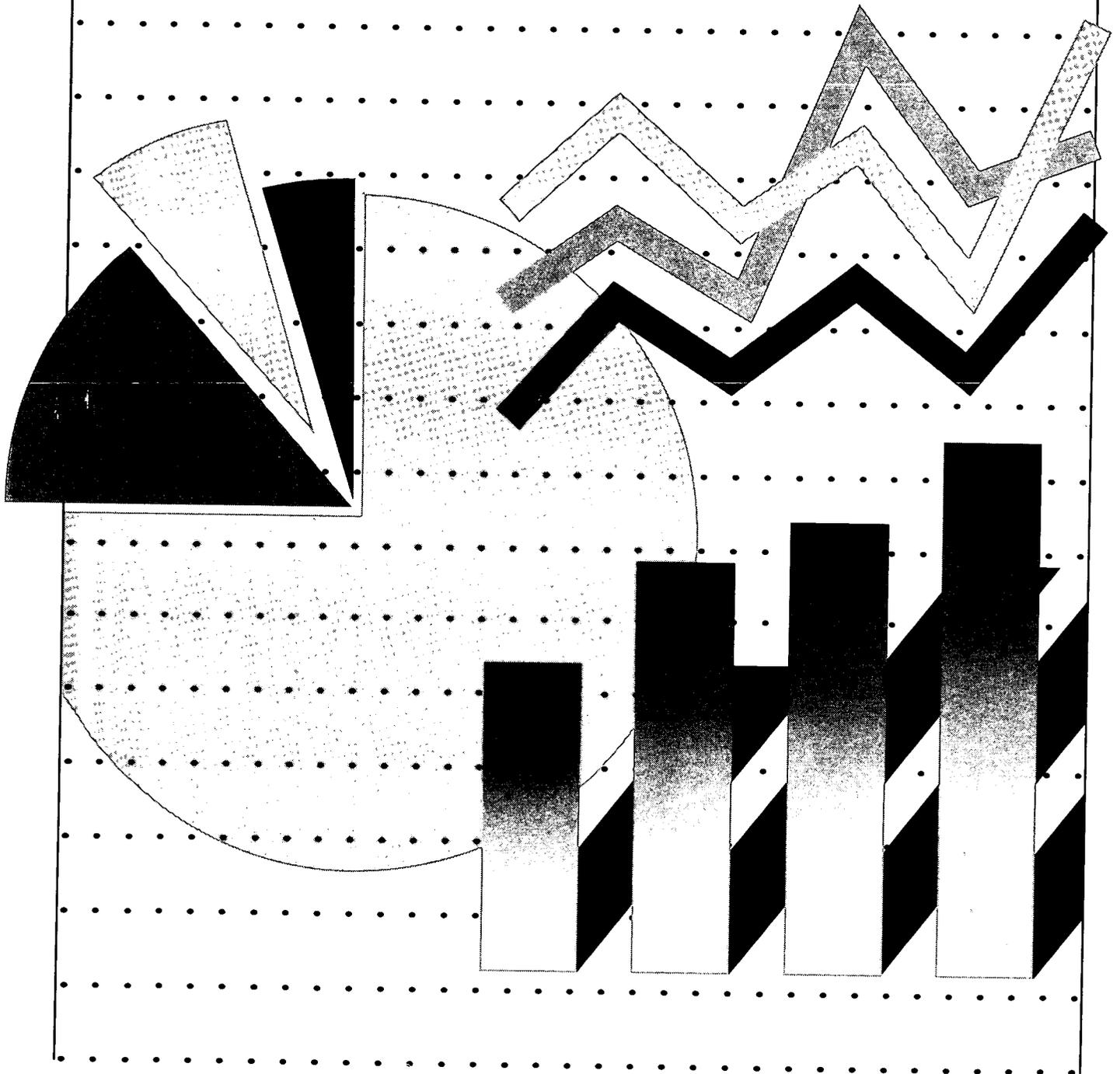


# SOI BULLETIN

SUMMER 1996



**Department of the Treasury  
Internal Revenue Service**

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# SOI BULLETIN

A Quarterly Statistics of Income Report

Volume 16, Number 1

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in July, October, January and April, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Director, Statistics of Income Division CP:R:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Beth Kilss and Tom Petska of the Statistics of Income Division are the editors of the *Bulletin*. Wendy Alvey, Clementine Brittain, James Hobbs, Bettye Jamerson, Lisa Smith, Michael Strudler and also Bob Wilson, as a private contractor, made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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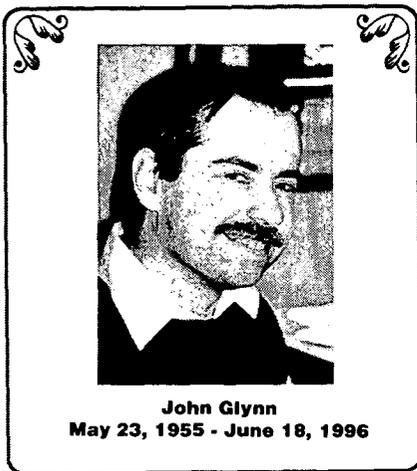
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# Bulletin Board

## This Issue at a Glance



### A Dedication in Memory of John Glynn

made him a key player in plans to modernize production of the *SOI Bulletin*. The more timely and attractive *Bulletin* you now receive is due, in large part, to his efforts and insights in developing an integrated desktop publishing system for SOI.

