

High-Income Tax Returns for 1992

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 detailed data for the nearly 1 million high-income returns for 1992, as well as summary data for the period 1977 to 1992. Data for the years 1974 through 1991 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 1992, there were 954,747 individual income tax returns reporting AGI of \$200,000 or more, and 989,522 with expanded income of \$200,000 or more. These returns represented, respectively, 0.840 and 0.871 percent of all returns for 1992 (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. Between 1991 and 1992, while the total number of tax returns fell by one percent, the number of high AGI returns increased by 12.8 percent, and the number of high expanded income returns rose by 10.9 percent. As a result, each year these high-income returns have comprised a larger share of all returns than for the preceding year (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 real threshold over time, the nominal \$200,000 threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of high-income tax returns has been recomputed [5].

The results using the 1976 constant dollar threshold are shown in the lower panel of Figure A. Using the expanded income concept, the number of high-income returns for 1992 measured in current-year dollars was 14.6 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1992 was 3.9 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 1992, the share of such returns rose from 0.067 percent to 0.200 percent of all returns.

Based on AGI, the number of high-income returns for 1992 measured in current-year dollars was 17.9 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1992 was only 4.7 times the number for 1977. Between 1977 and 1992, the share of such returns rose from 0.052 percent to 0.188 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].

This article was prepared under the direction of Cathy Katz, Chief, Individual Operations Section.

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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 1977-1992

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
1992.....	113,604,503	954,747	989,522	0.840	0.871

Tax year	All returns	\$200,000 income threshold measured in 1976 constant dollars				Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars)
		Number of returns by income concept		Percentage of all returns by income concept		
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	
	(6)	(7)	(8)	(9)	(10)	(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
1992.....	113,604,503	213,783	227,354	0.188	0.200	493,146

For 1992, of the 954,747 income tax returns with AGI of \$200,000 or more, 909, or 0.095 percent, showed no U.S. income tax liability; and 823, or 0.086 percent, showed no worldwide income tax liability (the top panel of Figure B). For 1991, there were 1,253 returns (0.148 percent) with AGI of \$200,000 or more with no U.S.

income tax liability; and 1,131 returns (0.134 percent) with no worldwide income tax liability. Thus, the number of returns with AGI of \$200,000 or more and no U.S. income tax liability declined by 27 percent, and the number of high AGI returns without any worldwide tax liability also fell by 27 percent.

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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 1977-1992

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	0.086	0.195
1992.....	909	1,896	823	1,799	0.095	0.192	0.086	0.182

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
1992.....	171	288	148	264	0.080	0.127	0.069	0.116

Of the 989,522 tax returns with expanded income of \$200,000 or more, 1,896, or 0.192 percent, had no U.S. income tax liability; and 1,799, or 0.182 percent, had no worldwide income tax liability. Of the 892,178 returns with expanded income of \$200,000 or more for 1991, there were 1,933 (0.217 percent) with no U.S. income tax

liability; and 1,740 (0.195 percent) with no worldwide income tax liability. Thus, the percentage of nontaxable returns declined between 1991 and 1992. Although the number of nontaxable returns has increased since 1977, most of that increase has been attributable to the growth in the overall number of all returns -- taxable and nontaxable --

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with income of \$200,000 or more. The percentage of nontaxable returns increased only modestly. As mentioned previously, because of the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987.

Using the 1976 constant 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 different when measured by AGI and are much less when measured by expanded income. Of returns with AGI of \$200,000 or more in current dollars, 0.095 percent reported no U.S. income tax for 1992, and 0.086 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.080; the percentage without worldwide income tax liability was 0.069 (see the lower panel of Figure B).

Of the returns with expanded income of \$200,000 or

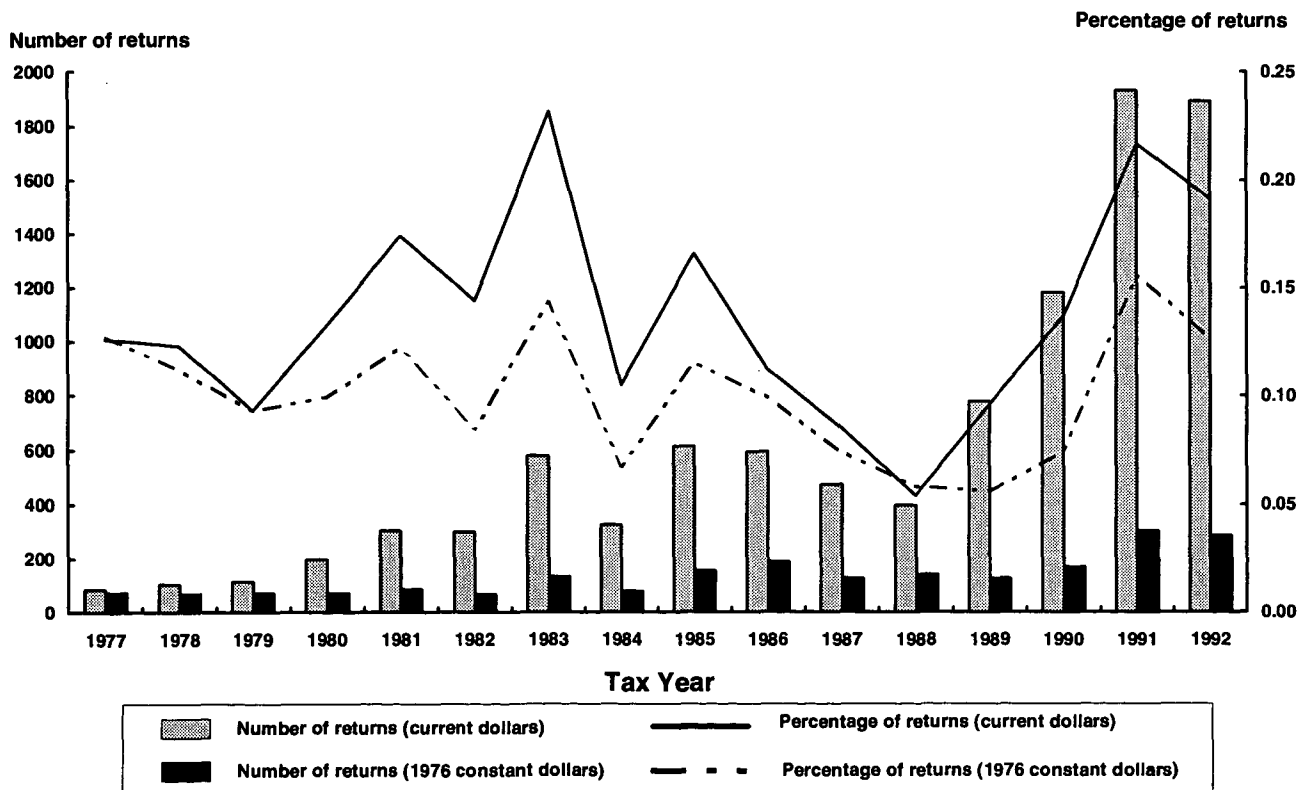
more in current dollars, 0.192 percent reported no U.S. income tax, and 0.182 percent reported no worldwide income tax. When looking at these same returns using 1976 constant dollars, the percentage without U.S. tax liability was 0.127; the percentage without worldwide income tax liability was 0.116. Beginning with 1987, the number of high-income returns whose nontaxability may be attributed to foreign tax credits declined substantially. The reduction appears to be due to changes in the foreign tax credit provisions of the alternative minimum tax (AMT) [8].

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 [9].

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

Figure C

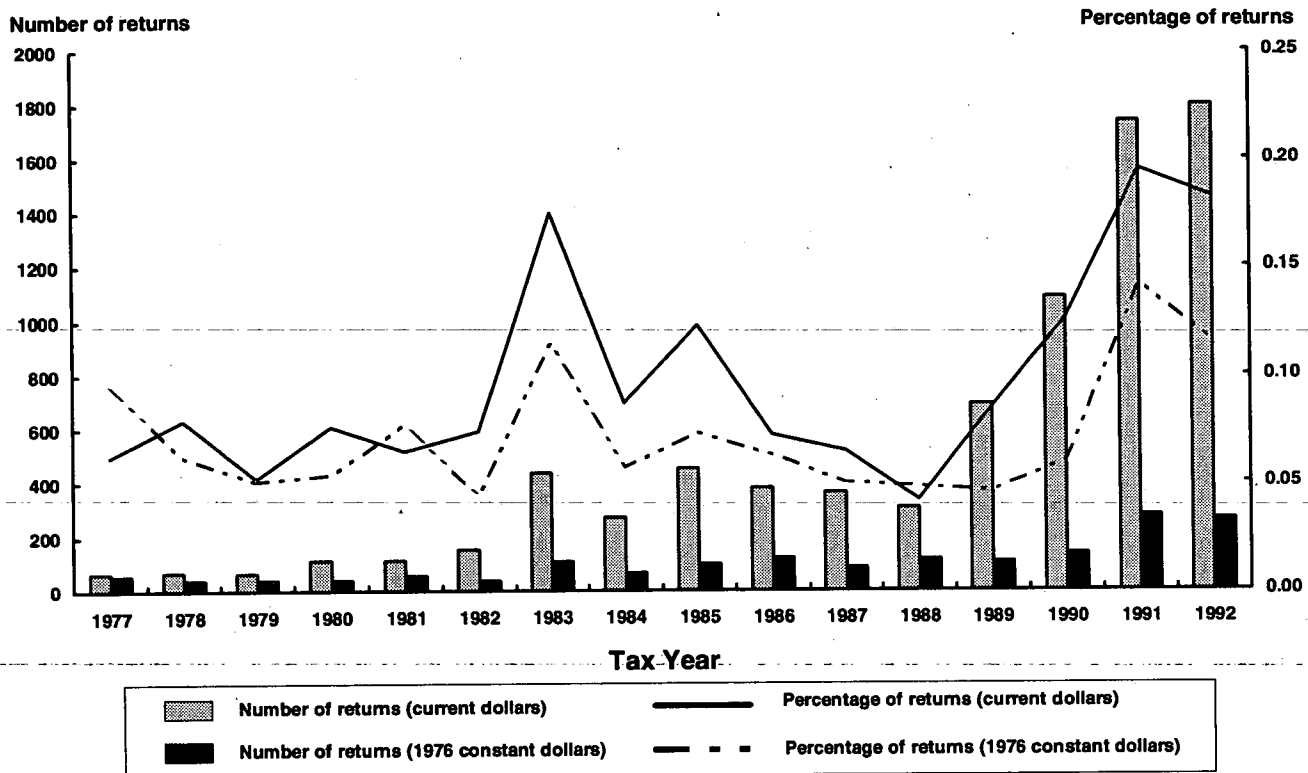
Number and Percentage of Returns with No U.S. Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1992



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Figure D

Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1992



returns, between 1977 and 1992. 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 1989 through 1992.

