                | 8                | 3                |
| Zinc sulfate.....                              | 50               | 15               | 12               | 12               | 12               |
| Potassium hydroxide.....                       | 74               | 18               | 20               | 19               | 18               |
| Sodium hydroxide.....                          | 2,603            | 656              | 631              | 654              | 661              |
| Sulfuric acid.....                             | 1,430            | 365              | 396              | 379              | 290              |
| Nitric acid.....                               | 427              | 106              | 104              | 110              | 106              |

<sup>1</sup> Less than \$500, however, the data are included in the totals.

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

# Corporate Foreign Tax Credit, 1986: An Industry Focus

By Lissa Redmiles\*

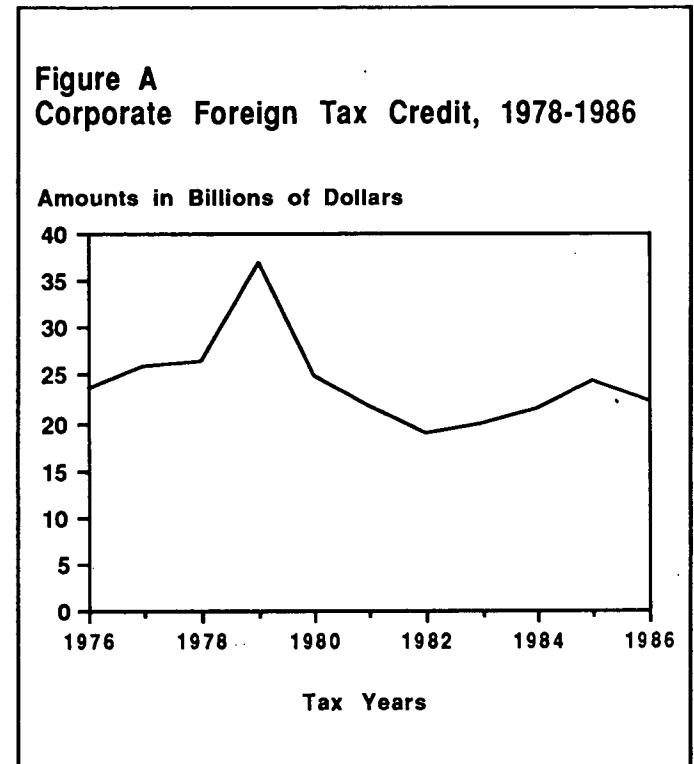
For 1986, U.S. corporations paid approximately \$23.1 billion in taxes to foreign governments on over \$65.8 billion of foreign-source taxable (net) income. Although only 4,506 corporations, 0.1 percent of the total number of corporations that filed U.S. income tax returns, claimed a foreign tax credit, the amount they claimed for 1986 reduced the total U.S. corporation income tax liability by \$22.3 billion, or by 23.2 percent [1]. The petroleum industry, with a total foreign tax credit exceeding \$7 billion, accounted for 31.8 percent of the total credit.

Even though the total credit was 8.2 percent lower than the total foreign tax credit claimed for 1985, it was larger than the total foreign tax credit of any other year since 1980 (Figure A). A major factor behind the small increase in the foreign tax credit claimed between 1984 and 1986 was the relatively slow growth in foreign-source taxable income. Although corporate profits, as measured by total worldwide taxable income, increased 7 percent between 1984 and 1986, almost 90 percent of this increase resulted from the \$16.1 billion growth of domestic-source taxable income [2, 3].

## BACKGROUND

Congress established the foreign tax credit in 1918 to encourage foreign trade and investment by eliminating double taxation on foreign-source income [4]. Previously, they could only use these taxes as deductions to lower their U.S. taxable income. The law originally allowed U.S. corporations to reduce their U.S. tax liability by all of the income taxes they paid to other nations. The Revenue Act of 1921 restricted the amount that could be claimed as a credit against the U.S. tax liability to an amount equivalent to the U.S. tax on foreign-source taxable income. This was determined by taking the percentage of foreign-source taxable income to worldwide taxable income and applying it to the overall U.S. tax liability, before credits.

This limitation attempted to prohibit corporations from using their foreign taxes, which often reflected higher tax rates than those imposed by the United States, to offset



their domestic tax liability. Nevertheless, corporations were still able to maximize their foreign tax credit by combining income from overseas investments, such as most interest-bearing investments, which, if taxed at all, were taxed at a low rate, with foreign-source income taxed at rates higher than the domestic rate, to increase the ratio used to compute the credit limit. To reduce such averaging across countries, from 1932 through 1961 taxpayers had to calculate their limitation on a per country basis. From 1961 to the repeal of the per country limitation in 1976, they could elect to use the overall limitation. However, the Revenue Act of 1962 required corporations to compute their foreign tax credit limitation separately for certain investment interest income. Although there have been other modifications to the foreign tax credit provisions, the guiding principle remains that of eliminating double taxation without reducing the total U.S. tax liability below the U.S. tax rate.

## Corporate Foreign Tax Credit, 1986

For 1986, U.S. corporations had to calculate separate foreign tax credit limitations for (1) certain investment income, (2) dividends received from an Interest Charge Domestic International Sales Corporation (IC-DISC) or former DISC (see Definitions section), (3) foreign trade income of a Foreign Sales Corporation (FSC) (see Definitions section), (4) distributions from a FSC or former FSC, and (5) all other income from sources outside the United States. The sum of the foreign tax credits for each income type comprised the total foreign tax credit that could be claimed. If the actual taxes paid, accrued, or deemed paid exceeded the limitation, the excess could be carried back 2 years and then carried forward for 5 years. Participation in, or cooperation with, an international boycott reduced the total foreign tax credit claimed for 1986 by \$727,000.

## WORLDWIDE TAXABLE INCOME

The domestic economic recovery that started in 1983 continued through 1986, albeit at a slower pace. Worldwide taxable income for all U.S. industries increased 7 percent between 1984 and 1986, compared to 26.5 percent between 1982 and 1984. At \$277.8 billion for 1986, worldwide taxable income was higher (in current dollars) than it had ever been during the 1980's but not quite as high as 1979 when it peaked at \$280.2 billion.

Increases in domestic profits (as measured by domestic-source taxable income), particularly in the banking and insurance industries, fueled most of the growth between 1984 and 1986. (For a comparison between foreign-source and domestic-source taxable income for 1984 and 1986, see Figure B.)

Domestic-source taxable income for the banking industry recovered from a net loss of \$493 million for 1984 (caused primarily by declines in the agriculture, petroleum and commercial real estate industries and losses on loans to third world countries) to a net gain of over \$5 billion for 1986, as banks increased their loan-loss reserves, interest rates fell and consumer demand for loans grew [5]. In the insurance industry, 50 percent hikes in property and casualty insurance premiums ended the 6-year decline in profits caused by escalating liability claims [6]. This helped to explain the nearly 250 percent increase in domestic-source taxable income in this industry.

Foreign-source taxable income, during the same time, expanded by just 3.5 percent. Although it increased considerably (by over 76 percent) in the insurance industry, it fell by more than \$1 billion (17.5 percent) in the banking industry.

Nevertheless, on a percentage basis, some industries experienced much more growth between 1984 and 1986 in their foreign-source taxable income than in their domestic-source taxable income. For example, within the electrical and electronic equipment manufacturing industries, foreign-source taxable income climbed 118 percent, from \$2.5 to \$5.5 billion, even though the total domestic-source taxable income fell by more than one third, from nearly \$9 billion to \$5.7 billion. Another example was the non-electrical machinery manufacturers. Foreign-source taxable income for this group rose 39.8 percent, to \$9.6 billion, while domestic-source taxable income plummeted almost 85 percent, from \$6.5 billion to less than \$1.0 billion. There were similar patterns for the agriculture,

Figure B.—Domestic and Foreign Source Taxable Income, by Selected Industries, 1984 and 1986

(Money amounts are in millions of dollars)

| Industry   | Domestic-source taxable income |           |                     | Foreign-source taxable income |          |                     |
|--|--------------------------------|-----------|---------------------|-------------------------------|----------|---------------------|
|  | 1984                           | 1986      | Percentage increase | 1984                          | 1986     | Percentage increase |
|  | (1)                            | (2)       | (3)                 | (4)                           | (5)      | (6)                 |
| All industries .....                                     | \$195,883                      | \$211,989 | 8.2%                | \$63,588                      | \$65,809 | 3.5%                |
| Agriculture, forestry and fishing .....                  | 1,564                          | 1,794     | 14.7                | 50                            | 89       | 79.8                |
| Mining .....   | 2,349                          | 1,767     | -24.8               | 2,818                         | 1,475    | -47.7               |
| Construction .....                                       | 5,334                          | 7,375     | 38.3                | 295                           | 204      | -31.1               |
| Manufacturing .....                                      | 88,328                         | 69,454    | -21.4               | 45,583                        | 48,809   | 7.1                 |
| Food and kindred products .....                          | 7,718                          | 8,221     | 6.5                 | 1,784                         | 2,030    | 13.8                |
| Chemicals and allied products .....                      | 10,098                         | 12,895    | 27.7                | 6,294                         | 7,744    | 23.0                |
| Petroleum (including integrated) and coal products ..... | 9,147                          | 2,508     | -72.6               | 19,131                        | 16,000   | -16.4               |
| Machinery (except electrical) .....                      | 6,464                          | 985       | -84.8               | 6,867                         | 9,597    | 39.8                |
| Electrical and electronic equipment .....                | 8,969                          | 5,730     | -36.1               | 2,503                         | 5,459    | 118.1               |
| Motor vehicles .....                                     | 7,454                          | 3,015     | -59.6               | 2,503                         | 2,169    | -13.3               |
| Transportation and public utilities .....                | 33,004                         | 34,962    | 5.9                 | 1,308                         | 1,702    | 30.2                |
| Wholesale trade .....                                    | 17,071                         | 18,796    | 10.1                | 780                           | 900      | 15.4                |
| Retail trade .....                                       | 21,546                         | 23,299    | 8.1                 | 540                           | 957      | 77.0                |
| Finance, insurance and real estate .....                 | 13,704                         | 40,060    | 192.3               | 11,504                        | 10,620   | -7.7                |
| Banking .....  | -493                           | 5,206     | na                  | 9,831                         | 8,107    | -17.5               |
| Insurance .....  | 4,070                          | 14,115    | 246.8               | 913                           | 1,611    | 76.4                |
| Services .....   | 12,804                         | 14,284    | 11.6                | 711                           | 1,043    | 46.7                |

forestry, and fishing; retail trade; and service industries. But, because the combined foreign-source taxable income for these industries was only about 3 percent of the total, the effect of these changes on the aggregate statistics was minimal.

Despite the economic recovery that occurred after 1982, the foreign-source taxable income of the petroleum industry continued the rapid decline that began with the deterioration of the controlled prices of 1979 set by the Organization of Petroleum Exporting Countries (OPEC) (see Definitions section). As a result of severe drops in oil prices in 1986, it fell by \$3.1 billion (16.4 percent) from its 1984 level, while domestic-source taxable income dropped by \$6.6 billion (72.6 percent). Total foreign-source taxable oil and gas extraction income (see Definitions section) for all industries fell to \$12.0 billion for 1986, 31 percent below 1984. The remainder of foreign-source taxable income for all industries rose by 16.5 percent.

Foreign-source taxable income comprised nearly a quarter of the total worldwide taxable income reported by all U.S. corporations. For the mining division, it was over 45 percent. Income from abroad comprised as much as 41 percent of the worldwide taxable income for manufacturing, but only 21 percent of the worldwide taxable income of the finance, insurance and real estate industries. The remaining industries earned only a small proportion of their worldwide taxable income overseas.

## FOREIGN TAXES

Changes between 1984 and 1986 in foreign taxes (see Definitions section) and the foreign tax credit claimed by each industry generally reflected the changes in foreign-source taxable income. In the finance, insurance and real estate industries, foreign taxes were up 31 percent even though foreign-source taxable income went down by about 8 percent, because taxes withheld on interest are generally withheld on gross income, which increased 19.6 percent, rather than on net or taxable income.

In most industries, almost all of the total foreign taxes could be claimed as a foreign tax credit (Figure C). The foreign tax credit claimed exceeded the current-year foreign taxes for some industries because corporations were permitted to carry forward to 1986 the taxes they paid in excess of their limitations for prior years.

## EFFECTIVE FOREIGN TAX RATES

U.S. corporations had approximately the same average tax rate, about 35 percent, on both their total worldwide and foreign-source taxable income. (The

**Figure C.—Corporations Claiming a Foreign Tax Credit: Current-Year Foreign Taxes and Foreign Tax Credit by Industry Group, 1986**

[Money amounts are in millions of dollars]

| Industry group  | Current-year foreign taxes | Foreign tax credit |
|---|----------------------------|--------------------|
| All industries.....                                     | \$23,103                   | \$22,261           |
| Agriculture, forestry and fishing.....                  | 16                         | 13                 |
| Mining.....   | 832                        | 619                |
| Construction.....                                       | 76                         | 82                 |
| Manufacturing.....                                      | 18,803                     | 18,094             |
| Petroleum (including integrated and coal products)..... | 7,081                      | 7,071              |
| Transportation and public utilities.....                | 224                        | 232                |
| Wholesale trade.....                                    | 304                        | 290                |
| Retail trade.....                                       | 373                        | 352                |
| Finance, insurance and real estate.....                 | 2,180                      | 2,262              |
| Services.....   | 294                        | 317                |

average foreign tax rate is the ratio of current-year foreign taxes to foreign-source taxable income. The average U.S. tax is the ratio of U.S. income tax liability, after all credits except the foreign tax credit, to the U.S. income subject to tax). This U.S. rate was considerably less than the top corporate statutory rate of 46 percent for 1986.

The average U.S. and foreign tax rates for the agriculture, forestry and fishing; transportation and public utilities; and finance, insurance, and real estate industries were much lower than the averages for all industries while they were much higher for the mining and petroleum industries due to the high tax rates generally imposed on oil and gas extraction income (Figure D).

In many industries the foreign average rate was considerably lower than the U.S. rate. For example, in the finance, real estate, and insurance industries the U.S. rate

**Figure D.—Corporations Claiming a Foreign Tax Credit: Effective Tax Rates on Foreign-Source Taxable Income by Industry Group, 1986**

| Industry group  | Foreign effective tax rate <sup>1</sup> | Worldwide U.S. effective tax rate <sup>2</sup> |
|---|---|--|
| All industries.....                                     | 35.1%                                   | 34.6%  |
| Agriculture, forestry and fishing.....                  | 17.5                                    | 25.9   |
| Mining.....   | 56.4                                    | 40.5   |
| Construction.....                                       | 37.4                                    | 29.9   |
| Manufacturing.....                                      | 38.5                                    | 37.2   |
| Petroleum (including integrated) and coal products..... | 44.3                                    | 42.0   |
| Transportation and public utilities.....                | 13.1                                    | 30.6   |
| Wholesale trade.....                                    | 33.8                                    | 37.7   |
| Retail trade.....                                       | 39.0                                    | 34.5   |
| Finance, insurance and real estate.....                 | 20.5                                    | 33.4   |
| Services.....   | 28.2                                    | 27.3   |

<sup>1</sup> The effective foreign tax rate is the ratio of current-year foreign taxes to foreign-source taxable income.

<sup>2</sup> The effective worldwide U.S. tax rate is the ratio of U.S. income tax after all credits except the foreign tax credit to U.S. income subject to tax.



was 33.4 percent while the foreign rate, since many countries have low withholding rates on interest income, was only 20.5 percent. Transportation and public utilities had a U.S. tax rate of 30.6 but a foreign rate of only 13.1, possibly because some of the income earned by this industry is tax exempt in other countries.

### INDUSTRY COMPOSITION OF THE TOTAL FOREIGN TAX CREDIT

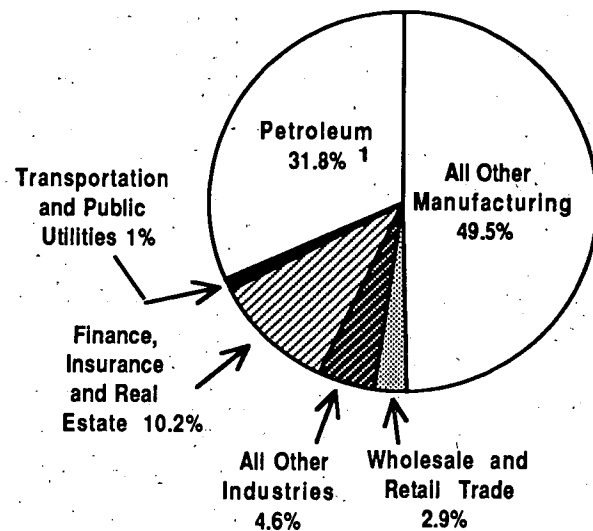
Since some industries earn more of their income abroad than others, the distribution by industry of the total foreign tax credit claimed for 1986, \$22.3 billion, does not resemble the industry distribution of the total U.S. income tax liability (Figure E). For instance, the manufacturing industries claimed 81.3 percent of the total foreign tax credit and 74.2 percent of the total foreign-source taxable income, but they accounted for less than 46 percent of the total U.S. income tax (and 32.8 percent of the total domestic-source taxable income). The industries which had a relatively high share of the total U.S. income tax, such as finance, real estate, and insurance; transportation and public utilities; and wholesale and retail trade, claimed only a small percentage of the total foreign tax credit.

The petroleum industry (a subset of the manufacturing category) was the most dominant. It accounted for less than 1 percent of the total returns claiming a foreign tax credit for 1986, yet these returns accounted for 31.8 percent of the total foreign tax credit and 24.3 percent of the total foreign-source taxable income. This industry was responsible for only 8.1 percent of the total U.S. income tax liability before all credits except the foreign tax credit, and constituted not quite 1.2 percent of the total domestic-source taxable income. The foreign tax credit reduced the total U.S. tax liability of petroleum companies by over \$7 billion, a 91 percent reduction, from \$7,778 million to \$707 million. The major factors which contributed to the size of the foreign tax credit in the petroleum industry were the relatively high foreign tax rates and the fact that income from foreign sources accounted for over 86 percent of the worldwide taxable income of petroleum companies.

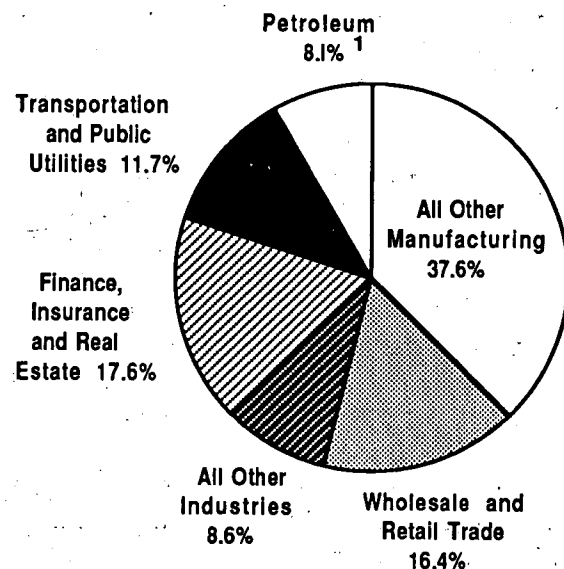
### GROSS INCOME AND TAXES BY INCOME TYPE

Total foreign-source gross income, excluding branch and specially allocable income, (see Definitions section) rose 9 percent from 1984 to 1986, to \$93.5 billion. (As taxpayers are only required to report net branch and specially allocable income, these will be discussed in a separate section.) Most of this increase occurred in dividends, dividend gross-up (see Definitions section),

Figure E  
Industry Composition of the Corporate Foreign Tax Credit, 1986



Total Foreign Tax Credit: \$22.3 Billion



Total U.S. Income Tax, before the Foreign Tax Credit: \$96.2 Billion<sup>2</sup>

<sup>1</sup>Petroleum includes integrated and coal products.

<sup>2</sup>Income tax after all credits except the foreign tax credit.

net capital gains, and rents, royalties and licensing fees.

Total gross income from dividends increased 23.8 percent, to \$25.8 billion, while income from dividend gross-up grew 21.0 percent, to \$14.6 billion. With the fall of the dollar against most major foreign currencies in 1985, foreign stocks became more profitable, contributing to a 400 percent leap in net capital gains income, from \$0.8 to \$3.9 billion [7]. Rents, royalties, and licensing fees expanded 21.2 percent to \$11.9 billion. In contrast, total gross interest income rose only from \$17.7 to \$18.6 billion, or 5.3 percent, while total gross income from the performance of services increased about 4 percent, to \$6.4 billion. All other gross income, which includes sales and partnership income, declined by 32.2 percent, to \$12.3 billion.

Overall, the composition of total gross income was slightly different between 1984 and 1986. Dividends and dividend gross-up (combined) still comprised the largest percentage of total gross income, 43.2 percent; but interest income, with 20 percent of the total, was second. Other income (13.1 percent) was third followed by rents, royalties, and licensing fees (12.7 percent); service income (6.8 percent), and net capital gains (4.2 percent).

The type of income reported demonstrates the ways in which U.S. corporations conduct their foreign business activities. If they establish unincorporated foreign branches to carry out their foreign operations, their income would be reported as branch taxable income but if they establish controlled foreign corporations (see Definitions section) their income would be reported as dividends and dividend gross-up. If, however, U.S. corporations choose to conduct their foreign business through direct transactions with related foreign corporations or unrelated entities, their income would appear as gross income, usually as interest; rents, royalties and licensing fees; service or other income.

The high percentage (59.4) of dividends and dividend gross-up to total foreign-source gross income for manufacturing corporations confirms that these corporations operate primarily through foreign subsidiaries. Corporations which produce non-electrical machinery also earn a significant proportion, 42 percent, of their income from rents, royalties and licensing fees, which suggests that these corporations may operate to a certain extent by leasing or licensing their machinery abroad to foreign subsidiaries and unrelated entities.

A large proportion of the gross income of the construction; transportation and public utilities; and agriculture,

forestry and fishing industries was from the performance of services while corporations engaged primarily in finance, insurance, or real estate activities, received most of their foreign gross income from interest. Mining, and wholesale and retail trade are the only industries which have a significant share of income reported as other income (Figure F).

The proportion of total foreign taxes paid or accrued on interest and on income from the performance of services is less than the corresponding proportion of foreign gross income, while the percentage of total taxes paid or accrued on other income exceeds the percentage of total gross income reported as other income (Figure G) [8].

One reason why interest income was 20 percent of the total foreign gross income but taxes on interest income were only 15 percent of the total taxes paid or accrued is the low foreign tax rates on interest income in certain countries as well as the numerous tax treaties between the United States and other countries which have established a zero tax rate on this particular income type.

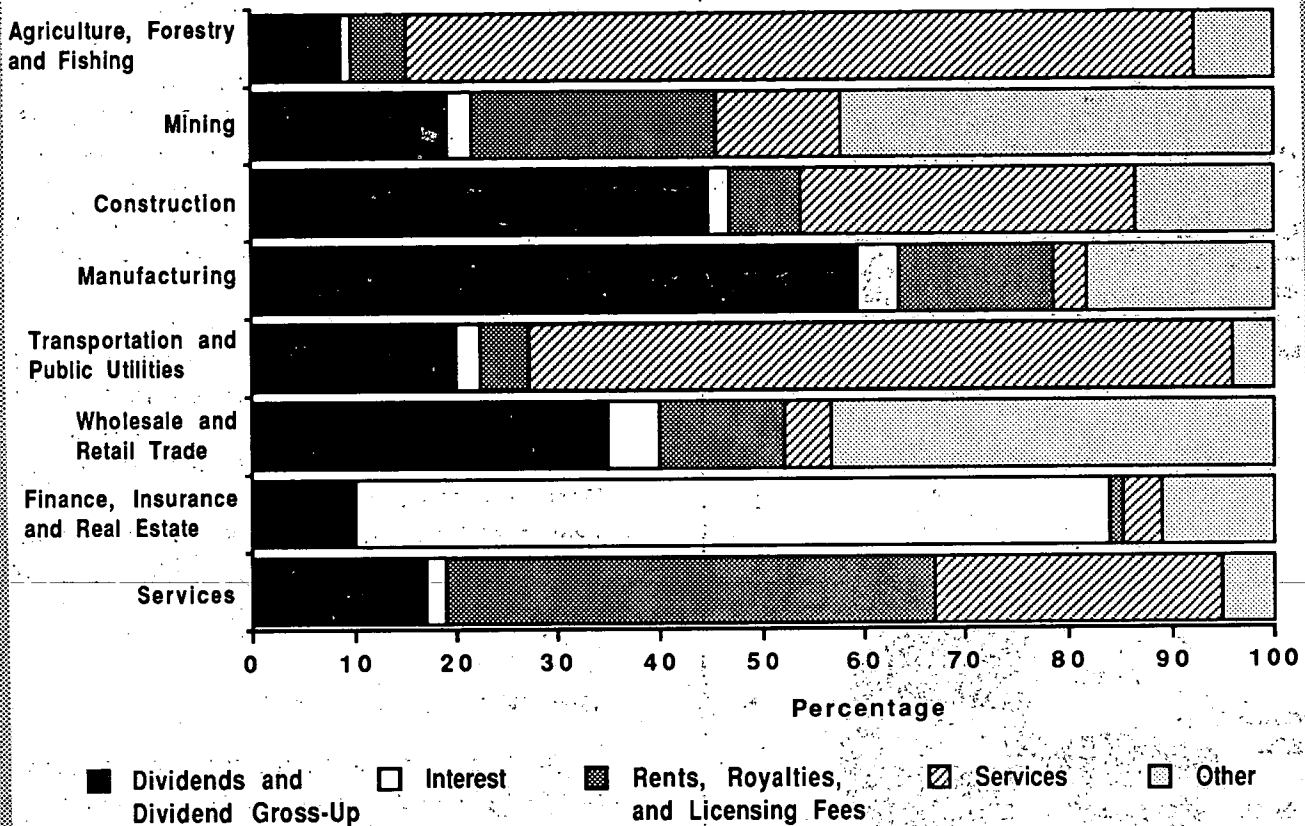
## **BRANCH AND SPECIALLY ALLOCABLE INCOME**

Income from foreign branches comprised 14.4 percent of total foreign taxable income for 1986, compared to nearly 23 percent for 1984. Between 1984 and 1986 branch income fell 34.7 percent, from \$14.5 billion to \$9.5 billion.

The banking and petroleum manufacturing industries were more likely than other industries to operate through foreign branches. The banking industry, which historically makes its foreign loans through branches rather than through subsidiaries, derived 48.2 percent of its total foreign taxable income from branch activities. The \$2.6 billion decrease in branch income for the petroleum industry accounted for half of the fall in total foreign branch income while the \$2.1 billion drop in branch income in the banking industry was responsible for 41.4 percent. However, total foreign gross income (exclusive of branch income) of the banking industry rose between 1984 and 1986.

Specially allocable Code section 863(b) income (see Definitions section), which constituted 2.9 percent of the total foreign-source taxable income for 1986, also fell from 1984 to 1986, from \$2.4 billion to \$1.9 billion, a drop of 19 percent. The manufacturing industries, especially producers of motor vehicles and nonelectrical machinery, earned most of this income.

Figure F  
Total Gross Income by Industrial Division and Income Type, 1986<sup>1</sup>



<sup>1</sup>Of Corporations claiming a Foreign Tax Credit. Excludes branch and specially allocable income.

## SUMMARY

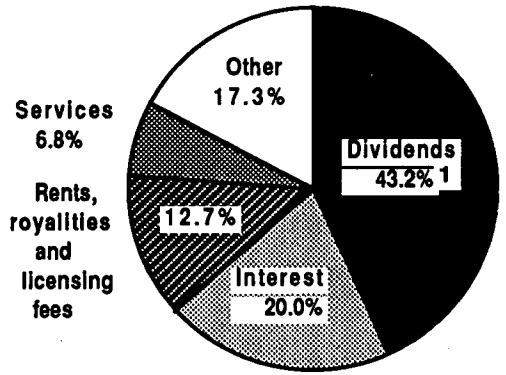
The foreign tax credit rose from \$21.4 billion for 1984 to \$24.3 billion for 1985 before falling to \$22.3 billion for 1986. Worldwide taxable income, however, increased steadily, from \$259.5 billion for 1984 to \$277.8 billion for 1986, reflecting domestic economic growth as evidenced by the expansion of domestic-source taxable income.

Foreign-source taxable income for all industries grew 3.5 percent between 1984 and 1986. It declined in the mining; construction; and finance, insurance, and real estate industrial divisions but rose in all others. Total foreign taxes paid and the foreign tax credit claimed also dropped in mining and construction but grew in finance, insurance, and real estate industries. They also declined in the transportation and public utilities.

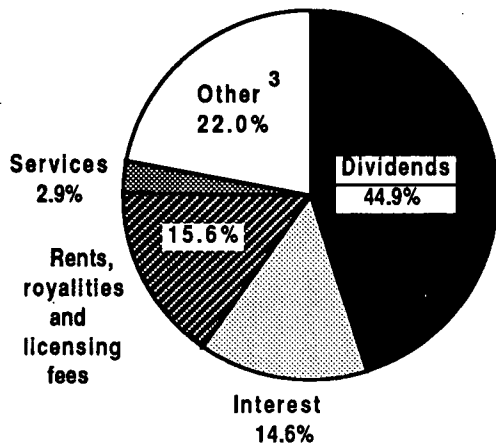
The decrease of income and taxes paid in the petroleum and related industries is responsible for most of the decline in the income and taxes reported for the manufacturing and mining industrial divisions. Foreign-source taxable income reported by petroleum companies fell by 16.4 percent, or \$3.1 billion, while their total foreign taxes declined 29 percent. However, the petroleum industry still claimed the largest portion, 31.8 percent, of the total foreign tax credit claimed for 1986.

Gross income, excluding branch and specially allocable income, from dividends, dividend gross-up, rents, royalties, and licensing fees; and from the performance of services, and net capital gains increased between 1984 and 1986 while other gross income declined. Taxable branch income decreased significantly between 1984

**Figure G**  
**Corporations Claiming A Foreign Tax Credit:**  
**Foreign Gross Income and Taxes, by Income**  
**Type, 1986**



Foreign Gross Income, (Less Loss) <sup>2</sup>



Foreign Taxes Paid or Accrued <sup>4</sup>

- 1 Includes dividend gross-up.
- 2 Excludes branch and specially allocable income.
- 3 Includes taxes on specially allocable income.
- 4 Excludes taxes paid on branch income.

and 1986. For 1986, it constituted only 14.4 percent of the total foreign-source taxable income, compared to nearly 23 percent of the foreign-source taxable income for 1984 [9, 10].

### DATA SOURCES AND LIMITATIONS

The 1986 data presented in this article were derived from returns in the corporation Statistics of Income

sample with an accounting period ending between July 1986 and June 1987 and with a foreign tax credit. The corporate sample included approximately 85,100 returns chosen after Internal Revenue Service administrative processing but before audit examination from the approximately 3.4 million active corporation income tax returns filed for Tax Year 1986. Because some returns with foreign tax credits that were included in the 100 percent sample class for this study had arrived too late to be included in the regular corporate statistics, there are slight differences between the statistics presented here and those previously published in *Statistics of Income—1986, Corporation Income Tax Returns*. Estimates for these returns, however, were included in the corporate statistics.

Sampling error is not considered to be a limitation of the data presented in this article inasmuch as all returns with \$250 million or more in total assets were 100 percent sampled and these returns accounted for most of the data: they composed 95.1 percent of the total foreign-source taxable income, 95.6 percent of the total foreign tax credit and 98.3 percent of the total assets reported on returns with a foreign tax credit.

### GENERAL LIMITATIONS

The foreign tax credit is claimed under Code section 901 of the Internal Revenue Code. In accordance with the Internal Revenue Code, corporations file the foreign income and tax data on Form 1118 that support the foreign tax credit claimed on the corporate return, Form 1120. The statistics in this article were based on the information reported on Forms 1118. Therefore, they do not reflect adjustments made during audit examination, which finally determines the acceptability of the foreign income and taxes reported. Some corporations file preliminary data only because complete information on their foreign operations is often not available when they file their U.S. income tax return.

Foreign income and taxes are underreported in this article to the extent that they were not reported on Form 1118. Some corporations did not file the form because they had no U.S. income tax to report and consequently no foreign tax credit to claim. Others chose to deduct their foreign taxes from their gross income instead of taking the credit, while some corporations simply failed to file the Form 1118 to support the foreign tax credit they claimed on their corporate return. The amount of foreign income and taxes attributable to these returns is considered to be minimal.

## DEFINITIONS

*Interest Charge Domestic International Sales Corporations* are corporations primarily engaged in the sale of U.S. exports. Most income from these corporations is generally not taxed until it has been distributed to a parent corporation in the form of dividends.

*Foreign Sales Corporations* are corporations established mainly to sell the U.S. exports of a U.S. parent corporation. Part of their foreign trade income is tax exempt. Congress imposed a separate foreign tax credit limitation on the foreign taxes paid on this type of income in 1985.

*Industry* in this article refers to the industrial classifications determined under the 1974 Enterprise Standard Industrial Classification (ESIC) authorized by the Office of Management and Budget. The underlying Standard Industrial Classification was that for 1972, as revised in 1977.

*Petroleum industry* (unless otherwise stated) refers to the integrated petroleum industry; that is, all corporations primarily engaged in extraction, or refining, and marketing of crude petroleum.

*The Organization of Petroleum Exporting Countries (OPEC)* is an oil cartel which includes Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

*Foreign taxes* (unless otherwise stated) refers to current-year foreign taxes, which are withholding taxes on dividends, interest, rents, royalties and licensing fees; taxes directly paid or accrued on income from partnerships, services or other income or on foreign branch profits; or taxes deemed paid. The latter are a proportion of the taxes paid on the profits of a related foreign corporation (and its subsidiaries) from which a U.S. parent corporation receives dividends.

*Specially allocable income under Code section 863(b)* is that income which has been earned partially within and partially without the United States, usually from producing in the United States and selling abroad or vice versa, or by transportation, telegraph or cable services.

*Controlled Foreign Corporations (CFC's)* are corporations established outside the United States, more than 50 percent of whose voting stock of all classes of stock was owned by U.S. persons on any day of the taxable year of the CFC.

*Dividend gross-up* is income associated with dividends received or constructively received from a controlled foreign corporation and is equivalent to the tax deemed paid.

*Foreign oil and gas extraction income* is income associated with the extraction of minerals from oil and gas. The amount of taxes on this income that could be used as part of the foreign tax credit is restricted to the highest U.S. rate of corporate tax, 46 percent for 1986.

## NOTES AND REFERENCES

- [1] Total U.S. income tax liability, unless otherwise stated, refers to total U.S. income tax, after all credits except the foreign tax credit. For a more detailed explanation of this definition, see *Statistics of Income Bulletin*, Spring 1987, p. 13-14.
- [2] Domestic-source taxable income is calculated by subtracting the foreign-source taxable income reported on Form 1118 from the worldwide taxable income (total U.S. income subject to tax, reported on Form 1120). Because not all foreign-source income is reported on Form 1118, statistics for foreign-source and domestic-source taxable income are estimates. See "Data Sources and Limitations."
- [3] The 1986 data are compared to 1984 because detailed Form 1118 data on foreign income and taxes are not available for 1985.
- [4] For additional information about the foreign tax credit, see McDaniel, Paul R. and Hugh J. Ault, *Introduction to United States International Taxation*, Kluwer, 1977; and Owens, Elizabeth A., *The Foreign Tax Credit, A Study of the Credit for Foreign Taxes under United States Income Tax Law*, Harvard Law School, 1961.
- [5] Frederick H. Schultz, "Why the Banking System is Getting Stronger," *Fortune*, July 7, 1986, p. 37.
- [6] Richard Morais, "Insurance," *Forbes*, January 13, 1986, p. 170.
- [7] J. Templeman, "Hitching a Ride on the High-flying Overseas Markets," *Business Week*, December 1985, p. 114.
- [8] The percentage of other taxes paid to total taxes paid exceeds the percentage of gross other income to total gross income partly because other taxes includes taxes on Section 863(b) income.
- [9] A future issue of the *Statistics of Income Bulletin* will present the foreign income and taxes data for 1986 by geographical classifications.

[10] These statistics do not include taxes in excess of the limitation that have been carried back to 1986 since these taxes will be reported on amended returns and not were available at the time this article was written.

### EXPLANATORY TABLE NOTES

The data for the following tables are tabulated from the Forms 1120 and 1118 (See Data Sources and Limitations).

For Table 1, the rows are the major industrial divisions (see definition of "industry" in the Definitions section above). Columns 1 through 16 are amounts reported on Form 1120 while the remaining columns are amounts reported on the Form 1118. Columns 18 through 25 reveal the distribution of total foreign gross income across different types of income and sum to column 17 [1]. Gross branch and specially allocable income are not included in this section because taxpayers were required to report only taxable or net income for these two income types prior to the 1986 Tax Reform Act. Foreign oil and gas extraction gross income appears in columns 27 through 31 and adds to the total in column 26. These amounts are also included in the foreign gross income on columns 17 through 25. Columns 32 through 44 contain deductions from the gross income. They are divided into allocable, columns 33 through 37, and not directly allocable deduc-

tions, columns 38 through 41. Columns 33 and 38 are the totals, respectively, and sum to column 32. Columns 39 through 41 do not add to the total on column 38 because there are types of not allocable deductions other than research and development, interest, and general and administrative. Columns 42 through 44 are the deductions to oil and gas extraction income. These amounts are also included in the amounts on columns 32 through 41. Column 45, the total foreign-source taxable income equals column 17 minus column 32 plus columns 46 and 47. Column 48 equals column 17 minus column 32. Column 49 contains the adjustment necessary to derive the total foreign-source taxable income to be used in the calculation of the foreign tax credit limitation. Columns 54 through 62 are the foreign taxes paid, accrued, or deemed paid while columns 67 through 69 are the dividends and deemed paid taxes reported on Schedule C of the Form 1118.

The columns in Table 2 are identical to those in Table 1 but the rows are the different types of separate limitation incomes for which the taxpayer was required to file for 1986. The last row, foreign oil and gas extraction income, is also part of the fourth row, general limitation income.

[1] Columns and rows may not sum exactly due to rounding.

## Corporate Foreign Tax Credit, 1986

## All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major and selected minor industries                                | Number of returns | Total assets  | Total receipts | Dividends received from foreign corporations | Dividends received from IC-DISC's or former DISC's | Includable income of controlled foreign corporations | Foreign dividend income resulting from foreign taxes deemed paid (gross-up) | Net income (less deficit) |
|--|-------------------|---------------|----------------|--|--|--|---|---------------------------|
|  | (1)               | (2)           | (3)            | (4)  | (5)  | (6)  | (7)   | (8)                       |
| All industries   | 4,506             | 5,436,591,981 | 2,442,649,277  | 21,554,661                                   | 325,208  | 3,941,836  | 14,636,401  | 140,791,295               |
| Agriculture, forestry and fishing                                  | 101               | 2,250,028     | 3,074,117      | 43,098                                       | 98   | 976  | 4,730   | 221,938                   |
| Mining   | 144               | 18,135,933    | 10,578,720     | 225,995                                      | —  | 54,645   | 226,611   | 2,042,478                 |
| Metal mining   | *9                | *738,369      | *849,760       | *393   | —  | —  | *2,927  | *105,396                  |
| Coal mining  | 5                 | 3,198,740     | 2,977,727      | —  | —  | —  | —   | 141,794                   |
| Oil and gas extraction   | 114               | 12,245,445    | 4,564,777      | 223,606                                      | —  | 54,190   | 222,741   | 1,551,874                 |
| Nonmetallic minerals, except fuels                                 | *16               | *1,953,380    | *2,186,456     | *1,996                                       | —  | *455   | *943  | *243,413                  |
| Construction   | 154               | 16,593,659    | 11,500,745     | 79,665                                       | 24   | 20,315   | 45,748  | 390,551                   |
| General building contractors and operative builders                | 80                | 4,706,097     | 4,244,370      | 22,474                                       | —  | 7,439  | 13,184  | 80,841                    |
| Heavy construction contractors                                     | 19                | 11,461,261    | 6,316,073      | 52,114                                       | 24   | 12,876   | 28,497  | 281,642                   |
| Special trade contractors  | *54               | *426,302      | *940,301       | *5,077                                       | —  | —  | *4,067  | *28,067                   |
| Manufacturing  | 1,591             | 1,652,856,963 | 1,368,075,147  | 18,844,833                                   | 285,857  | 3,020,856  | 12,990,901  | 87,924,560                |
| Food and kindred products  | 87                | 96,670,391    | 101,127,181    | 760,086                                      | 5,588  | 159,305  | 560,588   | 5,922,881                 |
| Tobacco manufactures   | 5                 | 48,249,238    | 46,369,396     | 262,448                                      | 8,889  | 109,231  | 226,438   | 2,412,849                 |
| Textile mill products  | 24                | 11,230,426    | 13,027,749     | 46,277                                       | 131  | 8,094  | 22,826  | 564,203                   |
| Apparel and other textile products                                 | 43                | 7,905,450     | 7,804,911      | 3,766  | 22   | 9,536  | 3,019   | 655,925                   |
| Lumber and wood products   | *10               | *24,834,794   | *21,804,651    | *43,058                                      | *953   | *10,717  | *41,494   | *1,002,830                |
| Furniture and fixtures   | 90                | 4,783,864     | 7,700,055      | 12,652                                       | 182  | 354  | 4,457   | 771,066                   |
| Paper and allied products  | 58                | 40,452,977    | 38,960,512     | 278,068                                      | 12,063   | 15,166   | 203,248   | 2,669,947                 |
| Printing and publishing  | 92                | 35,274,802    | 35,550,914     | 152,975                                      | 1,012  | 10,184   | 91,428  | 4,465,067                 |
| Chemicals and allied products                                      | 184               | 212,359,180   | 215,763,743    | 2,976,228                                    | 129,918  | 930,324  | 2,197,585   | 16,337,757                |
| Petroleum (including integrated) and coal products                 | 15                | 311,401,958   | 221,389,593    | 5,743,173                                    | 3,357  | 964,664  | 4,177,622   | 18,675,186                |
| Rubber and miscellaneous plastic products                          | 157               | 18,787,354    | 21,563,104     | 291,098                                      | 3,137  | 26,116   | 137,082   | 985,883                   |
| Leather and leather products                                       | 13                | 5,744,475     | 6,521,932      | 19,212                                       | 357  | 8,302  | 21,349  | 492,699                   |
| Stone, clay and glass products                                     | 45                | 48,705,651    | 27,621,733     | 332,353                                      | 3,709  | 16,172   | 173,175   | 2,404,693                 |
| Primary metal industries   | 31                | 43,362,139    | 23,245,278     | 177,727                                      | 2,780  | 79,072   | 118,858   | 915,301                   |
| Fabricated metal products  | 121               | 34,143,653    | 31,830,178     | 461,935                                      | 7,957  | 16,942   | 230,511   | 2,434,369                 |
| Machinery, except electrical                                       | 237               | 113,752,737   | 103,822,926    | 3,437,287                                    | 39,934   | 90,153   | 2,829,741   | 8,671,992                 |
| Electrical and electronic equipment                                | 155               | 213,464,450   | 148,944,384    | 2,314,782                                    | 13,589   | 271,444  | 1,024,909   | 9,492,358                 |
| Motor vehicles and equipment                                       | 52                | 309,180,131   | 221,044,934    | 1,068,694                                    | 32,510   | 164,737  | 577,362   | 5,226,179                 |
| Transportation equipment, except motor vehicles                    | 34                | 41,225,861    | 39,484,162     | 240,678                                      | 13,025   | 27,665   | 171,701   | 1,861,885                 |
| Instruments and related products                                   | 78                | 21,755,324    | 23,354,765     | 175,606                                      | 4,524  | 86,772   | 148,237   | 1,070,512                 |
| Miscellaneous manufacturing products & manufacturing not allocable | 58                | 9,572,106     | 11,143,047     | 46,730                                       | 2,221  | 15,906   | 29,271  | 890,978                   |
| Transportation and public utilities                                | 160               | 258,100,948   | 146,288,983    | 235,511                                      | 1,156  | 233,294  | 164,112   | 9,221,750                 |
| Transportation   | 122               | 37,156,243    | 30,265,040     | 93,982                                       | 138  | 51,854   | 31,055  | 1,149,118                 |
| Communication  | 19                | 145,874,163   | 87,904,841     | 130,183                                      | 846  | 144,627  | 115,921   | 5,365,575                 |
| Electric, gas and sanitary services                                | 18                | 75,070,543    | 28,119,102     | 11,346                                       | 172  | 36,812   | 17,135  | 2,707,056                 |
| Wholesale and retail trade   | 719               | 228,590,902   | 339,012,482    | 733,117                                      | 5,444  | 155,257  | 440,615   | 9,962,491                 |
| Wholesale trade  | 604               | 59,287,685    | 132,168,795    | 356,873                                      | 5,069  | 38,640   | 150,196   | 3,307,278                 |
| Groceries and related products                                     | *25               | *536,016      | *2,099,304     | *809   | —  | *49  | *9  | *54,686                   |
| Machinery, equipment and supplies                                  | 49                | 5,876,724     | 9,689,187      | 36,041                                       | 347  | 808  | 12,053  | 514,003                   |
| Miscellaneous wholesale trade                                      | 530               | 52,874,946    | 120,380,303    | 320,022                                      | 4,721  | 37,783   | 138,134   | 2,738,589                 |
| Drugs, chemicals and allied products                               | 21                | 3,840,678     | 9,670,596      | 24,398                                       | 55   | 482  | 14,041  | 324,909                   |
| Petroleum and petroleum products                                   | 18                | 13,014,146    | 19,124,195     | 117,975                                      | 147  | 22,526   | 43,427  | 874,243                   |
| Other miscellaneous wholesale trade                                | 491               | 36,020,122    | 91,585,512     | 177,649                                      | 4,519  | 14,774   | 80,665  | 1,539,436                 |
| Retail trade   | 115               | 169,303,217   | 206,843,687    | 376,244                                      | 375  | 116,618  | 290,419   | 6,655,213                 |
| General merchandise stores   | 11                | 122,660,041   | 112,294,417    | 101,881                                      | 54   | 93,617   | 61,261  | 3,556,867                 |
| Food stores  | 8                 | 12,245,212    | 51,451,627     | 83,801                                       | —  | 650  | 51,206  | 750,059                   |
| Apparel and accessory stores                                       | 7                 | 6,728,465     | 11,562,929     | 1,495  | —  | 991  | 202   | 645,569                   |
| Eating and drinking places   | 73                | 21,111,330    | 19,659,731     | 150,745                                      | 313  | 21,360   | 166,952   | 1,274,627                 |
| Miscellaneous retail stores  | 16                | 6,558,169     | 11,874,984     | 38,323                                       | 8  | —  | 10,798  | 428,092                   |
| Finance, insurance and real estate                                 | 999               | 3,199,635,300 | 513,718,421    | 1,148,392                                    | 25,216   | 408,699  | 608,452   | 27,941,354                |
| Banking  | 146               | 1,930,813,897 | 192,631,798    | 756,709                                      | 302  | 215,315  | 400,992   | 8,231,284                 |
| Credit agencies other than banks                                   | 58                | 138,412,457   | 23,460,681     | 69,183                                       | 15,596   | 28,218   | 29,123  | 1,109,651                 |
| Security, commodity brokers and services                           | 113               | 280,565,610   | 27,803,199     | 25,980                                       | —  | 10,641   | 7,178   | 2,457,994                 |
| Insurance  | 147               | 814,997,433   | 256,993,307    | 181,986                                      | 39   | 141,803  | 91,787  | 14,104,334                |
| Insurance agents, brokers and services                             | 56                | 11,042,041    | 4,666,480      | 50,814                                       | —  | 11,326   | 37,369  | 634,241                   |
| Real estate  | 109               | 4,151,247     | 1,981,744      | 3,922  | 86   | 1,236  | 2,942   | 405,222                   |
| Holding & other investment companies except bank holding companies | 370               | 19,652,615    | 6,181,211      | 59,798                                       | 9,194  | 159  | 39,061  | 998,627                   |
| Services   | 637               | 60,428,247    | 50,376,901     | 231,899                                      | 7,413  | 47,794   | 155,132   | 3,062,313                 |
| Hotels and other lodging places                                    | *29               | *4,983,609    | *3,587,233     | *52,382                                      | —  | *18,207  | *17,630   | *405,656                  |
| Personal services  | 8                 | 2,451,161     | 2,974,934      | 23,300                                       | —  | 720  | 20,709  | 203,064                   |
| Business services  | 377               | 13,939,990    | 19,450,540     | 130,298                                      | 3,639  | 7,755  | 91,499  | 1,282,727                 |
| Auto repair, miscellaneous repair services                         | *5                | *5,053,715    | *4,716,930     | *660   | —  | —  | —   | *197,682                  |
| Amusement and recreational services                                | 176               | 24,908,796    | 12,449,859     | 16,768                                       | 3,679  | 15,148   | 18,966  | 718,942                   |
| Other services   | 42                | 9,090,976     | 7,197,406      | 8,491  | 95   | 5,964  | 6,328   | 254,244                   |

Footnotes at end of table.

