High-Income Tax Returns for 1991

The Tax Reform Act of 1976 required annual publication of data on individual income tax returns reporting income of $200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable [1]. This article presents summary data on high-income tax returns for the period 1977 to 1991, and detailed data for 1991. Data for the years 1974 through 1990 have been published previously [2].

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of adjusted gross income (AGI), and the expanded income concept [3]. Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable social security benefits, the foreign-earned income exclusion, and items of "tax preference" for "alternative minimum tax" purposes; *less* unreimbursed employee business expenses, moving expenses, investment interest to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor [4, A4]. Note that although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

Number of High-Income Returns

For 1991, there were 846,407 individual income tax returns reporting AGI of $200,000 or more, and 892,178 with expanded income of $200,000 or more. These returns represented, respectively, 0.738 and 0.778 percent of all returns for 1991 (the top panel of Figure A).

Since 1977, the number of returns reporting income of $200,000 or more increased at a much more rapid rate than the total number of returns filed. This pattern is true under both income concepts. Each year these high-income returns have comprised a larger share of all returns than for the preceding years (Figure A). The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. This change in the definition of AGI makes the income concepts of AGI and expanded income more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A the $200,000 threshold for high-income returns is measured in current year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold has fallen over time, and some returns are classified as high-income that would not have been classified as high-income for earlier years. To maintain the comparability of the threshold over time, the threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of high-income tax returns has been recomputed [5].

The results using the constant 1976 dollar threshold are shown in the lower panel of Figure A. Using the expanded income concept, the number of high-income returns for 1991 measured in current-year dollars was 13 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1991 was only three times the number for 1977. Note that since 1977, the number of returns with income of $200,000 or more in 1976 constant dollars increased at a more rapid rate than the total number of returns filed. Between 1977 and 1991, the share of such returns rose from 0.067 percent to 0.171 percent of all returns.

Based on AGI, the number of high-income returns for 1991 measured in current-year dollars was 16 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1991 was only four times the number for 1977. Between 1977 and 1991, the share of such returns rose from 0.052 percent to 0.160 percent of all returns.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. Income Tax," is total Federal income tax liability (including the "alternative minimum tax"), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept, even though income taxes had been paid to a foreign government. The second tax concept, "Worldwide Income Tax," addresses this circumstance by adding back to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income [6, 7].

For 1991, of the 846,407 income tax returns with AGI of $200,000 or more, 1,253, or 0.148 percent, had no U.S. income tax liability; and 1,131, or 0.134 percent, showed

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Figure A

All Returns and Returns with Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977-1991

Tax year	All returns	$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	88,634,640	53,403	67,580	0.060	0.076
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	96,396,123	138,136	175,092	0.143	0.182
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,407	892,178	0.738	0.778

Tax year	All returns	$200,000 income threshold measured in 1976 constant dollars				
		Number of returns by income concept		Percentage of all returns by income concept		Current dollar income threshold equal to $200,000 in 1976 constant dollars (whole dollars)
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	
	(6)	(7)	(8)	(9)	(10)	(11)
1977	88,634,640	45,931	58,991	0.052	0.067	213,005
1978	89,771,551	49,388	62,556	0.055	0.070	229,174
1979	92,694,302	55,542	76,479	0.060	0.083	255,184
1980	93,902,459	52,512	71,704	0.056	0.076	289,631
1981	96,396,123	50,880	71,146	0.053	0.074	319,508
1982	95,337,432	59,411	81,297	0.062	0.085	339,192
1983	96,321,310	67,310	93,977	0.070	0.098	350,088
1984	99,438,708	80,800	116,389	0.081	0.117	365,202
1985	101,660,287	95,740	134,715	0.094	0.133	378,207
1986	103,045,170	119,550	191,596	0.116	0.186	385,237
1987	106,996,270	161,408	169,942	0.151	0.159	399,297
1988	109,708,280	235,051	241,201	0.214	0.220	415,817
1989	112,135,673	217,685	228,530	0.194	0.204	435,852
1990	113,717,138	216,716	228,659	0.191	0.201	459,400
1991	114,730,123	183,442	195,743	0.160	0.171	478,735

no worldwide income tax liability (the top panel of Figure B). For 1990, there were 1,219 returns (0.146 percent) with AGI of $200,000 or more with no U.S. income tax liability; and 1,114 returns (0.133 percent) with no worldwide income tax liability.

Of the 892,178 tax returns with expanded income of $200,000 or more, 1,933, or 0.217 percent, had no U.S. income tax liability; and 1,740, or 0.195 percent, had no worldwide income tax liability. Of the 860,940 returns with expanded income of $200,000 or more for 1990, there were 1,183 (0.137 percent) with no U.S. income tax liability; and 1,087 (0.126 percent) with no worldwide income tax liability. Although the number of nontaxable returns went up greatly between 1977 and 1991, because the number of all returns -- taxable and nontaxable -- with income of $200,000 or more also increased very substantially, the percentage of nontaxable returns increased only modestly. As already mentioned, since the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987.

Using the constant 1976 dollar threshold, the number of nontaxable returns was significantly less than the number of such returns in current dollars. Yet the percentages of returns which were nontaxable are not substantially

Figure B

Nontaxable Returns with Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977-1991

Tax year	$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195

Tax year	$200,000 income threshold measured in 1976 constant dollars							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142

different as measured by AGI and are much less as measured by expanded income. Of returns with AGI of $200,000 or more in current dollars, 0.148 percent reported no U.S. income tax for 1991, and 0.134 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.164; the percentage without worldwide income tax liability was 0.149 (see the lower panel of Figure B). Of the returns with expanded income of $200,000 or more in current dollars, 0.217 percent reported no U.S. income tax, and 0.195 percent reported no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. tax liability was 0.156; the percentage without worldwide income tax liability was 0.142. Beginning with 1987, the number of high-income returns whose nontaxability may be attributed to foreign tax credits has been reduced substantially. The reduction appears to be attributable to changes in the foreign tax credit provisions of the alternative minimum tax (AMT).

Note that the number of nontaxable returns with income of $200,000 or more is based on samples. Thus, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of $200,000 or more may represent sampling variability in addition to actual changes in the numbers of such returns [8].

Figures C and D show the number of nontaxable, high-income returns in both current-year and 1976 constant dollars, and their proportion of all high-income returns between 1977 and 1991. Figure C is for returns with expanded income of $200,000 or more and no U.S. income tax liability measured in both current-year and 1976 constant dollars. Figure D is for returns with expanded income of $200,000 or more and no worldwide income tax liability. In both figures, the spread between the two percentage lines is small for the late 1970's, shows an increase for the early 1980's, then narrows before widening again for the years 1989 through 1991.

Detailed Data for 1991

Tables 1 through 12 present data based on 1991 income tax returns, mainly those with income of $200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax

Figure C

Number and Percentage of Returns with No U.S. Income Tax and with Expanded Income of $200,000 or More, Tax Years 1977-1991

Figure D

Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of $200,000 or More, Tax Years 1977-1991

credits, as well as the relationship between the two income concepts (Tables 5 and 6);

- The frequencies with which various deductions and tax credits are the most important and the second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income classes (Tables 11 and 12).

Tables 1, 3, 5, 7, 9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income classes. The tables show that most returns fall in the same broad income size class under both income concepts, but that expanded income tends to be a broader measure of income and therefore classifies more total and taxable returns in each of the $50,000-and-over income size classes. Table 1 shows that 1,253 returns with no U.S. income tax had an AGI of $200,000 or more, and 1,933 returns with no U.S. income tax had an expanded income of $200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of "adjusted" taxable income (adjusted to reflect tax credits and special tax computations) to AGI or expanded income. Taxable income has been adjusted for these tables by subtracting from taxable income the deduction equivalents of tax credits and other

items [9]. The tables illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the "expanded income" columns in Table 4.)

- As already described, only a small proportion of high-income taxpayers were able to escape all income taxes (0.195 percent, which is rounded to 0.2 percent in Table 4).

- Another group of high-income taxpayers -- also a small group, but larger than the nontaxable group -- was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (About 1.2 percent of high expanded-income taxpayers paid some tax but were able to reduce their taxable income to less than 25 percent of their expanded income.)

- Overall, a large portion of high-income taxpayers were subject to tax on a large share of their income and reported very substantial amounts of tax. (About 67 percent had taxable income equal to 80 percent or more of expanded income. Over 95 percent had taxable income of more than 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both the size of income and the effective tax rate, i.e., income tax as a percentage of income. These tables show that, on average, high-income taxpayers do have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that while 3.0 percent of returns with expanded income of $200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of expanded income, about 38 percent had effective tax rates exceeding 25 percent. About 92 percent of high-income taxpayers had average tax rates ranging from 15 percent to 30 percent, while 44 percent had effective tax rates between 20 and 25 percent.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns, under both income concepts, are much more likely to have sizable partnership and S Corporation losses than are taxable returns, but they are much less likely to have any income from wages and salaries [10].

Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, no one of which, by itself, would result in nontaxability. Moreover, some items which singularly or in combination may eliminate "regular tax" liability, i.e., income tax excluding AMT, cannot eliminate an AMT liability since these items give rise to offsetting adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, moving expenses, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) can, by themselves, produce nontaxability [11].

Due to the AMT exclusion of $40,000 on joint returns ($30,000 on single and head-of-household returns and $20,000 on returns of married taxpayers filing separately), a return can be nontaxable even though it includes some items which produced AMT adjustments or preferences [12]. Further, since the starting point for alternative minimum taxable income is taxable income for regular tax purposes, a taxpayer can have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation occurs if taxable income for regular tax purposes is sufficiently negative, as a result of itemized deductions and personal exemptions exceeding AGI, that the taxpayer's AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that because of the AMT, taxpayers may find it beneficial to report additional deduction items on their tax returns, even if the items do not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects have been identified, the tables show each of the second largest effects. For example, on taxable returns with some worldwide tax and expanded income of $200,000 or more, the most important item in reducing the

tax reported on 52 percent of the returns was the itemized deduction of State and local taxes; for these returns, the itemized deduction for interest payments was the second most important reason 48 percent of the time, and the deduction for charitable contributions was the second most important reason 42 percent of the time (Table 8). Conversely, on nontaxable returns (with no worldwide income tax), the itemized deduction for medical and dental expenses was the most important item 27 percent of the time. Where this was the primary item, the taxes paid deduction was the second most important item 40 percent of the time, and the deduction for charitable contributions was the second most important item 27 percent of the time. The four categories which most frequently had the largest effect in reducing taxes for nontaxable, high expanded-income returns were: the itemized deduction for medical and dental expenses (449 returns, or 27.0 percent of the 1,666 tabulated returns with expanded income of $200,000 or more and with no worldwide tax liability); net losses from partnerships or S Corporations (423 returns, or 25.4 percent); the taxes paid deduction (271 returns, or 16.3 percent); and the itemized deduction for interest paid (222 returns, or 13.3 percent). Note that the net losses from partnerships and S Corporations reduce AGI; the other three items reduce "taxable income." The two items which most frequently had the second largest effect in reducing regular tax liability were the deduction for taxes paid and the deduction for charitable contributions.

