

High-Income Tax Returns for Tax Year 2020

by Justin Bryan

For Tax Year (TY) 2020, there were just over 9.6 million individual income tax returns with an expanded income of \$200,000 or more, accounting for 5.8% of all returns filed for the year.¹ Of these, 9,302 returns had no worldwide income tax liability. This was a 25.9% increase over the number of returns with no worldwide income tax liability for 2019. It was just the fourth increase in the past 11 years, and well below the peak of 19,551 returns for 2009. This article presents detailed data for high-income returns for TY 2020 and summary data for TYs 1977–2019. Detailed data for the years 1974–2019 were published previously. (See the References section for more details.)

Changes in Law

Major changes in effect for TY 2020 that influenced the data in this article are explained here. Public Law 116-127, commonly referred to as the Families First Coronavirus Response Act (FFCRA) and Public Law 116-136, commonly referred to as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, brought about many changes in the law for TY 2020. The CARES Act allowed a taxpayer who didn't itemize deductions on Form 1040, Schedule A, to take a deduction for charitable contributions on Form 1040, line 10b. The maximum amount for the contributions was \$300 for single, head of household, qualifying widow(er), or married filing jointly (\$150 for married filing separately). Also, for 2020 a taxpayer was able to elect a temporary suspension of certain limitations that applied to cash contributions made during the tax year. Thus, cash contributions to qualified organizations were not subject to any Adjusted Gross Income (AGI) limitation, while previously, they were limited to 60% of AGI. Also, the CARES Act permitted certain individuals who filed Schedule SE or Schedule H to defer the payment of 50% of the Social Security tax imposed for the period beginning on March 27, 2020, and ending December 31, 2020.

Another important feature of the CARES Act provided an eligible individual for their first taxable year beginning in 2020 a refundable tax credit referred to as the Recovery Rebate Credit. The Internal Revenue Service (IRS) refers to the advance refund of this credit as an Economic Impact Payment (EIP). There were two rounds of EIPs paid out to individuals. The first round of EIPs was up to \$1,200 (\$2,400 for eligible individuals filing a joint tax return), plus \$500 per qualifying child under 17. The

second round of EIPs was up to \$600 (\$1,200 for eligible individuals filing a joint tax return), plus \$600 per qualifying child under 17. Any EIPs received by the taxpayer were not taxable for the federal income tax purposes, but they did reduce the amount of a taxpayer's Recovery Rebate Credit. The EIPs were based on a taxpayer's 2018 or 2019 TY information. The credit phased out at a rate of 5% of the taxpayer's AGI in excess of a threshold. The threshold was \$150,000 in the case of a joint return, \$112,500 in the case of a head of household, and \$75,000 otherwise. Those ineligible for the credit were (1) nonresident alien individuals, (2) individuals who could be claimed as a dependent by another taxpayer, (3) an estate or trust, and (4) individuals who do not have a Social Security number (SSN) that is valid for employment issued before the due date of their 2020 tax return (including extensions). When spouses filed jointly, both spouses must have had a valid SSN to receive the credit, unless either spouse was a member of the U.S. Armed Forces at any time during the taxable year. In that case, only one spouse needed to have a valid SSN. The recovery rebate credit was figured like the EIPs except that the credit eligibility and credit amount were based on 2020 TY information. If a taxpayer didn't receive the full amount of the recovery rebate credit as first- or second-round EIPs, they were able to claim the recovery rebate credit on their 2020 Form 1040 or Form 1040-SR.

Lastly, the FFCRA helped self-employed individuals affected by the coronavirus. The FFCRA provided paid sick leave and paid family leave credits equivalent to those that employers were required to provide their employees for qualified sick leave wages and qualified family leave wages paid during the period beginning April 1, 2020, and ending December 31, 2020.

Income and Tax Concepts

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of AGI and the "expanded income" concept. The expanded income concept includes items reported on the tax return 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 (AMT) purposes *less* unreimbursed employee business expenses, moving expenses, investment interest expense to the extent that it does not exceed

¹ The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting incomes 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. The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).



investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor.^{2, 3, 4}

AGI and expanded income differed for 36.0 million (21.9%) of the 164.4 million individual income tax returns filed for 2020 (Figure A). This was a 4.5% increase from the number of returns that differed for 2019. Expanded income exceeded AGI in 97.1% of these returns. The average difference between expanded income and AGI was \$12,557, and the median difference was \$8,738, up from \$11,690 and \$8,014 in 2019, respectively. Although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceeded the additions, resulting in expanded income that was less than AGI. Returns on which expanded income exceeded AGI were concentrated among returns with \$200,000 or less of AGI. For returns with more than \$200,000 of AGI, a larger fraction (13.7%) has AGI

greater than expanded income than for returns with less than \$200,000 of AGI (1.8%).

There are also two tax concepts in this article used to classify returns as taxable or nontaxable: “U.S. income tax” and “worldwide income tax.” U.S. income tax is total federal income tax liability, which includes the AMT, less all credits against income tax, and does not include payroll or self-employment taxes. To be considered taxable, a return had to have a positive income tax liability after accounting for all credits. A nontaxable return, on the other hand, could have either a zero or negative income tax liability after accounting for all credits (including refundable credits). Since the federal income tax applies to worldwide income and allows a credit (subject to certain limits) for income taxes paid to foreign governments, a return could be classified as nontaxable under the U.S. income tax concept even though income taxes had been paid to a foreign government. The

Figure A

Individual Income Tax Returns With Positive, Zero, and Negative U.S. Income Tax: Differences Between Adjusted Gross Income and Expanded Income, by Size of Adjusted Gross Income, Tax Year 2020

[Money amounts are in whole dollars]

Returns by tax status, size of adjusted gross income (AGI)	All returns	Number of returns with difference between AGI and expanded income	Number of returns where expanded income is greater than AGI	Number of returns where AGI is greater than expanded income	Average difference of expanded income minus AGI	Median difference of expanded income minus AGI
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	164,358,792	36,030,891	34,985,842	1,045,050	12,557	8,738
Under \$50,000 [1]	95,500,646	18,151,000	17,988,640	162,360	18,745	17,288
\$50,000 under \$100,000	36,982,688	8,531,774	8,365,031	166,744	6,576	3,703
\$100,000 under \$200,000	22,415,415	5,960,913	5,710,580	250,333	4,983	4,313
\$200,000 or more	9,460,043	3,387,204	2,921,591	465,613	7,788	3,615
Returns with positive U.S. income tax	102,960,468	24,191,006	23,298,643	892,363	8,698	5,130
Under \$50,000 [1]	37,676,893	6,754,788	6,692,778	62,009	15,018	14,397
\$50,000 under \$100,000	33,668,134	8,164,409	8,035,846	128,562	6,459	3,718
\$100,000 under \$200,000	22,172,643	5,890,792	5,652,387	238,406	4,907	4,308
\$200,000 or more	9,442,798	3,381,018	2,917,632	463,386	8,085	3,613
Returns with zero U.S. income tax	17,668,532	7,709,771	7,642,229	67,542	22,442	20,900
Under \$50,000 [1]	17,284,742	7,506,641	7,454,886	51,755	22,893	21,199
\$50,000 under \$100,000	309,245	161,179	150,097	11,082	9,256	3,635
\$100,000 under \$200,000	64,161	36,552	33,586	2,966	14,899	4,990
\$200,000 or more	10,384	5,399	3,660	1,739	-160,271	7,187
Returns with negative U.S. income tax	43,729,792	4,130,114	4,044,970	85,144	16,703	14,100
Under \$50,000 [1]	40,539,011	3,889,572	3,840,976	48,596	17,211	14,553
\$50,000 under \$100,000	3,005,309	206,187	179,088	27,099	9,115	2,944
\$100,000 under \$200,000	178,612	33,569	24,607	8,962	7,474	4,313
\$200,000 or more	6,860	787	299	488	-115,642	-5,232

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

² The definition of adjustments to AGI to obtain the expanded income given in the text is for the current year. See Appendix A for a discussion of AGI and expanded income and a list of adjustments covering all years since 1977.

³ See Notes to Appendix A, note A4.

⁴ Tax-exempt interest had to be reported on the individual income tax return starting with TY 1987 and is included in expanded income starting with that year. Beginning with TY 1991, tax-exempt interest was incorporated into the criteria used for sampling returns for Statistics of Income, thus increasing the reliability of the estimates of expanded income.

worldwide income tax concept addresses this circumstance by adding back the allowable foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.^{5,6} The sum of these two items is believed to be a reasonable proxy for foreign taxes paid.

Figure B shows a cross-tabulation of tax returns based on whether a return has positive, zero, or negative U.S. income tax liability and whether it also has positive, zero, or negative worldwide income tax. All returns with positive U.S. income tax liability have positive worldwide income tax liability; while returns with zero U.S. tax liability have either positive or zero worldwide income tax liability; and returns with negative U.S. income tax liability have either positive or negative worldwide income tax liability. Just over one-third (37.4%) of the 164.4 million tax returns filed for 2020 had zero or negative U.S. income tax liability, and 94.2% of these returns had AGI of \$50,000 or less—unsurprising given the progressive nature of the U.S. income tax. Only about 4 out of every 1,000 returns with zero or negative U.S. income tax liability had positive worldwide income tax liability, and 51.4% of these returns had an AGI of \$50,000 or more.

Number of High-Income Returns

For 2020, there were slightly less than 9.5 million individual income tax returns with an AGI of at least \$200,000, and, likewise, just over 9.6 million returns with an expanded income of \$200,000 or more (Figure C). The number of returns with AGI above the \$200,000 threshold increased 4.9% from 2019 and accounted for slightly less than 5.8% of all returns for 2020. Similarly, the returns with expanded incomes above the \$200,000 threshold increased 4.8% from 2019 and accounted for just over 5.8% of all returns for 2020.

The \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. Because it is fixed in nominal terms, as time passes, more and more tax returns have had incomes exceeding this threshold simply due to inflation. Therefore, to facilitate a comparison of tax returns across time, Figure C also shows what the \$200,000 threshold in 1976 would be each year after adjusting for inflation and the number and share of returns above this threshold.⁷ For TY 2020, this inflation-adjusted threshold was \$909,705. Since 1977, the number of returns with AGI above this inflation-adjusted threshold has increased at an annual rate of approximately 6.6%. In

Figure B

Individual Income Tax Returns With Positive, Zero, and Negative U.S. and Worldwide Income Tax: Number of Returns, by Size of Adjusted Gross Income, Tax Year 2020

Returns by U.S. tax status, size of adjusted gross income (AGI)	All returns	Returns with positive worldwide income tax	Returns with zero worldwide income tax	Returns with negative worldwide income tax
	(1)	(2)	(3)	(4)
Returns with positive U.S. income tax	102,960,468	102,960,468	0	0
Under \$50,000 [1]	37,676,893	37,676,893	0	0
\$50,000 under \$100,000	33,668,134	33,668,134	0	0
\$100,000 under \$200,000	22,172,643	22,172,643	0	0
\$200,000 or more	9,442,798	9,442,798	0	0
Returns with zero U.S. income tax	17,668,532	169,469	17,499,063	0
Under \$50,000 [1]	17,284,742	95,619	17,189,123	0
\$50,000 under \$100,000	309,245	49,315	259,930	0
\$100,000 under \$200,000	64,161	17,648	46,513	0
\$200,000 or more	10,384	6,887	3,497	0
Returns with negative U.S. income tax	43,729,792	71,140	0	43,658,652
Under \$50,000 [1]	40,539,011	21,319	0	40,517,692
\$50,000 under \$100,000	3,005,309	23,005	0	2,982,304
\$100,000 under \$200,000	178,612	21,775	0	156,837
\$200,000 or more	6,860	5,041	0	1,820

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

⁵ 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 Reference section), 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.”

⁶ The inclusion of foreign taxes paid on excluded foreign earned income, beginning with TY 1990, represents an improvement in the worldwide income tax concept. However, it also represents a slight break in the year-to-year comparability of data for worldwide income tax. Nevertheless, 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.

⁷ Inflation-adjusted dollars are based on the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics. The consumer price index approximates buying patterns of typical urban consumers. The annual index is the average of the monthly indices.

Figure C

All Individual Income Tax Returns and Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2020

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.145	0.184
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895
2003	130,423,626	2,536,439	2,573,133	1.945	1.973
2004	132,226,042	3,021,435	3,067,602	2.285	2.320
2005	134,372,678	3,566,125	3,584,012	2.654	2.667
2006	138,394,754	4,064,883	4,094,953	2.937	2.959
2007	142,978,806	4,535,623	4,576,315	3.172	3.201
2008	142,450,569	4,375,660	4,416,986	3.072	3.101
2009	140,494,127	3,924,489	3,975,288	2.793	2.830
2010	142,892,051	4,296,307	4,347,756	3.007	3.043
2011	145,370,240	4,700,056	4,758,256	3.233	3.273
2012	144,928,472	5,251,992	5,308,871	3.624	3.663
2013	147,351,299	5,558,244	5,616,056	3.772	3.811
2014	148,606,578	6,223,813	6,279,428	4.188	4.226
2015	150,493,263	6,751,845	6,784,187	4.486	4.508
2016	150,272,154	6,900,370	6,941,686	4.592	4.619
2017	152,903,231	7,720,105	7,725,915	5.049	5.053
2018	153,774,296	8,553,307	8,678,287	5.562	5.644
2019	157,796,807	9,016,655	9,167,499	5.714	5.810
2020	164,358,792	9,460,043	9,603,258	5.756	5.843

Footnotes at end of figure.

comparison, the total number of returns has increased 1.5% per year since 1977.

Adjusting for inflation, the number of returns for TY 2020 above the AGI threshold was 702,979 or 0.43% of all returns, up from 0.42% of all returns in 2019. Similarly, the number of

returns for TY 2020 above the inflation-adjusted threshold using the expanded income concept was 711,521 or 0.43% of all returns, up from 0.42% of all returns in 2019. Since 1977, the number of returns with expanded income above this threshold has increased at an annual rate of approximately 6.0%.

Figure C (Continued)

All Individual Income Tax Returns and Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2020—Continued

Tax year	Inflation-adjusted income threshold equal to \$200,000 in 1976 dollars (whole dollars) [1]	\$200,000 inflation-adjusted income threshold			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420
2007	728,794	606,026	618,154	0.424	0.432
2008	756,777	487,656	498,470	0.342	0.350
2009	754,084	372,665	383,354	0.265	0.273
2010	766,453	421,604	433,924	0.295	0.304
2011	790,647	430,127	440,529	0.296	0.303
2012	807,009	535,038	545,246	0.369	0.376
2013	818,830	470,906	480,987	0.320	0.326
2014	832,112	546,588	554,697	0.368	0.373
2015	833,100	583,951	591,942	0.388	0.393
2016	843,610	555,416	562,798	0.370	0.375
2017	861,582	625,053	629,676	0.409	0.412
2018	882,626	658,990	664,811	0.429	0.432
2019	898,619	656,944	665,159	0.416	0.422
2020	909,705	702,979	711,521	0.428	0.433

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers with 1976 as the base year. See footnote 7 of this article for further details.

NOTE: See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Although the number of returns reporting incomes of \$200,000 or more generally increased annually from 1977–2020, the exceptions to this reflect the economic downturns in TYs 2001, 2002, 2008, and 2009. The general trend of a rise in the number of returns is similar when using the inflation-adjusted

income threshold. However, the increases are much smaller, and the number of returns above the inflation-adjusted threshold decreased in additional years, i.e., TYs 1980, 1981, 1989, 1990 (AGI only), 1991, 1993, 2013, and 2016. Many of these years also coincided with economic downturns.⁸

⁸ See National Bureau of Economic Research list of business cycles at <http://www.nber.org/cycles.html>.

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% of long-term capital gains. This change in the definition of AGI made it more comparable to the expanded-income concept. In addition, due to the inclusion of tax-exempt interest in expanded income in 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

Nontaxable High-Income Returns

Of the 9.5 million income tax returns with an AGI of \$200,000 or more, 17,245 showed no U.S. income tax liability for TY 2020 (top panel of Figure D). Also, 28,765 of the 9.6 million tax returns with expanded income of \$200,000 or more had no U.S. income tax liability. This represents an 8.1% increase for high-AGI returns and a 20.0% increase for high-expanded-income

Figure D

Nontaxable Individual Income Tax Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2020

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.066	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200
2003	2,824	5,839	2,416	4,934	0.111	0.227	0.095	0.192
2004	2,833	5,028	2,420	4,101	0.094	0.164	0.080	0.134
2005	7,389	10,680	4,224	5,420	0.207	0.298	0.118	0.151
2006	8,252	11,014	4,123	4,322	0.203	0.269	0.101	0.106
2007	11,600	14,794	5,497	5,197	0.256	0.323	0.121	0.114
2008	22,257	31,539	12,326	17,127	0.509	0.714	0.282	0.388
2009	20,752	35,061	10,080	19,551	0.529	0.882	0.257	0.492
2010	19,003	32,441	8,046	16,082	0.442	0.746	0.187	0.370
2011	19,563	32,902	7,557	15,000	0.416	0.691	0.161	0.315
2012	20,304	32,326	7,408	13,450	0.387	0.609	0.141	0.253
2013	12,517	25,926	4,266	12,794	0.225	0.462	0.077	0.228
2014	10,905	21,052	3,927	9,692	0.175	0.335	0.063	0.154
2015	11,082	22,297	4,373	10,947	0.164	0.329	0.065	0.161
2016	11,784	23,400	5,480	12,910	0.171	0.337	0.079	0.186
2017	13,249	22,266	6,315	10,988	0.172	0.288	0.082	0.142
2018	14,935	22,856	4,601	7,201	0.175	0.263	0.054	0.083
2019	15,958	23,970	4,680	7,391	0.177	0.261	0.052	0.081
2020	17,245	28,765	5,317	9,302	0.182	0.300	0.056	0.097

Footnotes at end of figure.

Figure D (Continued)

Nontaxable Individual Income Tax Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2020—Continued

Tax year	\$200,000 inflation-adjusted income threshold [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053
2007	1,524	1,369	565	314	0.251	0.221	0.093	0.051
2008	3,001	2,861	1,436	1,116	0.615	0.574	0.294	0.224
2009	2,268	2,841	874	1,252	0.609	0.741	0.235	0.327
2010	2,151	2,520	621	820	0.510	0.581	0.147	0.189
2011	2,327	2,754	633	884	0.541	0.625	0.147	0.201
2012	2,297	2,450	535	547	0.429	0.449	0.100	0.100
2013	901	1,158	217	398	0.191	0.241	0.046	0.083
2014	627	754	212	303	0.115	0.136	0.039	0.055
2015	617	753	220	329	0.106	0.127	0.038	0.056
2016	598	699	200	272	0.108	0.124	0.036	0.048
2017	634	653	236	225	0.101	0.104	0.038	0.036
2018	682	637	228	153	0.103	0.096	0.035	0.023
2019	612	576	198	125	0.093	0.087	0.030	0.019
2020	551	558	173	141	0.078	0.078	0.025	0.020

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers with 1976 as the base year. See footnote 7 of this article for further details. See Figure C, Column 6, for the yearly inflation-adjusted thresholds.

NOTES: See Figure M for the derivation of U.S. income tax and worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. However, 2007 and 2008 tables, published earlier, do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

returns with no U.S. income tax liability from the corresponding numbers of nontaxable high-income returns for 2019.

Of the returns with an AGI of \$200,000 or more, 5,317 returns showed no worldwide income tax liability for TY 2020.

Of returns with an expanded income of \$200,000 or more, 9,302 showed no worldwide income tax liability. This represents a 13.6% increase for high-AGI returns and a 25.9% increase for high-expanded-income returns with no worldwide income tax

liability, compared to the number of returns in the same categories for 2019.

Tables 1 and 2 also show the number of all returns, taxable returns, and nontaxable returns cross-classified by broad AGI and expanded-income size classes. Most returns fall in the same broad income-size class under both income concepts, but the number of nontaxable returns under the expanded-income concept is generally greater than under the AGI concept in each income class over \$50,000. Furthermore, Tables 1 and 2 also show that there were 9.4 million returns with incomes of \$200,000 or more as measured by both AGI and expanded income, of which 15,582 returns had no U.S. income tax liability and 3,752 returns had no worldwide income tax liability.

Of the roughly 703,000 returns with an AGI over the inflation-adjusted high-income threshold, 551 returns had no U.S. income tax liability in 2020, down 10.0% from the previous year (lower panel of Figure D), while 173 returns showed no worldwide income tax liability, down 12.6% from the number for 2019. Measured using expanded income, of the almost 712,000 returns above the inflation-adjusted threshold, 558 returns had no U.S. income tax liability, down 3.1% from 2019, and 141 returns showed no worldwide income tax liability for 2020, up 12.8% over the previous year.