Corporate Foreign Tax Credit, 1986

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

| Major and selected minor industries                                     | Income subject to U.S. tax | U.S. income tax before credits |                             | Foreign tax credit claimed | U.S. possessions tax credit | General business credit | Other credits | U.S. income tax after credits |
|---|----------------------------|--------------------------------|-----------------------------|----------------------------|-----------------------------|-------------------------|---------------|-------------------------------|
|   |                            | Total                          | Regular and alternative tax |                            |                             |                         |               |                               |
|   | (9)                        | (10)                           | (11)                        | (12)                       | (13)                        | (14)                    | (15)          | (16)                          |
| All industries.....   | 130,825,826                | 54,807,185                     | 53,491,339                  | 22,261,231                 | 5,054                       | 6,392,426               | 35,249        | 26,113,226                    |
| Agriculture, forestry and fishing.....                                  | 213,785                    | 93,908                         | 93,496                      | 12,641                     | —                           | 8,814                   | —             | 72,452                        |
| Mining.....   | 1,942,335                  | 858,618                        | 845,094                     | 618,542                    | —                           | 27,405                  | 192           | 212,480                       |
| Metal mining.....   | *105,396                   | *48,402                        | *48,402                     | *47,478                    | —                           | —                       | —             | *924                          |
| Coal mining.....  | 94,728                     | 39,868                         | 32,223                      | 1,790                      | —                           | 18,690                  | 148           | 19,240                        |
| Oil and gas extraction.....   | 1,528,521                  | 670,249                        | 667,004                     | 567,707                    | —                           | 2,599                   | 44            | 99,900                        |
| Nonmetallic minerals, except fuels.....                                 | *213,689                   | *100,099                       | *97,464                     | *1,567                     | —                           | *6,116                  | —             | *92,416                       |
| Construction.....   | 240,788                    | 123,234                        | 116,877                     | 81,723                     | —                           | 13,499                  | —             | 28,012                        |
| General building contractors and operative builders.....                | 48,266                     | 32,150                         | 31,648                      | 21,039                     | —                           | 4,655                   | —             | 6,456                         |
| Heavy construction contractors.....                                     | 165,026                    | 79,554                         | 73,748                      | 55,982                     | —                           | 8,045                   | —             | 15,526                        |
| Special trade contractors.....  | *27,497                    | *11,530                        | *11,481                     | *4,702                     | —                           | *798                    | —             | *6,030                        |
| Manufacturing.....  | 82,103,134                 | 35,871,228                     | 34,952,184                  | 18,094,452                 | 1,752                       | 3,329,316               | 38,338        | 14,407,370                    |
| Food and kindred products.....  | 5,572,858                  | 2,435,320                      | 2,399,112                   | 762,682                    | —                           | 206,449                 | 1,003         | 1,465,186                     |
| Tobacco manufactures.....   | 2,324,734                  | 1,050,264                      | 1,039,308                   | 268,650                    | —                           | 119,589                 | —             | 662,025                       |
| Textile mill products.....  | 555,860                    | 255,486                        | 247,023                     | 29,499                     | —                           | 42,904                  | —             | 183,082                       |
| Apparel and other textile products.....                                 | 650,177                    | 297,778                        | 297,538                     | 7,401                      | 332                         | 4,551                   | —             | 285,493                       |
| Lumber and wood products.....   | *987,961                   | *355,043                       | *343,190                    | *41,986                    | —                           | *82,812                 | —             | *230,245                      |
| Furniture and fixtures.....   | 749,752                    | 339,660                        | 337,116                     | 9,494                      | —                           | —                       | —             | 319,938                       |
| Paper and allied products.....  | 2,339,182                  | 1,004,010                      | 977,085                     | 275,948                    | —                           | 188,872                 | —             | 539,190                       |
| Printing and publishing.....  | 4,368,788                  | 1,792,745                      | 1,779,998                   | 129,943                    | —                           | 95,034                  | —             | 1,567,768                     |
| Chemicals and allied products.....                                      | 15,392,062                 | 6,425,245                      | 6,201,505                   | 3,070,633                  | 51                          | 688,589                 | 4,246         | 2,661,726                     |
| Petroleum (including integrated) and coal products.....                 | 18,188,438                 | 7,902,064                      | 7,739,022                   | 7,071,083                  | —                           | 229,913                 | 32,349        | 568,719                       |
| Rubber and miscellaneous plastic products.....                          | 951,797                    | 406,589                        | 389,968                     | 136,324                    | —                           | 30,351                  | 89            | 239,825                       |
| Leather and leather products.....                                       | 306,160                    | 136,596                        | 134,879                     | 20,899                     | 1,369                       | 6,037                   | —             | 108,291                       |
| Stone, clay and glass products.....                                     | 2,207,894                  | 964,564                        | 940,655                     | 229,511                    | —                           | 124,913                 | 2             | 610,138                       |
| Primary metal industries.....   | 708,294                    | 295,032                        | 289,022                     | 119,105                    | —                           | 67,017                  | —             | 108,909                       |
| Fabricated metal products.....  | 2,238,194                  | 965,342                        | 953,450                     | 302,961                    | —                           | 48,785                  | 408           | 613,188                       |
| Machinery, except electrical.....                                       | 8,439,952                  | 3,869,877                      | 3,806,911                   | 3,092,437                  | —                           | 93,901                  | —             | 683,539                       |
| Electrical and electronic equipment.....                                | 8,058,564                  | 3,700,469                      | 3,561,466                   | 1,498,244                  | —                           | 694,417                 | —             | 1,507,808                     |
| Motor vehicles and equipment.....                                       | 4,737,984                  | 2,218,482                      | 2,104,506                   | 591,351                    | —                           | 392,175                 | 1             | 1,234,956                     |
| Transportation equipment, except motor vehicles.....                    | 1,555,380                  | 647,687                        | 620,942                     | 211,316                    | —                           | 120,347                 | —             | 316,023                       |
| Instruments and related products.....                                   | 1,040,165                  | 476,110                        | 459,400                     | 180,805                    | —                           | 48,253                  | 238           | 246,815                       |
| Miscellaneous manufacturing products & manufacturing not allocable..... | 728,937                    | 332,864                        | 330,085                     | 44,182                     | —                           | 34,178                  | —             | 254,505                       |
| Transportation and public utilities.....                                | 8,886,365                  | 3,860,895                      | 3,740,313                   | 232,474                    | —                           | 1,520,840               | 1,367         | 2,106,214                     |
| Communication.....  | 1,044,811                  | 415,657                        | 393,224                     | 58,258                     | —                           | 178,190                 | 49            | 179,159                       |
| Electric, gas and sanitary services.....                                | 5,135,485                  | 2,257,335                      | 2,176,500                   | 154,343                    | —                           | 940,207                 | —             | 1,162,784                     |
| Other.....  | 2,706,069                  | 1,187,903                      | 1,170,588                   | 19,872                     | —                           | 402,443                 | 1,317         | 764,271                       |
| Wholesale and retail trade.....   | 9,623,141                  | 4,084,701                      | 4,015,277                   | 641,899                    | 2,998                       | 443,425                 | 154           | 2,996,225                     |
| Wholesale trade.....  | 3,159,088                  | 1,368,428                      | 1,348,146                   | 290,030                    | —                           | 76,338                  | 154           | 1,001,906                     |
| Groceries and related products.....                                     | *54,059                    | *17,356                        | *16,605                     | *267                       | —                           | *18                     | *154          | *16,918                       |
| Machinery, equipment and supplies.....                                  | 455,263                    | 179,285                        | 173,465                     | 22,584                     | —                           | 22,377                  | —             | 134,324                       |
| Miscellaneous wholesale trade.....                                      | 2,649,767                  | 1,171,787                      | 1,158,077                   | 267,180                    | —                           | 53,943                  | —             | 850,664                       |
| Drugs, chemicals and allied products.....                               | 306,521                    | 134,652                        | 133,366                     | 20,306                     | —                           | 2,754                   | —             | 111,591                       |
| Petroleum and petroleum products.....                                   | 866,989                    | 394,619                        | 393,646                     | 143,748                    | —                           | 11,402                  | —             | 239,469                       |
| Other miscellaneous wholesale trade.....                                | 1,476,257                  | 642,516                        | 631,064                     | 103,125                    | —                           | 39,787                  | —             | 499,604                       |
| Retail trade.....   | 6,464,053                  | 2,716,273                      | 2,667,130                   | 351,868                    | 2,998                       | 367,087                 | —             | 1,994,319                     |
| General merchandise stores.....   | 3,433,697                  | 1,419,804                      | 1,402,461                   | 97,171                     | —                           | 213,160                 | —             | 1,109,473                     |
| Food stores.....  | 732,982                    | 288,394                        | 278,819                     | 61,364                     | 2,998                       | 43,292                  | —             | 180,740                       |
| Apparel and accessory stores.....                                       | 600,833                    | 276,611                        | 275,701                     | 4,122                      | —                           | 4,352                   | —             | 268,137                       |
| Eating and drinking places.....   | 1,260,160                  | 530,500                        | 510,900                     | 176,898                    | —                           | 94,637                  | —             | 258,966                       |
| Miscellaneous retail stores.....  | 436,381                    | 200,964                        | 199,249                     | 12,315                     | —                           | 11,646                  | —             | 177,003                       |
| Finance, insurance and real estate.....                                 | 24,915,927                 | 8,650,940                      | 8,488,561                   | 2,262,119                  | 303                         | 809,846                 | -5,570        | 5,584,242                     |
| Banking.....  | 7,566,724                  | 3,008,333                      | 2,917,677                   | 1,769,609                  | —                           | 396,914                 | —             | 841,809                       |
| Credit agencies other than banks.....                                   | 979,931                    | 440,454                        | 435,968                     | 116,709                    | —                           | 30,256                  | —             | 293,490                       |
| Security, commodity brokers and services.....                           | 2,144,746                  | 870,192                        | 859,668                     | 42,567                     | —                           | 210,500                 | 4             | 617,120                       |
| Insurance.....  | 12,332,627                 | 3,624,434                      | 3,585,465                   | 235,839                    | 303                         | 125,162                 | -5,576        | 3,268,706                     |
| Insurance agents, brokers and services.....                             | 626,967                    | 279,307                        | 277,989                     | 43,746                     | —                           | 6,791                   | (1)           | 228,770                       |
| Real estate.....  | 392,334                    | 126,371                        | 117,075                     | 6,709                      | —                           | 1,585                   | —             | 118,077                       |
| Holding & other investment companies except bank holding companies..... | 872,598                    | 301,848                        | 294,719                     | 46,941                     | —                           | 38,637                  | 1             | 216,269                       |
| Services.....   | 2,881,261                  | 1,254,137                      | 1,230,737                   | 317,281                    | —                           | 239,281                 | 768           | 696,806                       |
| Hotels and other lodging places.....                                    | *386,830                   | *146,753                       | *141,778                    | *39,023                    | —                           | *8,089                  | —             | *99,642                       |
| Personal services.....  | 196,211                    | 86,941                         | 86,256                      | 22,763                     | —                           | 9,000                   | —             | 55,178                        |
| Business services.....  | 1,204,204                  | 548,738                        | 540,093                     | 138,237                    | —                           | 45,147                  | 768           | 364,587                       |
| Auto repair; miscellaneous repair services.....                         | *188,317                   | *83,985                        | *83,960                     | *558                       | —                           | *46,545                 | —             | *36,881                       |
| Amusement and recreational services.....                                | 660,518                    | 283,823                        | 278,816                     | 100,275                    | —                           | 104,090                 | —             | 79,457                        |
| Other services.....   | 245,180                    | 103,897                        | 99,833                      | 16,426                     | —                           | 26,409                  | —             | 61,062                        |

Footnotes at end of table.



All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

| Major and selected minor industries                                     | Foreign income and taxes reported on Form 1118                                      |            |                   |            |                                   |                |                  |                    |              |
|---|---|------------|-------------------|------------|-----------------------------------|----------------|------------------|--------------------|--------------|
|   | Gross income (less loss) excluding branch operations and specially allocable income |            |                   |            |                                   |                |                  |                    |              |
|   | Total   | Dividends  | Dividend gross-up | Interest   | Rents, royalties and license fees | Service income | Net capital gain | Partnership income | Other income |
|   | (17)  | (18)       | (19)              | (20)       | (21)                              | (22)           | (23)             | (24)               | (25)         |
| All industries.....   | 93,530,645  | 25,789,233 | 14,635,179        | 18,670,536 | 11,901,161                        | 6,372,908      | 3,900,464        | 120,416            | 12,140,747   |
| Agriculture, forestry and fishing.....                                  | 531,190   | 42,126     | 4,730             | 5,182      | 28,417                            | 409,463        | 73               | 18                 | 41,181       |
| Mining.....   | 2,626,853   | 279,561    | 226,611           | 62,018     | 630,501                           | 321,364        | -870             | -7,171             | 1,114,839    |
| Metal mining.....   | *423,336  | *393       | *2,927            | *10,981    | *788                              | *314,298       | —                | —                  | *93,949      |
| Coal mining.....  | 49,655  | —          | —                 | 4,276      | 1,451                             | —              | —                | —                  | 43,929       |
| Oil and gas extraction.....   | 2,147,458   | 276,721    | 222,741           | 45,947     | 628,181                           | 6,790          | -2,704           | -7,171             | 976,952      |
| Nonmetallic minerals, except fuels.....                                 | *6,404  | *2,447     | *943              | *813       | *81                               | *276           | *1,834           | —                  | *9           |
| Construction.....   | 303,462   | 90,256     | 45,748            | 6,043      | 21,220                            | 99,460         | 3,712            | 27,606             | 9,417        |
| General building contractors and operative builders.....                | 122,630   | 29,913     | 13,184            | 2,469      | (4,209)                           | 65,446         | 2,879            | -279               | 4,809        |
| Heavy construction contractors.....                                     | 147,393   | 55,270     | 28,497            | 3,066      | 16,988                            | 11,847         | 833              | 27,884             | 3,008        |
| Special trade contractors.....  | *33,439   | *5,073     | *4,067            | *508       | *23                               | *22,167        | —                | —                  | *1,601       |
| Manufacturing.....  | 59,317,598  | 22,226,131 | 12,989,791        | 2,364,414  | 9,157,558                         | 1,830,261      | 3,038,153        | 38,700             | 7,672,589    |
| Food and kindred products.....  | 2,155,316   | 853,557    | 560,589           | 145,544    | 367,042                           | 28,602         | 96,562           | 11,871             | 91,549       |
| Tobacco manufactures.....   | 920,266   | 297,730    | 226,438           | 39,055     | 218,698                           | 6,057          | 54,563           | 1,539              | 76,185       |
| Textile mill products.....  | 111,191   | 48,804     | 22,825            | 7,318      | 20,181                            | 6,669          | 3,918            | 302                | 1,174        |
| Apparel and other textile products.....                                 | 54,476  | 13,185     | 3,019             | 551        | 37,034                            | 261            | 7                | 79                 | 339          |
| Lumber and wood products.....   | *123,917  | *53,776    | *41,494           | *13,341    | *1,197                            | *883           | —                | *1                 | *13,225      |
| Furniture and fixtures.....   | 46,399  | 11,230     | 4,456             | 1,377      | 7,015                             | 4,026          | 16,180           | —                  | 2,115        |
| Paper and allied products.....  | 927,078   | 292,297    | 203,248           | 32,486     | 233,175                           | 6,727          | 124,975          | 319                | 33,851       |
| Printing and publishing.....  | 579,190   | 156,672    | 91,424            | 40,830     | 115,623                           | 79,612         | 6,399            | 10,069             | 78,561       |
| Chemicals and allied products.....                                      | 10,187,367  | 4,297,233  | 2,197,589         | 315,514    | 1,406,010                         | 191,449        | 408,445          | 5,777              | 1,365,349    |
| Petroleum (including integrated) and coal products.....                 | 18,941,529  | 7,274,064  | 4,177,618         | 867,807    | 161,874                           | 569,770        | 949,959          | 12,286             | 4,928,152    |
| Rubber and miscellaneous plastic products.....                          | 616,033   | 302,770    | 135,964           | 5,264      | 81,000                            | 66,555         | -737             | 135                | 25,082       |
| Leather and leather products.....                                       | 68,585  | 25,705     | 21,349            | 1,852      | 8,972                             | 5,537          | 298              | —                  | 4,872        |
| Stone, clay and glass products.....                                     | 771,037   | 330,100    | 173,175           | 10,486     | 112,709                           | 10,726         | 3,954            | 2,156              | 127,730      |
| Primary metal industries.....   | 673,470   | 273,259    | 118,854           | 12,042     | 165,152                           | 25,949         | 6,226            | -568               | 72,556       |
| Fabricated metal products.....  | 956,812   | 428,748    | 230,512           | 25,549     | 113,124                           | 37,580         | 67,707           | -10,276            | 63,867       |
| Machinery, except electrical.....                                       | 11,697,742  | 3,383,443  | 2,829,754         | 205,688    | 4,929,587                         | 100,263        | 32,105           | 2,569              | 214,335      |
| Electrical and electronic equipment.....                                | 6,486,951   | 2,534,174  | 1,024,914         | 274,871    | 699,676                           | 479,353        | 1,147,123        | -434               | 327,274      |
| Motor vehicles and equipment.....                                       | 2,324,715   | 1,027,111  | 577,362           | 233,365    | 182,194                           | 81,518         | 49,836           | 2,826              | 170,503      |
| Transportation equipment, except motor vehicles.....                    | 814,954   | 328,585    | 171,701           | 78,706     | 40,449                            | 110,774        | 68,621           | —                  | 16,118       |
| Instruments and related products.....                                   | 687,562   | 234,013    | 148,235           | 36,842     | 207,804                           | 16,118         | 20               | 47                 | 44,484       |
| Miscellaneous manufacturing products & manufacturing not allocable..... | 173,008   | 59,675     | 29,271            | 15,925     | 49,043                            | 1,831          | 1,994            | —                  | 15,269       |
| Transportation and public utilities.....                                | 2,961,694   | 428,294    | 164,110           | 70,807     | 138,956                           | 2,046,139      | 18,184           | 19,283             | 75,921       |
| Transportation.....   | 774,805   | 112,924    | 31,053            | 31,547     | 9,445                             | 572,421        | 9,928            | 1,169              | 6,317        |
| Communication.....  | 2,103,690   | 267,387    | 115,921           | 37,658     | 126,347                           | 1,473,073      | 8,249            | 18,114             | 56,940       |
| Electric, gas and sanitary services.....                                | 83,200  | 47,983     | 17,135            | 1,602      | 3,164                             | 645            | 7                | —                  | 12,664       |
| Wholesale and retail trade.....   | 3,721,614   | 867,938    | 440,615           | 191,409    | 457,892                           | 162,284        | 107,644          | 482                | 1,493,350    |
| Wholesale trade.....  | 2,497,228   | 381,510    | 150,195           | 116,804    | 330,437                           | 103,300        | 77,571           | 1,103              | 1,336,308    |
| Groceries and related products.....                                     | *2,329  | *809       | *9                | *677       | *148                              | —              | —                | —                  | *686         |
| Machinery, equipment and supplies.....                                  | 109,416   | 35,524     | 12,052            | 7,498      | 21,769                            | 4,964          | 6,668            | 30                 | 20,911       |
| Miscellaneous wholesale trade.....                                      | 2,385,483   | 345,177    | 138,134           | 108,629    | 308,521                           | 98,337         | 70,903           | 1,072              | 1,314,711    |
| Drugs, chemicals and allied products.....                               | 246,695   | 24,880     | 14,041            | 2,085      | 9,587                             | 724            | 37               | —                  | 195,339      |
| Petroleum and petroleum products.....                                   | 595,917   | 178,580    | 43,427            | 5,093      | 260,140                           | —              | -13              | —                  | 108,689      |
| Other miscellaneous wholesale trade.....                                | 1,542,872   | 141,717    | 80,665            | 101,450    | 38,793                            | 97,612         | 70,878           | 1,072              | 1,010,683    |
| Retail trade.....   | 1,224,386   | 486,428    | 290,420           | 74,605     | 127,455                           | 58,984         | 30,073           | -621               | 157,042      |
| General merchandise stores.....   | 480,443   | 191,112    | 61,262            | 51,589     | 6,966                             | 55,549         | -296             | 1                  | 114,261      |
| Food stores.....  | 179,860   | 84,451     | 51,206            | 765        | 22,375                            | —              | 203              | —                  | 20,860       |
| Apparel and accessory stores.....                                       | 25,839  | 2,486      | 202               | 128        | 2,308                             | —              | 1,235            | —                  | 19,479       |
| Eating and drinking places.....   | 457,638   | 170,251    | 166,952           | 22,015     | 93,202                            | 3,178          | 316              | -622               | 2,346        |
| Miscellaneous retail stores.....  | 80,605  | 38,128     | 10,798            | 109        | 2,604                             | 257            | 28,615           | —                  | 96           |
| Finance, insurance and real estate.....                                 | 21,559,140  | 1,572,343  | 608,343           | 15,921,461 | 270,511                           | 802,632        | 715,723          | 11,451             | 1,656,675    |
| Banking.....  | 15,895,500  | 935,731    | 400,992           | 13,398,257 | 202,066                           | 112,733        | 265,673          | 3,340              | 576,708      |
| Credit agencies other than banks.....                                   | 1,868,099   | 170,820    | 29,123            | 829,912    | 29,364                            | 260,771        | 64,810           | 333                | 482,966      |
| Security, commodity brokers and services.....                           | 392,295   | 33,264     | 7,178             | 291,800    | 5,708                             | 49,120         | —                | 4,894              | 331          |
| Insurance.....  | 2,979,360   | 307,621    | 91,787            | 1,364,449  | 17,487                            | 255,148        | 367,958          | 891                | 574,020      |
| Insurance agents, brokers and services.....                             | 202,867   | 60,425     | 37,372            | 23,237     | 6,378                             | 68,937         | 2,109            | 607                | 3,801        |
| Real estate.....  | 30,357  | 4,814      | 2,942             | 546        | 1,773                             | 14,056         | —                | 11                 | 6,214        |
| Holding & other investment companies except bank holding companies..... | 190,664   | 59,669     | 38,949            | 13,259     | 7,735                             | 41,868         | 15,173           | 1,375              | 12,634       |
| Services.....   | 2,496,841   | 270,431    | 155,132           | 49,202     | 1,196,105                         | 701,304        | 17,845           | 30,048             | 76,773       |
| Hotels and other lodging places.....                                    | *132,785  | *64,331    | *17,630           | *778       | *35,413                           | *12,002        | *65              | *430               | *2,137       |
| Personal services.....  | 103,918   | 23,765     | 20,709            | 1,627      | 2,089                             | 55,290         | —                | 338                | 99           |
| Business services.....  | 810,161   | 132,861    | 91,499            | 23,825     | 189,809                           | 300,330        | 14,896           | 6,970              | 49,972       |
| Auto repair, miscellaneous repair services.....                         | *15,614   | —          | —                 | *4,482     | *5,779                            | *457           | —                | —                  | *4,896       |
| Amusement and recreational services.....                                | 1,212,758   | 35,538     | 18,966            | 10,933     | 959,131                           | 166,824        | —                | 3,734              | 17,630       |
| Other services.....   | 221,605   | 13,936     | 6,328             | 7,558      | 3,883                             | 166,401        | 2,885            | 18,576             | 2,039        |

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

| Major and selected minor industries                                     | Foreign income and taxes reported on Form 1118 |                               |                              |                                     |  |                    |            | Deductions other than from branch operations and specially allocable income | Deductions allocable to specific types of income |       |
|---|--|-------------------------------|------------------------------|-------------------------------------|--|--------------------|------------|---|--|-------|
|   | Oil and gas extraction income (less loss)      |                               |                              |                                     |  |                    | Total      |   |  | Total |
|   | Total  | From extraction of oil or gas | From sale of business assets | Dividends from foreign corporations | Includable income of controlled foreign corporations | Partnership income |            |   |  |       |
| (26)  | (27)   | (28)                          | (29)                         | (30)                                | (31)   | (32)               | (33)       |   |  |       |
| All industries.....   | 18,093,774                                     | 10,909,143                    | 237,186                      | 6,827,128                           | 123,828  | -3,511             | 39,118,710 | 23,757,954  |  |       |
| Agriculture, forestry and fishing.....                                  | —  | —                             | —                            | —                                   | —  | —                  | 440,643    | 431,706   |  |       |
| Mining.....   | 1,931,262                                      | 1,592,354                     | -243                         | 231,604                             | 114,737  | -7,190             | 1,205,761  | 1,176,837   |  |       |
| Metal mining.....   | —  | —                             | —                            | —                                   | —  | —                  | *387,973   | *382,409  |  |       |
| Coal mining.....  | —  | —                             | —                            | —                                   | —  | —                  | 37,655     | 35,347  |  |       |
| Oil and gas extraction.....   | 1,931,262                                      | 1,592,354                     | -243                         | 231,604                             | 114,737  | -7,190             | 778,303    | 757,905   |  |       |
| Nonmetallic minerals, except fuels.....                                 | —  | —                             | —                            | —                                   | —  | —                  | *1,829     | *1,175  |  |       |
| Construction.....   | —  | —                             | —                            | —                                   | —  | —                  | 109,751    | 92,536  |  |       |
| General building contractors and operative builders.....                | —  | —                             | —                            | —                                   | —  | —                  | 64,731     | 57,075  |  |       |
| Heavy construction contractors.....                                     | —  | —                             | —                            | —                                   | —  | —                  | 29,074     | 14,149  |  |       |
| Special trade contractors.....  | —  | —                             | —                            | —                                   | —  | —                  | *21,946    | *21,312   |  |       |
| Manufacturing.....  | 15,884,903                                     | 9,050,274                     | 237,422                      | 6,593,597                           | —  | 3,609              | 17,156,327 | 13,597,936  |  |       |
| Food and kindred products.....  | —  | —                             | —                            | —                                   | —  | —                  | 342,990    | 227,392   |  |       |
| Tobacco manufactures.....   | —  | —                             | —                            | —                                   | —  | —                  | 313,102    | 139,082   |  |       |
| Textile mill products.....  | —  | —                             | —                            | —                                   | —  | —                  | 21,003     | 12,762  |  |       |
| Apparel and other textile products.....                                 | —  | —                             | —                            | —                                   | —  | —                  | 9,288      | 6,493   |  |       |
| Lumber and wood products.....   | —  | —                             | —                            | —                                   | —  | —                  | *5,966     | *603  |  |       |
| Furniture and fixtures.....   | —  | —                             | —                            | —                                   | —  | —                  | 6,211      | 4,071   |  |       |
| Paper and allied products.....  | —  | —                             | —                            | —                                   | —  | —                  | 182,189    | 43,054  |  |       |
| Printing and publishing.....  | —  | —                             | —                            | —                                   | —  | —                  | 159,505    | 116,923   |  |       |
| Chemicals and allied products.....                                      | 1,053,885                                      | 466,105                       | —                            | 587,781                             | —  | —                  | 3,297,112  | 2,393,009   |  |       |
| Petroleum (including integrated) and coal products.....                 | 14,830,925                                     | 8,584,077                     | 237,422                      | 6,005,817                           | —  | 3,609              | 6,802,704  | 6,490,749   |  |       |
| Rubber and miscellaneous plastic products.....                          | —  | —                             | —                            | —                                   | —  | —                  | 77,805     | 15,047  |  |       |
| Leather and leather products.....                                       | —  | —                             | —                            | —                                   | —  | —                  | 7,545      | 6,257   |  |       |
| Stone, clay and glass products.....                                     | —  | —                             | —                            | —                                   | —  | —                  | 162,263    | 93,420  |  |       |
| Primary metal industries.....   | —  | —                             | —                            | —                                   | —  | —                  | 276,888    | 163,178   |  |       |
| Fabricated metal products.....  | —  | —                             | —                            | —                                   | —  | —                  | 209,768    | 117,304   |  |       |
| Machinery, except electrical.....                                       | —  | —                             | —                            | —                                   | —  | —                  | 2,718,771  | 2,206,227   |  |       |
| Electrical and electronic equipment.....                                | 93   | 93                            | —                            | —                                   | —  | —                  | 1,422,759  | 1,037,035   |  |       |
| Motor vehicles and equipment.....                                       | —  | —                             | —                            | —                                   | —  | —                  | 600,063    | 212,932   |  |       |
| Transportation equipment, except motor vehicles.....                    | —  | —                             | —                            | —                                   | —  | —                  | 278,539    | 250,076   |  |       |
| Instruments and related products.....                                   | —  | —                             | —                            | —                                   | —  | —                  | 214,095    | 31,352  |  |       |
| Miscellaneous manufacturing products & manufacturing not allocable..... | —  | —                             | —                            | —                                   | —  | —                  | 47,763     | 30,968  |  |       |
| Transportation and public utilities.....                                | 14,419   | 12,664                        | 7                            | 1,678                               | —  | 70                 | 1,376,497  | 1,095,970   |  |       |
| Transportation.....   | 70   | —                             | —                            | —                                   | —  | 70                 | 599,077    | 545,907   |  |       |
| Communication.....  | —  | —                             | —                            | —                                   | —  | —                  | 753,357    | 533,103   |  |       |
| Electric, gas and sanitary services.....                                | 14,349   | 12,664                        | 7                            | 1,678                               | —  | —                  | 24,063     | 16,960  |  |       |
| Wholesale and retail trade.....   | 257,080  | 247,740                       | —                            | 249                                 | 9,091  | —                  | 2,015,194  | 1,495,117   |  |       |
| Wholesale trade.....  | 257,080  | 247,740                       | —                            | 249                                 | 9,091  | —                  | 1,654,524  | 1,305,820   |  |       |
| Groceries and related products.....                                     | —  | —                             | —                            | —                                   | —  | —                  | *680       | *633  |  |       |
| Machinery, equipment and supplies.....                                  | —  | —                             | —                            | —                                   | —  | —                  | 38,486     | 20,993  |  |       |
| Miscellaneous wholesale trade.....                                      | 257,080  | 247,740                       | —                            | 249                                 | 9,091  | —                  | 1,615,358  | 1,284,193   |  |       |
| Drugs, chemicals and allied products.....                               | —  | —                             | —                            | —                                   | —  | —                  | 147,880    | 144,911   |  |       |
| Petroleum and petroleum products.....                                   | 257,080  | 247,740                       | —                            | 249                                 | 9,091  | —                  | 279,859    | 207,054   |  |       |
| Other miscellaneous wholesale trade.....                                | —  | —                             | —                            | —                                   | —  | —                  | 1,187,618  | 932,227   |  |       |
| Retail trade.....   | —  | —                             | —                            | —                                   | —  | —                  | 360,670    | 189,297   |  |       |
| General merchandise stores.....   | —  | —                             | —                            | —                                   | —  | —                  | 254,301    | 147,950   |  |       |
| Food stores.....  | —  | —                             | —                            | —                                   | —  | —                  | 19,776     | 19,404  |  |       |
| Apparel and accessory stores.....                                       | —  | —                             | —                            | —                                   | —  | —                  | 12,867     | 12,825  |  |       |
| Eating and drinking places.....   | —  | —                             | —                            | —                                   | —  | —                  | 73,066     | 8,908   |  |       |
| Miscellaneous retail stores.....  | —  | —                             | —                            | —                                   | —  | —                  | 661        | 210   |  |       |
| Finance, insurance and real estate.....                                 | 6,110  | 6,110                         | —                            | —                                   | —  | —                  | 15,241,411 | 5,087,736   |  |       |
| Banking.....  | —  | —                             | —                            | —                                   | —  | —                  | 11,691,953 | 2,483,017   |  |       |
| Credit agencies other than banks.....                                   | —  | —                             | —                            | —                                   | —  | —                  | 1,659,250  | 977,772   |  |       |
| Security, commodity brokers and services.....                           | —  | —                             | —                            | —                                   | —  | —                  | 147,976    | 63,474  |  |       |
| Insurance.....  | 6,110  | 6,110                         | —                            | —                                   | —  | —                  | 1,588,466  | 1,457,960   |  |       |
| Insurance agents, brokers and services.....                             | —  | —                             | —                            | —                                   | —  | —                  | 74,564     | 47,224  |  |       |
| Real estate.....  | —  | —                             | —                            | —                                   | —  | —                  | 18,190     | 16,252  |  |       |
| Holding & other investment companies except bank holding companies..... | —  | —                             | —                            | —                                   | —  | —                  | 61,014     | 42,038  |  |       |
| Services.....   | —  | —                             | —                            | —                                   | —  | —                  | 1,573,125  | 780,117   |  |       |
| Hotels and other lodging places.....                                    | —  | —                             | —                            | —                                   | —  | —                  | *52,844    | *21,020   |  |       |
| Personal services.....  | —  | —                             | —                            | —                                   | —  | —                  | 53,178     | 47,527  |  |       |
| Business services.....  | —  | —                             | —                            | —                                   | —  | —                  | 391,075    | 323,512   |  |       |
| Auto repair, miscellaneous repair services.....                         | —  | —                             | —                            | —                                   | —  | —                  | *12,776    | *6,928  |  |       |
| Amusement and recreational services.....                                | —  | —                             | —                            | —                                   | —  | —                  | 890,520    | 237,235   |  |       |
| Other services.....   | —  | —                             | —                            | —                                   | —  | —                  | 172,732    | 143,895   |  |       |

Footnotes at end of table.

## Corporate Foreign Tax Credit, 1986

## All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

| Major and selected minor industries                                | Foreign income and taxes reported on Form 1118  |         |                  |                  |  |                          |           |                            |
|--|---|---------|------------------|------------------|--|--------------------------|-----------|----------------------------|
|  | Deductions other than from branch operations and specially allocable income—Continued |         |                  |                  |  |                          |           |                            |
|  | Deductions allocable to specific types of income—Continued                            |         |                  |                  | Deductions not allocable to specific types of income |                          |           |                            |
|  | Rental, royalty and licensing expenses  |         | Service expenses | Other deductions | Total  | Research and development | Interest  | General and administrative |
|  | Depreciation, depletion and amortization  | Other   |                  |                  |  |                          |           |                            |
| (34)   | (35)  | (36)    | (37)             | (38)             | (39)   | (40)                     | (41)      |                            |
| All industries   | 318,003   | 973,931 | 2,877,092        | 19,588,927       | 15,360,756   | 83,188                   | 5,307,304 | 1,926,676                  |
| Agriculture, forestry and fishing                                  | —   | 283     | —                | 431,423          | 8,937  | —                        | 6,937     | 1,901                      |
| Mining   | 75,249  | 325,938 | 172,006          | 603,644          | 28,924   | 9                        | 3,270     | 77                         |
| Metal mining   | —   | —       | 168,955          | 213,454          | 5,564  | —                        | 38        | 66                         |
| Coal mining  | —   | 1,079   | —                | 34,268           | 2,308  | —                        | —         | —                          |
| Oil and gas extraction   | 75,249  | 324,859 | 3,051            | 354,747          | 20,398   | 9                        | 3,233     | 11                         |
| Nonmetallic minerals, except fuels                                 | —   | —       | —                | 1,175            | 654  | —                        | —         | —                          |
| Construction   | 5   | 1,383   | 83,033           | 8,115            | 17,216   | —                        | 446       | 4,418                      |
| General building contractors and operative builders                | —   | —       | 56,402           | 673              | 7,656  | —                        | 446       | 4,422                      |
| Heavy construction contractors                                     | 5   | 1       | 6,701            | 7,442            | 8,926  | —                        | —         | —                          |
| Special trade contractors  | —   | 1,383   | 19,930           | —                | 634  | —                        | —         | 4                          |
| Manufacturing  | 121,352   | 252,974 | 642,355          | 12,581,254       | 3,558,391  | 82,608                   | 547,556   | 1,226,419                  |
| Food and kindred products  | 203   | 59,134  | 12,914           | 155,142          | 115,597  | —                        | 20,354    | 5,138                      |
| Tobacco manufactures   | —   | 437     | 4,727            | 133,918          | 174,020  | —                        | 65,374    | 94,028                     |
| Textile mill products  | 67  | 2,670   | 5,330            | 4,695            | 8,241  | —                        | 2,303     | 731                        |
| Apparel and other textile products                                 | 5   | 2,714   | 1                | 3,773            | 2,795  | —                        | 432       | 246                        |
| Lumber and wood products   | —   | —       | 439              | 164              | 5,363  | —                        | 188       | 72                         |
| Furniture and fixtures   | —   | —       | 2,566            | 1,505            | 2,140  | —                        | —         | —                          |
| Paper and allied products  | —   | 137     | 2,394            | 40,523           | 139,134  | 7,308                    | 6,940     | 76,898                     |
| Printing and publishing  | 246   | 17,094  | 38,410           | 61,174           | 42,582   | —                        | —         | —                          |
| Chemicals and allied products                                      | 3,754   | 14,558  | 99,991           | 2,274,707        | 904,102  | 14,860                   | 77,323    | 347,974                    |
| Petroleum (including integrated) and coal products                 | 9   | 4,724   | 57,314           | 6,428,703        | 311,954  | —                        | 101,213   | 160,408                    |
| Rubber and miscellaneous plastic products                          | 56  | 1,848   | 1,438            | 11,705           | 62,759   | 10,826                   | 12,768    | 25,097                     |
| Leather and leather products                                       | 11  | 127     | 2,421            | 3,698            | 1,288  | —                        | 352       | —                          |
| Stone, clay and glass products                                     | 507   | 1,157   | 12,524           | 79,232           | 68,843   | —                        | 8,409     | 17,295                     |
| Primary metal industries   | 26,952  | 62,842  | 4,982            | 68,403           | 113,709  | —                        | 11,511    | 80,891                     |
| Fabricated metal products  | 2,039   | 1,475   | 24,057           | 89,732           | 92,464   | 3,233                    | 19,551    | 34,677                     |
| Machinery, except electrical                                       | 36,260  | 16,982  | 16,051           | 2,136,934        | 512,544  | 22,456                   | 35,698    | 165,913                    |
| Electrical and electronic equipment                                | 18,507  | 41,350  | 180,769          | 796,409          | 385,724  | 23,768                   | 23,654    | 69,058                     |
| Motor vehicles and equipment                                       | 22,831  | 4,156   | 63,675           | 122,270          | 387,130  | —35                      | 135,084   | 61,423                     |
| Transportation equipment, except motor vehicles                    | 9,872   | 7,474   | 101,425          | 131,305          | 28,463   | —                        | 19,125    | 3,704                      |
| Instruments and related products                                   | 14  | 651     | 10,728           | 19,959           | 182,743  | 189                      | 7,018     | 82,678                     |
| Miscellaneous manufacturing products & manufacturing not allocable | 19  | 13,446  | 200              | 17,304           | 16,794   | 3                        | 258       | 189                        |
| Transportation and public utilities                                | 2,618   | 19,412  | 962,536          | 111,403          | 280,528  | —                        | 24,353    | 3,178                      |
| Transportation   | 506   | 353     | 537,223          | 7,824            | 53,170   | —                        | 23,858    | 2,264                      |
| Communication  | 1,701   | 17,726  | 425,249          | 88,426           | 220,254  | —                        | 494       | 914                        |
| Electric, gas and sanitary services                                | 411   | 1,332   | 64               | 15,152           | 7,103  | —                        | —         | —                          |
| Wholesale and retail trade   | 1,600   | 2,644   | 71,747           | 1,419,125        | 520,078  | —                        | 20,856    | 9,773                      |
| Wholesale trade  | 1,481   | 1,581   | 48,103           | 1,254,655        | 348,705  | —                        | 14,794    | 1,500                      |
| Groceries and related products                                     | —   | —       | —                | 633              | 47   | —                        | —         | —                          |
| Machinery, equipment and supplies                                  | —   | 92      | 23               | 20,879           | 17,493   | —                        | 5,141     | (1)                        |
| Miscellaneous wholesale trade                                      | 1,481   | 1,489   | 48,080           | 1,233,142        | 331,165  | —                        | 9,651     | 1,501                      |
| Drugs, chemicals and allied products                               | —   | —       | —                | 144,911          | 2,969  | —                        | 473       | 436                        |
| Petroleum and petroleum products                                   | 1,170   | —       | —                | 205,884          | 72,805   | —                        | 4,037     | —                          |
| Other miscellaneous wholesale trade                                | 311   | 1,489   | 48,080           | 882,347          | 255,391  | —                        | 5,140     | 1,065                      |
| Retail trade   | 119   | 1,063   | 23,645           | 164,470          | 171,373  | —                        | 6,061     | 8,273                      |
| General merchandise stores   | —   | —       | 21,618           | 126,333          | 106,351  | —                        | 6,028     | 8,229                      |
| Food stores  | —   | —       | —                | 19,404           | 372  | —                        | —         | —                          |
| Apparel and accessory stores                                       | —   | 739     | —                | 12,086           | 41   | —                        | 15        | —                          |
| Eating and drinking places   | 119   | 313     | 2,027            | 6,449            | 64,158   | —                        | —         | —                          |
| Miscellaneous retail stores  | —   | 11      | —                | 199              | 451  | —                        | 18        | 43                         |
| Finance, insurance and real estate                                 | 49,243  | 217,028 | 527,081          | 4,294,384        | 10,153,675   | 90                       | 4,703,385 | 676,887                    |
| Banking  | 44,887  | 200,847 | 46,404           | 2,190,880        | 9,208,935  | 90                       | 4,688,326 | 642,801                    |
| Credit agencies other than banks                                   | 2,712   | 2,692   | 220,180          | 752,188          | 681,478  | —                        | 7,036     | 1,441                      |
| Security, commodity brokers and services                           | 811   | 3,055   | 33,260           | 26,347           | 84,502   | —                        | —         | —                          |
| Insurance  | —121  | 11,215  | 149,212          | 1,297,654        | 130,506  | —                        | 5,068     | 31,340                     |
| Insurance agents, brokers and services                             | —   | —       | 45,181           | 2,044            | 27,340   | —                        | 572       | —                          |
| Real estate  | —   | 959     | 13,615           | 3,596            | 1,938  | —                        | —         | —                          |
| Holding & other investment companies except bank holding companies | 954   | 179     | 19,230           | 21,674           | 18,976   | —                        | 2,383     | 1,304                      |
| Services   | 67,936  | 154,268 | 418,334          | 139,579          | 793,008  | 480                      | 500       | 4,022                      |
| Hotels and other lodging places                                    | —   | 8,487   | 10,957           | 1,576            | 31,824   | —                        | —         | —                          |
| Personal services  | —   | 423     | 44,833           | 2,271            | 5,651  | —                        | —         | —                          |
| Business services  | 4,457   | 54,165  | 223,440          | 41,450           | 67,563   | 480                      | 390       | 1,885                      |
| Auto repair, miscellaneous repair services                         | 3,625   | —       | 201              | 3,101            | 5,849  | —                        | —         | —                          |
| Amusement and recreational services                                | 58,914  | 88,393  | 14,548           | 75,380           | 653,285  | —                        | —         | 2,137                      |
| Other services   | 940   | 2,800   | 124,354          | 15,800           | 28,837   | —                        | 110       | —                          |