Tables 9 and 10 represent another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different fractions of income. The items shown are the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 37 of the 1,740 returns, but there was no casualty or theft loss deduction on 1,665 returns. The total interest paid deduction exceeded total expanded income on 24 returns and amounted to between 70 percent and 100 percent of expanded income on an additional 25 returns.

Notes and References

[1] The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

[2] Lerman, Allen H., "High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability," U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns," U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns*, for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns were published.)

Lerman, Allen H., "High-Income Tax Returns, 1983," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31-61, and "High-Income Tax Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29; "High-Income Tax Returns for 1989," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23-50; and "High-Income Tax Returns for 1990," *Statistics of Income Bulletin*, Winter 1993-1994, Volume 13, Number 3, pp. 104-132.

[3] The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (90 Stat. at 815) eliminated the requirement to use the last two income concepts.

[4] The definition of adjustments to AGI to obtain the expanded income given in the text is for 1991. See Appendix A for a discussion of AGI and expanded income, and a list of adjustments covering all years since 1977.

[5] The price deflator used was the consumer price index (CPI) for all items as reported in Table B-56, page 361 of the 1992 *Economic Report of the President.*

[6] See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income--Individual Income Tax Returns* (see footnote 2), the "U.S. Income Tax" concept was described as "total income tax," and the "Worldwide Income Tax" concept was described as "modified total income tax."

[7] The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the year-to-year comparability of data for worldwide income tax. (The number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.)

[8] Beginning with Tax Year 1991, nontaxable returns with expanded income of $200,000 or more are sampled at higher rates for *Statistics of Income*, which reduces the sampling variability of these returns and thus provide improved estimates.

[9] See Appendix B for a description of how the deduction equivalent of credits was computed.

[10] S Corporations are certain small corporations having no more than 35 shareholders. These companies elect to be taxed at the shareholder level.

[11] The deduction for charitable contributions would also fall into this class were it not limited to 50 percent of AGI.

[12] The AMT exclusion phases out above a certain level of "alternative minimum taxable income," but since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable returns.

Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it is necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This Appendix begins by defining "Haig-Simons income," a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts listed. The final section defines "expanded income," the more comprehensive income measure than AGI, based entirely on tax return data.

Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household's consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed $25,000 and saved $2,000 in a year would be $27,000. Alternatively, the H-S income of a household that consumed $25,000 and had no additions to savings but had assets that declined in value by $1,000 in a year would be $24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

- *Labor income* - This includes all forms of employee compensation (including wages and salaries), employee fringe benefits (such as employer-provided health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as social security taxes). Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits) would be counted in the year it was earned, rather than in the year it was received.

- *Capital income* - This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms, and is net of real economic depreciation and all other expenses (which could exceed capital income).

- *Transfer payments* - These include payments in cash (such as social security benefits; workers' compensation; unemployment benefits; aid for dependent children, or AFDC); and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pre-tax basis, i.e., the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax, and so are reported on a pre-tax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local

Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be "grossed up" by implicit taxes to properly measure H-S income.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most social security benefits, and most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes contributions to Individual Retirement Arrangements (IRA's) and self-employed retirement plans (Keogh's), which are not expenses related to earning income.

AGI generally *exceeds* H-S income to the extent expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible *from* AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in some cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on-the-job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); job-related moving expenses; and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example) including, but not limited to, interest expense incurred in connection with investments in securities. Note that there are limits on certain types of deductible expenses. In particular, deductible meals and entertainment expenses are limited to 80 percent of total meal and entertainment expenses. Job-related moving expenses, such as for temporary quarters, and expenses of selling the former residence are also limited.

Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years.

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, which include bond owners and owners of bank deposits.

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure E shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI has been changed by legislation several times since 1977, and certain reporting requirements have also changed, the adjustments have differed over the years, as indicated for each item [A3]. Most of these adjustments are relatively

Figure E

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977 - 1991

Adjusted gross income (AGI)

PLUS:
- Excluded capital gains (tax years prior to 1987)
- Tax-exempt interest (1987 and later tax years)
- Nontaxable social security benefits (1987 and later tax years)
- Tax preferences for alternative minimum tax purposes [A4]
- Foreign-earned income exclusion (Tax Year 1990 and later tax years)

MINUS:
- Unreimbursed employee business expenses [A5]
- Nondeductible rental losses (Tax Year 1987)
- Moving expense deduction (1987 and later tax years) [A6]
- Investment interest expense to the extent it does not exceed investment income
- Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)

EQUALS:
- Expanded income

NOTE: Footnotes to Figure E are included with the footnotes to Appendix A.

straightforward, but the adjustment for investment requires some explanation.

Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest is taken into account in the calculation of the itemized deduction for interest. Deductible investment interest is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A7]. Beginning with 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do *not* exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest and thus expanded income. Investment interest expenses which do *exceed* investment income are *not* deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may *overstate* income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represents a return of principal to the lender, rather than interest.

[A3] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and thus this adjustment was not made in computing expanded income for returns for years after 1986.

From this time forward, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report social security benefits. Since 1988, nontaxable social security benefits have been included in expanded income. The subtraction of unreimbursed employee

business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987.

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. The expanded income concept for 1990 is not strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A4] The "tax preferences" (obtained from Form 6251; *Alternative Minimum Tax Computation*) excluded from adjusted gross income and tabulated in Tables 5 and 6 include the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceed the otherwise allowable amortization deductions. Preferences obtained through itemized deductions do not represent omitted income; hence, they have not been counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest on certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds is considered to be omitted income. Specific details on the tax preference items obtained from Form 6251 for earlier years are available in the reports and publications enumerated in footnote 2 under Notes and References.

[A5] Includes deductible meal and entertainment expenses. Deductible expenses are limited to 80 percent of total meal and entertainment expenses, beginning with Tax Year 1987.

[A6] Certain moving expenses, such as expenses for temporary quarters and expenses of selling the former residence, are limited.

[A7] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S Corporations, only the net amounts of which are included in adjusted gross income.

Appendix B: Tax Concepts

This Appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in the article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they reside, must generally include in income for Federal income tax purposes, income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources, and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. That is particularly true for tax

filers who appear to be nontaxable because they do not have any U.S. tax liability but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes -- U.S. as well as foreign. Thus, a second tax concept, worldwide income tax has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., they show an income tax liability) or nontaxable (i.e., they do not show an income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax plus the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax is shown in Figure F.

Comparing Exclusions, Deductions, Tax Credits and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield income tax before credits" and "taxable income which would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Figure F

Derivation of "U.S. Income" Tax and "Worldwide Income Tax," Tax Year 1991

	Tax at regular rates (tax generated)
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
EQUALS:	Income tax before credits
PLUS:	Alternative minimum tax (Form 6251)
MINUS:	Tax credits
EQUALS:	U.S. income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign earned income (Form 1116)
EQUALS:	Worldwide income tax

Unaudited Data

Tax return data used for *Statistics of Income* have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire *Statistics of Income* program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, may completely offset their pre-credit U.S. income tax liability with their foreign tax credit.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate *or* understate worldwide taxes on current-year income.

Table 1.--Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income and by Tax Liability

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**114,730,123**	**96,323,974**	**14,961,834**	**2,597,908**	**846,407**
Under $50,000[1]	95,869,017	95,492,014	374,745	1,639	619
$50,000 under $100,000	15,318,953	804,235	14,392,282	121,878	558
$100,000 under $200,000	2,649,975	25,059	188,361	2,414,622	21,933
$200,000 or more	892,178	2,666	6,446	59,769	823,298
Returns with U.S. income tax[2]					
Total	**92,104,586**	**73,738,214**	**14,928,541**	**2,592,678**	**845,153**
Under $50,000[1]	73,318,173	72,957,020	360,131	895	127
$50,000 under $100,000	15,258,925	760,692	14,376,251	121,548	434
$100,000 under $200,000	2,637,243	18,608	186,042	2,410,830	21,763
$200,000 or more	890,245	1,894	6,117	59,405	822,830
Returns without U.S. income tax					
Total	**22,625,537**	**22,585,760**	**33,294**	**5,231**	**1,253**
Under $50,000[1]	22,550,844	22,534,994	14,615	744	492
$50,000 under $100,000	60,028	43,543	16,031	331	123
$100,000 under $200,000	12,732	6,451	2,319	3,792	170
$200,000 or more	1,933	772	329	364	468

[1]Includes returns with adjusted gross deficit or with negative expanded income.

[2]Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.

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

Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income and by Tax Liability

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**114,730,123**	**96,323,974**	**14,961,834**	**2,597,908**	**846,407**
Under $50,000[1]	95,869,017	95,492,014	374,745	1,639	619
$50,000 under $100,000	15,318,953	804,235	14,392,282	121,878	558
$100,000 under $200,000	2,649,975	25,059	188,361	2,414,622	21,933
$200,000 or more	892,178	2,666	6,446	59,769	823,298
Returns with worldwide income tax[2]					
Total	**92,136,715**	**73,769,014**	**14,929,116**	**2,593,309**	**845,276**
Under $50,000[1]	73,343,365	72,982,185	360,156	895	129
$50,000 under $100,000	15,263,099	764,810	14,376,305	121,548	436
$100,000 under $200,000	2,639,812	20,120	186,525	2,411,401	21,767
$200,000 or more	890,439	1,899	6,131	59,465	822,944
Returns without worldwide income tax					
Total	**22,593,409**	**22,554,960**	**32,718**	**4,600**	**1,131**
Under $50,000[1]	22,525,652	22,509,829	14,590	744	490
$50,000 under $100,000	55,854	39,425	15,977	331	121
$100,000 under $200,000	10,163	4,940	1,836	3,221	166
$200,000 or more	1,740	767	315	304	354

[1]Includes returns with adjusted gross deficit or with negative expanded income.

[2]Returns with worldwide income tax include returns on which income tax was entirely offset by the earned income credit.