Moving from the nominal \$200,000 threshold to an inflation-adjusted threshold only slightly changes the share of high-income

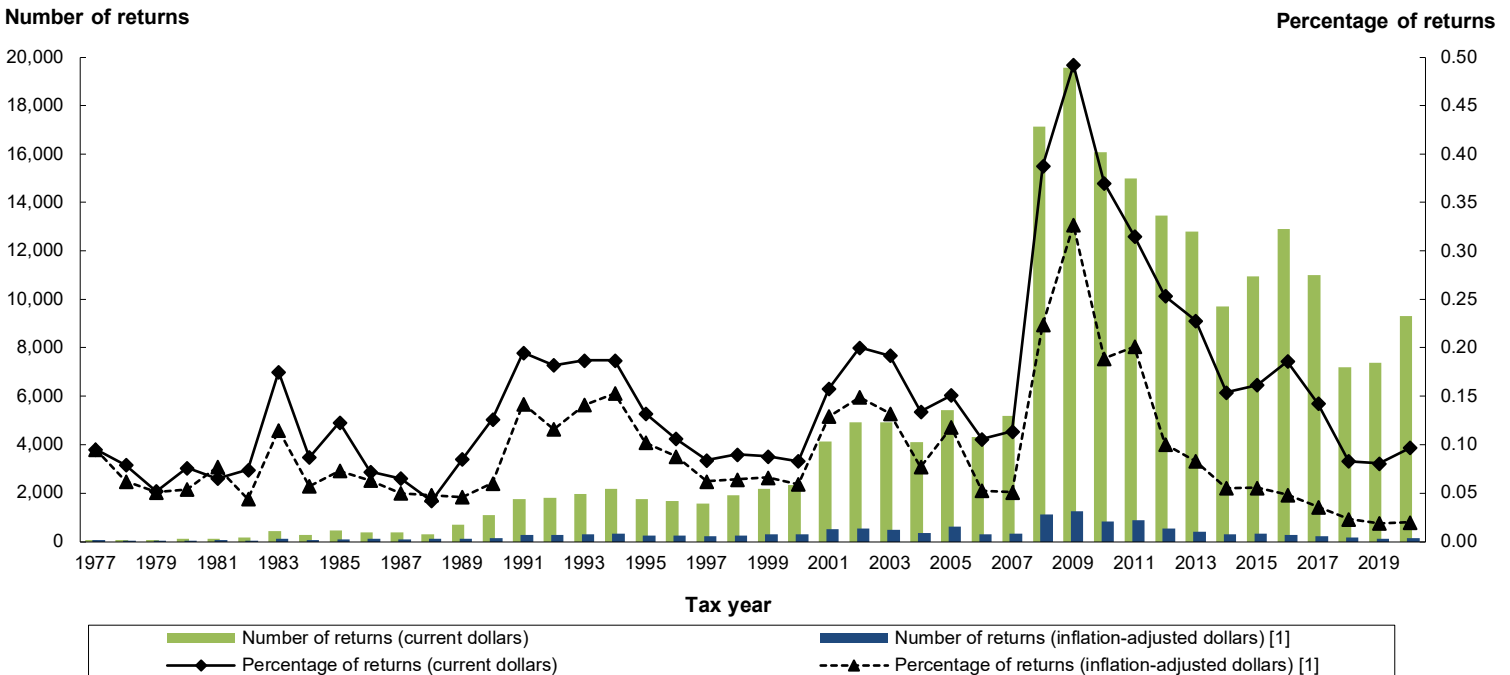
returns that are nontaxable. Using AGI, 0.2% of high-income returns had no U.S. income tax liability with a nominal \$200,000 threshold, while only 0.1% had no U.S. income tax liability for 2020 using an inflation-adjusted threshold. Similarly, 0.06% of high-income returns over the nominal threshold and 0.02% of high-income returns above the inflation-adjusted threshold had no worldwide income tax liability for the same year. When using expanded income with a nominal \$200,000 threshold, 0.3% of high-income returns had no U.S. income tax liability, and 0.1% had no worldwide income tax liability for 2020, while an inflation-adjusted threshold showed that 0.1% had no U.S. income tax liability and even fewer (0.02%) had no worldwide income tax liability.

Figure E shows the evolution of the number and share of returns with an expanded income of \$200,000 or more with no worldwide income tax. The number of returns above the threshold is read off the left vertical axis, and the share of returns above the threshold is read off the right vertical axis. Two series are shown for each measure, one using a nominal \$200,000 threshold and one using an inflation-adjusted threshold.

In this figure, the spread between the two shares was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but increased or stayed consistent from 2002–2007. From 2008–2016, the spread widened

Figure E

Individual Income Tax Returns With Expanded Income of \$200,000 or More: Number and Percentage of Returns With No Worldwide Income Tax Liability, Measured in Current and Inflation-Adjusted Dollars, Tax Years 1977–2020



[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers with 1976 as the base year. See footnote 7 of this article for further details.

NOTES: See Figure M for the derivation of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. However, 2007 and 2008 tables, published earlier, do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. See Appendix A: Income Concepts of this article for a discussion of expanded income. SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

considerably. The gaps for 2018–2020 (almost 0.08 percentage points for 2020) were considerably smaller than for many of the past years and more in line with most of the years in this study.⁹

Reasons for Nontaxability

Taxpayers may have their tax liability reduced—possibly to zero or beyond—in numerous ways. These include claiming tax credits, which directly reduces an individual’s tax liability; claiming various deductions, which reduces taxable income; and receiving income that is excluded from the calculation of taxable income.

It is possible for certain itemized deductions and certain exclusions from income to lead to nontaxability by themselves, but high-income returns are more often nontaxable for a combination of reasons, none of which alone would result in nontaxability. Moreover, some items, either singly or in combination, may eliminate “regular tax” liability (i.e., income tax excluding the AMT), but cannot eliminate an AMT liability, since these items give rise to adjustments or preferences for AMT purposes.

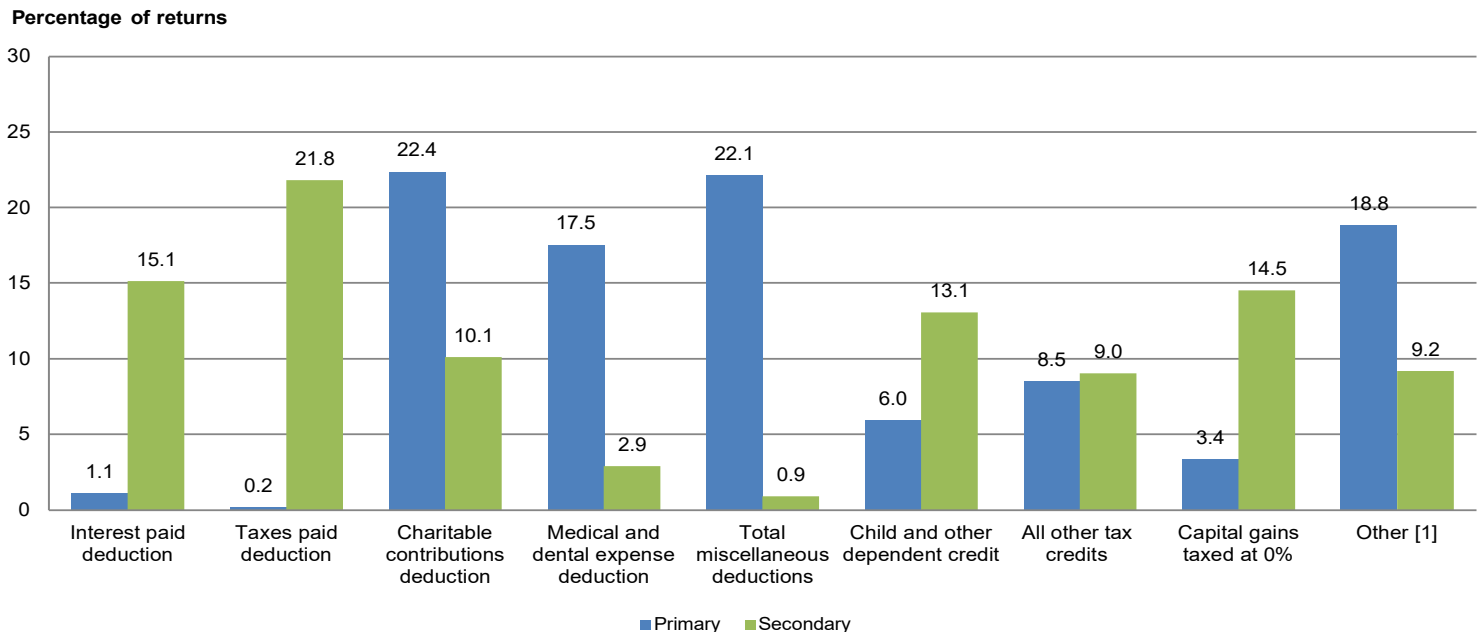
Because they do not generate AMT adjustments or preferences, tax-exempt bond interest (not including private activity bonds), itemized deductions for interest expenses, miscellaneous itemized deductions not subject to the 2-percent-of-AGI

floor, casualty or theft losses, and medical expenses (exceeding 7.5% of AGI) could, by themselves, produce nontaxability.

Due to the AMT exemption of \$113,400 for joint returns (\$72,900 for single and head-of-household returns and \$56,700 for returns of married taxpayers filing separately), a return could have been nontaxable even though it included some items that produced AMT adjustments or preferences.¹⁰ Further, since the starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative due to itemized deductions exceeding AGI, such that the taxpayer’s AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that, because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

The most important item in eliminating tax on the 5,317 returns without any worldwide income tax and with AGI of \$200,000 or more was the charitable contributions deduction. This was the case in 22.4% (1,190) of those returns (Figure F).

Figure F
Individual Income Tax Returns With Adjusted Gross Income of \$200,000 or More and No Worldwide Income Tax Liability: Percentage of Returns With Primary and Secondary Reasons for No Income Tax Liability, Tax Year 2020



[1] Does not include returns where there was no secondary reason for nontaxability.

NOTES: Detail for primary reason for nontaxability may not add to 100 percent because of rounding. Detail for secondary reason for nontaxability will not add to 100 percent due to some returns not having a secondary reason for nontaxability. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

⁹ Note that before 1991, the listed number of nontaxable returns with expanded income of \$200,000 or more was estimated based on samples that were differently constructed than samples made after 1991. Year-to-year differences in the number and percentages of nontaxable returns with expanded income of \$200,000 or more may have represented sampling variability, in addition to actual changes in the number of such returns. Beginning with TY 1991, nontaxable returns with expanded income of \$200,000 or more were sampled at higher rates, which reduced the sampling variability of these returns and, therefore, provided improved estimates. Thus, the data for returns prior to 1991 are not entirely comparable with data for more recent years.

¹⁰ The AMT exclusion phases out above certain levels of “alternative minimum taxable income” based on filing status. However, since taxpayers will have some AMT liability in the phase-out range, the phase-out income is not relevant for nontaxable, high-income returns.

This number was up significantly from 2019 (15.0%) where it was the third largest primary reason for eliminating tax. This was mostly due to the of temporary suspension of AGI limitations for certain cash charitable contributions. The next three categories that most frequently had the largest primary effect in eliminating taxes were: 1) total miscellaneous deductions, which includes deductions such as the gambling loss deduction, or property income, casualty, and theft deduction (22.1% or 1,177 returns); 2) medical and dental expense deduction (17.5% or 932 returns); and 3) all other taxes (8.5% or 452 returns). The taxes paid deduction, which was limited to a maximum of \$10,000 starting in 2018, was the most important item on just 0.2% of returns. However, this item was the most frequent secondary reason in reducing regular tax liability for high-AGI returns with no worldwide income tax (21.8% or 1,159 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) interest paid deduction (15.1% or 803 returns); 2) capital gains taxes at 0% (14.5% or 771 returns); and 3) the child and other dependent credit (13.1% or 694 returns).

Of the 9,302 returns without any worldwide income tax and with expanded incomes of \$200,000 or more, the most important item in eliminating tax, on 30.2% of returns, was the exclusion

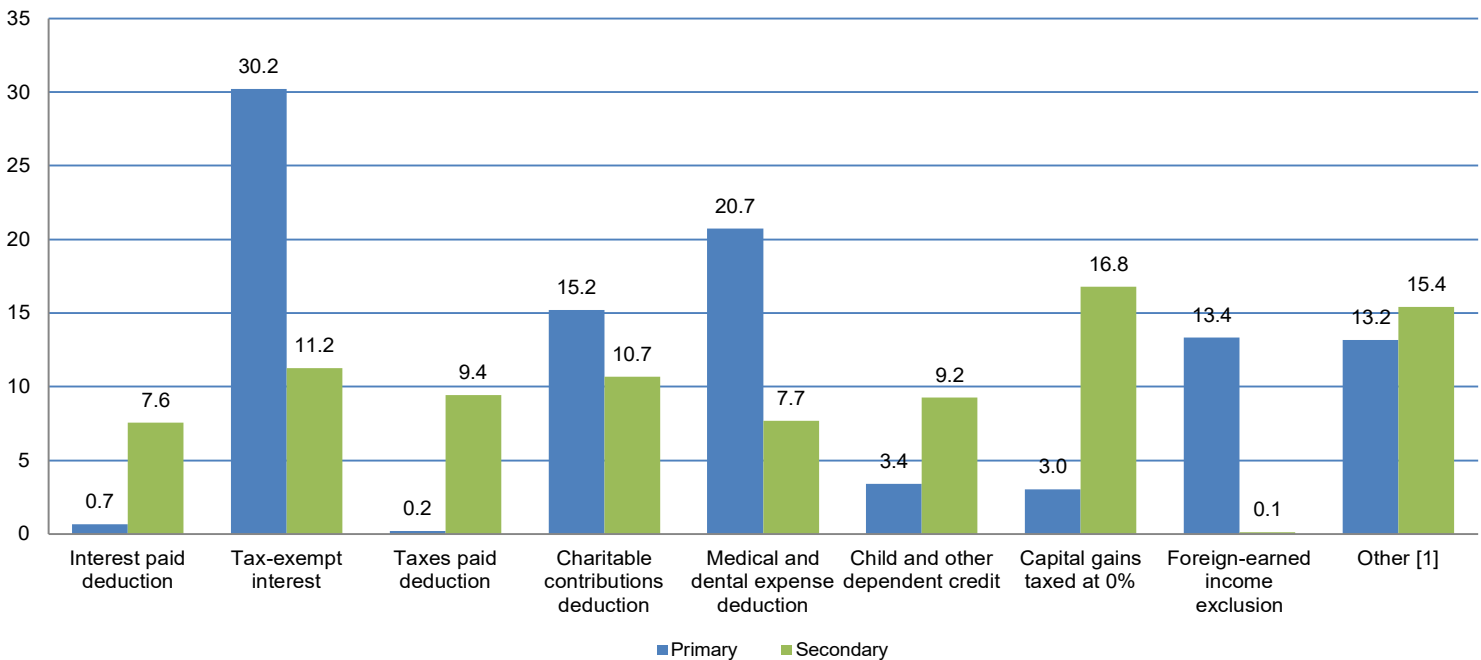
for interest income on state and local government bonds (“tax-exempt interest”) (Figure G). The next three categories that most frequently had the largest primary effect on taxes were: 1) medical and dental expense deduction (20.7% or 1,927 returns); 2) charitable contributions deduction (15.2% or 1,413 returns); and 3) foreign-earned income exclusion (13.4% or 1,242 returns). The item that was most frequently the secondary reason in reducing regular tax liability on high-expanded-income returns with no worldwide income tax was capital gains taxed at 0% taxes paid (16.8% or 1,562 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) tax-exempt interest (11.2% or 1,046 returns); 2) charitable contributions deduction (10.7% or 994 returns); and 3) taxes paid deduction (9.4% or 878 returns).

Tables 7 and 8 in this article also classify tax returns by items having the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects as well.¹¹ For example, Table 7 shows that on taxable returns with some U.S. income tax and expanded incomes of \$200,000 or more, the child and other dependent tax credit, which was increased and expanded for high-income taxpayers starting in 2018, was the most important item 26.9% of the time. Where

Figure G

Individual Income Tax Returns With Expanded Income of \$200,000 or More and No Worldwide Income Tax Liability: Percentage of Returns With Primary and Secondary Reasons for No Income Tax Liability, Tax Year 2020

Percentage of returns



[1] Does not include returns where there was no secondary reason for nontaxability.

NOTES: Detail for primary reason for nontaxability may not add to 100 percent because of rounding. Detail for secondary reason for nontaxability will not add to 100 percent due to some returns not having a secondary reason for nontaxability. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

¹¹ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before TY 1994. Thus, caution should be exercised in making comparisons with data prior to 1994 and after 1993.

this was the primary item, the interest paid deduction was the second most important item 25.3% of the time, and on 32.5% of returns, there was no second largest item. The foreign tax credit was the main factor contributing to nontaxability for both AGI returns (65.4% of the time) and expanded-income returns with no income tax (47.7% of the time). However, in determining worldwide tax, this no longer has an effect (by definition).

Figure H presents another way of illustrating the importance of selected tax provisions in reducing or eliminating income tax liability. It shows the number of high-expanded-income tax returns with no worldwide income tax utilizing selected tax provisions by the percentage of income reduced. For example, the itemized deduction for medical and dental expenses reduced income by greater than 60% of expanded income on 1,543 (or 16.6%) of the 9,302 returns, but there were no medical and dental expense deductions on 5,208 returns or 56.0%. Conversely, the taxes paid deduction reduced expanded income between 0 and 30% on 6,464 (or 69.5%) of the 9,302 returns,

but reduced income by greater than 60% on only 8 returns. Tax preferences excluded from AGI, which included tax-exempt interest, reduced income by greater than 60% of expanded income on 2,084 (or 22.4%) of the 9,302 returns, more than any other item. In total, 5,221 returns (56.1%) had their income reduced by tax preferences excluded from AGI. Only the taxes paid deduction (6,516 returns or 70.1%) and the charitable contributions deduction (5,660 returns or 60.9%) were claimed by more returns. Tables 9 and 10 report the frequencies of returns in finer detail by the percentage of income reduced.

Distribution of Tax Levels

Figure I presents the distribution of high-expanded-income returns by the ratio of “adjusted” worldwide taxable income to expanded income. Taxable income was adjusted for this figure by subtracting the deduction equivalents of tax credits and other items from taxable income.¹² Thus, the figure shows the extent to which expanded income is reduced before taxes are imposed

Figure H

Individual Income Tax Returns With Expanded Income of \$200,000 or More and No Worldwide Income Tax: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2020

Type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income		
			Under 30%	30% under 60%	60% or more
	(1)	(2)	(3)	(4)	(5)
Total itemized deductions	9,302	2,700	2,261	1,388	2,952
Interest paid deduction:					
Total	9,302	6,643	2,590	24	44
Investment interest expense deduction per income concept	9,302	7,920	1,342	23	17
Taxes paid deduction	9,302	2,786	6,464	44	8
Charitable contributions deduction	9,302	3,641	3,973	996	691
Medical and dental expense deduction	9,302	5,208	1,932	619	1,543
Net casualty or theft loss deduction	9,302	9,269	0	0	33
Nonlimited miscellaneous deduction	9,302	8,813	476	8	5
Deduction equivalent of:					
Total credits	9,302	6,658	1,196	739	709
General business credit	9,302	8,725	137	263	176
Child and other dependent credit	9,302	7,226	1,683	393	0
Tax preferences excluded from adjusted gross income	9,302	4,081	2,026	1,110	2,084
Nontaxable Social Security benefits	9,302	5,018	4,283	0	0
Capital gains taxed at 0%	9,302	5,245	3,332	725	0
Deduction equivalent of Section 965 future installments	9,302	9,302	0	0	0
Disaster loss deduction	9,302	9,269	4	3	26
Qualified business income deduction	9,302	7,583	1,596	46	77
Section 199A reduction	9,302	9,302	0	0	0

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

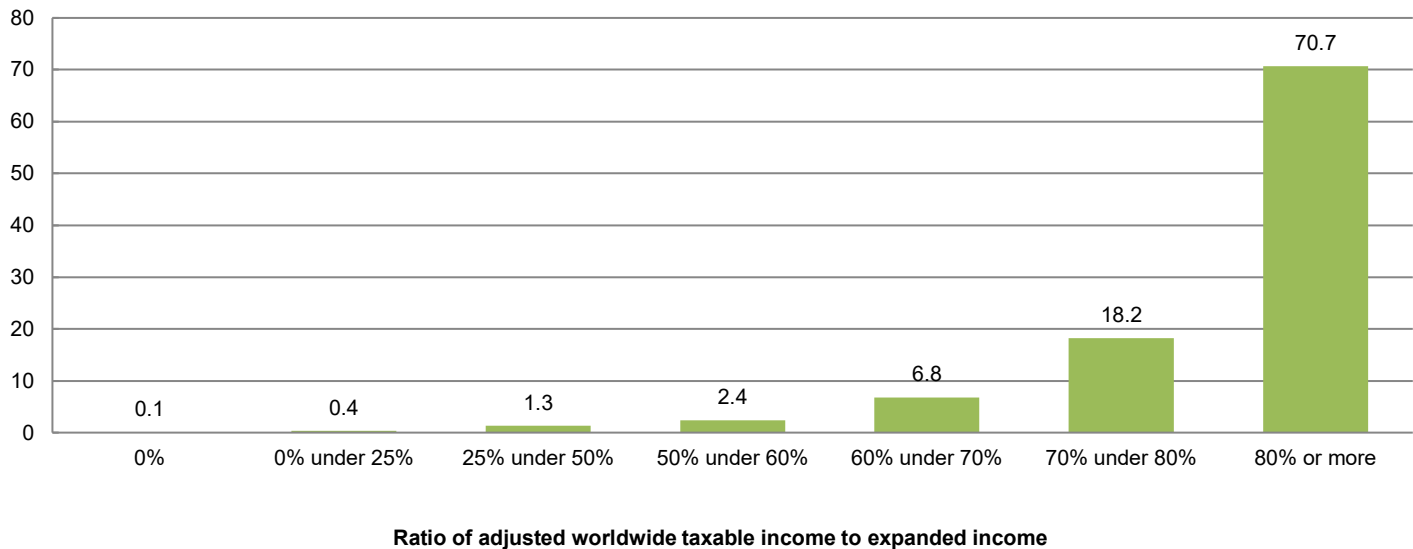
SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

¹² See Appendix B for a description of how the deduction equivalent of credits was computed.