John was instrumental in moving the *Bulletin* production from our first inefficient attempts at electronic publishing to its current state-of-the-art technology. As such, he was a key member of a team of analysts, statisticians, and economists, who successfully worked together to restructure the way we produce our publications. An expert in Excel and Pagemaker software, he strongly lobbied in favor of their selection as the basis for our in-house publication process. Then, with patience and persistence, he helped train others in the Publications Section. His contributions, however, were not only as a systems analyst. He took the time and effort to learn about the whole *Bulletin* process, including the pressures under which authors and reviewers each have to operate. He then took great care to ensure that the desktop publishing requirements, deadlines, and other computer constraints were designed with these considerations in mind.

John Glynn was a New York City native. After graduating from Fordham University, he went on to Columbia University, where he received his MBA. He began his IRS career in 1982 and joined SOI in 1986, where he worked until his death.

SOI will surely miss John. He will be remembered as someone who was always looking for — and usually finding — new and more efficient ways to get the job

The editors and staff of the *SOI Bulletin* dedicate this issue to a dear friend and valued co-worker, John Glynn, who died on June 18, 1996, after a long illness. John was highly respected and well liked by his co-workers. In recent years, his programming expertise and broad vision

done, who was always willing and patient in helping others, and who remained a truly “nice guy” throughout it all.

\*\*\*\*\*

### Individual Income Tax Rates and Tax Shares, 1993

By *Therese M. Cruciano*

Increased tax rates for 1993 were largely responsible for the increased income tax and average tax rates for 1993. The average income tax was \$5,817, which was 5.9 percent more than 1992, while the average tax rate was 14.1 percent, 2.9 percentage points more than 1992. The result of the increase in the average tax rate was the highest rate since 1986 and was attributable to returns with “adjusted gross income” (AGI) of \$100,000 or more; the average tax rate attributable to lower income returns actually declined. There were 1.1 million returns in the top 1 percentile for both 1992 and 1993 (those with AGI of at least \$185,715 for 1993; \$181,904 for 1992). These returns reported \$520.6 billion in AGI compared to \$523.6 billion for 1992 (13.8 percent of the total for 1993 compared to 14.2 percent for 1992) and \$145.8 billion in total income tax compared to \$131.2 billion for 1992 (29.0 percent of the total for 1993 compared to 27.5 percent for 1992).

### Corporation Income Tax Returns, 1993

By *Michael G. Seiders*

Total receipts, the sum of business receipts plus income from investments and rentals as reported on the nearly 4.0 million corporation income tax returns for 1993, increased 4.5 percent to \$12,269.7 billion, reflecting the improved economy. As a result, pre-tax profits as computed under the Internal Revenue Code, increased 23.9 percent to \$498.2 billion, with the 6,798 returns of corporations with total assets of \$250 million or more accounting for 78.5 percent of the total. The number of returns reporting a positive amount for net income increased 3.9 percent to over 2.1 million, while those reporting a negative amount, i.e., a net loss, increased only 0.8 percent to slightly more than 1.8 million. Positive net income grew from \$570.4 billion to \$658.7 billion, while net losses dropped from \$168.4 billion to \$160.5 billion. Reflecting the increase in positive net income, the “regular” income tax before credits increased from \$125.8 billion to \$149.0 billion, while the total income tax after credits (which includes the “alternative minimum tax” and represents the amount payable to the U.S. Government) increased from \$101.5 billion to \$119.9 billion. Alternative minimum tax for

1993 remained about the same as 1992, at \$4.9 billion. Foreign tax credit, for taxes paid to foreign governments, was the largest tax credit, increasing 6.4 percent to \$22.9 billion.

## Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

By *Laura R. Rosage*

During Fiscal Year (FY) 1993, about 1.7 million individuals filed a "delinquent" income tax return (a return filed at least 360 days after it was due). The number of these returns totaled 2.5 million. Follow-ups on these returns indicated that 53 percent of those who had failed to file a return for Tax Year (TY) 1991 or earlier years subsequently failed to timely file a return for Tax Year 1993. Fifteen percent of the 1.7 million taxpayers were "repeaters" and "in inventory" (to be worked on by IRS personnel). Fourteen percent of repeaters in inventory filed three or more delinquent returns in FY 1993 and almost 36 percent of these returns were 3 or more years late. More than 50 percent of the delinquent returns filed by repeaters "in inventory" had a tax balance due of more than \$1,000.

## Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

By *Alicia Meckstroth and Paul Arnsberger*

Private foundations, numbering 42,400 for 1992, contribute billions of dollars each year to charities and communities in various support causes. For 1992, foundations made contributions, gifts, and grants of over \$10.9 billion. This represented a 23 percent increase over 1990. In contrast, between 1990 and 1992, the number of private foundations increased 6 percent. Total assets of foundations increased 17 percent to \$192.2 billion (reflecting mostly increases in stocks and bonds), while total revenue increased 21 percent to \$23.6 billion (mostly due to an increase in the sales of assets). The largest foundations, those holding \$100 million or more in total assets, comprised less than 1 percent of the total, but they accounted for 58 percent of the total assets, 46 percent of the total revenue, and 44 percent of the charitable contributions reported by all foundations for 1992.

## Charities and Other Tax-Exempt Organizations, 1992

*Data Release*

## Some Observations and Insights

### The SOI Budget Picture

How much does the Statistics of Income program cost?

Our most recent budget appropriation was \$26.1 million, for Fiscal Year (FY) 1996. In contrast, the 1996

budget for the entire Internal

Revenue Service was \$7,348.2 million, so you see our program accounts for less than 0.4 percent of the total IRS budget. In comparison to the two best known Federal statistical agencies, the Census Bureau (with its 1996 budget of \$341.4 million) and the Bureau of Labor Statistics (with \$376.7 million), SOI seems quite small, with less than 1 percent of the more than \$2,757 million total appropriated for all Federal statistical programs. Yet, in terms of resources, SOI ranks among the top major statistical agencies.

SOI's budgeted total is augmented with resources received from other Federal agencies. SOI uses this money to provide these agencies with data utilized in programs of their own. Thus, in order to reduce both costs and the reporting burden on respondents, the Census Bureau relies heavily on IRS, through SOI (which acts as Census liaison with IRS), to provide it with tax administration data about individuals and businesses; this is permitted under the law. At the same time, the Bureau of Economic Analysis, which, like the Census Bureau, is in the Commerce Department, helps pay for the SOI statistics on partnerships and non-farm sole proprietorships (these data also appear each year in the Fall issue of the *SOI Bulletin*), as well as for certain statistics on corporations. In total, Federal agencies, including such others as the Environmental Protection Agency and the Health Care Financing Administration, are paying us \$1.7 million (for FY 1996) for the statistical services or tax return statistics we provide them with.

Yes, Statistics of Income has had to share in the FY 1996 IRS budget reduction. Our allocation dropped 9.4 percent, from \$28.8 million for FY 1995 to the \$26.1 million mentioned above. Naturally, when budgets decline, the content of the programs and the size of the samples used for them have to be reassessed. The principal SOI casualty in FY 1996 was a program to increase the samples used for certain tax-exempt organizations to 100-percent of the returns filed in order to support a major IRS compliance research initiative. The SOI sample has been returned to its much lower previous level as a result.



For awhile, the budget for the sole proprietorship and partnership programs was also in jeopardy, but fortunately these programs have survived; they constitute the only U.S. Government-source of financial data on unincorporated businesses. In addition, as we previously reported to you, we are having to bear a large part of the costs of printing the SOI publications, ourselves (so these reports may become somewhat leaner in the future). At the same time, we must find ways to accommodate new statistical requirements from Treasury's Office of Tax Analysis, our principal customer, to meet its needs for tax policy-making and revenue estimating. Included among these requirements are data on the social security taxes due on household workers, IRS post-filing tax adjustments for corporations, and the distributions made to shareholders of S Corporations.

So, bring on FY 1997!

### Behind the Scenes

#### SOI Consultants' Panel Meets



On Friday, April 26, 1996, the SOI Consultants' Panel met for a day-long session to discuss tax proposals and policy issues that could affect the SOI program, as well as certain special applications recently made that are based on SOI data. The Panel also

provides "outside" guidance and user priorities for SOI products. With a rotating membership, it has currently been in existence every year since 1986. (There were earlier panels with similar missions, during the mid-1930's and, again, during the mid-1960's, but each had been allowed to lapse.)

This year's meeting was chaired by SOI Director Dan Skelly. Up until now, the Panel had met biennially, but to conserve resources, it was decided that this year's Panel would meet just once.

Nearly 70 people attended, including Consultants' Panel members, SOI staff representatives, and invited guests. Those present were from Treasury's Office of Tax Analysis (OTA); Congressional Joint Committee on Taxation; Congressional Budget Office; Office of Management and Budget; General Accounting Office; Bureau of Economic Analysis and Census Bureau in the Commerce Department; Council of Economic Advisors; Federal Reserve Board; The Brookings Institution, The Urban Institute, National Bureau of Economic Research (NBER), and

Independent Sector; Ernst and Young, KPMG Peat Marwick, and Coopers and Lybrand; as well as representatives of the IRS Office of Compliance Research, including SOI, and from State Governments, as well as from academic and other private groups.