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

Table 3.–Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**846,407**	**100.0**	-	**892,178**	**100.0**	-
Returns without U.S. income tax	**1,253**	**0.1**	-	**1,933**	**0.2**	-
Returns with U.S. income tax:						
Total	**845,153**	**99.9**	**100.0**	**890,245**	**99.8**	**100.0**
Ratio of adjusted taxable income to income per concept:						
Under 5 percent	281	(1)	(1)	1,890	0.2	0.2
5 under 10 percent	651	0.1	0.1	6,154	0.7	0.9
10 under 15 percent	2,474	0.3	0.4	4,861	0.5	1.4
15 under 20 percent	1,409	0.2	0.6	3,763	0.4	1.9
20 under 25 percent	2,128	0.3	0.8	5,093	0.6	2.4
25 under 30 percent	2,303	0.3	1.1	6,706	0.8	3.2
30 under 35 percent	1,485	0.2	1.3	5,227	0.6	3.8
35 under 40 percent	1,860	0.2	1.5	7,172	0.8	4.6
40 under 45 percent	3,247	0.4	1.9	8,315	0.9	5.5
45 under 50 percent	4,278	0.5	2.4	6,606	0.7	6.3
50 under 60 percent	19,187	2.3	4.7	35,511	4.0	10.3
60 under 70 percent	45,177	5.3	10.0	58,335	6.6	16.8
70 under 80 percent	146,499	17.3	27.3	157,744	17.7	34.5
80 percent or more	614,174	72.7	100.0	582,870	65.5	100.0

[1]Less than 0.05 percent.

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

Table 4.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**846,407**	**100.0**	-	**892,178**	**100.0**	-
Returns without worldwide income tax	**1,131**	**0.1**	-	**1,740**	**0.2**	-
Returns with worldwide income tax:						
Total	**845,276**	**99.9**	**100.0**	**890,439**	**99.8**	**100.0**
Ratio of adjusted taxable income to income per concept:						
Under 5 percent	250	(1)	(1)	1,147	0.1	0.1
5 under 10 percent	223	(1)	0.1	1,919	0.2	0.3
10 under 15 percent	493	0.1	0.1	2,621	0.3	0.6
15 under 20 percent	645	0.1	0.2	2,138	0.2	0.9
20 under 25 percent	1,091	0.1	0.3	3,121	0.4	1.2
25 under 30 percent	858	0.1	0.4	4,550	0.5	1.7
30 under 35 percent	815	0.1	0.5	4,858	0.5	2.3
35 under 40 percent	1,287	0.2	0.7	6,246	0.7	3.0
40 under 45 percent	2,822	0.3	1.0	7,786	0.9	3.9
45 under 50 percent	3,503	0.4	1.4	6,178	0.7	4.6
50 under 60 percent	17,135	2.0	3.4	34,247	3.8	8.4
60 under 70 percent	43,180	5.1	8.6	57,636	6.5	14.9
70 under 80 percent	145,555	17.2	25.8	159,190	17.9	32.8
80 percent or more	627,419	74.2	100.0	598,803	67.2	100.0

[1]Less than 0.05 percent.

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

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Salaries and wages	711,171	188,655,888	710,431	188,524,472	739	131,416
Business or profession:						
Net income	186,898	24,431,490	186,633	24,404,620	265	26,870
Net loss	55,132	1,584,683	54,947	1,529,504	185	55,179
Farm:						
Net income	10,766	749,986	10,751	749,213	15	773
Net loss	24,435	1,151,424	24,363	1,144,535	72	6,889
Partnership and S Corporation net income after section 179 property deduction:						
Net income	339,821	66,634,829	339,581	66,587,609	240	47,219
Net loss	170,689	10,101,750	169,969	9,430,988	720	670,762
Sales of capital assets:						
Net gain	444,307	55,778,936	443,566	55,320,979	741	457,956
Net loss	194,278	464,587	193,924	463,597	354	990
Sales of property other than capital assets:						
Net gain	48,592	1,063,516	48,463	1,054,325	129	9,192
Net loss	84,489	988,185	84,285	964,543	204	23,641
Taxable interest received	834,962	37,339,511	833,753	36,692,942	1,209	646,569
Tax-exempt interest	335,080	14,748,749	334,703	14,661,933	377	86,816
Dividends	675,156	22,324,165	674,198	22,213,206	958	110,959
Pensions and annuities in adjusted gross income	144,274	4,925,110	144,089	4,916,427	185	8,684
Rent:						
Net income	161,324	6,685,999	161,047	6,667,749	277	18,250
Net loss (deductible and nondeductible)	177,586	3,034,283	177,175	2,995,283	410	39,000
Total nondeductible rental loss	135,745	2,126,390	135,435	2,104,082	310	22,308
Royalty:						
Net income	76,971	1,845,531	76,793	1,837,892	178	7,640
Net loss	3,848	30,478	3,833	29,879	15	600
Estate or trust:						
Net income	33,887	2,298,234	33,800	2,292,797	87	5,437
Net loss	6,786	154,269	6,758	153,543	28	727
State income tax refunds	413,713	2,227,432	413,188	2,211,720	524	15,712
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	1,848	118,966	**	**	**	**
Social security benefits in adjusted gross income	113,278	863,174	113,038	861,495	240	1,679
Social security benefits (nontaxable)	113,278	863,175	113,038	861,496	240	1,679
Unemployment compensation	6,896	19,366	6,896	19,366	-	-
Other income	190,700	7,489,573	190,291	7,440,449	409	49,124
Other loss	7,813	351,349	7,780	347,309	33	4,040
Foreign-earned income exclusion	8,049	681,492	7,988	676,910	61	4,583
Total income	846,407	407,405,958	845,153	406,731,578	1,253	674,380
Statutory adjustments, total	371,622	4,418,861	371,109	4,412,289	513	6,572
Payments to an IRA	75,436	225,721	75,380	225,568	56	153
Payments to a Keogh plan	107,832	2,255,150	107,807	2,254,209	25	941
Adjusted gross income	846,407	402,987,096	845,153	402,319,289	1,253	667,808
Investment interest	267,454	6,472,374	266,492	5,933,425	961	538,950
Total tax preferences excluded from adjusted gross income	364,708	16,888,116	364,261	16,799,347	447	88,769
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	75,034	2,108,564	74,904	2,106,620	130	1,943
Passive activity loss (alternative minimum tax adjustment)	152,945	350,992	152,575	370,850	369	-19,858
Expanded income	846,391	413,099,356	845,153	412,911,670	1,237	187,686

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Exemption amount	336,826	826,092	336,307	824,366	519	1,726
Itemized deductions:						
Total per adjusted gross income concept	802,060	55,379,390	800,855	54,493,730	1,205	885,660
Total per income concept	802,060	55,379,390	800,855	54,493,730	1,205	885,660
Contributions deduction	776,644	12,134,055	775,565	12,070,558	1,079	63,497
Interest paid deduction:						
Total per adjusted gross income concept	681,515	20,806,204	680,404	20,204,409	1,111	601,795
Total per income concept	681,515	20,806,204	680,404	20,204,409	1,111	601,795
Total home mortgage interest deduction	628,430	14,162,606	627,526	14,100,693	904	61,912
Medical and dental expense deduction	10,055	369,972	9,937	349,157	118	20,815
Net casualty or theft loss deduction	748	78,606	683	44,021	65	34,585
Taxes paid deduction	796,862	27,506,205	795,714	27,398,840	1,149	107,365
Net limited miscellaneous deductions per adjusted gross income concept	133,416	2,401,773	132,904	2,366,062	512	35,711
Non-limited miscellaneous deductions	23,064	423,317	22,945	389,113	119	34,204
Moving expenses deduction	22,775	230,587	22,772	230,547	3	40
Excess of exemptions and deductions over adjusted gross income	1,583	404,851	555	102,193	1,028	302,659
Taxable income	844,812	346,944,861	844,597	346,862,014	215	82,847
Tax at regular rates	844,817	100,698,042	**	**	**	**
Income tax before credits	844,826	100,839,613	844,606	100,816,153	220	23,460
Tax credits:						
Total	202,483	1,469,914	202,263	1,446,454	220	23,460
Child care credit	39,483	20,468	39,479	20,466	4	1
Minimum tax credit	12,335	141,714	12,262	138,644	73	3,070
Foreign tax credit	135,011	1,110,833	134,889	1,091,076	122	19,757
General business credit	27,867	172,395	27,822	171,764	45	631
Alternative minimum tax (Form 6251)	49,830	684,298	49,830	684,298	-	-
Income tax:						
U.S. total income tax	845,153	100,053,998	845,153	100,053,998	-	-
Foreign taxes paid	(1)	(1)	(1)	(1)	(1)	(1)
Foreign taxes paid on excluded foreign-earned income (Form 1116)	(1)	(1)	(1)	(1)	(1)	(1)
Taxable income which would yield:						
Income tax before credits	844,826	343,336,064	844,606	343,253,952	220	82,112
Income tax after credits	844,050	338,532,025	844,050	338,532,025	-	-
U.S. total income tax	845,153	340,773,396	845,153	340,773,396	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	846,407	402,987,096	845,153	402,319,289	1,253	667,808
plus: Total tax preferences excluded from adjusted gross income [2]	364,708	16,888,116	364,261	16,799,347	447	88,769
Social security benefits (nontaxable)	113,278	863,175	113,038	861,496	240	1,679
Foreign-earned income exclusion	8,049	681,492	7,988	676,910	61	4,583
minus: Investment interest	267,454	6,472,374	266,492	5,933,425	961	538,950
Nonlimited miscellaneous deductions	23,064	423,317	22,945	389,113	119	34,204
Moving expenses deduction	22,775	230,587	22,772	230,547	3	40
Unreimbursed employee business expense	141,339	1,194,246	141,244	1,192,287	95	1,959
Equals: Expanded income	846,391	413,099,356	845,153	412,911,670	1,237	187,686