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

| Major and selected minor industries                                      | Foreign income and taxes reported on Form 1118 |                                       |   |                            |                       |  |  |  |                      |
|--|--|---------------------------------------|---|----------------------------|-----------------------|--|--|--|----------------------|
|  | Deductions from oil and gas extraction income  |                                       |   | Taxable income (less loss) |                       |  |  |  |                      |
|  | Total  | Allocable to specific types of income | Not allocable to specific types of income | Before loss recapture      |                       |  |  | Recapture of prior year foreign losses | After loss recapture |
|  |  |                                       |   | Total                      | Foreign branch income | Specialty allocable income (Section 863 (B)) | Other than from branch operations and specialty allocable income |  |                      |
| (42)   | (43)   | (44)                                  | (45)                                      | (46)                       | (47)                  | (48)   | (49)   | (50)                                   |                      |
| All industries .....   | 6,086,517                                      | 6,011,916                             | 74,601                                    | 65,809,314                 | 9,496,597             | 1,900,781                                    | 54,411,935   | 176,980                                | 65,632,334           |
| Agriculture, forestry and fishing .....                                  | —  | —                                     | —   | 89,417                     | -2,103                | 973  | 90,547   | 4,667                                  | 84,750               |
| Mining .....   | 845,227  | 799,644                               | 45,584                                    | 1,474,879                  | 53,810                | -24  | 1,421,093  | —                                      | 1,474,879            |
| Metal mining .....   | —  | —                                     | —   | *105,671                   | *70,308               | —  | *35,363  | —                                      | *105,671             |
| Coal mining .....  | —  | —                                     | —   | 12,108                     | 108                   | —  | 12,000   | —                                      | 12,108               |
| Oil and gas extraction .....   | 845,227  | 799,644                               | 45,584                                    | 1,348,218                  | -20,937               | —  | 1,369,155  | —                                      | 1,348,218            |
| Nonmetallic minerals, except fuels .....                                 | —  | —                                     | —   | *8,882                     | *4,331                | *-24   | *4,575   | —                                      | *8,882               |
| Construction .....   | —  | —                                     | —   | 203,554                    | 9,063                 | 780  | 193,711  | 1,210                                  | 202,344              |
| General building contractors and operative builders .....                | —  | —                                     | —   | 58,679                     | —                     | 780  | 57,899   | 1,210                                  | 57,469               |
| Heavy construction contractors .....                                     | —  | —                                     | —   | 133,382                    | 9,063                 | —  | 124,319  | —                                      | 133,382              |
| Special trade contractors .....  | —  | —                                     | —   | *11,493                    | —                     | —  | *11,493  | —                                      | *11,493              |
| Manufacturing .....  | 5,123,119                                      | 5,096,278                             | 26,841                                    | 48,808,782                 | 4,871,610             | 1,775,902                                    | 42,161,271   | 130,772                                | 48,678,011           |
| Food and kindred products .....  | —  | —                                     | —   | 2,029,615                  | 202,041               | 15,249                                       | 1,812,326  | 41,449                                 | 1,988,167            |
| Tobacco manufactures .....   | —  | —                                     | —   | 643,244                    | -68,710               | 104,790                                      | 607,164  | —                                      | 643,244              |
| Textile mill products .....  | —  | —                                     | —   | 90,190                     | -8                    | 10   | 90,189   | 790                                    | 89,401               |
| Apparel and other textile products .....                                 | —  | —                                     | —   | 46,902                     | 1,679                 | 36   | 45,187   | 6,167                                  | 40,735               |
| Lumber and wood products .....   | —  | —                                     | —   | *106,934                   | *1,388                | *-12,405                                     | *117,951   | —                                      | *106,934             |
| Furniture and fixtures .....   | —  | —                                     | —   | 40,640                     | 86                    | 366  | 40,188   | —                                      | 40,640               |
| Paper and allied products .....  | —  | —                                     | —   | 767,718                    | 4,180                 | 18,648                                       | 744,890  | 830                                    | 766,888              |
| Printing and publishing .....  | —  | —                                     | —   | 401,312                    | -23,248               | 4,875  | 419,685  | —                                      | 401,312              |
| Chemicals and allied products .....                                      | 23,404   | 4,285                                 | 19,118                                    | 7,744,091                  | 590,224               | 263,612                                      | 6,890,255  | 17,032                                 | 7,727,059            |
| Petroleum (including integrated) and coal products .....                 | 5,099,623                                      | 5,091,900                             | 7,723                                     | 16,000,128                 | 3,813,694             | 47,609                                       | 12,138,826   | 30,320                                 | 15,969,808           |
| Rubber and miscellaneous plastic products .....                          | —  | —                                     | —   | 538,581                    | -1,838                | 2,191  | 538,228  | 28,511                                 | 510,070              |
| Leather and leather products .....                                       | —  | —                                     | —   | 60,412                     | 388                   | -1,016                                       | 61,040   | 44                                     | 60,368               |
| Stone, clay and glass products .....                                     | —  | —                                     | —   | 621,410                    | 744                   | 11,893                                       | 608,773  | 401                                    | 621,009              |
| Primary metal industries .....   | —  | —                                     | —   | 426,267                    | 7,349                 | 22,335                                       | 396,582  | 68                                     | 426,198              |
| Fabricated metal products .....  | —  | —                                     | —   | 783,947                    | 21,869                | 15,034                                       | 747,044  | 193                                    | 783,754              |
| Machinery, except electrical .....                                       | —  | —                                     | —   | 9,596,648                  | 267,623               | 350,054                                      | 8,978,972  | 2,499                                  | 9,594,150            |
| Electrical and electronic equipment .....                                | 93   | 93                                    | —   | 5,458,641                  | 134,957               | 259,492                                      | 5,064,192  | 894                                    | 5,457,747            |
| Motor vehicles and equipment .....                                       | —  | —                                     | —   | 2,168,987                  | -115,303              | 559,639                                      | 1,724,652  | 1,194                                  | 2,167,793            |
| Transportation equipment, except motor vehicles .....                    | —  | —                                     | —   | 546,985                    | 14,209                | -3,639                                       | 536,415  | —                                      | 546,985              |
| Instruments and related products .....                                   | —  | —                                     | —   | 608,043                    | 18,967                | 115,609                                      | 473,467  | 181                                    | 607,862              |
| Miscellaneous manufacturing products & manufacturing not allocable ..... | —  | —                                     | —   | 128,085                    | 1,319                 | 1,521  | 125,245  | 199                                    | 127,886              |
| Transportation and public utilities .....                                | 8,370  | 8,370                                 | —   | 1,701,947                  | 28,261                | 88,489                                       | 1,585,197  | 5,092                                  | 1,696,855            |
| Transportation .....   | —  | —                                     | —   | 275,705                    | 11,618                | 88,359                                       | 175,728  | 4,157                                  | 271,548              |
| Communication .....  | —  | —                                     | —   | 1,366,527                  | 16,064                | 130  | 1,350,333  | 389                                    | 1,366,138            |
| Electric, gas and sanitary services .....                                | 8,370  | 8,370                                 | —   | 59,715                     | 579                   | —  | 59,137   | 545                                    | 59,170               |
| Wholesale and retail trade .....   | 103,549  | 101,373                               | 2,176                                     | 1,856,204                  | 131,648               | 18,136                                       | 1,706,420  | 13,062                                 | 1,843,142            |
| Wholesale trade .....  | 103,549  | 101,373                               | 2,176                                     | 899,595                    | 38,819                | 18,073                                       | 842,704  | 1,557                                  | 898,038              |
| Groceries and related products .....                                     | —  | —                                     | —   | *1,649                     | —                     | —  | *1,649   | —                                      | *1,649               |
| Machinery, equipment and supplies .....                                  | —  | —                                     | —   | 75,164                     | 2,601                 | 1,633  | 70,930   | —                                      | 75,164               |
| Miscellaneous wholesale trade .....                                      | 103,549  | 101,373                               | 2,176                                     | 822,783                    | 36,217                | 16,440                                       | 770,126  | 1,557                                  | 821,226              |
| Drugs, chemicals and allied products .....                               | —  | —                                     | —   | 108,202                    | 8,733                 | 655  | 98,814   | —                                      | 108,202              |
| Petroleum and petroleum products .....                                   | 103,549  | 101,373                               | 2,176                                     | 316,543                    | 485                   | —  | 316,058  | 367                                    | 316,176              |
| Other miscellaneous wholesale trade .....                                | —  | —                                     | —   | 398,038                    | 26,999                | 15,785                                       | 355,254  | 1,191                                  | 396,847              |
| Retail trade .....   | —  | —                                     | —   | 956,609                    | 92,830                | 63   | 863,716  | 11,505                                 | 945,104              |
| General merchandise stores .....   | —  | —                                     | —   | 285,283                    | 59,141                | —  | 226,142  | 11,505                                 | 273,779              |
| Food stores .....  | —  | —                                     | —   | 160,328                    | 244                   | —  | 160,085  | —                                      | 160,328              |
| Apparel and accessory stores .....                                       | —  | —                                     | —   | 12,972                     | —                     | —  | 12,972   | —                                      | 12,972               |
| Eating and drinking places .....   | —  | —                                     | —   | 418,835                    | 34,200                | 63   | 384,572  | —                                      | 418,835              |
| Miscellaneous retail stores .....  | —  | —                                     | —   | 79,190                     | -755                  | —  | 79,944   | —                                      | 79,190               |
| Finance, insurance and real estate .....                                 | 6,252  | 6,252                                 | ( <sup>1</sup> )                          | 10,619,505                 | 4,291,240             | 10,536                                       | 6,317,729  | 14,316                                 | 10,605,189           |
| Banking .....  | —  | —                                     | —   | 8,107,227                  | 3,903,680             | ( <sup>1</sup> )                             | 4,203,547  | 5,876                                  | 8,101,351            |
| Credit agencies other than banks .....                                   | —  | —                                     | —   | 350,768                    | 141,919               | —  | 208,849  | —                                      | 350,768              |
| Security, commodity brokers and services .....                           | —  | —                                     | —   | 272,522                    | 28,203                | —  | 244,319  | —                                      | 272,522              |
| Insurance .....  | 6,252  | 6,252                                 | ( <sup>1</sup> )                          | 1,611,338                  | 209,907               | 10,536                                       | 1,390,894  | 8,107                                  | 1,603,231            |
| Insurance agents, brokers and services .....                             | —  | —                                     | —   | 125,684                    | -2,619                | —  | 128,303  | —                                      | 125,684              |
| Real estate .....  | —  | —                                     | —   | 17,545                     | 5,378                 | —  | 12,167   | —                                      | 17,545               |
| Holding & other investment companies except bank holding companies ..... | —  | —                                     | —   | 134,421                    | 4,771                 | —  | 129,650  | 333                                    | 134,088              |
| Services .....   | —  | —                                     | —   | 1,042,773                  | 113,068               | 5,988  | 923,716  | 7,861                                  | 1,034,912            |
| Hotels and other lodging places .....                                    | —  | —                                     | —   | *122,645                   | *42,704               | —  | *79,941  | —                                      | *122,645             |
| Personal services .....  | —  | —                                     | —   | 50,990                     | 250                   | —  | 50,740   | —                                      | 50,990               |
| Business services .....  | —  | —                                     | —   | 500,947                    | 75,872                | 5,988  | 419,087  | 7,861                                  | 493,086              |
| Auto repair; miscellaneous repair services .....                         | —  | —                                     | —   | *2,948                     | *110                  | —  | *2,838   | —                                      | *2,948               |
| Amusement and recreational services .....                                | —  | —                                     | —   | 315,609                    | -6,629                | —  | 322,237  | —                                      | 315,609              |
| Other services .....   | —  | —                                     | —   | 49,634                     | 761                   | —  | 48,873   | —                                      | 49,634               |

Footnotes at end of table.

## Corporate Foreign Tax Credit, 1986

## All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued.

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

| Major and selected minor industries                                     | Foreign income and taxes reported on Form 1118 |                                     |                        |                             |           |          |                                   |                                |                |
|---|--|-------------------------------------|------------------------|-----------------------------|-----------|----------|-----------------------------------|--------------------------------|----------------|
|   | Foreign taxes available for credit             |                                     |                        |                             |           |          |                                   |                                |                |
|   | Total after reduction                          | Reduction for certain foreign taxes | Total before reduction | Paid or accrued             |           |          |                                   |                                |                |
|   |  |                                     |                        | Taxes withheld at source on |           |          |                                   | Other taxes paid or accrued on |                |
|   |  |                                     |                        | Total                       | Dividends | Interest | Rents, royalties and license fees | Branch income                  | Service income |
| (51)  | (52)   | (53)                                | (54)                   | (55)                        | (56)      | (57)     | (58)                              | (59)                           |                |
| All industries.....   | 27,407,906                                     | 1,059,505                           | 28,467,411             | 8,467,889                   | 2,329,825 | 756,804  | 808,655                           | 3,273,582                      | 152,670        |
| Agriculture, forestry and fishing.....                                  | 26,241   | —                                   | 26,241                 | 10,962                      | 1,268     | —        | 1,785                             | 71                             | 7,613          |
| Mining.....   | 1,057,210                                      | 180,493                             | 1,237,702              | 605,885                     | 50,957    | 1,326    | 203,836                           | 62,730                         | 29,795         |
| Metal mining.....   | *168,261                                       | *5,701                              | *173,961               | *70,261                     | *36       | *71      | —                                 | *40,389                        | *28,097        |
| Coal mining.....  | 9,621  | —                                   | 9,621                  | 9,604                       | —         | 281      | 132                               | 95                             | —              |
| Oil and gas extraction.....   | 877,113  | 174,792                             | 1,051,906              | 524,940                     | 50,553    | 854      | 203,688                           | 21,785                         | 1,658          |
| Nonmetallic minerals, except fuels.....                                 | *2,214   | —                                   | *2,214                 | *1,080                      | *368      | *121     | *16                               | *460                           | *39            |
| Construction.....   | 100,127  | —                                   | 100,127                | 30,307                      | 9,236     | 88       | 1,516                             | 4,307                          | 707            |
| General building contractors and operative builders.....                | 36,833   | —                                   | 36,833                 | 2,995                       | 1,394     | 65       | 443                               | —                              | 306            |
| Heavy construction contractors.....                                     | 58,570   | —                                   | 58,570                 | 26,654                      | 7,371     | 8        | 1,070                             | 4,307                          | 232            |
| Special trade contractors.....  | *4,724   | —                                   | *4,724                 | *657                        | *471      | *15      | *2                                | —                              | *169           |
| Manufacturing.....  | 21,995,773                                     | 851,926                             | 22,847,699             | 5,813,368                   | 2,086,037 | 125,544  | 517,900                           | 2,348,107                      | 75,446         |
| Food and kindred products.....  | 840,968  | —                                   | 840,968                | 246,198                     | 87,712    | 9,538    | 22,385                            | 108,168                        | 2,448          |
| Tobacco manufactures.....   | 292,199  | —                                   | 292,199                | 65,761                      | 35,354    | 884      | 14,196                            | 13,596                         | 34             |
| Textile mill products.....  | 31,246   | —                                   | 31,246                 | 6,152                       | 3,334     | 55       | 1,213                             | 1,181                          | 351            |
| Apparel and other textile products.....                                 | 7,977  | —                                   | 7,977                  | 4,530                       | 1,138     | 34       | 3,080                             | 227                            | 26             |
| Lumber and wood products.....   | *49,025  | *43                                 | *49,068                | *7,574                      | *4,283    | *1,911   | *782                              | *560                           | *6             |
| Furniture and fixtures.....   | 11,148   | —                                   | 11,148                 | 3,981                       | 2,937     | 142      | 745                               | 100                            | 57             |
| Paper and allied products.....  | 281,325  | —                                   | 281,325                | 65,297                      | 38,206    | 2,163    | 14,747                            | 5,026                          | 284            |
| Printing and publishing.....  | 138,950  | —                                   | 138,950                | 31,487                      | 11,099    | 927      | 6,468                             | 6,377                          | 123            |
| Chemicals and allied products.....                                      | 3,263,203                                      | 22,176                              | 3,285,379              | 825,736                     | 364,679   | 19,893   | 90,271                            | 311,926                        | 8,460          |
| Petroleum (including integrated) and coal products.....                 | 9,381,313                                      | 829,025                             | 10,210,338             | 2,903,559                   | 642,871   | 36,308   | 9,817                             | 1,664,089                      | 24,207         |
| Rubber and miscellaneous plastic products.....                          | 191,773  | —                                   | 191,773                | 49,765                      | 26,793    | 519      | 9,443                             | 1,431                          | 6,143          |
| Leather and leather products.....                                       | 24,854   | 188                                 | 25,042                 | 3,640                       | 1,747     | 43       | 892                               | 444                            | 286            |
| Stone, clay and glass products.....                                     | 250,009  | —                                   | 250,009                | 41,169                      | 29,545    | 235      | 9,602                             | 333                            | 677            |
| Primary metal industries.....   | 196,061  | —                                   | 196,061                | 30,182                      | 12,889    | 367      | 11,273                            | 4,359                          | 362            |
| Fabricated metal products.....  | 349,258  | —                                   | 349,258                | 69,509                      | 47,982    | 2,291    | 7,114                             | 6,345                          | 435            |
| Machinery, except electrical.....                                       | 3,724,867                                      | 116                                 | 3,724,983              | 798,480                     | 404,865   | 14,445   | 231,301                           | 132,080                        | 2,157          |
| Electrical and electronic equipment.....                                | 1,604,687                                      | 379                                 | 1,605,065              | 270,267                     | 107,010   | 7,427    | 58,408                            | 45,762                         | 11,829         |
| Motor vehicles and equipment.....                                       | 887,276  | —                                   | 887,276                | 307,409                     | 218,990   | 22,046   | 8,329                             | 34,753                         | 16,729         |
| Transportation equipment, except motor vehicles.....                    | 218,066  | —                                   | 218,066                | 30,090                      | 20,436    | 1,580    | 3,074                             | 4,889                          | 25             |
| Instruments and related products.....                                   | 204,370  | —                                   | 204,370                | 40,977                      | 20,596    | 1,403    | 12,601                            | 5,236                          | 766            |
| Miscellaneous manufacturing products & manufacturing not allocable..... | 47,197   | —                                   | 47,197                 | 11,605                      | 3,571     | 3,333    | 2,158                             | 1,226                          | 40             |
| Transportation and public utilities.....                                | 240,916  | 3                                   | 240,919                | 59,810                      | 23,282    | 4,702    | 11,617                            | 6,791                          | 3,838          |
| Transportation.....   | 63,911   | 3                                   | 63,914                 | 17,067                      | 4,423     | 4,333    | 788                               | 4,025                          | 1,962          |
| Communication.....  | 155,549  | —                                   | 155,549                | 39,616                      | 17,919    | 324      | 10,608                            | 2,636                          | 1,869          |
| Electric, gas and sanitary services.....                                | 21,456   | —                                   | 21,456                 | 3,127                       | 939       | 45       | 221                               | 130                            | 7              |
| Wholesale and retail trade.....   | 860,091  | 26,220                              | 886,312                | 236,370                     | 50,015    | 6,084    | 15,830                            | 40,440                         | 3,818          |
| Wholesale trade.....  | 446,528  | 26,220                              | 472,748                | 153,941                     | 26,033    | 2,573    | 4,069                             | 21,873                         | 2,702          |
| Groceries and related products.....                                     | *320   | —                                   | *320                   | *248                        | *131      | *89      | *15                               | —                              | —              |
| Machinery, equipment and supplies.....                                  | 29,696   | 1                                   | 29,697                 | 7,710                       | 2,671     | 89       | 1,230                             | 1,649                          | 208            |
| Miscellaneous wholesale trade.....                                      | 416,512  | 26,219                              | 442,731                | 145,983                     | 23,231    | 2,395    | 2,825                             | 20,224                         | 2,494          |
| Drugs, chemicals and allied products.....                               | 20,648   | —                                   | 20,648                 | 5,360                       | 1,321     | 531      | 959                               | 2,517                          | 12             |
| Petroleum and petroleum products.....                                   | 269,021  | 26,219                              | 295,240                | 106,715                     | 13,118    | 46       | 84                                | 399                            | —              |
| Other miscellaneous wholesale trade.....                                | 126,843  | —                                   | 126,843                | 33,907                      | 8,792     | 1,818    | 1,782                             | 17,308                         | 2,482          |
| Retail trade.....   | 413,564  | —                                   | 413,564                | 82,429                      | 23,983    | 3,511    | 11,760                            | 18,567                         | 1,117          |
| General merchandise stores.....   | 120,164  | —                                   | 120,164                | 42,327                      | 8,530     | 1,216    | 697                               | 11,600                         | 729            |
| Food stores.....  | 65,705   | —                                   | 65,705                 | 14,458                      | 10,853    | 85       | 2,268                             | 193                            | —              |
| Apparel and accessory stores.....                                       | 4,122  | —                                   | 4,122                  | 3,920                       | 726       | 37       | 416                               | —                              | —              |
| Eating and drinking places.....   | 210,367  | —                                   | 210,367                | 20,085                      | 2,404     | 2,155    | 8,292                             | 6,773                          | 369            |
| Miscellaneous retail stores.....  | 13,206   | —                                   | 13,206                 | 1,638                       | 1,470     | 17       | 87                                | —                              | 19             |
| Finance, insurance and real estate.....                                 | 2,718,543                                      | 863                                 | 2,719,406              | 1,572,063                   | 95,974    | 616,461  | 8,030                             | 761,227                        | 14,510         |
| Banking.....  | 2,150,630                                      | —                                   | 2,150,630              | 1,324,005                   | 74,747    | 585,778  | 4,288                             | 634,561                        | 335            |
| Credit agencies other than banks.....                                   | 119,852  | —                                   | 119,852                | 64,723                      | 2,958     | 11,870   | 2,527                             | 29,656                         | 414            |
| Security, commodity brokers and services.....                           | 45,751   | —                                   | 45,751                 | 20,515                      | 3,090     | 3,557    | 158                               | 9,865                          | 2,984          |
| Insurance.....  | 285,599  | 863                                 | 286,462                | 145,250                     | 7,258     | 15,059   | 139                               | 82,712                         | 9,439          |
| Insurance agents, brokers and services.....                             | 47,092   | —                                   | 47,092                 | 4,462                       | 3,681     | 43       | 116                               | —                              | 4              |
| Real estate.....  | 7,046  | —                                   | 7,046                  | 4,080                       | 296       | (1)      | 37                                | 2,247                          | 1,197          |
| Holding & other investment companies except bank holding companies..... | 62,575   | —                                   | 62,575                 | 9,029                       | 3,943     | 154      | 764                               | 2,186                          | 136            |
| Services.....   | 408,906  | —                                   | 408,906                | 139,125                     | 13,056    | 2,463    | 48,142                            | 49,908                         | 16,943         |
| Hotels and other lodging places.....                                    | *72,330  | —                                   | *72,330                | *28,247                     | *1,945    | *83      | *5,355                            | *16,110                        | *3,741         |
| Personal services.....  | 35,135   | —                                   | 35,135                 | 4,205                       | 2,175     | 68       | 156                               | 191                            | 1,492          |
| Business services.....  | 169,295  | —                                   | 169,295                | 60,695                      | 6,884     | 1,417    | 9,795                             | 31,642                         | 8,572          |
| Auto repair; miscellaneous repair services.....                         | *558   | —                                   | *558                   | —                           | —         | *526     | *5                                | *21                            | *6             |
| Amusement and recreational services.....                                | 103,943  | —                                   | 103,943                | 36,820                      | -1,536    | 104      | 32,362                            | 1,628                          | 776            |
| Other services.....   | 27,643   | —                                   | 27,643                 | 8,599                       | 517       | 265      | 468                               | 316                            | 2,356          |

Footnotes at end of table.



## Corporate Foreign Tax Credit, 1986

## Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed

Table 2.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Type of Foreign Income for which Separate Credit was Computed

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

| Type of foreign income for which separate credit was computed | Number of returns   | Total assets                   | Total receipts                               | Dividends received from foreign corporations                     | Dividends received from IC-DISC'S or former DISC'S | Includable income of controlled foreign corporations | Foreign dividend income resulting from foreign taxes deemed paid (gross-up) | Net income (less deficit)                     |
|---|---|--------------------------------|--|--|--|--|---|---|
|   | (1)   | (2)                            | (3)  | (4)  | (5)  | (6)  | (7)   | (8)   |
| All industries  |   |                                |  |  |  |  |   |   |
| Total   | 4,409   | 5,404,718,817                  | 2,437,660,227                                | 21,552,980   | 325,101  | 3,941,706  | 14,635,281  | 140,430,545                                   |
| Certain interest income                                       | 328   | 1,281,939,078                  | 924,551,338                                  | 12,556,521   | 169,003  | 2,673,542  | 9,870,252   | 53,305,957                                    |
| Dividends from an IC-DISC or former DISC                      | 33  | 136,465,568                    | 116,554,197                                  | 1,723,364  | 113,661  | 187,005  | 1,754,091   | 9,533,888                                     |
| Foreign trade income of a FSC                                 | 42  | 386,942                        | 1,384,834                                    | —  | —  | —  | —   | 53,738  |
| Distributions from a FSC or former FSC                        | 27  | 241,886,593                    | 145,680,567                                  | 3,114,534  | 91,375   | 521,520  | 1,943,126   | 11,282,812                                    |
| All other foreign source income                               | 4,208   | 5,306,964,111                  | 2,422,505,377                                | 21,544,610   | 324,990  | 3,939,110  | 14,634,816  | 139,147,761                                   |
| Foreign oil & gas extraction income                           | 30  | 382,948,008                    | 277,795,674                                  | 6,565,707  | 19,244   | 1,202,300  | 4,930,253   | 22,062,055                                    |
| Type of foreign income for which separate credit was computed | Income subject to U.S. tax  | U.S. income tax before credits |  | Foreign tax credit claimed                                       | U.S. possessions tax credit                        | General business credit                              | Other credits   | U.S. income tax after credits                 |
|   | (9)   | Total                          | Regular and alternative tax                  | (12)   | (13)   | (14)   | (15)  | (16)  |
| All industries  |   |                                |  |  |  |  |   |   |
| Total   | 130,506,344   | 54,661,965                     | 53,347,108                                   | 22,258,235   | 5,054  | 6,386,239  | 35,249  | 25,977,189                                    |
| Certain interest income                                       | 50,663,018  | 21,969,551                     | 21,444,853                                   | 13,854,614   | —  | 1,832,834  | 33,404  | 6,248,699                                     |
| Dividends from an IC-DISC or former DISC                      | 9,127,404   | 4,019,931                      | 3,944,417                                    | 2,106,694  | —  | 410,382  | 1,992   | 1,500,864                                     |
| Foreign trade income of a FSC                                 | 53,738  | 24,194                         | 24,194                                       | 267  | —  | —  | —   | 23,926  |
| Distributions from a FSC or former FSC                        | 10,698,376  | 4,666,895                      | 4,561,008                                    | 3,331,794  | —  | 391,807  | 976   | 942,318                                       |
| All other foreign source income                               | 129,408,468   | 54,207,565                     | 52,896,532                                   | 22,251,581   | 5,054  | 6,302,649  | 35,249  | 25,613,032                                    |
| Foreign oil & gas extraction income                           | 21,588,961  | 9,422,822                      | 9,228,954                                    | 8,519,611  | —  | 291,696  | 31,399  | 580,115                                       |
| Type of foreign income for which separate credit was computed | Foreign income and taxes reported on Form 1118                                      |                                |  |  |  |  |   |   |
|   | Gross income (less loss) excluding branch operations and specially allocable income |                                |  |  |  |  | Deductions other than from branch operations and specially allocable income | Deductions from oil and gas extraction income |
|   | Total   | Dividends                      | Dividend gross-up                            | Interest   | Other  | Oil and gas extraction gross income (less loss)      | (23)  | (24)  |
|   | (17)  | (18)                           | (19)   | (20)   | (21)   | (22)   | (23)  | (24)  |
| All industries  |   |                                |  |  |  |  |   |   |
| Total   | 93,530,645  | 25,789,233                     | 14,635,179                                   | 18,670,536   | 34,435,696   | 18,093,774   | 39,118,710  | 6,086,517                                     |
| Certain interest income                                       | 1,284,398   | 430,612                        | 118,994                                      | 734,792  | —  | —  | 328,138   | —   |
| Dividends from an IC-DISC or former DISC                      | 114,072   | 113,412                        | 660  | —  | —  | —  | 82,178  | —   |
| Foreign trade income of a FSC                                 | 227,931   | —                              | —  | 1  | 227,929  | —  | 173,764   | —   |
| Distributions from a FSC or former FSC                        | 325,556   | 324,897                        | 659  | —  | —  | —  | 146,725   | —   |
| All other foreign source income                               | 91,578,688  | 24,920,312                     | 14,514,867                                   | 17,935,743   | 34,207,766   | 18,093,774   | 38,387,905  | 6,086,517                                     |
| Foreign oil & gas extraction income                           | 22,524,989  | 8,256,908                      | 4,903,428                                    | 831,441  | 8,533,211  | 18,093,774   | 7,962,950   | 6,086,517                                     |
| Type of foreign income for which separate credit was computed | Foreign income and taxes reported on Form 1118                                      |                                |  |  |  |  |   |   |
|   | Taxable income (less loss)  |                                |  |  |  | Foreign taxes available for credit                   |   |   |
|   | Before loss recapture   |                                |  |  | Recapture of prior year foreign losses             | After loss recapture                                 | Total after reduction   | Reduction for certain foreign taxes           |
|   | Total   | Foreign branch income          | Specially allocable income (Section 863 (B)) | Other than from branch operations and specially allocable income |  |  |   |   |
|   | (25)  | (26)                           | (27)   | (28)   | (29)   | (30)   | (31)  | (32)  |
| All industries  |   |                                |  |  |  |  |   |   |
| Total   | 65,809,314  | 9,496,597                      | 1,900,781                                    | 54,411,935   | 176,980  | 65,632,334   | 27,407,906  | 1,059,505                                     |
| Certain interest income                                       | 956,261   | —                              | —  | 956,261  | 13,239   | 943,022  | 189,828   | —   |
| Dividends from an IC-DISC or former DISC                      | 31,893  | —                              | —  | 31,893   | —  | 31,893   | 669   | —   |
| Foreign trade income of a FSC                                 | 54,167  | —                              | —  | 54,167   | —  | 54,167   | 267   | —   |
| Distributions from a FSC or former FSC                        | 178,831   | —                              | —  | 178,831  | —  | 178,831  | 782   | —   |
| All other foreign source income                               | 64,588,162  | 9,496,597                      | 1,900,781                                    | 53,190,784   | 163,741  | 64,424,421   | 27,216,361  | 1,059,505                                     |
| Foreign oil & gas extraction income                           | 12,007,257  | 4,223,896                      | 41,977                                       | 14,562,038   | 30,320   | 18,797,591   | 11,190,083  | 1,008,559                                     |

Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed

**Table 2.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Type of Foreign Income for which Separate Credit was Computed—Continued**

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

| Type of foreign income for which separate credit was computed | Foreign income and taxes reported on Form 1118 |                                    |           |          |                                   |               |              |             |
|---|--|------------------------------------|-----------|----------|-----------------------------------|---------------|--------------|-------------|
|   | Total before reduction                         | Foreign taxes available for credit |           |          |                                   |               |              | Deemed paid |
|   |  | Paid or accrued on                 |           |          |                                   |               |              |             |
|   |  | Total                              | Dividends | Interest | Rents, royalties and license fees | Branch income | Other income |             |
| (33)  | (34)   | (35)                               | (36)      | (37)     | (38)                              | (39)          | (40)         |             |
| All industries  |  |                                    |           |          |                                   |               |              |             |
| Total   | 28,467,411                                     | 8,467,889                          | 2,329,825 | 756,804  | 808,655                           | 3,273,582     | 1,299,019    | 14,635,173  |
| Certain interest income                                       | 189,828  | 35,459                             | 7,827     | 27,631   | —                                 | —             | —            | 118,994     |
| Dividends from an IC-DISC or former DISC                      | 669  | 9                                  | 9         | —        | —                                 | —             | —            | 660         |
| Foreign trade income of a FSC                                 | *267   | *267                               | —         | —        | —                                 | —             | *267         | —           |
| Distributions from a FSC or former FSC                        | 782  | 122                                | 122       | —        | —                                 | —             | —            | 659         |
| All other foreign source income                               | 28,275,866                                     | 8,432,031                          | 2,321,866 | 729,173  | 808,655                           | 3,273,582     | 1,298,752    | 14,514,861  |
| Foreign oil & gas extraction income                           | 12,243,157                                     | 2,601,164                          | 757,404   | 19,618   | 219,978                           | 1,903,935     | 894,359      | 3,181,082   |

| Type of foreign income for which separate credit was computed | Foreign income and taxes reported on Form 1118 |   |  |  |
|---|--|---|--|--|
|   | Carryover                                      | Foreign tax credit computed                           |  |  |
|   |  | Before reduction for international boycott operations | Reduction for international boycott operations | After reduction for international boycott operations |
|   |  | (41)  | (42)   | (43)   |
| All industries  |  |   |  |  |
| Total   | 5,364,349                                      | 22,260,336  | 727  | 22,259,609   |
| Certain interest income                                       | 35,375   | 128,534   | —  | —  |
| Dividends from an IC-DISC or former DISC                      | —  | 669   | —  | —  |
| Foreign trade income of a FSC                                 | —  | *267  | —  | —  |
| Distributions from a FSC or former FSC                        | ( <sup>1</sup> )                               | 782   | —  | —  |
| All other foreign source income                               | 5,328,974                                      | 22,130,085  | —  | —  |
| Foreign oil & gas extraction income                           | 596,512  | 8,491,184   | —  | —  |

\* This number should be used with caution because of the small number of sample returns on which it was based

(<sup>1</sup>) Less than \$500

Note: The data in columns 1-16 pertain to the total activity of the domestic parent corporation. Since many corporations compute a foreign tax credit for more than one type of foreign income, the data in these columns are not additive. Data in columns 43 and 44 are reported as corporate totals only. The data in columns 17-21, 23, 26-31, 33, 35-39 and 42 of the foreign oil and gas extraction income line represent the amounts of total all other foreign source income and tax for those corporations reporting foreign oil and gas extraction income and taxes. The data in columns 22, 24, 25, 34, 40 and 41 of the foreign oil and gas extraction income line are the actual foreign oil and gas extraction income and tax amounts. Form 1118 detail may not add to totals due to rounding.



# Corporation Income Tax Returns, Income Year 1987

By Ellen Legel and Jonathan Shook\*

The corporation income tax for 1987 grew to \$87.0 billion. This was the net combined effect of a \$7.3 billion increase in income tax before credits (including the new alternative minimum tax) and a \$5.8 billion decrease in total tax credits. Continued economic expansion and the effects of the Tax Reform Act of 1986 (TRA) were two of the determining factors.

The TRA of 1986 reduced the former five-bracket tax rate system to a three-bracket system which lowered the maximum rate from 46 to 34 percent. However, other provisions in the Act were designed to more than offset the effect of the new lower rates. One of these provisions replaced the former minimum tax with a new alternative minimum tax (AMT), designed to assure that corporations would not escape income taxation through their use of exclusions, deductions, and credits. The new AMT amounted to \$2.2 billion, over twice that reported under the former minimum tax for 1986.

For 1987, the transitional year under tax reform, the effective tax rate (based on "taxable income," the amount upon which the regular income tax was computed) was 34.6 percent, notably higher than the 32.9 percent recorded for 1985 before the law changed. This largely reflected the increase in total add-on taxes (caused primarily by the new alternative minimum tax) and the sharp decrease in total tax credits (caused mainly by the phaseout of the investment tax credit).

The impact of tax reform on the corporation statistics was especially evident in the number of Form 1120S returns recorded for 1987. Form 1120S returns were filed by qualifying "S Corporations" (certain companies that elected to be taxed through their shareholders); their number increased 36.5 percent to over 1.1 million for 1987. As a percentage of total corporation returns, S Corporations increased from 24 percent for 1986 to 31 percent for 1987.

The Tax Reform Act made it attractive for certain qualified regular corporations to convert to S Corporation

status because the maximum corporate tax rate was higher than the highest individual tax rate. Additionally, the Act generally required S Corporations using a non-calendar-year accounting period to adopt a calendar-year accounting period, so two returns were filed to effect the changeover.

## MAJOR TAX LAW CHANGES

### Tax rates

Effective for tax years beginning on or after July 1, 1987, the Tax Reform Act of 1986 (TRA) replaced the existing five-step graduated rate structure with a three-step graduated system, and lowered the maximum corporation rate from 46 to 34 percent. For tax years that straddled July 1, 1987, income was taxed at a blended rate, obtained by computing tax using both the old and new rates. The result was then prorated, based on the number of days in the accounting period before and after July 1, 1987 [1]. If taxable income was over \$100,000, an additional 5 percent tax was imposed to phase out the benefits of graduated rates. Under prior law, the phaseout began when taxable income was over \$1 million.

Tax Rates for Tax Years Beginning on or after July 1, 1987

| Taxable income             | Tax rate (%) |
|----------------------------|--------------|
| Not over \$50,000          | 15%          |
| Over \$50,000 to \$75,000  | 25           |
| Over \$75,000 <sup>1</sup> | 34           |

<sup>1</sup> An additional 5 percent tax was imposed on corporate taxable income in excess of \$100,000, not to exceed \$11,750.

Tax Rates for Tax Years Beginning before July 1, 1987

| Taxable income              | Tax rate (%) |
|-----------------------------|--------------|
| \$25,000 or less            | 15%          |
| Over \$25,000 to \$50,000   | 18           |
| Over \$50,000 to \$75,000   | 30           |
| Over \$75,000 to \$100,000  | 40           |
| Over \$100,000 <sup>1</sup> | 46           |

<sup>1</sup> An additional 5 percent tax was imposed on corporate taxable income in excess of \$1 million, not to exceed \$20,250.

### Depreciation

Depreciation under the Accelerated Cost Recovery System (ACRS) was modified by lengthening the periods

\*Corporation Returns Analysis Section. Prepared under the direction of Ken Szefflinski, Chief

over which some assets could be depreciated. Automobiles, light general purpose trucks, and property used in connection with research and experimentation, that were previously classified as 3-year property, were redesignated as 5-year property for 1987 and later years. The Act also provided for more accelerated depreciation for revised 3-year, 5-year, and 10-year property classes. The 200 percent declining balance method allowed more depreciation to be claimed for the early years following asset acquisition or construction. Under prior law only the 150 percent declining balance method was allowed. New personal property classes were created: 7-year and 20-year classes. There was also a differentiation of real property from 15-, 18-, and 19-year real property classes to a 27.5-year recovery period for residential rental property and a 31.5-year recovery period for nonresidential real property. Only the straight-line method could be used for such property under the new law. Also, the maximum deduction for section 179 property was increased from \$5,000 to \$10,000, with a dollar-for-dollar reduction in maximum for investments over \$200,000. The net effect of these changes over the long-run was expected lower overall depreciation deductions with corresponding increases in net income [2].

### Capital gains

The preferential alternative tax rate on net long-term capital gain (less net short-term capital loss) was repealed for tax years beginning on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates [3].

### Alternative minimum tax

The TRA of 1986 repealed the former minimum tax for corporations effective for tax years beginning after December 31, 1986, replacing it with the new alternative minimum tax for 1987. Before TRA, the minimum tax was basically an add-on tax (15 percent of the excess of net tax preferences minus either regular tax or \$10,000). Because the minimum tax did not sufficiently rectify the problem of tax avoidance, the new AMT was designed so that no corporation with substantial economic income could escape tax liability through its use of certain exclusions, deductions, and tax credits [4, 5].

The AMT was designed as a separate tax system (computed by applying an alternative rate to an alternative income base and applied only if it exceeded the regular tax). Technically, however, the alternative minimum tax was added after the corporation's regular tax was imposed [6].

The AMT base was equal to regular "taxable income" (before the net operating loss deduction) and adjusted by the acceleration effects that certain deductions are allowed, then augmented by specified "tax preferences" defined by the new law. The result was then compared to "book income" and 50 percent of the excess of "book income" over "taxable income" (after the net operating loss deduction) was added to the result to arrive at "alternative minimum taxable income" (AMTI). An exemption of \$40,000 was provided for small businesses, but was phased out for businesses with taxable income in excess of \$150,000. Finally, a 20 percent tax was computed on AMTI, in contrast to the 15 percent tax on preference income under the previous minimum tax system.

### Bad debt deduction

For tax years beginning after 1986, TRA disallowed, for non-financial corporations, the reserve method for computing the deduction for bad debts. For 1987, these corporations were required to use the specific charge-off method to determine their deduction. This method allowed a deduction only when specific debts had become partially or totally worthless; the reserve method had allowed a deduction for additions to a bad debt reserve.

For financial institutions, beginning with 1987, the reserve method for purposes of computing the bad debts deduction could only be used by small commercial banks (total assets of \$500 million or less) and, to a limited extent, by savings institutions. Large commercial banks (total assets exceeding \$500 million) were required to employ the specific charge-off method. Also, large savings and loan associations and mutual savings banks (with total assets of \$500 million or more) whose assets were below the minimum 60 percent of "qualified assets" were treated as large commercial banks for purposes of computing their bad debt deduction. Those thrift institutions meeting the asset test could continue to elect the reserve method [7].

### Environmental tax

The total tax reported on the 1987 corporation income tax return included a new environmental tax. This tax was added by the Superfund Amendments and Reauthorization Act of 1986 rather than the 1986 Tax Reform Act. The new tax was equal to 0.12 percent of "modified alternative minimum taxable income" in excess of \$2 million. A deduction for this tax was allowed in computing net income [8].

### Statutory special deductions

Special limitation rules on the net operating loss deduc-

tion (NOLD) were prescribed by TRA in response to concerns about corporations' use of the NOLD for tax avoidance. Corporate acquisitions and disposals, motivated by net operating loss deduction considerations, were of particular concern. In general, under TRA, the net income of an acquiring corporation that could be offset by the net operating loss deduction of the acquired corporation ("loss corporation") was limited each year to a prescribed rate applied to the loss corporation's value before the merger or acquisition.

Additionally, the second largest component of statutory special deductions, the dividends received deduction, was reduced by TRA. The portion of the dividends received deduction that was due to dividends received from domestic corporations, subject to the 85 percent deduction, was reduced to 80 percent [9].

**Tax credits**

TRA repealed the regular investment credit component of the total investment tax credit effective December 31, 1985 (subject to certain transitional rules and exclusions). The allowable rehabilitation credit for certain structures was reduced for 1987, and the business energy credit, which had expired December 31, 1985, was reinstated.

The targeted jobs credit was reinstated through 1988, but the allowable credit was reduced to 40 percent of qualified first-year wages; no credit was allowed for second-year wages.

The research tax credit was extended through 1988, however, the credit was reduced from 25 to 20 percent of the excess of qualified research expenses over base period expenses. Effective January 1, 1987, TRA also provided a 20 percent credit for corporate contributions to, or contracts with, universities or non-profit organizations to conduct research and development.

The Act also provided a new low-income housing credit for 1987. The low-income housing credit generally applied to qualified low-income buildings placed in service after 1986.