Figure I

Individual Income Tax Returns With Expanded Income of \$200,000 or More: Distribution of Returns by Ratio of Adjusted Worldwide Taxable Income to Expanded Income, Tax Year 2020

Percentage of returns



NOTES: Detail may not add to 100 percent because of rounding. See Appendix A: Income Concepts of this article for a discussion of expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax.
SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

on the remaining income. The figure illustrates three important facts about high-income tax returns:

- Only a small portion of all high-income taxpayers did not pay any worldwide income taxes (0.1%).
- Another group of high-income taxpayers—small, but larger than the nontaxable group—could offset a very substantial fraction of 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 nontaxable.” About 0.4% of high-expanded-income taxpayers with at least some worldwide tax liabilities were able to reduce their adjusted taxable income to less than 25% of their expanded income.
- Overall, most high-income taxpayers were subject to tax on a large share of their income (70.7% of high-expanded-income taxpayers had adjusted taxable income equal to 80% or more of expanded income; and 98.2% had adjusted taxable income equal to 50% or more of expanded income).

Figure J shows the distribution of individual income tax returns by worldwide income tax burden. It classifies tax returns by size of expanded income and effective tax rate, i.e., income tax as a percentage of expanded income. This figure illustrates the wide dispersion of effective tax rates for all returns. For example, 3.2% of returns with expanded incomes of \$200,000 or more had a positive amount of worldwide income tax that

constituted less than 10% of their expanded income; 11.3% of returns with expanded incomes of at least \$200,000 had an effective tax rate of 25% or more. Also, 16.6% had effective tax rates between 20 and 25%. In contrast, only 0.2% of taxpayers with an expanded income between \$100,000 and \$200,000 had effective tax rates of 20% or more.

Characteristics of High-Income Tax Returns

By comparing high-income nontaxable returns with taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, under the expanded-income concept, returns without worldwide income tax were much more likely (56.0%) than taxable returns (21.4%) to have tax-exempt interest, and when they did, the average amount for nontaxable returns (\$257,792) was much higher than the average amount for all taxable returns (\$20,477) (Figure K). They were also much more likely to have medical and dental expense deductions (44.2% vs. 2.3%) and nontaxable Social Security benefits (46.0% vs. 18.4%). Conversely, nontaxable returns (43.9%) were much less likely than high-income taxable returns (88.0%) to have income from salaries and wages. Tables 5 and 6 show the aggregate frequencies and amounts of all the types of income, the items of tax preference, and the various deductions, credits, and income taxes on high-income returns.

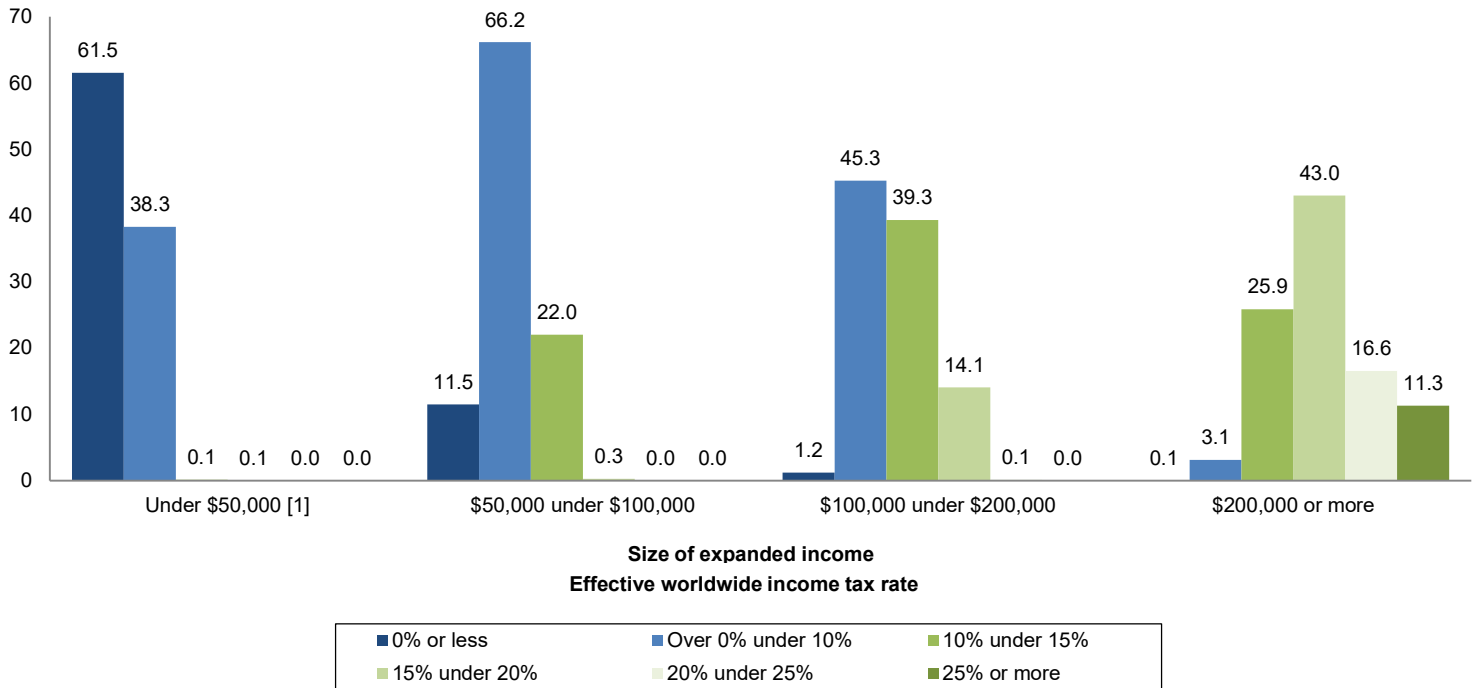
More Detailed Data for 2020

Tables 1 through 12 present data based on income tax returns for 2020, mainly those with income of \$200,000 or more (measured

Figure J

Individual Income Tax Returns: Distribution of Returns by Effective Worldwide Income Tax Rates Within Expanded Income Size Groups, Tax Year 2020

Percentage of returns



[1] Includes returns with negative expanded income.

NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Figure K

Individual Income Tax Returns With Expanded Income of \$200,000 or More: Percentage and Average for Selected Items, by Worldwide Income Tax Status, Tax Year 2020

[Money amounts are in whole dollars]

Selected items	Returns with expanded income of \$200,000 or more			
	Returns with worldwide income tax		Returns without worldwide income tax	
	Percentage of returns that reported item	Average amount	Percentage of returns that reported item	Average amount
	(1)	(2)	(3)	(4)
Salaries and wages	88.0	311,214	43.9	146,288
Tax-exempt interest	21.4	20,477	56.0	257,792
Qualified dividends	63.3	30,757	68.1	64,124
Social Security benefits (nontaxable)	18.4	5,396	46.0	5,058
Medical and dental expense deduction	2.3	34,946	44.2	120,656

NOTES: There were 9,603,258 returns with expanded income of \$200,000 or more; 9,302 of these returns did not have any worldwide income tax. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. The odd-numbered tables use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas the even-numbered tables use the worldwide income tax concept. 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 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, as well as the percentage of income that is subject to preferential tax rates, by broad income-size classes (Tables 11 and 12).

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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. To derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) from items reported on tax returns identified.

This appendix begins by defining “Haig-Simons income,” a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts are listed. The next section defines “expanded income,” a more comprehensive income measure than AGI, based entirely on tax return data, and the final section explains in some detail the adjustment to income for investment expenses.

Haig-Simons Income

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

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

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

Capital income—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether realized or not), 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 the net of real, economic depreciation and all other expenses (which could exceed capital income).

Transfer payments—These include payments in cash such as Social Security benefits, workers’ compensation, unemployment benefits, Aid to Families with Dependent Children, and noncash benefits (such as Medicare, Medicaid, and the Supplemental Nutrition Assistance Program).

For purposes of tax analysis, H-S income should be measured on a pretax basis (the amount that would be earned if there were no Federal income tax in place). Most items of income are unaffected, or little affected, by the income tax and so these are reported on a pretax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt state and local government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an “implicit tax,” and tax-exempt interest as reported is measured on an after-tax, rather than a pretax, basis. Income from all tax-preferred sources should be “grossed up” by implicit taxes to measure H-S income properly.

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, nontaxable Social Security benefits, most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes some expenses not related to earning income, such as contributions to self-employed retirement (Keogh) plans, deductible contributions to Individual Retirement Arrangements, the portion of Social Security contributions for self-employed workers that is analogous to the employer share of such contributions for employees, and contributions to medical savings accounts.

AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer “itemizes” deductions. Expenses incurred in the production of income that are itemized deductions include expenses attributable to a taxpayer’s (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3].

Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, passive losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but, in computing AGI, they can only be deducted from passive income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

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

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

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure L shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI was changed by legislation several times since 1977, and certain reporting requirements also changed, the adjustments differ over the years, as indicated for each item [A4]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

Investment Expenses

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 that exceed 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.)

Figure L

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977–2020

Adjusted gross income (AGI)	
PLUS:	- o Excluded capital gains (tax years prior to 1987) - o Tax-exempt interest (1987 and later tax years) - o Nontaxable Social Security benefits (1988 and later tax years) - o Tax preferences for alternative minimum tax purposes [A5] - o Foreign-earned income exclusion (1990 and later tax years)
MINUS:	- o Unreimbursed employee business expenses (tax years prior to 2018) [A4] - o Nondeductible rental losses (Tax Years 1987 and 1988) - o Moving expense deduction (Tax Years 1987 through 1993) [A4] - o Investment interest expense deduction to the extent that it does not exceed investment income - o Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)
EQUALS:	o Expanded income

NOTE: Footnotes to this figure are included with the footnotes to Appendix A: Income Concepts, which also includes an explanation of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until the income was 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. Because of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is accounted for in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2% of AGI. These were eliminated from Schedule A for 2018. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expenses. 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 expenses and thus expanded income. Investment interest expenses that 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.) (1921). *"The Federal Income Tax."* Columbia University Press, and Simons, Henry C. (1938). *"Personal Income Taxation."* University of Chicago Press.

[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] See references and footnote A4.

[A4] For 1977, about 50% of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40%. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and thus this adjustment was not made in computing expanded income for returns for years after 1986.

Beginning in 1987, taxpayers were required to report on their federal income tax returns the 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. However, if none of a taxpayer's Social Security benefits are taxable, then gross Social Security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower- and middle-income taxpayers, Social Security benefits are not included in expanded income.

The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to that for years prior to 1987. All current year moving expenses beginning with TY 1994 were deducted in the calculation of AGI as a statutory adjustment. Due to subtracting nonlimited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications found in the References section.

[A5] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, royalties, partnerships, and S Corporations, only the net amounts of which are included in AGI.

Appendix B: Tax Concepts

This appendix discusses in more detail two tax concepts used in this article. The first section provides a summary of the U.S. taxation of worldwide income and the foreign tax credit. The

two tax concepts used in this article are then defined in the next section. That section is followed by an explanation of deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

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

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

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. The 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.

Due to 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, e.g., the taxpayer may live abroad the entire year and have no income-producing assets in the United States. It may also occur if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes comparable to the U.S. tax to a foreign government [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers’ true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the number of nontaxable returns, can be obtained by considering all income taxes—U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., returns showing an income tax liability) or nontaxable (i.e., returns showing no income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax, *plus* the foreign tax credits reported on the U.S. income tax return, and foreign taxes paid on excluded foreign-earned income (obtained from

Foreign Tax Credit (Form 1116)). 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 M.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

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

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

Figure M
Derivation of U.S. Individual Income Tax and Worldwide Income Tax Liabilities, Tax Year 2020

Tax at regular rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
PLUS:	Alternative minimum tax (Form 6251)
PLUS:	Excess advance premium tax credit repayment
EQUALS:	Income tax before credits
MINUS:	Excess advance premium tax credit repayment
MINUS:	Tax credits (nonrefundable)
PLUS:	Net investment tax
MINUS:	Refundable tax credits [1]
EQUALS:	U.S. individual income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign-earned income (Form 1116)
EQUALS:	Worldwide income tax

[1] Includes the earned income credit, additional child tax credit, refundable American opportunity credit, regulated investment company credit, net premium tax credit, and health insurance credit.
NOTE: See Appendix B: Tax Concepts for further discussion of the information in this figure.
SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

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 (SOI) 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. Specifically, the data do not reflect any changes that either may have or could have been made because of IRS audits. While this is true of data throughout the entire SOI program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and a broader scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such

returns taxable. Even where the tax consequences are minor, such returns could be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

- [B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.
- [B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset pre-credit U.S. income tax liability with foreign tax credits.
- [B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

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Table 1. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2020

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	164,358,792	95,500,646	36,982,688	22,415,415	9,460,043
Under \$50,000 [1]	91,416,982	91,366,552	41,783	5,124	3,524
\$50,000 under \$100,000	40,310,246	4,048,556	36,210,793	46,732	4,165
\$100,000 under \$200,000	23,028,305	81,868	723,545	22,197,665	25,229
\$200,000 or more	9,603,258	3,671	6,567	165,895	9,427,125
Returns with U.S. income tax					
Total	102,960,468	37,676,893	33,668,134	22,172,643	9,442,798
Under \$50,000 [1]	35,100,969	35,070,688	25,102	2,840	2,339
\$50,000 under \$100,000	35,583,615	2,582,952	32,952,752	43,908	4,003
\$100,000 under \$200,000	22,701,390	22,260	686,393	21,967,825	24,913
\$200,000 or more	9,574,493	994	3,887	158,069	9,411,543
Returns without U.S. income tax					
Total	61,398,324	57,823,753	3,314,554	242,773	17,245
Under \$50,000 [1]	56,316,013	56,295,864	16,680	2,284	1,185
\$50,000 under \$100,000	4,726,631	1,465,604	3,258,042	2,823	162
\$100,000 under \$200,000	326,915	59,608	37,152	229,840	315
\$200,000 or more	28,765	2,677	2,680	7,826	15,582

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

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 2. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2020

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	164,358,792	95,500,646	36,982,688	22,415,415	9,460,043
Under \$50,000 [1]	91,416,982	91,366,552	41,783	5,124	3,524
\$50,000 under \$100,000	40,310,246	4,048,556	36,210,793	46,732	4,165
\$100,000 under \$200,000	23,028,305	81,868	723,545	22,197,665	25,229
\$200,000 or more	9,603,258	3,671	6,567	165,895	9,427,125
Returns with worldwide income tax					
Total	103,201,077	37,793,832	33,740,454	22,212,066	9,454,726
Under \$50,000 [1]	35,190,687	35,160,383	25,115	2,843	2,347
\$50,000 under \$100,000	35,662,422	2,599,261	33,015,241	43,909	4,011
\$100,000 under \$200,000	22,754,011	32,702	694,428	22,001,886	24,995
\$200,000 or more	9,593,957	1,486	5,670	163,428	9,423,373
Returns without worldwide income tax					
Total	61,157,715	57,706,815	3,242,234	203,350	5,317
Under \$50,000 [1]	56,226,295	56,206,169	16,668	2,281	1,177
\$50,000 under \$100,000	4,647,824	1,449,295	3,195,553	2,822	154
\$100,000 under \$200,000	274,294	49,165	29,117	195,779	233
\$200,000 or more	9,302	2,185	897	2,467	3,752

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

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 3. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2020
[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	percentage of total	Cumulative %age of total	Number of returns	percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	9,460,043	100.0	100.0	9,603,258	100.0	100.0
Returns without U.S. income tax	17,245	0.2	0.2	28,765	0.3	0.3
Returns with U.S. income tax: Total	9,442,798	99.8	N/A	9,574,493	99.7	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0% under 5%	22,319	0.2	0.2	24,639	0.3	0.3
5% under 10%	11,451	0.1	0.4	12,132	0.1	0.4
10% under 15%	9,306	0.1	0.5	10,527	0.1	0.5
15% under 20%	11,688	0.1	0.6	15,186	0.2	0.7
20% under 25%	14,287	0.2	0.7	17,105	0.2	0.8
25% under 30%	10,887	0.1	0.8	15,363	0.2	1.0
30% under 35%	14,071	0.1	1.0	20,591	0.2	1.2
35% under 40%	21,604	0.2	1.2	27,334	0.3	1.5
40% under 45%	25,880	0.3	1.5	33,289	0.3	1.8
45% under 50%	46,827	0.5	2.0	61,199	0.6	2.5
50% under 60%	202,206	2.1	4.1	245,547	2.6	5.0
60% under 70%	604,486	6.4	10.5	658,060	6.9	11.9
70% under 80%	1,684,676	17.8	28.3	1,756,347	18.3	30.2
80% or more	6,763,111	71.5	99.8	6,677,174	69.5	99.7

N/A- Not applicable.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 4. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2020
[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	9,460,043	100.0	100.0	9,603,258	100.0	100.0
Returns without worldwide income tax	5,317	0.1	0.1	9,302	0.1	0.1
Returns with worldwide income tax: Total	9,454,726	99.9	N/A	9,593,957	99.9	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0% under 5%	5,660	0.1	0.1	4,963	0.1	0.1
5% under 10%	5,620	0.1	0.1	6,119	0.1	0.1
10% under 15%	5,379	0.1	0.2	6,584	0.1	0.2
15% under 20%	7,723	0.1	0.3	8,990	0.1	0.3
20% under 25%	9,339	0.1	0.4	11,361	0.1	0.4
25% under 30%	8,800	0.1	0.4	12,076	0.1	0.5
30% under 35%	9,952	0.1	0.6	13,490	0.1	0.7
35% under 40%	16,149	0.2	0.7	23,578	0.2	0.9
40% under 45%	21,358	0.2	1.0	28,728	0.3	1.2
45% under 50%	37,968	0.4	1.4	51,741	0.5	1.7
50% under 60%	185,983	2.0	3.3	232,365	2.4	4.2
60% under 70%	590,388	6.2	9.6	652,919	6.8	11.0
70% under 80%	1,677,228	17.7	27.3	1,749,994	18.2	29.2
80% or more	6,873,178	72.7	99.9	6,791,051	70.7	99.9

N/A- Not applicable.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Salaries and wages	8,376,844	2,619,177,505	8,363,212	2,615,281,289	13,631	3,896,215
Business or profession:						
Net income	1,540,861	148,467,588	1,537,795	148,202,970	3,066	264,618
Net loss	591,388	13,572,443	590,546	13,512,281	842	60,162
Farm:						
Net income	54,635	4,312,364	54,310	4,292,454	326	19,910
Net loss	125,952	7,287,921	125,690	7,247,805	262	40,116
Partnership and S corporation after section 179 property deduction: [1]						
Net income	2,122,470	811,623,024	2,119,789	811,058,610	2,681	564,415
Net loss	700,011	83,309,996	698,210	82,743,559	1,801	566,437
Sales of capital assets:						
Net gain	4,471,703	983,466,788	4,466,700	982,523,703	5,003	943,085
Net loss	1,701,106	3,991,920	1,697,818	3,983,721	3,288	8,198
Sales of property other than capital assets:						
Net gain	341,185	42,217,131	340,557	42,153,465	628	63,667
Net loss	313,502	6,115,620	312,896	6,056,163	606	59,457
Taxable interest received	7,382,034	76,013,188	7,372,427	75,756,187	9,606	257,001
Tax-exempt interest	1,972,967	38,541,379	1,971,048	38,465,388	1,919	75,992
Dividends	6,213,633	222,987,332	6,206,196	222,594,598	7,437	392,734
Qualified dividends	5,961,295	184,743,842	5,954,491	184,427,202	6,804	316,641
Pensions and annuities in adjusted gross income	2,152,011	128,228,517	2,150,145	128,112,752	1,866	115,765
Rent:						
Net income	975,470	39,207,509	974,080	39,137,550	1,390	69,958
Net loss, total (deductible and nondeductible)	1,058,864	21,417,596	1,056,243	21,325,553	2,621	92,043
Nondeductible rental loss	826,239	13,568,044	824,086	13,522,090	2,153	45,954
Royalty:						
Net income	376,484	13,771,855	375,895	13,751,971	589	19,884
Net loss	26,255	216,097	26,217	207,442	38	8,655
Estate or trust:						
Net income	182,335	28,574,061	182,123	28,553,219	212	20,842
Net loss	14,952	1,882,482	14,880	1,852,965	72	29,517
State income tax refunds	279,976	778,882	279,552	776,988	424	1,894
Alimony received	16,833	2,767,937	16,827	2,766,758	6	1,179
Social Security benefits in adjusted gross income	1,656,736	49,983,570	1,654,772	49,924,152	1,964	59,418
Social Security benefits (nontaxable)	1,657,577	8,874,329	1,655,551	8,862,676	2,026	11,652
Unemployment compensation	838,276	11,259,421	837,804	11,251,903	472	7,518
Other income	963,661	26,399,464	960,804	26,259,768	2,857	139,697
Other loss	56,816	4,103,314	56,257	4,044,314	559	59,000
Foreign-earned income exclusion	35,126	3,322,161	33,381	3,131,549	1,745	190,612
Total income	9,460,043	5,166,111,941	9,442,798	5,159,823,291	17,245	6,288,651
Statutory adjustments, total	3,078,129	54,554,305	3,074,634	54,510,049	3,495	44,255
Payments to Individual Retirement Arrangements	182,855	1,787,714	182,552	1,784,778	303	2,935
Payments to self-employed retirement (Keogh) plans	517,941	19,575,167	517,761	19,568,624	180	6,543
Adjusted gross income	9,460,043	5,110,626,229	9,442,798	5,104,382,300	17,245	6,243,929
Investment interest expense deduction	530,700	15,389,385	529,294	15,043,846	1,406	345,539
Total tax preferences excluded from adjusted gross income [2]	1,985,722	43,824,250	1,983,789	43,747,367	1,932	76,883
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	20,031	5,388,262	20,003	5,387,287	28	976
Passive activities (alternative minimum tax adjustment)	285,446	-466,950	284,761	-466,225	685	-725