Detailed Data for 1992

Tables 1 through 12 present data based on 1992 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 size 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 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 size classes (Tables 11 and 12).

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

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income size classes. The tables show that most returns fall in the same broad income size class under both income concepts, but that 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 909 returns with no U.S. income tax had an AGI of \$200,000 or more, and 1,896 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 [10]. 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 (0.182 percent, which is rounded to 0.2 percent in Table 4).
- Another group of high-income taxpayers -- small, but larger than the nontaxable group -- was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (About 1 percent of high expanded-income taxpayers reported some tax liability 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. (Over 71 percent had adjusted taxable income equal to 80 percent or more of expanded income.

Over 96 percent had taxable income of 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 2.5 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, almost 42 percent had effective tax rates exceeding 25 percent. About 93 percent of high-income taxpayers had effective tax rates ranging from 15 percent to 30 percent, while 43 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 [11].

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 singly 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 [12].

Due to the AMT exclusion of \$40,000 on joint returns

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(\$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 produce AMT adjustments or preferences [13]. 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 59 percent of the returns was the itemized deduction of State and local income taxes; for these returns, the itemized deduction for interest payments was the second most important reason 51 percent of the time, and the deduction for charitable contributions was the second most important reason 39 percent of the time (Table 8). Conversely, on nontaxable high expanded-income returns (with no worldwide income tax), the itemized deduction for medical and dental expenses was the most important item 32 percent of the time. Where this was the primary item, the taxes paid deduction was the second most important item 39 percent of the time, and total miscellaneous deductions and the deduction for charitable contributions were each the second most important item 28 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 (546 returns, or 31.7 percent of the 1,724 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); net losses from partnerships or S Corporations (367 returns, or 21.3 percent); the taxes paid deduction (276 returns, or 16.0 percent); and the deduction for interest paid (178 returns, or 10.3 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, including AMT. 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 50 of the 1,799 returns, but there was no casualty or theft loss deduction on 1,699 returns. The medical expense deduction exceeded total expanded income on 25 returns and amounted to between 50 percent and 100 percent of expanded income on an additional 159 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;

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"High-Income Tax Returns for 1990," *Statistics of Income Bulletin*, Winter 1993-1994, Volume 13, Number 3, pp. 104-132; "High-Income Tax Returns for 1991," *Statistics of Income Bulletin*, Winter 1994-1995, Volume 14, Number 3, pp. 96-130.

- [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 1992. 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-59, page 341 of the 1995 *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] See the Tax Reform Act of 1986, page 714, *Section 723 - Foreign Tax Credit*, for an explanation of the changes that affect the alternative minimum tax.
- [9] 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 provides improved estimates.
- [10] See Appendix B for a description of how the deduction equivalent of credits was computed.

[11] S Corporations are certain small corporations having no more than 35 shareholders. These companies elect to have their income taxed at the shareholder level, whether or not it is actually distributed to the shareholder.

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

[13] The AMT exclusion phases out above 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:

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- **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, 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 (Keogh) plans, 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

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deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, "passive" losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but in computing AGI they can only be deducted from "passive" income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

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

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, 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 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

Figure E

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977 - 1992

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.

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 paid. 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

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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 certain 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.

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[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.

Figure F

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 1992

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

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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.

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.

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Table 1.--Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[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.....	113,604,503	94,054,627	15,784,550	2,810,579	954,747
Under \$50,000 ¹	93,490,300	93,135,884	353,061	898	456
\$50,000 under \$100,000.....	16,206,606	879,696	15,214,661	111,611	639
\$100,000 under \$200,000.....	2,918,075	37,659	209,152	2,647,591	23,674
\$200,000 or more.....	989,522	1,388	7,676	50,479	929,979
Returns with U.S. income tax²					
Total.....	90,098,821	70,583,945	15,753,427	2,807,611	953,838
Under \$50,000 ¹	70,091,954	69,741,313	350,149	385	108
\$50,000 under \$100,000.....	16,113,476	813,370	15,188,198	111,351	558
\$100,000 under \$200,000.....	2,905,764	28,784	207,719	2,645,697	23,564
\$200,000 or more.....	987,626	479	7,360	50,178	929,609
Returns without U.S. income tax					
Total.....	23,505,682	23,470,682	31,123	2,969	909
Under \$50,000 ¹	23,398,345	23,394,572	2,912	514	348
\$50,000 under \$100,000.....	93,130	66,326	26,463	260	81
\$100,000 under \$200,000.....	12,311	8,875	1,433	1,894	110
\$200,000 or more.....	1,896	909	316	301	370

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

²Includes returns on which income tax was entirely offset by the earned income credit.

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

High-Income Tax Returns for 1992

Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[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.....	113,604,503	94,054,627	15,784,550	2,810,579	954,747
Under \$50,000 ¹	93,490,300	93,135,884	353,061	898	456
\$50,000 under \$100,000.....	16,206,606	879,696	15,214,661	111,611	639
\$100,000 under \$200,000.....	2,918,075	37,659	209,152	2,647,591	23,674
\$200,000 or more.....	989,522	1,388	7,676	50,479	929,979
Returns with worldwide income tax²					
Total.....	90,126,029	70,609,607	15,754,831	2,807,667	953,924
Under \$50,000 ¹	70,111,052	69,760,410	350,149	385	109
\$50,000 under \$100,000.....	16,119,741	819,091	15,188,741	111,351	559
\$100,000 under \$200,000.....	2,907,513	29,623	208,575	2,645,748	23,567
\$200,000 or more.....	987,723	484	7,366	50,183	929,690
Returns without worldwide income tax					
Total.....	23,478,474	23,445,020	29,719	2,913	823
Under \$50,000 ¹	23,379,247	23,375,475	2,912	514	347
\$50,000 under \$100,000.....	86,865	60,605	25,920	260	80
\$100,000 under \$200,000.....	10,563	8,036	577	1,843	107
\$200,000 or more.....	1,799	904	310	296	289

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

²Includes returns on which income tax was entirely offset by the earned income credit.

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

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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]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income			Expanded income		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	954,747	100.0	-	989,522	100	-
Returns without U.S. income tax.....	909	0.1	-	1,896	0	-
Returns with U.S. income tax:						
Total.....	953,838	99.9	100.0	987,626	99.8	100.0
Ratio of adjusted taxable income to income per concept:						
Under 5 percent.....	142	(¹)	(¹)	2,151	0.2	0.2
5 under 10 percent.....	494	0.1	0.1	4,516	0.5	0.7
10 under 15 percent.....	2,717	0.3	0.4	4,043	0.4	1.1
15 under 20 percent.....	1,774	0.2	0.5	4,819	0.5	1.6
20 under 25 percent.....	1,619	0.2	0.7	4,157	0.4	2.0
25 under 30 percent.....	1,165	0.1	0.8	5,985	0.6	2.6
30 under 35 percent.....	1,309	0.1	1.0	4,442	0.4	3.0
35 under 40 percent.....	1,956	0.2	1.2	7,709	0.8	3.8
40 under 45 percent.....	2,942	0.3	1.5	7,593	0.8	4.6
45 under 50 percent.....	3,971	0.4	1.9	6,508	0.7	5.3
50 under 60 percent.....	12,105	1.3	3.2	26,199	2.7	7.9
60 under 70 percent.....	43,840	4.6	7.8	54,340	5.5	13.4
70 under 80 percent.....	155,444	16.3	24.1	164,365	16.6	30.1
80 percent or more.....	724,359	75.9	100.0	690,798	69.9	100.0

¹Less than 0.05 percent.

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

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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]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income			Expanded income		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	954,747	100.0	-	989,522	100.0	-
Returns without worldwide income tax.....	823	0.1	-	1,799	0.2	-
Returns with worldwide income tax:						
Total.....	953,924	99.9	100.0	987,723	99.8	100.0
Ratio of adjusted taxable income to income per concept:						
Under 5 percent.....	150	(¹)	(¹)	833	0.1	0.1
5 under 10 percent.....	54	(¹)	(¹)	1,097	0.1	0.2
10 under 15 percent.....	310	(¹)	0.1	1,468	0.1	0.3
15 under 20 percent.....	609	0.1	0.1	2,988	0.3	0.6
20 under 25 percent.....	855	0.1	0.2	3,223	0.3	1.0
25 under 30 percent.....	898	0.1	0.3	4,681	0.5	1.4
30 under 35 percent.....	1,250	0.1	0.4	4,225	0.4	1.9
35 under 40 percent.....	1,043	0.1	0.5	6,572	0.7	2.5
40 under 45 percent.....	2,358	0.2	0.8	6,736	0.7	3.2
45 under 50 percent.....	3,534	0.4	1.2	6,278	0.6	3.9
50 under 60 percent.....	11,050	1.2	2.3	25,057	2.5	6.4
60 under 70 percent.....	42,398	4.4	6.8	54,924	5.6	12.0
70 under 80 percent.....	151,858	15.9	22.7	165,431	16.7	28.7
80 percent or more.....	737,557	77.3	100.0	704,209	71.3	100.0

¹Less than 0.05 percent.