Finally, TRA reduced the maximum amount of tax liability against which the general business credit could be applied. The general business credit was an "umbrella" credit that included the investment, targeted jobs, research, alcohol fuel, and low-income housing credits; previously, it had also included the employee stock ownership (ESOP) credit, repealed by TRA. After 1985, the maximum amount of tax that could be offset by the

general business credit was \$25,000, plus 75 percent of the tax over \$25,000. Before the law change, the credit limitation for tax over \$25,000 was 85 percent [10].

**NUMBER OF RETURNS**

For Income Year 1987, the number of active corporation income tax returns increased 5.4 percent to over 3.6 million. Returns with net income increased at a slightly lower rate, rising 4.6 percent to nearly 2 million (Figure A). After steadily increasing for many years, the number of consolidated returns (filed by affiliated corporations) appeared to be stabilizing. For 1987, the number of consolidated returns declined 2.3 percent to 80,070. This was the second decline recorded since 1984 and left the number of consolidated returns for 1987 below the 1986 record of 81,956.

**Figure A.—Number and Growth Rate of Returns Filed, Income Years 1980–1987**

| Income year | Number of returns | Percentage increase | Number of returns with net income | Percentage increase |
|-------------|-------------------|---------------------|-----------------------------------|---------------------|
|             | (1)               | (2)                 | (3)                               | (4)                 |
| 1980.....   | 2,710,538         | 6.0%                | 1,596,632                         | 0.6%                |
| 1981.....   | 2,812,420         | 3.8                 | 1,597,298                         | ( <sup>1</sup> )    |
| 1982.....   | 2,925,933         | 4.0                 | 1,608,363                         | 0.6                 |
| 1983.....   | 2,999,071         | 2.5                 | 1,676,288                         | 4.2                 |
| 1984.....   | 3,170,743         | 5.7                 | 1,777,770                         | 6.0                 |
| 1985.....   | 3,277,219         | 3.4                 | 1,820,120                         | 2.4                 |
| 1986.....   | 3,428,515         | 4.6                 | 1,907,738                         | 4.8                 |
| 1987.....   | 3,612,133         | 5.4                 | 1,995,452                         | 4.6                 |

<sup>1</sup> Less than .05 percent.

By industrial division, sizable increases in the number of returns were recorded for all divisions except finance, insurance and real estate. Within finance, insurance and real estate, nearly all of the 3.0 percent decline was attributable to the real estate industry. Returns for the services and construction divisions rose by 10.6 and 8.6 percent respectively, continuing the strong growth recorded for 1986 (Figure B).

By return type, the number of Form 1120S returns filed by qualifying S Corporations jumped 36.5 percent to 1,127,905 (Figure C). Beyond the effects of a robust economy on business formation, the large increase reflects the impact of the Tax Reform Act of 1986 (TRA).

The TRA of 1986 contributed to the increased number of 1120S returns for 1987 by changing individual and corporation income tax rates and by requiring most S corporations to adopt a calendar-year accounting period. For 1987, the "blended" tax rates allowed while phasing in the new rates prescribed under TRA, meant that for In-

## Corporation Income Tax Returns, 1987

Figure B.—Number of Returns by Industrial Division, Income Years 1986–1987

| Industrial division                      | 1986              |                     | 1987              |                     |
|--|-------------------|---------------------|-------------------|---------------------|
|  | Number of returns | Percentage increase | Number of returns | Percentage increase |
|  | (1)               | (2)                 | (3)               | (4)                 |
| All industries <sup>1</sup> .....        | 3,428,515         | 4.6%                | 3,612,133         | 5.4%                |
| Agriculture, forestry and fishing.....   | 106,634           | 3.4                 | 116,544           | 9.3                 |
| Mining.....                              | 40,354            | -2.6                | 42,050            | 4.2                 |
| Construction.....                        | 341,816           | 7.4                 | 371,169           | 8.6                 |
| Manufacturing.....                       | 285,119           | 3.1                 | 294,211           | 3.2                 |
| Transportation and public utilities..... | 138,428           | 0.1                 | 147,893           | 6.8                 |
| Wholesale and retail trade.....          | 939,159           | 2.4                 | 971,758           | 3.5                 |
| Finance, insurance and real estate.....  | 537,384           | 3.7                 | 521,136           | -3.0                |
| Services.....                            | 1,012,178         | 7.7                 | 1,119,604         | 10.6                |

<sup>1</sup> Includes returns not allocable by industrial division.

Figure C.—Number and Growth Rate of 1120S Returns Filed, Income Years 1980–1987

| Income year | Number of returns | Percentage increase | Number of returns with net income | Percentage increase |
|-------------|-------------------|---------------------|-----------------------------------|---------------------|
|             | (1)               | (2)                 | (3)                               | (4)                 |
| 1980.....   | 545,389           | 5.9%                | 281,592                           | -0.4%               |
| 1981.....   | 541,489           | -0.7                | 265,466                           | -5.7                |
| 1982.....   | 564,219           | 4.2                 | 260,558                           | -1.8                |
| 1983.....   | 648,267           | 14.9                | 305,039                           | 17.1                |
| 1984.....   | 701,339           | 8.2                 | 332,367                           | 9.0                 |
| 1985.....   | 724,749           | 3.3                 | 342,338                           | 3.0                 |
| 1986.....   | 826,214           | 14.0                | 396,377                           | 15.8                |
| 1987.....   | 1,127,905         | 36.5                | 573,583                           | 44.7                |

come Year 1987 the top rate for calendar-year corporations, 40.0 percent, exceeded the top individual income tax rate, 38.5 percent [11]. Furthermore, effective for 1988, the top individual tax rate, 28.0 percent, would be considerably less than the top rate for corporations, 34.0 percent.

Consequently, many qualifying corporations converted to S corporation status either to benefit from the lower 1987 individual top rate vis-a-vis the corporate rate, or in anticipation of the even greater tax advantages for 1988. Of the 301,691 increase in the number of 1120S returns for 1987, nearly 43 percent was attributable to regular corporations that converted to S Corporation status [12].

Additionally, S Corporations were generally required by TRA to use a calendar-year accounting period (for years beginning after December 31, 1986). To comply, many S Corporations filed two income tax returns for the period covered by the 1987 statistics; one for a full non-calendar year, and another for a part year ending December 31. (Statistics for 1987 are based on returns with accounting periods that ended July 1987 through June 1988) [13]. With both returns counted separately, this tended to inflate the number of S Corporation returns for

1987, beyond the increase attributable to conversions. At least 16 percent of the increase in the number of S Corporation returns for 1987 resulted from this double count [14].

## INCOME STATEMENT

## Net Income

Primarily reflecting the strong growth of the U.S. economy in 1987, pre-tax profits reported on corporate income tax returns for Income Year 1987 increased 21.8 percent to a record \$328.2 billion. As the longest U.S. peacetime expansion continued through its fifth year, net income (less deficit) rose substantially for all industrial divisions, except finance, insurance and real estate (Figure D).

By asset size, 75.4 percent of all corporate profits were attributable to the 4,794 returns with assets of \$250 million or more, although these returns represented only 0.13 percent of the total (Table 1). By contrast, for 1986 the largest asset class was also 0.13 percent of all returns, but accounted for 73.3 percent of total corporate profits.

Of the \$58.7 billion increase recorded for all industries, manufacturing reported the largest dollar gain, rising \$43.6 billion to \$145.5 billion for 1987. This gain reversed the previous 3-year decline in manufacturing profits. Within the manufacturing division, the largest increases in net income (less deficit) were recorded for the following industry groups: industrial chemicals, plastics materials, and synthetics; petroleum refining (including integrated); office, computing, and accounting machines; and aircraft, guided missiles and parts (Figure E). In general, manufacturing benefited from export growth, fueled by the lower value of the dollar and by the moderate increase in business fixed investment [15]. Transportation and public utility profits increased 71.8 percent to \$37.5 billion,

**Figure D.—Net Income (less deficit) by Industrial Division, Income Years 1986–1987**

[Money amounts are in thousands of dollars]

| Industrial division                       | 1986          |                     | 1987          |                     |
|---|---------------|---------------------|---------------|---------------------|
|   | Amount        | Percentage increase | Amount        | Percentage increase |
|   | (1)           | (2)                 | (3)           | (4)                 |
| All industries <sup>1</sup> .....         | \$269,530,240 | 12.2%               | \$328,223,710 | 21.8%               |
| Agriculture, forestry and fishing .....   | 1,148,686     | 1646.0              | 1,626,501     | 41.6                |
| Mining .....                              | -3,122,565    | -22.8               | 275,048       | 108.8               |
| Construction .....                        | 5,781,722     | 33.3                | 8,700,642     | 50.5                |
| Manufacturing .....                       | 101,827,271   | -10.5               | 145,493,891   | 42.9                |
| Transportation and public utilities ..... | 21,803,663    | -13.1               | 37,466,726    | 71.8                |
| Wholesale and retail trade .....          | 34,919,948    | 5.4                 | 38,040,057    | 8.9                 |
| Finance, insurance and real estate .....  | 99,808,908    | 64.5                | 87,403,218    | -12.4               |
| Services .....                            | 7,448,023     | 26.6                | 9,251,928     | 24.2                |

<sup>1</sup> Includes net income (less deficit) not allocable by industrial division.

**Figure E.—Net Income (less deficit) by Selected Minor Industry, Income Years 1986–1987**

[Money amounts are in thousands of dollars]

| Item   | 1986               | 1987               | Percentage increase |
|--|--------------------|--------------------|---------------------|
|  | (1)                | (2)                | (3)                 |
| <b>Manufacturing</b>   | <b>101,827,271</b> | <b>145,493,891</b> | <b>42.9%</b>        |
| Industrial chemicals, plastics material and synthetics ..... | 7,963,882          | 12,765,121         | 60.3                |
| Petroleum refining (including integrated) .....              | 12,311,420         | 20,050,275         | 62.9                |
| Office, computing and accounting machines .....              | 5,943,530          | 9,053,586          | 52.3                |
| Aircraft, guided missiles and parts .....                    | 3,215,645          | 6,636,948          | 106.4               |
| <b>Transportation and public utilities</b>                   | <b>21,803,663</b>  | <b>37,466,726</b>  | <b>71.8</b>         |
| Railroad transportation .....                                | -2,682,203         | 1,782,098          | 166.4               |
| Transportation by air .....                                  | -708,829           | 2,231,164          | 414.8               |

with the largest increases recorded for railroad and air transportation.

Despite the vigorous U.S economy in 1987, finance, insurance and real estate profits declined 12.4 percent to \$87.4 billion. Much of this decline reflects the one-time impact of the 1986 Act on net long-term capital gain (reduced by net short-term capital loss). The elimination of the 28 percent alternative tax rate on capital gains, effective January 1, 1987, prompted many large corporations in the finance, insurance and real estate division (in particular, insurance and regulated investment companies) to accelerate capital gain realizations into 1986. For 1986, the net long-term capital gain (less short-term capital loss) reported for the finance division as a whole nearly doubled to \$49.7 billion, contributing to an increase

in profits of \$39.1 billion. For 1987, absent the lower capital gains rate, the net long-term capital gain declined by \$20.6 billion for the finance division, contributing to the \$12.4 billion decline in net income (Figure F).

Like the number of returns, net income (less deficit) reported by S Corporations increased sharply for 1987, rising \$15.9 billion to \$24.1 billion. Since the tax advantages of filing as an S Corporation accrued to only those entities with sufficient profits to benefit from the tax rate changes, much of the increase in net income for 1987 resulted from regular corporations with sizable net income converting to S Corporation status. Of the \$15.9 billion increase in net income (less deficit), \$9.1 billion was attributable to corporations newly converted to S Corporation status [16].

**Figure F.—Net Income (less deficit) and Net Long-Term Capital Gain by Selected Minor Industry, Income Years 1986–1987**

[Money amounts are in thousands of dollars]

|   | Net income (less deficit) |                   |                   | Net long-term capital gain |                   |                   |
|---|---------------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|
|   | 1986                      | 1987              | Percentage change | 1986                       | 1987              | Percentage change |
|   | (1)                       | (2)               | (3)               | (4)                        | (5)               | (6)               |
| <b>Finance, insurance and real estate</b> | <b>99,808,908</b>         | <b>87,403,218</b> | <b>-12.4%</b>     | <b>49,739,250</b>          | <b>29,135,689</b> | <b>-41.4%</b>     |
| Regulated investment companies .....      | 57,523,915                | 52,499,253        | -8.7              | 19,057,451                 | 9,270,435         | -51.4             |
| Insurance companies .....                 | 16,877,679                | 12,047,341        | -28.6             | 15,262,465                 | 8,874,404         | -41.9             |

As a result of the changed filing requirement, the multiple filings of many S Corporations also tended to overstate their profits for Income Year 1987 [17]. Approximately \$850 million of the S Corporation net income (less deficit) recorded for 1987 resulted from the double filings prompted by the tax law change [18].

However, a change in the Statistics of Income definition of net income for S Corporations, a by-product of TRA resulting from the exclusion of receipts and deductions not directly related to the trade or business a company was engaged in, had an indeterminate effect on the 1987 statistics [19].

### Receipts

Total receipts as reported on corporation income tax returns for 1987 increased \$911.3 billion to a record \$9.6 trillion. The 10.5 percent increase for 1987 was the largest recorded for the current 5-year expansion period and far exceeded the 5.5 percent average annual increase of the preceding 4 years. Business receipts (generally gross operating receipts less the cost of returns and allowances) rose 11.7 percent to \$8.4 trillion with the largest gains recorded in the finance, insurance and real estate, services, and manufacturing divisions.

Among receipts, the largest percentage gains were recorded for interest on State and local Government obligations and for royalties. Interest on State and local Government obligations, generally the interest on tax-exempt obligations issued by States, municipalities, and other local Governments, increased 30.5 percent to \$30.7 billion for 1987. The finance, insurance and real estate division, which accounted for nearly 90.0 percent of all reported tax-exempt interest for 1987, recorded the largest gain, increasing \$6.8 billion to \$27.4 billion. In particular, insurance companies reported the largest increases.

Royalties (generally the income received for the use of property rights), rose 26.4 percent to \$20.7 billion for 1987. The increase was primarily attributable to manufacturing; with the office, computing and accounting machines industry reporting the largest increase.

Net long-term capital gain (less net short-term capital loss) dropped \$29.5 billion to \$63.7 billion for 1987. For 1986, the net long-term capital gain (less net short-term capital loss) jumped 73.5 percent to \$93.2 billion. Without the lower tax rate, net long-term capital gains declined 31.6 percent for 1987, returning to about \$10.0 billion above the 1985 level of \$53.8 billion.

### Deductions

Total deductions increased 10.1 percent to \$9.2 trillion for 1987; this was somewhat less than the 10.5 percent gain recorded for total receipts. Cost of sales and operations, the largest deduction item, increased \$0.7 trillion to \$5.6 trillion.

The depreciation deduction rose only 1.3 percent to \$316.7 billion for 1987 after rising only 2.7 percent for 1986. These growth rates were a notable departure from the increases recorded for preceding years [Figure G]. From 1980 through 1985, the depreciation deduction claimed for tax purposes rose at an average annual rate of 14.1 percent. The moderate growth in business fixed investment for 1987 may have contributed to the rather slight increase in depreciation recorded for 1987 [20]. The lengthening of certain class lives for some depreciable assets, as provided by the modified Accelerated Cost Recovery System (ACRS) under TRA, may also have slowed the increase in the deduction.

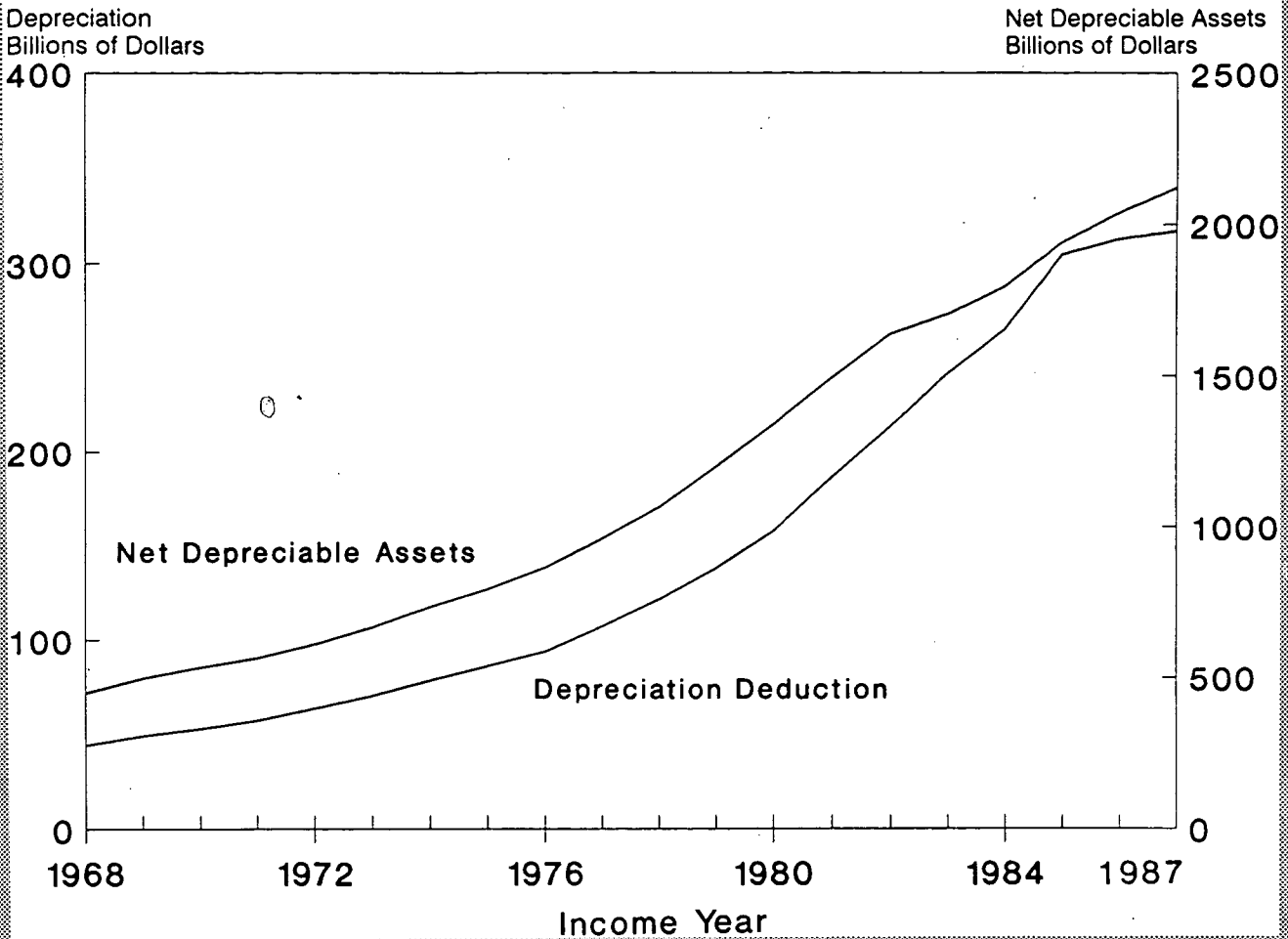
Net depreciable assets, also depicted in Figure G, may not be entirely comparable with the depreciation deduction. The former is a balance sheet item computed on a book basis, whereas the latter is an income statement item based on a tax basis.

The bad debt deduction rose only \$1.2 billion to \$54.6 billion for 1987. This 2.2 percent increase was down sharply from the 23.3 and 28.2 percentage gains recorded for 1986 and 1985 respectively. The slower growth in the bad debt deduction was likely reflective of the changed tax law concerning bad debt deductions for financial institutions, in particular, large commercial banks. For 1987, the bad debt deduction for the banking industry declined \$1.2 billion to \$19.1 billion, primarily attributable to bank holding companies.

The total interest paid deduction rose 3.0 percent to \$590.0 billion for 1987. The largest increase, \$12.6 billion, occurred in finance, insurance and real estate. Within this industrial division, interest paid reported by commercial banks increased \$16.1 billion; credit agencies other than banks, which include savings and loan associations, reported a \$7.8 billion decline. For banks and other savings institutions, the deduction for interest paid includes amounts paid on deposits and is typically the largest deduction item.

For corporations other than those in finance, insurance and real estate, the interest paid deduction increased only \$4.4 billion to \$225.4 billion for 1987. This 2.0 percent

**Figure G**  
**Depreciation Deduction and Net Depreciable Assets, 1968-1987**



increase was down sharply from the 10.3 percent average increase of the preceding 3 years.

As a percentage of business receipts, the deduction for interest paid by corporations in other than finance, insurance and real estate, declined from its 1986 high of 3.2 percent to 3.0 percent for 1987. From 1968 through 1979, interest paid by non-financial corporations trended below 2.0 percent of business receipts. After 1979, the percentage rose to nearly 3.0 percent of business receipts (Figure H).

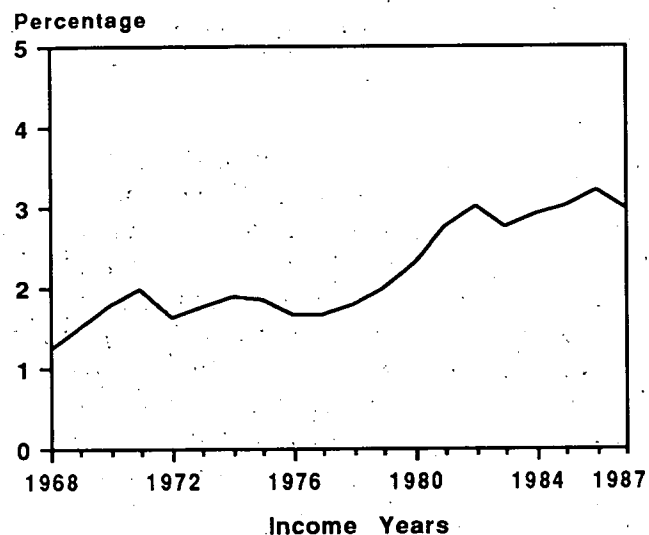
**BALANCE SHEET**

For 1987, total assets reported on corporation income tax returns increased \$1.1 trillion to a new high of \$15.3 trillion (Table 2). This increase was less than the all-time

highs of \$1.7 trillion for 1985 and \$1.4 trillion for 1986, and the percentage increase, 8.1 percent, was the lowest in over 10 years. Total assets grew 150 percent over the 10-year period from 1978 through 1987. "Other investments" (generally long-term non-government obligations) increased from 14 percent to over 21 percent of total corporate assets, while investment in depreciable assets decreased from 18 percent to 14 percent.

The manufacturing, transportation and public utility divisions, decreased their share of total corporate assets by their investments in depreciable assets, which accounted for 3.2 percent of the decline in net depreciable assets. The finance division, comprising 54 percent of total corporate assets for 1978, increased its share of total assets by 3 percent by 1987, while investing in non-government obligations (which increased over the 10-

**Figure H**  
**Non-Financial Corporation: Interest Paid Deduction As A Percentage Of Business Receipt, Income Years 1968-1987**

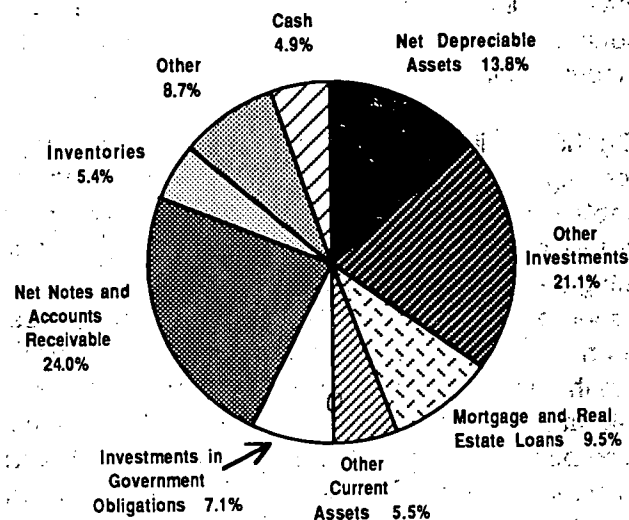


year period from 8.8 to 13.6 percent of total corporate assets). There was no appreciable gain in trade notes (16 percent of total corporate assets) over the 10-year period.

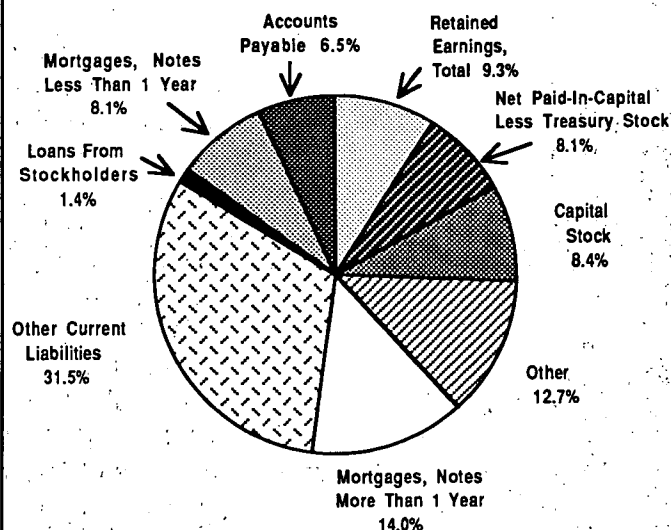
For 1987, the services division was responsible for the largest percentage gain in total assets: 14.1 percent. Although the total for this division was only a small part of the total corporate picture. For 1987, the finance, insurance and real estate division alone comprised 57 percent of total corporate assets, increasing \$0.7 billion to \$8.7 trillion. Insurance companies (26 percent) and regulated investment companies (15 percent) represented the largest part of this increase. The increase for commercial banking and savings and loan associations was only 5 and 7 percent, respectively.

Notes and accounts receivable, the largest asset account, comprising 24 percent of total assets (Figure I), increased in 1987 by \$0.1 trillion to \$3.7 trillion. This was attributable to finance, insurance and real estate; with the majority of the gain due to commercial bank holding companies and their subsidiaries and to savings institutions. "Other investments," the next largest asset item, increased 13.3 percent to \$3.2 trillion, the majority attributable to insurance industry investment in non-government obligations. For the 3 previous years, investments in Government obligations had increased steadily with only a 3.2 percent increase for 1987.

**Figure I**  
**Total Assets by Account, 1987**



**Total Liabilities by Account, 1987**



The largest percentage increase occurred in allowances for bad debts (an offset to notes and accounts receivable), which rose 28.3 percent to \$95.2 billion in 1987. Finance, insurance and real estate comprised 73 percent of the total and nearly all of the increase for 1987. Eighty-four percent of the gain was attributable to bank holding companies and their subsidiaries.

The intangible assets account increased 23.6 percent



to \$262.3 trillion for 1987. Between 1983 and 1987, this account nearly tripled; probably reflecting the increased merger and acquisition activity of the period, since goodwill generated from such activity is usually accounted for in the intangible assets account. In 1987, manufacturing accounted for over half of the total, and for nearly half of the increase since 1983.

On the liability side of the balance sheet, the largest percentage gain occurred in mortgages, notes and bonds payable in less than 1 year, increasing 15.1 percent to \$1.2 trillion. This was due mainly to activities of bank holding companies and their subsidiaries. However, this account comprised only a small part (9 percent) of all debt and only 14 percent of current debt, i.e., debt payable within the next year. "Other current liabilities" accounted for about 40 percent of all debt and 68 percent of the debt due to be paid off within the coming year. Most of this debt was reported by banks which usually used this account on the tax return balance sheet to report customer demand and time deposits.

Because corporations can deduct interest payments on debt to reduce taxable income, they have increasingly elected to use funds provided by bondholders rather than

shareholders. Accordingly, mortgages, notes and bonds payable in 1 year or more increased 9.3 percent to \$2.1 trillion. While this long-term debt item continued to grow, compared to recent years; the rate of growth was less than the 14 and 15 percent increases recorded for 1985 and 1986, respectively. The manufacturing and finance divisions each contributed 30 percent of the total for this debt account.

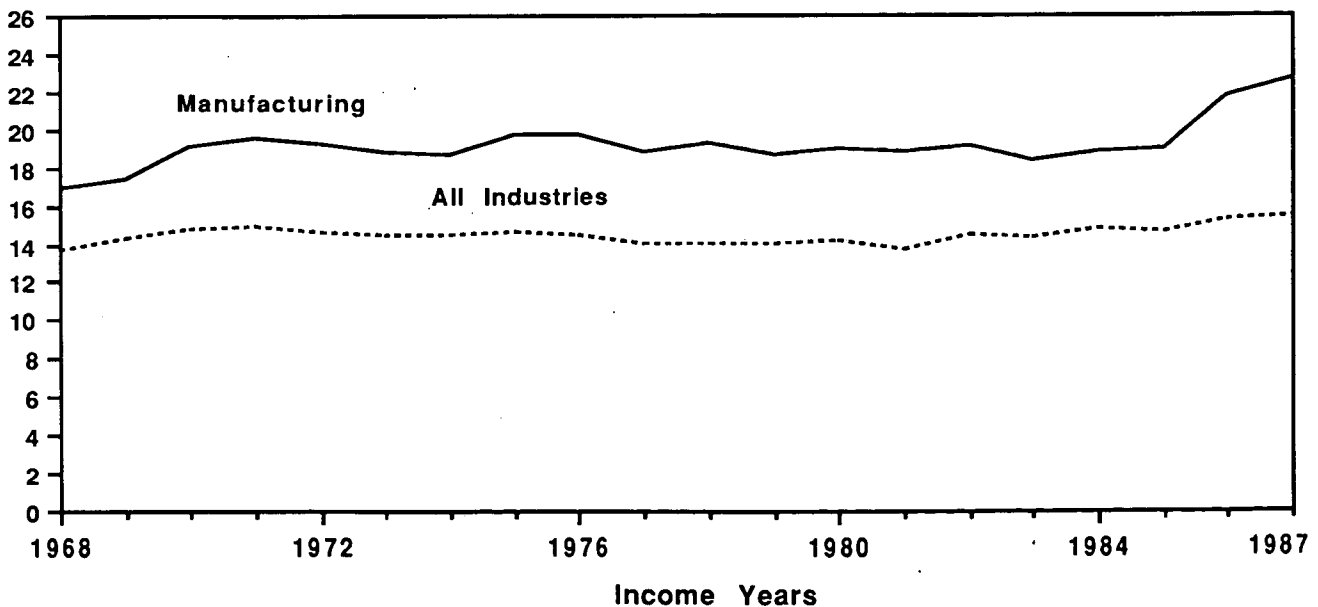
Long-term debt (loans from stockholders; and mortgages, notes, and bonds payable in 1 year or more) are shown as a percentage of total assets for all industries and for manufacturing over the 20-year period, 1968-1987 (Figure J). During this period for manufacturing, long-term debt increased from 16.9 percent in 1968 to 22.6 percent in 1987. Across all industrial divisions, long-term debt as a percentage of total assets was relatively stable in the 14 to 15 percent range from 1969-1980. After 1980, long-term debt steadily increased to over 15.4 percent for 1987.

Total corporate debt as a percentage of total assets was at its lowest point (69.9 percent) in 1968; reaching a high point of 75.1 percent in 1978, and then remaining at about this same level in the years that followed. As debt

Figure J

Long-Term Debt As A Percentage Of Total Assets, All Industries And Manufacturing, Income Years 1968-1987

Percentage



## Corporation Income Tax Returns, 1987

increased from 1968 to 1978, equity conversely decreased from 30.1 percent in 1968 to 24.9 percent in 1978, leveling out at around 25 to 26 percent thereafter.

Unlike the merger activity of the 1960's for which financing was characterized mainly by the exchange of securities, the accelerated merger and acquisition activity throughout the 1980's depended heavily on borrowed funds to pay cash to the selling shareholders. The resulting increase in long-term debt was accompanied by an unprecedented retirement of outstanding equity shares [21].

Among the capital accounts, both appropriated retained earnings and paid-in or capital surplus, recorded gains exceeding 28 and 15 percent, respectively. Cost of treasury stock rose \$136.6 billion to \$749.2 billion for 1987, continuing the upward trend of recent years as corporations continued to buy back their own stock. For 1985 and 1986, increases of 22 percent and 52 percent, respectively, were recorded. Most of the gain for 1987 occurred in regulated investment companies. In total, corporate debt (total assets minus net worth) increased by 8.5 percent, while stockholders' equity increased by only 6.7 percent.

Over the 10-year period from 1978-1987, the two equity accounts that demonstrated the largest changes were paid-in or capital surplus (increasing 200 percent to 13 percent of total assets) and cost of treasury stock (increasing tenfold to 4.9 percent of total assets).

Over the 20-year period from 1968-1987, for the manufacturing industry, equity as a percentage of total assets reached its zenith, 54.5 percent, at the close of 1968. Thereafter, this percentage gradually declined to 46.3 percent in 1977, then to 38.3 percent in 1987. As would be expected, total debt to total assets was the reverse, with its low point in 1968 at 45.5 percent. There-

after, it gradually increased to 53.7 percent in 1977 and finally 61.7 percent in 1987. In terms of debt to equity, for every dollar contributed by owners and stockholders in 1968, only 83 cents was supplied by creditors. In contrast, by 1987, owners and stockholders contributed a dollar for every \$1.61 provided by creditors.

## INCOME TAX AND TAX CREDITS

Reflecting the \$56.4 billion increase in net income (recorded by profit-reporting corporations for 1987), "income subject to tax", generally the base amount (computed for Statistics of Income) upon which the regular income tax was computed, rose \$35.7 billion to \$311.8 billion (Figure K). The gain in income subject to tax for 1987 was the second largest increase during the current 5-year expansion, trailing only the increase for 1984.

Income subject to tax, for most profit-reporting corporations, consisted of net income less certain amounts called "statutory special deductions" in the statistics. The net operating loss deduction (NOLD), the principal statutory special deduction, (representing certain prior-year losses applied against current-year income), increased only \$7.6 billion to \$49.0 billion for 1987. This increase was considerably less than the \$14.3 billion increase in the NOLD recorded for 1986.

Also contributing to the increase in income subject to tax was the slight decline in the dividends received deduction, the second largest component of statutory special deductions. For 1987, the dividends received deduction declined from \$12.1 billion to \$11.3 billion.

Total income tax (regular tax before credits, plus the other taxes) rose 6.6 percent to \$118.5 billion for 1987 (Figure K). Of the \$7.3 billion increase in total income tax, fully \$7.1 billion was attributable to manufacturing. Within manufacturing, chemicals and allied products; and

Figure K.—Selected Tax and Tax Credit Items, Income Years 1986-1987

[Money amounts are in thousands of dollars]

| Item  | 1986        | 1987        | Percentage increase |
|---|-------------|-------------|---------------------|
|   | (1)         | (2)         | (3)                 |
| Income subject to tax, total .....                      | 276,172,502 | 311,840,615 | 12.9%               |
| Income tax, total .....                                 | 111,140,137 | 118,484,975 | 6.6                 |
| Regular tax .....                                       | 108,773,260 | 115,073,572 | 5.8                 |
| Tax from recomputing prior-year investment credit ..... | 1,319,525   | 783,953     | -40.6               |
| Alternative minimum tax .....                           | 1,026,194   | 2,229,107   | 117.2               |
| Environmental tax .....                                 | NA          | 351,253     | NA                  |
| Foreign tax credit .....                                | 21,480,508  | 20,812,861  | -3.1                |
| U.S. possessions tax credit .....                       | 2,907,256   | 2,666,634   | -8.3                |
| Orphan drug credit .....                                | 6,530       | 5,154       | -21.1               |
| Nonconventional fuel source credit .....                | 63,544      | 52,439      | -17.5               |
| General business credit .....                           | 12,805,999  | 7,959,117   | -37.8               |

NA - Not applicable

transportation equipment, except motor vehicles, each recorded sizable increases.

Among the components of total income tax (before credits), regular tax rose 5.8 percent to \$115.1 billion for 1987. The new alternative minimum tax (AMT) for 1987 increased \$1.2 billion to \$2.2 billion compared to the 1986 minimum tax under previous law. The new environmental tax, mandated by the Superfund Amendments and Reauthorization Act of 1986 rather than TRA, contributed \$351 million to the total income tax for 1987.

Like the decline in total tax credits for 1986, the decline recorded for 1987 was primarily attributable to the general business credit, a combination of the investment, jobs, alcohol fuel, research, and low-income housing credits plus any carryovers from prior years. TRA repealed the regular investment tax credit, the principal component of the general business credit, effective January 1, 1986 (subject to certain transitional rules and exclusions). The Act also reduced the maximum amount of tax liability against which the general business credit could be applied. As a result, the general business credit declined \$4.8 billion to \$8.0 billion for 1987.

owed to the U.S. Government, increased \$13.1 billion to \$87.0 billion for 1987. The combined effects of the \$7.3 billion increase in total income tax (before credits) and the \$5.8 billion decline in total tax credits for 1987 prompted the 17.7 percent increase in income tax (after credits).

By asset size, total income tax (after credits) for corporations with total assets of \$250 million or more increased \$16.9 billion to \$56.7 billion for 1987. In percentage terms, returns in this largest asset size class accounted for 65 percent of total income tax (after credits) for 1987, significantly more than the 54 percent for 1986.

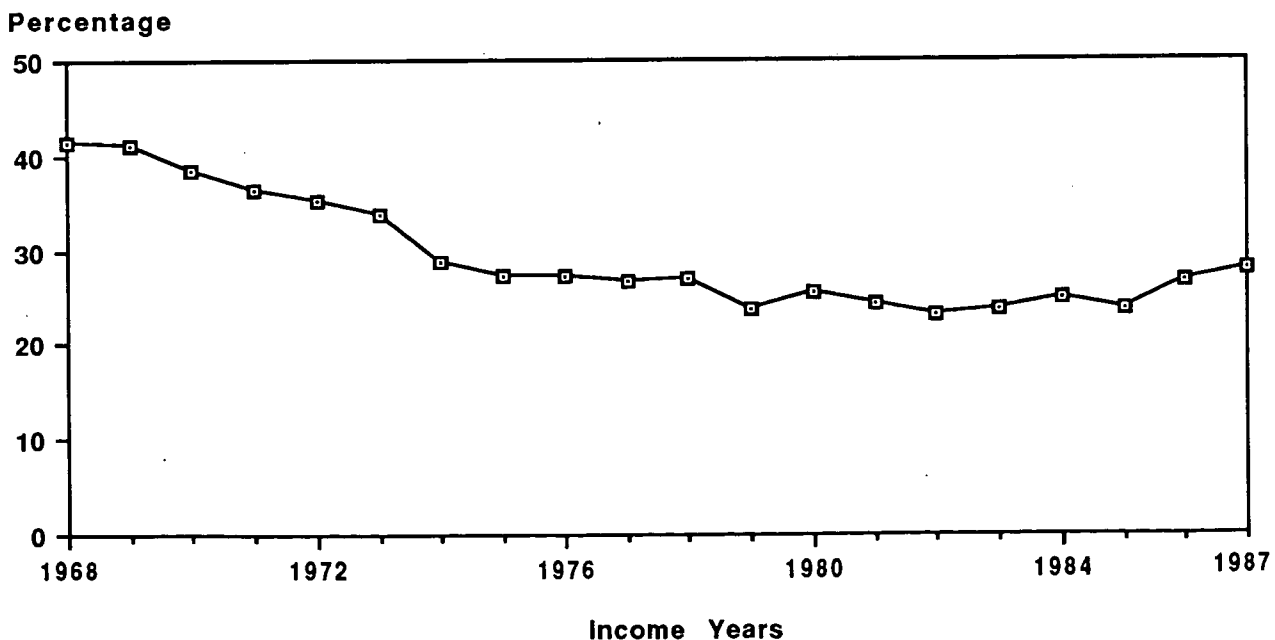
The 20-year trend in the effective corporation tax rates (income tax after credits, except the foreign tax credit, as a percentage of income subject to tax) trended down from 45.8 percent for 1968 to a low of 32.3 percent for 1982 (Figure L) [22]. However, consistent with the intent of TRA, the effective tax rate for corporations rose to 34.6 percent, up from 32.9 percent for 1985 before the effects of TRA were reflected in the statistics.

**SUMMARY**

Both the strong growth of the U.S. economy in 1987 and the Tax Reform Act of 1986 (TRA) are among the

Corporation income tax (after credits), the income tax

**Figure L**  
**Corporation Effective Tax Rates, Income Years 1968-1987**



major contributing factors reflected in corporation income tax return statistics for Income Year 1987. Corporate profits rose substantially for 1987 with manufacturing recording the largest gain, while profits for the finance, insurance and real estate division declined.

The impact of TRA was especially evident in the number of S Corporation returns and in the net income they reported for 1987. The new calendar-year reporting requirement and the revised corporate tax rates vis-a-vis individual tax rates contributed to the jump in the number of 1120S returns and in S Corporation profits.

Income subject to tax rose substantially for 1987 in comparison to 1986, reflecting the sharp increase in corporate profits and the slower growth of the net operating loss deduction. However, regular income tax increased much less in percentage terms, largely reflecting the lower corporate tax rates provided by TRA.

Total income tax credits continued to decline, reflecting the large decrease in the general business credit reported for 1987. TRA generally repealed the regular investment tax credit, the principal component of the general business credit, effective January 1, 1986.

Total income tax (after other taxes and tax credits) increased \$13.1 billion for 1987, partially reflecting the continued decline in tax credits and the growth in other taxes (namely the AMT which yielded an additional \$1.2 billion in taxes over the 1986 minimum tax). The new environmental tax also contributed an additional \$351 million to total income tax.

#### DATA SOURCES AND LIMITATIONS

The data for Income Year 1987 cited in this article are based on a sample of corporation income tax returns with accounting periods ending July 1987 through June 1988. The returns represented domestic corporations filing Form 1120 or Form 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; mutual or stock property and casualty insurance companies filing new Form 1120PC; S Corporations filing Form 1120S; regulated investment companies filing new Form 1120RIC; real estate investment trusts filing new Form 1120REIT; Interest-Charge Domestic International Sales Corporations filing Form 1120 IC-DISC; and Foreign Sales Corporations filing Form 1120-FSC.

The statistics were estimated based on a stratified probability sample of approximately 83,700 active corporation income tax returns selected after administrative

processing and before audit examination. The returns were stratified based on combinations of net income and total assets at rates ranging from 0.3 to 100 percent.

Because the data are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account (Figure M). The CV's for frequency estimates are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown, the corresponding CV's can be estimated by interpolation.

**Figure M.—Coefficients of Variation for Frequency Estimates, Income Year 1987**

| Estimated number of returns | Approximate coefficient of variation |
|-----------------------------|--------------------------------------|
| 1,800,000                   | 1.37                                 |
| 620,000                     | 2.33                                 |
| 350,000                     | 3.21                                 |
| 250,000                     | 3.64                                 |
| 35,500                      | 9.72                                 |
| 25,500                      | 11.50                                |
| 10,500                      | 18.19                                |
| 5,000                       | 25.72                                |

#### NOTES AND REFERENCES

- [1] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986*, May 4, 1987.
- [2] Ibid.
- [3] Ibid.
- [4] Ibid.
- [5] For more detailed information on the new alternative minimum tax (AMT) for 1987 see "The Alternative Minimum Tax: An Analysis of its Effects on Corporations in 1987," Truebert, Patrice and Pavelko, Amy, *1990 American Statistical Association Proceedings, Section on Survey Research Methods*.
- [6] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986*, op. cit.
- [7] Ibid.
- [8] Department of the Treasury, Internal Revenue Service, *Explanation of the Tax Reform Act of 1986 for Business*, Publication 921, August 1987.