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	9,459,849	5,137,005,763	9,442,798	5,131,718,174	17,051	5,287,590
Disaster loss deduction [3]	5,077	126,477	5,042	117,442	35	9,035
Itemized deductions:						
Total per adjusted gross income concept	4,296,773	292,103,511	4,290,681	290,082,218	6,092	2,021,293
Charitable contributions deduction	3,872,572	147,552,412	3,867,857	147,175,514	4,715	376,898
Interest paid deduction:						
Total per adjusted gross income concept	3,816,116	80,740,738	3,811,975	80,314,464	4,141	426,274
Total home mortgage interest	3,671,257	64,967,791	3,667,654	64,887,807	3,603	79,985
Medical and dental expense deduction	201,877	7,350,308	200,228	7,092,436	1,648	257,872
Net casualty or theft loss deduction [3]	181	21,626	144	3,476	37	18,149
Taxes paid deduction	4,291,929	42,213,415	4,286,252	42,161,187	5,677	52,228
Nonlimited miscellaneous deductions	256,977	14,243,406	255,289	13,353,560	1,688	889,846
Excess of exemptions and deductions over adjusted gross income	5,209	1,006,114	3,309	556,120	1,899	449,993
Qualified business income deduction	4,502,807	115,550,858	4,499,696	115,478,937	3,112	71,921
Domestic production activities deduction from section 199A	3	176	3	176	0	0
Taxable income	9,454,467	4,580,728,419	9,439,247	4,576,371,136	15,220	4,357,282
Tax at regular rates	9,451,954	1,118,714,611	9,437,879	1,117,680,674	14,076	1,033,937
Alternative minimum tax	133,414	2,674,220	132,973	2,673,782	441	438
Income tax before credits	9,452,580	1,121,451,613	9,438,501	1,120,417,156	14,080	1,034,457
Tax credits, total	5,993,414	36,729,752	5,979,118	35,691,389	14,295	1,038,363
Child and dependent care credit	813,110	450,615	812,799	450,396	311	220
Child and other dependent credit	3,350,441	10,098,869	3,345,429	10,085,067	5,011	13,803
Minimum tax credit	102,266	1,205,235	102,015	1,199,622	251	5,613
Foreign tax credit	3,003,801	19,173,545	2,991,722	18,202,202	12,079	971,343
General business credit	256,286	4,453,210	255,532	4,440,851	753	12,359
U.S. total income tax	9,442,798	1,120,045,557	9,442,798	1,120,045,557	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [4]	9,452,439	4,156,595,225	9,438,361	4,152,425,911	14,079	4,169,313
Income tax after credits	9,428,538	4,032,642,090	9,428,538	4,032,642,090	0	0
U.S. total income tax	9,442,798	4,133,090,613	9,442,798	4,133,090,613	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	9,460,043	5,110,626,229	9,442,798	5,104,382,300	17,245	6,243,929
Plus: Total tax preferences excluded from adjusted gross income [2]	1,985,722	43,824,250	1,983,789	43,747,367	1,932	76,883
Social Security benefits (nontaxable)	1,657,577	8,874,329	1,655,551	8,862,676	2,026	11,652
Foreign-earned income exclusion	35,126	3,322,161	33,381	3,131,549	1,745	190,612
Minus: Investment interest expense deduction	530,700	15,389,385	529,294	15,043,846	1,406	345,539
Nonlimited miscellaneous deductions	256,977	14,243,406	255,289	13,353,560	1,688	889,846
Unreimbursed employee business expenses [5]	487	8,414	482	8,313	5	101
Equals: Expanded income	9,459,849	5,137,005,763	9,442,798	5,131,718,174	17,051	5,287,590

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income concept						
Salaries and wages	8,446,428	2,627,970,721	8,424,413	2,622,183,267	22,015	5,787,455
Business or profession:						
Net income	1,555,984	149,242,608	1,551,814	148,904,130	4,170	338,478
Net loss	595,797	13,579,731	594,398	13,408,168	1,399	171,563
Farm:						
Net income	55,584	4,320,710	55,220	4,300,156	364	20,554
Net loss	125,368	7,261,917	125,025	7,209,288	343	52,629
Partnership and S corporation after section 179 property deduction: [1]						
Net income	2,142,565	812,571,113	2,139,239	811,994,707	3,327	576,407
Net loss	709,865	83,305,922	706,660	82,492,112	3,205	813,810
Sales of capital assets:						
Net gain	4,558,587	985,800,494	4,549,330	984,843,328	9,258	957,166
Net loss	1,739,763	4,096,185	1,733,075	4,079,630	6,687	16,555
Sales of property other than capital assets:						
Net gain	341,542	42,196,042	340,628	42,135,233	915	60,809
Net loss	319,441	6,082,364	318,533	6,012,226	908	70,138
Taxable interest received	7,512,632	76,470,981	7,494,826	76,203,279	17,806	267,702
Tax-exempt interest	2,059,411	43,406,752	2,052,756	41,995,068	6,655	1,411,684
Dividends	6,339,473	226,355,853	6,324,137	225,570,628	15,336	785,226
Qualified dividends	6,083,400	187,317,363	6,069,217	186,711,813	14,183	605,550
Pensions and annuities in adjusted gross income	2,239,302	133,282,231	2,235,933	133,120,841	3,369	161,391
Rent:						
Net income	991,975	39,624,126	989,252	39,510,633	2,723	113,494
Net loss, total (deductible and nondeductible)	1,075,108	21,647,670	1,070,481	21,512,903	4,627	134,767
Nondeductible rental loss	838,053	13,737,449	834,519	13,664,843	3,534	72,606
Royalty:						
Net income	384,017	13,820,058	382,842	13,791,440	1,174	28,617
Net loss	26,285	220,750	26,206	211,971	79	8,779
Estate or trust:						
Net income	191,603	28,923,109	191,086	28,898,165	517	24,944
Net loss	15,596	1,868,150	15,469	1,851,794	127	16,356
State income tax refunds	284,186	785,067	283,547	782,046	639	3,021
Alimony received	16,834	2,768,528	16,825	2,767,114	9	1,414
Social Security benefits in adjusted gross income	1,772,370	53,748,481	1,767,453	53,608,565	4,917	139,917
Social Security benefits (nontaxable)	1,773,592	9,568,287	1,768,540	9,540,611	5,051	27,676
Unemployment compensation	843,833	11,375,123	843,426	11,369,447	407	5,677
Other income	978,373	26,438,181	974,024	26,283,330	4,349	154,851
Other loss	63,998	4,213,600	61,615	4,117,425	2,383	96,175
Foreign-earned income exclusion	64,138	6,684,375	53,977	5,317,685	10,160	1,366,689
Total income	9,603,224	5,185,985,262	9,574,493	5,179,278,861	28,731	6,706,400
Statutory adjustments, total	3,104,387	54,891,560	3,099,709	54,833,791	4,678	57,769
Payments to Individual Retirement Arrangements	185,307	1,806,989	184,756	1,801,931	551	5,058
Payments to self-employed retirement (Keogh) plans	523,233	19,681,439	522,998	19,673,047	235	8,392
Adjusted gross income	9,603,228	5,130,140,880	9,574,493	5,123,493,064	28,735	6,647,816
Investment interest expense deduction	529,785	14,454,976	527,894	14,416,387	1,892	38,590
Total tax preferences excluded from adjusted gross income [2]	2,072,200	48,723,120	2,065,530	47,302,931	6,670	1,420,189
from private activity bonds)	19,843	5,419,083	19,781	5,410,425	62	8,658
Passive activities (alternative minimum tax adjustment)	290,342	-460,561	289,234	-457,513	1,108	-3,048

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	9,603,258	5,172,614,765	9,574,493	5,163,213,706	28,765	9,401,059
Disaster loss deduction [3]	5,078	126,483	5,042	117,442	36	9,041
Itemized deductions:						
Total per adjusted gross income concept	4,314,613	286,674,736	4,305,673	285,459,936	8,939	1,214,801
Total per expanded income concept	4,313,936	264,218,586	4,305,015	263,052,115	8,921	1,166,471
Charitable contributions deduction	3,893,827	148,116,159	3,886,668	147,657,078	7,158	459,081
Interest paid deduction:						
Total per adjusted gross income concept	3,824,656	79,975,927	3,819,423	79,845,724	5,233	130,203
Total per expanded income concept	3,685,114	65,520,951	3,680,837	65,429,338	4,277	91,613
Total home mortgage interest	3,679,208	65,135,012	3,674,957	65,044,352	4,251	90,660
Medical and dental expense deduction	222,817	8,138,718	217,982	7,625,713	4,834	513,005
Net casualty or theft loss deduction [3]	179	21,816	143	3,405	36	18,411
Taxes paid deduction	4,310,988	42,415,446	4,302,433	42,331,356	8,555	84,090
Nonlimited miscellaneous deductions	231,024	8,024,994	230,314	8,015,080	710	9,914
Excess of exemptions and deductions over adjusted gross income	6,389	719,868	2,757	447,246	3,631	272,622
Qualified business income deduction	4,589,267	115,867,981	4,584,687	115,790,516	4,580	77,465
Domestic production activities deduction from section 199A	3	176	3	176	0	0
Taxable income	9,596,533	4,602,084,055	9,571,495	4,596,897,070	25,037	5,186,984
Tax at regular rates	9,592,355	1,122,272,570	9,570,295	1,121,064,577	22,060	1,207,993
Alternative minimum tax	134,670	2,676,900	133,510	2,676,038	1,160	863
Income tax before credits	9,592,881	1,125,015,600	9,570,805	1,123,806,630	22,076	1,208,971
Tax credits, total	6,098,304	37,164,802	6,076,012	35,951,283	22,292	1,213,520
Child and dependent care credit	812,837	450,506	812,483	450,264	354	242
Child and other dependent credit	3,368,320	10,138,713	3,360,537	10,120,530	7,783	18,183
Minimum tax credit	104,037	1,211,640	103,582	1,205,232	455	6,409
Foreign tax credit	3,085,550	19,529,371	3,065,738	18,391,764	19,812	1,137,607
General business credit	257,236	4,455,045	256,347	4,441,359	889	13,686
U.S. total income tax	9,574,493	1,123,170,931	9,574,493	1,123,170,931	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [4]	9,592,881	4,177,085,903	9,570,805	4,171,899,460	22,076	5,186,443
Income tax after credits	9,560,751	4,050,876,988	9,560,751	4,050,876,988	0	0
U.S. total income tax	9,574,493	4,151,301,942	9,574,493	4,151,301,942	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	9,603,228	5,130,140,880	9,574,493	5,123,493,064	28,735	6,647,816
Plus: Total tax preferences excluded from adjusted gross income [2]	2,072,200	48,723,120	2,065,530	47,302,931	6,670	1,420,189
Social Security benefits (nontaxable)	1,773,592	9,568,287	1,768,540	9,540,611	5,051	27,676
Foreign-earned income exclusion	64,138	6,684,375	53,977	5,317,685	10,160	1,366,689
Minus: Investment interest expense deduction	529,785	14,454,976	527,894	14,416,387	1,892	38,590
Nonlimited miscellaneous deductions	231,024	8,024,994	230,314	8,015,080	710	9,914
Unreimbursed employee business expenses [5]	486	8,352	482	8,313	4	39
Equals: Expanded income	9,603,258	5,172,614,765	9,574,493	5,163,213,706	28,765	9,401,059

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

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

[3] The Taxpayer Certainty and Disaster Tax Relief Act of 2019 was introduced in June 2019 and signed into law in December 2019. The law extended tax provisions for 2018 for disaster tax relief. See Section 1 of IRS publication 1304 for more details.

[4] Excess advance premium tax credit (PTC) repayment is included in income tax before credits on Form 1040 but is subtracted here because it is not considered a part of income tax since it is not based on earned income.

[5] For prior-year returns only.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Salaries and wages	8,376,844	2,619,177,505	8,374,062	2,618,804,956	2,781	372,548
Business or profession:						
Net income	1,540,861	148,467,588	1,539,976	148,408,219	885	59,369
Net loss	591,388	13,572,443	590,868	13,525,504	520	46,939
Farm:						
Net income	54,635	4,312,364	54,328	4,293,425	308	18,939
Net loss	125,952	7,287,921	125,754	7,251,369	198	36,552
Partnership and S corporation after section 179 property deduction: [1]						
Net income	2,122,470	811,623,024	2,120,707	811,208,303	1,763	414,721
Net loss	700,011	83,309,996	698,805	82,819,169	1,206	490,827
Sales of capital assets:						
Net gain	4,471,703	983,466,788	4,469,301	982,774,764	2,402	692,025
Net loss	1,701,106	3,991,920	1,700,163	3,989,329	943	2,591
Sales of property other than capital assets:						
Net gain	341,185	42,217,131	340,710	42,159,112	476	58,020
Net loss	313,502	6,115,620	313,106	6,065,822	396	49,798
Taxable interest received	7,382,034	76,013,188	7,378,421	75,800,794	3,612	212,394
Tax-exempt interest	1,972,967	38,541,379	1,971,737	38,482,676	1,230	58,704
Dividends	6,213,633	222,987,332	6,210,983	222,785,878	2,650	201,454
Qualified dividends	5,961,295	184,743,842	5,958,753	184,584,982	2,542	158,861
Pensions and annuities in adjusted gross income	2,152,011	128,228,517	2,150,781	128,151,166	1,230	77,351
Rent:						
Net income	975,470	39,207,509	974,779	39,167,467	691	40,041
Net loss, total (deductible and nondeductible)	1,058,864	21,417,596	1,057,857	21,355,942	1,007	61,653
Nondeductible rental loss	826,239	13,568,044	825,529	13,543,804	710	24,241
Royalty:						
Net income	376,484	13,771,855	376,091	13,758,170	393	13,685
Net loss	26,255	216,097	26,227	207,510	28	8,586
Estate or trust:						
Net income	182,335	28,574,061	182,198	28,557,342	137	16,718
Net loss	14,952	1,882,482	14,898	1,857,771	54	24,711
State income tax refunds	279,976	778,882	279,623	777,232	353	1,649
Alimony received	16,833	2,767,937	** 16,833	** 2,767,937	**	**
Social Security benefits in adjusted gross income	1,656,736	49,983,570	1,655,104	49,933,857	1,632	49,713
Social Security benefits (nontaxable)	1,657,577	8,874,329	1,655,945	8,865,556	1,632	8,773
Unemployment compensation	838,276	11,259,421	837,937	11,253,536	339	5,884
Other income	963,661	26,399,464	962,680	26,361,207	981	38,257
Other loss	56,816	4,103,314	56,760	4,087,307	56	16,007
Foreign-earned income exclusion	35,126	3,322,161	35,123	3,321,846	3	315
Total income	9,460,043	5,166,111,941	9,454,726	5,164,064,901	5,317	2,047,040
Statutory adjustments, total	3,078,129	54,554,305	3,076,068	54,525,584	2,061	28,721
Payments to Individual Retirement Arrangements	182,855	1,787,714	182,719	1,786,210	136	1,503
Payments to self-employed retirement (Keogh) plans	517,941	19,575,167	517,827	19,570,963	114	4,205
Adjusted gross income	9,460,043	5,110,626,229	9,454,726	5,108,608,003	5,317	2,018,226
Investment interest expense deduction	530,700	15,389,385	529,680	15,064,400	1,020	324,985
Total tax preferences excluded from adjusted gross income [2]	1,985,722	43,824,250	1,984,480	43,765,095	1,241	59,154
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	20,031	5,388,262	20,012	5,387,729	19	533
Passive activities (alternative minimum tax adjustment)	285,446	-466,950	285,071	-469,081	375	2,130

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	9,459,849	5,137,005,763	9,454,726	5,136,124,866	5,123	880,898
Disaster loss deduction [3]	5,077	126,477	5,045	117,455	32	9,022
Itemized deductions:						
Total per adjusted gross income concept	4,296,773	292,103,511	4,292,149	290,205,556	4,624	1,897,955
Charitable contributions deduction	3,872,572	147,552,412	3,868,910	147,227,831	3,662	324,582
Interest paid deduction:						
Total per adjusted gross income concept	3,816,116	80,740,738	3,813,135	80,356,635	2,981	384,103
Total home mortgage interest	3,671,257	64,967,791	3,668,660	64,909,352	2,598	58,439
Medical and dental expense deduction	201,877	7,350,308	200,439	7,100,438	1,437	249,870
Net casualty or theft loss deduction [3]	181	21,626	147	3,660	34	17,965
Taxes paid deduction	4,291,929	42,213,415	4,287,475	42,172,681	4,454	40,734
Nonlimited miscellaneous deductions	256,977	14,243,406	255,480	13,362,874	1,497	880,532
Excess of exemptions and deductions over adjusted gross income	5,209	1,006,114	3,309	556,120	1,899	449,993
Qualified business income deduction	4,502,807	115,550,858	4,501,285	115,492,405	1,522	58,453
Domestic production activities deduction from section 199A	3	176	3	176	0	0
Taxable income	9,454,467	4,580,728,419	9,451,175	4,580,243,743	3,292	484,675
Tax at regular rates	9,451,954	1,118,714,611	9,449,807	1,118,637,706	2,148	76,905
Alternative minimum tax	133,414	2,674,220	133,403	2,674,131	11	88
Income tax before credits	9,452,580	1,121,451,613	9,450,429	1,121,374,620	2,152	76,993
Tax credits, total	5,993,414	36,729,752	5,991,046	36,650,452	2,368	79,300
Child and dependent care credit	813,110	450,615	812,921	450,448	189	168
Child and other dependent credit	3,350,441	10,098,869	3,348,630	10,089,652	1,810	9,217
Minimum tax credit	102,266	1,205,235	102,134	1,200,864	132	4,371
General business credit	256,286	4,453,210	255,766	4,444,000	519	9,210
Worldwide total income tax	9,454,726	1,139,631,922	9,454,726	1,139,631,922	0	0
Foreign taxes paid [4]	3,003,985	19,625,472	3,003,834	19,600,037	151	25,435
Foreign taxes paid on excluded foreign-earned income	13,727	451,927	13,727	451,927	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [5]	9,452,439	4,156,595,225	9,450,289	4,156,256,910	2,151	338,314
Income tax after credits [4]	9,449,472	4,092,460,855	9,449,321	4,092,391,592	151	69,264
Worldwide total income tax [4]	9,454,877	4,192,461,490	9,454,726	4,192,386,849	151	74,641
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	9,460,043	5,110,626,229	9,454,726	5,108,608,003	5,317	2,018,226
Plus: Total tax preferences excluded from adjusted gross income [2]	1,985,722	43,824,250	1,984,480	43,765,095	1,241	59,154
Social Security benefits (nontaxable)	1,657,577	8,874,329	1,655,945	8,865,556	1,632	8,773
Foreign-earned income exclusion	35,126	3,322,161	35,123	3,321,846	3	315
Minus: Investment interest expense deduction	530,700	15,389,385	529,680	15,064,400	1,020	324,985
Nonlimited miscellaneous deductions	256,977	14,243,406	255,480	13,362,874	1,497	880,532
Unreimbursed employee business expenses [6]	487	8,414	484	8,361	3	54
Equals: Expanded income	9,459,849	5,137,005,763	9,454,726	5,136,124,866	5,123	880,898