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

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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.....	812,927	243,539,555	812,410	243,459,872	518	79,683
Business or profession:						
Net income.....	215,671	30,220,111	215,483	30,198,807	188	21,304
Net loss.....	60,330	1,551,984	60,195	1,537,311	135	14,673
Farm:						
Net income.....	11,626	818,013	11,615	817,544	11	469
Net loss.....	29,416	1,211,630	29,365	1,202,713	51	8,917
Partnership and S Corporation net income after section 179 property deduction ² :						
Net income.....	387,993	82,627,771	387,783	82,605,014	210	22,757
Net loss.....	166,185	9,238,504	165,729	9,014,241	456	224,263
Sales of capital assets:						
Net gain.....	528,241	67,366,276	527,695	67,137,595	546	228,681
Net loss.....	212,890	510,649	212,642	509,976	248	674
Sales of property other than capital assets:						
Net gain.....	49,471	1,369,371	49,381	1,364,361	90	5,010
Net loss.....	97,023	1,200,970	96,856	1,185,783	167	15,186
Taxable interest received.....	935,352	30,670,868	934,472	30,433,051	880	237,817
Tax-exempt interest.....	380,803	15,231,363	380,482	15,194,649	321	36,715
Dividends.....	777,842	23,969,182	777,122	23,898,210	720	70,972
Pensions and annuities in adjusted gross income.....	158,958	5,951,501	158,801	5,942,895	157	8,606
Rent:						
Net income.....	188,325	8,001,594	188,127	7,983,842	198	17,752
Net loss (deductions and nondeductible).....	188,773	2,616,524	188,498	2,595,498	275	21,026
Total nondeductible rental loss.....	138,128	1,738,718	137,919	1,727,359	209	11,360
Royalty:						
Net income.....	87,095	2,162,234	86,989	2,159,680	106	2,554
Net loss.....	3,481	25,446	**	**	**	**
Estate or trust:						
Net income.....	39,214	2,587,119	39,141	2,581,333	73	5,786
Net loss.....	5,591	177,404	5,567	164,680	24	12,725
State income tax refunds.....	446,901	1,969,075	446,550	1,962,728	351	6,347
Windfall profit tax refunds.....	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	2,689	147,709	**	**	**	**
Social security benefits in adjusted gross income.....	117,857	944,337	117,627	942,741	230	1,595
Social security benefits (nontaxable).....	117,857	944,341	117,627	942,745	230	1,595
Unemployment compensation.....	9,813	41,949	9,809	41,929	4	20
Other income.....	191,426	8,589,136	191,167	8,565,899	259	23,237
Other loss.....	9,794	349,272	9,768	343,448	26	5,824
Foreign earned income exclusion.....	8,142	696,108	8,114	693,882	28	2,226
Total income.....	954,747	495,872,818	953,838	495,479,782	909	393,036
Statutory adjustments, total.....	413,982	4,963,177	413,619	4,958,431	363	4,746
Payments to Individual Retirement Arrangements.....	84,387	253,210	84,344	253,095	43	114
Payments to self employed retirement (Keogh) plans.....	126,149	2,651,086	126,126	2,650,545	23	540
Adjusted gross income.....	954,747	490,909,641	953,838	490,521,351	909	388,290
Investment interest.....	277,817	5,710,064	277,173	5,431,825	644	278,239
Total tax preferences excluded from adjusted gross income.....	405,499	17,608,937	405,135	17,570,152	364	38,784
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	64,077	2,363,282	64,008	2,361,621	69	1,660
Passive activity loss (alternative minimum tax adjustment).....	170,244	712,709	169,997	717,368	247	-4,659
Expanded income.....	954,738	502,168,410	953,838	502,044,187	900	124,224

Footnotes at end of table.

High-Income Tax Returns for 1992

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.....	376,857	1,036,200	376,463	1,035,063	394	1,137
Itemized deductions:						
Total per adjusted gross income concept.....	894,830	59,694,558	893,964	59,207,712	866	486,846
Total per income concept.....	894,830	59,694,558	893,964	59,207,712	866	486,846
Contributions deduction.....	863,186	12,766,773	862,421	12,734,638	765	32,135
Interest paid deduction:						
Total per adjusted gross income concept.....	757,753	20,436,129	756,981	20,117,817	772	318,311
Total per income concept.....	757,753	20,436,129	756,981	20,117,817	772	318,311
Total home mortgage interest deduction.....	697,756	14,496,068	697,143	14,456,352	613	39,715
Medical and dental expense deduction.....	8,523	303,833	8,400	282,102	123	21,731
Net casualty or theft loss deduction.....	858	100,198	775	52,931	83	47,267
Taxes paid deduction.....	890,610	33,234,284	889,780	33,206,009	830	28,275
Net limited miscellaneous deductions per adjusted gross income concept.....	137,911	2,574,936	137,553	2,555,707	358	19,229
Non-limited miscellaneous deductions.....	26,734	539,057	26,637	512,311	97	26,746
Moving expense deduction.....	24,979	297,802	24,973	297,274	6	528
Excess of exemptions and deductions over adjusted gross income.....	1,207	253,458	463	106,359	744	147,099
Taxable income.....	953,530	430,091,196	953,374	430,044,005	156	47,190
Tax at regular rates.....	953,538	125,173,237	953,381	125,159,744	157	13,494
Income tax before credits.....	953,540	125,350,872	953,382	125,337,377	158	13,495
Tax credits:						
Total.....	251,889	1,798,316	251,731	1,784,820	158	13,495
Child care credit.....	43,621	24,727	43,618	24,725	3	2
Minimum tax credit.....	25,942	230,969	25,871	226,941	71	4,028
Foreign tax credit.....	168,458	1,299,984	168,372	1,290,856	86	9,128
General business credit.....	32,414	197,507	32,393	197,222	21	285
Alternative minimum tax (Form 6251).....	58,574	769,848	58,574	769,848	-	-
Income tax:						
U.S. total income tax.....	953,838	124,322,404	953,838	124,322,404	-	-
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.....	953,540	425,457,127	953,382	425,410,312	158	46,815
Income tax after credits.....	953,013	419,614,139	953,013	419,614,139	-	-
U.S. total income tax.....	953,838	422,131,776	953,838	422,131,776	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	954,747	490,909,641	953,838	490,521,351	909	388,290
plus: Total tax preferences excluded from adjusted gross income ²	405,499	17,608,937	405,135	17,570,152	364	38,784
Social security benefits (nontaxable).....	117,857	944,341	117,627	942,745	230	1,595
Foreign-earned income exclusion.....	8,142	696,108	8,114	693,882	28	2,226
minus: Investment interest.....	277,817	5,710,064	277,173	5,431,825	644	278,239
Nonlimited miscellaneous deductions.....	26,734	539,057	26,637	512,311	97	26,746
Moving expense deduction.....	24,979	297,802	24,973	297,274	6	528
Unreimbursed employee business expense.....	162,383	1,443,693	162,316	1,442,534	67	1,160
Equals: Expanded income.....	954,738	502,168,410	953,838	502,044,187	900	124,224

Footnotes at end of table.

High-Income Tax Returns for 1992

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 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.....	819,604	242,898,410	819,122	242,841,417	482	56,993
Business or profession:						
Net income.....	222,645	30,649,613	222,472	30,634,155	173	15,458
Net loss.....	63,597	1,576,429	63,402	1,562,798	195	13,631
Farm:						
Net income.....	12,550	876,060	12,535	875,565	15	495
Net loss.....	30,529	1,283,735	30,453	1,276,120	76	7,615
Partnership and S Corporation net income after section 179 property deduction ³ :						
Net income.....	400,474	82,989,755	400,173	82,973,904	301	15,851
Net loss.....	177,905	9,278,164	177,229	9,030,730	676	247,435
Sales of capital assets:						
Net gain.....	556,159	67,951,386	555,236	67,806,725	923	144,661
Net loss.....	220,152	528,169	219,338	525,944	814	2,225
Sales of property other than capital assets:						
Net gain.....	54,053	1,404,959	53,943	1,402,735	110	2,224
Net loss.....	100,847	1,206,141	100,601	1,194,825	246	11,316
Taxable interest received.....	970,661	31,686,513	968,797	31,535,445	1,864	151,068
Tax-exempt interest.....	425,307	20,108,047	423,606	19,551,677	1,701	556,370
Dividends.....	815,066	25,256,400	813,403	25,185,752	1,663	70,647
Pensions and annuities in adjusted gross income.....	174,706	6,365,194	174,301	6,355,162	405	10,031
Rent:						
Net income.....	198,122	8,257,660	197,816	8,243,457	306	14,203
Net loss (deductions and nondeductible).....	191,747	2,646,700	191,411	2,635,649	336	11,052
Total nondeductible rental loss.....	140,444	1,757,790	140,285	1,751,878	159	5,912
Royalty:						
Net income.....	92,968	2,332,409	92,728	2,330,213	240	2,196
Net loss.....	4,052	27,962	4,040	27,820	12	142
Estate or trust:						
Net income.....	45,418	2,653,155	45,259	2,650,069	159	3,086
Net loss.....	6,378	162,817	6,342	162,441	36	376
State income tax refunds.....	458,304	2,033,077	457,599	2,025,526	705	7,551
Windfall profit tax refunds.....	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	2,984	164,512	**	**	**	**
Social security benefits in adjusted gross income.....	149,070	1,220,200	147,983	1,212,514	1,087	7,686
Social security benefits (nontaxable).....	149,070	1,220,204	147,983	1,212,518	1,087	7,686
Unemployment compensation.....	10,120	47,321	10,112	47,280	8	41
Other income.....	197,082	8,375,127	196,785	8,368,922	297	6,205
Other loss.....	11,650	391,382	11,625	388,498	25	2,884
Foreign earned income exclusion.....	18,016	1,653,117	17,987	1,650,686	29	2,431
Total income.....	989,521	499,277,080	987,626	499,089,850	1,895	187,230
Statutory adjustments, total.....	428,690	5,065,899	428,287	5,061,911	403	3,987
Payments to Individual Retirement Arrangements.....	86,270	258,330	86,222	258,211	48	119
Payments to self employed retirement (Keogh) plans.....	129,403	2,697,008	129,380	2,696,412	23	597
Adjusted gross income.....	989,521	494,211,181	987,626	494,027,939	1,895	183,242
Investment interest.....	278,042	5,021,380	277,532	4,991,981	510	29,400
Total tax preferences excluded from adjusted gross income.....	450,269	22,657,758	448,557	22,096,286	1,712	561,471
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	71,288	2,532,143	71,189	2,531,021	99	1,122
Passive activity loss (alternative minimum tax adjustment).....	180,542	726,299	180,195	732,752	347	-6,453
Expanded income.....	989,522	512,965,427	987,626	512,240,988	1,896	724,440

Footnotes at end of table.