- [9] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986*, op. cit.
- [10] Department of the Treasury, Internal Revenue Service, *General Business Credit, Business Tax Credits*, Publication 572, (Revised December 1987).
- [11] For a more complete discussion of corporation tax rates see, *Statistics of Income—1987, Corporation Income Tax Returns*.
- [12] The percentage shown was based on a match of 1987 S Corporation returns with 1986 non-S Corporation returns in the Statistics of Income (SOI) samples for the two years.
- [13] The statistics for 1987 are estimates based on corporation income tax returns with accounting periods ending July 1987 through June 1988. This span, in effect, defines the income year such that noncalendar-year accounting periods are centered on the calendar-year ending December.
- [14] The percentage shown was based on a count of 1987 S Corporations in the SOI sample which filed two returns for Income Year 1987.
- [15] U.S. Office of Management and Budget, *Economic Report of the President*, February 1988.
- [16] The net income (less deficit) figure shown for regular corporations that converted to S Corporations was obtained in conjunction with the number of returns, see Footnote 12.
- [17] For example, an S Corporation with an accounting period ending August 1987 would have filed a tax return reporting income and deductions for the full year, September 1986 through August 1987. Had the filing requirement for S Corporations remained unchanged, the income and deductions from September through December 1987 would have been reported for the next year's annual accounting period, ended August 1988. Because of the manner in which the income year is defined for the statistics, these latter amounts would then have been included in the Income Year 1988 statistics. However, given the changed filing requirement, the taxpayer was obliged to file a full year return for the accounting period ended August 1987, then a part-year return for September through December 1987. Data for this part-year return were, by definition, included in the Income Year 1987 statistics, thus contributing to the sharp increase in both the number of S Corporations and in the net income they reported.
- [18] The net income (less deficit) amount shown was obtained in conjunction with calculating the number of S Corporations filing two returns for Income Year 1987, see Footnote 14.
- [19] Net income or deficit for S Corporations was redefined for 1987 to reflect the changes in the way it was reported on Form 1120S. In general, net income as redefined reflects only the income and expenses related to a trade or business. Rental activities and "portfolio income" such as interest and dividends are excluded, reported instead in the distributions to shareholder schedule (Schedule K). These changes were made to identify for shareholders the income that was subject to the new "passive activity" restrictions imposed by the Tax Reform Act of 1986. The restrictions, implemented to curb "tax shelter" benefits, limited the amount of losses, deductions and tax credits shareholders could claim if such amounts were from a passive activity. (A passive activity generally is any business activity in which the shareholder does not materially participate, or any rental activity. Certain portfolio or investment income is excluded from passive activity income or loss). Generally, a shareholder could only apply the losses and credits from a passive activity against the income and tax from other passive activities or from portfolio income reported on his or her individual income tax return.
- [20] U.S. Office of Management and Budget, *Economic Report of the President*, op. cit.
- [21] Board of Governors, Federal Reserve System, "Recent Developments in Corporate Finance," *Federal Reserve Bulletin*, August 1990.
- [22] For purposes of this article, the effective corporation tax rate was computed by dividing total income tax (after credits, except the foreign tax credit) by total income subject to tax. This permits comparison to be made between "worldwide" income tax, rather than only the amount due to the U.S. Government, and the worldwide income reported on the tax return.

Table 1.—Selected Balance Sheet, Income Statement, and Tax Items by Asset Size

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

Table with 14 columns: Item, Total, Zero assets, \$1 under \$100,000, \$100,000 under \$250,000, \$250,000 under \$500,000, \$500,000 under \$1,000,000, \$1,000,000 under \$5,000,000, \$5,000,000 under \$10,000,000, \$10,000,000 under \$25,000,000, \$25,000,000 under \$50,000,000, \$50,000,000 under \$100,000,000, \$100,000,000 under \$250,000,000, and \$250,000,000 or more. Rows include Number of returns, Total assets, Cash, Notes and accounts receivable, Inventories, Investment in government obligations, Land, Total liabilities, Total receipts, and Total deductions.

Corporation Income Tax Returns, 1987

**Table 1.—Selected Balance Sheet, Income Statement, and Tax Items by Asset Size—Continued**

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

| Item  | Total         | Zero assets | \$1<br>under<br>\$100,000 | \$100,000<br>under<br>\$250,000 | \$250,000<br>under<br>\$500,000 | \$500,000<br>under<br>\$1,000,000 | \$1,000,000<br>under<br>\$5,000,000 | \$5,000,000<br>under<br>\$10,000,000 | \$10,000,000<br>under<br>\$25,000,000 | \$25,000,000<br>under<br>\$50,000,000 | \$50,000,000<br>under<br>\$100,000,000 | \$100,000,000<br>under<br>\$250,000,000 | \$250,000,000<br>or<br>more |
|---|---------------|-------------|---------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--|---|-----------------------------|
|   | (1)           | (2)         | (3)                       | (4)                             | (5)                             | (6)                               | (7)                                 | (8)                                  | (9)                                   | (10)                                  | (11)                                   | (12)                                    | (13)                        |
| Net loss, noncapital assets .....                               | 12,047,435    | 1,596,426   | 290,619                   | 225,371                         | 204,566                         | 179,294                           | 569,223                             | 254,781                              | 418,982                               | 293,573                               | 612,077                                | 1,280,592                               | 6,121,931                   |
| Other deductions .....  | 1,754,216,022 | 32,479,843  | 91,829,679                | 76,914,422                      | 67,886,569                      | 68,728,359                        | 158,525,828                         | 63,105,200                           | 76,343,934                            | 53,517,436                            | 51,127,901                             | 86,833,313                              | 926,923,537                 |
| Total receipts less total deductions .....                      | 336,816,848   | 2,552,897   | -303,236                  | 2,670,435                       | 3,658,752                       | 4,522,269                         | 15,332,902                          | 7,649,353                            | 10,243,290                            | 8,783,851                             | 11,677,572                             | 17,560,471                              | 252,468,293                 |
| Constructive taxable income from<br>related foreign corps ..... | 22,226,855    | 158,717     | —                         | —                               | —                               | *2,536                            | 8,441                               | *9,026                               | 46,436                                | 125,774                               | 141,421                                | 431,642                                 | 21,302,864                  |
| Net income (less deficit) .....                                 | 328,223,710   | 2,551,151   | -306,735                  | 2,648,011                       | 3,639,574                       | 4,496,858                         | 15,197,324                          | 7,545,022                            | 9,899,285                             | 8,209,952                             | 10,686,216                             | 16,080,938                              | 247,576,114                 |
| Net income, total .....   | 465,234,737   | 10,478,896  | 11,051,602                | 10,237,964                      | 10,024,876                      | 11,382,532                        | 30,342,209                          | 14,366,377                           | 19,224,930                            | 14,626,092                            | 16,644,631                             | 25,773,709                              | 291,080,919                 |
| Deficit, total .....  | 137,011,027   | 7,927,745   | 11,358,337                | 7,589,953                       | 6,385,302                       | 6,885,674                         | 15,144,885                          | 6,821,355                            | 9,325,646                             | 6,416,140                             | 5,958,415                              | 9,692,771                               | 43,504,805                  |
| Net income (less def.)<br>Form 1120-A .....                     | -159,252      | 17,486      | -174,311                  | -3,929                          | *1,502                          | —                                 | —                                   | —                                    | —                                     | —                                     | —                                      | —                                       | —                           |
| Net income (less def.)<br>Form 1120S <sup>1</sup> .....         | 24,151,513    | 1,434,897   | 934,986                   | 184,773                         | 556,671                         | 1,337,915                         | 6,578,519                           | 3,548,708                            | 4,408,000                             | 2,109,577                             | 1,637,662                              | 1,043,073                               | 376,733                     |
| Net income (less def.)<br>1120-IC-DISC <sup>1</sup> .....       | 256,752       | 1,399       | 12,891                    | 12,858                          | 30,597                          | 38,653                            | 111,426                             | 20,861                               | 24,544                                | 3,523                                 | —                                      | —                                       | —                           |
| Net income (less def.), 1120-FSC <sup>1</sup> .....             | 1,294,109     | 4,828       | 67,892                    | 34,126                          | 27,299                          | 49,195                            | 221,122                             | 129,665                              | 182,365                               | 121,329                               | 143,997                                | 213,660                                 | 98,632                      |
| Statutory special deductions, total .....                       | 60,416,946    | 2,509,334   | 2,055,810                 | 1,664,681                       | 1,463,506                       | 1,629,652                         | 3,651,324                           | 1,778,253                            | 2,601,179                             | 2,149,160                             | 2,532,406                              | 3,487,200                               | 34,894,439                  |
| Net operating loss deduction .....                              | 49,027,616    | 2,431,809   | 2,026,976                 | 1,601,172                       | 1,364,414                       | 1,542,304                         | 3,326,998                           | 1,587,166                            | 2,270,827                             | 1,745,851                             | 2,230,391                              | 2,943,619                               | 25,956,089                  |
| Dividends received deduction .....                              | 11,325,934    | 77,525      | 28,834                    | 63,509                          | 99,092                          | 87,348                            | 324,326                             | 191,086                              | 330,331                               | 403,300                               | 301,959                                | 543,403                                 | 8,875,219                   |
| Public utility dividend paid deduction .....                    | 63,396        | —           | —                         | —                               | —                               | —                                 | —                                   | —                                    | —                                     | *21                                   | 10                                     | 56                                      | 63,131                      |
| Income subject to tax, total .....                              | 311,840,615   | 4,829,468   | 3,647,320                 | 5,577,765                       | 5,864,504                       | 6,295,490                         | 16,077,038                          | 7,595,905                            | 10,848,793                            | 9,399,396                             | 11,122,216                             | 17,311,652                              | 213,271,066                 |
| Net long-term capital gain taxed at<br>alternative rates .....  | 29,052,318    | 197,107     | *9,540                    | 24,446                          | 80,168                          | 151,613                           | 486,421                             | 389,520                              | 519,660                               | 602,609                               | 570,842                                | 859,376                                 | 25,161,016                  |
| Income tax before credits, total .....                          | 118,484,975   | 1,780,734   | 600,667                   | 1,005,710                       | 1,215,439                       | 1,527,662                         | 5,300,206                           | 2,901,048                            | 4,260,983                             | 3,692,679                             | 4,398,503                              | 6,930,193                               | 84,871,153                  |
| Regular and alternative tax .....                               | 115,073,572   | 1,719,673   | 595,094                   | 996,421                         | 1,197,870                       | 1,494,758                         | 5,189,481                           | 2,839,642                            | 4,170,995                             | 3,598,923                             | 4,293,025                              | 6,746,008                               | 82,231,681                  |
| Tax from recomputing prior year<br>investment credit .....      | 783,953       | 10,748      | 4,990                     | 7,401                           | 7,954                           | 12,616                            | 32,204                              | 16,607                               | 20,512                                | 15,937                                | 19,246                                 | 31,097                                  | 604,643                     |
| Alternative minimum tax .....                                   | 2,229,107     | 30,149      | 252                       | 655                             | 8,381                           | 18,668                            | 73,613                              | 42,602                               | 59,762                                | 71,090                                | 76,169                                 | 127,793                                 | 1,719,971                   |
| Environmental tax .....   | 351,253       | 7,494       | —                         | *15                             | —                               | *22                               | 831                                 | 597                                  | 3,566                                 | 5,058                                 | 8,322                                  | 16,130                                  | 309,218                     |
| Foreign tax credit .....  | 20,812,861    | 195,564     | *22                       | *25                             | *3,951                          | 3,412                             | 19,429                              | 18,731                               | 52,215                                | 81,514                                | 137,488                                | 276,827                                 | 20,023,682                  |
| U.S. possessions tax credit .....                               | 2,666,634     | 20,884      | 20                        | 2                               | 186                             | 1,664                             | 27,634                              | 32,940                               | 153,939                               | 234,725                               | 362,566                                | 418,237                                 | 1,413,837                   |
| Orphan drug credit .....  | 5,154         | —           | —                         | —                               | —                               | —                                 | —                                   | —                                    | —                                     | —                                     | —                                      | —                                       | 5,154                       |
| Nonconventional source fuel credit .....                        | 52,439        | —           | —                         | —                               | *376                            | *105                              | —                                   | *112                                 | *1,486                                | —                                     | 278                                    | 4,242                                   | 42,359                      |
| General business credit .....                                   | 7,959,117     | 73,107      | 48,576                    | 72,894                          | 87,145                          | 89,251                            | 217,981                             | 103,786                              | 129,308                               | 101,758                               | 132,710                                | 213,185                                 | 6,689,415                   |

<sup>1</sup> Profits of Domestic International Sales Corporations were taxed through parent corporations; most net income of qualifying Foreign Sales Corporations was tax-exempt; and net income of S corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations were excluded from income subject to tax.

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

NOTE: Detail may not add to totals due to rounding.





**Table 2.—Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division and Asset Size—Continued**

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

| Item, industrial division                 | Total         | Zero Assets | \$1<br>under<br>\$100,000 | \$100,000<br>under<br>\$250,000 | \$250,000<br>under<br>\$500,000 | \$500,000<br>under<br>\$1,000,000 | \$1,000,000<br>under<br>\$5,000,000 | \$5,000,000<br>under<br>\$10,000,000 | \$10,000,000<br>under<br>\$25,000,000 | \$25,000,000<br>under<br>\$50,000,000 | \$50,000,000<br>under<br>\$100,000,000 | \$100,000,000<br>under<br>\$250,000,000 | \$250,000,000<br>or<br>more |
|---|---------------|-------------|---------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--|---|-----------------------------|
|   | (1)           | (2)         | (3)                       | (4)                             | (5)                             | (6)                               | (7)                                 | (8)                                  | (9)                                   | (10)                                  | (11)                                   | (12)                                    | (13)                        |
| <b>WHOLESALE AND RETAIL TRADE</b>         |               |             |                           |                                 |                                 |                                   |                                     |                                      |                                       |                                       |  |   |                             |
| Number of returns .....                   | 971,758       | 62,455      | 410,258                   | 203,433                         | 117,631                         | 79,357                            | 80,533                              | 10,306                               | 5,093                                 | 1,310                                 | 635                                    | 405                                     | 342                         |
| Total assets .....                        | 1,177,668,920 | —           | 16,062,366                | 32,848,540                      | 41,922,061                      | 55,462,631                        | 166,033,923                         | 70,019,301                           | 76,520,849                            | 45,685,599                            | 44,071,524                             | 64,305,387                              | 564,736,739                 |
| Total receipts .....                      | 2,766,717,240 | 55,315,631  | 81,026,931                | 120,523,995                     | 135,684,419                     | 173,340,617                       | 538,863,000                         | 228,150,049                          | 217,856,482                           | 117,668,463                           | 108,773,497                            | 154,476,082                             | 835,038,073                 |
| Business receipts .....                   | 2,691,275,402 | 53,784,231  | 79,823,266                | 118,812,305                     | 133,763,508                     | 170,874,444                       | 529,812,094                         | 223,647,361                          | 213,148,789                           | 114,915,120                           | 106,128,281                            | 150,393,250                             | 796,172,754                 |
| Interest paid .....                       | 43,641,104    | 656,368     | 610,749                   | 1,119,453                       | 1,277,926                       | 1,672,004                         | 5,001,722                           | 2,171,120                            | 2,353,448                             | 1,405,337                             | 1,303,560                              | 2,216,438                               | 23,852,979                  |
| Net income (less deficit) .....           | 38,040,057    | 149,067     | -1,204,075                | 319,055                         | 1,092,212                       | 1,626,342                         | 6,377,161                           | 3,049,529                            | 3,518,265                             | 1,714,747                             | 2,056,331                              | 2,390,152                               | 16,952,272                  |
| Income tax, total .....                   | 14,956,044    | 194,931     | 111,323                   | 246,628                         | 340,961                         | 490,713                           | 1,779,431                           | 838,134                              | 1,024,869                             | 656,020                               | 765,357                                | 1,172,149                               | 7,335,528                   |
| Income tax (after credits) .....          | 13,994,767    | 188,906     | 104,109                   | 234,501                         | 322,442                         | 471,954                           | 1,735,023                           | 813,816                              | 992,502                               | 629,933                               | 747,609                                | 1,117,305                               | 6,636,667                   |
| Net Worth .....                           | 316,458,705   | —           | -2,723,771                | 7,775,948                       | 13,886,233                      | 19,074,116                        | 51,397,714                          | 19,227,752                           | 22,332,644                            | 11,741,250                            | 13,940,760                             | 19,895,299                              | 139,910,760                 |
| <b>FINANCE, INSURANCE AND REAL ESTATE</b> |               |             |                           |                                 |                                 |                                   |                                     |                                      |                                       |                                       |  |   |                             |
| Number of returns .....                   | 521,136       | 41,298      | 238,766                   | 84,748                          | 52,887                          | 35,957                            | 36,931                              | 7,098                                | 7,862                                 | 5,417                                 | 4,061                                  | 3,161                                   | 2,951                       |
| Total assets .....                        | 8,732,320,235 | —           | 7,662,379                 | 13,902,858                      | 18,604,664                      | 25,477,406                        | 78,083,367                          | 49,864,312                           | 128,372,349                           | 195,487,418                           | 285,234,537                            | 493,141,141                             | 7,436,489,804               |
| Total receipts .....                      | 1,589,218,435 | 66,472,881  | 20,967,512                | 15,141,485                      | 14,387,965                      | 16,547,265                        | 39,781,173                          | 22,716,458                           | 36,397,969                            | 42,094,633                            | 54,098,309                             | 89,638,073                              | 1,170,974,712               |
| Business receipts .....                   | 818,286,705   | 13,260,155  | 19,108,711                | 12,944,487                      | 11,958,564                      | 13,369,645                        | 31,536,157                          | 17,906,551                           | 25,190,276                            | 25,054,392                            | 29,950,288                             | 47,641,420                              | 570,366,060                 |
| Interest paid .....                       | 364,541,038   | 41,847,128  | 377,357                   | 371,510                         | 570,916                         | 879,482                           | 2,792,171                           | 1,611,619                            | 4,900,826                             | 7,977,711                             | 12,019,137                             | 19,892,777                              | 271,300,406                 |
| Net income (less deficit) .....           | 87,403,218    | 1,609,288   | -61,354                   | 329,186                         | 374,883                         | 496,878                           | 1,041,989                           | 150,525                              | 174,029                               | 1,257,752                             | 1,902,919                              | 5,538,891                               | 74,588,230                  |
| Income tax, total .....                   | 19,264,979    | 1,007,108   | 61,645                    | 104,765                         | 126,516                         | 202,648                           | 535,920                             | 316,361                              | 622,051                               | 802,312                               | 929,560                                | 1,611,760                               | 12,944,333                  |
| Income tax (after credits) .....          | 16,342,976    | 838,026     | 59,693                    | 100,955                         | 124,055                         | 198,258                           | 526,625                             | 310,587                              | 614,742                               | 784,482                               | 908,508                                | 1,559,086                               | 10,317,959                  |
| Net Worth .....                           | 1,634,925,235 | —           | 588,518                   | 4,231,278                       | 6,840,960                       | 8,814,071                         | 20,590,568                          | 12,507,351                           | 25,619,670                            | 33,097,187                            | 49,591,989                             | 105,081,418                             | 1,367,962,226               |
| <b>SERVICES</b>                           |               |             |                           |                                 |                                 |                                   |                                     |                                      |                                       |                                       |  |   |                             |
| Number of returns .....                   | 1,119,604     | 117,508     | 702,098                   | 167,767                         | 68,621                          | 32,384                            | 24,938                              | 3,181                                | 1,824                                 | 595                                   | 319                                    | 231                                     | 140                         |
| Total assets .....                        | 435,561,919   | —           | 21,159,126                | 26,328,916                      | 23,566,201                      | 22,529,029                        | 49,901,025                          | 21,640,498                           | 29,758,453                            | 20,857,301                            | 22,329,234                             | 36,648,925                              | 160,843,212                 |
| Total receipts .....                      | 663,133,101   | 18,060,101  | 118,497,885               | 88,083,884                      | 56,805,833                      | 51,125,979                        | 83,195,790                          | 29,945,011                           | 31,431,707                            | 23,138,764                            | 24,044,718                             | 31,864,757                              | 106,938,671                 |
| Business receipts .....                   | 616,469,154   | 16,321,463  | 115,053,216               | 83,840,952                      | 54,860,594                      | 49,564,905                        | 78,930,277                          | 27,858,934                           | 28,461,375                            | 20,665,143                            | 21,452,342                             | 28,342,086                              | 91,117,867                  |
| Interest paid .....                       | 19,750,647    | 468,816     | 793,495                   | 823,046                         | 756,856                         | 842,505                           | 1,961,917                           | 829,230                              | 1,232,198                             | 798,850                               | 877,642                                | 1,522,693                               | 8,843,399                   |
| Net income (less deficit) .....           | 9,251,928     | 569,938     | 1,156,157                 | 1,563,761                       | 825,449                         | 662,966                           | 389,227                             | 166,587                              | 56,735                                | 497,845                               | 763,789                                | 139,041                                 | 2,460,432                   |
| Income tax, total .....                   | 5,033,943     | 231,354     | 285,973                   | 389,528                         | 328,689                         | 225,980                           | 465,255                             | 226,569                              | 290,771                               | 327,119                               | 305,123                                | 417,615                                 | 1,539,967                   |
| Income tax (after credits) .....          | 4,212,339     | 195,598     | 258,318                   | 360,812                         | 304,645                         | 208,787                           | 422,757                             | 204,036                              | 253,362                               | 277,923                               | 259,246                                | 363,402                                 | 1,103,454                   |
| Net Worth .....                           | 112,415,645   | —           | 3,230,842                 | 9,024,737                       | 6,969,493                       | 5,933,227                         | 10,765,293                          | 4,779,650                            | 6,703,847                             | 5,296,462                             | 5,520,738                              | 9,258,220                               | 44,933,134                  |

[1] Includes "nature of business not allocable" which is not shown separately.

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\*For the Fall issue, this table is included in the Bulletin article covering individual income tax returns data for 1986-1988.

NOTICE

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

## Selected Historical Data

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Selected Tax Years, 1970–1988

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

| Item  | 1970                    | 1975               | 1980                     | 1985                     | 1986                     | 1987                     | 1988                     |
|---|-------------------------|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | (1)                     | (2)                | (3)                      | (4)                      | (5)                      | (6)                      | (7)                      |
| <b>All returns.....</b>                             | <b>74,279,831</b>       | <b>82,229,332</b>  | <b>93,902,469</b>        | <b>101,660,287</b>       | <b>103,045,170</b>       | <b>106,896,270</b>       | <b>109,708,280</b>       |
| Form 1040 returns.....                              | 74,279,831              | 54,527,726         | 57,122,592               | 67,006,425               | 68,909,828               | 71,032,103               | 71,359,242               |
| Form 1040A returns.....                             | N/A                     | 27,701,606         | 36,779,877               | 18,124,702               | 17,584,689               | 17,446,685               | 19,066,165               |
| Form 1040EZ returns.....                            | N/A                     | N/A                | N/A                      | 16,529,160               | 16,550,653               | 18,517,482               | 19,282,873               |
| <b>Adjusted gross income (AGI).....</b>             | <b>631,892,540</b>      | <b>947,784,873</b> | <b>1,613,731,497</b>     | <b>2,305,951,483</b>     | <b>2,481,681,048</b>     | <b>2,773,824,198</b>     | <b>3,083,019,783</b>     |
| Salaries and wages:                                 |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 66,965,659              | 73,520,046         | 83,802,109               | 87,198,001               | 88,217,638               | 90,984,304               | 93,257,370               |
| Amount.....   | 531,883,892             | 795,399,462        | 1,349,842,802            | 1,928,200,978            | 2,031,025,984            | 2,163,905,509            | 2,337,984,129            |
| Taxable interest received:                          |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 32,630,355              | 40,378,240         | 49,019,575               | 64,526,434               | 65,236,518               | 67,933,810               | 69,421,338               |
| Amount.....   | 22,021,267              | 43,433,554         | 102,009,444              | 182,109,194              | 167,640,438              | 168,966,067              | 186,981,636              |
| Dividends in AGI: <sup>1</sup>                      |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 7,729,939               | 8,853,491          | 10,738,982               | 15,527,579               | 16,753,537               | 22,324,321               | 22,903,155               |
| Amount.....   | 15,806,924              | 21,892,126         | 38,761,253               | 55,046,351               | 61,623,348               | 66,791,158               | 77,329,507               |
| Business or profession net income less loss:        |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 6,159,985               | 7,242,542          | 8,881,119                | 11,900,341               | 12,360,345               | 13,002,055               | 13,571,440               |
| Amount.....   | 30,554,201              | 39,421,478         | 55,129,154               | 78,772,577               | 90,423,763               | 105,460,627              | 126,323,250              |
| Net capital gain less loss in AGI: <sup>2</sup>     |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 7,962,663               | 7,574,823          | 9,970,921                | 11,125,595               | 15,560,453               | 15,450,141               | 14,286,189               |
| Amount.....   | 9,006,683               | 14,071,893         | 30,029,074               | 67,694,001               | 132,841,678              | 137,398,726              | 153,768,209              |
| Pensions and annuities in AGI: <sup>3</sup>         |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 3,249,558               | 5,088,937          | 7,373,704                | 13,133,295               | 14,771,235               | 16,497,586               | 16,481,248               |
| Amount.....   | 7,878,808               | 20,886,871         | 43,339,736               | 95,096,003               | 107,696,794              | 124,754,833              | 138,785,886              |
| Unemployment compensation in AGI:                   |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | N/A                     | N/A                | 1,798,210                | 4,771,546                | 5,106,015                | 7,370,742                | 6,974,262                |
| Amount.....   | N/A                     | N/A                | 2,028,456                | 6,355,539                | 6,975,196                | 12,286,674               | 11,626,600               |
| Social security benefits in AGI:                    |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | N/A                     | N/A                | N/A                      | 2,956,073                | 3,174,904                | 3,637,211                | 4,024,093                |
| Amount.....   | N/A                     | N/A                | N/A                      | 9,594,182                | 10,648,112               | 12,524,112               | 14,361,470               |
| Rents and royalties net income less loss:           |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 6,557,498               | 7,143,812          | 8,208,132                | 9,970,604                | 9,394,506                | 9,492,112                | 9,560,133                |
| Amount.....   | 3,232,817               | 5,202,078          | 4,105,381                | -12,963,727              | -15,292,084              | -9,254,758               | -3,853,513               |
| Partnership and S Corporation net income less loss: |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | n.a.                    | n.a.               | n.a.                     | 5,487,671                | 5,817,455                | 5,574,532                | 5,899,223                |
| Amount.....   | 12,637,912              | 12,811,091         | 10,099,346               | -2,526,591               | -5,859,500               | 24,314,070               | 57,080,226               |
| Farm net income less loss:                          |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 3,026,530               | 2,755,041          | 2,608,430                | 2,620,861                | 2,524,331                | 2,420,186                | 2,367,527                |
| Amount.....   | 2,788,713               | 3,563,325          | -1,792,466               | -12,005,483              | -7,284,231               | -1,323,464               | -1,176,537               |
| Total statutory adjustments:                        |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 6,370,552               | 9,024,255          | 13,148,919               | 37,763,418               | 38,034,061               | 11,620,127               | 10,747,370               |
| Amount.....   | 7,665,251               | 15,101,999         | 28,614,061               | 95,082,299               | 99,008,229               | 30,116,329               | 28,201,888               |
| Individual Retirement Arrangements:                 |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | N/A                     | 1,211,794          | 2,564,421                | 16,205,846               | 15,535,531               | 7,318,727                | 6,361,421                |
| Amount.....   | N/A                     | 1,436,443          | 3,430,894                | 38,211,574               | 37,758,393               | 14,065,722               | 11,881,754               |
| Self-employed retirement plans:                     |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 591,655                 | 595,892            | 568,936                  | 675,822                  | 773,296                  | 759,083                  | 814,586                  |
| Amount.....   | 847,692                 | 1,603,788          | 2,007,666                | 5,181,993                | 6,194,617                | 6,183,441                | 6,626,908                |
| Married couples who both work:                      |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | N/A                     | N/A                | N/A                      | 24,835,278               | 25,647,221               | N/A                      | N/A                      |
| Amount.....   | N/A                     | N/A                | N/A                      | 24,614,983               | 26,672,241               | N/A                      | N/A                      |
| <b>Exemptions:</b>                                  |                         |                    |                          |                          |                          |                          |                          |
| Number of exemptions.....                           | 204,126,402             | 212,202,596        | 227,925,098              | 244,180,202              | 245,752,978              | 217,495,163              | 221,884,006              |
| Number, age 65 or over.....                         | 8,904,331               | 9,937,208          | 11,847,168               | 16,748,810               | 17,395,776               | N/A                      | N/A                      |
| <b>Total deductions:</b>                            |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 73,862,448              | 81,585,541         | 88,491,251 <sup>4</sup>  | 96,848,626 <sup>4</sup>  | 98,180,981 <sup>4</sup>  | 106,005,861 <sup>5</sup> | 108,819,935 <sup>5</sup> |
| Amount.....   | 120,549,755             | 233,181,778        | 346,000,155 <sup>4</sup> | 554,733,523 <sup>4</sup> | 611,293,162 <sup>4</sup> | 607,223,513 <sup>5</sup> | 685,954,065 <sup>5</sup> |
| Itemized deductions:                                |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 35,430,047              | 26,074,061         | 28,950,282               | 39,848,184               | 40,667,008               | 35,627,790               | 31,902,985               |
| Total amount <sup>6</sup> .....                     | 88,178,487              | 122,260,601        | 218,028,139              | 405,023,525              | 447,057,972              | 392,020,128              | 395,216,456              |
| Medical and dental expense.....                     | 10,585,749              | 11,422,312         | 14,972,082               | 22,926,214               | 25,112,007               | 17,151,819               | 17,993,829               |
| Taxes paid.....                                     | 32,014,673              | 44,141,289         | 69,404,275               | 128,084,618              | 143,446,005              | 119,388,068              | 120,628,182              |
| Interest paid.....                                  | 23,929,477              | 38,885,282         | 91,187,006               | 180,094,578              | 196,566,331              | 179,942,422              | 179,737,720              |
| Contributions.....                                  | 12,892,732              | 15,393,331         | 25,809,608               | 47,962,848               | 53,815,979               | 49,623,907               | 50,949,273               |
| <b>Taxable income:</b>                              |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 59,593,598              | 65,852,602         | 88,104,696               | 96,124,046               | 97,358,296               | 90,079,102               | 90,281,729               |
| Amount.....   | 401,154,285             | 595,492,866        | 1,279,985,360            | 1,820,740,833            | 1,947,024,584            | 1,850,597,119            | 2,069,966,980            |
| <b>Income tax before credits:</b>                   |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 59,596,755              | 65,854,734         | 76,135,819               | 85,994,216               | 86,600,724               | 89,717,924               | 90,218,979               |
| Amount.....   | 84,156,695 <sup>7</sup> | 132,452,044        | 256,294,315              | 332,165,333              | 367,591,995              | 373,857,125              | 418,889,165              |
| <b>Total tax credits<sup>8</sup>:</b>               | <b>396,610</b>          | <b>8,069,848</b>   | <b>7,215,839</b>         | <b>10,248,044</b>        | <b>7,020,731</b>         | <b>8,329,438</b>         | <b>7,047,140</b>         |
| Child care credit.....                              | N/A                     | N/A                | 956,439                  | 3,127,702                | 3,397,090                | 3,438,314                | 3,812,849                |
| Credit for the elderly and disabled.....            | 167,656                 | 128,968            | 134,993                  | 108,642                  | 85,764                   | 66,633                   | 68,904                   |
| Residential energy credit.....                      | N/A                     | N/A                | 562,141                  | 811,675                  | N/A                      | N/A                      | N/A                      |
| Foreign tax credit.....                             | 169,623                 | 381,985            | 1,341,675                | 782,561                  | 773,939                  | 1,099,484                | 1,087,203                |
| Investment credit.....                              | 30,554                  | 1,593,150          | 3,288,415                | ( <sup>9</sup> )         | ( <sup>9</sup> )         | ( <sup>9</sup> )         | ( <sup>9</sup> )         |
| General business credit.....                        | N/A                     | N/A                | N/A                      | 4,791,132 <sup>9</sup>   | 1,115,836 <sup>9</sup>   | 1,018,624 <sup>9</sup>   | 718,209 <sup>9</sup>     |
| <b>Income tax after credits</b>                     | <b>83,787,323</b>       | <b>124,382,197</b> | <b>249,078,475</b>       | <b>321,917,289</b>       | <b>360,571,264</b>       | <b>367,527,687</b>       | <b>411,842,025</b>       |
| <b>Total income tax:<sup>10</sup></b>               |                         |                    |                          |                          |                          |                          |                          |
| Number of returns.....                              | 59,317,371              | 61,490,737         | 73,906,244               | 82,846,420               | 83,967,413               | 86,723,796               | 87,135,332               |
| Amount.....   | 83,909,311              | 124,526,297        | 250,341,440              | 325,710,254              | 367,287,213              | 369,202,757              | 412,869,909              |

See notes following Table 20.

**Table 3.—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1985–1988**

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

| Size of adjusted gross income          | Number of returns for <sup>1</sup> — |                    | Adjusted gross income (AGI) <sup>1,4</sup> |                      | Taxable income <sup>4</sup> |                      |
|--|--------------------------------------|--------------------|--|----------------------|-----------------------------|----------------------|
|  | 1985                                 | 1986               | 1985                                       | 1986                 | 1985                        | 1986                 |
|  | (1)                                  | (2)                | (3)  | (4)                  | (5)                         | (6)                  |
| <b>Total</b> .....                     | <b>101,660,287</b>                   | <b>103,045,170</b> | <b>2,305,951,483</b>                       | <b>2,481,681,046</b> | <b>1,820,740,833</b>        | <b>1,947,024,584</b> |
| Less than \$1,000 <sup>1,2</sup> ..... | 3,292,007                            | 3,082,866          | -36,740,956                                | -41,192,239          | 6,856                       | 2,988                |
| \$1,000 under \$3,000 .....            | 6,771,487                            | 6,943,446          | 13,581,245                                 | 14,071,650           | 5,947,953                   | 6,091,094            |
| \$3,000 under \$5,000 .....            | 6,685,481                            | 6,918,848          | 26,769,868                                 | 27,868,449           | 16,049,013                  | 16,360,716           |
| \$5,000 under \$7,000 .....            | 6,570,968                            | 6,476,499          | 39,356,896                                 | 38,957,006           | 25,680,025                  | 24,601,096           |
| \$7,000 under \$9,000 .....            | 6,664,279                            | 6,193,124          | 53,477,888                                 | 49,544,545           | 37,544,431                  | 33,689,430           |
| \$9,000 under \$11,000 .....           | 6,235,044                            | 6,143,571          | 62,125,340                                 | 61,191,194           | 46,036,142                  | 43,902,314           |
| \$11,000 under \$13,000 .....          | 5,582,921                            | 5,555,106          | 66,863,381                                 | 66,594,415           | 51,016,092                  | 49,577,787           |
| \$13,000 under \$15,000 .....          | 5,386,772                            | 5,248,065          | 75,352,290                                 | 73,308,776           | 58,884,575                  | 56,529,121           |
| \$15,000 under \$17,000 .....          | 4,895,393                            | 4,744,416          | 78,225,269                                 | 75,841,890           | 61,708,177                  | 59,389,086           |
| \$17,000 under \$19,000 .....          | 4,542,598                            | 4,478,236          | 81,675,266                                 | 80,591,475           | 65,462,334                  | 64,065,790           |
| \$19,000 under \$22,000 .....          | 6,089,064                            | 6,070,710          | 124,506,145                                | 124,453,078          | 100,462,536                 | 98,830,208           |
| \$22,000 under \$25,000 .....          | 5,051,210                            | 5,218,320          | 118,539,622                                | 122,393,950          | 95,256,056                  | 98,488,143           |
| \$25,000 under \$30,000 .....          | 7,457,947                            | 7,559,001          | 204,399,150                                | 207,876,371          | 164,077,078                 | 165,356,830          |
| \$30,000 under \$35,000 .....          | 6,451,040                            | 11,489,629         | 209,135,063                                | 398,161,168          | 320,091,716                 | 313,916,975          |
| \$35,000 under \$40,000 .....          | 5,184,620                            | 7,458,776          | 193,807,899                                | 332,210,863          | 233,646,097                 | 259,365,436          |
| \$40,000 under \$50,000 .....          | 6,701,544                            | 6,427,825          | 297,914,321                                | 381,831,768          | 259,467,072                 | 295,296,881          |
| \$50,000 under \$75,000 .....          | 5,628,639                            | 1,546,776          | 333,710,362                                | 131,926,730          | 82,293,087                  | 100,211,601          |
| \$75,000 under \$100,000 .....         | 1,263,409                            | 706,248            | 107,424,625                                | 84,315,947           | 90,834,865                  | 112,757,958          |
| \$100,000 under \$150,000 .....        | 203,109                              | 1,115,593          | 34,884,492                                 | 146,973,805          | 52,919,889                  | 64,277,685           |
| \$150,000 under \$200,000 .....        | 152,523                              | 290,946            | 36,457,244                                 | 82,840,607           | 21,269,595                  | 27,327,574           |
| \$200,000 under \$300,000 .....        | 85,565                               | 51,558             | 32,529,032                                 | 33,670,463           | 32,087,247                  | 56,985,871           |
| \$300,000 under \$500,000 .....        | 41,107                               | 31,859             | 27,541,427                                 | 72,565,082           |                             |                      |
| \$500,000 under \$1,000,000 .....      | 17,312                               |                    | 40,099,667                                 |                      |                             |                      |
| \$1,000,000 or more .....              |                                      |                    |  |                      |                             |                      |

| Size of adjusted gross income          | Total income tax <sup>3,4</sup> |                    | Percentage of returns showing no total income tax <sup>3</sup> |             | Returns showing total income tax         |              |                                       |             |
|--|---------------------------------|--------------------|--|-------------|--|--------------|---------------------------------------|-------------|
|  |                                 |                    |  |             | Average tax (whole dollars) <sup>4</sup> |              | Tax as percentage of AGI <sup>4</sup> |             |
|  | 1985                            | 1986               | 1985   | 1986        | 1985                                     | 1986         | 1985                                  | 1986        |
|  | (7)                             | (8)                | (9)  | (10)        | (11)                                     | (12)         | (13)                                  | (14)        |
| <b>Total</b> .....                     | <b>325,710,254</b>              | <b>367,287,213</b> | <b>18.5</b>  | <b>18.5</b> | <b>3,931</b>                             | <b>4,374</b> | <b>14.4</b>                           | <b>15.1</b> |
| Less than \$1,000 <sup>1,2</sup> ..... | 185,922                         | 315,949            | 99.7   | 99.5        | 16,964                                   | 19,520       | —                                     | —           |
| \$1,000 under \$3,000 .....            | 41,698                          | 58,848             | 94.4   | 94.1        | 111                                      | 143          | 5.4                                   | 7.1         |
| \$3,000 under \$5,000 .....            | 347,878                         | 331,163            | 48.2   | 51.8        | 100                                      | 99           | 2.4                                   | 2.3         |
| \$5,000 under \$7,000 .....            | 1,193,043                       | 1,047,045          | 33.9   | 35.1        | 275                                      | 249          | 4.6                                   | 4.1         |
| \$7,000 under \$9,000 .....            | 2,259,763                       | 1,953,699          | 26.3   | 29.1        | 460                                      | 445          | 5.7                                   | 5.5         |
| \$9,000 under \$11,000 .....           | 3,480,779                       | 3,203,202          | 11.8   | 13.3        | 633                                      | 601          | 6.3                                   | 6.0         |
| \$11,000 under \$13,000 .....          | 4,548,843                       | 4,326,834          | 5.9  | 6.2         | 865                                      | 831          | 7.2                                   | 6.9         |
| \$13,000 under \$15,000 .....          | 5,789,495                       | 5,409,582          | 3.9  | 3.9         | 1,119                                    | 1,073        | 8.0                                   | 7.7         |
| \$15,000 under \$17,000 .....          | 6,534,361                       | 6,304,604          | 2.9  | 2.4         | 1,375                                    | 1,361        | 8.6                                   | 8.5         |
| \$17,000 under \$19,000 .....          | 7,482,062                       | 7,243,966          | 2.3  | 1.6         | 1,686                                    | 1,644        | 9.4                                   | 9.1         |
| \$19,000 under \$22,000 .....          | 12,203,165                      | 11,947,487         | 2.0  | 1.3         | 2,044                                    | 1,995        | 10.0                                  | 9.7         |
| \$22,000 under \$25,000 .....          | 12,275,305                      | 12,727,389         | 1.6  | 0.8         | 2,469                                    | 2,459        | 10.5                                  | 10.5        |
| \$25,000 under \$30,000 .....          | 22,916,849                      | 22,850,961         | 1.0  | 0.8         | 3,103                                    | 3,047        | 11.3                                  | 11.1        |
| \$30,000 under \$35,000 .....          | 25,080,332                      | 48,628,502         | 0.8  | 0.5         | 3,919                                    | 4,253        | 12.1                                  | 12.3        |
| \$35,000 under \$40,000 .....          | 24,713,424                      | 45,744,224         | 0.8  | 0.2         | 4,803                                    | 6,143        | 12.8                                  | 13.8        |
| \$40,000 under \$50,000 .....          | 41,501,665                      | 62,459,834         | 0.4  | 0.2         | 6,215                                    | 9,737        | 14.0                                  | 16.4        |
| \$50,000 under \$75,000 .....          | 56,064,781                      | 26,280,965         | 0.2  | 0.2         | 9,984                                    | 17,027       | 16.8                                  | 20.0        |
| \$75,000 under \$100,000 .....         | 21,794,656                      | 19,895,978         | 0.3  | 0.2         | 17,297                                   | 33,498       | 20.3                                  | 25.4        |
| \$100,000 under \$150,000 .....        | 9,760,959                       | 37,289,197         | 0.1  | 0.2         | 28,296                                   | 48,128       | 23.7                                  | 28.0        |
| \$150,000 under \$200,000 .....        | 11,362,146                      | 27,066,736         | 0.2  | 0.2         | 48,128                                   | 74,658       | 28.0                                  | 32.7        |
| \$200,000 under \$300,000 .....        | 10,670,832                      | 12,928,118         | 0.2  | 0.2         | 74,658                                   | 124,947      | 31.2                                  | 35.9        |
| \$300,000 under \$500,000 .....        | 9,878,188                       | 29,168,908         | 0.2  | 0.2         | 124,947                                  | 240,714      | 32.2                                  | 38.5        |
| \$500,000 under \$1,000,000 .....      | 15,728,128                      |                    | 0.3  | 0.2         | 240,714                                  | 910,931      | 35.9                                  | 40.3        |
| \$1,000,000 or more .....              |                                 |                    |  |             | 910,931                                  | 917,031      | 39.3                                  | 40.3        |

See notes following Table 20.