Speakers included Virginia Hodgkinson of the Independent Sector (who spoke on nonprofit organizations), assisted by discussant Eugene Steuerle of The Urban Institute; Jerry Silverstein of OTA (on post-filing tax adjustments of corporations), with commentary by George Plesko (Northeastern University), Phil Spilberg (California Franchise Tax Board), and Tom Neubig and Lin Smith (KPMG Peat Marwick); Sally Wallace of Georgia State University (on the effects of the Tax Reform Act of 1986 on taxpayer behavior, using SOI public-use file data), with comments by Bill Gale (The Brookings Institution) and Lin Smith; and Arthur Kennickell of the Federal Reserve Board (on the recent release of the 1992 Survey of Consumer Finances public-use file and its use of tax return data), expanded upon by Barry Johnson of SOI, Jenny Wahl of St. Olaf College, and Dan Feenberg of NBER.

In conclusion, Director Dan Skelly asked the panelists to each develop a list of SOI priorities for our consideration and invited members to provide feedback on SOI plans for a new, but limited, presence on the Internet. Dan Feenberg also reported on creation of a master CD-ROM containing individual income tax return tabulations for Tax Years 1916-1991 (the file will later be offered for sale by SOI). Other participants expressed their concerns over the possible effects of the current budget reduction on the SOI program.

#### New IRS Methodology Report

SOI is pleased to announce the release of *Statistics of Income: Turning Administrative Systems Into Information Systems — 1995*, edited by Bettye Jamerson and Wendy Alvey of SOI. The report is the latest volume in the IRS Methodology Reports series and contains SOI papers presented at the 1995 American Statistical Association meetings in Orlando, Florida, as well as a paper based on a presentation made at the 1995 North Eastern State Tax Officials Association Conference in Burlington, Vermont.

This report is the latest in a long-time effort to document methodological changes in the Statistics of Income program, in a continuing effort to better meet user needs in learning more about how SOI data are derived. To reduce printing costs, the 1995 report is limited to those topics most directly related to on-going SOI work. As a result, the report is only about half the size it was for 1994.

The volume presents 17 papers, organized in five sections, each focusing on a somewhat different area of research:

- one paper describes SOI population migration data (which estimate population inflows and outflows by county and State based on comparisons of personal exemptions claimed on individual income tax returns and year-to-year changes in the taxpayer address);
- four are papers on sample designs and redesigns, drawing on work by the Federal Reserve Board (which used SOI data as a sampling frame for its Survey of Consumer Finances) and on recent redesigns for the corporation and partnership SOI programs;
- five are papers on weighting and estimation research; the first three describe on-going SOI research and the other two involve related work at the Census Bureau (which uses certain-IRS-tax-return data in its own statistical program);
- four are papers focusing on quality improvement using a variety of methods, ranging from graphical technical techniques to "cognitive research"; and
- three are papers on record linkages for health care policy research, which have applications to SOI's continuing interest in improving linkage techniques involving administrative records.

For more information on the specific papers included, see the SOI Abstracts section of the Winter 1995-1996 *Bulletin*.

The 1995 report is free of charge, but the number of copies is limited. To obtain a copy, please contact the SOI Statistical Information Services Office by telephoning (202) 874-0410, or by writing us at:

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

## Your Call

### Other SOI Developments

While The IRS Methodology Report described above includes many recent SOI innovations and accomplishments, there are others that are equally noteworthy for

which papers have not yet been written for presentation. Two of these, we feel, are worth mentioning at this time.

### Computerized Occupation Coding

Includes and statements, and to the best of my knowledge used on all information of which preparer has any	
Your occupation	
Spouse's occupation	
Check if self-employed <input type="checkbox"/>	Preparer's social s
E.I. No.	
ZIP code	

One development concerns occupation-coding. You know the taxpayer occupation box you are supposed to fill in on your Form 1040 individual income tax return each year? Well, at long last, SOI should now be able to assign

computerized codes for these occupations with greater ease. Work on the final version of an occupational dictionary-utility software package has now been completed. The software will be used in conjunction with the computerized occupation-coding dictionary to code Tax Year 1993 individual income tax returns included in the Statistics of Income sample, as a pilot study. The software was recently demonstrated at the Data Editing Workshop and Exposition at the Bureau of Labor Statistics.

We are often asked why SOI has not made use of the occupations reported on tax returns before now. One of the reasons is that they are not always clearly or consistently reported. (IRS does not provide taxpayers with occupation codes, as it does in the case of industry codes.) So occasionally, a vague description, such as "worker," is reported without further elaboration. There is also the occasional joker who reports something nonsensical as his or her occupation. SOI (and others) are then left with the task of clarifying what the taxpayer reported, by looking elsewhere on the tax return or on the related employee wage and tax statements (Forms W-2) to see if there is any information that might shed light on the occupation. The dictionary now developed will help us to deal with these kinds of situations, enabling occupation data to be produced from tax returns for the first time since World War I. The project is scheduled for completion in the fall of 1996.