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	723,663	189,426,402	723,011	189,336,683	653	89,719
Business or profession:						
Net income	195,661	24,737,152	195,437	24,715,540	224	21,612
Net loss	59,164	1,622,576	58,945	1,597,587	219	24,989
Farm:						
Net income	11,634	748,841	11,615	748,252	19	590
Net loss	27,172	1,217,105	27,075	1,208,049	97	9,056
Partnership and S Corporation net income after section 179 property deduction:						
Net income	349,468	66,824,616	349,168	66,788,993	300	35,623
Net loss	181,801	9,797,969	181,028	9,371,246	772	426,723
Sales of capital assets:						
Net gain	475,418	56,101,345	474,521	55,890,052	897	211,292
Net loss	205,903	492,689	205,117	490,546	786	2,143
Sales of property other than capital assets:						
Net gain	50,904	1,059,482	50,782	1,054,466	122	5,016
Net loss	87,470	972,066	87,239	948,230	231	23,836
Taxable interest received	879,903	38,175,191	878,040	37,833,441	1,863	341,750
Tax-exempt interest	388,322	20,412,335	386,718	19,879,134	1,604	533,201
Dividends	719,030	24,099,648	717,391	24,008,421	1,639	91,227
Pensions and annuities in adjusted gross income	166,804	5,523,468	166,421	5,514,792	383	8,676
Rent:						
Net income	172,711	6,862,097	172,404	6,847,450	307	14,646
Net loss (deductible and nondeductible)	178,434	2,957,210	178,024	2,939,625	410	17,586
Total nondeductible rental loss	135,515	2,063,358	135,292	2,053,256	223	10,102
Royalty:						
Net income	84,619	1,979,112	84,354	1,976,622	265	2,490
Net loss	4,063	32,489	4,050	32,151	13	338
Estate or trust:						
Net income	38,256	2,363,580	38,083	2,358,535	173	5,044
Net loss	7,121	164,533	7,071	157,226	50	7,307
State income tax refunds	431,430	2,297,321	430,658	2,281,762	772	15,559
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	1,979	121,388	1,976	121,348	3	40
Social security benefits in adjusted gross income	151,040	1,173,041	150,089	1,166,596	951	6,445
Social security benefits (nontaxable)	151,040	1,173,042	150,089	1,166,597	951	6,445
Unemployment compensation	7,690	20,861	7,684	20,831	6	30
Other income	192,579	7,343,747	192,270	7,322,620	309	21,127
Other loss	9,508	401,610	9,460	395,451	49	6,159
Foreign-earned income exclusion	16,317	1,497,703	16,195	1,487,284	122	10,419
Total income	**	**	890,245	412,095,629	**	**
Statutory adjustments, total	382,894	4,472,959	382,432	4,467,593	461	5,365
Payments to an IRA	77,316	230,497	77,260	230,366	56	131
Payments to a Keogh plan	110,882	2,291,819	110,855	2,291,199	27	621
Adjusted gross income	**	**	890,245	407,628,035	**	**
Investment interest	269,669	5,361,551	269,048	5,267,492	621	94,059
Total tax preferences excluded from adjusted gross income	418,925	22,777,718	417,303	22,242,390	1,622	535,328
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	83,203	2,282,239	83,034	2,280,112	169	2,127
Passive activity loss (alternative minimum tax adjustment)	162,392	350,871	161,968	373,855	425	-22,984
Expanded income	892,178	426,565,471	890,245	425,789,133	1,933	776,338

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	383,325	1,010,589	381,662	1,003,645	1,663	6,944
Itemized deductions:						
Total per adjusted gross income concept	837,170	55,070,464	835,530	54,664,318	1,640	406,147
Total per income concept	836,895	57,149,689	**	**	**	**
Contributions deduction	809,898	12,594,028	808,429	12,547,270	1,469	46,758
Interest paid deduction:						
Total per adjusted gross income concept	692,196	19,626,952	691,160	19,488,990	1,035	137,962
Total per income concept	636,661	14,265,401	635,847	14,221,498	813	43,903
Total home mortgage interest deduction	634,112	14,100,227	633,312	14,056,857	800	43,369
Medical and dental expense deduction	17,024	543,705	16,155	478,899	869	64,806
Net casualty or theft loss deduction	766	79,581	690	44,120	76	35,461
Taxes paid deduction	831,176	27,985,754	829,607	27,894,767	1,568	90,987
Net limited miscellaneous deductions per adjusted gross income concept	141,021	2,372,179	139,943	2,342,568	1,078	29,612
Non-limited miscellaneous deductions	23,277	247,057	23,222	241,633	55	5,425
Moving expenses deduction	21,458	210,525	21,447	210,493	*11	*32
Excess of exemptions and deductions over adjusted gross income	2,380	259,527	724	80,590	1,657	178,937
Taxable income	889,767	351,824,913	**	**	**	**
Tax at regular rates	889,775	101,940,869	889,501	101,916,028	274	24,841
Income tax before credits	889,788	102,110,376	889,514	102,085,368	274	25,008
Tax credits:						
Total	223,122	1,651,087	222,847	1,626,079	274	25,008
Child care credit	38,623	20,354	38,619	20,352	4	1
Minimum tax credit	13,089	142,440	13,007	139,277	82	3,162
Foreign tax credit	155,683	1,289,544	155,490	1,268,254	193	21,290
General business credit	27,998	172,287	27,968	171,737	30	550
Alternative minimum tax (Form 6251)	58,828	712,108	58,828	712,108	-	-
Income tax:						
U.S. total income tax	890,245	101,171,397	890,245	101,171,397	-	-
Foreign taxes paid	(1)	(1)	(1)	(1)	(1)	(1)
Foreign taxes paid on excluded foreign-earned income (Form 1116)	(1)	(1)	(1)	(1)	(1)	(1)
Taxable income which would yield:						
Income tax before credits	889,788	348,252,669	889,514	348,164,719	274	87,950
Income tax after credits	888,274	342,798,979	888,274	342,798,979	-	-
U.S. total income tax	890,245	345,153,502	890,245	345,153,502	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**	**	890,245	407,628,035	**	**
plus: Total tax preferences excluded from adjusted gross income [2]	418,925	22,777,718	417,303	22,242,390	1,622	535,328
Social security benefits (nontaxable)	151,040	1,173,042	150,089	1,166,597	951	6,445
Foreign-earned income exclusion	16,317	1,497,703	16,195	1,487,284	122	10,419
minus: Investment interest	269,669	5,361,551	269,048	5,267,492	621	94,059
Nonlimited miscellaneous deductions	23,277	247,057	23,222	241,633	55	5,425
Moving expenses deduction	21,458	210,525	21,447	210,493	*11	*32
Unreimbursed employee business expense	134,933	1,016,299	134,821	1,015,556	112	742
Equals: Expanded income	892,178	426,565,471	890,245	425,789,133	1,933	776,338

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

[1] Not shown because "U.S. income tax" is after reduction by foreign tax credit, which is shown above. See the text for a discussion of the relationships among foreign taxes paid, foreign tax credit and U.S. income tax.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

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

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Salaries and wages	711,171	188,655,888	710,524	188,550,822	647	105,066
Business or profession:						
Net income	186,898	24,431,490	186,650	24,410,516	248	20,974
Net loss	55,132	1,584,683	54,953	1,533,860	179	50,823
Farm:						
Net income	10,766	749,986	10,751	749,213	15	773
Net loss	24,435	1,151,424	24,366	1,144,588	69	6,836
Partnership and S Corporation net income after section 179 property deduction:						
Net income	339,821	66,634,829	339,598	66,612,571	223	22,258
Net loss	170,689	10,101,750	169,996	9,445,431	693	656,318
Sales of capital assets:						
Net gain	444,307	55,778,936	443,603	55,339,565	704	439,371
Net loss	194,278	464,587	193,951	463,669	327	918
Sales of property other than capital assets:						
Net gain	48,592	1,063,516	48,468	1,054,805	124	8,711
Net loss	84,489	988,185	84,292	964,902	197	23,282
Taxable interest received	834,962	37,339,511	833,852	36,714,530	1,110	624,982
Tax-exempt interest	335,080	14,748,749	334,724	14,662,611	356	86,138
Dividends	675,156	22,324,165	674,262	22,218,868	894	105,297
Pensions and annuities in adjusted gross income	144,274	4,925,110	144,104	4,916,824	170	8,287
Rent:						
Net income	161,324	6,685,999	161,068	6,668,598	256	17,401
Net loss (deductible and nondeductible)	177,586	3,034,283	177,197	2,995,830	388	38,452
Total nondeductible rental loss	135,745	2,126,390	135,447	2,104,270	298	22,120
Royalty:						
Net income	76,971	1,845,531	76,803	1,838,290	168	7,241
Net loss	3,848	30,478	3,833	29,879	15	600
Estate or trust:						
Net income	33,887	2,298,234	33,801	2,292,804	86	5,430
Net loss	6,786	154,269	6,758	153,543	28	727
State income tax refunds	413,713	2,227,432	413,214	2,211,923	498	15,509
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	1,848	118,966	**	**	**	**
Social security benefits in adjusted gross income	113,278	863,174	113,046	861,548	232	1,626
Social security benefits (nontaxable)	113,278	863,175	113,046	861,548	232	1,626
Unemployment compensation	6,896	19,366	6,896	19,366	-	-
Other income	190,700	7,489,573	190,320	7,445,544	380	44,029
Other loss	7,813	351,349	7,785	347,533	28	3,816
Foreign-earned income exclusion	8,049	681,492	8,046	681,287	3	206
Total income	846,407	407,405,958	845,276	406,818,141	1,131	587,817
Statutory adjustments, total	371,622	4,418,861	371,145	4,412,628	477	6,233
Payments to an IRA	75,436	225,721	75,386	225,586	50	135
Payments to a Keogh plan	107,832	2,255,150	107,810	2,254,303	22	848
Adjusted gross income	846,407	402,987,096	845,276	402,405,512	1,131	581,584
Investment interest	267,454	6,472,374	266,522	5,944,610	931	527,764
Total tax preferences excluded from adjusted gross income	364,708	16,888,116	364,283	16,800,283	425	87,833
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	75,034	2,108,564	74,908	2,106,879	126	1,684
Passive activity loss (alternative minimum tax adjustment)	152,945	350,992	152,589	369,888	355	-18,895
Expanded income	846,391	413,099,356	845,276	412,991,497	1,115	107,859

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Exemption amount	336,826	826,092	336,375	824,637	451	1,456
Itemized deductions:						
Total per adjusted gross income concept	802,060	55,379,390	800,932	54,509,614	1,128	869,775
Total per income concept	802,060	55,379,390	800,932	54,509,614	1,128	869,775
Contributions deduction	776,644	12,134,055	775,618	12,071,578	1,026	62,478
Interest paid deduction:						
Total per adjusted gross income concept	681,515	20,806,204	680,472	20,217,850	1,043	588,354
Total per income concept	681,515	20,806,204	680,472	20,217,850	1,043	588,354
Total home mortgage interest deduction	628,430	14,162,606	627,584	14,102,936	846	59,669
Medical and dental expense deduction	10,055	369,972	9,940	349,200	115	20,772
Net casualty or theft loss deduction	748	78,606	683	44,021	65	34,585
Taxes paid deduction	796,862	27,506,205	795,771	27,400,241	1,091	105,965
Net limited miscellaneous deductions per adjusted gross income concept	133,416	2,401,773	132,915	2,366,163	501	35,610
Non-limited miscellaneous deductions	23,064	423,317	22,958	389,596	106	33,721
Moving expenses deduction	22,775	230,587	22,772	230,547	3	40
Excess of exemptions and deductions over adjusted gross income	1,583	404,851	556	102,311	1,027	302,541
Taxable income	844,812	346,944,861	844,719	346,931,985	93	12,876
Tax at regular rates	844,817	100,698,042	844,720	100,694,630	97	3,412
Income tax before credits	844,826	100,839,613	844,729	100,836,201	97	3,412
Tax credits:						
Total	82,820	359,080	82,723	355,668	97	3,412
Child care credit	39,483	20,468	**	**	**	**
Minimum tax credit	12,335	141,714	12,268	138,886	67	2,828
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)
General business credit	27,867	172,395	27,828	171,812	39	583
Alternative minimum tax (Form 6251)	49,830	684,298	49,830	684,298	-	-
Income tax:						
Worldwide total income tax	845,276	101,348,843	845,276	101,348,843	-	-
Foreign taxes paid	135,021	1,294,845	135,021	1,294,845	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116)	6,497	184,012	6,497	184,012	-	-
Taxable income which would yield:						
Income tax before credits	844,826	343,336,064	844,729	343,323,598	97	12,466
Income tax after credits	844,729	342,771,900	844,729	342,771,900	-	-
Worldwide total income tax	845,276	344,997,099	845,276	344,997,099	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	846,407	402,987,096	845,276	402,405,512	1,131	581,584
plus: Total tax preferences excluded from adjusted gross income [2]	364,708	16,888,116	364,283	16,800,283	425	87,833
Social security benefits (nontaxable)	113,278	863,175	113,046	861,548	232	1,626
Foreign-earned income exclusion	8,049	681,492	8,046	681,287	3	206
minus: Investment interest	267,454	6,472,374	266,522	5,944,610	931	527,764
Nonlimited miscellaneous deductions	23,064	423,317	22,958	389,596	106	33,721
Moving expenses deduction	22,775	230,587	22,772	230,547	3	40
Unreimbursed employee business expense	141,339	1,194,246	141,250	1,192,381	89	1,865
Equals: Expanded income	846,391	413,099,356	845,276	412,991,497	1,115	107,859