High-Income Tax Returns for 1992

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 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.....	411,727	1,220,299	410,046	1,213,361	1,681	6,938
Itemized deductions:						
Total per adjusted gross income concept.....	921,991	59,315,783	920,380	59,056,327	1,611	259,456
Total per income concept.....	921,410	63,515,414	919,799	63,283,546	1,611	231,868
Contributions deduction.....	889,911	13,166,712	888,452	13,136,371	1,459	30,341
Interest paid deduction:						
Total per adjusted gross income concept.....	411,727	1,220,299	410,046	1,213,361	1,681	6,938
Total per income concept.....	921,991	59,315,783	920,380	59,056,327	1,611	259,456
Total home mortgage interest deduction.....	921,410	63,515,414	919,799	63,283,546	1,611	231,868
Medical and dental expense deduction.....	889,911	13,166,712	888,452	13,136,371	1,459	30,341
Net casualty or theft loss deduction.....	1,024	100,537	924	53,265	100	47,272
Taxes paid deduction.....	917,278	33,638,862	915,707	33,605,165	1,571	33,697
Net limited miscellaneous deductions per adjusted gross income concept.....	139,659	2,457,902	138,542	2,437,635	1,117	20,267
Non-limited miscellaneous deductions.....	27,642	342,794	27,597	342,479	45	316
Moving expense deduction.....	24,221	277,676	24,218	277,659	3	17
Excess of exemptions and deductions over adjusted gross income.....	2,292	208,660	568	76,273	1,724	132,387
Taxable income.....	987,228	433,496,901	987,057	433,449,234	171	47,666
Tax at regular rates.....	987,236	126,008,468	987,064	125,994,845	172	13,623
Income tax before credits.....	987,239	126,186,740	987,065	126,173,115	174	13,625
Tax credits:						
Total.....	275,671	1,963,017	275,497	1,949,393	174	13,625
Child care credit.....	43,890	25,190	43,887	25,188	3	2
Minimum tax credit.....	27,823	233,480	27,743	229,416	80	4,064
Foreign tax credit.....	188,846	1,455,261	188,749	1,446,049	97	9,212
General business credit.....	34,304	201,140	34,278	200,847	26	293
Alternative minimum tax (Form 6251).....	66,431	799,221	66,431	799,221	-	-
Income tax:						
U.S. total income tax.....	987,626	125,022,943	987,626	125,022,943	-	-
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.....	987,239	428,814,804	987,065	428,767,511	174	47,293
Income tax after credits.....	986,201	422,371,820	986,201	422,371,820	-	-
U.S. total income tax.....	987,626	425,005,174	987,626	425,005,174	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	989,521	494,211,181	987,626	494,027,939	1,895	183,242
plus: Total tax preferences excluded from adjusted gross income ²	450,269	22,657,758	448,557	22,096,286	1,712	561,471
Social security benefits (nontaxable).....	149,070	1,220,204	147,983	1,212,518	1,087	7,686
Foreign-earned income exclusion.....	18,016	1,653,117	17,987	1,650,686	29	2,431
minus: Investment interest.....	278,042	5,021,380	277,532	4,991,981	510	29,400
Nonlimited miscellaneous deductions.....	27,642	342,794	27,597	342,479	45	316
Moving expense deduction.....	24,221	277,676	24,218	277,659	3	17
Unreimbursed employee business expense.....	150,741	1,134,982	150,637	1,134,324	104	658
Equals: Expanded income.....	989,522	512,965,427	987,626	512,240,988	1,896	724,440

¹Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

² 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.

³ Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

⁴ Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

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

High-Income Tax Returns for 1992

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 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.....	812,927	243,539,555	812,474	243,479,184	454	60,372
Business or profession:						
Net income.....	215,671	30,220,111	215,495	30,204,561	176	15,549
Net loss.....	60,330	1,551,984	60,198	1,537,361	132	14,622
Farm:						
Net income.....	11,626	818,013	11,617	817,559	9	454
Net loss.....	29,416	1,211,630	29,365	1,202,713	51	8,917
Partnership and S Corporation net income after section 179 property deduction ^a :						
Net income.....	387,993	82,627,771	387,796	82,607,363	197	20,409
Net loss.....	166,185	9,238,504	165,745	9,025,996	440	212,509
Sales of capital assets:						
Net gain.....	528,241	67,366,276	527,727	67,155,715	514	210,561
Net loss.....	212,890	510,649	212,659	510,017	231	633
Sales of property other than capital assets:						
Net gain.....	49,471	1,369,371	49,382	1,364,370	89	5,001
Net loss.....	97,023	1,200,970	96,863	1,186,098	160	14,872
Taxable interest received.....	935,352	30,670,868	934,549	30,438,772	803	232,097
Tax-exempt interest.....	380,803	15,231,363	380,495	15,195,710	308	35,653
Dividends.....	777,842	23,969,182	777,178	23,903,786	664	65,395
Pensions and annuities in adjusted gross income.....	158,958	5,951,501	158,811	5,943,185	147	8,316
Rent:						
Net income.....	188,325	8,001,594	188,142	7,985,618	183	15,976
Net loss (deductions and nondeductible).....	188,773	2,616,524	188,519	2,595,906	254	20,618
Total nondeductible rental loss.....	138,128	1,738,718	137,933	1,727,655	195	11,063
Royalty:						
Net income.....	87,095	2,162,234	86,995	2,159,758	100	2,477
Net loss.....	3,481	25,446	**	**	**	**
Estate or trust:						
Net income.....	39,214	2,587,119	39,144	2,581,356	70	5,763
Net loss.....	5,591	177,404	5,567	164,680	24	12,725
State income tax refunds.....	446,901	1,969,075	446,561	1,962,987	340	6,088
Windfall profit tax refunds.....	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	2,689	147,709	**	**	**	**
Social security benefits in adjusted gross income.....	117,857	944,337	117,636	942,802	221	1,534
Social security benefits (nontaxable).....	117,857	944,341	117,636	942,807	221	1,534
Unemployment compensation.....	9,813	41,949	9,809	41,929	4	20
Other income.....	191,426	8,589,136	191,181	8,567,406	245	21,730
Other loss.....	9,794	349,272	9,775	343,647	19	5,625
Foreign earned income exclusion.....	8,142	696,108	**	**	**	**
Total income.....	954,747	495,872,818	953,924	495,523,263	823	349,555
Statutory adjustments, total.....	413,982	4,963,177	413,643	4,958,851	339	4,326
Payments to Individual Retirement Arrangements.....	84,387	253,210	84,345	253,097	42	112
Payments to self employed retirement (Keogh) plans.....	126,149	2,651,086	126,132	2,650,654	17	431
Adjusted gross income.....	954,747	490,909,641	953,924	490,564,412	823	345,229
Investment interest.....	277,817	5,710,064	277,189	5,435,819	628	274,245
Total tax preferences excluded from adjusted gross income.....	405,499	17,608,937	405,149	17,571,215	350	37,722
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	64,077	2,363,282	64,009	2,361,623	68	1,659
Passive activity loss (alternative minimum tax adjustment).....	170,244	712,709	170,008	715,189	236	-2,480
Expanded income.....	954,738	502,168,410	953,924	502,086,418	814	81,993

Footnotes at end of table.

High-Income Tax Returns for 1992

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 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.....	376,857	1,036,200	376,500	1,035,210	357	990
Itemized deductions:						
Total per adjusted gross income concept.....	894,830	59,694,558	894,007	59,214,289	823	480,269
Total per income concept.....	894,830	59,694,558	894,007	59,214,289	823	480,269
Contributions deduction.....	863,186	12,766,773	862,457	12,735,397	729	31,377
Interest paid deduction:						
Total per adjusted gross income concept.....	757,753	20,436,129	757,017	20,122,777	736	313,352
Total per income concept.....	757,753	20,436,129	757,017	20,122,777	736	313,352
Total home mortgage interest deduction.....	697,756	14,496,068	697,174	14,457,316	582	38,752
Medical and dental expense deduction.....	8,523	303,833	8,402	282,331	121	21,502
Net casualty or theft loss deduction.....	858	100,198	775	52,931	83	47,267
Taxes paid deduction.....	890,610	33,234,284	889,816	33,206,768	794	27,516
Net limited miscellaneous deductions per adjusted gross income concept.....	137,911	2,574,936	137,564	2,555,964	347	18,971
Non-limited miscellaneous deductions.....	26,734	539,057	26,640	512,316	94	26,742
Moving expense deduction.....	24,979	297,802	24,974	297,283	5	519
Excess of exemptions and deductions over adjusted gross income.....	1,207	253,458	463	106,359	744	147,099
Taxable income.....	953,530	430,091,196	953,460	430,080,126	70	11,070
Tax at regular rates.....	953,538	125,173,237	953,467	125,170,175	71	3,063
Income tax before credits.....	953,540	125,350,872	953,468	125,347,808	72	3,064
Tax credits:						
Total.....	106,821	498,332	106,749	495,268	72	3,064
Child care credit.....	43,621	24,727	43,618	24,725	3	2
Minimum tax credit.....	25,942	230,969	25,881	228,073	61	2,896
Foreign tax credit.....	(1)	(1)	(1)	(1)	(1)	(1)
General business credit.....	32,414	197,507	32,396	197,341	18	166
Alternative minimum tax (Form 6251).....	58,574	769,848	58,574	769,848	-	-
Income tax:						
U.S. total income tax.....	953,924	125,832,101	953,924	125,832,101	-	-
Foreign taxes paid.....	168,458	1,509,697	168,458	1,509,697	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116).....	6,248	209,713	6,248	209,713	-	-
Taxable income which would yield:						
Income tax before credits.....	953,540	425,457,127	953,468	425,446,197	72	10,930
Income tax after credits.....	953,468	424,523,650	953,468	424,523,650	-	-
U.S. total income tax.....	953,924	427,019,173	953,924	427,019,173	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	954,747	490,909,641	953,924	490,564,412	823	345,229
plus: Total tax preferences excluded from adjusted gross income ²	405,499	17,608,937	405,149	17,571,215	350	37,722
Social security benefits (nontaxable).....	117,857	944,341	117,636	942,807	221	1,534
Foreign-earned income exclusion.....	8,142	696,108	**	**	**	**
minus: Investment interest.....	277,817	5,710,064	277,189	5,435,819	628	274,245
Nonlimited miscellaneous deductions.....	26,734	539,057	26,640	512,316	94	26,742
Moving expense deduction.....	24,979	297,802	24,974	297,283	5	519
Unreimbursed employee business expense.....	162,383	1,443,693	162,319	1,442,566	64	1,127
Equals: Expanded income.....	954,738	502,168,410	953,924	502,086,418	814	81,993

Footnotes at end of table.