### Automated Asset and Mutual Fund Dictionary

Another development concerns the coding of decedents' assets reported on estate tax returns. An automated asset and mutual fund dictionary has now been developed to assist in the statistical processing of these returns. This processing includes identifying and assigning the personal and financial holdings of decedents to one of more than 20 asset categories. The SOI estate program also utilizes the annual *Guide to Mutual Funds*, published by the Investment Company Institute, in order to allocate decedents' managed investment portfolios to asset categories; mutual

## Bulletin Board

funds which are principally composed of a known security investment or asset are assigned to that asset type, using descriptions contained in the Institute's *Guide*.

We'll try to keep you abreast of new developments, such as these, in the future.

### Upcoming Features

The following are some of the articles planned for inclusion in upcoming issues of the *Statistics of Income Bulletin*:

- Early Tax Estimates -- Individual Income Tax Returns, 1995;

- Sole Proprietorships, 1994;
- Partnerships, 1994; and
- Foreign Controlled Domestic Corporations, 1993.

Future "data releases" include:

- Transactions of Foreign Controlled Corporations, 1992.
- Excise taxes, 1994-1995

# Revision to the Spring 1996 Issue

## S Corporations, 1993

On page 62:

Table 4 is reproduced to realign some of the items listed in the table stub and to add an additional stub item for "Other deductions," which was inadvertently omitted. As a result of these changes, more fitting descriptions can be associated with the data already presented in columns 1 through 7. There are no changes to the data, themselves.

**Table 4.--Income and Distributions to Shareholders from the Schedules K-1, by Number of Shareholders**

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

Item	Total	Number of shareholders					
		1	2	3	4 to 10	11 to 20	20 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns.....	1,866,758	939,079	578,793	147,792	180,827	16,794	3,472
Number of shareholders.....	3,794,974	939,079	1,157,587	443,376	926,393	236,891	91,649
Total assets.....	865,963,869	269,800,874	208,240,253	100,369,540	212,317,993	48,277,227	26,957,982
Ordinary income (less loss) from							
trade or business.....	53,986,409	14,399,918	12,968,763	5,628,814	14,343,704	4,176,458	2,468,751
Rental real estate income (less loss).....	1,167,695	49,657	125,124	303,711	579,163	119,618	-9,577
Other rental income (less loss).....	622,344	232,463	136,246	38,883	152,693	32,173	29,886
Interest income.....	5,197,741	1,755,015	1,059,604	609,054	1,274,232	320,198	179,638
Dividend income.....	656,142	261,193	97,618	49,977	146,326	65,615	35,414
Portfolio royalty income (less loss).....	317,351	96,600	34,328	26,395	100,469	22,097	37,462
Net short-term capital gains (less loss).....	281,243	-53,504	82,243	-2,803	109,210	27,052	12,039
Net long-term capital gains (less loss).....	3,672,451	2,069,354	471,860	-144,857	769,024	263,541	243,530
Other portfolio income (less loss).....	161,196	106,550	15,186	2,733	29,337	5,827	1,563
Net gain (loss), business property or							
transactions (section 1231).....	910,830	513,558	-1,021,353	516,721	616,197	64,601	221,105
Other income (less loss).....	1,543,313	360,720	367,863	70,073	647,646	38,213	58,798
Charitable contributions.....	1,335,439	494,876	294,102	123,602	262,453	121,469	38,939
Expensed cost of certain depreciable							
property (section 179).....	3,231,228	1,515,953	1,072,679	303,160	315,156	19,323	4,356
Deductions related to portfolio income.....	178,382	58,816	35,216	29,269	37,718	5,889	11,454
Other deductions.....	699,403	320,937	123,356	38,157	174,949	26,668	9,395
Interest expense on investment debts.....	621,159	235,974	85,359	69,552	166,023	37,840	26,411
Foreign taxes.....	211,614	68,988	35,967	23,931	60,967	15,219	6,543
Qualified expenditures (section 59(e)).....	858,673	322,807	135,814	66,818	237,999	61,302	33,931

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

NOTE: Certain figures vary slightly from Table 1. This is because only returns with a Schedule K-1 attached, and a money amount for income (loss) from the Schedule K-1, were used for this table.

# Individual Income Tax Rates and Tax Shares, 1993

by *Therese M. Cruciano and Michael Strudler*

**T**ax Year 1993 was marked by the passage of the Omnibus Budget Reconciliation Act (OBRA93) which added two new tax rate brackets of 36 and 39.6 percent, as well as increased alternative minimum tax rates of 26 and 28 percent (replacing the 1992 rate of 24 percent). These changes were most likely responsible for the higher average income tax rates for 1993. For 1993, the average tax rate was 14.1 percent, 2.9 percent higher than for the previous year, and the average income tax per tax return was \$5,817, a 5.9 percent increase over the amount reported for 1992.

The increase in the average tax rate for 1993 (from 13.7 percent for 1992) brought the average tax rate to the highest level since 1986, the last year prior to the enactment of the Tax Reform Act of 1986 (TRA86). However, when average tax rates between 1992 and 1993 are examined by income size classifications, the increase is seen to be restricted to higher-income classes. Only income size classes of \$100,000 or more experienced a higher average tax rate for 1993. In fact, most income size classes below \$100,000 reported lower average tax rates for 1993, than those reported for 1992.