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	723,663	189,426,402	723,163	189,376,318	501	50,084
Business or profession:						
Net income	195,661	24,737,152	195,456	24,721,052	205	16,100
Net loss	59,164	1,622,576	58,962	1,602,027	202	20,549
Farm:						
Net income	11,634	748,841	11,615	748,252	19	590
Net loss	27,172	1,217,105	27,078	1,208,101	94	9,003
Partnership and S Corporation net income after section 179 property deduction:						
Net income	349,468	66,824,616	349,188	66,814,035	280	10,581
Net loss	181,801	9,797,969	181,069	9,384,243	732	413,726
Sales of capital assets:						
Net gain	475,418	56,101,345	474,564	55,908,190	854	193,155
Net loss	205,903	492,689	205,157	490,644	746	2,045
Sales of property other than capital assets:						
Net gain	50,904	1,059,482	50,788	1,054,517	116	4,965
Net loss	87,470	972,066	87,248	948,581	222	23,485
Taxable interest received	879,903	38,175,191	878,180	37,854,653	1,723	320,537
Tax-exempt interest	388,322	20,412,335	386,754	19,883,214	1,568	529,120
Dividends	719,030	24,099,648	717,490	24,014,528	1,541	85,121
Pensions and annuities in adjusted gross income	166,804	5,523,468	166,445	5,515,306	359	8,162
Rent:						
Net income	172,711	6,862,097	172,424	6,848,252	287	13,844
Net loss (deductible and nondeductible)	178,434	2,957,210	178,076	2,940,423	358	16,788
Total nondeductible rental loss	135,515	2,063,358	135,316	2,053,578	199	9,780
Royalty:						
Net income	84,619	1,979,112	84,362	1,977,040	257	2,072
Net loss	4,063	32,489	4,050	32,151	13	338
Estate or trust:						
Net income	38,256	2,363,580	38,086	2,358,712	170	4,868
Net loss	7,121	164,533	7,073	157,232	48	7,300
State income tax refunds	431,430	2,297,321	430,696	2,282,119	734	15,202
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	1,979	121,388	1,976	121,348	3	40
Social security benefits in adjusted gross income	151,040	1,173,041	150,103	1,166,685	937	6,356
Social security benefits (nontaxable)	151,040	1,173,042	150,103	1,166,686	937	6,356
Unemployment compensation	7,690	20,861	7,684	20,831	6	30
Other income	192,579	7,343,747	192,297	7,327,672	282	16,075
Other loss	9,508	401,610	9,472	396,090	36	5,520
Foreign-earned income exclusion	16,317	1,497,703	16,314	1,497,534	3	169
Total income	**	**	890,439	412,189,013	**	**
Statutory adjustments, total	382,894	4,472,959	382,485	4,468,137	408	4,822
Payments to an IRA	77,316	230,497	77,274	230,400	42	97
Payments to a Keogh plan	110,882	2,291,819	110,859	2,291,292	23	527
Adjusted gross income	**	**	890,439	407,720,877	**	**
Investment interest	269,669	5,361,551	269,093	5,276,750	576	84,801
Total tax preferences excluded from adjusted gross income	418,925	22,777,718	417,340	22,246,745	1,585	530,974
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	83,203	2,282,239	83,039	2,280,386	164	1,854
Passive activity loss (alternative minimum tax adjustment)	162,392	350,871	161,991	372,992	401	-22,121
Expanded income	892,178	426,565,471	890,439	425,886,859	1,740	678,612

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	383,325	1,010,589	381,805	1,004,324	1,521	6,266
Itemized deductions:						
Total per adjusted gross income concept	837,170	55,070,464	835,655	54,680,225	1,515	390,240
Total per income concept	836,895	57,149,689	835,380	56,845,499	1,515	304,190
Contributions deduction	809,898	12,594,028	808,515	12,548,541	1,383	45,487
Interest paid deduction:						
Total per adjusted gross income concept	692,196	19,626,952	691,274	19,501,551	922	125,401
Total per income concept	636,661	14,265,401	635,947	14,224,801	714	40,600
Total home mortgage interest deduction	634,112	14,100,227	633,402	14,060,147	710	40,080
Medical and dental expense deduction	17,024	543,705	16,165	479,077	859	64,628
Net casualty or theft loss deduction	766	79,581	691	44,166	75	35,415
Taxes paid deduction	831,176	27,985,754	829,699	27,896,491	1,477	89,263
Net limited miscellaneous deductions per adjusted gross income concept	141,021	2,372,179	139,974	2,342,779	1,047	29,400
Non-limited miscellaneous deductions	23,277	247,057	23,233	242,116	44	4,942
Moving expenses deduction	21,458	210,525	21,455	210,503	3	22
Excess of exemptions and deductions over adjusted gross income	2,380	259,527	725	80,744	1,656	178,783
Taxable income	889,767	351,824,913	889,687	351,812,303	80	12,609
Tax at regular rates	889,775	101,940,869	889,694	101,937,477	81	3,392
Income tax before credits	889,788	102,110,376	889,707	102,106,985	81	3,392
Tax credits:						
Total	84,016	361,543	83,935	358,151	81	3,392
Child care credit	38,623	20,354	**	**	**	**
Minimum tax credit	13,089	142,440	13,020	139,534	69	2,906
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)
General business credit	27,998	172,287	27,977	171,801	21	486
Alternative minimum tax (Form 6251)	58,828	712,108	58,828	712,108	-	-
Income tax:						
Worldwide total income tax	890,439	102,819,708	890,439	102,819,708	-	-
Foreign taxes paid	155,691	1,648,311	155,691	1,648,311	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116)	13,244	358,766	13,244	358,766	-	-
Taxable income which would yield:						
Income tax before credits	889,788	348,252,669	889,707	348,240,472	81	12,197
Income tax after credits	889,707	348,247,474	889,707	348,247,474	-	-
Worldwide total income tax	890,439	350,572,820	890,439	350,572,820	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	**	**	890,439	407,720,877	**	**
plus: Total tax preferences excluded from adjusted gross income [2]	418,925	22,777,718	417,340	22,246,745	1,585	530,974
Social security benefits (nontaxable)	151,040	1,173,042	150,103	1,166,686	937	6,356
Foreign-earned income exclusion	16,317	1,497,703	16,314	1,497,534	3	169
minus: Investment interest	269,669	5,361,551	269,093	5,276,750	576	84,801
Nonlimited miscellaneous deductions	23,277	247,057	23,233	242,116	44	4,942
Moving expenses deduction	21,458	210,525	21,455	210,503	3	22
Unreimbursed employee business expense	134,933	1,016,299	134,831	1,015,613	102	686
Equals: Expanded income	892,178	426,565,471	890,439	425,886,859	1,740	678,612

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

[1] Not shown separately because "worldwide income tax" includes foreign taxes paid, which are shown below. See the text for a discussion of the relationships among foreign taxes paid, foreign tax credit, and worldwide income tax.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

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

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Total		Item with largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**814,533**	**100.0**	**224,853**	**27.6**	**30,025**	**3.7**	**397,986**	**48.9**	**63,572**	**7.8**	**3,945**	**0.5**
Interest paid deduction	232,644	28.6	-	-	7,598	25.3	190,370	47.8	12,513	19.7	364	9.2
Investment interest deduction	32,463	4.0	8,296	3.7	-	-	16,742	4.2	**	**	**	**
Taxes paid deduction	280,577	34.4	184,359	82.0	14,055	46.8	-	-	40,883	64.3	2,170	55.0
Contributions deduction	175,577	21.6	18,613	8.3	3,374	11.2	145,877	36.7	-	-	678	17.2
Medical and dental expense deduction	2,822	0.3	273	0.1	139	0.5	1,217	0.3	430	0.7	-	-
Net casualty or theft loss deduction	361	(1)	251	0.1	-	-	**	**	**	**	-	-
Total miscellaneous deductions	29,804	3.7	6,650	3.0	1,192	4.0	16,380	4.1	3,672	5.8	691	17.5
Foreign tax credit	6,980	0.9	779	0.3	321	1.1	3,807	1.0	**	**	**	**
General business credit	5,779	0.7	621	0.3	139	0.5	3,255	0.8	456	0.7	-	-
All other tax credits	4,535	0.6	1,061	0.5	323	1.1	**	**	404	0.6	**	**
Partnership and S Corporation net losses	25,590	3.1	3,943	1.8	2,846	9.5	14,922	3.7	2,097	3.3	**	**
No second largest item	17,401	2.1	8	(1)	39	0.1	3,661	0.9	1,082	1.7	-	-
Returns with expanded income of $200,000 or more												
Total	**850,477**	**100.0**	**233,564**	**27.5**	**-**	**-**	**432,358**	**50.8**	**75,048**	**8.8**	**6,468**	**0.8**
Interest paid deduction	243,486	28.6	-	-	-	-	207,199	47.9	13,855	18.5	721	11.1
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	298,261	35.1	201,396	86.2	-	-	-	-	51,406	68.5	3,518	54.4
Contributions deduction	209,685	24.7	21,454	9.2	-	-	179,117	41.4	-	-	**	**
Medical and dental expense deduction	4,919	0.6	282	0.1	-	-	2,773	0.6	983	1.3	-	-
Net casualty or theft loss deduction	369	(1)	251	0.1	-	-	**	**	**	**	-	-
Total miscellaneous deductions	19,670	2.3	2,193	0.9	-	-	11,700	2.7	3,577	4.8	804	12.4
Foreign tax credit	9,200	1.1	890	0.4	-	-	4,811	1.1	408	0.5	523	8.1
General business credit	6,199	0.7	654	0.3	-	-	3,545	0.8	466	0.6	-	-
All other tax credits	5,426	0.6	1,207	0.5	-	-	**	**	**	**	**	**
Partnership and S Corporation net losses	27,046	3.2	5,227	2.2	-	-	16,932	3.9	**	**	**	**
No second largest item	26,215	3.1	10	(1)	-	-	4,023	0.9	1,242	1.7	-	-