High-Income Tax Returns for 1992

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 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.....	819,604	242,898,410	819,187	242,861,451	417	36,959
Business or profession:						
Net income.....	222,645	30,649,613	222,482	30,639,820	163	9,793
Net loss.....	63,597	1,576,429	63,407	1,562,870	190	13,559
Farm:						
Net income.....	12,550	876,060	12,537	875,580	13	480
Net loss.....	30,529	1,283,735	30,453	1,276,120	76	7,615
Partnership and S Corporation net income after section 179 property deduction ³ :						
Net income.....	400,474	82,989,755	400,190	82,976,350	284	13,404
Net loss.....	177,905	9,278,164	177,249	9,041,582	656	236,582
Sales of capital assets:						
Net gain.....	556,159	67,951,386	555,271	67,823,217	888	128,170
Net loss.....	220,152	528,169	219,362	526,005	790	2,164
Sales of property other than capital assets:						
Net gain.....	54,053	1,404,959	53,945	1,402,754	108	2,205
Net loss.....	100,847	1,206,141	100,611	1,195,187	236	10,954
Taxable interest received.....	970,661	31,686,513	968,885	31,539,789	1,776	146,724
Tax-exempt interest.....	425,307	20,108,047	423,634	19,555,922	1,673	552,125
Dividends.....	815,066	25,256,400	813,469	25,191,576	1,597	64,824
Pensions and annuities in adjusted gross income.....	174,706	6,365,194	174,314	6,355,667	392	9,527
Rent:						
Net income.....	198,122	8,257,660	197,834	8,244,540	288	13,120
Net loss (deductions and nondeductible).....	191,747	2,646,700	191,433	2,636,038	314	10,663
Total nondeductible rental loss.....	140,444	1,757,790	140,299	1,752,177	145	5,613
Royalty:						
Net income.....	92,968	2,332,409	92,735	2,330,291	233	2,118
Net loss.....	4,052	27,962	4,040	27,820	12	142
Estate or trust:						
Net income.....	45,418	2,653,155	45,262	2,650,092	156	3,063
Net loss.....	6,378	162,817	6,344	162,451	34	366
State income tax refunds.....	458,304	2,033,077	457,615	2,025,804	689	7,273
Windfall profit tax refunds.....	-	-	-	-	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	2,984	164,512	**	**	**	**
Social security benefits in adjusted gross income.....	149,070	1,220,200	147,997	1,212,616	1,073	7,584
Social security benefits (nontaxable).....	149,070	1,220,204	147,997	1,212,621	1,073	7,584
Unemployment compensation.....	10,120	47,321	10,112	47,280	8	41
Other income.....	197,082	8,375,127	196,802	8,370,462	280	4,665
Other loss.....	11,650	391,382	11,633	388,697	17	2,685
Foreign earned income exclusion.....	18,016	1,653,117	**	**	**	**
Total income.....	989,521	499,277,080	987,723	499,131,348	1,798	145,732
Statutory adjustments, total.....	428,690	5,065,899	428,313	5,062,335	377	3,564
Payments to Individual Retirement Arrangements.....	86,270	258,330	86,224	258,215	46	115
Payments to self employed retirement (Keogh) plans.....	129,403	2,697,008	129,385	2,696,518	18	490
Adjusted gross income.....	989,521	494,211,181	987,723	494,069,013	1,798	142,168
Investment interest.....	278,042	5,021,380	277,550	4,993,003	492	28,377
Total tax preferences excluded from adjusted gross income.....	450,269	22,657,758	448,586	22,100,533	1,683	557,225
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	71,288	2,532,143	71,190	2,531,022	98	1,121
Passive activity loss (alternative minimum tax adjustment).....	180,542	726,299	180,209	730,361	333	-4,062
Expanded income.....	989,522	512,965,427	987,723	512,287,633	1,799	677,794

Footnotes at end of table.

High-Income Tax Returns for 1992

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 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.....	411,727	1,220,299	410,097	1,213,577	1,630	6,723
Itemized deductions:						
Total per adjusted gross income concept.....	921,991	59,315,783	920,433	59,060,471	1,558	255,311
Total per income concept.....	921,410	63,515,414	919,852	63,286,945	1,558	228,469
Contributions deduction.....	889,911	13,166,712	888,498	13,137,191	1,413	29,521
Interest paid deduction:						
Total per adjusted gross income concept.....	760,241	19,498,953	759,374	19,439,650	867	59,303
Total per income concept.....	696,480	14,477,573	695,823	14,446,647	657	30,926
Total home mortgage interest deduction.....	695,717	14,267,013	695,062	14,236,438	655	30,575
Medical and dental expense deduction.....	12,708	395,735	11,749	327,137	959	68,599
Net casualty or theft loss deduction.....	1,024	100,537	924	53,265	100	47,272
Taxes paid deduction.....	917,278	33,638,862	915,754	33,606,076	1,524	32,786
Net limited miscellaneous deductions per adjusted gross income concept.....	139,659	2,457,902	138,564	2,437,956	1,095	19,946
Non-limited miscellaneous deductions.....	27,642	342,794	27,600	342,483	42	311
Moving expense deduction.....	24,221	277,676	..	..	..	..
Excess of exemptions and deductions over adjusted gross income.....	2,292	208,660	568	76,273	1,724	132,387
Taxable income.....	987,228	433,496,901	987,154	433,485,727	74	11,173
Tax at regular rates.....	987,236	126,008,468	987,161	126,005,370	75	3,098
Income tax before credits.....	987,239	126,186,740	987,162	126,183,640	77	3,100
Tax credits:						
Total.....	111,358	507,757	111,281	504,657	77	3,100
Child care credit.....	43,890	25,190	43,887	25,188	3	2
Minimum tax credit.....	27,823	233,480	27,758	230,550	65	2,930
Foreign tax credit.....	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
General business credit.....	34,304	201,140	34,285	200,973	19	167
Alternative minimum tax (Form 6251).....	66,431	799,221	66,431	799,221	-	-
Income tax:						
U.S. total income tax.....	987,723	126,860,346	987,723	126,860,346	-	-
Foreign taxes paid.....	188,846	1,837,403	188,846	1,837,403	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116).....	13,087	382,142	13,087	382,142	-	-
Taxable income which would yield:						
Income tax before credits.....	987,239	428,814,804	987,162	428,803,768	77	11,036
Income tax after credits.....	987,162	428,405,535	987,162	428,405,535	-	-
U.S. total income tax.....	987,723	431,008,539	987,723	431,008,539	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	989,521	494,211,181	987,723	494,069,013	1,798	142,168
plus: Total tax preferences excluded from adjusted gross income ²	450,269	22,657,758	448,586	22,100,533	1,683	557,225
Social security benefits (nontaxable).....	149,070	1,220,204	147,997	1,212,621	1,073	7,584
Foreign-earned income exclusion.....	18,016	1,653,117	..	..	..	..
minus: Investment interest.....	278,042	5,021,380	277,550	4,993,003	492	28,377
Nonlimited miscellaneous deductions.....	27,642	342,794	27,600	342,483	42	311
Moving expense deduction.....	24,221	277,676	..	..	..	..
Unreimbursed employee business expense.....	150,741	1,134,982	150,641	1,134,356	100	625
Equals: Expanded income.....	989,522	512,965,427	987,723	512,287,633	1,799	677,794

¹ Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

² 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.

³ Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

⁴ Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

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

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

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

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage 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.....	911,911	100.0	224,263	24.6	27,711	3.0	494,656	54.2	64,143	7.0	3,457	0.4
Interest paid deduction.....	283,847	31.1	-	-	6,145	22.2	248,996	50.3	10,055	15.7	164	4.7
Investment interest deduction.....	32,324	3.5	4,604	2.1	-	-	19,315	3.9	2,952	4.6	7	0.2
Taxes paid deduction.....	289,877	31.8	186,156	83.0	13,650	49.3	-	-	44,247	69.0	1,548	44.8
Contributions deduction.....	201,672	22.1	23,550	10.5	3,857	13.9	167,293	33.8	-	-	1,001	29.0
Medical and dental expense deduction.....	2,011	0.2	**	**	83	0.3	870	0.2	764	1.2	-	-
Net casualty or theft loss deduction.....	225	(1)	10	(1)	3	(1)	200	(1)	12	(1)	-	-
Total miscellaneous deductions.....	33,237	3.6	6,108	2.7	972	3.5	22,113	4.5	2,381	3.7	658	19.0
Foreign tax credit.....	8,424	0.9	335	0.1	213	0.8	5,368	1.1	300	0.5	40	1.2
General business credit.....	4,861	0.5	228	0.1	299	1.1	3,185	0.6	234	0.4	-	-
All other tax credits.....	6,467	0.7	460	0.2	411	1.5	3,708	0.7	657	1.0	-	-
Partnership and S Corporation net losses.....	27,311	3.0	2,801	1.2	2,023	7.3	18,963	3.8	2,120	3.3	41	1.2
No second largest item.....	21,655	2.4	3	(1)	55	0.2	4,645	0.9	421	0.7	-	-
Returns with expanded income of \$200,000 or more												
Total.....	937,711	100.0	222,402	23.7	-	-	535,972	57.2	72,664	7.7	4,543	0.5
Interest paid deduction.....	301,073	32.1	-	-	-	-	271,771	50.7	11,002	15.1	164	3.6
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	286,969	30.6	189,611	85.3	-	-	-	-	53,275	73.3	1,871	41.2
Contributions deduction.....	242,038	25.8	26,859	12.1	-	-	205,551	38.4	-	-	1,306	28.7
Medical and dental expense deduction.....	2,388	0.3	**	**	-	-	1,225	0.2	805	1.1	-	-
Net casualty or theft loss deduction.....	371	(1)	10	(1)	-	-	348	0.1	13	(1)	-	-
Total miscellaneous deductions.....	21,578	2.3	1,306	0.6	-	-	14,751	2.8	3,020	4.2	1,119	24.6
Foreign tax credit.....	10,020	1.1	349	0.2	-	-	6,591	1.2	332	0.5	40	0.9
General business credit.....	5,932	0.6	240	0.1	-	-	4,322	0.8	250	0.3	-	-
All other tax credits.....	7,428	0.8	534	0.2	-	-	4,125	0.8	711	1.0	-	-
Partnership and S Corporation net losses.....	28,825	3.1	3,474	1.6	-	-	20,846	3.9	2,543	3.5	44	1.0
No second largest item.....	31,088	3.3	7	(1)	-	-	6,443	1.2	713	1.0	-	-

Footnotes at end of table.