Between 1992 and 1993, the shares of AGI for returns with the top one percent and top five percent of tax filers ranked by size of income declined, but the shares of income tax on these returns increased [1]. Returns in the top one percent of returns with positive adjusted gross income less deficit (AGI) reported 13.8 percent of total AGI and paid 29.0 percent of total income tax for 1993, compared with 14.2 percent of AGI and 27.5 percent of total income tax for 1992. The returns in the top five percent group reported 27.8 percent of the AGI and paid 47.4 percent of the total income tax (compared to 28.0 percent and 45.9 percent, respectively, for 1992).

This article discusses the individual income tax rates and tax shares and the computation of "total income tax" for Tax Year 1993. To put this discussion into perspective, the appendices to the article provide explanations of selected terms used for the article and describe the income tax structure, tax law changes, income and tax concepts (the "1979 Income Concept," "modified" taxable income, and marginal tax rates), the computation of "alternative minimum taxable income," and the data sources and limitations.

## Major Tax Law Changes for 1993

OBRA93 (enacted in August 1993) created two additional tax brackets, 36 and 39.6 percent for 1993. (For 1992,

there had been only three tax rates of 15, 28, and 31 percent.) Although OBRA93 was passed midyear, its provisions applied to the entire tax year. Despite the increased tax rates for 1993, the top tax rate on net long-term capital gains (in excess of short-term capital losses) remained 28 percent. With the new tax brackets in place, the maximum differential between ordinary income and capital gain income increased from just three percentage points to over 11 percentage points.

Taxpayers who owed additional 1993 taxes due to the OBRA93 tax rate increases were given the option of deferring payment of two-thirds of the tax that was in excess of the tax that would have been owed at the 31 percent rate. Half of the deferral taxes were to be paid in 1995 and the remaining half in 1996 [2]. (See Appendix B for a discussion of the 1993 income tax structure.)

The "alternative minimum tax," or AMT, tax rate for individuals increased from 24 percent to 26 percent. In addition, a new AMT rate of 28 percent was introduced for alternative minimum taxable income in excess of the first \$175,000 (\$87,500 if married filing separately). (See Appendix C for a listing of additional 1993 tax law changes.)

## Income Tax Rates

Discussions of income tax rates generally center on measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are calculated by dividing some measure of tax by some measure of income. For the statistics in this article, the average tax rate is defined as "total income tax" (the sum of "income tax after credits" and the "alternative minimum tax") divided by AGI reported on returns showing some income tax liability. Measures of marginal tax rates, on the other hand, focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is defined as the statutory rate at which the last dollar of taxable income is taxed. (See Appendix D for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of the average and marginal tax rates in more detail and discuss the statistics based on these rates for 1993.

## Average Tax Rates

Statistics for 1985 through 1993 on income (based on each year's definition of AGI, as well as on the common 1979 Income Concept) and taxes reported are presented in Figure A. (See Appendix D for an explanation of the 1979 Income Concept.) These tax years can be partitioned into five distinct sub-periods:

*Therese M. Cruciano and Michael Strudler are economists with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

# Individual Income Tax Rates and Tax Shares, 1993

Figure A

**Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1985-1993**  
 (Money amounts are in billions of dollars, except where indicated)

Tax year	Total number of returns	Taxable returns								
		Number of returns	As a percentage of total returns <sup>1</sup>	Adjusted gross income (less deficit)	Total income tax	Average tax rate (percent) <sup>2</sup>	Average per return <sup>3</sup>			
							Current dollars		Constant dollars <sup>4</sup>	
							Adjusted gross income	Total income tax	Adjusted gross income	Total income tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Using each tax year's adjusted gross income										
1985.....	101,660,287	82,846,420	81.5	2,259	326	14.4	27,268	3,931	25,342	3,653
1986.....	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991
1987.....	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747
1988.....	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005
1989.....	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915
1990.....	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807
1991.....	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711
1992.....	113,604,503	86,731,946	76.3	3,484	476	13.7	40,168	5,491	28,630	3,914
1993.....	114,601,819	86,435,367	75.4	3,564	503	14.1	41,233	5,817	28,535	4,026
Using 1979 Income Concept <sup>5</sup>										
1985.....	101,660,287	82,846,420	81.5	2,403	326	13.6	29,003	3,931	26,954	3,653
1986.....	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991
1987.....	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747
1988.....	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005
1989.....	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915
1990.....	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807
1991.....	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711
1992.....	113,604,503	86,731,946	76.3	3,553	476	13.4	40,964	5,491	29,198	3,914
1993.....	114,601,819	86,435,367	75.4	3,625	503	13.9	41,938	5,817	29,023	4,026

<sup>1</sup> Number of taxable returns (column 2) divided by total number of returns (column 1).