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income concept						
Salaries and wages	8,446,428	2,627,970,721	8,442,348	2,627,373,720	4,081	597,002
Business or profession:						
Net income	1,555,984	149,242,608	1,555,007	149,184,214	977	58,394
Net loss	595,797	13,579,731	595,191	13,426,409	606	153,322
Farm:						
Net income	55,584	4,320,710	55,248	4,301,380	336	19,330
Net loss	125,368	7,261,917	125,106	7,212,718	262	49,199
Partnership and S corporation after section 179 property deduction: [1]						
Net income	2,142,565	812,571,113	2,140,460	812,159,852	2,105	411,262
Net loss	709,865	83,305,922	707,829	82,608,159	2,036	697,763
Sales of capital assets:						
Net gain	4,558,587	985,800,494	4,554,139	985,137,073	4,448	663,422
Net loss	1,739,763	4,096,185	1,737,044	4,088,545	2,719	7,639
Sales of property other than capital assets:						
Net gain	341,542	42,196,042	340,834	42,142,546	709	53,497
Net loss	319,441	6,082,364	318,805	6,022,196	636	60,168
Taxable interest received	7,512,632	76,470,981	7,504,983	76,255,382	7,648	215,598
Tax-exempt interest	2,059,411	43,406,752	2,054,201	42,063,397	5,211	1,343,356
Dividends	6,339,473	226,355,853	6,332,814	225,816,597	6,659	539,256
Qualified dividends	6,083,400	187,317,363	6,077,061	186,910,880	6,339	406,483
Pensions and annuities in adjusted gross income	2,239,302	133,282,231	2,236,886	133,170,461	2,416	111,771
Rent:						
Net income	991,975	39,624,126	990,876	39,564,175	1,099	59,952
Net loss, total (deductible and nondeductible)	1,075,108	21,647,670	1,073,704	21,571,183	1,404	76,488
Nondeductible rental loss	838,053	13,737,449	837,186	13,708,546	866	28,904
Royalty:						
Net income	384,017	13,820,058	383,174	13,798,218	843	21,840
Net loss	26,285	220,750	26,222	212,048	63	8,703
Estate or trust:						
Net income	191,603	28,923,109	191,209	28,902,804	394	20,305
Net loss	15,596	1,868,150	15,492	1,853,736	104	14,414
State income tax refunds	284,186	785,067	283,658	782,410	528	2,657
Alimony received	16,834	2,768,528	16,830	2,768,166	4	362
Social Security benefits in adjusted gross income	1,772,370	53,748,481	1,768,091	53,626,360	4,279	122,121
Social Security benefits (nontaxable)	1,773,592	9,568,287	1,769,308	9,546,625	4,283	21,662
Unemployment compensation	843,833	11,375,123	843,598	11,371,574	235	3,549
Other income	978,373	26,438,181	976,852	26,408,429	1,521	29,752
Other loss	63,998	4,213,600	63,599	4,200,486	399	13,114
Foreign-earned income exclusion	64,138	6,684,375	62,885	6,438,668	1,253	245,707
Total income	9,603,224	5,185,985,262	9,593,957	5,184,436,765	9,268	1,548,496
Statutory adjustments, total	3,104,387	54,891,560	3,101,897	54,856,201	2,491	35,360
Payments to Individual Retirement Arrangements	185,307	1,806,989	185,104	1,804,870	203	2,118
Payments to self-employed retirement (Keogh) plans	523,233	19,681,439	523,087	19,676,095	146	5,344
Adjusted gross income	9,603,228	5,130,140,880	9,593,957	5,128,627,974	9,272	1,512,907
Investment interest expense deduction	529,785	14,454,976	528,358	14,426,053	1,427	28,923
Total tax preferences excluded from adjusted gross income [2]	2,072,200	48,723,120	2,066,978	47,371,895	5,222	1,351,225
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	19,843	5,419,083	19,796	5,411,061	47	8,022
Passive activities (alternative minimum tax adjustment)	290,342	-460,561	289,676	-460,461	666	-99

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2020—Continued
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	9,603,258	5,172,614,765	9,593,957	5,169,531,076	9,302	3,083,689
Disaster loss deduction [3]	5,078	126,483	5,045	117,455	33	9,028
Itemized deductions:						
Total per adjusted gross income concept	4,314,613	286,674,736	4,307,948	285,602,569	6,664	1,072,167
Total per expanded income concept	4,313,936	264,218,586	4,307,273	263,181,437	6,663	1,037,149
Charitable contributions deduction	3,893,827	148,116,159	3,888,113	147,720,979	5,713	395,180
Interest paid deduction:						
Total per adjusted gross income concept	3,824,656	79,975,927	3,821,216	79,884,874	3,440	91,053
Total per expanded income concept	3,685,114	65,520,951	3,682,439	65,458,821	2,675	62,130
Total home mortgage interest	3,679,208	65,135,012	3,676,555	65,073,718	2,653	61,295
Medical and dental expense deduction	222,817	8,138,718	218,707	7,642,942	4,109	495,776
Net casualty or theft loss deduction [3]	179	21,816	146	3,589	33	18,227
Taxes paid deduction	4,310,988	42,415,446	4,304,410	42,349,882	6,578	65,564
Nonlimited miscellaneous deductions	231,024	8,024,994	230,516	8,018,902	508	6,092
Excess of exemptions and deductions over adjusted gross income	6,389	719,868	2,846	448,172	3,542	271,697
Qualified business income deduction	4,589,267	115,867,981	4,587,548	115,809,028	1,719	58,953
Domestic production activities deduction from section 199A	3	176	3	176	0	0
Taxable income	9,596,533	4,602,084,055	9,590,870	4,601,504,231	5,663	579,824
Tax at regular rates	9,592,355	1,122,272,570	9,589,668	1,122,193,529	2,688	79,041
Alternative minimum tax	134,670	2,676,900	134,646	2,676,508	24	392
Income tax before credits	9,592,881	1,125,015,600	9,590,178	1,124,936,167	2,704	79,433
Tax credits, total	6,098,304	37,164,802	6,095,384	37,083,071	2,920	81,731
Child and dependent care credit	812,837	450,506	812,641	450,335	196	171
Child and other dependent credit	3,368,320	10,138,713	3,366,243	10,129,019	2,077	9,694
Minimum tax credit	104,037	1,211,640	103,804	1,206,878	233	4,762
General business credit	257,236	4,455,045	256,660	4,445,079	576	9,966
Worldwide total income tax	9,593,957	1,143,500,247	9,593,957	1,143,500,247	0	0
Foreign taxes paid [4]	3,086,140	20,376,532	3,085,691	20,350,877	449	25,655
Foreign taxes paid on excluded foreign-earned income	22,757	847,162	22,751	847,152	6	10
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [5]	9,592,881	4,177,085,903	9,590,178	4,176,729,113	2,704	356,790
Income tax after credits [4]	9,590,049	4,113,916,381	9,589,601	4,113,844,998	449	71,383
Worldwide total income tax [4]	9,594,405	4,213,884,797	9,593,957	4,213,808,036	449	76,760
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	9,603,228	5,130,140,880	9,593,957	5,128,627,974	9,272	1,512,907
Plus: Total tax preferences excluded from adjusted gross income [2]	2,072,200	48,723,120	2,066,978	47,371,895	5,222	1,351,225
Social Security benefits (nontaxable)	1,773,592	9,568,287	1,769,308	9,546,625	4,283	21,662
Foreign-earned income exclusion	64,138	6,684,375	62,885	6,438,668	1,253	245,707
Minus: Investment interest expense deduction	529,785	14,454,976	528,358	14,426,053	1,427	28,923
Nonlimited miscellaneous deductions	231,024	8,024,994	230,516	8,018,902	508	6,092
Unreimbursed employee business expenses [6]	486	8,352	483	8,323	3	28
Equals: Expanded income	9,603,258	5,172,614,765	9,593,957	5,169,531,076	9,302	3,083,689

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

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

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

[3] The Taxpayer Certainty and Disaster Tax Relief Act of 2019 was introduced in June 2019 and signed into law in December 2019. The law extended tax provisions for 2018 for disaster tax relief. See Section 1 of IRS publication 1304 for more details.

[4] For returns without worldwide income tax, refundable credits offset the amount of foreign taxes paid.

[5] Excess advance premium tax credit (PTC) repayment is included in income tax before credits on Form 1040 but is subtracted here because it is not considered a part of income tax since it is not based on earned income.

[6] For prior-year returns only.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [1]		Investment interest expense deduction [1, 2]		Taxes paid deduction [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	8,163,448	100.0	1,603,610	19.6	53,994	0.7	199,856	2.4
Interest paid deduction [1]	1,260,486	15.4	0	0.0	12,430	23.0	27,079	13.5
Investment interest expense deduction [1, 2]	56,876	0.7	16,636	1.0	0	0.0	1,003	0.5
Taxes paid deduction [1]	1,757,899	21.5	1,303,357	81.3	16,606	30.8	0	0.0
Charitable contributions deduction	538,772	6.6	169,212	10.6	10,014	18.5	156,032	78.1
Medical and dental expense deduction [1]	35,331	0.4	6,563	0.4	655	1.2	7,396	3.7
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	20,470	0.3	3,539	0.2	356	0.7	6,266	3.1
Foreign tax credit	616,125	7.5	3,001	0.2	3,528	6.5	357	0.2
General business credit	62,762	0.8	1,027	0.1	388	0.7	**	**
Child and other dependent credit	498,221	6.1	65,978	4.1	196	0.4	** 534	** 0.3
All other tax credits	462,972	5.7	5,268	0.3	1,011	1.9	**	**
Capital gains taxed at 0%	65,003	0.8	1,725	0.1	3,235	6.0	**	**
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	2,947	[4]	0	0.0	0	0.0	0	0.0
Qualified business income deduction	** 941,749	** 11.5	** 26,997	** 1.7	** 5,546	** 10.3	** 283	** 0.1
Section 199A deduction	**	**	**	**	**	**	**	**
No second largest item	1,843,833	22.6	308	[4]	29	0.1	908	0.5
Returns with expanded income of \$200,000 or more								
Total	8,626,626	100.0	1,525,502	17.7	0	0.0	152,495	1.8
Interest paid deduction [1]	1,267,151	14.7	0	0.0	0	0.0	** 23,616	** 15.5
Tax-exempt interest [3]	478,348	5.5	7,854	0.5	0	0.0	**	**
Taxes paid deduction [1]	1,615,621	18.7	1,242,053	81.4	0	0.0	0	0.0
Charitable contributions deduction	511,581	5.9	167,502	11.0	0	0.0	122,146	80.1
Medical and dental expense deduction [1]	33,779	0.4	6,566	0.4	0	0.0	4,681	3.1
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	42	[4]	0	0.0	0	0.0	**	**
Foreign tax credit	657,320	7.6	2,305	0.2	0	0.0	**	**
General business credit	57,899	0.7	1,050	0.1	0	0.0	**	**
Child and other dependent credit	516,354	6.0	64,201	4.2	0	0.0	** 470	** 0.3
All other tax credits	465,413	5.4	4,943	0.3	0	0.0	**	**
Capital gains taxed at 0%	** 83,430	** 1.0	** 1,364	** 0.1	0	0.0	** 292	** 0.2
Section 965 future installments	**	**	**	**	0	0.0	**	**
Disaster loss deduction	3,056	[4]	0	0.0	0	0.0	0	0.0
Qualified business income deduction	** 790,064	** 9.2	** 24,493	** 1.6	0	0.0	**	**
Section 199A deduction	**	**	**	**	0	0.0	**	**
Foreign-earned income exclusion [3]	19,139	0.2	0	0.0	0	0.0	**	**
AMT tax preference [3]	2,436	[4]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	432,840	5.0	2,571	0.2	0	0.0	** 380	** 0.2
No second largest item	1,692,153	19.6	599	[4]	0	0.0	908	0.6

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [1]		Net casualty or theft loss deduction		Total miscellaneous deductions [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	720,012	8.8	** 69,853	** 0.9	**	**	60,056	0.7
Interest paid deduction [1]	215,662	30.0	** 12,895	** 18.5	**	**	12,945	21.6
Investment interest expense deduction [1, 2]	14,603	2.0	** 228	** 0.3	**	**	552	0.9
Taxes paid deduction [1]	301,711	41.9	** 24,347	** 34.9	**	**	25,956	43.2
Charitable contributions deduction	0	0.0	** 11,404	** 16.3	**	**	6,104	10.2
Medical and dental expense deduction [1]	8,653	1.2	** 0	** 0.0	**	**	1,574	2.6
Net casualty or theft loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Total miscellaneous deductions [1]	3,124	0.4	**	**	**	**	0	0.0
Foreign tax credit	19,751	2.7	** 2,147	** 3.1	**	**	941	1.6
General business credit	3,510	0.5	** 0	** 0.0	**	**	**	**
Child and other dependent credit	42,906	6.0	** 4,950	** 7.1	**	**	** 1,840	** 3.1
All other tax credits	6,708	0.9	** 469	** 0.7	**	**	508	0.8
Capital gains taxed at 0%	35,045	4.9	** 8,636	** 12.4	**	**	1,340	2.2
Section 965 future installments	0	0.0	** 0	** 0.0	**	**	0	0.0
Disaster loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Qualified business income deduction	** 67,410	** 9.4	** 4,776	** 6.8	**	**	** 7,376	** 12.3
Section 199A deduction	**	**	**	**	**	**	**	**
No second largest item	929	0.1	** 0	** 0.0	**	**	919	1.5
Returns with expanded income of \$200,000 or more								
Total	689,308	8.0	** 70,846	** 0.8	**	**	22	[4]
Interest paid deduction [1]	210,882	30.6	** 13,538	** 19.1	**	**	** 16	** 72.3
Tax-exempt interest [3]	46,591	6.8	** 7,900	** 11.2	**	**	**	**
Taxes paid deduction [1]	259,828	37.7	** 19,549	** 27.6	**	**	0	0.0
Charitable contributions deduction	0	0.0	** 10,106	** 14.3	**	**	0	0.0
Medical and dental expense deduction [1]	7,264	1.1	** 0	** 0.0	**	**	0	0.0
Net casualty or theft loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Total miscellaneous deductions [1]	0	0.0	** 0	** 0.0	**	**	0	0.0
Foreign tax credit	10,808	1.6	** 1,087	** 1.5	**	**	0	0.0
General business credit	3,365	0.5	** 0	** 0.0	**	**	0	0.0
Child and other dependent credit	42,020	6.1	** 4,950	** 7.0	**	**	0	0.0
All other tax credits	5,763	0.8	** 468	** 0.7	**	**	0	0.0
Capital gains taxed at 0%	** 29,545	** 4.3	** 6,848	** 9.7	**	**	** 6	** 27.7
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Qualified business income deduction	** 63,150	** 9.1	** 4,252	** 6.0	**	**	**	**
Section 199A deduction	**	**	**	**	**	**	**	**
Foreign-earned income exclusion [3]	**	**	** 0	** 0.0	**	**	0	0.0
AMT tax preference [3]	177	[4]	** 0	** 0.0	**	**	0	0.0
Nontaxable Social Security benefits [3]	8,989	1.3	** 2,148	** 3.0	**	**	0	0.0
No second largest item	926	0.1	** 0	** 0.0	**	**	0	0.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Child and other dependent credit		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	848,828	10.4	60,980	0.7	2,346,409	28.7	233,417	2.9
Interest paid deduction [1]	34,559	4.1	5,389	8.8	591,770	25.2	43,817	18.8
Investment interest expense deduction [1, 2]	5,414	0.6	552	0.9	646	[4]	1,163	0.5
Taxes paid deduction [1]	11,808	1.4	750	1.2	18,287	0.8	2,918	1.2
Charitable contributions deduction	** 13,254	** 1.6	** 4,204	** 6.9	34,703	1.5	6,225	2.7
Medical and dental expense deduction [1]	**	**	**	**	0	0.0	1,254	0.5
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	1,827	0.2	83	0.1	**	**	449	0.2
Foreign tax credit	0	0.0	4,718	7.7	** 203,912	** 8.7	30,857	13.2
General business credit	4,791	0.6	0	0.0	2,281	0.1	1,211	0.5
Child and other dependent credit	22,483	2.6	5,896	9.7	0	0.0	45,616	19.5
All other tax credits	11,305	1.3	1,897	3.1	383,301	16.3	0	0.0
Capital gains taxed at 0%	6,137	0.7	1,175	1.9	1,921	0.1	1,399	0.6
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	**	**	0	0.0
Qualified business income deduction	** 423,123	** 49.8	** 30,126	** 49.4	** 312,991	** 13.3	** 37,279	** 16.0
Section 199A deduction	**	**	**	**	**	**	**	**
No second largest item	314,127	37.0	6,192	10.2	796,598	33.9	61,230	26.2
Returns with expanded income of \$200,000 or more								
Total	461,919	5.4	55,948	0.6	2,323,432	26.9	218,422	2.5
Interest paid deduction [1]	23,481	5.1	5,353	9.6	587,712	25.3	39,164	17.9
Tax-exempt interest [3]	68,053	14.7	2,687	4.8	72,915	3.1	12,526	5.7
Taxes paid deduction [1]	2,451	0.5	309	0.6	17,391	0.7	1,407	0.6
Charitable contributions deduction	9,667	2.1	** 4,087	** 7.3	34,695	1.5	5,383	2.5
Medical and dental expense deduction [1]	235	0.1	**	**	0	0.0	1,243	0.6
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	2,266	4.0	154,401	6.6	18,589	8.5
General business credit	2,625	0.6	0	0.0	2,181	0.1	**	**
Child and other dependent credit	16,738	3.6	5,458	9.8	0	0.0	** 46,201	** 21.2
All other tax credits	6,328	1.4	1,192	2.1	378,953	16.3	0	0.0
Capital gains taxed at 0%	** 2,790	** 0.6	** 1,223	** 2.2	** 1,615	** 0.1	** 1,405	** 0.6
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	0	0.0	**	**	0	0.0
Qualified business income deduction	** 129,082	** 27.9	** 26,941	** 48.2	** 299,212	** 12.9	** 28,047	** 12.8
Section 199A deduction	**	**	**	**	**	**	**	**
Foreign-earned income exclusion [3]	17,859	3.9	0	0.0	0	0.0	**	**
AMT tax preference [3]	52	[4]	4	[4]	**	**	1,054	0.5
Nontaxable Social Security benefits [3]	19,263	4.2	2,371	4.2	18,602	0.8	13,042	6.0
No second largest item	163,294	35.4	4,057	7.3	755,754	32.5	50,361	23.1

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Capital gains taxed at 0 %		Section 965 future installments		Disaster loss deduction		Qualified business income 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
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	214,022	2.6	0	0.0	1,792	[4]	1,750,618	21.4
Interest paid deduction [1]	20,754	9.7	0	0.0	0	0.0	283,187	16.2
Investment interest expense deduction [1, 2]	2,940	1.4	0	0.0	0	0.0	13,141	0.8
Taxes paid deduction [1]	7,558	3.5	0	0.0	0	0.0	44,601	2.5
Charitable contributions deduction	19,091	8.9	0	0.0	0	0.0	109,287	6.2
Medical and dental expense deduction [1]	5,532	2.6	0	0.0	0	0.0	2,949	0.2
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	356	0.2	0	0.0	0	0.0	4,024	0.2
Foreign tax credit	64,967	30.4	0	0.0	652	36.4	281,741	16.1
General business credit	1,995	0.9	0	0.0	0	0.0	47,389	2.7
Child and other dependent credit	11,219	5.2	0	0.0	** 306	** 17.1	296,475	16.9
All other tax credits	6,549	3.1	0	0.0	**	**	45,948	2.6
Capital gains taxed at 0%	0	0.0	0	0.0	**	**	4,253	0.2
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	0	0.0	0	0.0	737	[4]
Qualified business income deduction	** 28,143	** 13.1	0	0.0	** 44	** 2.5	** 0	** 0.0
Section 199A deduction	**	**	0	0.0	**	**	**	**
No second largest item	44,917	21.0	0	0.0	789	44.1	616,886	35.2
Returns with expanded income of \$200,000 or more								
Total	203,819	2.4	0	0.0	1,639	[4]	1,549,676	18.0
Interest paid deduction [1]	18,004	8.8	0	0.0	0	0.0	245,685	15.9
Tax-exempt interest [3]	31,311	15.4	0	0.0	356	21.7	123,462	8.0
Taxes paid deduction [1]	3,157	1.5	0	0.0	0	0.0	29,766	1.9
Charitable contributions deduction	16,871	8.3	0	0.0	0	0.0	103,954	6.7
Medical and dental expense deduction [1]	4,601	2.3	0	0.0	0	0.0	2,788	0.2
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	0	0.0	**	**
Foreign tax credit	22,713	11.1	0	0.0	**	**	** 114,451	** 7.4
General business credit	1,582	0.8	0	0.0	0	0.0	40,860	2.6
Child and other dependent credit	11,005	5.4	0	0.0	** 444	** 27.1	282,906	18.3
All other tax credits	4,774	2.3	0	0.0	**	**	36,983	2.4
Capital gains taxed at 0%	** 0	** 0.0	0	0.0	** 49	** 3.0	** 3,122	** 0.2
Section 965 future installments	**	**	0	0.0	**	**	**	**
Disaster loss deduction	**	**	0	0.0	0	0.0	693	[4]
Qualified business income deduction	** 8,958	** 4.4	0	0.0	** 0	** 0.0	** 0	** 0.0
Section 199A deduction	**	**	0	0.0	**	**	**	**
Foreign-earned income exclusion [3]	317	0.2	0	0.0	0	0.0	464	[4]
AMT tax preference [3]	7	[4]	0	0.0	0	0.0	407	[4]
Nontaxable Social Security benefits [3]	64,660	31.7	0	0.0	**	**	186,706	12.0
No second largest item	15,858	7.8	0	0.0	** 789	** 48.2	377,431	24.4