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

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

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage 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.....	909	100.0	51	5.6	383	42.1	**	**	**	**	80	8.8
Interest paid deduction.....	187	20.6	-	-	100	26.1	-	-	**	**	**	**
Investment interest deduction.....	149	16.4	9	17.6	-	-	-	-	**	**	**	**
Taxes paid deduction.....	132	14.5	18	35.3	48	12.5	-	-	-	-	21	26.3
Contributions deduction.....	113	12.4	13	25.5	58	15.1	**	**	-	-	23	28.8
Medical and dental expense deduction.....	12	1.3	-	-	**	**	-	-	**	**	-	-
Net casualty or theft loss deduction.....	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	71	7.8	**	**	30	7.8	-	-	**	**	25	31.3
Foreign tax credit.....	**	**	**	**	-	-	-	-	**	**	-	-
General business credit.....	**	**	-	-	**	**	-	-	-	-	-	-
All other tax credits.....	**	**	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses..	170	18.7	**	**	139	36.3	**	**	-	-	**	**
No second largest item.....	52	5.7	-	-	**	**	-	-	-	-	**	**
Returns with expanded income of \$200,000 or more												
Total.....	1,821	100.0	183	10.0	-	-	278	15.3	169	9.3	549	30.1
Interest paid deduction.....	179	9.8	-	-	-	-	42	15.1	27	16.0	10	1.8
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	569	31.2	110	60.1	-	-	-	-	73	43.2	215	39.2
Contributions deduction.....	347	19.1	30	16.4	-	-	100	36.0	-	-	151	27.5
Medical and dental expense deduction.....	115	6.3	**	**	-	-	60	21.6	32	18.9	-	-
Net casualty or theft loss deduction.....	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	274	15.0	12	6.6	-	-	56	20.1	22	13.0	152	27.7
Foreign tax credit.....	**	**	**	**	-	-	**	**	**	**	-	-
General business credit.....	**	**	**	**	-	-	-	-	**	**	-	-
All other tax credits.....	14	0.8	**	**	-	-	-	-	**	**	**	**
Partnership and S Corporation net losses..	83	4.6	18	9.8	-	-	**	**	**	**	14	2.6
No second largest item.....	223	12.2	-	-	-	-	**	**	-	-	**	**

Footnotes at end of table.

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

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

Item with the second largest tax effect	Item with the 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage 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.....	360	(1)	19,747	2.2	17,997	2.0	6,128	0.7	6,694	0.7	46,756	5.1
Interest paid deduction.....	342	95.0	4,662	23.6	3,272	18.2	902	14.7	1,225	18.3	8,085	17.3
Investment interest deduction.....	3	0.8	477	2.4	439	2.4	129	2.1	477	7.1	3,920	8.4
Taxes paid deduction.....	12	3.3	12,449	63.0	4,030	22.4	2,973	48.5	2,742	41.0	22,071	47.2
Contributions deduction.....	-	-	1,506	7.6	580	3.2	113	1.8	299	4.5	3,474	7.4
Medical and dental expense deduction.....	-	-	-	-	152	0.8	**	**	-	-	129	0.3
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	-	-	-	-	213	1.2	**	**	**	**	743	1.6
Foreign tax credit.....	-	-	265	1.3	-	-	178	2.9	236	3.5	1,491	3.2
General business credit.....	-	-	9	(1)	175	1.0	-	-	259	3.9	473	1.0
All other tax credits.....	3	0.8	15	0.1	240	1.3	134	2.2	-	-	839	1.8
Partnership and S Corporation net losses...	-	-	215	1.1	603	3.4	400	6.5	144	2.2	-	-
No second largest item.....	-	-	149	0.8	8,292	46.1	1,296	21.1	1,263	18.9	5,531	11.8
Returns with expanded income of \$200,000 or more												
Total.....	363	(1)	8,863	0.9	27,017	2.9	6,529	0.7	7,585	0.8	51,775	5.5
Interest paid deduction.....	342	94.2	1,066	12.0	5,262	19.5	804	12.3	1,526	20.1	9,135	17.6
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	12	3.3	5,723	64.6	4,303	15.9	3,088	47.3	3,213	42.4	25,874	50.0
Contributions deduction.....	6	1.7	1,719	19.4	1,107	4.1	135	2.1	392	5.2	4,964	9.6
Medical and dental expense deduction.....	-	-	50	0.6	152	0.6	**	**	-	-	140	0.3
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	-	-	-	-	380	1.4	**	**	**	**	973	1.9
Foreign tax credit.....	-	-	104	1.2	-	-	356	5.5	424	5.6	1,826	3.5
General business credit.....	-	-	6	0.1	181	0.7	-	-	378	5.0	554	1.1
All other tax credits.....	3	0.8	15	0.2	640	2.4	165	2.5	-	-	1,236	2.4
Partnership and S Corporation net losses...	-	-	178	2.0	1,049	3.9	488	7.5	203	2.7	-	-
No second largest item.....	-	-	-	-	13,942	51.6	1,488	22.8	1,422	18.7	7,074	13.7

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 Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect
--Continued

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

Item with the second largest tax effect	Item with the 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage 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.....	81	8.9	54	5.9	63	6.9	**	**	31	3.4	143	15.7
Interest paid deduction.....	33	40.7	17	31.5	10	15.9	-	-	9	29.0	11	7.7
Investment interest deduction.....	8	9.9	8	14.8	**	**	-	-	4	12.9	104	72.7
Taxes paid deduction.....	25	30.9	**	**	**	**	-	-	6	19.4	7	4.9
Contributions deduction.....	**	**	**	**	3	4.8	-	-	5	16.1	5	3.5
Medical and dental expense deduction.....	-	-	5	9.3	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	5	6.2	-	-	**	**	-	-	**	**	**	**
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	3	2.1
General business credit.....	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses...	7	8.6	9	16.7	3	4.8	**	**	**	**	-	-
No second largest item.....	-	-	**	**	40	63.5	-	-	-	-	-	-
Returns with expanded income of \$200,000 or more												
Total.....	94	5.2	61	3.3	65	3.6	**	**	**	**	380	20.9
Interest paid deduction.....	32	34.0	*	**	9	13.8	-	-	11	31.4	44	11.6
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	43	45.7	30	49.2	**	**	**	**	**	**	86	22.6
Contributions deduction.....	**	**	15	24.6	4	6.2	**	**	**	**	35	9.2
Medical and dental expense deduction.....	-	-	5	8.2	-	-	-	-	**	**	9	2.4
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	**	**	-	-	**	**	**	**	**	**	23	6.1
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	**	**
General business credit.....	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses...	9	9.6	6	9.8	3	4.6	**	**	**	**	-	-
No second largest item.....	-	-	**	**	46	70.8	-	-	**	**	168	44.2

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

* 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 Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect**

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

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with worldwide U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	903,665	100.0	227,548	25.2	28,157	3.1	498,689	55.2	64,727	7.2	3,610	0.4
Interest paid deduction.....	283,984	31.4	-	-	6,323	22.5	251,948	50.5	10,113	15.6	164	4.5
Investment interest deduction.....	32,699	3.6	4,792	2.1	-	-	19,828	4.0	2,987	4.6	7	0.2
Taxes paid deduction.....	290,492	32.1	188,894	83.0	13,874	49.3	-	-	44,997	69.5	1,588	44.0
Contributions deduction.....	206,148	22.8	24,032	10.6	3,980	14.1	171,630	34.4	-	-	1,001	27.7
Medical and dental expense deduction.....	1,860	0.2	10	(¹)	83	0.3	870	0.2	764	1.2	-	-
Net casualty or theft loss deduction.....	225	(¹)	10	(¹)	3	(¹)	200	(¹)	12	(¹)	-	-
Total miscellaneous deductions.....	33,646	3.7	6,187	2.7	1,010	3.6	22,545	4.5	2,391	3.7	658	18.2
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	4,799	0.5	228	0.1	301	1.1	3,284	0.7	234	0.4	-	-
All other tax credits.....	6,474	0.7	476	0.2	451	1.6	3,871	0.8	667	1.0	-	-
Partnership and S Corporation net losses..	27,180	3.0	2,821	1.2	2,053	7.3	19,319	3.9	2,134	3.3	41	1.1
No second largest item.....	16,158	1.8	99	(¹)	79	0.3	5,193	1.0	429	0.7	152	4.2
Returns with expanded income of \$200,000 or more												
Total.....	923,820	100.0	227,678	24.6	-	-	540,278	58.5	73,778	8.0	4,698	0.5
Interest paid deduction.....	299,393	32.4	-	-	-	-	275,037	50.9	11,087	15.0	164	3.5
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	289,466	31.3	194,198	85.3	-	-	-	-	54,418	73.8	1,912	40.7
Contributions deduction.....	247,376	26.8	27,504	12.1	-	-	211,201	39.1	-	-	1,306	27.8
Medical and dental expense deduction.....	2,238	0.2	14	(¹)	-	-	1,226	0.2	805	1.1	-	-
Net casualty or theft loss deduction.....	371	(¹)	10	(¹)	-	-	348	0.1	13	(¹)	-	-
Total miscellaneous deductions.....	21,852	2.4	1,385	0.6	-	-	15,220	2.8	3,034	4.1	1,119	23.8
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	5,871	0.6	241	0.1	-	-	4,424	0.8	251	0.3	-	-
All other tax credits.....	7,017	0.8	550	0.2	-	-	4,301	0.8	721	1.0	**	**
Partnership and S Corporation net losses..	28,285	3.1	3,505	1.5	-	-	21,240	3.9	2,565	3.5	**	**
No second largest item.....	21,951	2.4	272	0.1	-	-	7,281	1.3	884	1.2	152	3.2

Footnotes at end of table.