<sup>2</sup> Average tax rate is "total income tax" (column 5) as a percentage of adjusted gross income (AGI) (column 4).

<sup>3</sup> The average adjusted gross income, average total income tax, and average tax rate were calculated from unrounded data.

<sup>4</sup> Constant dollars are based on the Consumer Price Index (CPI-U, 1982-1984=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

<sup>5</sup> These statistics are based on adjusted gross income (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see *Statistics of Income--Individual Income Tax Returns*, for 1985-1993.

- (1) Tax Years 1985 and 1986 were the last two years under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation and the maximum tax rate was 50 percent.
- (2) Tax Year 1987 was the first year under TRA86. There was a one-year, transitional, five-rate tax bracket structure and a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.
- (3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure [3]. The phase-in of the provisions of TRA86 continued, and the maximum tax rate was 33 percent.
- (4) For Tax Years 1991 and 1992, there was a three-rate tax bracket structure (15, 28 and 31 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions.

- (5) Tax Year 1993 was the first year under the new five-rate tax bracket structure with a maximum statutory tax rate of 39.6 percent.

Of the 114.6 million individual returns filed for Tax Year 1993, over 86.4 million, or 75.4 percent, were "taxable returns." Total AGI reported on these taxable returns increased 2.3 percent to \$3,564 billion; under the 1979 Income Concept, income increased 2.0 percent to \$3,625 billion. Taxpayers reported \$503 billion in total income tax for 1993, \$27 billion (5.7 percent) more than for 1992.

In current dollars, average AGI and average total income tax increased from 1992 to 1993. For 1993, average AGI increased 2.7 percent to \$41,233, while average tax increased 5.9 percent to \$5,817. After adjusting for inflation, however, average AGI (\$28,535) continued to be less than its peak level of \$29,005 reported for Tax Year 1988 [4]. Yet, the 1993 average tax (in constant

# Individual Income Tax Rates and Tax Shares, 1993

dollars) of \$4,026 exceeds the 1988 amount of \$4,005, previously the highest level of recent years.

Because TRA86 reduced statutory tax rates and broadened the definition of AGI (by eliminating or limiting the preferential treatment of various tax items, such as restricting the use of passive losses to offset non-passive income and eliminating the beneficial tax treatment of net long-term capital gains), comparisons of average tax rates before and after 1986, based on current-year definitions of AGI, become less meaningful [5]. The 1979 Income Concept provides a more consistent basis for such comparisons. Based on the 1979 Income Concept, average tax rates declined 0.1 percentage point from 13.6 percent for 1986 to 13.5 percent for 1987, increased to 13.7 percent for 1988, and declined again for the next three years, until reaching 13.2 percent for 1991. The average tax rate increased for 1992 (to 13.4 percent), and continued to increase for 1993, reaching a level of 13.9 percent. The large increase in the average tax rate for 1993 coincides with the increased tax rates for 1993.

Using AGI, the average tax rate on taxable returns for 1993 was 14.1 percent, 0.4 percentage points more than for 1992. However, when the average tax rate is calculated for various income size classes, it becomes apparent that the increase in tax rates for 1993 occurred only in the higher income size classes (Figure B). All income size

classes in the statistics, except the four highest, had average tax rates for 1993 that were the same as, or lower than, those reported for 1992. Furthermore, it was the two highest income size classes (AGI exceeding \$500,000) which faced the steepest increases (more than four percentage points) in average tax rates for 1993. The addition of the two new 36 and 39.6 percent tax rate brackets appears to be the primary reason for the increased average tax rates for higher income taxpayers.

## Marginal Tax Rate Classifications

The highest statutory tax rate bracket applicable to a tax return was defined as the marginal tax rate for the statistics presented in Figures C and D, as well as in Table 1. These statistics were based on individual income tax returns showing an amount for "tax generated" on taxable income and items of income that were subject to the regular income tax, generally those included in AGI [6]. Details of the determination of the marginal tax rate bracket into which a return is assumed to fall are explained in Appendix D.

For 1993, nearly \$508.4 billion in income taxes were generated from approximately 90.7 million individual returns with modified taxable income totaling \$2,453.2 billion. The amounts and percentages of modified taxable income and income tax generated (before reduction by tax credits) by the marginal rate categories (defined in Appen-

**Figure B**

## Number of Taxable Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1992 and 1993

[Number of returns is in thousands--money amounts are in millions of dollars]