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Total		Item with largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**1,253**	**100.0**	**80**	**6.4**	**562**	**44.9**	**18**	**1.4**	**30**	**2.4**	**70**	**5.6**
Interest paid deduction	256	20.4	-	-	141	25.1	5	27.8	**	**	**	**
Investment interest deduction	235	18.8	28	35.0	-	-	6	33.3	12	40.0	**	**
Taxes paid deduction	186	14.8	20	25.0	87	15.5	-	-	3	10.0	21	30.0
Contributions deduction	129	10.3	8	10.0	73	13.0	**	**	-	-	**	**
Medical and dental expense deduction	11	0.9	-	-	3	0.5	-	-	**	**	-	-
Net casualty or theft loss deduction	4	0.3	-	-	**	**	-	-	-	-	**	**
Total miscellaneous deductions	70	5.6	**	**	34	6.0	-	-	**	**	19	27.1
Foreign tax credit	**	**	**	**	-	-	**	**	-	-	-	-
General business credit	**	**	**	**	**	**	**	**	-	-	-	-
All other tax credits	26	2.1	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses	269	21.5	16	20.0	219	39.0	**	**	**	**	4	5.7
No second largest item	60	4.8	**	**	**	**	-	-	-	-	**	**
Returns with expanded income of $200,000 or more												
Total	**1,859**	**100.0**	**232**	**12.5**	**-**	**-**	**273**	**14.7**	**158**	**8.5**	**451**	**24.3**
Interest paid deduction	235	12.6	-	-	-	-	31	11.4	28	17.7	15	3.3
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	533	28.7	112	48.3	-	-	-	-	65	41.1	181	40.1
Contributions deduction	344	18.5	34	14.7	-	-	104	38.1	-	-	121	26.8
Medical and dental expense deduction	127	6.8	13	5.6	-	-	58	21.2	35	22.2	-	-
Net casualty or theft loss deduction	5	0.3	**	**	-	-	**	**	-	-	**	**
Total miscellaneous deductions	216	11.6	17	7.3	-	-	39	14.3	16	10.1	116	25.7
Foreign tax credit	14	0.8	9	3.9	-	-	**	**	**	**	-	-
General business credit	5	0.3	**	**	-	-	**	**	**	**	-	-
All other tax credits	31	1.7	**	**	-	-	**	**	**	**	-	-
Partnership and S Corporation net losses	120	6.5	40	17.2	-	-	33	12.1	9	5.7	10	2.2
No second largest item	230	12.4	**	**	-	-	3	1.1	**	**	**	**

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Item with largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**190**	(1)	**17,334**	**2.1**	**19,058**	**2.3**	**4,139**	**0.5**	**3,567**	**0.4**	**49,863**	**6.1**
Interest paid deduction	108	56.8	4,577	26.4	5,050	26.5	461	11.1	727	20.4	10,877	21.8
Investment interest deduction	**	**	604	3.5	475	2.5	178	4.3	199	5.6	4,207	8.4
Taxes paid deduction	73	38.4	9,721	56.1	3,583	18.8	1,833	44.3	1,302	36.5	22,599	45.3
Contributions deduction	6	3.2	1,503	8.7	1,029	5.4	458	11.1	89	2.5	3,950	7.9
Medical and dental expense deduction	-	-	41	0.2	706	3.7	-	-	6	0.2	11	(1)
Net casualty or theft loss deduction	-	-	-	-	10	0.1	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	367	1.9	110	2.7	9	0.3	732	1.5
Foreign tax credit	-	-	213	1.2	-	-	135	3.3	198	5.6	1,220	2.4
General business credit	-	-	98	0.6	597	3.1	-	-	62	1.7	551	1.1
All other tax credits	-	-	33	0.2	366	1.9	56	1.4	-	-	633	1.3
Partnership and S Corporation net losses	**	**	544	3.1	903	4.7	91	2.2	237	6.6	-	-
No second largest item	-	-	-	-	5,972	31.3	817	19.7	738	20.7	5,083	10.2
Returns with expanded income of $200,000 or more												
Total	**190**	(1)	**8,995**	**1.1**	**28,214**	**3.3**	**4,641**	**0.5**	**4,651**	**0.5**	**56,348**	**6.6**
Interest paid deduction	108	56.8	896	10.0	6,742	23.9	499	10.8	1,048	22.5	12,418	22.0
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	75	39.5	5,999	66.7	4,848	17.2	2,306	49.7	1,794	38.6	26,920	47.8
Contributions deduction	**	**	1,528	17.0	840	3.0	545	11.7	118	2.5	5,189	9.2
Medical and dental expense deduction	-	-	41	0.5	715	2.5	-	-	6	0.1	118	0.2
Net casualty or theft loss deduction	-	-	7	0.1	10	(1)	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	415	1.5	13	0.3	13	0.3	954	1.7
Foreign tax credit	-	-	128	1.4	-	-	141	3.0	261	5.6	2,039	3.6
General business credit	-	-	3	(1)	650	2.3	-	-	105	2.3	775	1.4
All other tax credits	-	-	14	0.2	601	2.1	67	1.4	-	-	953	1.7
Partnership and S Corporation net losses	**	**	379	4.2	1,387	4.9	97	2.1	326	7.0	-	-
No second largest item	-	-	-	-	12,004	42.5	974	21.0	981	21.1	6,981	12.4

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Item with largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**57**	**4.5**	**60**	**4.8**	**106**	**8.5**	**5**	**0.4**	**16**	**1.3**	**249**	**19.9**
Interest paid deduction	23	40.4	20	33.3	35	33.0	-	-	4	25.0	21	8.4
Investment interest deduction	**	**	**	**	**	**	-	-	**	**	179	71.9
Taxes paid deduction	17	29.8	10	16.7	10	9.4	-	-	8	50.0	10	4.0
Contributions deduction	5	8.8	6	10.0	6	5.7	-	-	**	**	11	4.4
Medical and dental expense deduction	-	-	**	**	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	**	**	-	-	3	2.8	-	-	-	-	6	2.4
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	**	**
General business credit	-	-	-	-	-	-	-	-	-	-	-	-
All other tax credits	-	-	**	**	**	**	**	**	-	-	18	7.2
Partnership and S Corporation net losses	7	12.3	6	10.0	9	8.5	**	**	-	-	-	-
No second largest item	-	-	13	21.7	40	37.7	-	-	**	**	-	-
Returns with expanded income of $200,000 or more												
Total	**67**	**3.6**	**57**	**3.1**	**160**	**8.6**	**7**	**0.4**	**20**	**1.1**	**434**	**23.3**
Interest paid deduction	26	38.8	7	12.3	59	36.9	-	-	5	25.0	64	14.7
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	20	29.9	20	35.1	18	11.3	-	-	10	50.0	107	24.7
Contributions deduction	7	10.4	16	28.1	**	**	-	-	**	**	51	11.8
Medical and dental expense deduction	-	-	6	10.5	-	-	-	-	**	**	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	4	6.0	-	-	**	**	-	-	-	-	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	**	**
General business credit	-	-	-	-	-	-	-	-	-	-	**	**
All other tax credits	-	-	**	**	**	**	3	42.9	-	-	20	4.6
Partnership and S Corporation net losses	10	14.9	5	8.8	**	**	**	**	-	-	-	-
No second largest item	-	-	**	**	63	39.4	**	**	**	**	150	34.6

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

[1] Less than 0.05 percent.

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

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Total		Item with largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with worldwide income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**808,643**	**100.0**	**229,939**	**28.4**	**30,509**	**3.8**	**401,580**	**49.7**	**64,607**	**8.0**	**4,651**	**0.6**
Interest paid deduction	230,551	28.5	-	-	7,799	25.6	192,394	47.9	12,739	19.7	463	10.0
Investment interest deduction	33,100	4.1	8,578	3.7	-	-	17,170	4.3	2,066	3.2	**	**
Taxes paid deduction	284,187	35.1	188,967	82.2	14,359	47.1	-	-	41,483	64.2	2,791	60.0
Contributions deduction	179,158	22.2	19,071	8.3	3,480	11.4	149,794	37.3	-	-	678	14.6
Medical and dental expense deduction	2,118	0.3	275	0.1	139	0.5	1,217	0.3	430	0.7	-	-
Net casualty or theft loss deduction	351	(1)	251	0.1	-	-	**	**	**	**	-	-
Total miscellaneous deductions	30,624	3.8	6,821	3.0	1,220	4.0	16,809	4.2	3,711	5.7	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	5,285	0.7	631	0.3	140	0.5	3,323	0.8	456	0.7	-	-
All other tax credits	4,369	0.5	1,156	0.5	328	1.1	**	**	**	**	**	**
Partnership and S Corporation net losses	25,261	3.1	4,017	1.7	2,876	9.4	15,205	3.8	2,118	3.3	**	**
No second largest item	13,639	1.7	172	0.1	169	0.6	3,879	1.0	1,195	1.8	8	0.2
Returns with expanded income of $200,000 or more												
Total	**838,603**	**100.0**	**240,376**	**28.7**	**-**	**-**	**437,225**	**52.1**	**75,899**	**9.1**	**7,185**	**0.9**
Interest paid deduction	240,035	28.6	-	-	-	-	209,675	48.0	14,138	18.6	820	11.4
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	302,253	36.0	207,541	86.3	-	-	-	-	52,228	68.8	4,142	57.6
Contributions deduction	215,742	25.7	22,297	9.3	-	-	184,950	42.3	-	-	899	12.5
Medical and dental expense deduction	4,255	0.5	315	0.1	-	-	2,791	0.6	983	1.3	-	-
Net casualty or theft loss deduction	359	(1)	251	0.1	-	-	**	**	**	**	-	-
Total miscellaneous deductions	20,850	2.5	2,294	1.0	-	-	12,143	2.8	3,604	4.7	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	5,688	0.7	664	0.3	-	-	3,648	0.8	**	**	-	-
All other tax credits	5,042	0.6	1,323	0.6	-	-	**	**	**	**	**	**
Partnership and S Corporation net losses	26,298	3.1	5,338	2.2	-	-	17,230	3.9	2,724	3.6	**	**
No second largest item	18,082	2.2	353	0.1	-	-	4,504	1.0	1,328	1.7	8	0.1