Selected Historical Data

**Table 3. (Continued)—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1985–1988**  
 [All figures are estimates based on samples—money amounts are in thousands of dollars, except as indicated]

| Size of adjusted gross income          | Number of returns for <sup>1</sup> |                    | Adjusted gross income (AGI) <sup>1,4</sup> |                      | Taxable income <sup>4</sup> |                      |
|--|------------------------------------|--------------------|--|----------------------|-----------------------------|----------------------|
|  | 1987                               | 1988               | 1987                                       | 1988                 | 1987                        | 1988                 |
|  | (1)                                | (2)                | (3)  | (4)                  | (5)                         | (6)                  |
| <b>Total</b> .....                     | <b>106,996,270</b>                 | <b>109,708,280</b> | <b>2,773,824,198</b>                       | <b>3,083,019,783</b> | <b>1,850,597,119</b>        | <b>2,069,966,980</b> |
| Less than \$1,000 <sup>1,2</sup> ..... | 3,691,379                          | 3,962,269          | -38,160,729                                | -39,276,968          | 155,369                     | 171,676              |
| \$1,000 under \$3,000 .....            | 7,433,802                          | 7,456,433          | 14,894,572                                 | 14,705,001           | 1,360,813                   | 1,044,277            |
| \$3,000 under \$5,000 .....            | 6,691,090                          | 6,466,607          | 26,725,935                                 | 25,721,364           | 3,759,804                   | 2,469,667            |
| \$5,000 under \$7,000 .....            | 6,422,132                          | 6,217,629          | 38,413,878                                 | 37,397,442           | 8,264,832                   | 6,409,823            |
| \$7,000 under \$9,000 .....            | 6,300,234                          | 6,191,294          | 50,368,689                                 | 49,432,507           | 15,178,900                  | 12,109,174           |
| \$9,000 under \$11,000 .....           | 5,928,842                          | 5,894,931          | 59,187,847                                 | 58,404,122           | 21,801,837                  | 18,399,630           |
| \$11,000 under \$13,000 .....          | 5,580,094                          | 5,429,777          | 66,951,853                                 | 65,153,426           | 29,932,090                  | 24,954,851           |
| \$13,000 under \$15,000 .....          | 5,292,576                          | 5,428,329          | 73,989,299                                 | 75,824,890           | 36,864,357                  | 33,820,451           |
| \$15,000 under \$17,000 .....          | 4,800,582                          | 4,965,547          | 76,680,566                                 | 79,375,440           | 41,945,445                  | 39,607,433           |
| \$17,000 under \$19,000 .....          | 4,487,621                          | 4,652,964          | 80,697,963                                 | 83,613,482           | 46,210,802                  | 44,192,736           |
| \$19,000 under \$22,000 .....          | 5,879,795                          | 11,420,482         | 120,205,955                                | 249,606,773          | 72,352,317                  | 147,530,356          |
| \$22,000 under \$25,000 .....          | 5,297,494                          |                    | 124,251,696                                |                      | 78,121,158                  |                      |
| \$25,000 under \$30,000 .....          | 7,494,827                          | 7,517,739          | 205,551,504                                | 206,201,583          | 133,895,752                 | 130,581,873          |
| \$30,000 under \$35,000 .....          | 11,604,644                         | 11,956,600         | 402,500,618                                | 415,310,640          | 270,913,902                 | 274,610,362          |
| \$35,000 under \$40,000 .....          |                                    |                    |  |                      |                             |                      |
| \$40,000 under \$50,000 .....          | 7,862,901                          | 8,264,514          | 350,409,748                                | 369,115,675          | 242,712,736                 | 255,121,323          |
| \$50,000 under \$75,000 .....          | 8,110,447                          | 8,904,085          | 484,023,071                                | 523,715,520          | 347,978,968                 | 383,088,855          |
| \$75,000 under \$100,000 .....         | 2,064,189                          | 2,520,476          | 175,453,698                                | 214,204,828          | 129,661,327                 | 159,574,120          |
| \$100,000 under \$150,000 .....        | 1,513,654                          | 1,778,258          | 200,973,127                                | 236,074,161          | 153,927,488                 | 183,252,229          |
| \$150,000 under \$200,000 .....        |                                    |                    |  |                      |                             |                      |
| \$200,000 under \$300,000 .....        | 429,671                            | 548,472            | 124,073,791                                | 161,914,657          | 100,643,815                 | 134,674,810          |
| \$300,000 under \$500,000 .....        |                                    |                    |  |                      |                             |                      |
| \$500,000 under \$1,000,000 .....      | 75,352                             | 114,808            | 50,898,244                                 | 77,893,798           | 42,794,638                  | 67,559,945           |
| \$1,000,000 or more .....              | 34,944                             | 62,065             | 85,732,872                                 | 169,631,441          | 72,120,769                  | 150,793,390          |

| Size of adjusted gross income          | Total income tax <sup>3,4</sup> |                    | Percentage of returns showing no total income tax <sup>4</sup> |             | Returns showing total income tax         |              |                                       |             |
|--|---------------------------------|--------------------|--|-------------|--|--------------|---------------------------------------|-------------|
|  | 1987                            | 1988               | 1987   | 1988        | Average tax (whole dollars) <sup>4</sup> |              | Tax as percentage of AGI <sup>4</sup> |             |
|  |                                 |                    |  |             | 1987                                     | 1988         | 1987                                  | 1988        |
| (7)                                    | (8)                             | (9)                | (10)   | (11)        | (12)                                     | (13)         | (14)                                  |             |
| <b>Total</b> .....                     | <b>369,202,757</b>              | <b>412,869,909</b> | <b>18.9</b>  | <b>20.6</b> | <b>4,257</b>                             | <b>4,738</b> | <b>13.7</b>                           | <b>13.8</b> |
| Less than \$1,000 <sup>1,2</sup> ..... | 180,244                         | 139,877            | 79.6   | 77.0        | 240                                      | 154          | —                                     | —           |
| \$1,000 under \$3,000 .....            | 183,643                         | 173,108            | 70.0   | 73.6        | 82                                       | 88           | 4.0                                   | 4.6         |
| \$3,000 under \$5,000 .....            | 435,734                         | 396,062            | 55.4   | 64.6        | 146                                      | 173          | 3.6                                   | 4.4         |
| \$5,000 under \$7,000 .....            | 998,787                         | 944,306            | 36.4   | 35.7        | 244                                      | 236          | 4.1                                   | 3.9         |
| \$7,000 under \$9,000 .....            | 1,790,904                       | 1,803,321          | 34.3   | 37.7        | 433                                      | 468          | 5.4                                   | 5.8         |
| \$9,000 under \$11,000 .....           | 2,581,645                       | 2,548,936          | 29.2   | 32.7        | 615                                      | 648          | 6.1                                   | 6.5         |
| \$11,000 under \$13,000 .....          | 3,649,095                       | 3,351,471          | 18.8   | 26.4        | 806                                      | 839          | 6.7                                   | 7.0         |
| \$13,000 under \$15,000 .....          | 4,701,766                       | 4,511,389          | 9.0  | 19.2        | 976                                      | 1,029        | 7.0                                   | 7.4         |
| \$15,000 under \$17,000 .....          | 5,671,873                       | 5,453,776          | 3.5  | 8.2         | 1,225                                    | 1,197        | 7.7                                   | 7.5         |
| \$17,000 under \$19,000 .....          | 6,288,383                       | 6,385,486          | 2.9  | 3.8         | 1,444                                    | 1,427        | 8.0                                   | 7.9         |
| \$19,000 under \$22,000 .....          | 10,034,366                      | 21,744,141         | 2.0  | 1.6         | 1,742                                    | 1,935        | 8.5                                   | 8.8         |
| \$22,000 under \$25,000 .....          | 11,357,271                      |                    | 1.7  |             | 2,181                                    |              | 9.3                                   |             |
| \$25,000 under \$30,000 .....          | 20,395,355                      | 20,361,642         | 0.7  | 0.7         | 2,741                                    | 2,729        | 10.0                                  | 9.9         |
| \$30,000 under \$35,000 .....          |                                 |                    |  |             |  |              |                                       |             |
| \$35,000 under \$40,000 .....          | 42,809,754                      | 44,138,991         | 0.5  | 0.5         | 3,708                                    | 3,710        | 10.7                                  | 10.7        |
| \$40,000 under \$50,000 .....          | 41,345,872                      | 42,768,361         | 0.3  | 0.2         | 5,274                                    | 5,184        | 11.8                                  | 11.6        |
| \$50,000 under \$75,000 .....          | 69,872,423                      | 74,340,917         | 0.2  | 0.1         | 8,630                                    | 8,356        | 14.5                                  | 14.0        |
| \$75,000 under \$100,000 .....         | 31,277,163                      | 35,685,329         | 0.1  | 0.1         | 15,171                                   | 14,169       | 17.8                                  | 16.7        |
| \$100,000 under \$150,000 .....        | 43,415,426                      | 47,837,393         | 0.2  | 0.1         | 28,754                                   | 26,934       | 21.7                                  | 20.3        |
| \$150,000 under \$200,000 .....        |                                 |                    |  |             |  |              |                                       |             |
| \$200,000 under \$300,000 .....        | 32,978,242                      | 38,699,740         | 0.1  | 0.1         | 76,866                                   | 70,637       | 26.6                                  | 23.9        |
| \$300,000 under \$500,000 .....        |                                 |                    |  |             |  |              |                                       |             |
| \$500,000 under \$1,000,000 .....      | 14,745,147                      | 19,162,981         | 0.2  | 0.1         | 196,006                                  | 167,097      | 29.0                                  | 24.6        |
| \$1,000,000 or more .....              | 24,489,662                      | 42,422,678         | 0.3  | 0.1         | 702,777                                  | 684,546      | 28.7                                  | 25.0        |

See notes following Table 20.

**Table 4.—Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), Selected Years, 1970–1988**

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

| Income and adjustment items   | 1970         | 1975           | 1980           | 1985           | 1986           | 1987 <sup>r</sup> | 1988 <sup>r</sup>          |
|---|--------------|----------------|----------------|----------------|----------------|-------------------|----------------------------|
|   | (1)          | (2)            | (3)            | (4)            | (5)            | (6)               | (7)                        |
| <b>1. Personal income (per NIPA) .....</b>  | <b>831.8</b> | <b>1,313.4</b> | <b>2,258.5</b> | <b>3,325.3</b> | <b>3,526.2</b> | <b>3,766.4</b>    | <b>4,070.8</b>             |
| <b>2. Portion of personal income not included in AGI.....</b>   | <b>181.2</b> | <b>350.5</b>   | <b>608.5</b>   | <b>1,021.4</b> | <b>1,100.6</b> | <b>1,093.9</b>    | <b>1,151.6</b>             |
| Transfer payments (except taxable military pay and taxable Government pensions).....                  | 79.3         | 176.9          | 290.3          | 416.8          | 440.8          | 458.4             | 486.3                      |
| Other labor income (except fees).....   | 31.9         | 65.0           | 136.5          | 184.3          | 195.7          | 205.5             | 221.2                      |
| Imputed income.....   | 25.5         | 33.4           | 45.1           | 55.3           | 71.1           | 87.1              | 87.4                       |
| Investment income received by nonprofit institutions or retained by fiduciaries.....                  | 7.7          | 11.2           | 21.7           | 34.8           | 33.0           | 33.4              | 36.3                       |
| Investment income retained by life insurance carriers and noninsured pension funds <sup>1</sup> ..... | 12.5         | 23.5           | 59.9           | 112.8          | 119.0          | 136.2             | 148.7                      |
| Net differences in accounting treatment (NIPA vs. IRS).....   | 8.5          | 16.0           | 14.1           | 87.3           | 97.7           | 108.1             | 108.2                      |
| Other excluded or tax exempt income.....  | 15.8         | 24.4           | 41.0           | 130.2          | 143.3          | 65.3              | 63.4                       |
| <b>3. Portion of AGI not included in personal income.....</b>   | <b>47.7</b>  | <b>85.1</b>    | <b>157.8</b>   | <b>299.4</b>   | <b>397.8</b>   | <b>432.0</b>      | <b>534.5</b>               |
| Personal contributions for social insurance.....  | 27.9         | 50.4           | 88.6           | 149.3          | 161.9          | 172.9             | 194.1                      |
| Net capital gain from sales of property.....  | 8.9          | 14.2           | 29.7           | 69.8           | 133.6          | 138.0             | 154.5                      |
| Taxable private pensions.....   | 6.3          | 13.1           | 28.3           | 72.9           | 94.1           | 103.7             | 127.6                      |
| S Corporation income (taxed through share holders).....   | 1.7          | 2.1            | .7             | 6.2            | 7.5            | 17.9              | 37.7                       |
| Other taxable income.....   | 2.9          | 5.4            | 10.5           | 1.2            | .6             | -.5               | 20.6                       |
| <b>4. Total net adjustment for conceptual differences (line 2 minus line 3).....</b>                  | <b>133.5</b> | <b>265.4</b>   | <b>450.7</b>   | <b>722.0</b>   | <b>702.8</b>   | <b>661.9</b>      | <b>617.1</b>               |
| <b>5. Estimated total AGI (per NIPA) (line 1 minus line 4)...</b>                                     | <b>698.3</b> | <b>1,048.0</b> | <b>1,807.9</b> | <b>2,603.4</b> | <b>2,823.4</b> | <b>3,104.4</b>    | <b>3,453.7</b>             |
| <b>6. Adjusted gross income (AGI) (SOI).....</b>  | <b>631.7</b> | <b>947.8</b>   | <b>1,613.7</b> | <b>2,306.0</b> | <b>2,481.7</b> | <b>2,773.8</b>    | <b>3,083.0<sup>2</sup></b> |
| <b>7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6)<sup>2</sup>.....</b>           | <b>66.6</b>  | <b>100.2</b>   | <b>194.1</b>   | <b>297.4</b>   | <b>341.7</b>   | <b>r330.6</b>     | <b>370.7<sup>2</sup></b>   |

See notes following Table 20.

## Selected Historical Data

Table 5.—Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947–1989

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

| Tax year   | Personal income<br>(per NIPA) <sup>1</sup> | Total<br>adjusted gross<br>income (AGI)<br>(per NIPA) | Difference         |                                     |
|------------|--|---|--------------------|-------------------------------------|
|            |  |   | Amount             | Percentage of<br>personal<br>income |
|            | (1)  | (2)   | (3)                | (4)                                 |
| 1947.....  | 190.2                                      | 170.6   | 19.6               | 10.3                                |
| 1948.....  | 209.2                                      | 184.6   | 24.6               | 11.8                                |
| 1949.....  | 206.4                                      | 181.7   | 24.7               | 12.0                                |
| 1950.....  | 228.1                                      | 201.4   | 26.7               | 11.7                                |
| 1951.....  | 256.5                                      | 228.8   | 27.7               | 10.8                                |
| 1952.....  | 273.8                                      | 241.8   | 32.0               | 11.7                                |
| 1953.....  | 290.5                                      | 257.1   | 33.4               | 11.5                                |
| 1954.....  | 293.0                                      | 256.4   | 36.6               | 12.5                                |
| 1955.....  | 314.2                                      | 277.1   | 37.1               | 11.8                                |
| 1956.....  | 337.2                                      | 297.9   | 39.3               | 11.7                                |
| 1957.....  | 356.3                                      | 310.7   | 45.6               | 12.8                                |
| 1958.....  | 367.1                                      | 316.0   | 51.1               | 13.9                                |
| 1959.....  | 390.7                                      | 338.7   | 52.0               | 13.3                                |
| 1960.....  | 409.4                                      | 352.5   | 56.9               | 13.9                                |
| 1961.....  | 426.0                                      | 365.8   | 60.2               | 14.1                                |
| 1962.....  | 453.2                                      | 387.8   | 65.4               | 14.4                                |
| 1963.....  | 476.3                                      | 408.7   | 67.6               | 14.2                                |
| 1964.....  | 510.2                                      | 442.0   | 68.2               | 13.4                                |
| 1965.....  | 552.0                                      | 479.4   | 72.6               | 13.2                                |
| 1966.....  | 600.8                                      | 520.0   | 80.8               | 13.4                                |
| 1967.....  | 644.5                                      | 555.4   | 89.1               | 13.8                                |
| 1968.....  | 707.2                                      | 610.0   | 97.2               | 13.7                                |
| 1969.....  | 772.9                                      | 663.4   | 109.5              | 14.2                                |
| 1970.....  | 831.8                                      | 698.3   | 133.5              | 16.0                                |
| 1971.....  | 894.0                                      | 745.6   | 148.4              | 16.6                                |
| 1972.....  | 981.6                                      | 824.7   | 156.9              | 16.0                                |
| 1973.....  | 1,101.7                                    | 926.0   | 175.7              | 15.9                                |
| 1974.....  | 1,210.1                                    | 1,004.0   | 206.1              | 17.0                                |
| 1975.....  | 1,313.4                                    | 1,048.0   | 265.4              | 20.2                                |
| 1976.....  | 1,451.4                                    | 1,166.7   | 284.7              | 19.6                                |
| 1977.....  | 1,607.5                                    | 1,297.0   | 310.5              | 19.3                                |
| 1978.....  | 1,812.4                                    | 1,466.9   | 345.5              | 19.1                                |
| 1979.....  | 2,034.0                                    | 1,647.3   | 386.7              | 19.0                                |
| 1980.....  | 2,258.5                                    | 1,807.9   | 450.6              | 20.0                                |
| 1981.....  | 2,520.9                                    | 1,990.0   | 530.9              | 21.1                                |
| 1982.....  | 2,670.8                                    | 2,059.4   | 611.4              | 22.9                                |
| 1983.....  | 2,838.6                                    | 2,176.3   | 662.3              | 23.3                                |
| 1984.....  | 3,108.7                                    | 2,407.3   | 701.4              | 22.6                                |
| 1985.....  | 3,325.3                                    | 2,603.4   | 713.7              | 21.5                                |
| 1986.....  | 3,526.2                                    | 2,823.4   | 702.8              | 19.9                                |
| 1987.....  | r3,766.4                                   | r3,104.4 <sup>2</sup>                                 | 637.8 <sup>2</sup> | 16.9 <sup>2</sup>                   |
| 1988.....  | r4,070.8                                   | 3,453.7   | n.a.               | n.a.                                |
| p1989..... | r4,384.3                                   | n.a.  | n.a.               | n.a.                                |

See notes following Table 20.

## Selected Historical Data

**Table 6.—Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947–1989**

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

| Tax year  | Adjusted gross income (AGI)        |  | Difference          |                                     |
|-----------|------------------------------------|--|---------------------|-------------------------------------|
|           | Total<br>(per NIPA) <sup>1,2</sup> | Reported on tax<br>returns (per<br>SOI) <sup>2</sup> | Amount <sup>2</sup> | Percentage<br>of total <sup>2</sup> |
|           | (1)                                | (2)  | (3)                 | (4)                                 |
| 1947..... | 170.6                              | 149.7  | 20.9                | 12.3                                |
| 1948..... | 184.6                              | 163.6  | 21.0                | 11.4                                |
| 1949..... | 181.7                              | 160.6  | 21.1                | 11.6                                |
| 1950..... | 201.4                              | 179.1  | 22.3                | 11.1                                |
| 1951..... | 228.8                              | 202.4  | 26.4                | 11.5                                |
| 1952..... | 241.8                              | 215.3  | 26.5                | 11.0                                |
| 1953..... | 257.1                              | 228.7  | 28.4                | 11.0                                |
| 1954..... | 256.4                              | 229.2  | 27.2                | 10.6                                |
| 1955..... | 277.1                              | 248.5  | 28.6                | 10.3                                |
| 1956..... | 279.9                              | 267.8  | 30.1                | 10.1                                |
| 1957..... | 310.7                              | 280.4  | 30.3                | 9.8                                 |
| 1958..... | 316.0                              | 281.2  | 34.8                | 11.0                                |
| 1959..... | 338.7                              | 305.1  | 33.6                | 9.9                                 |
| 1960..... | 352.5                              | 315.5  | 37.0                | 10.5                                |
| 1961..... | 365.8                              | 329.9  | 35.9                | 9.8                                 |
| 1962..... | 387.8                              | 348.7  | 39.1                | 10.1                                |
| 1963..... | 408.7                              | 368.8  | 39.9                | 9.8                                 |
| 1964..... | 442.0                              | 396.7  | 45.3                | 10.2                                |
| 1965..... | 479.4                              | 429.2  | 50.2                | 10.5                                |
| 1966..... | 520.0                              | 468.5  | 51.5                | 9.9                                 |
| 1967..... | 555.4                              | 504.8  | 50.6                | 9.1                                 |
| 1968..... | 610.0                              | 554.4  | 55.6                | 9.1                                 |
| 1969..... | 663.4                              | 603.5  | 59.9                | 9.0                                 |
| 1970..... | 698.3                              | 631.7  | 66.6                | 9.5                                 |
| 1971..... | 745.6                              | 673.6  | 72.0                | 9.7                                 |
| 1972..... | 824.7                              | 746.0  | 78.7                | 9.5                                 |
| 1973..... | 926.0                              | 827.1  | 98.9                | 10.7                                |
| 1974..... | 1,004.0                            | 905.5  | 98.5                | 9.8                                 |
| 1975..... | 1,048.0                            | 947.8  | 100.2               | 9.6                                 |
| 1976..... | 1,166.7                            | 1,053.9  | 112.8               | 9.7                                 |
| 1977..... | 1,297.0                            | 1,158.5  | 138.5               | 10.7                                |
| 1978..... | 1,466.9                            | 1,302.4  | 164.5               | 11.2                                |
| 1979..... | 1,647.3                            | 1,465.4  | 181.9               | 11.0                                |
| 1980..... | 1,807.9                            | 1,613.7  | 194.2               | 10.7                                |
| 1981..... | 1,990.0                            | 1,772.6  | 217.4               | 10.9                                |
| 1982..... | 2,059.4                            | 1,852.1  | 207.3               | 10.1                                |
| 1983..... | 2,176.3                            | 1,942.6  | 233.7               | 10.7                                |
| 1984..... | 2,407.3                            | 2,139.9  | 267.4               | 11.1                                |
| 1985..... | 2,603.4                            | 2,306.0  | 297.4               | 11.4                                |
| 1986..... | 2,823.4                            | 2,481.7  | 341.7               | 12.1                                |
| 1987..... | 3,104.4                            | 2,773.8  | 330.6               | 10.7                                |
| 1988..... | 3,453.7                            | 3,083.0  | 370.7 <sup>3</sup>  | 10.7 <sup>3</sup>                   |

See notes following Table 20.



## Selected Historical Data

Table 7.—Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944–1988

[All figures are estimates based on samples—number of returns are in millions; money amounts are in billions of dollars]

| Tax year  | Total number of returns | Standard deduction <sup>1</sup> |        | Itemized deductions            |                     | Total deductions    |  |
|-----------|-------------------------|---------------------------------|--------|--------------------------------|---------------------|---------------------|--|
|           |                         | Number of returns <sup>2</sup>  | Amount | Number of returns <sup>2</sup> | Amount <sup>3</sup> | Amount <sup>4</sup> | Percentage of adjusted gross income (AGI) <sup>5</sup> |
|           | (1)                     | (2)                             | (3)    | (4)                            | (5)                 | (6)                 | (7)  |
| 1944..... | 47.1                    | 38.7                            | 8.0    | 8.4                            | 4.8                 | 12.8                | 11.0   |
| 1945..... | 49.9                    | 41.5                            | 8.1    | 8.5                            | 5.5                 | 13.6                | 11.3   |
| 1946..... | 52.8                    | 44.1                            | 8.9    | 8.8                            | 6.3                 | 15.2                | 11.3   |
| 1947..... | 55.1                    | 44.7                            | 9.8    | 10.4                           | 7.8                 | 17.6                | 11.8   |
| 1948..... | 52.1                    | 43.2                            | 11.5   | 8.8                            | 7.9                 | 19.4                | 11.9   |
| 1949..... | 51.8                    | 42.1                            | 11.1   | 9.7                            | 8.8                 | 19.9                | 12.4   |
| 1950..... | 53.1                    | 42.7                            | 12.0   | 10.3                           | 9.9                 | 21.9                | 12.2   |
| 1951..... | 55.4                    | 43.9                            | 13.3   | 11.6                           | 11.9                | 25.2                | 12.5   |
| 1952..... | 56.5                    | 43.7                            | 13.7   | 12.8                           | 13.6                | 27.3                | 12.7   |
| 1953..... | 57.8                    | 43.4                            | 14.2   | 14.4                           | 15.6                | 29.8                | 13.0   |
| 1954..... | 56.7                    | 41.0                            | 13.3   | 15.7                           | 17.4                | 30.7                | 13.4   |
| 1955..... | 58.3                    | 41.4                            | 13.6   | 16.9                           | 20.0                | 33.6                | 13.5   |
| 1956..... | 59.2                    | 40.7                            | 13.8   | 18.5                           | 22.6                | 36.4                | 13.6   |
| 1957..... | 59.8                    | 39.7                            | 13.8   | 20.2                           | 25.7                | 39.5                | 14.1   |
| 1958..... | 59.1                    | 38.3                            | 13.2   | 20.8                           | 27.5                | 40.7                | 14.5   |
| 1959..... | 60.3                    | 37.8                            | 13.4   | 22.5                           | 32.0                | 45.4                | 14.9   |
| 1960..... | 61.0                    | 36.9                            | 13.1   | 24.1                           | 35.3                | 48.4                | 15.3   |
| 1961..... | 61.5                    | 36.2                            | 12.9   | 25.3                           | 38.4                | 51.3                | 15.6   |
| 1962..... | 62.7                    | 36.3                            | 13.1   | 26.5                           | 41.7                | 54.8                | 15.7   |
| 1963..... | 63.9                    | 35.8                            | 13.1   | 28.2                           | 46.1                | 59.2                | 16.1   |
| 1964..... | 65.4                    | 38.5                            | 20.2   | 26.9                           | 46.8                | 67.0                | 16.9   |
| 1965..... | 67.6                    | 39.7                            | 20.6   | 27.9                           | 50.7                | 71.4                | 16.6   |
| 1966..... | 70.2                    | 41.6                            | 21.8   | 28.6                           | 54.6                | 76.4                | 16.3   |
| 1967..... | 71.7                    | 41.9                            | 22.1   | 29.8                           | 59.6                | 81.7                | 16.2   |
| 1968..... | 73.7                    | 41.7                            | 22.1   | 32.0                           | 69.2                | 91.3                | 16.4   |
| 1969..... | 75.8                    | 40.9                            | 21.6   | 34.9                           | 80.2                | 101.8               | 16.8   |
| 1970..... | 74.3                    | 38.8                            | 32.4   | 35.4                           | 88.2                | 120.5               | 19.0   |
| 1971..... | 74.6                    | 43.9                            | 48.1   | 30.7                           | 91.9                | 139.9               | 20.7   |
| 1972..... | 77.6                    | 50.6                            | 69.8   | 27.0                           | 96.7                | 166.4               | 22.2   |
| 1973..... | 80.7                    | 52.6                            | 73.6   | 28.0                           | 107.0               | 180.6               | 21.8   |
| 1974..... | 83.3                    | 53.8                            | 76.1   | 29.6                           | 119.4               | 195.5               | 21.6   |
| 1975..... | 82.2                    | 56.1                            | 100.9  | 26.1                           | 122.3               | 233.2               | 23.5   |
| 1976..... | 84.7                    | 58.7                            | 113.8  | 26.0                           | 133.9               | 247.6               | 23.5   |
| 1977..... | 86.6                    | 63.7                            | 137.7  | 22.9                           | 138.5               | 276.2               | 23.8   |
| 1978..... | 89.8                    | 64.0                            | 139.8  | 25.8                           | 164.4               | 304.3               | 23.4   |
| 1979..... | 92.7                    | 66.2                            | 148.8  | 26.5                           | 184.2               | 333.0               | 22.7   |
| 1980..... | 93.9                    | 65.0                            | 146.0  | 29.0                           | 218.0               | 346.0               | 22.6   |
| 1981..... | 95.4                    | 63.8                            | 144.7  | 31.6                           | 256.4               | 401.2               | 22.6   |
| 1982..... | 95.3                    | 61.9                            | 140.2  | 33.4                           | 284.5               | 425.2               | 22.9   |
| 1983..... | 96.3                    | 61.1                            | 138.5  | 35.2                           | 309.6               | 448.7               | 23.1   |
| 1984..... | 99.4                    | 61.2                            | 139.5  | 38.2                           | 358.9               | 499.6               | 23.3   |
| 1985..... | 101.7                   | 61.8                            | 145.0  | 39.8                           | 405.0               | 554.7               | 23.9   |
| 1986..... | 103.0                   | 62.4                            | 151.0  | 40.7                           | 447.1               | 611.3               | 24.6   |
| 1987..... | 107.0                   | 71.4                            | 215.2  | 35.6                           | 392.0               | 607.2               | 21.9   |
| 1988..... | 109.7                   | r77.8                           | r289.6 | 31.9                           | 395.2               | 686.0               | 22.2   |

See notes following Table 20.

## Selected Historical Data

**Table 8.—Personal Income Per National Income and Product Accounts (NIPA) and Taxable Income, and Individual Income Tax Per SOI, Tax Years 1947–1989**

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

| Tax year   | Personal income (per NIPA) <sup>1</sup> | Taxable income (per SOI) <sup>2</sup> |                                    | Total income tax (per SOI) <sup>3</sup> |                     |                |
|------------|---|---------------------------------------|------------------------------------|---|---------------------|----------------|
|            |   | Amount                                | As a percentage of personal income | Total                                   | As a percentage of— |                |
|            |   |                                       |                                    |   | Personal income     | Taxable income |
|            | (1)                                     | (2)                                   | (3)                                | (4)                                     | (5)                 | (6)            |
| 1947.....  | 190.2                                   | 75.4                                  | 39.6                               | 18.1                                    | 9.5                 | 24.0           |
| 1948.....  | 209.2                                   | 74.8                                  | 35.8                               | 15.4                                    | 7.4                 | 20.6           |
| 1949.....  | 206.4                                   | 71.7                                  | 34.7                               | 14.5                                    | 7.0                 | 20.2           |
| 1950.....  | 228.1                                   | 84.3                                  | 37.0                               | 18.4                                    | 8.1                 | 21.8           |
| 1951.....  | 256.5                                   | 99.2                                  | 38.7                               | 24.2                                    | 9.4                 | 25.9           |
| 1952.....  | 273.8                                   | 107.2                                 | 39.2                               | 27.8                                    | 10.2                | 25.9           |
| 1953.....  | 290.5                                   | 114.3                                 | 39.3                               | 29.4                                    | 10.1                | 25.7           |
| 1954.....  | 293.0                                   | 115.3                                 | 39.4                               | 26.7                                    | 9.1                 | 23.2           |
| 1955.....  | 314.2                                   | 128.0                                 | 40.7                               | 29.6                                    | 9.4                 | 23.1           |
| 1956.....  | 337.2                                   | 141.5                                 | 42.0                               | 32.7                                    | 9.7                 | 23.1           |
| 1957.....  | 356.3                                   | 149.4                                 | 41.9                               | 34.4                                    | 9.7                 | 23.0           |
| 1958.....  | 367.1                                   | 149.3                                 | 40.7                               | 34.3                                    | 9.3                 | 23.0           |
| 1959.....  | 390.7                                   | 166.5                                 | 42.6                               | 38.6                                    | 9.9                 | 23.2           |
| 1960.....  | 409.4                                   | 171.6                                 | 41.9                               | 39.5                                    | 9.6                 | 23.0           |
| 1961.....  | 426.0                                   | 181.8                                 | 42.7                               | 42.2                                    | 9.9                 | 23.2           |
| 1962.....  | 453.2                                   | 195.3                                 | 43.1                               | 44.9                                    | 9.9                 | 23.0           |
| 1963.....  | 476.3                                   | 209.1                                 | 43.9                               | 48.2                                    | 10.1                | 23.1           |
| 1964.....  | 510.2                                   | 229.9                                 | 45.1                               | 47.2                                    | 9.3                 | 20.5           |
| 1965.....  | 552.0                                   | 255.1                                 | 46.2                               | 49.6                                    | 9.0                 | 19.4           |
| 1966.....  | 600.8                                   | 286.3                                 | 47.7                               | 56.1                                    | 9.3                 | 19.6           |
| 1967.....  | 644.5                                   | 315.1                                 | 48.9                               | 63.0                                    | 9.8                 | 20.0           |
| 1968.....  | 707.2                                   | 352.8                                 | 49.9                               | 76.7                                    | 10.8                | 21.7           |
| 1969.....  | 772.9                                   | 388.8                                 | 50.3                               | 86.6                                    | 11.2                | 22.3           |
| 1970.....  | 831.8                                   | 401.2                                 | 48.2                               | 83.9                                    | 10.1                | 20.9           |
| 1971.....  | 894.0                                   | 414.0                                 | 46.3                               | 85.4                                    | 9.6                 | 20.6           |
| 1972.....  | 981.6                                   | 447.6                                 | 45.6                               | 93.6                                    | 9.5                 | 20.9           |
| 1973.....  | 1,101.7                                 | 511.9                                 | 46.5                               | 108.1                                   | 9.8                 | 21.1           |
| 1974.....  | 1,210.1                                 | 573.6                                 | 47.4                               | 123.6                                   | 10.2                | 21.5           |
| 1975.....  | 1,313.4                                 | 595.5                                 | 45.3                               | 124.5                                   | 9.5                 | 20.9           |
| 1976.....  | 1,451.4                                 | 674.9                                 | 46.5                               | 141.8                                   | 9.8                 | 21.0           |
| 1977.....  | 1,607.5                                 | 733.8                                 | 45.6                               | 159.8                                   | 9.9                 | 21.8           |
| 1978.....  | 1,812.4                                 | 846.4                                 | 46.7                               | 188.2                                   | 10.4                | 22.2           |
| 1979.....  | 2,034.0                                 | 926.6                                 | 45.6                               | 214.5                                   | 10.5                | 23.2           |
| 1980.....  | 2,258.5                                 | 1,045.2                               | 46.3                               | 250.3                                   | 11.1                | 24.0           |
| 1981.....  | 2,520.9                                 | 1,170.1                               | 46.4                               | 284.1                                   | 11.3                | 24.3           |
| 1982.....  | 2,670.8                                 | 1,231.9                               | 46.1                               | 277.6                                   | 10.4                | 22.6           |
| 1983.....  | 2,838.6                                 | 1,300.2                               | 45.8                               | 274.2                                   | 9.7                 | 21.1           |
| 1984.....  | 3,108.7                                 | 1,447.0                               | 46.5                               | 301.9                                   | 9.7                 | 20.9           |
| 1985.....  | 3,325.3                                 | 1,550.5                               | 46.6                               | 325.7                                   | 9.8                 | 21.0           |
| 1986.....  | 3,526.2                                 | 1,665.6                               | 47.2                               | 367.3                                   | 10.4                | 22.1           |
| 1987.....  | 3,766.4 r                               | 1,850.6                               | 49.1 r                             | 369.2                                   | 9.8                 | 20.0           |
| 1988.....  | 4,070.8 r                               | 2,070.0 r                             | 50.9 r                             | 412.9 r                                 | 10.1 r              | 20.0           |
| p1989..... | 4,384.3 r                               | n.a.                                  | n.a.                               | n.a.                                    | n.a.                | n.a.           |

See notes following Table 20.

## Selected Historical Data

Table 9.—Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1944–1988

[All figures are estimates based on samples—number of returns are in millions].

| Tax year  | Total number of returns | Returns with—             |              |  |
|-----------|-------------------------|---------------------------|--------------|--|
|           |                         | Tax due at time of filing | Overpayments | No overpayments or tax due at time of filing |
|           | (1)                     | (2)                       | (3)          | (4)  |
| 1944..... | 47.1                    | 22.6                      | 22.9         | 1.6  |
| 1945..... | 49.9                    | 14.5                      | 33.5         | 1.9  |
| 1946..... | 52.8                    | 13.6                      | 34.4         | 4.8  |
| 1947..... | 55.1                    | 15.3                      | 33.0         | 6.7  |
| 1948..... | 52.1                    | 8.1                       | 38.4         | 5.6  |
| 1949..... | 51.8                    | 13.8                      | 30.2         | 7.9  |
| 1950..... | 53.1                    | 14.3                      | 32.0         | 6.8  |
| 1951..... | 55.4                    | 18.6                      | 31.0         | 5.8  |
| 1952..... | 56.5                    | 19.3                      | 32.1         | 5.1  |
| 1953..... | 57.8                    | 19.0                      | 32.7         | 6.2  |
| 1954..... | 56.7                    | 16.6                      | 35.2         | 5.0  |
| 1955..... | 58.3                    | 18.7                      | 35.4         | 4.2  |
| 1956..... | 59.2                    | 19.4                      | 36.1         | 3.7  |
| 1957..... | 59.8                    | 18.6                      | 37.6         | 3.6  |
| 1958..... | 59.1                    | 18.1                      | 37.4         | 3.6  |
| 1959..... | 60.3                    | 19.1                      | 38.4         | 2.8  |
| 1960..... | 61.0                    | 18.1                      | 39.4         | 3.5  |
| 1961..... | 61.5                    | 18.6                      | 40.0         | 2.9  |
| 1962..... | 62.7                    | 18.7                      | 40.9         | 3.1  |
| 1963..... | 63.9                    | 19.3                      | 41.4         | 3.3  |
| 1964..... | 65.4                    | 22.5                      | 39.3         | 3.5  |
| 1965..... | 67.6                    | 20.0                      | 44.3         | 3.2  |
| 1966..... | 70.2                    | 17.8                      | 49.4         | 3.0  |
| 1967..... | 71.7                    | 17.5                      | 51.2         | 3.0  |
| 1968..... | 73.7                    | 20.3                      | 50.6         | 2.8  |
| 1969..... | 75.8                    | 17.9                      | 54.9         | 3.0  |
| 1970..... | 74.3                    | 16.5                      | 55.3         | 2.5  |
| 1971..... | 74.6                    | 17.0                      | 55.3         | 2.4  |
| 1972..... | 77.6                    | 11.9                      | 63.3         | 2.3  |
| 1973..... | 80.7                    | 14.2                      | 64.2         | 2.2  |
| 1974..... | 83.3                    | 15.4                      | 65.8         | 2.1  |
| 1975..... | 82.2                    | 15.8                      | 63.8         | 2.6  |
| 1976..... | 84.7                    | 16.9                      | 65.0         | 2.8  |
| 1977..... | 86.6                    | 17.8                      | 66.0         | 2.8  |
| 1978..... | 89.8                    | 21.6                      | 65.5         | 2.7  |
| 1979..... | 92.7                    | 18.8                      | 71.4         | 2.4  |
| 1980..... | 93.9                    | 21.8                      | 69.9         | 2.3  |
| 1981..... | 95.4                    | 23.0                      | 70.0         | 2.4  |
| 1982..... | 95.3                    | 20.3                      | 72.4         | 2.6  |
| 1983..... | 96.3                    | 18.5                      | 75.0         | 2.9  |
| 1984..... | 99.4                    | 21.2                      | 75.6         | 2.7  |
| 1985..... | 101.7                   | 21.2                      | 77.4         | 3.0  |
| 1986..... | 103.0                   | 21.5                      | 78.1         | 3.5  |
| 1987..... | 107.0                   | 23.8                      | 79.8         | 3.4  |
| 1988..... | 109.7                   | 27.2                      | 79.1         | 3.4  |

See notes following Table 20.

Selected Historical Data

**Table 10.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Income Years, 1970–1988**

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

| Item                                   | 1970               | 1975                          | 1980               | 1985               | 1987               | 1988                           |
|--|--------------------|-------------------------------|--------------------|--------------------|--------------------|--------------------------------|
|  | (1)                | (2)                           | (3)                | (4)                | (5)                | (6)                            |
| <b>Number of returns, total</b> .....  | <b>5,769,741</b>   | <b>7,221,346</b>              | <b>11,931,712</b>  | <b>11,928,573</b>  | <b>13,091,132</b>  | <b>13,679,302</b>              |
| Number with net income.....            | n.a.               | n.a.                          | n.a.               | 8,640,701          | 9,884,338          | 10,491,980                     |
| <b>Inventory, end of year</b> .....    | <b>11,060,775</b>  | <b>15,578,040</b>             | <b>21,996,236</b>  | <b>24,969,695</b>  | <b>26,332,702</b>  | <b>27,312,780</b>              |
| <b>Business receipts, total</b> .....  | <b>198,582,172</b> | <b>273,954,741</b>            | <b>411,205,713</b> | <b>540,045,430</b> | <b>610,822,732</b> | <b>671,969,931</b>             |
| Income from sales and operations.....  | n.a.               | 272,342,560                   | 407,169,299        | 528,675,271        | 598,315,189        | 658,687,319                    |
| <b>Total deductions</b> .....          | <b>168,044,746</b> | <b>234,318,288</b>            | <b>356,258,495</b> | <b>461,272,852</b> | <b>505,362,105</b> | <b>545,734,861<sup>1</sup></b> |
| Cost of sales and operations.....      | 109,148,811        | 146,261,435                   | 209,889,809        | 232,294,132        | 255,045,271        | 277,880,196                    |
| Purchases.....                         | 88,585,913         | 117,722,352                   | 168,301,517        | n.a.               | 173,399,840        | 197,219,846                    |
| Cost of labor.....                     | 7,704,285          | 8,791,083                     | 10,922,221         | 14,504,201         | 19,631,015         | 21,143,176                     |
| Materials and supplies.....            | 6,216,057          | 9,090,638                     | 12,909,222         | n.a.               | 23,841,762         | 27,800,391                     |
| Commissions.....                       | 1,274,016          | 2,225,830                     | 3,333,345          | n.a.               | 6,261,859          | 6,539,971                      |
| Net salaries and wages.....            | 15,107,047         | 20,227,859                    | 26,560,821         | 38,265,691         | 42,329,477         | 43,007,261                     |
| Car and truck expenses.....            | n.a.               | n.a.                          | 13,378,289         | 17,044,421         | 17,469,744         | 19,640,064                     |
| Rent paid.....                         | 4,636,528          | 6,676,314                     | 9,636,290          | 15,258,690         | 16,358,248         | 19,470,237                     |
| Repairs.....                           | 2,444,607          | 3,044,175                     | 5,031,573          | n.a.               | 7,437,987          | 8,103,581                      |
| Taxes paid.....                        | 3,775,502          | 5,423,961                     | 7,672,459          | n.a.               | 8,449,142          | 9,494,998                      |
| Utilities.....                         | n.a.               | n.a.                          | 4,790,337          | n.a.               | 13,361,789         | 14,618,337                     |
| Insurance.....                         | 2,309,608          | 3,503,812                     | 6,003,126          | n.a.               | 11,718,559         | 12,527,976                     |
| Interest paid.....                     | 1,784,276          | 3,390,845                     | 7,190,257          | 11,913,982         | 11,615,902         | 12,070,600                     |
| Depreciation.....                      | 5,451,525          | 7,958,143                     | 13,952,703         | 26,291,389         | 25,557,350         | 26,078,240                     |
| Pension and profit sharing plans.....  | 72,741             | 125,296                       | 141,463            | 311,323            | 547,886            | 450,388                        |
| <b>Net income (less deficit)</b> ..... | <b>30,537,426</b>  | <b>39,636,453<sup>r</sup></b> | <b>54,947,219</b>  | <b>78,772,578</b>  | <b>105,460,627</b> | <b>126,232,251</b>             |
| Net income.....                        | 33,735,732         | 45,624,890                    | 68,010,051         | 98,775,563         | 123,782,540        | 145,517,755                    |
| Deficit.....                           | 3,198,306          | 5,988,437                     | 13,062,832         | 20,002,986         | 18,321,913         | 19,194,505                     |

See notes following Table 20.

**Table 11.—Partnership Returns: Balance Sheet Items and Selected Income Statement for Selected Income Years, 1970–1988**

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

| Item   | 1970                    | 1975                     | 1980                     | 1985                    | 1987                     | 1988                    |
|--|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|  | (1)                     | (2)                      | (3)                      | (4)                     | (5)                      | (6)                     |
| <b>Total number of active partnerships</b> .....     | <b>936,133</b>          | <b>1,073,094</b>         | <b>1,379,654</b>         | <b>1,713,603</b>        | <b>1,648,032</b>         | <b>1,654,245</b>        |
| Number with net income.....                          | 639,795                 | 661,134                  | 774,173                  | 875,846                 | 864,840                  | 901,297                 |
| Number with balance sheets.....                      | 555,741                 | 783,271                  | 1,194,236                | 1,227,498               | r1,129,316               | 1,154,882               |
| <b>Number of partners</b> .....                      | <b>3,697,818</b>        | <b>4,950,634</b>         | <b>8,418,899</b>         | <b>13,244,824</b>       | <b>16,963,258</b>        | <b>17,291,178</b>       |
| <b>Total assets</b> <sup>1</sup> .....               | <b>116,752,751</b>      | <b>235,488,301</b>       | <b>597,503,923</b>       | <b>1,269,434,302</b>    | <b>r1,385,649,816</b>    | <b>1,580,194,209</b>    |
| Depreciable assets (net).....                        | n.a.                    | 113,124,969              | 239,139,823              | 695,878,822             | 804,266,549              | 933,428,499             |
| Inventories, end of year.....                        | n.a.                    | 11,985,431               | 33,218,272               | 27,279,234              | 45,055,120               | 51,151,852              |
| Land.....  | n.a.                    | 36,731,958               | 70,241,248               | 152,179,314             | 177,893,169              | 200,268,647             |
| <b>Total liabilities</b> <sup>1</sup> .....          | <b>n.a.</b>             | <b>193,875,629</b>       | <b>488,734,023</b>       | <b>1,069,221,649</b>    | <b>1,138,297,888</b>     | <b>1,313,067,261</b>    |
| Accounts payable.....                                | n.a.                    | 12,302,055               | 33,899,048               | 40,871,755              | 41,264,681               | 48,882,276              |
| Short-term debt <sup>2</sup> .....                   | n.a.                    | 22,709,476               | 48,001,839               | 102,760,363             | 81,654,510               | 86,552,615              |
| Long-term debt <sup>3</sup> .....                    | n.a.                    | 136,296,764              | 178,044,406              | 381,960,685             | 429,911,042              | 473,597,425             |
| Nonrecourse loans.....                               | n.a.                    | n.a.                     | 118,910,380              | 327,558,208             | 388,362,153              | 436,916,024             |
| <b>Partners' capital accounts</b> <sup>1</sup> ..... | <b>n.a.</b>             | <b>41,592,672</b>        | <b>108,769,900</b>       | <b>200,212,653</b>      | <b>247,351,928</b>       | <b>267,106,948</b>      |
| <b>Total receipts</b> <sup>4</sup> .....             | <b>93,348,080</b>       | <b>148,417,529</b>       | <b>291,998,115</b>       | <b>367,117,316</b>      | <b>r473,755,262</b>      | <b>540,193,912</b>      |
| Business receipts.....                               | 90,208,834 <sup>5</sup> | 142,505,781 <sup>5</sup> | 271,108,832 <sup>5</sup> | 302,733,374             | 411,457,126              | 463,956,020             |
| Interest received.....                               | 942,304                 | 2,477,173                | 10,869,323               | 20,558,966 <sup>6</sup> | 13,568,398 <sup>6</sup>  | 19,776,489 <sup>6</sup> |
| <b>Total deductions</b> <sup>4</sup> .....           | <b>83,557,684</b>       | <b>140,679,959</b>       | <b>283,749,460</b>       | <b>376,000,991</b>      | <b>r479,665,676</b>      | <b>526,217,080</b>      |
| Cost of sales and operations.....                    | 46,040,874              | 64,672,843               | 113,885,668              | 146,315,315             | 237,156,859              | 252,590,549             |
| Purchases.....                                       | 31,820,581              | 42,608,734               | 70,439,607               | 91,925,923              | 167,977,884              | 173,024,428             |
| Cost of labor.....                                   | 4,146,927               | 4,585,836                | 7,015,547                | 8,845,106               | 9,975,053                | 11,535,738              |
| Salaries and wages.....                              | 8,129,233               | 12,489,039               | 22,336,337               | 33,884,204              | r40,676,362              | 47,098,641              |
| Taxes paid.....                                      | 3,159,258               | 5,770,918                | 9,553,145                | 7,745,756               | r6,867,461               | 7,993,317               |
| Interest paid.....                                   | 4,470,206               | 12,097,100               | 28,362,385               | 28,674,933              | r19,953,845              | 23,242,437              |
| Depreciation.....                                    | 4,578,820               | 10,108,834               | 21,576,189               | 53,650,790 <sup>7</sup> | r58,381,722 <sup>7</sup> | 61,839,261 <sup>7</sup> |
| <b>Net income (less deficit)</b> .....               | <b>9,790,396</b>        | <b>7,737,570</b>         | <b>8,248,655</b>         | <b>-8,883,674</b>       | <b>-5,419,105</b>        | <b>14,493,114</b>       |
| Net income.....                                      | 14,419,124              | 22,431,931               | 45,061,756               | 77,044,693              | 87,654,011               | 111,384,545             |
| Deficit.....   | 4,628,728               | 14,694,361               | 36,813,100               | 85,928,367              | 93,073,116               | 96,891,431              |

See notes following Table 20.