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued									
	Section 199A deduction		Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
RETURNS WITH U.S. INCOME TAX										
Returns with adjusted gross income of \$200,000 or more										
Total	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1, 2]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Child and other dependent credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more										
Total	0	0.0	33,749	0.4	622,815	7.2	13,707	0.2	703,326	8.2
Interest paid deduction [1]	0	0.0	869	2.6	35,124	5.6	3,209	23.4	60,966	8.7
Tax-exempt interest [3]	0	0.0	** 701	** 2.1	0	0.0	** 953	** 7.0	103,090	14.7
Taxes paid deduction [1]	0	0.0	**	**	17,009	2.7	**	**	22,181	3.2
Charitable contributions deduction	0	0.0	327	1.0	35,741	5.7	1,140	8.3	** 97	** [4]
Medical and dental expense deduction [1]	0	0.0	0	0.0	6,262	1.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	**	**	0	0.0	0	0.0
Foreign tax credit	0	0.0	12,783	37.9	** 212,289	** 34.1	1,661	12.1	103,694	14.7
General business credit	0	0.0	0	0.0	3,680	0.6	5	[4]	1,553	0.2
Child and other dependent credit	0	0.0	6,166	18.3	17,600	2.8	2,683	19.6	16,826	2.4
All other tax credits	0	0.0	2,032	6.0	9,618	1.5	1,216	8.9	13,133	1.9
Capital gains taxed at 0%	0	0.0	** 2,392	** 7.1	** 28,492	** 4.6	** 51	** 0.4	** 4,487	** 0.6
Section 965 future installments	0	0.0	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	0	0.0	150	[4]	0	0.0	**	**
Qualified business income deduction	0	0.0	** 2,561	** 7.6	** 97,999	** 15.7	** 1,387	** 10.1	** 106,635	** 15.2
Section 199A deduction	0	0.0	**	**	**	**	**	**	**	**
Foreign-earned income exclusion [3]	0	0.0	0	0.0	51	[4]	**	**	0	0.0
AMT tax preference [3]	0	0.0	0	0.0	457	0.1	0	0.0	**	**
Nontaxable Social Security benefits [3]	0	0.0	**	**	113,641	18.2	** 162	** 1.2	0	0.0
No second largest item	0	0.0	** 5,919	** 17.5	44,702	7.2	1,240	9.0	270,664	38.5

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [1]		Investment interest expense deduction [1, 2]		Taxes paid deduction [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	17,242	100.0	60	0.3	331	1.9	12	0.1
Interest paid deduction	1,352	7.8	0	0.0	73	22.1	**	**
Investment interest expense deduction [2]	169	1.0	**	**	0	0.0	0	0.0
Taxes paid deduction	1,197	6.9	** 27	** 45.0	47	14.2	0	0.0
Charitable contributions deduction	764	4.4	** 13	** 21.7	110	33.2	** 6	** 50.0
Medical and dental expense deduction	195	1.1	**	**	17	5.1	** 6	** 50.0
Net casualty or theft loss deduction	6	[4]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	80	0.5	**	**	8	2.4	0	0.0
Foreign tax credit	107	0.6	0	0.0	13	3.9	**	**
General business credit	130	0.8	**	**	**	**	0	0.0
Child and other dependent credit	2,890	16.8	** 9	** 15.0	** 12	** 3.6	0	0.0
All other tax credits	2,240	13.0	3	5.0	9	2.7	0	0.0
Capital gains taxed at 0%	1,110	6.4	8	13.3	38	11.5	**	**
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	**	**	**	**	**	**
Qualified business income deduction	** 804	** 4.7	** 0	** 0.0	** 0	** 0.0	** 0	** 0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	6,196	35.9	0	0.0	4	1.2	0	0.0
Returns with expanded income of \$200,000 or more								
Total	28,762	100.0	63	0.2	0	0.0	21	0.1
Interest paid deduction	1,133	3.9	0	0.0	0	0.0	**	**
Tax-exempt interest [3]	1,280	4.5	**	**	0	0.0	0	0.0
Taxes paid deduction	907	3.2	**	**	0	0.0	0	0.0
Charitable contributions deduction	1,241	4.3	** 32	** 50.8	0	0.0	** 8	** 38.1
Medical and dental expense deduction	763	2.7	6	9.5	0	0.0	**	**
Net casualty or theft loss deduction	4	[4]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	4,651	16.2	0	0.0	0	0.0	**	**
General business credit	138	0.5	**	**	0	0.0	0	0.0
Child and other dependent credit	3,024	10.5	**	**	0	0.0	0	0.0
All other tax credits	2,287	8.0	**	**	0	0.0	0	0.0
Capital gains taxed at 0%	2,133	7.4	** 22	** 34.9	0	0.0	** 5	** 23.8
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	**	**	0	0.0	**	**
Qualified business income deduction	** 708	** 2.5	** 0	** 0.0	0	0.0	** 0	** 0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	4,124	14.3	0	0.0	0	0.0	4	19.0
AMT tax preference [3]	7	[4]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	649	2.3	3	4.8	0	0.0	4	19.0
No second largest item	5,712	19.9	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [1]		Net casualty or theft loss deduction		Total miscellaneous deductions [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,370	7.9	961	5.6	30	0.2	1,195	6.9
Interest paid deduction	295	21.6	78	8.1	**	**	247	20.7
Investment interest expense deduction [2]	62	4.5	19	2.0	0	0.0	**	**
Taxes paid deduction	206	15.0	373	38.8	** 30	** 100.0	** 514	** 43.0
Charitable contributions deduction	0	0.0	** 180	** 18.7	**	**	125	10.5
Medical and dental expense deduction	74	5.4	0	0.0	**	**	** 50	** 4.2
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	18	1.3	**	**	**	**	0	0.0
Foreign tax credit	21	1.5	5	0.5	0	0.0	**	**
General business credit	34	2.5	3	0.3	0	0.0	10	0.8
Child and other dependent credit	133	9.7	23	2.4	**	**	100	8.4
All other tax credits	60	4.4	19	2.0	0	0.0	34	2.9
Capital gains taxed at 0%	** 466	** 34.0	** 258	** 26.8	**	**	** 37	** 3.1
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	**	**	**	**	**	**
Qualified business income deduction	**	**	**	**	**	**	**	**
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	**	**	3	0.3	**	**	78	6.5
Returns with expanded income of \$200,000 or more								
Total	1,613	5.6	1,971	6.9	34	0.1	**	**
Interest paid deduction	302	18.7	86	4.4	12	35.3	**	**
Tax-exempt interest [3]	213	13.2	728	36.9	0	0.0	**	**
Taxes paid deduction	217	13.5	370	18.8	10	29.4	**	**
Charitable contributions deduction	0	0.0	217	11.0	** 5	** 14.7	**	**
Medical and dental expense deduction	100	6.2	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	**	**
Foreign tax credit	20	1.2	**	**	0	0.0	**	**
General business credit	37	2.3	** 9	** 0.5	0	0.0	**	**
Child and other dependent credit	131	8.1	22	1.1	**	**	**	**
All other tax credits	61	3.8	22	1.1	0	0.0	**	**
Capital gains taxed at 0%	502	31.1	358	18.2	** 4	** 11.8	**	**
Section 965 future installments	0	0.0	0	0.0	0	0.0	**	**
Disaster loss deduction	**	**	**	**	**	**	**	**
Qualified business income deduction	** 6	** 0.4	** 4	** 0.2	** 0	** 0.0	**	**
Section 199A deduction	0	0.0	0	0.0	0	0.0	**	**
Foreign-earned income exclusion [3]	**	**	**	**	0	0.0	**	**
AMT tax preference [3]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	** 23	** 1.4	** 155	** 7.9	3	8.8	**	**
No second largest item	**	**	**	**	0	0.0	**	**

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Child and other dependent credit		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	11,283	65.4	469	2.7	317	1.8	514	3.0
Interest paid deduction	504	4.5	50	10.7	0	0.0	63	12.3
Investment interest expense deduction [2]	27	0.2	4	0.9	0	0.0	** 5	** 1.0
Taxes paid deduction	**	**	0	0.0	0	0.0	**	**
Charitable contributions deduction	** 184	** 1.6	** 58	** 12.4	3	0.9	56	10.9
Medical and dental expense deduction	** 19	** 0.2	**	**	0	0.0	10	1.9
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	30	0.3	**	**	0	0.0	6	1.2
Foreign tax credit	0	0.0	5	1.1	** 3	** 0.9	** 15	** 2.9
General business credit	6	0.1	0	0.0	**	**	**	**
Child and other dependent credit	2,169	19.2	84	17.9	0	0.0	175	34.0
All other tax credits	1,691	15.0	38	8.1	302	95.3	0	0.0
Capital gains taxed at 0%	162	1.4	57	12.2	6	1.9	36	7.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	**	**	**	**	**	**
Qualified business income deduction	** 478	** 4.2	** 173	** 36.9	** 3	** 0.9	** 126	** 24.5
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	6,013	53.3	0	0.0	0	0.0	22	4.3
Returns with expanded income of \$200,000 or more								
Total	** 13,734	** 47.7	497	1.7	318	1.1	540	1.9
Interest paid deduction	** 381	** 2.8	51	10.3	0	0.0	60	11.1
Tax-exempt interest [3]	** 112	** 0.8	19	3.8	0	0.0	** 22	** 4.1
Taxes paid deduction	** 23	** 0.2	0	0.0	0	0.0	**	**
Charitable contributions deduction	** 117	** 0.9	55	11.1	3	0.9	56	10.4
Medical and dental expense deduction	** 14	** 0.1	4	0.8	0	0.0	12	2.2
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	** 0	** 0.0	6	1.2	** 3	** 0.9	**	**
General business credit	** 6	** 0.0	0	0.0	**	**	** 11	** 2.0
Child and other dependent credit	** 2,078	** 15.1	84	16.9	0	0.0	177	32.8
All other tax credits	** 1,681	** 12.2	38	7.6	303	95.3	0	0.0
Capital gains taxed at 0%	** 156	** 1.1	61	12.3	6	1.9	44	8.1
Section 965 future installments	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	**	**	**	**	**	**
Qualified business income deduction	** 375	** 2.7	** 179	** 36.0	** 3	** 0.9	** 128	** 23.7
Section 199A deduction	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	** 4,110	** 29.9	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 114	** 0.8	0	0.0	0	0.0	13	2.4
No second largest item	** 4,567	** 33.3	0	0.0	0	0.0	17	3.1

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Capital gains taxed at 0 %		Section 965 future installments		Disaster loss deduction		Qualified business income 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
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	373	2.2	0	0.0	32	0.2	294	1.7
Interest paid deduction	13	3.5	0	0.0	**	**	15	5.1
Investment interest expense deduction [2]	** 35	** 9.5	0	0.0	0	0.0	0	0.0
Taxes paid deduction	**	**	0	0.0	0	0.0	3	1.0
Charitable contributions deduction	73	19.6	0	0.0	0	0.0	** 12	** 4.1
Medical and dental expense deduction	** 19	** 5.1	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	5	1.3	0	0.0	0	0.0	0	0.0
Foreign tax credit	47	12.6	0	0.0	0	0.0	0	0.0
General business credit	55	14.7	0	0.0	** 4	** 12.8	5	1.7
Child and other dependent credit	22	5.9	0	0.0	**	**	166	56.6
All other tax credits	67	17.9	0	0.0	0	0.0	16	5.6
Capital gains taxed at 0%	0	0.0	0	0.0	** 8	** 24.9	43	14.6
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	0	0.0	**	**	**	**
Qualified business income deduction	** 17	** 4.6	0	0.0	** 0	** 0.0	** 0	** 0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	20	5.4	0	0.0	20	62.3	33	11.2
Returns with expanded income of \$200,000 or more								
Total	533	1.9	0	0.0	32	0.1	297	1.0
Interest paid deduction	22	4.1	0	0.0	0	0.0	**	**
Tax-exempt interest [3]	** 126	** 23.6	0	0.0	**	**	**	**
Taxes paid deduction	**	**	0	0.0	0	0.0	**	**
Charitable contributions deduction	107	20.1	0	0.0	0	0.0	** 32	** 10.8
Medical and dental expense deduction	** 36	** 6.8	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	45	8.4	0	0.0	0	0.0	0	0.0
General business credit	59	11.1	0	0.0	**	**	5	1.7
Child and other dependent credit	21	3.9	0	0.0	**	**	165	55.7
All other tax credits	72	13.5	0	0.0	0	0.0	15	5.2
Capital gains taxed at 0%	0	0.0	0	0.0	** 12	** 37.4	41	13.8
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	**	**	0	0.0	**	**	**	**
Qualified business income deduction	** 17	** 3.2	0	0.0	** 0	** 0.0	** 0	** 0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	**	**	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	**	**	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 19	** 3.6	0	0.0	11	34.3	13	4.4
No second largest item	9	1.7	0	0.0	9	28.0	25	8.4

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued									
	Section 199A deduction		Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
RETURNS WITHOUT U.S. INCOME TAX										
Returns with adjusted gross income of \$200,000 or more										
Total	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [2]	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Child and other dependent credit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more										
Total	0	0.0	5,984	20.8	3,106	10.8	19	0.1	0	0.0
Interest paid deduction	0	0.0	19	0.3	186	6.0	**	**	0	0.0
Tax-exempt interest [3]	0	0.0	48	0.8	0	0.0	**	**	0	0.0
Taxes paid deduction	0	0.0	74	1.2	183	5.9	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	** 22	** 0.4	645	20.8	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	**	**	** 580	** 18.7	**	**	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	** 4,549	** 76.0	18	0.6	**	**	0	0.0
General business credit	0	0.0	**	**	15	0.5	0	0.0	0	0.0
Child and other dependent credit	0	0.0	311	5.2	21	0.7	**	**	0	0.0
All other tax credits	0	0.0	9	0.2	80	2.6	**	**	0	0.0
Capital gains taxed at 0%	0	0.0	81	1.4	860	27.7	** 19	** 100.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	**	**	**	**	**	**	0	0.0
Qualified business income deduction	0	0.0	** 0	** 0.0	** 6	** 0.2	** 0	** 0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	0	0.0	0	0.0	**	**	0	0.0	0	0.0
AMT tax preference [3]	0	0.0	0	0.0	4	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	0	0.0	15	0.3	282	9.1	0	0.0	0	0.0
No second largest item	0	0.0	856	14.3	226	7.3	0	0.0	0	0.0

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

[1] For taxable returns only, this does not include any possible effect on AMT.

[2] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

[4] Less than 0.05%.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [1]		Investment interest expense deduction [1, 2]		Taxes paid deduction [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	7,852,511	100.0	1,635,949	20.8	59,479	0.8	211,701	2.7
Interest paid deduction [1]	1,259,232	16.0	0	0.0	13,585	22.8	27,397	12.9
Investment interest expense deduction [1, 2]	60,222	0.8	18,066	1.1	0	0.0	1,044	0.5
Taxes paid deduction [1]	1,801,737	22.9	1,331,293	81.4	20,473	34.4	0	0.0
Charitable contributions deduction	548,620	7.0	173,801	10.6	12,184	20.5	166,998	78.9
Medical and dental expense deduction [1]	35,648	0.5	6,575	0.4	672	1.1	7,733	3.7
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	19,528	0.2	3,701	0.2	481	0.8	6,486	3.1
General business credit	66,944	0.9	1,172	0.1	505	0.8	42	[4]
Child and other dependent credit	481,574	6.1	65,982	4.0	205	0.3	** 810	** 0.4
All other tax credits	464,568	5.9	5,400	0.3	1,229	2.1	**	**
Capital gains taxed at 0%	** 63,708	** 0.8	** 1,740	** 0.1	** 3,633	** 6.1	**	**
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	2,961	[4]	0	0.0	0	0.0	0	0.0
Qualified business income deduction	659,675	8.4	27,683	1.7	6,240	10.5	259	0.1
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	2,388,095	30.4	537	[4]	272	0.5	931	0.4
Returns with expanded income of \$200,000 or more								
Total	8,477,120	100.0	1,548,257	18.3	0	0.0	154,970	1.8
Interest paid deduction [1]	1,270,426	15.0	0	0.0	0	0.0	** 23,903	** 15.4
Tax-exempt interest [3]	489,196	5.8	8,518	0.6	0	0.0	**	**
Taxes paid deduction [1]	1,648,616	19.4	1,261,366	81.5	0	0.0	0	0.0
Charitable contributions deduction	515,184	6.1	171,553	11.1	0	0.0	124,236	80.2
Medical and dental expense deduction [1]	34,488	0.4	6,578	0.4	0	0.0	4,686	3.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	43	[4]	0	0.0	0	0.0	**	**
General business credit	61,324	0.7	1,151	0.1	0	0.0	** 47	** [4]
Child and other dependent credit	513,226	6.1	** 70,623	** 4.6	0	0.0	** 441	** 0.3
All other tax credits	476,550	5.6	**	**	0	0.0	**	**
Capital gains taxed at 0%	** 87,445	** 1.0	**	**	0	0.0	**	**
Section 965 future installments	**	**	**	**	0	0.0	**	**
Disaster loss deduction	3,061	[4]	0	0.0	0	0.0	0	0.0
Qualified business income deduction	935,765	11.0	** 25,051	** 1.6	0	0.0	** 352	** 0.2
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	2,295	[4]	**	**	0	0.0	42	[4]
AMT tax preference [3]	2,439	[4]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	446,993	5.3	2,615	0.2	0	0.0	343	0.2
No second largest item	1,990,069	23.5	802	0.1	0	0.0	919	0.6

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [1]		Net casualty or theft loss deduction		Total miscellaneous deductions [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	732,968	9.3	** 70,529	** 0.9	**	**	61,931	0.8
Interest paid deduction [1]	222,385	30.3	** 13,078	** 18.5	**	**	13,733	22.2
Investment interest expense deduction [1, 2]	18,579	2.5	** 247	** 0.3	**	**	662	1.1
Taxes paid deduction [1]	316,358	43.2	** 25,549	** 36.2	**	**	27,269	44.0
Charitable contributions deduction	0	0.0	** 12,068	** 17.1	**	**	6,407	10.3
Medical and dental expense deduction [1]	8,722	1.2	** 0	** 0.0	**	**	1,574	2.5
Net casualty or theft loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Total miscellaneous deductions [1]	3,429	0.5	** 149	** 0.2	**	**	0	0.0
General business credit	4,317	0.6	** 0	** 0.0	**	**	175	0.3
Child and other dependent credit	42,961	5.9	** 4,950	** 7.0	**	**	1,676	2.7
All other tax credits	7,109	1.0	** 691	** 1.0	**	**	514	0.8
Capital gains taxed at 0%	** 38,044	** 5.2	** 8,865	** 12.6	**	**	** 1,363	** 2.2
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Qualified business income deduction	** 71,065	** 9.7	** 4,933	** 7.0	**	**	7,623	12.3
Section 199A deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
No second largest item	**	**	**	**	**	**	934	1.5
Returns with expanded income of \$200,000 or more								
Total	699,291	8.2	** 71,141	** 0.8	**	**	22	[4]
Interest paid deduction [1]	216,549	31.0	** 13,712	** 19.3	**	**	** 16	** 72.3
Tax-exempt interest [3]	49,997	7.1	** 7,969	** 11.2	**	**	**	**
Taxes paid deduction [1]	266,659	38.1	** 19,965	** 28.1	**	**	0	0.0
Charitable contributions deduction	0	0.0	** 10,417	** 14.6	**	**	0	0.0
Medical and dental expense deduction [1]	7,278	1.0	** 0	** 0.0	**	**	0	0.0
Net casualty or theft loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Total miscellaneous deductions [1]	0	0.0	** 0	** 0.0	**	**	0	0.0
General business credit	4,104	0.6	**	**	**	**	0	0.0
Child and other dependent credit	** 48,124	** 6.9	** 4,951	** 7.0	**	**	0	0.0
All other tax credits	**	**	** 649	** 0.9	**	**	0	0.0
Capital gains taxed at 0%	** 31,013	** 4.4	** 6,933	** 9.7	**	**	**	**
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Qualified business income deduction	63,903	9.1	** 4,397	** 6.2	**	**	** 6	** 27.7
Section 199A deduction	0	0.0	** 0	** 0.0	**	**	0	0.0
Foreign-earned income exclusion [3]	785	0.1	**	**	**	**	0	0.0
AMT tax preference [3]	203	[4]	** 0	** 0.0	**	**	0	0.0
Nontaxable Social Security benefits [3]	9,034	1.3	** 2,148	** 3.0	**	**	0	0.0
No second largest item	1,640	0.2	** 0	** 0.0	**	**	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Child and other dependent credit		All other tax credits		Capital gains taxed at 0%	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	65,887	0.8	2,371,062	30.2	246,475	3.1	220,516	2.8
Interest paid deduction [1]	5,646	8.6	596,928	25.2	44,744	18.2	22,916	10.4
Investment interest expense deduction [1, 2]	720	1.1	649	[4]	1,686	0.7	3,775	1.7
Taxes paid deduction [1]	889	1.3	18,880	0.8	3,240	1.3	9,403	4.3
Charitable contributions deduction	4,402	6.7	34,805	1.5	6,664	2.7	20,035	9.1
Medical and dental expense deduction [1]	** 219	** 0.3	** 339	** [4]	1,255	0.5	5,993	2.7
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	**	**	**	**	453	0.2	362	0.2
General business credit	0	0.0	2,734	0.1	1,292	0.5	2,638	1.2
Child and other dependent credit	6,364	9.7	0	0.0	46,712	19.0	12,394	5.6
All other tax credits	2,126	3.2	391,130	16.5	0	0.0	7,445	3.4
Capital gains taxed at 0%	** 1,244	** 1.9	** 2,228	** 0.1	** 1,556	** 0.6	** 0	** 0.0
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	**	**	0	0.0	**	**
Qualified business income deduction	36,079	54.8	** 391,476	** 16.5	58,015	23.5	** 60,310	** 27.3
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	8,199	12.4	931,893	39.3	80,858	32.8	75,247	34.1
Returns with expanded income of \$200,000 or more								
Total	58,702	0.7	2,342,249	27.6	226,501	2.7	** 207,015	** 2.4
Interest paid deduction [1]	5,499	9.4	590,925	25.2	39,651	17.5	** 18,689	** 9.0
Tax-exempt interest [3]	3,298	5.6	90,956	3.9	15,087	6.7	** 35,365	** 17.1
Taxes paid deduction [1]	355	0.6	17,977	0.8	1,576	0.7	** 3,486	** 1.7
Charitable contributions deduction	4,280	7.3	34,798	1.5	5,811	2.6	** 17,160	** 8.3
Medical and dental expense deduction [1]	131	0.2	0	0.0	1,244	0.5	** 4,760	** 2.3
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	** 0	** 0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	0	0.0	** 0	** 0.0
General business credit	0	0.0	2,328	0.1	1,048	0.5	** 1,668	** 0.8
Child and other dependent credit	5,621	9.6	0	0.0	46,296	20.4	** 11,348	** 5.5
All other tax credits	1,269	2.2	385,772	16.5	0	0.0	** 4,942	** 2.4
Capital gains taxed at 0%	** 1,279	** 2.2	** 1,616	** 0.1	** 1,486	** 0.7	** 0	** 0.0
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	1,923	0.1	0	0.0	**	**
Qualified business income deduction	28,738	49.0	** 337,438	** 14.4	35,839	15.8	** 13,815	** 6.7
Section 199A deduction	0	0.0	0	0.0	0	0.0	** 0	** 0.0
Foreign-earned income exclusion [3]	0	0.0	**	**	53	[4]	** 487	** 0.2
AMT tax preference [3]	4	[4]	**	**	1,054	0.5	** 11	** [4]
Nontaxable Social Security benefits [3]	2,392	4.1	18,617	0.8	13,637	6.0	** 70,836	** 34.2
No second largest item	5,838	9.9	859,899	36.7	63,719	28.1	** 24,447	** 11.8