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

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

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without worldwide U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	823	100.0	48	5.8	378	45.9	**	**	**	**	79	9.6
Interest paid deduction.....	176	21.4	-	-	99	26.2	-	-	**	**	**	**
Investment interest deduction.....	144	17.5	9	18.8	-	-	-	-	9	50.0	**	**
Taxes paid deduction.....	126	15.3	**	**	48	12.7	-	-	-	-	20	25.3
Contributions deduction.....	108	13.1	13	27.1	57	15.1	**	**	-	-	23	29.1
Medical and dental expense deduction.....	12	1.5	-	-	**	**	-	-	**	**	-	-
Net casualty or theft loss deduction.....	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	68	8.3	**	**	30	7.9	-	-	**	**	25	31.6
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	**	**	-	-	**	**	-	-	-	-	-	-
All other tax credits.....	8	1.0	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses..	164	19.9	**	**	137	36.2	**	**	-	-	**	**
No second largest item.....	12	1.5	-	-	**	**	-	-	-	-	**	**
Returns with expanded income of \$200,000 or more												
Total.....	1,724	100.0	178	10.3	-	-	276	16.0	166	9.6	546	31.7
Interest paid deduction.....	168	9.7	-	-	-	-	42	15.2	27	16.3	10	1.8
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	558	32.4	109	61.2	-	-	-	-	72	43.4	213	39.0
Contributions deduction.....	341	19.8	30	16.9	-	-	100	36.2	-	-	151	27.7
Medical and dental expense deduction.....	115	6.7	**	**	-	-	60	21.7	32	19.3	-	-
Net casualty or theft loss deduction.....	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	269	15.6	12	6.7	-	-	55	19.9	22	13.3	152	27.8
Foreign tax credit.....	-	-	-	-	-	-	-	-	**	**	-	-
General business credit.....	**	**	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	11	0.6	**	**	-	-	-	-	**	**	-	-
Partnership and S Corporation net losses..	79	4.6	17	9.6	-	-	**	**	**	**	14	2.6
No second largest item.....	177	10.3	-	-	-	-	**	**	-	-	**	**

Footnotes at end of table.

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

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

Item with the second largest tax effect	Item with the 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with worldwide U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	360	(¹)	19,962	2.2	-	-	6,304	0.7	6,937	0.8	47,371	5.2
Interest paid deduction.....	342	95.0	4,833	24.2	-	-	910	14.4	1,235	17.8	8,117	17.1
Investment interest deduction.....	3	0.8	477	2.4	-	-	131	2.1	480	6.9	3,993	8.4
Taxes paid deduction.....	12	3.3	12,707	63.7	-	-	3,143	49.9	2,770	39.9	22,507	47.5
Contributions deduction.....	-	-	1,552	7.8	-	-	114	1.8	307	4.4	3,532	7.5
Medical and dental expense deduction.....	-	-	-	-	-	-	**	**	-	-	**	**
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	-	-	-	-	-	-	**	**	57	0.8	**	**
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	9	(¹)	-	-	-	-	271	3.9	473	1.0
All other tax credits.....	3	0.8	15	0.1	-	-	137	2.2	-	-	854	1.8
Partnership and S Corporation net losses..	-	-	220	1.1	-	-	400	6.3	192	2.8	-	-
No second largest item.....	-	-	149	0.7	-	-	1,464	23.2	1,625	23.4	6,969	14.7
Returns with expanded income of \$200,000 or more												
Total.....	363	(¹)	9,244	1.0	-	-	6,712	0.7	8,229	0.9	52,840	5.7
Interest paid deduction.....	342	94.2	1,229	13.3	-	-	812	12.1	1,536	18.7	9,186	17.4
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	12	3.3	5,991	64.8	-	-	3,278	48.8	3,251	39.5	26,406	50.0
Contributions deduction.....	6	1.7	1,768	19.1	-	-	137	2.0	397	4.8	5,057	9.6
Medical and dental expense deduction.....	-	-	50	0.5	-	-	3	(¹)	-	-	140	0.3
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	-	-	-	-	-	-	4	0.1	68	0.8	1,022	1.9
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	6	0.1	-	-	-	-	394	4.8	555	1.1
All other tax credits.....	3	0.8	**	**	-	-	168	2.5	-	-	1,259	2.4
Partnership and S Corporation net losses..	-	-	**	**	-	-	488	7.3	259	3.1	-	-
No second largest item.....	-	-	-	-	-	-	1,822	27.1	2,325	28.3	9,216	17.4

Footnotes at end of table.

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

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

Item with the second largest tax effect	Item with the 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without worldwide U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	81	9.8	54	6.6	-	-	**	**	27	3.3	134	16.3
Interest paid deduction.....	33	40.7	17	31.5	-	-	-	-	9	33.3	11	8.2
Investment interest deduction.....	8	9.9	8	14.8	-	-	-	-	**	**	101	75.4
Taxes paid deduction.....	25	30.9	**	**	-	-	-	-	5	18.5	6	4.5
Contributions deduction.....	3	3.7	**	**	-	-	-	-	**	**	5	3.7
Medical and dental expense deduction.....	-	-	5	9.3	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	5	6.2	-	-	-	-	-	-	**	**	**	**
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses..	7	8.6	9	16.7	-	-	**	**	**	**	-	-
No second largest item.....	-	-	**	**	-	-	-	-	-	-	-	-
Returns with expanded income of \$200,000 or more												
Total.....	94	5.5	61	3.5	-	-	**	**	**	**	367	21.3
Interest paid deduction.....	32	34.0	**	**	-	-	-	-	**	**	42	11.4
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	43	45.7	30	49.2	-	-	**	**	**	**	82	22.3
Contributions deduction.....	6	6.4	15	24.6	-	-	**	**	**	**	34	9.3
Medical and dental expense deduction.....	-	-	5	8.2	-	-	-	-	**	**	9	2.5
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	**	**	-	-	-	-	-	-	**	**	23	6.3
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses..	9	9.6	6	9.8	-	-	**	**	**	**	-	-
No second largest item.....	-	-	**	**	-	-	-	-	**	**	168	45.8

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted 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	No deduction or credit	Number of returns on which income was reduced by percentages of income								
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	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.....	909	43	22	25	8	**	5	**	4	64	734
Interest paid deduction:											
Total.....	909	137	116	29	27	24	20	29	23	193	311
Investment interest per income concept.....	909	265	76	25	20	25	24	35	36	189	214
Taxes paid deduction.....	909	79	567	175	49	18	8	**	**	**	5
Contributions deduction.....	909	144	568	56	37	28	22	54	-	-	-
Medical and dental expense deduction.....	909	786	23	7	5	3	6	4	8	39	28
Net casualty or theft loss deduction.....	909	826	-	-	-	-	3	**	**	25	51
Net limited miscellaneous deductions per income concept.....	909	551	224	69	28	11	8	6	**	6	**
Non-limited miscellaneous deductions.....	909	812	38	5	**	4	**	**	**	18	25
Deduction equivalent of:											
Total credits.....	909	751	38	8	**	**	**	5	5	94	**
Foreign tax credit.....	909	823	**	**	**	**	-	-	**	63	**
General business credit.....	909	888	13	**	3	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income.....	909	545	200	40	28	21	20	5	8	15	27
Expanded income concept											
Total itemized deductions.....	1,896	290	297	348	195	160	110	91	62	147	196
Interest paid deduction:											
Total.....	1,896	1,204	434	100	64	34	24	9	4	8	15
Investment interest per income concept.....	1,896	1,389	352	51	31	19	10	11	4	11	18
Taxes paid deduction.....	1,896	328	1,293	212	38	10	5	3	**	**	5
Contributions deduction.....	1,896	438	1,221	133	44	17	20	7	-	10	6
Medical and dental expense deduction.....	1,896	931	473	102	78	61	66	54	38	68	25
Net casualty or theft loss deduction.....	1,896	1,796	6	**	**	3	**	6	**	30	50
Net limited miscellaneous deductions per income concept.....	1,896	793	959	94	22	14	3	**	**	4	4
Non-limited miscellaneous deductions.....	1,896	1,851	43	**	-	-	-	-	-	-	-
Deduction equivalent of:											
Total credits.....	1,896	1,722	51	8	**	4	**	8	9	90	**
Foreign tax credit.....	1,896	1,799	25	**	**	**	**	3	3	60	**
General business credit.....	1,896	1,870	16	5	3	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income.....	1,896	184	87	33	46	58	69	83	133	970	233

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted 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	No deduction or credit	Number of returns on which income was reduced by percentages of income								
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	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.....	823	-	**	18	7	-	5	**	**	53	734
Interest paid deduction:											
Total.....	823	87	99	25	25	21	20	28	20	187	311
Investment interest per income concept.....	823	195	73	23	18	24	23	33	35	185	214
Taxes paid deduction.....	823	29	536	171	49	18	7	**	**	**	5
Contributions deduction.....	823	94	535	55	37	28	21	53	-	-	-
Medical and dental expense deduction.....	823	702	22	7	5	3	6	4	8	38	28
Net casualty or theft loss deduction.....	823	740	-	-	-	-	3	**	**	25	51
Net limited miscellaneous deductions per income concept.....	823	476	216	66	28	11	8	6	**	6	**
Non-limited miscellaneous deductions.....	823	729	35	5	**	4	**	**	**	18	25
Deduction equivalent of:											
Total credits.....	823	751	30	6	-	**	**	4	**	26	-
Foreign tax credit.....	823	823	-	-	-	-	-	-	-	-	-
General business credit.....	823	805	12	**	**	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income.....	823	473	190	40	27	20	20	5	8	14	26
Expanded income concept											
Total itemized deductions.....	1,799	243	275	336	190	158	109	89	60	143	196
Interest paid deduction:											
Total.....	1,799	1,142	409	96	64	31	23	9	3	7	15
Investment interest per income concept.....	1,799	1,308	344	50	28	17	10	10	3	11	18
Taxes paid deduction.....	1,799	277	1,254	207	37	10	4	**	**	**	5
Contributions deduction.....	1,799	386	1,181	130	43	17	20	6	-	10	6
Medical and dental expense deduction.....	1,799	840	468	102	78	61	66	54	38	67	25
Net casualty or theft loss deduction.....	1,799	1,699	6	**	**	**	**	6	**	30	50
Net limited miscellaneous deductions per income concept.....	1,799	718	939	93	21	14	**	**	**	4	4
Non-limited miscellaneous deductions.....	1,799	1,757	**	**	-	-	-	-	-	-	-
Deduction equivalent of:											
Total credits.....	1,799	1,722	36	**	**	**	-	5	5	25	-
Foreign tax credit.....	1,799	1,799	-	-	-	-	-	-	-	-	-
General business credit.....	1,799	1,780	12	**	**	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income.....	1,799	116	77	31	46	56	68	83	131	958	233