## Selected Historical Data

Table 12.—Number of Business Income Tax Returns, by Size of Business, for Selected Years 1970–1988

[All figures are estimates based on samples—number of businesses are in thousands]

| Size of business                       | Number of business returns for— |         |         |                    |         |         |
|--|---------------------------------|---------|---------|--------------------|---------|---------|
|  | 1970                            | 1975    | 1980    | 1985               | 1987    | 1988    |
|  | (1)                             | (2)     | (3)     | (4)                | (5)     | (6)     |
| <b>CORPORATIONS</b>                    |                                 |         |         |                    |         |         |
| <b>Receipt size<sup>1</sup></b>        |                                 |         |         |                    |         |         |
| Under \$25,000 <sup>2</sup> .....      | 451.9                           | 468.9   | 557.0   | 710.8              | 788.1   | n.a.    |
| \$25,000 under \$50,000.....           | 170.7                           | 186.4   | 207.7   | 236.6              | 267.3   | n.a.    |
| \$50,000 under \$100,000.....          | 219.8                           | 260.7   | 322.7   | 330.2              | 369.5   | n.a.    |
| \$100,000 under \$250,000.....         |                                 |         | 558.4   | 620.5              | 659.4   | n.a.    |
| \$250,000 under \$500,000.....         | 516.9                           | 673.9   | 367.3   | 489.2              | 531.6   | n.a.    |
| \$500,000 under \$1,000,000.....       | 141.1                           | 184.2   | 279.8   | 352.4              | 391.3   | n.a.    |
| \$1,000,000 or more.....               | 165.0                           | 249.5   | 417.7   | 537.6              | 605.0   | n.a.    |
| <b>Asset size</b>                      |                                 |         |         |                    |         |         |
| Under \$100,000 <sup>3</sup> .....     | 961.0                           | 1,177.7 | 1,514.6 | 1,833.5            | 2,089.3 | n.a.    |
| \$100,000 under \$1 million.....       | 599.1                           | 704.6   | 968.9   | 1,152.5            | 1,207.0 | n.a.    |
| \$1 million under \$10 million.....    | 87.0                            | 116.4   | 191.8   | 245.4              | 265.9   | n.a.    |
| \$10 million under \$25 million.....   | 9.8                             | 12.2    | 16.6    | 20.9               | 23.5    | n.a.    |
| \$25 million under \$50 million.....   | 3.9                             | 5.6     | 7.8     | 10.4               | 10.2    | n.a.    |
| \$50 million under \$100 million.....  | 2.1                             | 3.1     | 4.8     | 6.2                | 6.5     | n.a.    |
| \$100 million under \$250 million..... | 1.4                             | 2.1     | 3.2     | 4.4                | 4.9     | n.a.    |
| \$250 million and over.....            | 1.2                             | 1.9     | 2.9     | 4.1                | 4.8     | n.a.    |
| <b>PARTNERSHIPS</b>                    |                                 |         |         |                    |         |         |
| <b>Receipt size<sup>1,4</sup></b>      |                                 |         |         |                    |         |         |
| Under \$25,000 <sup>2</sup> .....      | 501.7                           | 549.7   | 638.0   | 840.1 <sup>4</sup> | 853.6   | 829.8   |
| \$25,000 under \$50,000.....           | 125.2                           | 141.0   | 181.8   | 195.5              | 163.0   | 117.5   |
| \$50,000 under \$100,000.....          | 119.6                           | 133.7   | 183.6   | 199.5              | 184.2   | 183.3   |
| \$100,000 under \$200,000.....         | 97.2                            | 114.0   | 155.2   | 190.1              | 165.8   | 160.4   |
| \$200,000 under \$500,000.....         | 65.2                            | 90.6    | 135.6   | 165.5              | 157.4   | 159.3   |
| \$500,000 under \$1,000,000.....       | 17.0                            | 25.5    | 48.1    | 66.9               | 64.7    | 73.9    |
| \$1,000,000 or more.....               | 10.3                            | 18.6    | 37.4    | 56.0               | 59.4    | 69.7    |
| <b>Asset size<sup>5</sup></b>          |                                 |         |         |                    |         |         |
| Under \$25,000 <sup>3</sup> .....      | 635.7                           | 611.0   | 541.9   | 794.1              | 780.9   | 783.5   |
| \$25,000 under \$50,000.....           | 80.8                            | 105.9   | 156.3   | 132.7              | 113.9   | 117.7   |
| \$50,000 under \$100,000.....          | 73.5                            | 106.8   | 180.2   | 165.8              | 141.7   | 133.1   |
| \$100,000 under \$200,000.....         | 74.7                            | 116.0   | 219.1   | 210.9              | 148.6   | 127.2   |
| \$200,000—\$500,000.....               | 33.8                            | 56.9    | 117.9   | 142.8              | 189.2   | 195.0   |
| \$500,000—\$1,000,000.....             | 19.3                            | 35.3    | 72.1    | 100.0              | 97.0    | 108.8   |
| \$1,000,000 or more.....               | 18.3                            | 41.2    | 92.2    | 167.2              | 176.7   | 188.6   |
| <b>NONFARM SOLE PROPRIETORSHIPS</b>    |                                 |         |         |                    |         |         |
| <b>Receipt size</b>                    |                                 |         |         |                    |         |         |
| Under \$2,500 <sup>2</sup> .....       | 1,894.3                         | 2,299.9 | 2,783.1 | 3,067.5            | 3,299.4 | 3,364.9 |
| \$2,500 under \$5,000.....             | 815.1                           | 959.4   | 1,158.6 | 1,444.6            | 1,553.5 | 1,509.9 |
| \$5,000 under \$10,000.....            | 891.5                           | 1,041.7 | 1,262.9 | 1,633.6            | 1,846.5 | 1,962.8 |
| \$10,000 under \$25,000.....           | 1,137.4                         | 1,325.7 | 1,711.8 | 2,104.6            | 2,284.2 | 2,509.2 |
| \$25,000 under \$50,000.....           | 746.4                           | 849.5   | 1,079.1 | 1,393.9            | 1,559.0 | 1,601.6 |
| \$50,000 under \$100,000.....          | 562.0                           | 644.5   | 835.6   | 1,094.1            | 1,172.0 | 1,225.8 |
| \$100,000 under \$200,000.....         | 297.4                           | 380.9   | 795.8   | 1,060.2            | 913.5   | 967.6   |
| \$200,000 under \$500,000.....         | 122.3                           | 209.2   | 73.9    | 89.3               | 318.6   | 369.7   |
| \$500,000 under \$1,000,000.....       | 20.8                            | 35.3    | 29.2    | 40.7               | 101.6   | 118.3   |
| \$1,000,000 or more.....               | 6.6                             | 13.5    |         |                    | 42.8    | 49.5    |

See notes following Table 20.

## Selected Historical Data

**Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970–1987**

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

| Items   | 1970                 | 1975                 | 1980                 | 1985                       | 1986                       | 1987                                |
|---|----------------------|----------------------|----------------------|----------------------------|----------------------------|-------------------------------------|
|   | (1)                  | (2)                  | (3)                  | (4)                        | (5)                        | (6)                                 |
| <b>Number of returns, total</b> .....                                   | <b>1,655,477</b>     | <b>2,023,647</b>     | <b>2,710,538</b>     | <b>3,277,219</b>           | <b>3,428,515</b>           | <b>3,612,133</b>                    |
| Number with net income .....  | 1,008,337            | 1,226,208            | 1,596,632            | 1,820,120                  | 1,907,738                  | 1,995,452                           |
| Consolidated returns <sup>1,2</sup> .....                               | 19,871               | 38,307               | 57,890               | 79,598                     | 81,956                     | 80,070                              |
| S Corporation returns <sup>2,3</sup> .....                              | 257,475              | 358,413              | 545,389              | 724,749                    | 826,214                    | 1,127,905                           |
| DISC returns <sup>2,4</sup> .....                                       | N/A                  | 6,431                | 8,665                | 1,383                      | 1,443                      | 1,185                               |
| FSC returns <sup>2,5</sup> .....  | N/A                  | N/A                  | N/A                  | 2,341                      | 2,900                      | 2,613                               |
| <b>Total assets</b> .....   | <b>2,634,706,564</b> | <b>4,286,556,273</b> | <b>7,617,238,403</b> | <b>12,773,093,888</b>      | <b>14,163,209,894</b>      | <b>15,310,615,602</b>               |
| Cash .....  | 176,924,573          | 290,426,439          | 528,914,747          | 683,204,264                | 762,946,878                | 754,042,297                         |
| Notes and accounts receivable .....                                     | 614,667,367          | 1,051,542,806        | 1,984,601,790        | 3,317,635,191              | 3,593,528,670              | 3,763,230,257                       |
| Less: Allowance for bad debts .....                                     | 20,030,327           | 31,032,998           | 50,057,307           | 61,580,335                 | 74,228,426                 | 95,203,843                          |
| Inventories .....   | 190,401,642          | 317,718,545          | 534,806,547          | 714,722,928                | 732,587,518                | 829,272,682                         |
| Investments in Government obligations .....                             | 196,625,390          | 316,131,699          | 472,059,737          | 916,550,098                | 1,058,718,859              | 1,092,370,975                       |
| Other current assets .....  | 73,058,482           | 145,101,716          | 310,177,160          | 629,136,396                | 739,043,506                | 836,599,341                         |
| Loans to stockholders .....   | 4,774,082            | 9,355,636            | 29,873,250           | 56,761,232                 | 63,653,862                 | 71,237,313                          |
| Mortgage and real estate loans .....                                    | 327,593,354          | 548,054,483          | 894,323,489          | 1,258,672,577              | 1,377,441,452              | 1,455,222,233                       |
| Other investments .....   | 401,389,022          | 626,266,074          | 1,213,986,210        | 2,413,551,474              | 2,847,727,452              | 3,227,237,568                       |
| Depreciable assets .....  | 868,908,018          | 1,276,564,500        | 2,107,027,914        | 3,174,193,649              | 3,382,556,559              | 3,602,960,891                       |
| Less: Accumulated depreciation .....                                    | 334,646,086          | 483,798,526          | 767,841,763          | 1,232,072,530              | 1,342,114,626              | 1,483,312,181                       |
| Depletable assets .....   | 18,517,264           | 38,511,396           | 71,901,490           | 112,339,389                | 116,010,459                | 123,104,144                         |
| Less: Accumulated depletion .....                                       | 6,774,796            | 14,501,561           | 19,569,556           | 37,203,920                 | 44,083,149                 | 49,686,832                          |
| Land .....  | 46,626,157           | 66,819,206           | 92,931,935           | 141,448,357                | 149,522,450                | 158,817,879                         |
| Intangible assets (amortizable) .....                                   | 12,818,168           | 12,823,183           | 45,480,694           | 145,290,625                | 212,265,625                | 262,309,525                         |
| Less: Accumulated amortization .....                                    | 5,984,184            | 4,491,990            | 18,393,037           | 42,505,240                 | 46,696,699                 | 55,540,169                          |
| Other assets .....  | 69,838,438           | 121,065,665          | 187,015,106          | 582,949,738                | 634,329,507                | 817,953,526                         |
| <b>Total liabilities</b> .....  | <b>2,634,706,564</b> | <b>4,286,556,273</b> | <b>7,617,238,403</b> | <b>12,773,093,888</b>      | <b>14,163,209,894</b>      | <b>15,310,615,602</b>               |
| Accounts payable .....  | 148,812,597          | 263,417,584          | 542,172,368          | 891,571,443                | 909,090,964                | 997,768,767                         |
| Mortgages, notes, and bonds payable in less than 1 year .....           | 170,884,261          | 272,123,551          | 504,802,288          | 1,001,337,795              | 1,083,947,776              | 1,247,450,987                       |
| Other current liabilities .....   | 892,218,397          | 1,577,425,991        | 2,706,796,360        | 4,234,983,432              | 4,599,886,537              | 4,822,312,874                       |
| Loans from stockholders .....   | 24,573,814           | 38,143,936           | 85,718,510           | 174,317,253                | 185,034,570                | 211,854,134                         |
| Mortgages, notes, and bonds payable in 1 year or more .....             | 362,700,303          | 586,703,526          | 986,663,932          | 1,699,272,481              | 1,958,477,161              | 2,141,169,042                       |
| Other liabilities .....   | 283,106,029          | 451,676,880          | 846,696,691          | 1,467,912,913              | 1,728,638,194              | 1,942,679,565                       |
| Capital stock .....   | 201,213,719          | 251,715,862          | 417,153,783          | 920,182,882                | 1,190,628,800              | 1,291,674,344                       |
| Paid-in or capital surplus .....  | 196,642,421          | 298,534,854          | 532,039,407          | 1,420,986,805              | 1,725,785,087              | 1,988,355,017                       |
| Retained earnings, appropriated .....                                   | 16,657,051           | 29,955,676           | 41,461,644           | 54,074,364                 | 64,975,012                 | 83,651,846                          |
| Retained earnings, unappropriated .....                                 | 349,225,750          | 537,631,026          | 1,027,902,049        | 1,311,512,589              | 1,313,686,600              | 1,257,000,416                       |
| Less: Cost of treasury stock .....                                      | 11,327,778           | 20,772,613           | 74,168,627           | 403,068,064                | 612,525,394                | 749,174,866                         |
| <b>Total receipts</b> .....   | <b>1,750,776,503</b> | <b>3,198,627,860</b> | <b>6,361,284,012</b> | <b>8,398,278,426</b>       | <b>8,669,378,501</b>       | <b>9,580,720,701</b> <sup>6,7</sup> |
| Business receipts .....   | 1,620,886,576        | 2,961,729,640        | 5,731,616,337        | 7,369,538,953              | 7,535,482,221              | 8,414,537,647 <sup>6</sup>          |
| Interest on State and local Government obligations .....                | 3,775,917            | 6,711,606            | 12,620,876           | 20,164,514                 | 23,578,340                 | 30,764,430                          |
| Other interest .....  | 67,794,508           | 136,587,304          | 354,243,674          | 617,622,425 <sup>8</sup>   | 638,524,951 <sup>8</sup>   | 589,989,252                         |
| Dividends received from domestic corporations .....                     | 5,238,421            | 8,818,282            | 18,654,800           | 16,967,379                 | 15,156,098                 | 13,864,647                          |
| Dividends received from foreign corporations .....                      | 3,466,515            | 5,467,726            | 14,563,353           | 20,770,361                 | 22,747,046                 | 25,180,395                          |
| Rents .....   | 13,938,502           | 21,765,130           | 41,371,141           | 89,700,937                 | 93,972,214                 | 92,105,433                          |
| Royalties .....   | 2,586,387            | 5,167,141            | 12,450,250           | 15,237,421                 | 16,411,642                 | 20,743,856                          |
| Net short-term capital gain reduced by net long-term capital loss ..... | 190,439              | 301,601              | 2,013,510            | 7,032,062                  | 11,797,841                 | 8,453,030                           |
| Net long-term capital gain reduced by net short-term capital loss ..... | 5,481,580            | 8,364,523            | 24,910,957           | 53,771,685                 | 93,297,600                 | 63,754,106                          |
| Net gain, noncapital assets .....                                       | 5,315,562            | 7,757,287            | 20,117,615           | 33,537,842                 | 44,149,339                 | 29,568,649 <sup>6</sup>             |
| Other receipts .....  | 22,102,096           | 35,957,620           | 128,721,498          | 153,934,848                | 174,261,151                | 206,857,448                         |
| <b>Total deductions</b> .....   | <b>1,682,778,847</b> | <b>3,052,674,997</b> | <b>6,125,365,155</b> | <b>8,158,144,126</b>       | <b>8,394,932,819</b>       | <b>9,243,903,854</b>                |
| Cost of sales and operations .....                                      | 1,146,263,273        | 2,129,928,467        | 4,204,905,905        | 4,894,254,081              | 4,922,763,967              | 5,596,218,574                       |
| Compensation of officers .....  | 32,846,381           | 57,832,552           | 108,973,751          | 170,737,540                | 185,395,342                | 200,048,676                         |
| Repairs .....   | 13,986,819           | 23,422,171           | 42,407,967           | 81,495,784                 | 83,848,507                 | 86,425,629                          |
| Bad debts .....   | 6,479,814            | 13,781,147           | 18,769,771           | 43,333,588                 | 53,419,371                 | 54,578,189                          |
| Rent paid on business property .....                                    | 23,842,355           | 40,769,829           | 71,990,832           | 134,661,335                | 145,188,558                | 153,781,416                         |
| Taxes paid .....  | 49,523,243           | 81,530,302           | 163,003,622          | 200,977,161                | 203,491,687                | 211,346,315                         |
| Interest paid .....   | 62,055,010           | 129,307,921          | 344,612,542          | 568,645,475                | 572,973,834                | 589,989,252                         |
| Contributions or gifts .....  | 797,029              | 1,202,130            | 2,358,554            | 4,471,736                  | 5,178,918                  | 4,980,027                           |
| Amortization .....  | 745,005              | 717,398              | 1,374,658            | 6,133,737                  | 14,005,202                 | 17,407,143                          |
| Depreciation .....  | 52,941,266           | 86,295,664           | 157,345,828          | 304,380,703                | 312,582,789                | 316,710,668                         |
| Depletion .....   | 5,623,339            | 5,341,489            | 8,671,993            | 7,779,731 <sup>9</sup>     | 9,035,885 <sup>9</sup>     | 8,460,962 <sup>9</sup>              |
| Advertising .....   | 18,089,097           | 26,605,786           | 52,266,004           | 91,922,667                 | 98,959,857                 | 106,556,098                         |
| Pension, profit-sharing, stock bonus, and annuity plans .....           | 12,225,912           | 26,526,129           | 51,529,310           | 49,588,712 <sup>9</sup>    | 48,242,217 <sup>9</sup>    | 46,533,727 <sup>9</sup>             |
| Employee benefit programs .....   | 7,398,283            | 15,690,563           | 40,179,104           | 71,601,577 <sup>9</sup>    | 73,633,515 <sup>9</sup>    | 84,603,727 <sup>9</sup>             |
| Net loss, noncapital assets .....                                       | 1,289,305            | 1,804,079            | 5,903,104            | 7,893,175                  | 12,859,566                 | 12,047,435 <sup>6</sup>             |
| Other deductions .....  | 248,672,716          | 411,918,970          | 850,872,216          | 1,520,267,133 <sup>9</sup> | 1,653,353,611 <sup>9</sup> | 1,754,216,022 <sup>9</sup>          |

## Selected Historical Data

Table 13. (Continued)—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1987

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

| Items  | 1970                           | 1975               | 1980               | 1985                     | 1986                     | 1987                           |
|--|--------------------------------|--------------------|--------------------|--------------------------|--------------------------|--------------------------------|
|  | (1)                            | (2)                | (3)                | (4)                      | (5)                      | (6)                            |
| <b>Total receipts less total deductions</b> .....                                  | <b>67,997,656</b>              | <b>145,953,263</b> | <b>235,918,858</b> | <b>240,134,300</b>       | <b>274,445,662</b>       | <b>336,816,848<sup>7</sup></b> |
| Constructive taxable income from related foreign corporations.....                 | 1,679,875                      | 3,395,169          | 15,708,560         | 20,299,335               | 19,038,861               | 22,226,855                     |
| Net income (less deficit).....   | 65,901,614                     | 142,636,826        | 239,006,542        | 240,119,020              | 269,530,240              | 328,223,710 <sup>7</sup>       |
| Net income.....  | 83,710,924                     | 169,483,336        | 296,787,201        | 363,867,384              | 408,860,760              | 465,234,737 <sup>7</sup>       |
| Deficit.....   | 17,809,310                     | 26,846,510         | 57,780,659         | 123,748,365              | 139,330,520              | 137,011,027 <sup>7</sup>       |
| Income subject to tax <sup>10</sup> .....  | 72,374,437                     | 146,589,287        | 246,598,486        | 266,060,609              | 276,172,502              | 311,840,615                    |
| <b>Income tax, total</b> .....   | <b>33,293,018<sup>11</sup></b> | <b>66,144,308</b>  | <b>105,142,436</b> | <b>111,340,839</b>       | <b>111,140,137</b>       | <b>118,484,975</b>             |
| Regular and alternative tax.....   | 32,949,937                     | 65,769,822         | 103,831,172        | 109,106,958              | 108,773,260              | 115,073,572                    |
| Tax from recomputing prior year investment credit.....                             | 77,832                         | 217,138            | 867,571            | 1,497,597                | 1,319,525                | 783,953                        |
| Tax from recomputing prior year work incentive (WIN) credit.....                   | N/A                            | 608                | 4,873              | N/A                      | N/A                      | N/A                            |
| Additional tax for tax preferences and alternative minimum tax <sup>12</sup> ..... | 265,249                        | 156,740            | 438,820            | 725,878                  | 1,026,194                | 2,229,1079                     |
| Environmental tax.....   | N/A                            | N/A                | N/A                | N/A                      | N/A                      | 351,253                        |
| Foreign tax credit.....  | 4,548,986                      | 19,987,724         | 24,879,737         | 24,263,487               | 21,480,508               | 20,812,861                     |
| U.S. possessions tax credit.....   | N/A                            | N/A                | 1,572,734          | 2,450,583                | 2,907,256                | 2,666,634                      |
| Investment credit.....   | 865,954                        | 6,459,746          | 15,102,812         | ( <sup>13</sup> )        | ( <sup>13</sup> )        | ( <sup>13</sup> )              |
| Work incentive (WIN) credit.....   | N/A                            | 5,321              | 36,483             | N/A                      | N/A                      | N/A                            |
| Jobs credit.....   | N/A                            | N/A                | 601,444            | ( <sup>13</sup> )        | ( <sup>13</sup> )        | ( <sup>13</sup> )              |
| Nonconventional source fuel credit.....  | N/A                            | N/A                | 2                  | 43,267                   | 63,544                   | 52,439                         |
| Alcohol fuel credit.....   | N/A                            | N/A                | 4                  | ( <sup>13</sup> )        | ( <sup>13</sup> )        | ( <sup>13</sup> )              |
| Research activities credit.....  | N/A                            | N/A                | N/A                | 1,627,997                | ( <sup>13</sup> )        | ( <sup>13</sup> )              |
| Employees stock ownership credit.....  | N/A                            | N/A                | N/A                | ( <sup>13</sup> )        | ( <sup>13</sup> )        | ( <sup>13</sup> )              |
| Orphan drug credit.....  | N/A                            | N/A                | N/A                | *204                     | 6,530                    | 5,154                          |
| General business credit.....   | N/A                            | N/A                | N/A                | 19,607,097 <sup>13</sup> | 12,805,999 <sup>13</sup> | 7,959,117 <sup>13</sup>        |
| Minimum tax credit.....  | N/A                            | N/A                | N/A                | N/A                      | N/A                      | 14                             |
| <b>Distributions to stockholders:</b>  |                                |                    |                    |                          |                          |                                |
| Cash and property except in own stock.....   | 32,012,677                     | 45,224,392         | 97,378,617         | n.a.                     | n.a.                     | n.a.                           |
| Corporation's own stock.....   | 1,922,810                      | 2,066,559          | 3,525,549          | n.a.                     | n.a.                     | n.a.                           |

See notes following Table 20.

Selected Historical Data

Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970–1987

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

| Industrial division and items                     | 1970                    | 1975          | 1980          | 1985                    | 1986                    | 1987                       |
|---|-------------------------|---------------|---------------|-------------------------|-------------------------|----------------------------|
|   | (1)                     | (2)           | (3)           | (4)                     | (5)                     | (6)                        |
| <b>AGRICULTURE, FORESTRY AND FISHING</b>          |                         |               |               |                         |                         |                            |
| Number of returns, total                          | 37,283                  | 56,280        | 80,883        | 103,156                 | 106,634                 | 116,544                    |
| Number with net income                            | 19,843                  | 33,328        | 43,827        | 52,776                  | 57,810                  | 65,059                     |
| Total assets                                      | 11,909,403              | 21,177,941    | 40,738,977    | 52,651,197              | 53,478,288              | 55,374,698                 |
| Net worth   | 4,012,068               | 6,844,949     | 11,460,935    | 15,406,221              | 17,062,622              | 18,201,394                 |
| Total receipts                                    | 14,277,707              | 28,118,514    | 52,089,915    | 70,491,486              | 77,502,215              | 77,057,114 <sup>1</sup>    |
| Business receipts                                 | 13,591,763              | 26,624,149    | 48,850,056    | 65,419,402              | 71,787,552              | 71,809,603 <sup>1</sup>    |
| Interest received                                 | 69,742                  | 171,732       | 476,654       | 775,383 <sup>2</sup>    | 720,405 <sup>2</sup>    | 490,401                    |
| Total deductions                                  | 14,209,713              | 27,369,286    | 51,418,280    | 70,559,478              | 76,330,943              | 75,422,713                 |
| Cost of sales and operations                      | 10,555,539              | 19,738,447    | 35,798,332    | 45,085,526              | 50,971,455              | 50,565,416 <sup>1</sup>    |
| Interest paid                                     | 356,225                 | 797,420       | 2,184,441     | 2,758,952               | 2,570,846               | 2,272,546                  |
| Net income (less deficit)                         | 65,295                  | 746,908       | 673,158       | -74,270                 | 1,148,686               | 1,626,501 <sup>1</sup>     |
| Net income  | 493,400                 | 1,493,168     | 2,464,381     | 2,930,905               | 3,676,645               | 4,010,915 <sup>1</sup>     |
| Deficit   | 428,105                 | 746,260       | 1,791,222     | 3,005,175               | 2,527,960               | 2,384,414 <sup>1</sup>     |
| Regular and alternative tax                       | 113,115 <sup>3</sup>    | 351,059       | 533,768       | 531,787                 | 579,120                 | 496,874                    |
| Total income tax after credits <sup>4</sup>       | 107,023 <sup>3</sup>    | 294,584       | 422,356       | 344,626                 | 475,606                 | 497,427                    |
| Distributions to stockholders except in own stock | 65,824                  | 244,524       | 304,733       | n.a.                    | n.a.                    | n.a.                       |
| <b>MINING</b>                                     |                         |               |               |                         |                         |                            |
| Number of returns, total                          | 14,465                  | 14,242        | 25,576        | 41,426                  | 40,354                  | 42,050                     |
| Number with net income                            | 7,303                   | 8,297         | 12,698        | 18,031                  | 18,150                  | 16,764                     |
| Total assets                                      | 23,972,812              | 64,505,341    | 126,947,880   | 240,815,996             | 206,122,125             | 220,137,063                |
| Net worth   | 13,381,821              | 32,765,690    | 54,068,148    | 104,772,797             | 98,604,268              | 109,553,353                |
| Total receipts                                    | 17,747,750              | 65,909,994    | 176,672,390   | 142,038,595             | 98,577,216              | 96,805,871 <sup>1</sup>    |
| Business receipts                                 | 16,699,586              | 63,670,496    | 167,397,918   | 126,710,610             | 86,873,761              | 85,846,689                 |
| Interest received                                 | 176,728                 | 522,757       | 1,301,266     | 3,584,890 <sup>2</sup>  | 3,154,332 <sup>2</sup>  | 2,622,570 <sup>1</sup>     |
| Total deductions                                  | 15,927,348              | 42,348,765    | 169,051,624   | 145,389,514             | 102,093,971             | 96,660,686 <sup>1</sup>    |
| Cost of sales and operations                      | 9,955,600               | 30,171,612    | 116,989,880   | 87,972,035              | 58,115,191              | 56,325,162                 |
| Interest paid                                     | 388,032                 | 1,166,182     | 3,440,080     | 7,789,995               | 6,395,032               | 5,442,124                  |
| Net income (less deficit)                         | 1,834,315               | 23,574,833    | 7,750,561     | -2,543,487              | -3,122,565              | 275,048 <sup>1</sup>       |
| Net income  | 2,399,507               | 24,347,893    | 10,133,685    | 6,166,623               | 5,352,717               | 6,039,881 <sup>1</sup>     |
| Deficit   | 565,192                 | 773,060       | 2,383,124     | 8,710,110               | 8,475,282               | 5,764,833 <sup>1</sup>     |
| Regular and alternative tax                       | 1,031,550 <sup>3</sup>  | 11,361,037    | 3,947,569     | 1,736,952               | 1,339,161               | 1,143,473                  |
| Total income tax after credits <sup>4</sup>       | 342,928 <sup>3</sup>    | 1,051,138     | 1,674,566     | 557,519                 | 694,690                 | 810,619                    |
| Distributions to stockholders except in own stock | 1,177,550               | 1,015,895     | 4,757,780     | n.a.                    | n.a.                    | n.a.                       |
| <b>CONSTRUCTION</b>                               |                         |               |               |                         |                         |                            |
| Number of returns, total                          | 138,905                 | 191,219       | 272,432       | 318,276                 | 341,816                 | 371,169                    |
| Number with net income                            | 82,078                  | 108,852       | 150,368       | 185,613                 | 194,446                 | 222,498                    |
| Total assets                                      | 42,719,792              | 76,691,947    | 132,939,026   | 215,297,771             | 218,860,512             | 222,064,937                |
| Net worth   | 11,819,604              | 19,029,077    | 32,826,174    | 54,687,270              | 52,781,280              | 53,926,258                 |
| Total receipts                                    | 90,610,644              | 146,955,117   | 267,205,356   | 387,232,953             | 412,477,214             | 454,831,094 <sup>1</sup>   |
| Business receipts                                 | 88,945,385              | 143,412,715   | 260,387,692   | 374,590,273             | 399,436,063             | 442,491,245                |
| Interest received                                 | 219,698                 | 614,583       | 2,073,650     | 3,851,628 <sup>2</sup>  | 3,981,459 <sup>2</sup>  | 3,479,339 <sup>1</sup>     |
| Total deductions                                  | 89,070,022              | 144,717,309   | 262,116,275   | 382,823,113             | 406,663,574             | 446,096,648 <sup>1</sup>   |
| Cost of sales and operations                      | 73,434,969              | 116,845,554   | 208,064,925   | 295,803,244             | 314,065,258             | 344,505,785                |
| Interest paid                                     | 711,496                 | 1,973,244     | 4,278,502     | 6,407,652               | 6,869,790               | 6,319,837                  |
| Net income (less deficit)                         | 1,538,416               | 2,236,262     | 5,271,209     | 4,370,924               | 5,781,722               | 8,700,642 <sup>1</sup>     |
| Net income  | 2,548,013               | 4,514,864     | 8,911,143     | 11,053,145              | 12,443,085              | 15,360,778 <sup>1</sup>    |
| Deficit   | 1,009,595               | 2,278,602     | 3,639,934     | 6,682,220               | 6,661,363               | 6,660,136 <sup>1</sup>     |
| Regular and alternative tax                       | 776,979 <sup>3</sup>    | 1,320,196     | 2,521,507     | 2,243,786               | 2,484,009               | 2,351,230                  |
| Total income tax after credits <sup>4</sup>       | 756,637 <sup>3</sup>    | 1,131,960     | 1,973,659     | 1,662,563               | 2,183,820               | 2,337,107                  |
| Distributions to stockholders except in own stock | 299,204                 | 464,553       | 793,764       | n.a.                    | n.a.                    | n.a.                       |
| <b>MANUFACTURING</b>                              |                         |               |               |                         |                         |                            |
| Number of returns, total                          | 197,807                 | 217,354       | 242,550       | 276,545                 | 285,119                 | 294,211                    |
| Number with net income                            | 120,814                 | 136,839       | 153,640       | 159,778                 | 163,161                 | 169,988                    |
| Total assets                                      | 612,912,516             | 944,581,970   | 1,709,471,700 | 2,644,393,424           | 2,931,610,462           | 3,111,708,665              |
| Net worth   | 308,923,293             | 442,587,674   | 749,186,774   | 1,099,645,876           | 1,124,399,497           | 1,191,672,658              |
| Total receipts                                    | 722,952,890             | 1,296,359,650 | 2,404,323,844 | 2,831,062,496           | 2,810,713,781           | 3,141,406,444 <sup>1</sup> |
| Business receipts                                 | 700,090,661             | 1,258,338,650 | 2,301,056,550 | 2,656,345,750           | 2,614,526,752           | 2,946,695,175              |
| Interest received                                 | 4,748,499               | 8,691,092     | 28,315,784    | 47,753,626 <sup>2</sup> | 50,749,530 <sup>2</sup> | 50,334,403 <sup>1</sup>    |
| Total deductions                                  | 692,455,462             | 1,230,689,496 | 2,290,593,808 | 2,733,105,346           | 2,723,698,904           | 3,012,111,231 <sup>1</sup> |
| Cost of sales and operations                      | 495,879,549             | 925,111,030   | 1,707,143,900 | 1,797,852,805           | 1,746,954,429           | 2,034,818,784              |
| Interest paid                                     | 12,570,242              | 22,055,903    | 54,177,356    | 90,452,072              | 102,372,701             | 100,783,073                |
| Net income (less deficit)                         | 31,846,078              | 68,406,627    | 125,667,815   | 113,758,645             | 101,827,271             | 145,493,891 <sup>1</sup>   |
| Net income  | 37,925,489              | 74,466,554    | 141,547,510   | 142,541,119             | 136,081,206             | 172,315,960 <sup>1</sup>   |
| Deficit   | 6,079,411               | 6,059,927     | 15,879,695    | 28,782,474              | 34,253,935              | 26,822,069 <sup>1</sup>    |
| Regular and alternative tax                       | 16,744,905 <sup>3</sup> | 32,306,739    | 59,577,413    | 55,553,921              | 49,025,411              | 56,040,361                 |
| Total income tax after credits <sup>4</sup>       | 13,242,226 <sup>3</sup> | 21,024,964    | 32,726,986    | 25,382,459              | 25,761,951              | 34,048,160                 |
| Distributions to stockholders except in own stock | 14,616,282              | 19,973,061    | 37,306,509    | n.a.                    | n.a.                    | n.a.                       |



## Selected Historical Data

**Table 14. (Continued)—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970-1987**

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

| Industrial division and items                     | 1970                   | 1975          | 1980          | 1985                     | 1986                    | 1987                         |
|---|------------------------|---------------|---------------|--------------------------|-------------------------|------------------------------|
|   | (1)                    | (2)           | (3)           | (4)                      | (5)                     | (6)                          |
| <b>TRANSPORTATION AND PUBLIC UTILITIES</b>        |                        |               |               |                          |                         |                              |
| Number of returns, total                          | 67,398                 | 80,701        | 111,324       | 138,337                  | 138,428                 | 147,893                      |
| Number with net income                            | 38,204                 | 45,360        | 62,232        | 69,938                   | 68,517                  | 80,304                       |
| Total assets                                      | 287,740,207            | 443,236,797   | 758,364,400   | 1,246,426,899            | 1,310,227,440           | 1,352,512,937                |
| Net worth   | 121,205,022            | 176,444,407   | 290,655,693   | 490,481,127              | 502,486,821             | 510,064,082                  |
| Total receipts                                    | 135,495,271            | 243,480,637   | 523,807,396   | 772,358,188              | 762,231,202             | 786,179,466 <sup>1</sup>     |
| Business receipts                                 | 131,463,171            | 234,689,427   | 507,372,820   | 733,943,970              | 717,929,024             | 736,633,389                  |
| Interest received                                 | 930,266                | 1,520,913     | 5,760,072     | 12,310,594 <sup>2</sup>  | 12,050,844 <sup>2</sup> | 12,695,723 <sup>1</sup>      |
| Total deductions                                  | 127,931,131            | 233,409,166   | 503,954,285   | 747,836,158              | 740,781,131             | 749,024,805 <sup>1</sup>     |
| Cost of sales and operations                      | 77,743,359             | 143,932,463   | 336,868,172   | 381,028,354              | 338,754,789             | 339,840,645                  |
| Interest paid                                     | 7,364,200              | 13,761,062    | 27,638,591    | 44,880,858               | 47,070,426              | 47,132,799                   |
| Net income (less deficit)                         | 7,543,718              | 10,099,571    | 20,046,155    | 25,087,629               | 21,803,663              | 37,466,726 <sup>1</sup>      |
| Net income  | 9,471,595              | 12,088,189    | 24,917,293    | 37,880,144               | 41,098,014              | 50,070,763 <sup>1</sup>      |
| Deficit   | 1,927,877              | 1,988,618     | 4,871,138     | 12,792,516               | 19,294,351              | 12,604,037 <sup>1</sup>      |
| Regular and alternative tax                       | 4,342,334 <sup>3</sup> | 5,107,158     | 10,532,722    | 14,881,470               | 15,807,771              | 16,976,595                   |
| Total income tax after credits <sup>4</sup>       | 4,036,650 <sup>3</sup> | 2,836,470     | 5,322,655     | 8,432,924                | 11,005,034              | 14,769,151                   |
| Distributions to stockholders except in own stock | 5,837,565              | 8,900,353     | 17,329,807    | n.a.                     | n.a.                    | n.a.                         |
| <b>WHOLESALE AND RETAIL TRADE</b>                 |                        |               |               |                          |                         |                              |
| Number of returns, total                          | 518,062                | 614,632       | 799,628       | 917,301                  | 939,159                 | 971,758                      |
| Number with net income                            | 339,987                | 399,668       | 487,300       | 510,825                  | 527,779                 | 537,686                      |
| Total assets                                      | 192,181,800            | 323,496,726   | 646,901,005   | 1,009,965,739            | 1,073,523,697           | 1,177,668,920                |
| Net worth   | 77,002,132             | 122,649,734   | 222,289,687   | 286,260,274              | 300,103,440             | 316,458,705                  |
| Total receipts                                    | 522,547,923            | 969,938,872   | 1,955,523,778 | 2,473,865,453            | 2,547,440,986           | 2,766,717,240 <sup>1</sup>   |
| Business receipts                                 | 511,316,883            | 951,463,550   | 1,919,347,689 | 2,408,174,933            | 2,472,495,351           | 2,691,275,402 <sup>1</sup>   |
| Interest received                                 | 1,291,906              | 3,857,318     | 10,503,989    | 21,633,480 <sup>2</sup>  | 23,264,441 <sup>2</sup> | 22,041,565 <sup>1</sup>      |
| Total deductions                                  | 512,910,193            | 947,511,780   | 1,919,454,218 | 2,440,403,373            | 2,512,081,940           | 2,728,491,327 <sup>1</sup>   |
| Cost of sales and operations                      | 392,391,856            | 745,299,204   | 1,538,128,634 | 1,869,766,621            | 1,895,237,380           | 2,076,485,794                |
| Interest paid                                     | 4,309,663              | 8,587,173     | 25,645,855    | 38,217,998               | 39,961,980              | 43,641,104                   |
| Net income (less deficit)                         | 9,671,044              | 22,489,430    | 38,309,671    | 33,126,702               | 34,919,948              | 38,040,057 <sup>1</sup>      |
| Net income  | 12,395,411             | 27,681,721    | 49,426,500    | 51,434,500               | 55,246,479              | 60,276,175 <sup>1</sup>      |
| Deficit   | 2,724,367              | 5,192,291     | 11,116,829    | 18,307,798               | 20,326,531              | 22,236,117 <sup>1</sup>      |
| Regular and alternative tax                       | 4,476,047 <sup>3</sup> | 8,103,316     | 13,515,653    | 16,130,885               | 16,862,842              | 14,672,865                   |
| Total income tax after credits <sup>4</sup>       | 4,237,181 <sup>3</sup> | 7,348,619     | 10,564,358    | 13,396,555               | 15,166,086              | 13,994,767                   |
| Distributions to stockholders except in own stock | 2,068,501              | 5,029,897     | 10,343,087    | n.a.                     | n.a.                    | n.a.                         |
| <b>FINANCE, INSURANCE, AND REAL ESTATE</b>        |                        |               |               |                          |                         |                              |
| Number of returns, total                          | 406,235                | 411,846       | 493,426       | 518,432                  | 537,384                 | 521,136                      |
| Number with net income                            | 248,586                | 243,409       | 273,853       | 285,273                  | 296,921                 | 275,637                      |
| Total assets                                      | 1,401,153,520          | 2,321,965,956 | 4,022,206,073 | 7,029,452,681            | 7,985,641,912           | 8,732,320,235                |
| Net worth   | 196,480,448            | 269,770,527   | 530,541,317   | 1,161,968,009            | 1,502,198,831           | 1,634,925,235 <sup>1,5</sup> |
| Total receipts                                    | 177,321,173            | 315,795,981   | 697,460,846   | 1,182,034,309            | 1,365,095,368           | 1,589,218,435                |
| Business receipts                                 | 92,091,887             | 157,126,715   | 256,892,475   | 501,993,840              | 618,646,549             | 818,286,705 <sup>1,5</sup>   |
| Interest received                                 | 63,694,046             | 127,040,303   | 315,146,115   | 541,268,193 <sup>2</sup> | 75,727,059 <sup>2</sup> | 606,143,965 <sup>1</sup>     |
| Total deductions                                  | 161,630,060            | 297,963,817   | 652,637,787   | 1,104,572,202            | 1,245,473,109           | 1,476,737,395 <sup>1</sup>   |
| Cost of sales and operations                      | 48,434,362             | 84,614,209    | 129,644,330   | 237,577,803              | 320,622,944             | 470,673,440                  |
| Interest paid                                     | 34,548,509             | 77,677,659    | 219,167,684   | 363,009,417              | 35,193,465              | 364,541,038                  |
| Net income (less deficit)                         | 12,214,079             | 11,663,330    | 33,122,792    | 60,670,526               | 99,808,908              | 87,403,218 <sup>1</sup>      |
| Net income  | 15,081,939             | 18,825,003    | 46,040,390    | 90,546,934               | 131,284,234             | 129,179,849 <sup>1</sup>     |
| Deficit   | 2,867,860              | 7,161,673     | 12,917,599    | 29,876,408               | 31,475,326              | 41,776,631 <sup>1</sup>      |
| Regular and alternative tax                       | 4,404,449 <sup>3</sup> | 5,558,647     | 9,680,755     | 13,369,981               | 17,799,986              | 18,510,796                   |
| Total income tax after credits <sup>4</sup>       | 4,150,009 <sup>3</sup> | 4,673,705     | 7,699,628     | 10,193,877               | 14,665,774              | 16,342,990                   |
| Distributions to stockholders except in own stock | 7,387,211              | 8,729,977     | 24,692,146    | n.a.                     | n.a.                    | n.a.                         |
| <b>SERVICES</b>                                   |                        |               |               |                          |                         |                              |
| Number of returns, total                          | 281,218                | 435,672       | 671,338       | 939,390                  | 1,012,178               | 1,119,604                    |
| Number with net income                            | 150,525                | 249,641       | 408,716       | 529,337                  | 575,016                 | 619,923                      |
| Total assets                                      | 61,875,140             | 90,534,067    | 178,163,737   | 330,982,941              | 381,609,099             | 435,561,919                  |
| Net worth   | 19,529,062             | 26,855,374    | 52,865,513    | 89,852,365               | 100,190,054             | 112,415,645                  |
| Total receipts                                    | 69,572,626             | 131,377,364   | 279,883,187   | 534,587,609              | 591,849,715             | 663,133,101 <sup>1</sup>     |
| Business receipts                                 | 66,459,515             | 125,747,462   | 266,088,619   | 497,980,990              | 550,590,929             | 616,469,154                  |
| Interest received                                 | 435,070                | 875,506       | 3,269,412     | 6,561,301 <sup>2</sup>   | 6,871,344 <sup>2</sup>  | 7,806,764 <sup>1</sup>       |
| Total deductions                                  | 68,384,452             | 127,996,443   | 271,792,974   | 528,685,613              | 584,295,930             | 653,953,599 <sup>1</sup>     |
| Cost of sales and operations                      | 37,733,747             | 63,724,869    | 129,352,692   | 176,070,808              | 196,127,453             | 219,817,625                  |
| Interest paid                                     | 1,802,802              | 3,279,438     | 8,033,612     | 15,027,259               | 15,718,343              | 19,750,647                   |
| Net income (less deficit)                         | 1,198,703              | 3,396,744     | 8,193,903     | 5,883,782                | 7,448,023               | 9,251,928 <sup>1</sup>       |
| Net income  | 3,384,869              | 6,025,592     | 13,246,601    | 21,124,460               | 8,116,081               | 27,731,097 <sup>1</sup>      |
| Deficit   | 2,186,166              | 2,628,848     | 5,052,698     | 15,240,678               | 4,651,324               | 18,479,168 <sup>1</sup>      |
| Regular and alternative tax                       | 1,058,264 <sup>3</sup> | 1,625,093     | 3,497,265     | 4,621,875                | 4,818,018               | 4,858,810                    |
| Total income tax after credits <sup>4</sup>       | 1,003,130 <sup>3</sup> | 1,323,637     | 2,603,370     | 3,343,830                | 3,863,565               | 4,212,339                    |
| Distributions to stockholders except in own stock | 558,452                | 855,402       | 1,841,945     | n.a.                     | n.a.                    | n.a.                         |

See notes following Table 20.