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Total		Item with largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without worldwide income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**1,131**	**100.0**	**79**	**7.0**	**555**	**49.1**	**17**	**1.5**	**30**	**2.7**	**70**	**6.2**
Interest paid deduction	219	19.4	-	-	140	25.2	5	29.4	**	**	**	**
Investment interest deduction	233	20.6	28	35.4	-	-	6	35.3	12	40.0	**	**
Taxes paid deduction	173	15.3	20	25.3	85	15.3	-	-	3	10.0	21	30.0
Contributions deduction	123	10.9	8	10.1	73	13.2	**	**	-	-	18	25.7
Medical and dental expense deduction	11	1.0	-	-	3	0.5	-	-	**	**	-	-
Net casualty or theft loss deduction	**	**	-	-	**	**	-	-	-	-	**	**
Total miscellaneous deductions	67	5.9	**	**	34	6.1	-	-	**	**	19	27.1
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	**	**	**	**	-	-	**	**	-	-	-	-
All other tax credits	22	1.9	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses	257	22.7	16	20.3	216	38.9	**	**	**	**	4	5.7
No second largest item	20	1.8	**	**	**	**	-	-	-	-	**	**
Returns with expanded income of $200,000 or more												
Total	**1,666**	**100.0**	**222**	**13.3**	**-**	**-**	**271**	**16.3**	**155**	**9.3**	**449**	**27.0**
Interest paid deduction	173	10.4	-	-	-	-	31	11.4	28	18.1	15	3.3
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	509	30.6	112	50.5	-	-	-	-	64	41.3	179	39.9
Contributions deduction	333	20.0	33	14.9	-	-	104	38.4	-	-	121	26.9
Medical and dental expense deduction	126	7.6	13	5.9	-	-	58	21.4	35	22.6	-	-
Net casualty or theft loss deduction	5	0.3	**	**	-	-	**	**	-	-	**	**
Total miscellaneous deductions	215	12.9	17	7.7	-	-	39	14.4	16	10.3	116	25.8
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	5	0.3	**	**	-	-	**	**	**	**	-	-
All other tax credits	26	1.6	**	**	-	-	**	**	**	**	-	-
Partnership and S Corporation net losses	107	6.4	39	17.6	-	-	33	12.2	8	5.2	10	2.2
No second largest item	167	10.0	**	**	-	-	**	**	**	**	**	**

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect--Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Item with largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with worldwide income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**201**	(1)	**17,705**	**2.2**	-	-	**4,736**	**0.6**	**3,935**	**0.5**	**50,779**	**6.3**
Interest paid deduction	108	53.7	4,662	26.3	-	-	470	9.9	760	19.3	11,155	22.0
Investment interest deduction	**	**	615	3.5	-	-	182	3.8	201	5.1	4,278	8.4
Taxes paid deduction	81	40.3	10,074	56.9	-	-	1,879	39.7	1,333	33.9	23,220	45.7
Contributions deduction	6	3.0	1,573	8.9	-	-	459	9.7	97	2.5	4,001	7.9
Medical and dental expense deduction	-	-	41	0.2	-	-	-	-	6	0.2	11	(1)
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	**	**	-	-	-	-	607	12.8	17	0.4	743	1.5
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	98	0.6	-	-	-	-	62	1.6	574	1.1
All other tax credits	-	-	35	0.2	-	-	66	1.4	-	-	684	1.3
Partnership and S Corporation net losses	**	**	579	3.3	-	-	115	2.4	341	8.7	-	-
No second largest item	-	-	28	0.2	-	-	957	20.2	1,118	28.4	6,112	12.0
Returns with expanded income of $200,000 or more												
Total	**202**	(1)	**9,412**	**1.1**	-	-	**5,293**	**0.6**	**5,255**	**0.6**	**57,756**	**6.9**
Interest paid deduction	109	54.0	960	10.2	-	-	506	9.6	1,093	20.8	12,734	22.0
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	83	41.1	6,279	66.7	-	-	2,358	44.5	1,830	34.8	27,792	48.1
Contributions deduction	6	3.0	1,658	17.6	-	-	553	10.4	125	2.4	5,254	9.1
Medical and dental expense deduction	-	-	41	0.4	-	-	-	-	6	0.1	119	0.2
Net casualty or theft loss deduction	-	-	**	**	-	-	-	-	-	-	-	-
Total miscellaneous deductions	**	**	-	-	-	-	510	9.6	13	0.2	981	1.7
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	**	**	-	-	-	-	105	2.0	802	1.4
All other tax credits	-	-	15	0.2	-	-	77	1.5	-	-	1,012	1.8
Partnership and S Corporation net losses	**	**	413	4.4	-	-	132	2.5	448	8.5	-	-
No second largest item	-	-	36	0.4	-	-	1,157	21.9	1,635	31.1	9,062	15.7

Footnotes at end of table.

Table 8.–Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages, by Item With Largest Tax Effect and by Item With Second Largest Tax Effect–Continued

[Money amounts are in thousands of dollars]

Item with second largest tax effect	Item with largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without worldwide income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**57**	**5.0**	**60**	**5.3**	-	-	**4**	**0.4**	**15**	**1.3**	**244**	**21.6**
Interest paid deduction	23	40.4	20	33.3	-	-	-	-	4	26.7	20	8.2
Investment interest deduction	**	**	**	**	-	-	-	-	**	**	179	73.4
Taxes paid deduction	17	29.8	10	16.7	-	-	-	-	7	46.7	10	4.1
Contributions deduction	5	8.8	6	10.0	-	-	-	-	**	**	**	**
Medical and dental expense deduction	-	-	**	**	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	**	**	-	-	-	-	-	-	-	-	6	2.5
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	-	-	-	-	-	-	-	-	-	-
All other tax credits	-	-	**	**	-	-	**	**	-	-	16	6.6
Partnership and S Corporation net losses	7	12.3	6	10.0	-	-	**	**	-	-	-	-
No second largest item	-	-	13	21.7	-	-	-	-	**	**	-	-
Returns with expanded income of $200,000 or more												
Total	**66**	**4.0**	**56**	**3.4**	-	-	**5**	**0.3**	**19**	**1.1**	**423**	**25.4**
Interest paid deduction	25	37.9	7	12.5	-	-	-	-	5	26.3	62	14.7
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	20	30.3	20	35.7	-	-	-	-	9	47.4	105	24.8
Contributions deduction	7	10.6	16	28.6	-	-	-	-	**	**	**	**
Medical and dental expense deduction	-	-	6	10.7	-	-	-	-	**	**	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	4	6.1	-	-	-	-	-	-	-	-	23	5.4
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	-	-	-	-	-	-	-	-	**	**
All other tax credits	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses	10	15.2	**	**	-	-	**	**	-	-	-	-
No second largest item	-	-	**	**	-	-	**	**	**	**	150	35.5

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

[1] Less than 0.05 percent.

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

Table 9.--Returns Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	Number of returns on which income was reduced, by percentages of income									
		No deduction or credit	Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions	1,253	48	39	25	21	4	7	8	5	86	1,011
Interest paid deduction:											
Total	1,253	142	132	37	30	26	24	32	40	305	486
Investment interest per income concept	1,253	292	101	29	32	27	48	47	61	298	318
Taxes paid deduction	1,253	105	743	240	75	44	13	12	3	10	9
Contributions deduction	1,253	175	763	108	49	40	28	91	-	-	-
Medical and dental expense deduction	1,253	1,135	25	9	4	4	6	4	5	24	37
Net casualty or theft loss deduction	1,253	1,188	3	**	**	**	-	**	4	15	38
Net limited miscellaneous deductions per income concept	1,253	741	341	80	34	20	10	5	4	11	7
Non-limited miscellaneous deductions	1,253	1,135	51	4	3	5	**	3	**	22	28
Deduction equivalent of:											
Total credits	1,253	1,034	49	11	4	4	8	7	**	128	**
Foreign tax credit	1,253	1,131	10	**	**	-	3	**	**	102	**
General business credit	1,253	1,208	32	4	**	**	**	**	-	**	-
Tax preferences excluded from adjusted gross income	1,253	806	249	46	29	21	16	14	11	17	44
Expanded income concept											
Total itemized deductions	1,933	295	269	333	222	155	114	98	61	165	221
Interest paid deduction:											
Total	1,933	1,120	419	160	92	43	34	11	5	25	24
Investment interest per income concept	1,933	1,313	402	57	39	27	15	9	9	17	45
Taxes paid deduction	1,933	365	1,228	231	43	23	13	6	3	7	14
Contributions deduction	1,933	464	1,199	128	54	26	25	10	5	12	9
Medical and dental expense deduction	1,933	1,064	419	82	71	72	51	41	34	73	26
Net casualty or theft loss deduction	1,933	1,857	8	**	**	**	3	-	4	20	37
Net limited miscellaneous deductions per income concept	1,933	878	902	92	27	12	5	4	**	**	8
Non-limited miscellaneous deductions	1,933	1,879	51	**	-	-	-	-	-	-	**
Deduction equivalent of:											
Total credits	1,933	1,659	44	11	12	17	**	31	40	104	**
Foreign tax credit	1,933	1,740	27	-	9	12	**	28	33	75	**
General business credit	1,933	1,903	18	3	**	**	**	**	-	3	-
Tax preferences excluded from adjusted gross income	1,933	311	88	39	49	44	78	105	118	871	230

** Data deleted to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.
NOTE: Detail may not add to totals because of rounding.