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted 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

[All figures are estimates based on samples]

Tax status, 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	113,604,503	100.0	94,054,627	100.0	15,784,550	100.0	2,810,579	100.0	954,747	100.0
Returns without U.S. income tax.....	23,505,682	20.7	23,470,682	25.0	31,123	0.2	2,969	0.1	909	0.1
Returns with U.S. income tax ².....	90,098,821	79.3	70,583,945	75.0	15,753,427	99.8	2,807,611	99.9	953,838	99.9
Effective tax rate:										
Under 5 percent.....	17,676,901	15.6	17,486,487	18.6	156,784	1.0	28,032	1.0	5,598	0.6
5 under 10 percent.....	36,074,626	31.8	32,957,655	35.0	3,061,779	19.4	49,864	1.8	5,329	0.6
10 under 15 percent.....	25,880,405	22.8	17,381,498	18.5	8,050,421	51.0	433,909	15.4	14,576	1.5
15 under 20 percent.....	8,179,736	7.2	2,656,927	2.8	4,016,087	25.4	1,426,836	50.8	79,886	8.4
20 under 25 percent.....	1,727,230	1.5	49,202	0.1	456,774	2.9	806,962	28.7	414,292	43.4
25 under 30 percent.....	508,039	0.4	26,283	(¹)	2,496	(¹)	59,057	2.1	420,203	44.0
30 under 35 percent.....	22,877	(¹)	6,848	(¹)	3,436	(¹)	718	(¹)	11,875	1.2
35 under 40 percent.....	8,727	(¹)	4,714	(¹)	2,772	(¹)	528	(¹)	712	0.1
40 under 45 percent.....	3,331	(¹)	2,646	(¹)	43	(¹)	464	(¹)	179	(¹)
45 under 50 percent.....	309	(¹)	40	(¹)	4	(¹)	22	(¹)	243	(¹)
50 under 60 percent.....	686	(¹)	89	(¹)	72	(¹)	182	(¹)	343	(¹)
60 under 70 percent.....	5,594	(¹)	1,834	(¹)	2,651	(¹)	685	(¹)	424	(¹)
70 under 80 percent.....	977	(¹)	907	(¹)	43	(¹)	12	(¹)	15	(¹)
80 percent or more.....	9,384	(¹)	8,816	(¹)	66	(¹)	340	(¹)	162	(¹)

Tax status, 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	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	113,604,503	100.0	93,490,300	100.0	16,206,606	100.0²	2,918,075	100.0	989,522	100.0
Returns without U.S. income tax.....	23,505,682	20.7	23,398,345	25.0	93,130	0.6	12,311	0.4	1,896	0.2
Returns with U.S. income tax ².....	90,098,821	79.3	70,091,954	75.0	16,113,476	99.4	2,905,764	99.6	987,626	99.8
Effective tax rate:										
Under 5 percent.....	18,850,807	16.6	18,520,661	19.8	248,595	1.5	64,044	2.2	17,507	1.8
5 under 10 percent.....	35,698,981	31.4	32,237,544	34.5	3,339,534	20.6	103,671	3.6	18,232	1.8
10 under 15 percent.....	25,283,842	22.3	16,643,171	17.8	8,200,335	50.6	410,301	14.1	30,034	3.0
15 under 20 percent.....	8,084,193	7.1	2,599,579	2.8	3,883,484	24.0	1,504,649	51.6	96,480	9.8
20 under 25 percent.....	1,672,461	1.5	47,449	0.1	431,402	2.7	768,709	26.3	424,901	42.9
25 under 30 percent.....	465,187	0.4	20,871	(¹)	4,593	(¹)	50,885	1.7	388,838	39.3
30 under 35 percent.....	19,958	(¹)	7,512	(¹)	1,180	(¹)	1,333	(¹)	9,934	1.0
35 under 40 percent.....	5,807	(¹)	3,348	(¹)	1,484	(¹)	542	(¹)	433	(¹)
40 under 45 percent.....	972	(¹)	430	(¹)	41	(¹)	337	(¹)	165	(¹)
45 under 50 percent.....	323	(¹)	-	-	18	(¹)	54	(¹)	250	(¹)
50 under 60 percent.....	1,863	(¹)	1,213	(¹)	163	(¹)	175	(¹)	313	(¹)
60 under 70 percent.....	4,300	(¹)	723	(¹)	2,535	(¹)	678	(¹)	364	(¹)
70 under 80 percent.....	276	(¹)	6	(¹)	56	(¹)	50	(¹)	165	(¹)
80 percent or more.....	9,851	(¹)	9,448	(¹)	57	(¹)	335	(¹)	11	(¹)

¹ Less than 0.05 percent.

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 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

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
	Number of returns	Percentage of total	Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
			Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	113,604,503	100.0	94,054,627	100.0	15,784,550	100.0	2,810,579	100.0	954,747	100.0
Returns without worldwide income tax.....	23,478,474	20.7	23,445,020	24.9	29,719	0.2	2,913	0.1	823	0.1
Returns with worldwide income tax.....	90,126,029	79.3	70,609,607	75.1	15,754,831	99.8	2,807,667	99.9	953,924	99.9
Effective tax rate:										
Under 5 percent.....	17,625,303	15.5	17,454,488	18.6	150,687	1	18,737	0.7	1,392	0.1
5 under 10 percent.....	36,082,673	31.8	32,979,752	35	3,055,134	19.4	44,092	1.6	3,695	0.4
10 under 15 percent.....	25,891,077	22.8	17,404,553	18.5	8,043,480	51.0	430,149	15.3	12,895	1.4
15 under 20 percent.....	8,189,250	7.2	2,658,059	2.8	4,024,707	25.5	1,428,525	50.8	77,959	8.2
20 under 25 percent.....	1,740,126	1.5	48,070	0.1	462,859	2.9	815,808	29	413,390	43.3
25 under 30 percent.....	519,310	0.5	27,757	(¹)	3,577	(¹)	62,480	2.2	425,496	45
30 under 35 percent.....	27,457	(¹)	7,000	(¹)	5,011	(¹)	1,790	0.1	13,656	1.4
35 under 40 percent.....	13,162	(¹)	7,593	(¹)	2,772	(¹)	1,482	0.1	1,315	0.1
40 under 45 percent.....	7,109	(¹)	2,988	(¹)	916	(¹)	1,102	(¹)	2,101	0.2
45 under 50 percent.....	2,299	(¹)	40	(¹)	498	(¹)	1,237	(¹)	524	0.1
50 under 60 percent.....	4,149	(¹)	1,322	(¹)	1,251	(¹)	677	(¹)	899	0.1
60 under 70 percent.....	6,621	(¹)	1,834	(¹)	3,335	(¹)	1,028	(¹)	424	(¹)
70 under 80 percent.....	2,398	(¹)	2,176	(¹)	195	(¹)	12	(¹)	15	(¹)
80 percent or more.....	15,095	(¹)	13,975	(¹)	409	(¹)	549	(¹)	162	(¹)

Tax status, effective tax rate	Total		Size of expanded income							
	Number of returns	Percentage of total	Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
			Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	113,604,503	100.0	93,490,300	100.0	16,206,606	100.0	2,918,075	100.0	989,522	100.0
Returns without worldwide income tax.....	23,478,474	20.7	23,379,247	25.0	86,865	0.5	10,563	0.4	1,799	0.2
Returns with worldwide income tax.....	90,126,029	79.3	70,111,052	75.0	16,119,741	99.5	2,907,513	99.6	987,723	99.8
Effective tax rate:										
Under 5 percent.....	18,796,151	16.5	18,494,932	19.8	246,385	1.5	46,592	1.6	8,241	0.8
5 under 10 percent.....	35,710,705	31.4	32,260,422	34.5	3,335,347	20.6	99,821	3.4	15,115	1.5
10 under 15 percent.....	25,305,926	22.3	16,663,585	17.8	8,201,388	50.6	413,082	14.2	27,871	2.8
15 under 20 percent.....	8,094,770	7.1	2,599,579	2.8	3,885,828	24.0	1,512,071	51.8	97,291	9.8
20 under 25 percent.....	1,692,273	1.5	48,581	0.1	439,089	2.7	776,436	26.6	428,167	43.3
25 under 30 percent.....	475,852	0.4	20,871	(¹)	5,277	(¹)	54,333	1.9	395,371	40.0
30 under 35 percent.....	23,555	(¹)	7,512	(¹)	1,180	(¹)	2,170	0.1	12,694	1.3
35 under 40 percent.....	8,358	(¹)	3,743	(¹)	2,376	(¹)	1,226	(¹)	1,013	0.1
40 under 45 percent.....	1,359	(¹)	430	(¹)	41	(¹)	489	(¹)	399	(¹)
45 under 50 percent.....	568	(¹)	-	-	15	(¹)	54	(¹)	499	0.1
50 under 60 percent.....	2,075	(¹)	1,213	(¹)	166	(¹)	175	(¹)	522	0.1
60 under 70 percent.....	4,300	(¹)	723	(¹)	2,535	(¹)	678	(¹)	364	(¹)
70 under 80 percent.....	276	(¹)	6	(¹)	56	(¹)	50	(¹)	165	(¹)
80 percent or more.....	9,859	(¹)	9,454	(¹)	58	(¹)	335	(¹)	11	(¹)

¹ Less than 0.05 percent.

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.