Selected Historical Data

**Table 15.—Corporation Profits Before Taxes Per National Income and Product Accounts (NIPA) and Per SOI, and Income Subject to Tax per SOI, Income Years, 1960–1989**

[All figures are estimates—money amounts are in billion of dollars]

| Income year | Profits before taxes (per NIPA) <sup>1</sup> | Net income (less deficit) (per SOI) | Income subject to tax (per SOI) |
|-------------|--|-------------------------------------|---------------------------------|
|             | (1)  | (2)                                 | (3)                             |
| 1960 .....  | 49.9   | 43.5                                | 47.2                            |
| 1961 .....  | 49.8   | 45.9                                | 47.9                            |
| 1962 .....  | 55.1   | 49.6                                | 51.7                            |
| 1963 .....  | 59.8   | 54.3                                | 54.3                            |
| 1964 .....  | 66.7   | 61.6                                | 60.4                            |
| 1965 .....  | 77.4   | 73.9                                | 70.8                            |
| 1966 .....  | 83.3   | 80.5                                | 77.1                            |
| 1967 .....  | 80.1   | 78.2                                | 74.8                            |
| 1968 .....  | 89.1   | 86.0                                | 81.4                            |
| 1969 .....  | 87.2   | 80.2                                | 81.2                            |
| 1970 .....  | 76.0   | 65.9                                | 72.4                            |
| 1971 .....  | 87.3   | 79.7                                | 83.2                            |
| 1972 .....  | 101.5  | 96.8                                | 95.1                            |
| 1973 .....  | 122.2  | 120.4                               | 115.5                           |
| 1974 .....  | 138.9  | 148.2                               | 144.0                           |
| 1975 .....  | 134.8  | 142.6                               | 146.6                           |
| 1976 .....  | 170.3  | 185.4                               | 183.5                           |
| 1977 .....  | 200.4  | 219.2                               | 212.5                           |
| 1978 .....  | 233.5  | 246.9                               | 239.6                           |
| 1979 .....  | 257.2  | 284.6                               | 279.4                           |
| 1980 .....  | 237.1  | 239.0                               | 246.6                           |
| 1981 .....  | 226.5  | 213.6                               | 241.5                           |
| 1982 .....  | 169.6  | 154.3                               | 205.2                           |
| 1983 .....  | 207.6  | 188.3                               | 218.7                           |
| 1984 .....  | 240.0  | 232.9                               | 257.1                           |
| 1985 .....  | 224.3  | 240.1                               | 266.1                           |
| 1986 .....  | 221.6  | 269.5                               | 276.2                           |
| 1987 .....  | r275.3                                       | 328.2                               | 311.8                           |
| 1988 .....  | r316.7                                       | n.a.                                | n.a.                            |
| p1989 ..... | r307.7                                       | n.a.                                | n.a.                            |

See notes following Table 20.

## Selected Historical Data

Table 16.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1985–1990

[Money amounts are in millions of dollars]

| Quarter and fiscal year              | Amount collected by type of return |                                      |                                       |                           |                               |                       |
|--------------------------------------|------------------------------------|--------------------------------------|---------------------------------------|---------------------------|-------------------------------|-----------------------|
|                                      | Total                              | Individual income taxes <sup>1</sup> | Corporation income taxes <sup>2</sup> | Excise taxes <sup>3</sup> | Employment taxes <sup>4</sup> | Estate and gift taxes |
|                                      | (1)                                | (2)                                  | (3)                                   | (4)                       | (5)                           | (6)                   |
| <b>FISCAL YEAR 1985, TOTAL</b> ..... | <b>742,871</b>                     | <b>398,659</b>                       | <b>77,413</b>                         | <b>37,005</b>             | <b>225,214</b>                | <b>6,580</b>          |
| October 1984–December 1984 .....     | 155,919                            | 79,775                               | 17,546                                | 9,732                     | 47,286                        | 1,580                 |
| January 1985–March 1985 .....        | 176,324                            | 89,325                               | 17,350                                | 8,650                     | 59,352                        | 1,647                 |
| April 1985–June 1985 .....           | 233,946                            | 136,141                              | 24,843                                | 9,013                     | 62,313                        | 1,636                 |
| July 1985–September 1985 .....       | 176,682                            | 91,418                               | 17,674                                | 9,610                     | 56,263                        | 1,717                 |
| <b>FISCAL YEAR 1986, TOTAL</b> ..... | <b>782,252</b>                     | <b>418,965</b>                       | <b>80,442</b>                         | <b>33,672</b>             | <b>243,978</b>                | <b>7,195</b>          |
| October 1985–December 1985 .....     | 167,836                            | 86,608                               | 18,854                                | 9,321                     | 51,354                        | 1,699                 |
| January 1986–March 1986 .....        | 186,178                            | 97,804                               | 16,243                                | 8,175                     | 62,309                        | 1,647                 |
| April 1986–June 1986 .....           | 240,680                            | 134,129                              | 25,703                                | 8,191                     | 70,687                        | 1,970                 |
| July 1986–September 1986 .....       | 187,558                            | 98,424                               | 19,642                                | 7,985                     | 59,628                        | 1,879                 |
| <b>FISCAL YEAR 1987, TOTAL</b> ..... | <b>886,290</b>                     | <b>465,452</b>                       | <b>102,859</b>                        | <b>33,311</b>             | <b>277,000</b>                | <b>7,668</b>          |
| October 1986–December 1986 .....     | 180,580                            | 92,346                               | 22,466                                | 8,281                     | 55,615                        | 1,872                 |
| January 1987–March 1987 .....        | 209,032                            | 105,483                              | 22,649                                | 7,925                     | 71,156                        | 1,819                 |
| April 1987–June 1987 .....           | 285,477                            | 164,008                              | 29,748                                | 8,493                     | 81,139                        | 2,089                 |
| July 1987–September 1987 .....       | 211,201                            | 103,615                              | 27,996                                | 8,612                     | 69,090                        | 1,888                 |
| <b>FISCAL YEAR 1988, TOTAL</b> ..... | <b>935,107</b>                     | <b>473,667</b>                       | <b>109,683</b>                        | <b>25,934</b>             | <b>318,039</b>                | <b>7,784</b>          |
| October 1987–December 1987 .....     | 197,095                            | 97,479                               | 24,828                                | 6,475                     | 66,500                        | 1,813                 |
| January 1988–March 1988 .....        | 220,447                            | 111,215                              | 22,006                                | 5,304                     | 80,161                        | 1,761                 |
| April 1988–June 1988 .....           | 296,175                            | 160,018                              | 35,991                                | 6,550                     | 91,426                        | 2,190                 |
| July 1988–September 1988 .....       | 221,390                            | 104,955                              | 26,858                                | 7,605                     | 79,952                        | 2,020                 |
| <b>FISCAL YEAR 1989, TOTAL</b> ..... | <b>1,013,322</b>                   | <b>515,732</b>                       | <b>117,015</b>                        | <b>25,977</b>             | <b>345,625</b>                | <b>8,973</b>          |
| October 1988–December 1988 .....     | 213,518                            | 104,522                              | 29,551                                | 6,657                     | 70,632                        | 2,156                 |
| January 1989–March 1989 .....        | 235,883                            | 114,475                              | 20,760                                | 6,097                     | 92,587                        | 1,964                 |
| April 1989–June 1989 .....           | 331,478                            | 180,947                              | 40,825                                | 6,900                     | 100,077                       | 2,729                 |
| July 1989–September 1989 .....       | 232,441                            | 115,788                              | 25,879                                | 6,323                     | 82,329                        | 2,124                 |
| <b>FISCAL YEAR 1990, TOTAL</b> ..... | <b>1,056,365</b>                   | <b>540,228</b>                       | <b>110,017</b>                        | <b>27,139</b>             | <b>367,219</b>                | <b>11,762</b>         |
| October 1989–December 1989 .....     | 220,077                            | 110,077                              | 26,390                                | 6,184                     | 74,982                        | 2,444                 |
| January 1990–March 1990 .....        | 249,737                            | 127,277                              | 21,433                                | 5,868                     | 92,868                        | 2,291                 |
| April 1990–June 1990 .....           | 341,287                            | 181,180                              | 37,398                                | 8,144                     | 110,281                       | 4,284                 |
| July 1990–September 1990 .....       | 245,264                            | 121,694                              | 24,796                                | 6,943                     | 89,088                        | 2,743                 |

See notes following Table 20.

Table 17.—Internal Revenue Refunds: Amount Refunded By Quarter and Fiscal Year, 1985–1990

[Money amounts are in millions of dollars]

| Quarter and fiscal year              | Amount refunded by type of return |                                      |                                       |                           |                               |                       |
|--------------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|-------------------------------|-----------------------|
|                                      | Total                             | Individual income taxes <sup>1</sup> | Corporation income taxes <sup>2</sup> | Excise taxes <sup>3</sup> | Employment taxes <sup>4</sup> | Estate and gift taxes |
|                                      | (1)                               | (2)                                  | (3)                                   | (4)                       | (5)                           | (6)                   |
| <b>FISCAL YEAR 1985, TOTAL</b> ..... | <b>86,322</b>                     | <b>66,908</b>                        | <b>16,725</b>                         | <b>892</b>                | <b>1,606</b>                  | <b>191</b>            |
| October 1984–December 1984 .....     | 6,729                             | 2,246                                | 4,177                                 | 122                       | 138                           | 46                    |
| January 1985–March 1985 .....        | 17,664                            | 12,808                               | 4,286                                 | 91                        | 439                           | 40                    |
| April 1985–June 1985 .....           | 52,376                            | 46,370                               | 4,701                                 | 556                       | 702                           | 47                    |
| July 1985–September 1985 .....       | 9,551                             | 5,484                                | 3,561                                 | 123                       | 326                           | 57                    |
| <b>FISCAL YEAR 1986, TOTAL</b> ..... | <b>94,424</b>                     | <b>73,078</b>                        | <b>18,297</b>                         | <b>962</b>                | <b>1,800</b>                  | <b>287</b>            |
| October 1985–December 1985 .....     | 7,948                             | 3,003                                | 4,268                                 | 128                       | 488                           | 61                    |
| January 1986–March 1986 .....        | 25,895                            | 19,950                               | 4,997                                 | 320                       | 577                           | 51                    |
| April 1986–June 1986 .....           | 50,200                            | 44,375                               | 5,058                                 | 232                       | 435                           | 100                   |
| July 1986–September 1986 .....       | 10,381                            | 5,750                                | 3,974                                 | 282                       | 300                           | 75                    |
| <b>FISCAL YEAR 1987, TOTAL</b> ..... | <b>98,969</b>                     | <b>73,583</b>                        | <b>18,891</b>                         | <b>1,381</b>              | <b>1,900</b>                  | <b>214</b>            |
| October 1986–December 1986 .....     | 8,668                             | 3,406                                | 4,789                                 | 111                       | 312                           | 50                    |
| January 1987–March 1987 .....        | 28,422                            | 22,198                               | 5,296                                 | 479                       | 393                           | 56                    |
| April 1987–June 1987 .....           | 50,063                            | 42,858                               | 5,948                                 | 332                       | 669                           | 57                    |
| July 1987–September 1987 .....       | 9,816                             | 5,121                                | 3,858                                 | 459                       | 326                           | 52                    |
| <b>FISCAL YEAR 1988, TOTAL</b> ..... | <b>94,480</b>                     | <b>74,399</b>                        | <b>18,477</b>                         | <b>1,114</b>              | <b>2,263</b>                  | <b>227</b>            |
| October 1987–December 1987 .....     | 7,701                             | 3,437                                | 3,727                                 | 207                       | 275                           | 55                    |
| January 1988–March 1988 .....        | 27,798                            | 21,744                               | 5,248                                 | 198                       | 553                           | 55                    |
| April 1988–June 1988 .....           | 49,202                            | 43,769                               | 3,848                                 | 421                       | 1,114                         | 50                    |
| July 1988–September 1988 .....       | 9,776                             | 5,449                                | 3,654                                 | 288                       | 321                           | 67                    |
| <b>FISCAL YEAR 1989, TOTAL</b> ..... | <b>93,613</b>                     | <b>73,597</b>                        | <b>18,921</b>                         | <b>2,054</b>              | <b>2,771</b>                  | <b>269</b>            |
| October 1988–December 1988 .....     | 8,360                             | 3,362                                | 4,461                                 | 118                       | 359                           | 80                    |
| January 1989–March 1989 .....        | 32,041                            | 26,759                               | 4,462                                 | 182                       | 570                           | 67                    |
| April 1989–June 1989 .....           | 43,538                            | 38,895                               | 3,849                                 | 350                       | 381                           | 63                    |
| July 1989–September 1989 .....       | 9,654                             | 4,581                                | 2,149                                 | 1,404                     | 1,461                         | 59                    |
| <b>FISCAL YEAR 1990, TOTAL</b> ..... | <b>99,656</b>                     | <b>76,065</b>                        | <b>18,324</b>                         | <b>2,261</b>              | <b>2,677</b>                  | <b>329</b>            |
| October 1989–December 1989 .....     | 8,487                             | 3,094                                | 4,605                                 | 300                       | 409                           | 79                    |
| January 1990–March 1990 .....        | 37,121                            | 31,367                               | 4,922                                 | 342                       | 423                           | 67                    |
| April 1990–June 1990 .....           | 43,308                            | 36,952                               | 4,209                                 | 549                       | 1,492                         | 106                   |
| July 1990–September 1990 .....       | 10,740                            | 4,652                                | 4,588                                 | 1,070                     | 353                           | 77                    |

See notes following Table 20.

Selected Historical Data

Table 18.—Classes of Excise Taxes by Selected Fiscal Years, 1970–1990

[Money amounts are in thousands of dollars]

| Selected class of tax   | Taxes collected by fiscal year |                  |                  |                   |                   |                   |
|---|--------------------------------|------------------|------------------|-------------------|-------------------|-------------------|
|   | 1970                           | 1975             | 1980             | 1985              | 1988              | 1989              |
|   | (1)                            | (2)              | (3)              | (4)               | (5)               | (6)               |
| <b>ALCOHOL AND TOBACCO TAXES, TOTAL</b> .....                       | <b>6,840,594</b>               | <b>7,665,948</b> | <b>8,151,184</b> | <b>9,881,293</b>  | <b>10,480,753</b> | <b>10,229,638</b> |
| Distilled spirits .....   | 3,469,508                      | 3,851,837        | 3,927,235        | 3,501,559         | 3,844,421         | 3,862,326         |
| Wine .....  | 180,353                        | 172,440          | 211,493          | 305,339           | 299,819           | 270,061           |
| Beer .....  | 1,076,148                      | 1,305,034        | 1,545,441        | 1,569,726         | 1,678,070         | 1,806,971         |
| Cigarettes and Cigars .....   | 2,092,935                      | 2,312,342        | 2,442,357        | 4,473,210         | 4,522,533         | 4,290,280         |
| <b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....                      | <b>6,683,061</b>               | <b>5,516,611</b> | <b>6,487,421</b> | <b>10,020,574</b> | <b>10,643,379</b> | <b>11,213,143</b> |
| Gasoline and gasohol .....  | 3,517,586                      | 4,071,465        | 4,326,549        | 9,062,630         | 9,453,441         | 9,957,579         |
| Tires, tubes and tread rubber .....                                 | 614,795                        | 697,660          | 682,624          | 242,923           | 319,141           | 312,829           |
| Motor vehicles, bodies, parts <sup>4</sup> .....                    | 1,753,327                      | 662,556          | 1,088,696        | N/A               | N/A               | N/A               |
| Recreational products .....   | 53,427                         | 84,946           | 136,521          | 166,666           | 169,663           | 224,478           |
| Black lung taxes .....  | N/A                            | N/A              | 251,288          | 548,356           | 601,279           | 588,800           |
| <b>SPECIAL FUELS, AND RETAILERS TAXES, TOTAL</b> <sup>5</sup> ..... | <b>257,820</b>                 | <b>404,187</b>   | <b>560,144</b>   | <b>3,802,608</b>  | <b>4,528,300</b>  | <b>5,622,564</b>  |
| Diesel and special motor fuels .....                                | 257,712                        | 370,489          | 512,718          | 2,430,165         | 3,119,934         | 3,912,604         |
| Truck and trailer chassis and bodies .....                          | N/A                            | N/A              | N/A              | 1,269,750         | 1,155,808         | 1,258,900         |
| <b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....                      | <b>2,084,730</b>               | <b>3,306,077</b> | <b>6,359,198</b> | <b>11,044,833</b> | <b>8,717,082</b>  | <b>9,316,603</b>  |
| Telephone and teletype <sup>6</sup> .....                           | 1,469,562                      | 2,023,744        | 1,117,834        | 2,307,607         | 2,555,082         | 2,820,528         |
| Air transportation .....  | 250,802                        | 850,567          | 1,748,837        | 2,589,818         | 3,145,422         | 3,569,447         |
| Highway use tax .....   | 135,086                        | 207,663          | 263,272          | 456,143           | 570,053           | 574,698           |
| Foreign insurance .....   | 8,614                          | 19,458           | 74,630           | 73,494            | 97,270            | 63,511            |
| Exempt organization net investment income .....                     | N/A                            | 63,828           | 65,280           | 136,153           | 229,379           | 168,814           |
| Crude oil windfall profit <sup>7</sup> .....                        | N/A                            | N/A              | 3,051,719        | 5,073,159         | 372,847           | 29,997            |
| Environmental taxes <sup>8</sup> .....                              | N/A                            | N/A              | N/A              | 272,957           | 924,951           | 1,009,760         |

| Selected class of tax  | Fiscal year quarter ending |                  |                  |                  |                  |                  |
|--|----------------------------|------------------|------------------|------------------|------------------|------------------|
|  | March 1989                 | June 1989        | Sept. 1989       | Dec. 1989        | March 1990       | June 1990        |
|  | (7)                        | (8)              | (9)              | (10)             | (11)             | (12)             |
| <b>ALCOHOL AND TOBACCO TAXES, TOTAL</b> <sup>1</sup> .....         | <b>2,407,574</b>           | <b>2,486,435</b> | <b>2,591,579</b> | <b>2,781,735</b> | <b>2,175,944</b> | <b>2,663,987</b> |
| Distilled spirits .....  | 872,127                    | 804,609          | 1,146,581        | 1,138,798        | 806,318          | 1,113,806        |
| Wine .....   | 165,077                    | 202,208          | - 301,524        | 94,118           | 54,033           | 56,840           |
| Beer .....   | 316,510                    | 363,789          | 696,107          | 387,642          | 365,029          | 446,300          |
| Cigarettes and cigars .....  | 1,053,860                  | 1,115,829        | 1,050,415        | 1,147,560        | 945,553          | 979,920          |
| <b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....                     | <b>2,836,045</b>           | <b>2,523,743</b> | <b>2,822,633</b> | <b>2,871,408</b> | <b>2,741,716</b> | <b>2,483,185</b> |
| Gasoline and gasohol .....   | 2,542,787                  | 2,224,923        | 2,470,701        | 2,535,410        | 2,457,312        | 2,130,973        |
| Tires, tubes and tread rubber <sup>3</sup> .....                   | 76,402                     | 70,104           | 79,799           | 82,904           | 49,804           | 75,334           |
| Recreational products .....  | 49,047                     | 62,091           | 60,211           | 53,156           | 50,527           | 66,498           |
| Black lung taxes .....   | 143,200                    | 128,300          | 168,600          | 156,900          | 157,700          | 169,500          |
| <b>SPECIAL FUELS AND RETAILERS TAXES, TOTAL</b> <sup>5</sup> ..... | <b>1,657,015</b>           | <b>1,067,603</b> | <b>1,199,666</b> | <b>1,139,256</b> | <b>1,131,185</b> | <b>1,067,329</b> |
| Diesel and special motor fuels .....                               | 1,136,524                  | 729,706          | 821,303          | 807,391          | 795,360          | 750,115          |
| Truck and trailer chassis and bodies .....                         | 313,687                    | 283,667          | 353,872          | 295,819          | 303,019          | 285,473          |
| <b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....                     | <b>2,352,971</b>           | <b>2,195,379</b> | <b>2,790,514</b> | <b>2,061,623</b> | <b>2,009,090</b> | <b>2,561,100</b> |
| Telephone and teletype <sup>6</sup> .....                          | 916,426                    | 736,957          | 563,249          | 902,758          | 697,713          | 720,844          |
| Air transportation .....   | 833,030                    | 840,613          | 1,029,991        | 801,217          | 799,064          | 810,076          |
| Highway use tax .....  | 124,239                    | 102,160          | 299,836          | 48,819           | 135,467          | 94,487           |
| Foreign insurance .....  | 28,862                     | 5,330            | 11,562           | 15,881           | 13,202           | 23,113           |
| Exempt organization net investment income .....                    | 28,128                     | 63,630           | 50,471           | 25,518           | 40,880           | 80,080           |
| Crude oil windfall profit <sup>7</sup> .....                       | 49,356                     | - 2,204          | 8,372            | - 35,652         | - 15,967         | - 204,098        |
| Environmental taxes <sup>8</sup> .....                             | 257,800                    | 247,070          | 250,130          | 244,260          | 243,430          | 416,393          |

See notes following Table 20.

## Selected Historical Data

Table 19.—Selected Returns and Forms Filed or to be Filed During Selected Calendar Years, 1970–1990

| Type of return or form                       | Number Filed in Calendar Year— |                   |                   |                   |                    |                    |                     |
|--|--------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|---------------------|
|  | 1970                           | 1975              | 1980              | 1985              | 1988               | 1989               | 1990<br>(Projected) |
|  | (1)                            | (2)               | (3)               | (4)               | (5)                | (6)                | (7)                 |
| <b>Individual income</b> .....               | <b>77,281,384</b>              | <b>84,026,785</b> | <b>93,196,076</b> | <b>99,704,246</b> | <b>107,258,962</b> | <b>110,129,087</b> | <b>112,380,700</b>  |
| Form 1040 .....                              | 77,143,251                     | 61,450,279        | 55,360,030        | 64,010,068        | 71,055,220         | 71,671,599         | 74,333,000          |
| Nonbusiness .....                            | 68,129,351                     | 51,377,153        | 43,957,141        | 49,873,300        | 55,817,370         | 56,076,424         | 58,414,100          |
| Business .....                               | 9,013,900                      | 10,073,126        | 11,402,889        | 14,136,768        | 15,237,850         | 15,595,175         | 15,918,900          |
| Schedule C .....                             | 6,351,304                      | 7,438,968         | 8,944,298         | 11,767,348        | 13,125,507         | 13,528,998         | 13,995,000          |
| Schedule F .....                             | 2,662,596                      | 2,634,158         | 2,458,591         | 2,369,420         | 2,112,343          | 2,066,177          | 1,973,900           |
| Form 1040A .....                             | N/A                            | 22,462,776        | 37,692,282        | 18,779,084        | 17,645,149         | 18,713,110         | 18,337,000          |
| Form 1040EZ .....                            | N/A                            | N/A               | N/A               | 16,739,767        | 18,328,572         | 19,483,620         | 19,413,000          |
| Other <sup>1</sup> .....                     | 138,133                        | 113,730           | 143,764           | 175,327           | 230,021            | 260,758            | 297,700             |
| <b>Corporation income</b> .....              | <b>1,758,600</b>               | <b>2,132,758</b>  | <b>2,675,704</b>  | <b>3,437,249</b>  | <b>4,027,428</b>   | <b>4,196,872</b>   | <b>4,344,000</b>    |
| Forms 1120, L, M and PC <sup>2</sup> .....   | 1,487,244                      | 1,762,920         | 2,115,542         | 2,432,265         | 2,472,376          | 2,438,779          | 2,356,400           |
| Form 1120A .....                             | N/A                            | N/A               | N/A               | 199,665           | 285,777            | 296,726            | 321,500             |
| Form 1120S .....                             | 248,936                        | 367,219           | 528,070           | 736,945           | 1,169,736          | 1,351,092          | 1,550,000           |
| Other <sup>3</sup> .....                     | 1,414                          | 2,619             | 32,092            | 68,374            | 193,709            | 102,085            | 106,600             |
| <b>Partnership, Form 1065</b> .....          | <b>991,904</b>                 | <b>1,132,839</b>  | <b>1,401,567</b>  | <b>1,755,339</b>  | <b>1,825,885</b>   | <b>1,779,617</b>   | <b>1,700,600</b>    |
| <b>Fiduciary, Forms 1041 and 1041S</b> ..... | <b>1,149,445<sup>4</sup></b>   | <b>1,558,570</b>  | <b>1,876,392</b>  | <b>2,124,969</b>  | <b>2,669,014</b>   | <b>2,625,347</b>   | <b>2,760,200</b>    |
| <b>Estate Tax, Forms 706 and 706NA</b> ..... | <b>141,156</b>                 | <b>225,627</b>    | <b>147,303</b>    | <b>80,788</b>     | <b>52,449</b>      | <b>55,833</b>      | <b>60,800</b>       |
| <b>Gift Tax, Form 709</b> .....              | <b>146,338</b>                 | <b>273,184</b>    | <b>214,789</b>    | <b>97,720</b>     | <b>104,105</b>     | <b>123,530</b>     | <b>137,600</b>      |
| <b>Exempt Organization</b> .....             | <b>387,469</b>                 | <b>403,809</b>    | <b>442,607</b>    | <b>454,097</b>    | <b>482,305</b>     | <b>491,060</b>     | <b>500,300</b>      |
| Form 990 .....                               | 377,030 <sup>5</sup>           | 346,627           | 362,632           | 365,506           | 361,184            | 367,654            | 351,500             |
| Form 990-PF .....                            | N/A                            | 29,637            | 33,137            | 32,005            | 42,690             | 43,791             | 44,700              |
| Form 990-T .....                             | 5,046                          | 19,683            | 23,455            | 26,181            | 35,635             | 37,991             | 39,500              |
| Forms 990C, 4720, and 5227 .....             | 5,393                          | 7,862             | 23,383            | 30,405            | 42,796             | 41,624             | 44,400              |

See notes on following Table 20.

Table 20.—Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1986–1989

[Some estimates based on samples—all amounts are in thousands]

| Type of assistance  | Tax Year |        |        |        |
|---|----------|--------|--------|--------|
|   | 1986     | 1987   | 1988   | 1989   |
|   | (1)      | (2)    | (3)    | (4)    |
| <b>Returns with paid preparer signature:<sup>1</sup></b>        |          |        |        |        |
| All returns .....   | 48,049   | 50,991 | 51,507 | 55,333 |
| 1040EZ .....  | 655      | 836    | 887    | 711    |
| 1040A .....   | 4,135    | 3,922  | 4,290  | 4,066  |
| 1040, total .....   | 43,259   | 46,232 | 46,330 | 50,556 |
| 1040 Business, total .....                                      | 11,087   | 11,398 | 11,570 | n.a.   |
| Nonfarm .....   | 9,385    | 9,824  | 9,981  | n.a.   |
| Farm .....  | 1,702    | 1,575  | 1,590  | n.a.   |
| 1040 Nonbusiness, total .....                                   | 32,172   | 34,834 | 34,759 | n.a.   |
| With itemized deductions .....                                  | 18,732   | 16,965 | 14,929 | n.a.   |
| Without itemized deductions .....                               | 12,627   | 17,868 | 19,831 | n.a.   |
| <b>Assistance provided by IRS:<sup>2</sup></b>                  |          |        |        |        |
| Telephone inquiries .....                                       | 34,655   | 38,526 | 36,982 | 22,556 |
| Recorded telephone information .....                            | 10,892   | 13,405 | 27,812 | 18,104 |
| Office walk-ins, information .....                              | 7,090    | 7,408  | 7,008  | 5,061  |
| Written inquiries .....   | 169      | 166    | 187    | 97     |
| Special programs:   |          |        |        |        |
| Community classes and seminars (taxpayers assisted) .....       | 903      | 1,013  | 952    | 539    |
| Volunteer Income Tax Assistance (VITA) (returns prepared) ..... | 337      | 387    | 404    | 347    |
| Tax Counseling for the Elderly (returns prepared) .....         | 331      | 377    | 419    | 275    |

See notes on following page.

**General notations**

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

\* - See also Appendix, General Description of Statistics of Income Sample Procedures and Data Limitations.

**Table 1**

- [ 1 ] Starting with 1987, represents total dividends; previously it represented total dividends after statutory exclusion.
- [ 2 ] Starting with 1987, represents total capital gains; previously it represented total capital gains after statutory exclusion.
- [ 3 ] Starting with 1988, does not include IRA distributions; previously pensions and IRA distributions in AGI were reported together.
- [ 4 ] Includes total itemized deductions before subtraction of "zero bracket amount," and, for 1985 and 1986, charitable contributions and zero bracket amount on non-itemized deduction returns.
- [ 5 ] Includes itemized deductions, "basic" standard deduction and "additional" standard deduction (for age 65 and over and for blindness). Also includes "zero bracket amount" reported on the small number of prior-year returns filed in 1988 (or 1989) that were included in the 1987 (or 1988) statistics.
- [ 6 ] Includes deductions not shown separately below.
- [ 7 ] Includes surcharge of \$2,018,078,000.
- [ 8 ] Includes credits not shown separately below.
- [ 9 ] Investment credit was included in the more-inclusive general business tax credit beginning with 1984. With exceptions, investment credit was repealed effective with 1986.

- [10] Includes income tax after credits and the additional tax for tax preferences, i.e., "minimum tax" (applicable for 1970-1982) and "alternative minimum tax" (applicable after 1979).

SOURCE: *Statistics of Income--Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

**Table 2**

- [1] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:
  - a. Number of returns by State include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.
  - b. "Total tax liability" includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote 1(c), below).
  - c. Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote 2(b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. Columns 20 and 21 include both the refundable and nonrefundable portions.

Total tax (column 18) minus earned income credit (column 21) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it in-

## Notes to Selected Historical Data Tables

cludes additional taxes (see footnote 1(b), above) and because earned income credit used to offset tax also includes both the refundable portion (see footnote 1(c)), as well as amounts offset against these additional taxes.

- [2] Includes returns with adjusted gross deficit.
- [3] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by service men and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1989. Data have not been edited for Statistics of Income purposes.

In order to maintain comparability with pre-1987 data, data in column 2 include an additional 17.6 million "exemptions" for taxpayers who checked the age or blindness boxes on their tax return. Starting with Tax Year 1987, checking these boxes did not increase the actual number of exemptions, but rather entitled the taxpayer to claim a higher standard deduction.

SOURCE: Internal Revenue Service, Tax Processing Systems Division, IMF Returns Systems Branch.

## Table 3

- [1] Includes returns with adjusted gross deficit.
- [2] In addition to low income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax").
- [3] Includes income tax after credits and the additional tax for tax preferences, i.e., the "alternative minimum tax" (see footnote 2).
- [4] There were major changes in filing requirements and in the definitions of adjusted gross

income (AGI) and taxable income starting with 1987. Percentages based on AGI for 1987 and 1988 are therefore not comparable with 1986 and earlier years. For explanation, see "Individual Income Tax Returns, Preliminary 1988," *Statistics of Income Bulletin*, Spring 1990, Volume 9, Number 4, and *Statistics of Income--1987, Individual Income Tax Returns*.

SOURCE: *Statistics of Income--Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

## Table 4

- [1] Imputed interest received by persons from life insurance carriers and private non-insured pension plans.
- [2] Represents income of low-income individuals not required to file individual income tax returns, unreported income, and statistical errors or omissions.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986; for years after 1982, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

## Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross income.
- [3] Difference and percentage shown are based on revised Statistics of Income data and unrevised NIPA data.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and*

*Product Accounts of the United States, 1929-82: Statistical Tables, 1986; for years after 1982, Survey of Current Business, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.*

#### Table 7

- [1] Amount of standard deduction for 1944-1957 estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of tax returns by income classes and marital status in *Statistics of Income--Individual Income Tax Returns*, and, for 1958-1988, obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 and over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988 (or 1989) that were included in the 1987 (or 1988) statistics.
- [2] Returns with standard deduction, 1955-1988, includes a small number with no adjusted gross income and no deductions. (For 1977-1986, standard deduction is the "zero bracket amount," which was also reported on a small number of returns included in the 1987 and 1988 statistics; see footnote 1.) For 1944-1954, includes a small number with no adjusted gross income and no deductions. For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.
- [3] For 1977-1986, itemized deductions are before subtraction of "zero bracket amount."
- [4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987 and 1988, total deductions includes "zero bracket amount" reported on a small number of returns (see footnote 1).
- [5] See footnote 2, Tables 5 and 6.

SOURCE: Except as indicated in footnote 1, *Statistics of Income--Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of changes mentioned above.

#### Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Taxable income excludes "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1987 is not comparable with earlier years.
- [3] For the definition of total income tax, see footnote 10, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables, 1986; for years after 1982, Survey of Current Business, various issues; and Statistics of Income--Individual Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling errors; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

#### Table 9

SOURCE: *Statistics of Income--Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

#### Table 10

- [1] Includes disallowed passive losses. Therefore, business receipts minus total deductions do not equal net income (less deficit).

SOURCE: *Statistics of Income--Sole Proprietorship Returns*, appropriate years, and *SOI Bulletin*, Sum-



## Notes to Selected Historical Data Tables

mer issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

## Table 11

- [1] Total assets, total liabilities, and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.
- [2] Short-term debt is the abbreviated title given to mortgages, notes, and bonds payable in less than 1 year.
- [3] Long-term debt is the abbreviated title given to mortgages, notes, and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.
- [4] Prior to 1981, "total receipts" includes gross receipts from farming and gross income from rents and royalties. Expenses related to farming, rents and royalties were included under "total deductions." Starting with 1981, only the net income from farming, rents and royalties was included under total receipts. Expenses related to farming, rents and royalties were not tabulated.
- [5] Prior to 1981, if gross rentals were reported as the principal operating income, they were included in "business receipts."
- [6] For 1982-1986, also includes certain dividends. Starting with 1987, represents only portfolio interest distributed to partners.
- [7] After 1980, represents the more all-inclusive amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (augmented by depreciation identified in cost of sales and operations schedules).

SOURCE: *Statistics of Income--Partnership Returns*, appropriate years, and *SOI Bulletin*, Summer issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics

of Income reports for a description of sampling error and of the changes mentioned above.

## Table 12

- [1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except those in finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by this change in statistical treatment of farm and rental income, an effort was made starting with 1981 to include rental (though not farm) gross receipts in the receipts used for the size distribution in Table 12.
- [2] Includes returns with no business receipts.
- [3] Includes corporations with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 5, below).
- [4] See footnote 4, Table 11.
- [5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under \$25,000" asset size class. Beginning with 1980, balance sheet data reported for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*, appropriate years, *Statistics of Income--Partnership Returns*, appropriate years, *Statistics of Income--Sole Proprietorship Returns*, appropriate years, and *SOI Bulletin*, Summer issues (for most years). Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 13

- [ \*] Estimate should be used with caution because of the small number of sample returns on which it is based.
- [ 1] Consolidated returns were filed on an elective basis for affiliated groups of corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.
- [ 2] Included in "Number of returns, total" and "Number with net income."
- [ 3] Generally, small corporations with no more than 35 shareholders (10 prior to 1983), most of whom were individuals, that elected to be taxed at the shareholder level.
- [ 4] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 5. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax-deferred amounts was imposed on the parent corporations.
- [ 5] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports (see footnote 4). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.
- [ 6] Starting with 1987, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subsidiaries, developers and operative builders, even when they bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets."
- [ 7] Starting 1987, receipts, deductions and net income (or deficit) of S Corporations are limited to those attributable to trade or business. Therefore, investment or portfolio income (or loss), such as from interest, dividends, rents, royalties, and gain (loss) from sales of investment property, and the deductions related to this income, are excluded from net income (and allocated directly to shareholders).
- [ 8] Includes dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 3). Based on prior years when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.
- [ 9] Beginning with 1984, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus and annuity plans and to employee benefit programs reported on the Form 1120-A short form.
- [10] For most years, "income subject to tax" (the corporate tax base) exceeds "net income less deficit" chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined as net income minus certain statutory special deductions); a variation of this base in combination with net long-term capital gains in certain situations, when the lower capital gains tax applied; the special tax bases applicable to S Corporations and insurance businesses; and the amounts taxable to certain investment companies. Profits of Domestic International Sales Corporations were tax-deferred; most of those of qualifying Foreign Sales Corporations were tax-exempt; and those of S Corporations were taxed (with some exceptions) through their individual shareholders, so that the net income of these corporations is excluded from income subject to tax.

## Notes to Selected Historical Data Tables

- [11] Includes surcharge of \$784,437,000.
- [12] Effective with Tax Years beginning in 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly shown as the "additional tax for tax preferences").
- [13] General business credit includes alcohol fuel, investment, jobs, and employee stock ownership plan (ESOP) contributions credits which were reported separately for previous years, and, starting with 1986, research credit (formerly reported separately) and low-income housing credit. With exceptions, investment credit was repealed effective 1986. Employee stock ownership plan contributions credit was also repealed as of December 31, 1986.

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

SOURCE: *Statistics of Income--Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

**Table 14**

- [1] See footnote 7, Table 13.
- [2] See footnote 8, Table 13.
- [3] See footnote 11, Table 13.
- [4] Also includes additional tax for tax preferences ("minimum tax"), for years prior to 1987, "alternative minimum tax" for 1987, tax from recomputing prior-year investment credit and work incentive (WIN) credit for 1975 and 1980, Personal Holding Company tax, and, beginning with 1987, environmental excise tax. Credits include those appropriate for the given tax year (see Table 13).
- [5] See footnote 6, Table 13.

SOURCE: *Statistics of Income--Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a

description of sampling error and of the changes mentioned above.

**Table 15**

- [1] Profits shown are without inventory valuation and capital-consumption adjustments.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*, 1986; for years after 1982, *Survey of Current Business*, various issues; and *Statistics of Income--Corporation Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

**Tables 16 and 17**

- [1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fiduciary income tax collected (from estates and trusts). Fiduciary income tax collected was \$6.0 billion in 1989, \$6.5 billion in 1988, \$8.4 billion in 1987, and \$4.5 billion in 1986. Presidential election campaign designations amounted to \$32.3 million in 1989, \$34.4 million in 1988, \$33.2 million in 1987, and \$35.9 million in 1986.
- [2] Corporation income tax collected includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were \$115.6 million (1989), \$137.5 million (1988), \$119.9 billion (1987), and \$30.2 million (1986). See also footnote 3, below.
- [3] Excise taxes are imposed on selected products, services, and activities, such as on sales of alcohol and tobacco products and on the manufacture of gasoline.
- [4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement, and unemployment taxes;

## Notes to Selected Historical Data Tables

plus the self-employment tax imposed on "self-employment income."

NOTES: Refunds in Table 17 are associated with the taxes described in footnotes 1-4, Table 16. Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Also included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of IRS examination and other activities. Individual income tax refunds are net of offsets under laws which require IRS to act as collection agent for delinquent payments owed various U.S. agencies under specific programs. All refund data include interest paid by IRS.

Detail may not add to totals because of rounding.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Accounting Branch; and Bureau of Alcohol, Tobacco and Firearms, U.S. Department of Treasury.

## Table 18

[1] Alcohol and tobacco taxes each include special (occupational) taxes prior to Fiscal Year 1988. Starting with FY 1988, occupational taxes are excluded from the separate amounts shown for alcohol and tobacco taxes although they are reflected in the combined total for *all* alcohol and tobacco taxes.

- [2] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.
- [3] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, (and dealers holding taxable tires were assessed a one-time floor stock tax for that year).
- [4] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.
- [5] Special fuels, total, includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.
- [6] Repealed effective August 23, 1988. Amounts reported for more recent quarters result from amended filings, delinquent taxes, examination activities, and refunds.
- [7] Expired September 30, 1985; reimposed January 1, 1987.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. Starting with 1980, the fiscal year was defined as October of the previous calendar year through September of the year noted.

Starting with Fiscal Year 1988, additional detail on manufacturers' excise taxes, retailers' and special fuel taxes, and miscellaneous excise taxes is available in the fourth quarter Internal Revenue Report of Excise Taxes; previously this information was published in the *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service*. For additional detail for alcohol and tobacco taxes, see the Statistical Release, "Alcohol and Tobacco Tax Collections," Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting

Branch; and Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury.

#### Table 19

- [1] Includes Forms 1040C, 1040NR, 1040PR, and 1040SS; excludes amended returns (Form 1040X).
- [2] Starting with Calendar Year 1988, includes Form 1120-PC and excludes Form 1120-M.
- [3] Includes Forms 1120F, 1120 POL, and 1120H, and starting with Calendar Year 1988, Forms 1120-REIT and 1120-RIC; excludes Forms 1120-DISC/FSC and amended returns (Form 1120X).
- [4] Includes Form 1041A.
- [5] Includes Form 990A.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

#### Table 20

- [1] Estimates of returns with paid preparer assistance for all years except 1986 and 1989 are based on the full-year sample of returns used for *Statistics of Income—Individual Income Tax Returns*. Since data on paid preparers were not available from the 1986 SOI data base, estimates were obtained by converting the 1986 Taxpayer Usage Study (TPUS) sample to the equivalent of the SOI sample. This was done because the TPUS sample represented returns filed through April, while the SOI

sample represents all individual income tax returns filed in a calendar year. For 1989, the results are based on the TPUS sample extended through September 1990; therefore, the number of returns with paid preparers for 1989 may be slightly underestimated. For additional information about prior-year TPUS samples, see, for example, "Taxpayer Usage of Forms 1040, 1040A, and 1040EZ," *Statistics of Income Bulletin*, Fall 1989, Volume 9, Number 2.

- [2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during that fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 20, which are presented on a tax year basis, are actually for a fiscal year, so that data shown as for Tax Year 1988, for example, are actually for Fiscal Year 1989. However, data shown as for Tax Year 1989 are actually for the first 7 months of Fiscal Year 1990; the revised data will represent the entire Fiscal Year 1990.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers were obtained from *Statistics of Income and Taxpayer Usage Study* samples. Data on IRS assistance were compiled by the Taxpayer Service Division.

## Appendix\*

# General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see the References at the end of this Appendix). More technical information is available, upon request, by writing to the Director, Statistics of Income Division, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

### SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on criteria such as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed, and various income factors or other measures of economic size (total assets, for example, is used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years, 3 for corporations because of the prevalence of fiscal (non-calendar) year reporting. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means in practice, that both the population and the sample size can differ from that planned. However, these factors do not compromise the validity of the estimates. The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns

in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated cost or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master File based on the taxpayer identification number (TIN) which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise it is counted (for estimation purposes) but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designed from 1 year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from 1 year to the next.

### METHOD OF ESTIMATION

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used--the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each return in a stratum are multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published statistical totals.

\*Compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Chief, Publications Team. Major contributions were made by Paul McMahon, Mathematical Statistical Team.

### SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value:

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

$$\begin{array}{r}
 150,000 \quad \text{(sample estimate)} \\
 \times 0.02 \quad \text{(coefficient of variation)} \\
 = 3,000 \quad \text{(standard error of estimate)} \\
 \\
 150,000 \quad \text{(sample estimate)} \\
 + \text{ or } - 3,000 \quad \text{(standard error)} \\
 = 147,000-153,000 \quad \text{(68 percent confidence interval)}
 \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Generally in the SOI Bulletin only conservative upper limit CV's are provided for frequency estimates. These do, however, provide a rough guide to the order of magnitude of the sampling error.

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study, may be obtained on request by writing the Director, Statistics of Income Division.

### NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate. In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field followup. More often though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check [2].

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

### TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables by an asterisk (\*) to the left of the data item(s). The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and that there are fewer than 10 sample

observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses [3]. These combinations and deletions are indicated by a double asterisk (\*\*).

#### NOTES

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in 1984 *Proceedings: American Statistical Association, Section on Survey Research Methods*. Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and Present Prospects*, Volume 1, Internal Revenue Service, March 1984.
- [2] Quality control activities for all SOI studies are published from time to time in a series of separate reports. These reports provide detailed information relating to quality in all phases of SOI processing.

- [3] For geographic statistics, these same steps are taken when a weighted frequency is less than 10.

#### REFERENCES

For information about the samples used for specific SOI programs see:

*Statistics of Income--1987, Individual Income Tax Returns*, (see especially pages 13-17).

*Statistics of Income--1987, Corporation Income Tax Returns* (see especially pages 11-19).

*Statistics of Income--1978-82, Partnership Returns* (see especially pages 237-244).

*Statistics of Income--1979-83, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns* (see information about the samples used at the end of each chapter).

*SOI Bulletin* (see each issue).



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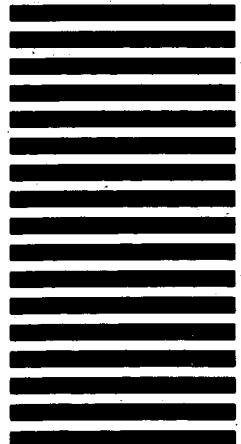


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