Table 10.–Returns Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	Number of returns on which income was reduced, by percentages of income									
		No deduction or credit	Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions	1,131	**	5	11	6	**	6	5	4	79	1,010
Interest paid deduction:											
Total	1,131	88	96	25	20	26	22	31	40	298	485
Investment interest per income concept	1,131	200	80	29	31	26	48	46	61	293	317
Taxes paid deduction	1,131	40	693	234	74	44	13	11	3	10	9
Contributions deduction	1,131	105	715	105	47	40	28	91	-	-	-
Medical and dental expense deduction	1,131	1,016	23	8	4	4	6	4	5	24	37
Net casualty or theft loss deduction	1,131	1,066	3	**	**	**	-	**	4	15	38
Net limited miscellaneous deductions per income concept	1,131	630	332	78	34	20	10	5	4	11	7
Non-limited miscellaneous deductions	1,131	1,025	39	4	**	5	**	3	**	22	28
Deduction equivalent of:											
Total credits	1,131	1,034	42	10	4	3	5	6	4	23	-
Foreign tax credit	1,131	1,131	-	-	-	-	-	-	-	-	-
General business credit	1,131	1,092	27	4	**	**	**	**	-	**	-
Tax preferences excluded from adjusted gross income	1,131	706	233	44	27	20	15	14	11	17	44
Expanded income concept											
Total itemized deductions	1,740	226	220	287	205	153	109	95	60	164	221
Interest paid deduction:											
Total	1,740	1,026	375	118	82	42	33	11	4	25	24
Investment interest per income concept	1,740	1,165	361	55	39	27	15	9	9	17	43
Taxes paid deduction	1,740	264	1,146	225	41	22	12	6	3	7	14
Contributions deduction	1,740	358	1,123	121	52	25	25	10	5	12	9
Medical and dental expense deduction	1,740	881	410	82	71	72	50	41	34	73	26
Net casualty or theft loss deduction	1,740	1,665	**	**	**	**	3	-	4	20	37
Net limited miscellaneous deductions per income concept	1,740	715	873	91	27	12	5	4	**	**	8
Non-limited miscellaneous deductions	1,740	1,696	41	**	-	-	-	-	-	-	**
Deduction equivalent of:											
Total credits	1,740	1,659	26	7	**	**	6	3	7	26	-
Foreign tax credit	1,740	1,740	-	-	-	-	-	-	-	-	-
General business credit	1,740	1,719	11	3	**	-	**	**	-	3	-
Tax preferences excluded from adjusted gross income	1,740	155	75	36	45	42	76	102	116	864	229

** Data deleted to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.
NOTE: Detail may not add to totals because of rounding.

Table 11.--Returns With and Without U.S. Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

[All figures are estimates based on samples]

Effective tax rate	Total		Size of adjusted gross income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**114,730,123**	**100.0**	**96,323,974**	**100.0**	**14,961,834**	**100.0**	**2,597,908**	**100.0**	**846,407**	**100.0**
Returns without U.S. income tax	**22,625,537**	**19.7**	**22,585,760**	**23.4**	**33,294**	**0.2**	**5,231**	**0.2**	**1,253**	**0.1**
Returns with U.S. income tax[1]	**92,104,586**	**80.3**	**73,738,214**	**76.6**	**14,928,541**	**99.8**	**2,592,678**	**99.8**	**845,153**	**99.9**
Effective tax rate:										
Under 5 percent	17,938,724	15.6	17,747,159	18.4	164,201	1.1	21,520	0.8	5,844	0.7
5 under 10 percent	36,395,294	31.7	33,720,159	35.0	2,614,876	17.5	53,638	2.1	6,621	0.8
10 under 15 percent	26,836,059	23.4	19,077,174	19.8	7,356,907	49.2	383,617	14.8	18,362	2.2
15 under 20 percent	8,578,933	7.5	3,046,364	3.2	4,228,752	28.3	1,227,192	47.2	76,625	9.1
20 under 25 percent	1,832,164	1.6	84,167	0.1	552,125	3.7	827,493	31.9	368,379	43.5
25 under 30 percent	483,286	0.4	45,395	(2)	2,889	(2)	77,019	3.0	357,983	42.3
30 under 35 percent	14,986	(2)	1,799	(2)	2,375	(2)	1,051	(2)	9,761	1.2
35 under 40 percent	7,656	(2)	1,500	(2)	5,202	(2)	476	(2)	478	0.1
40 under 45 percent	537	(2)	68	(2)	39	(2)	54	(2)	376	(2)
45 under 50 percent	1,333	(2)	1,034	(2)	115	(2)	15	(2)	169	(2)
50 under 60 percent	1,815	(2)	1,077	(2)	**	**	**	**	226	(2)
60 under 70 percent	1,375	(2)	1,063	(2)	**	**	**	**	252	(2)
70 under 80 percent	155	(2)	57	(2)	**	**	**	**	62	(2)
80 percent or more	12,269	(2)	11,200	(2)	843	(2)	210	(2)	15	(2)

Effective tax rate	Total		Size of expanded income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**114,730,123**	**100.0**	**95,869,017**	**100.0**	**15,318,953**	**100.0**	**2,649,975**	**100.0**	**892,178**	**100.0**
Returns without U.S. income tax	**22,625,537**	**19.7**	**22,550,844**	**23.5**	**60,028**	**0.4**	**12,732**	**0.5**	**1,933**	**0.2**
Returns with U.S. income tax[1]	**92,104,586**	**80.3**	**73,318,173**	**76.5**	**15,258,925**	**99.6**	**2,637,243**	**99.5**	**890,245**	**99.8**
Effective tax rate:										
Under 5 percent	19,210,371	16.7	18,923,186	19.7	220,581	1.4	48,488	1.8	18,116	2.0
5 under 10 percent	35,965,581	31.3	33,122,456	34.5	2,748,433	17.9	73,628	2.8	21,065	2.4
10 under 15 percent	26,217,117	22.9	18,210,989	19.0	7,587,536	49.5	384,552	14.5	34,040	3.8
15 under 20 percent	8,494,089	7.4	2,922,315	3.0	4,198,690	27.4	1,276,401	48.2	96,683	10.8
20 under 25 percent	1,750,023	1.5	90,255	0.1	489,563	3.2	782,647	29.5	387,558	43.4
25 under 30 percent	430,994	0.4	31,762	(2)	6,546	(2)	68,791	2.6	323,895	36.3
30 under 35 percent	15,235	(2)	2,343	(2)	3,746	(2)	1,829	0.1	7,316	0.8
35 under 40 percent	4,729	(2)	1,162	(2)	2,748	(2)	293	(2)	526	0.1
40 under 45 percent	737	(2)	230	(2)	12	(2)	228	(2)	267	(2)
45 under 50 percent	1,225	(2)	1,057	(2)	16	(2)	41	(2)	111	(2)
50 under 60 percent	3,168	(2)	2,335	(2)	314	(2)	268	(2)	250	(2)
60 under 70 percent	388	(2)	68	(2)	**	**	**	**	293	(2)
70 under 80 percent	828	(2)	686	(2)	**	**	**	**	109	(2)
80 percent or more	10,100	(2)	9,329	(2)	737	(2)	19	(2)	15	(2)

[1] Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.

[2] Less than 0.05 percent.

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

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

Table 12.--Returns With and Without Worldwide Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

[All figures are estimates based on samples]

Effective tax rate	Total		Size of adjusted gross income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**114,730,123**	**100.0**	**96,323,974**	**100.0**	**14,961,834**	**100.0**	**2,597,908**	**100.0**	**846,407**	**100.0**
Returns without worldwide income tax	**22,593,409**	**19.7**	**22,554,960**	**23.4**	**32,718**	**0.2**	**4,600**	**0.2**	**1,131**	**0.1**
Returns with worldwide income tax[1]	**92,136,715**	**80.3**	**73,769,014**	**76.6**	**14,929,116**	**99.8**	**2,593,309**	**99.8**	**845,276**	**99.9**
Effective tax rate:										
Under 5 percent	17,898,395	15.6	17,728,486	18.4	152,422	1.0	15,362	0.6	2,125	0.3
5 under 10 percent	36,392,210	31.7	33,734,964	35.0	2,606,262	17.4	47,556	1.8	3,428	0.4
10 under 15 percent	26,851,660	23.4	19,098,293	19.8	7,356,748	49.2	381,091	14.7	15,528	1.8
15 under 20 percent	8,583,274	7.5	3,045,629	3.2	4,234,745	28.3	1,227,991	47.3	74,909	8.9
20 under 25 percent	1,849,124	1.6	89,062	0.1	559,259	3.7	832,244	32.0	368,559	43.5
25 under 30 percent	494,240	0.4	45,849	(2)	3,821	(2)	80,322	3.1	364,247	43.0
30 under 35 percent	19,555	(2)	2,212	(2)	3,355	(2)	1,988	0.1	12,000	1.4
35 under 40 percent	12,075	(2)	1,936	(2)	6,301	(2)	2,147	0.1	1,691	0.2
40 under 45 percent	4,367	(2)	515	(2)	1,075	(2)	1,637	0.1	1,140	0.1
45 under 50 percent	4,662	(2)	1,733	(2)	1,100	(2)	1,137	(2)	691	0.1
50 under 60 percent	5,454	(2)	1,856	(2)	1,737	(2)	1,298	(2)	563	0.1
60 under 70 percent	4,175	(2)	2,802	(2)	843	(2)	229	(2)	301	(2)
70 under 80 percent	1,116	(2)	670	(2)	309	(2)	74	(2)	63	(2)
80 percent or more	16,409	(2)	15,007	(2)	1,138	(2)	234	(2)	31	(2)

Effective tax rate	Total		Size of expanded income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**114,730,123**	**100.0**	**95,869,017**	**100.0**	**15,318,953**	**100.0**	**2,649,975**	**100.0**	**892,178**	**100.0**
Returns without worldwide income tax	**22,593,409**	**19.7**	**22,525,652**	**23.5**	**55,854**	**0.4**	**10,163**	**0.4**	**1,740**	**0.2**
Returns with worldwide income tax[1]	**92,136,715**	**80.3**	**73,343,365**	**76.5**	**15,263,099**	**99.6**	**2,639,812**	**99.6**	**890,439**	**99.8**
Effective tax rate:										
Under 5 percent	19,165,782	16.7	18,908,331	19.7	214,231	1.4	34,929	1.3	8,291	0.9
5 under 10 percent	35,977,081	31.4	33,149,164	34.6	2,739,744	17.9	71,391	2.7	16,783	1.9
10 under 15 percent	26,231,957	22.9	18,223,942	19.0	7,591,237	49.6	385,282	14.5	31,495	3.5
15 under 20 percent	8,504,232	7.4	2,921,313	3.0	4,206,724	27.5	1,279,223	48.3	96,972	10.9
20 under 25 percent	1,771,064	1.5	91,551	0.1	495,955	3.2	791,035	29.9	392,523	44.0
25 under 30 percent	444,688	0.4	31,762	(2)	7,142	(2)	73,469	2.8	332,315	37.2
30 under 35 percent	19,100	(2)	2,343	(2)	4,006	(2)	2,957	0.1	9,793	1.1
35 under 40 percent	5,660	(2)	1,162	(2)	2,812	(2)	672	(2)	1,013	0.1
40 under 45 percent	1,119	(2)	238	(2)	137	(2)	352	(2)	393	(2)
45 under 50 percent	1,315	(2)	1,057	(2)	25	(2)	81	(2)	151	(2)
50 under 60 percent	3,263	(2)	2,358	(2)	322	(2)	314	(2)	268	(2)
60 under 70 percent	403	(2)	68	(2)	**	**	**	**	293	(2)
70 under 80 percent	837	(2)	686	(2)	**	**	**	**	118	(2)
80 percent or more	10,214	(2)	9,388	(2)	760	(2)	35	(2)	31	(2)

[1]Returns with worldwide income tax include returns on which income tax was entirely offset by the earned income credit.

[2]Less than 0.05 percent.

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

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