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Section 965 future installments		Disaster loss deduction		Qualified business income deduction		Section 199A 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
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	1,793	[4]	** 2,174,221	** 27.7	**	**
Interest paid deduction [1]	0	0.0	0	0.0	** 298,820	** 13.7	**	**
Investment interest expense deduction [1, 2]	0	0.0	0	0.0	** 14,795	** 0.7	**	**
Taxes paid deduction [1]	0	0.0	0	0.0	** 48,383	** 2.2	**	**
Charitable contributions deduction	0	0.0	0	0.0	** 111,255	** 5.1	**	**
Medical and dental expense deduction [1]	0	0.0	0	0.0	** 2,951	** 0.1	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	** 0	** 0.0	**	**
Total miscellaneous deductions [1]	0	0.0	0	0.0	** 4,084	** 0.2	**	**
General business credit	0	0.0	0	0.0	** 54,069	** 2.5	**	**
Child and other dependent credit	0	0.0	** 347	** 19.4	** 299,500	** 13.8	**	**
All other tax credits	0	0.0	**	**	** 48,777	** 2.2	**	**
Capital gains taxed at 0%	0	0.0	**	**	** 4,858	** 0.2	**	**
Section 965 future installments	0	0.0	**	**	**	**	**	**
Disaster loss deduction	0	0.0	0	0.0	** 748	** [4]	**	**
Qualified business income deduction	0	0.0	191	10.7	** 0	** 0.0	**	**
Section 199A deduction	0	0.0	0	0.0	** 0	** 0.0	**	**
No second largest item	0	0.0	1,254	70.0	** 1,285,982	** 59.1	**	**
Returns with expanded income of \$200,000 or more								
Total	**	**	1,640	[4]	** 1,679,133	** 19.8	**	**
Interest paid deduction [1]	**	**	0	0.0	** 250,610	** 14.9	**	**
Tax-exempt interest [3]	**	**	356	21.7	** 147,366	** 8.8	**	**
Taxes paid deduction [1]	**	**	0	0.0	** 30,413	** 1.8	**	**
Charitable contributions deduction	**	**	0	0.0	** 105,189	** 6.3	**	**
Medical and dental expense deduction [1]	**	**	0	0.0	** 2,789	** 0.2	**	**
Net casualty or theft loss deduction	**	**	0	0.0	** 0	** 0.0	**	**
Total miscellaneous deductions [1]	**	**	0	0.0	**	**	**	**
General business credit	**	**	0	0.0	** 43,402	** 2.6	**	**
Child and other dependent credit	**	**	** 347	** 21.2	** 285,474	** 17.0	**	**
All other tax credits	**	**	**	**	** 37,608	** 2.2	**	**
Capital gains taxed at 0%	**	**	**	**	** 3,309	** 0.2	**	**
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	**	**	0	0.0	** 696	** 0.0	**	**
Qualified business income deduction	**	**	0	0.0	** 0	** 0.0	**	**
Section 199A deduction	**	**	0	0.0	** 0	** 0.0	**	**
Foreign-earned income exclusion [3]	**	**	0	0.0	** 555	** 0.0	**	**
AMT tax preference [3]	**	**	0	0.0	** 417	** 0.0	**	**
Nontaxable Social Security benefits [3]	**	**	**	**	** 190,502	** 11.3	**	**
No second largest item	**	**	** 937	** 57.1	** 580,804	** 34.6	**	**

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1, 2]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
Child and other dependent credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0%	0	0.0	0	0.0	0	0.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	60,460	0.7	691,273	8.2	13,762	0.2	722,704	8.5
Interest paid deduction [1]	2,945	4.9	42,275	6.1	3,224	23.4	62,929	8.7
Tax-exempt interest [3]	2,112	3.5	0	0.0	1,037	7.5	126,634	17.5
Taxes paid deduction [1]	933	1.5	21,918	3.2	85	0.6	23,883	3.3
Charitable contributions deduction	953	1.6	39,549	5.7	** 1,151	** 8.4	** 98	** [4]
Medical and dental expense deduction [1]	335	0.6	6,676	1.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions [1]	0	0.0	**	**	0	0.0	0	0.0
General business credit	52	0.1	** 5,799	** 0.8	**	**	1,761	0.2
Child and other dependent credit	11,518	19.1	21,195	3.1	** 2,827	** 20.5	17,133	2.4
All other tax credits	5,584	9.2	12,775	1.8	1,245	9.0	15,453	2.1
Capital gains taxed at 0%	** 4,138	** 6.8	** 31,004	** 4.5	** 56	** 0.4	** 5,142	** 0.7
Section 965 future installments	**	**	**	**	**	**	**	**
Disaster loss deduction	0	0.0	150	[4]	0	0.0	**	**
Qualified business income deduction	** 6,980	** 11.5	257,691	37.3	** 2,098	** 15.2	** 159,953	** 22.1
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	0	0.0	**	**	**	**	**	**
AMT tax preference [3]	**	**	** 690	** 0.1	0	0.0	** 283	** [4]
Nontaxable Social Security benefits [3]	918	1.5	135,484	19.6	**	**	0	0.0
No second largest item	23,992	39.7	116,066	16.8	** 2,037	** 14.8	309,434	42.8

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [1]		Investment interest expense deduction [1, 2]		Taxes paid deduction [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	5,317	100.0	60	1.1	287	5.4	10	0.2
Interest paid deduction	803	15.1	0	0.0	66	23.0	**	**
Investment interest expense deduction [2]	111	2.1	**	**	0	0.0	0	0.0
Taxes paid deduction	1,159	21.8	** 27	** 45.0	46	16.0	0	0.0
Charitable contributions deduction	536	10.1	8	13.3	106	36.9	** 10	** 100.0
Medical and dental expense deduction	153	2.9	** 5	** 8.3	** 22	** 7.7	**	**
Net casualty or theft loss deduction	5	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	47	0.9	**	**	**	**	0	0.0
General business credit	85	1.6	**	**	6	2.1	0	0.0
Child and other dependent credit	694	13.1	**	**	**	**	0	0.0
All other tax credits	480	9.0	**	**	**	**	0	0.0
Capital gains taxed at 0%	771	14.5	** 20	** 33.3	** 37	** 12.9	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	286	5.4	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	185	3.5	0	0.0	4	1.4	0	0.0
Returns with expanded income of \$200,000 or more								
Total	9,302	100.0	63	0.7	0	0.0	19	0.2
Interest paid deduction	703	7.6	0	0.0	0	0.0	**	**
Tax-exempt interest [3]	1,046	11.2	**	**	0	0.0	0	0.0
Taxes paid deduction	878	9.4	** 25	** 39.7	0	0.0	0	0.0
Charitable contributions deduction	994	10.7	7	11.1	0	0.0	7	36.8
Medical and dental expense deduction	715	7.7	6	9.5	0	0.0	** 4	** 21.1
Net casualty or theft loss deduction	3	[4]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	87	0.9	**	**	0	0.0	0	0.0
Child and other dependent credit	860	9.2	**	**	0	0.0	0	0.0
All other tax credits	521	5.6	** 12	** 19.0	0	0.0	0	0.0
Capital gains taxed at 0%	1,562	16.8	10	15.9	0	0.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	291	3.1	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	10	0.1	0	0.0	0	0.0	4	21.1
AMT tax preference [3]	6	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	527	5.7	3	4.8	0	0.0	4	21.1
No second largest item	1,098	11.8	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [1]		Net casualty or theft loss deduction		Total miscellaneous deductions [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,190	22.4	932	17.5	29	0.5	1,177	22.2
Interest paid deduction	283	23.8	77	8.3	12	41.4	** 262	** 22.3
Investment interest expense deduction [2]	53	4.5	19	2.0	0	0.0	**	**
Taxes paid deduction	205	17.2	373	40.0	9	31.0	495	42.0
Charitable contributions deduction	0	0.0	** 182	** 19.5	** 4	** 13.8	125	10.6
Medical and dental expense deduction	70	5.9	0	0.0	**	**	** 47	** 4.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	18	1.5	**	**	**	**	0	0.0
General business credit	20	1.7	**	**	0	0.0	10	0.8
Child and other dependent credit	130	10.9	23	2.5	**	**	97	8.2
All other tax credits	46	3.9	17	1.8	0	0.0	30	2.6
Capital gains taxed at 0%	357	30.0	** 241	** 25.9	** 4	** 13.8	** 33	** 2.8
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	4	0.3	**	**	0	0.0	**	**
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	3	0.3	**	**	**	**	78	6.6
Returns with expanded income of \$200,000 or more								
Total	1,413	15.2	1,927	20.7	33	0.4	**	**
Interest paid deduction	289	20.5	85	4.4	12	36.4	**	**
Tax-exempt interest [3]	**	**	716	37.2	0	0.0	**	**
Taxes paid deduction	** 404	** 28.6	370	19.2	10	30.3	**	**
Charitable contributions deduction	0	0.0	216	11.2	** 8	** 24.2	**	**
Medical and dental expense deduction	98	6.9	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	**	**
General business credit	21	1.5	3	0.2	0	0.0	**	**
Child and other dependent credit	129	9.1	**	**	**	**	**	**
All other tax credits	45	3.2	** 42	** 2.2	0	0.0	**	**
Capital gains taxed at 0%	399	28.2	337	17.5	**	**	**	**
Section 965 future installments	0	0.0	0	0.0	0	0.0	**	**
Disaster loss deduction	0	0.0	0	0.0	0	0.0	**	**
Qualified business income deduction	4	0.3	**	**	0	0.0	**	**
Section 199A deduction	0	0.0	0	0.0	0	0.0	**	**
Foreign-earned income exclusion [3]	0	0.0	** 3	** 0.2	0	0.0	**	**
AMT tax preference [3]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	** 23	** 1.6	** 155	** 8.0	3	9.1	**	**
No second largest item	**	**	**	**	0	0.0	**	**

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Child and other dependent credit		All other tax credits		Capital gains taxed at 0%	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	361	6.8	316	6.0	452	8.5	178	3.4
Interest paid deduction	** 41	** 11.4	0	0.0	56	12.4	6	3.4
Investment interest expense deduction [2]	**	**	0	0.0	**	**	19	10.8
Taxes paid deduction	0	0.0	0	0.0	** 4	** 0.9	**	**
Charitable contributions deduction	** 40	** 11.1	** 5	** 1.6	42	9.3	** 27	** 15.1
Medical and dental expense deduction	**	**	0	0.0	10	2.2	** 6	** 3.4
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	0	0.0	0	0.0	5	1.1	4	2.2
General business credit	0	0.0	**	**	3	0.7	31	17.4
Child and other dependent credit	70	19.4	0	0.0	171	37.8	20	11.2
All other tax credits	29	8.0	302	95.6	0	0.0	29	16.3
Capital gains taxed at 0%	37	10.2	6	1.9	22	4.9	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	144	39.9	3	0.9	116	25.7	16	9.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	23	5.1	20	11.2
Returns with expanded income of \$200,000 or more								
Total	** 381	** 4.1	317	3.4	470	5.1	282	3.0
Interest paid deduction	** 41	** 10.8	0	0.0	53	11.3	**	**
Tax-exempt interest [3]	** 13	** 3.4	0	0.0	** 15	** 3.2	** 78	** 27.7
Taxes paid deduction	**	**	0	0.0	**	**	**	**
Charitable contributions deduction	** 112	** 29.4	3	0.9	43	9.1	53	18.8
Medical and dental expense deduction	**	**	0	0.0	12	2.6	** 20	** 7.1
Net casualty or theft loss deduction	** 0	** 0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 0	** 0.0	0	0.0	0	0.0	0	0.0
General business credit	** 0	** 0.0	**	**	3	0.6	35	12.4
Child and other dependent credit	**	**	0	0.0	173	36.8	19	6.7
All other tax credits	** 29	** 7.6	** 305	** 96.2	0	0.0	34	12.1
Capital gains taxed at 0%	** 38	** 10.0	6	1.9	26	5.5	0	0.0
Section 965 future installments	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	** 148	** 38.8	3	0.9	117	24.9	16	5.7
Section 199A deduction	** 0	** 0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	** 0	** 0.0	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	** 0	** 0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	** 0	** 0.0	0	0.0	10	2.1	** 18	** 6.4
No second largest item	** 0	** 0.0	0	0.0	18	3.8	9	3.2

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Section 965 future installments		Disaster loss deduction		Qualified business income deduction		Section 199A 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
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	32	0.6	292	5.5	0	0.0
Interest paid deduction	0	0.0	**	**	**	**	0	0.0
Investment interest expense deduction [2]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	**	**	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	** 29	** 9.9	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	**	**	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	**	**	5	1.7	0	0.0
Child and other dependent credit	0	0.0	**	**	166	57.0	0	0.0
All other tax credits	0	0.0	0	0.0	16	5.6	0	0.0
Capital gains taxed at 0%	0	0.0	** 12	** 37.4	42	14.4	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	20	62.3	33	11.3	0	0.0
Returns with expanded income of \$200,000 or more								
Total	0	0.0	32	0.3	295	3.2	0	0.0
Interest paid deduction	0	0.0	0	0.0	11	3.7	0	0.0
Tax-exempt interest [3]	0	0.0	**	**	6	2.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	3	1.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	** 11	** 3.7	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	**	**	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	**	**	5	1.7	0	0.0
Child and other dependent credit	0	0.0	** 8	** 25.3	165	56.1	0	0.0
All other tax credits	0	0.0	0	0.0	15	5.2	0	0.0
Capital gains taxed at 0%	0	0.0	4	12.5	40	13.6	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	0	0.0	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	0	0.0	11	34.3	13	4.4	0	0.0
No second largest item	0	0.0	9	28.0	25	8.5	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [2]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
Child and other dependent credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0%	0	0.0	0	0.0	0	0.0	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	0	0.0	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	1,242	13.4	2,812	30.2	16	0.2	0	0.0
Interest paid deduction	**	**	184	6.5	**	**	0	0.0
Tax-exempt interest [3]	** 51	** 4.1	0	0.0	**	**	0	0.0
Taxes paid deduction	69	5.6	182	6.5	0	0.0	0	0.0
Charitable contributions deduction	7	0.6	603	21.4	0	0.0	0	0.0
Medical and dental expense deduction	9	0.7	** 565	** 20.1	** 7	** 43.8	0	0.0
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	**	**	13	0.5	0	0.0	0	0.0
Child and other dependent credit	** 257	** 20.7	20	0.7	** 9	** 56.3	0	0.0
All other tax credits	**	**	62	2.2	**	**	0	0.0
Capital gains taxed at 0%	30	2.4	666	23.7	**	**	0	0.0
Section 965 future installments	0	0.0	0	0.0	0	0.0	0	0.0
Disaster loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Qualified business income deduction	0	0.0	**	**	0	0.0	0	0.0
Section 199A deduction	0	0.0	0	0.0	0	0.0	0	0.0
Foreign-earned income exclusion [3]	0	0.0	** 6	** 0.2	0	0.0	0	0.0
AMT tax preference [3]	0	0.0	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	12	1.0	** 285	** 10.1	0	0.0	0	0.0
No second largest item	807	65.0	226	8.0	0	0.0	0	0.0

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

[1] For taxable returns only, this does not include any possible effect on AMT.

[2] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

[4] Less than 0.05%.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2020
[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income		
			Under 10%	10% under 20%	20% under 30%
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	17,245	11,153	466	698	650
Interest paid deduction:					
Total	17,245	13,104	2,453	1,052	151
Investment interest expense deduction per income concept	17,245	15,839	867	96	66
Taxes paid deduction	17,245	11,568	5,634	20	7
Charitable contributions deduction	17,245	12,530	2,298	691	181
Medical and dental expense deduction	17,245	15,596	418	146	67
Net casualty or theft loss deduction	17,245	17,208	** 5	**	**
Nonlimited miscellaneous deduction	17,245	15,556	426	31	22
Deduction equivalent of:					
Total credits	17,245	3,166	385	444	190
Foreign tax credit	17,245	5,166	633	55	34
General business credit	17,245	16,491	81	56	59
Child and other dependent credit	17,245	12,234	3,684	772	155
Tax preferences excluded from adjusted gross income	17,245	15,319	1,391	185	97
Nontaxable Social Security benefits	17,245	15,219	2,013	** 13	**
Capital gains taxed at 0%	17,245	14,852	630	409	486
Deduction equivalent of section 965 future installments	17,245	17,245	0	0	0
Disaster loss deduction	17,245	17,209	3	0	0
Qualified business income deduction	17,245	14,133	2,009	962	18
Section 199A deduction	17,245	17,245	0	0	0
Expanded income concept					
Total itemized deductions	28,765	20,055	1,083	1,620	1,221
Interest paid deduction:					
Total	28,765	24,558	2,853	1,215	70
Investment interest expense deduction per income concept	28,765	26,974	1,594	100	47
Taxes paid deduction	28,765	20,376	8,261	38	32
Charitable contributions deduction	28,765	21,743	3,482	1,125	487
Medical and dental expense deduction	28,765	23,955	1,857	526	211
Net casualty or theft loss deduction	28,765	28,729	0	**	0
Nonlimited miscellaneous deduction	28,765	28,119	602	19	10
Deduction equivalent of:					
Total credits	28,765	6,689	973	906	818
Foreign tax credit	28,765	8,953	1,396	328	872
General business credit	28,765	27,876	131	78	74
Child and other dependent credit	28,765	20,982	5,972	1,230	184
Tax preferences excluded from adjusted gross income	28,765	22,097	2,086	598	510
Nontaxable Social Security benefits	28,765	23,714	5,006	40	** 5
Capital gains taxed at 0%	28,765	22,172	3,083	1,332	1,113
Deduction equivalent of section 965 future installments	28,765	28,765	0	0	0
Disaster loss deduction	28,765	28,729	4	0	0
Qualified business income deduction	28,765	24,185	3,455	982	18
Section 199A deduction	28,765	28,765	0	0	0

Footnotes at end of table.

Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2020—Continued
[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income—continued					
	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	202	163	213	552	1,189	1,958
Interest paid deduction:						
Total	60	56	45	43	131	150
Investment interest expense deduction per income concept	39	44	37	33	111	113
Taxes paid deduction	6	** 6	**	0	**	4
Charitable contributions deduction	193	187	304	393	185	282
Medical and dental expense deduction	58	56	91	153	383	276
Net casualty or theft loss deduction	** 4	0	**	**	7	21
Nonlimited miscellaneous deduction	24	21	27	34	414	689
Deduction equivalent of:						
Total credits	211	209	665	383	9,930	1,662
Foreign tax credit	28	38	151	179	9,316	1,645
General business credit	84	107	166	136	** 64	**
Child and other dependent credit	370	20	** 8	**	0	0
Tax preferences excluded from adjusted gross income	72	43	26	15	37	59
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0%	864	3	0	0	0	0
Deduction equivalent of section 965 future installments	0	0	0	0	0	0
Disaster loss deduction	** 5	0	**	0	16	11
Qualified business income deduction	14	14	18	17	59	0
Section 199A deduction	0	0	0	0	0	0
Expanded income concept						
Total itemized deductions	657	501	603	665	1,373	986
Interest paid deduction:						
Total	10	9	7	4	19	21
Investment interest expense deduction per income concept	13	** 16	**	5	6	10
Taxes paid deduction	29	16	5	** 4	**	4
Charitable contributions deduction	402	411	403	218	255	238
Medical and dental expense deduction	180	219	267	304	799	447
Net casualty or theft loss deduction	** 5	0	0	**	10	21
Nonlimited miscellaneous deduction	5	** 4	**	** 6	**	**
Deduction equivalent of:						
Total credits	888	747	2,150	3,066	12,421	107
Foreign tax credit	355	881	1,933	2,171	11,779	97
General business credit	104	119	162	159	58	4
Child and other dependent credit	368	20	** 8	**	0	0
Tax preferences excluded from adjusted gross income	429	431	439	441	1,378	356
Nontaxable Social Security benefits	**	0	0	0	0	0
Capital gains taxed at 0%	1,060	4	0	0	0	0
Deduction equivalent of section 965 future installments	0	0	0	0	0	0
Disaster loss deduction	3	** 3	**	0	15	11
Qualified business income deduction	14	15	17	17	61	0
Section 199A deduction	0	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2020
[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income		
			Under 10%	10% under 20%	20% under 30%
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	5,317	693	14	293	489
Interest paid deduction:					
Total	5,317	2,336	1,659	805	100
Investment interest expense deduction per income concept	5,317	4,297	584	66	43
Taxes paid deduction	5,317	863	4,423	13	6
Charitable contributions deduction	5,317	1,655	1,662	557	120
Medical and dental expense deduction	5,317	3,879	311	95	51
Net casualty or theft loss deduction	5,317	5,283	** 6	**	**
Nonlimited miscellaneous deduction	5,317	3,819	275	17	15
Deduction equivalent of:					
Total credits	5,317	3,170	270	370	115
General business credit	5,317	4,798	36	33	37
Child and other dependent credit	5,317	3,507	639	641	136
Tax preferences excluded from adjusted gross income	5,317	4,082	857	131	65
Nontaxable Social Security benefits	5,317	3,685	1,632	0	0
Capital gains taxed at 0%	5,317	3,563	492	298	404
Deduction equivalent of section 965 future installments	5,317	5,317	0	0	0
Disaster loss deduction	5,317	5,285	0	0	0
Qualified business income deduction	5,317	3,794	602	781	18
Section 199A deduction	5,317	5,317	0	0	0
Expanded income concept					
Total itemized deductions	9,302	2,700	309	978	974
Interest paid deduction:					
Total	9,302	6,643	1,644	905	42
Investment interest expense deduction per income concept	9,302	7,920	1,224	78	40
Taxes paid deduction	9,302	2,786	6,404	32	28
Charitable contributions deduction	9,302	3,641	2,693	899	381
Medical and dental expense deduction	9,302	5,208	1,314	425	193
Net casualty or theft loss deduction	9,302	9,269	0	0	0
Nonlimited miscellaneous deduction	9,302	8,813	450	18	8
Deduction equivalent of:					
Total credits	9,302	6,658	567	473	156
General business credit	9,302	8,725	55	43	39
Child and other dependent credit	9,302	7,226	834	693	155
Tax preferences excluded from adjusted gross income	9,302	4,081	1,146	488	392
Nontaxable Social Security benefits	9,302	5,018	** 4,283	**	0
Capital gains taxed at 0%	9,302	5,245	1,489	985	857
Deduction equivalent of section 965 future installments	9,302	9,302	0	0	0
Disaster loss deduction	9,302	9,269	** 4	0	0
Qualified business income deduction	9,302	7,583	793	785	18
Section 199A deduction	9,302	9,302	0	0	0

Footnotes at end of table.

Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2020—Continued
[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income					
	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	91	88	110	465	1,114	1,958
Interest paid deduction:						
Total	37	44	38	33	115	150
Investment interest expense deduction per income concept	29	31	31	26	97	113
Taxes paid deduction	** 8	**	**	0	**	4
Charitable contributions deduction	124	144	237	359	176	282
Medical and dental expense deduction	47	47	82	148	380	276
Net casualty or theft loss deduction	0	0	**	**	7	21
Nonlimited miscellaneous deduction	21	17	24	32	407	689
Deduction equivalent of:						
Total credits	127	108	463	178	** 516	**
General business credit	53	71	127	108	** 54	**
Child and other dependent credit	367	18	** 8	**	0	0
Tax preferences excluded from adjusted gross income	53	28	16	12	27	46
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0%	556	3	0	0	0	0
Deduction equivalent of section 965 future installments	0	0	0	0	0	0
Disaster loss deduction	** 5	0	**	0	16	11
Qualified business income deduction	14	14	18	17	58	0
Section 199A deduction	0	0	0	0	0	0
Expanded income concept						
Total itemized deductions	490	394	504	617	1,348	986
Interest paid deduction:						
Total	8	9	7	4	19	21
Investment interest expense deduction per income concept	11	** 12	**	4	5	8
Taxes paid deduction	24	15	5	** 4	**	4
Charitable contributions deduction	312	337	347	207	245	238
Medical and dental expense deduction	167	197	255	300	796	447
Net casualty or theft loss deduction	0	0	0	**	** 12	21
Nonlimited miscellaneous deduction	4	** 4	**	** 5	**	**
Deduction equivalent of:						
Total credits	144	132	463	186	519	4
General business credit	63	77	123	124	49	3
Child and other dependent credit	366	19	** 8	**	0	0
Tax preferences excluded from adjusted gross income	352	374	384	398	1,330	356
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0%	721	4	0	0	0	0
Deduction equivalent of section 965 future installments	0	0	0	0	0	0
Disaster loss deduction	**	** 3	**	0	15	11
Qualified business income deduction	14	15	17	17	60	0
Section 199A deduction	0	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept					
	Total			Size of adjusted gross income		
				Under \$50,000 [1]		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	164,358,792	100.0	9.0	95,500,646	100.0	0.8
Returns without U.S. income tax	61,398,324	37.4	1.7	57,823,753	60.5	0.8
Effective tax rate:						
0%	17,668,532	10.7	4.7	17,284,742	18.1	2.8
Under 0% over -10%	18,132,852	11.0	1.8	15,113,413	15.8	0.7
-10% over -20%	7,601,982	4.6	0.2	7,442,266	7.8	0.1
-20% and under	17,994,959	10.9	0.1	17,983,332	18.8	0.1
Returns with U.S. income tax	102,960,468	62.6	9.7	37,676,893	39.5	0.8
Effective tax rate:						
Over 0% under 5%	27,676,548	16.8	3.6	18,694,794	19.6	1.3
5% under 10%	44,185,287	26.9	2.7	18,779,608	19.7	0.3
10% under 15%	20,770,957	12.6	5.8	125,925	0.1	14.1
15% under 20%	7,623,384	4.6	13.7	55,189	0.1	27.7
20% under 25%	1,632,781	1.0	35.5	14,373	[2]	15.5
25% under 30%	793,719	0.5	13.7	** 2,006	** [2]	** 0.3
30% under 35%	245,969	0.1	7.0	**	**	**
35% under 40%	23,855	[2]	3.0	0	0.0	0.0
40% under 60%	1,645	[2]	7.4	** 355	** [2]	** 8.6
60% under 80%	1,149	[2]	6.1	**	**	**
80% or more	5,172	[2]	33.9	4,644	[2]	2.0

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept—continued					
	Size of adjusted gross income—continued					
	\$50,000 under \$100,000			\$100,000 under \$200,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(7)	(8)	(9)	(10)	(11)	(12)
All returns	36,982,688	100.0	1.8	22,415,415	100.0	3.3
Returns without U.S. income tax	3,314,554	9.0	3.7	242,773	1.1	10.9
Effective tax rate:						
0%	309,245	0.8	14.8	64,161	0.3	12.0
Under 0% over -10%	2,835,869	7.7	2.6	176,713	0.8	10.6
-10% over -20%	158,153	0.4	1.8	** 1,899	** [2]	** 2.6
-20% and under	11,287	[2]	1.9	**	**	**
Returns with U.S. income tax	33,668,134	91.0	1.7	22,172,643	98.9	3.2
Effective tax rate:						
Over 0% under 5%	7,321,947	19.8	3.1	1,573,656	7.0	7.5
5% under 10%	17,109,960	46.3	1.3	8,078,140	36.0	3.7
10% under 15%	9,126,062	24.7	1.1	9,180,940	41.0	2.9
15% under 20%	101,124	0.3	2.1	3,305,333	14.7	1.5
20% under 25%	5,715	[2]	52.0	32,133	0.1	0.6
25% under 30%	** 2,981	** [2]	** 25.6	2,192	[2]	1.2
30% under 35%	**	**	**	** 143	** [2]	** 59.6
35% under 40%	0	0.0	0.0	**	**	**
40% under 60%	** 71	** [2]	** 20.1	** 12	** [2]	** 59.2
60% under 80%	**	**	**	**	**	**
80% or more	273	[2]	28.8	94	[2]	41.9

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept—continued			Expanded income concept		
	Size of adjusted gross income—continued			Total		
	\$200,000 or more					
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(13)	(14)	(15)	(16)	(17)	(18)
All returns	9,460,043	100.0	19.4	164,358,792	100.0	8.7
Returns without U.S. income tax	17,245	0.2	8.2	61,398,324	37.4	1.4
Effective tax rate:						
0%	10,384	0.1	8.2	17,668,532	10.7	2.5
Under 0% over -10%	6,856	0.1	5.8	19,305,722	11.7	1.6
-10% over -20%	** 4	** [2]	** 41.7	7,752,365	4.7	0.2
-20% and under	**	**	**	16,671,704	10.1	0.1
Returns with U.S. income tax	9,442,798	99.8	19.4	102,960,468	62.6	9.5
Effective tax rate:						
Over 0% under 5%	86,151	0.9	16.2	29,178,805	17.8	3.4
5% under 10%	217,579	2.3	30.6	43,178,181	26.3	2.9
10% under 15%	2,338,030	24.7	17.3	20,483,051	12.5	5.8
15% under 20%	4,161,739	44.0	17.6	7,461,035	4.5	13.9
20% under 25%	1,580,560	16.7	35.7	1,611,554	1.0	34.9
25% under 30%	787,516	8.3	13.7	785,203	0.5	13.2
30% under 35%	** 268,706	** 2.9	** 5.9	235,873	0.1	6.7
35% under 40%	**	**	**	21,781	[2]	2.9
40% under 60%	1,357	[2]	7.3	685	[2]	1.7
60% under 80%	997	[2]	6.0	534	[2]	20.6
80% or more	161	[2]	34.0	3,768	[2]	54.1

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Expanded income concept—continued					
	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	91,416,982	100.0	0.5	40,310,246	100.0	1.7
Returns without U.S. income tax	56,316,013	61.6	0.5	4,726,631	11.7	3.0
Effective tax rate:						
0%	16,134,397	17.6	1.3	1,405,229	3.5	4.7
Under 0% over -10%	15,940,612	17.4	0.5	3,140,245	7.8	2.3
-10% over -20%	7,581,950	8.3	0.1	168,846	0.4	1.7
-20% and under	16,659,054	18.2	0.1	12,311	[2]	1.7
Returns with U.S. income tax	35,100,969	38.4	0.5	35,583,615	88.3	1.5
Effective tax rate:						
Over 0% under 5%	17,440,199	19.1	0.9	9,903,467	24.6	2.7
5% under 10%	17,470,905	19.1	0.2	16,724,823	41.5	1.2
10% under 15%	120,777	0.1	12.5	8,843,520	21.9	0.9
15% under 20%	50,712	0.1	33.6	104,401	0.3	2.0
20% under 25%	12,369	[2]	9.0	** 7,050	** [2]	** 47.9
25% under 30%	2,004	[2]	0.2	**	**	**
30% under 35%	** 130	** [2]	** 0.0	0	0.0	0.0
35% under 40%	**	**	**	0	0.0	0.0
40% under 60%	216	[2]	0.0	** 298	** [2]	** 20.5
60% under 80%	48	[2]	42.3	**	**	**
80% or more	3,608	[2]	91.7	56	[2]	45.4

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
[All figures are estimates based on samples]

Tax status, effective tax rate	Expanded income concept—continued					
	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	23,028,305	100.0	3.2	9,603,258	100.0	19.3
Returns without U.S. income tax	326,915	1.4	9.8	28,765	0.3	7.1
Effective tax rate:						
0%	112,473	0.5	8.0	16,433	0.2	7.2
Under 0% over -10%	212,538	0.9	10.7	12,328	0.1	5.5
-10% over -20%	** 1,904	** [2]	** 2.6	** 4	** [2]	** 41.7
-20% and under	**	**	**	**	**	**
Returns with U.S. income tax	22,701,390	98.6	3.1	9,574,493	99.7	19.3
Effective tax rate:						
Over 0% under 5%	1,730,884	7.5	8.2	104,255	1.1	18.0
5% under 10%	8,715,425	37.8	3.6	267,028	2.8	31.9
10% under 15%	9,011,010	39.1	2.6	2,507,744	26.1	17.1
15% under 20%	3,213,338	14.0	1.3	4,092,584	42.6	17.8
20% under 25%	** 30,262	** 0.1	** 0.7	1,564,158	16.3	35.1
25% under 30%	**	**	**	780,914	8.1	13.2
30% under 35%	** 432	** [2]	** 31.4	235,485	2.5	6.7
35% under 40%	**	**	**	21,607	0.2	2.9
40% under 60%	** 15	** [2]	** 55.9	399	[2]	1.7
60% under 80%	**	**	**	242	[2]	20.4
80% or more	25	[2]	14.2	79	[2]	57.0

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

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

[2] Less than 0.05%.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept					
	Total			Size of adjusted gross income		
				Under \$50,000 [1]		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	164,358,792	100.0	9.0	95,500,646	100.0	0.8
Returns without worldwide income tax	61,157,715	37.2	1.6	57,706,815	60.4	0.8
Effective tax rate:						
0%	17,499,063	10.6	4.2	17,189,123	18.0	2.6
Under 0% over -10%	18,066,446	11.0	1.7	15,095,845	15.8	0.7
-10% over -20%	7,598,240	4.6	0.2	7,439,508	7.8	0.1
-20% and under	17,993,966	10.9	0.1	17,982,339	18.8	0.1
Returns with worldwide income tax	103,201,077	62.8	9.7	37,793,832	39.6	0.8
Effective tax rate:						
Over 0% under 5%	27,686,087	16.8	3.2	18,757,067	19.6	1.4
5% under 10%	44,196,119	26.9	2.5	18,811,435	19.7	0.3
10% under 15%	20,828,858	12.7	5.7	133,905	0.1	14.2
15% under 20%	7,689,158	4.7	13.6	57,585	0.1	23.2
20% under 25%	1,657,292	1.0	36.1	15,916	[2]	23.5
25% under 30%	817,717	0.5	14.4	4,152	[2]	0.2
30% under 35%	267,202	0.2	7.3	9	[2]	8.2
35% under 40%	33,661	[2]	3.2	978	[2]	0.9
40% under 60%	11,012	[2]	6.8	2,458	[2]	0.3
60% under 80%	2,930	[2]	10.0	277	[2]	18.6
80% or more	11,042	[2]	28.5	10,049	[2]	17.4

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept—continued					
	Size of adjusted gross income—continued					
	\$50,000 under \$100,000			\$100,000 under \$200,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(7)	(8)	(9)	(10)	(11)	(12)
All returns	36,982,688	100.0	1.8	22,415,415	100.0	3.3
Returns without worldwide income tax	3,242,234	8.8	3.5	203,350	0.9	11.8
Effective tax rate:						
0%	259,930	0.7	14.8	46,513	0.2	11.6
Under 0% over -10%	2,813,846	7.6	2.5	154,940	0.7	12.0
-10% over -20%	157,171	0.4	1.8	** 1,897	** [2]	** 2.6
-20% and under	11,287	[2]	1.9	**	**	**
Returns with worldwide income tax	33,740,454	91.2	1.7	22,212,066	99.1	3.2
Effective tax rate:						
Over 0% under 5%	7,322,953	19.8	3.2	1,558,085	7.0	7.4
5% under 10%	17,135,796	46.3	1.3	8,054,495	35.9	3.7
10% under 15%	9,161,148	24.8	1.1	9,223,818	41.1	2.9
15% under 20%	104,580	0.3	2.6	3,332,751	14.9	1.5
20% under 25%	8,135	[2]	36.5	33,214	0.1	0.7
25% under 30%	2,045	[2]	35.1	3,495	[2]	8.9
30% under 35%	1,996	[2]	28.0	1,807	[2]	5.0
35% under 40%	1,040	[2]	0.4	797	[2]	1.3
40% under 60%	1,305	[2]	3.0	2,744	[2]	4.4
60% under 80%	767	[2]	50.8	731	[2]	8.1
80% or more	688	[2]	28.1	128	[2]	32.1

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Adjusted gross income concept—continued			Expanded income concept		
	Size of adjusted gross income—continued			Total		
	\$200,000 or more					
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(13)	(14)	(15)	(16)	(17)	(18)
All returns	9,460,043	100.0	19.4	164,358,792	100.0	8.7
Returns without worldwide income tax	5,317	0.1	9.7	61,157,715	37.2	1.3
Effective tax rate:						
0%	3,497	[2]	6.5	17,499,063	10.6	2.1
Under 0% over -10%	1,816	[2]	10.4	19,236,863	11.7	1.5
-10% over -20%	** 4	** [2]	** 41.7	7,750,087	4.7	0.2
-20% and under	**	**	**	16,671,701	10.1	0.1
Returns with worldwide income tax	9,454,726	99.9	19.4	103,201,077	62.8	9.5
Effective tax rate:						
Over 0% under 5%	47,982	0.5	10.4	29,186,642	17.8	3.1
5% under 10%	194,393	2.1	27.8	43,205,387	26.3	2.6
10% under 15%	2,309,988	24.4	17.1	20,545,617	12.5	5.8
15% under 20%	4,194,242	44.3	17.4	7,520,929	4.6	13.8
20% under 25%	1,600,026	16.9	36.3	1,643,669	1.0	35.3
25% under 30%	808,024	8.5	14.4	813,317	0.5	13.9
30% under 35%	263,390	2.8	7.3	253,410	0.2	7.0
35% under 40%	30,847	0.3	3.2	26,340	[2]	3.1
40% under 60%	4,505	[2]	7.1	874	[2]	2.8
60% under 80%	1,154	[2]	6.4	514	[2]	17.6
80% or more	176	[2]	33.9	4,379	[2]	50.7

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Expanded income concept—continued					
	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	91,416,982	100.0	0.5	40,310,246	100.0	1.7
Returns without worldwide income tax	56,226,295	61.5	0.5	4,647,824	11.5	2.8
Effective tax rate:						
0%	16,056,386	17.6	1.2	1,349,971	3.3	4.3
Under 0% over -10%	15,929,980	17.4	0.5	3,117,901	7.7	2.3
-10% over -20%	7,580,878	8.3	0.1	167,641	0.4	1.7
-20% and under	16,659,051	18.2	0.1	12,311	[2]	1.7
Returns with worldwide income tax	35,190,687	38.5	0.6	35,662,422	88.5	1.5
Effective tax rate:						
Over 0% under 5%	17,496,490	19.1	0.9	9,911,582	24.6	2.7
5% under 10%	17,496,551	19.1	0.2	16,759,538	41.6	1.2
10% under 15%	126,924	0.1	13.4	8,876,545	22.0	0.9
15% under 20%	49,640	0.1	31.8	103,972	0.3	1.8
20% under 25%	13,441	[2]	14.9	8,452	[2]	40.5
25% under 30%	3,076	[2]	0.1	1,977	[2]	39.9
30% under 35%	** 130	** [2]	** 0.0	0	0.0	0.0
35% under 40%	**	**	**	0	0.0	0.0
40% under 60%	216	[2]	0.0	60	[2]	22.5
60% under 80%	48	[2]	42.3	240	[2]	19.9
80% or more	4,171	[2]	47.0	56	[2]	45.4

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2020—Continued
 [All figures are estimates based on samples]

Tax status, effective tax rate	Expanded income concept—continued					
	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	23,028,305	100.0	3.2	9,603,258	100.0	19.3
Returns without worldwide income tax	274,294	1.2	10.4	9,302	0.1	9.3
Effective tax rate:						
0%	86,919	0.4	7.3	5,788	0.1	6.6
Under 0% over -10%	185,472	0.8	11.9	3,510	[2]	10.3
-10% over -20%	** 1,903	** [2]	** 2.6	** 4	** [2]	** 41.7
-20% and under	**	**	**	**	**	**
Returns with worldwide income tax	22,754,011	98.8	3.1	9,593,957	99.9	19.3
Effective tax rate:						
Over 0% under 5%	1,719,574	7.5	8.1	58,995	0.6	14.8
5% under 10%	8,706,018	37.8	3.6	243,280	2.5	29.9
10% under 15%	9,055,261	39.3	2.7	2,486,887	25.9	17.0
15% under 20%	3,238,554	14.1	1.3	4,128,763	43.0	17.6
20% under 25%	31,695	0.1	0.7	1,590,081	16.6	35.5
25% under 30%	2,405	[2]	4.4	805,859	8.4	13.9
30% under 35%	** 456	** [2]	** 18.9	253,146	2.6	7.0
35% under 40%	**	**	**	26,019	0.3	3.1
40% under 60%	17	[2]	45.9	581	[2]	2.8
60% under 80%	5	[2]	18.6	221	[2]	17.0
80% or more	26	[2]	13.5	126	[2]	52.6

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

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

[2] Less than 0.05%.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, January 2024.