Tax year, income, and average tax	Total	Size of adjusted gross income									
		Under \$1 <sup>1</sup>	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Tax Year 1993:</b>											
Number of taxable returns.....	86,435	5	10,616	17,152	16,809	21,322	16,436	3,104	785	141	66
Adjusted gross income (less deficit).....	3,563,976	-3,896	64,757	258,789	414,731	830,595	1,099,056	407,472	227,774	94,264	170,433
Total income tax.....	502,788	68	2,784	17,854	35,040	86,752	145,134	75,285	58,280	28,345	53,246
Average tax rate (percent).....	14.1	( <sup>2</sup> )	4.3	6.9	8.4	10.4	13.2	18.5	25.6	30.1	31.2
<b>Tax Year 1992:</b>											
Number of taxable returns.....	86,732	7	11,586	17,697	16,705	21,221	15,753	2,808	746	141	67
Adjusted gross income (less deficit).....	3,483,882	-4,038	70,244	268,721	412,066	827,394	1,050,981	367,992	218,390	95,286	176,845
Total income tax.....	476,239	76	3,021	18,716	35,297	87,352	140,008	67,445	52,053	24,780	47,489
Average tax rate (percent).....	13.7	( <sup>2</sup> )	4.3	7.0	8.6	10.6	13.3	18.3	23.8	26.0	26.9
Change in average tax rates, 1993 over 1992.....	0.4	( <sup>3</sup> )	( <sup>3</sup> )	-0.1	-0.2	-0.2	-0.1	0.2	1.8	4.1	4.3

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

<sup>2</sup>Percentage not computed.

<sup>3</sup>Difference not computed.

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

# Individual Income Tax Rates and Tax Shares, 1993

**Figure C**

## Returns with Modified Taxable Income: Income and Tax Generated by Marginal Tax Rate Classification, Tax Year 1993

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

Marginal tax rate classes	Number of returns		Modified taxable income		Income tax generated	
	Number	Percentage	Amount	Percentage	Amount	Percentage
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All rates</b> .....	<b>90,737,061</b>	<b>100.0</b>	<b>2,453,219,085</b>	<b>100.0</b>	<b>508,355,316</b>	<b>100.0</b>
15 percent (Form 8814) <sup>1</sup> .....	11,504	( <sup>4</sup> )	9,039	( <sup>4</sup> )	1,352	( <sup>4</sup> )
15 percent rate.....	65,550,750	72.3	807,199,205	32.9	121,081,663	23.8
28 percent rate.....	21,236,907	23.4	945,351,453	38.5	179,028,917	35.2
28 percent rate (capital gains) <sup>2</sup> .....	310,161	0.3	47,962,000	2.0	12,168,607	2.4
31 percent rate.....	2,166,479	2.4	212,481,144	8.7	51,867,277	10.2
36 percent rate.....	756,618	0.8	142,270,404	5.8	40,147,107	7.9
39.6 percent rate.....	453,111	0.5	296,586,033	12.1	103,652,261	20.4
Form 8615 <sup>3</sup> .....	251,531	0.3	1,359,807	0.1	408,132	0.1

<sup>1</sup> Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependents' income and thus the overall total adjusted gross income for these returns is negative.

<sup>2</sup> Returns with net long-term capital gains in excess of short-term capital losses taxed at the 28 percent rate.

<sup>3</sup> Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The returns in this rate classification are not distributed by tax rate.

<sup>4</sup> Less than 0.05 percent.

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

dix D) are presented in Figure C. Approximately 72.3 percent of the returns, classified in the "15 percent" and "15-percent (Form 8814)" marginal rate categories; reported 32.9 percent of the modified taxable income and generated 23.8 percent of the tax. The 23.7 percent of the returns in the "28 percent" and "28 percent (capital gains)" categories reported 40.5 percent of the modified taxable income and 37.6 percent of the tax. The 3.7 percent of the returns in the "31 percent," "36 percent," and "39.6 percent" marginal tax rate categories reported 26.6 percent of the modified taxable income and 38.5 percent of the income tax generated. The remaining 0.3 percent of the returns, those in the "Form 8615" category reported 0.1 percent of the modified taxable income and 0.1 percent of the income tax generated.

Changes in the distribution of percentages of tax returns, modified taxable income, and income tax generated between the 15 percent, 28 percent, and 31 percent and higher tax brackets over Tax Years 1991, 1992, and 1993 are illustrated in Figure D-1. The effect of the new higher statutory tax rate brackets for 1993 is apparent from the shift of shares of income tax generated from the "15 percent" and "28 percent" marginal tax rate classifications to the "31 percent and higher" classification.

In spite of small year-to-year changes, the percentages of returns and modified taxable income in the "15 percent" and "28 percent" marginal tax rate categories generally held steady. Yet over this three-year period, the

percentage shares of income tax generated decreased 1.0 percentage point in the "15 percent" category and 2.8 percentage points in the "28 percent" category. For 1993, the taxpayers in the marginal rate categories above "28 percent" showed a modified taxable income share 1.4 percentage points higher than for 1991. However, these same taxpayers reported an income tax generated amount that was 3.8 percentage points higher than the highest marginal rate category for 1991. Of these returns for 1993, 12.1 percent of the total modified taxable income and 20.4 percent of the total tax were reported on returns paying the highest marginal tax rate of "39.6 percent" (Figure D-2).

### Components of Total Income Tax

#### Regular Tax

Regular tax is generally tax determined from a taxpayer's taxable income on the basis of statutory tax rates less any applicable tax credits. It does not include the AMT. The derivation of aggregate total income tax for Tax Year 1993 returns with modified taxable income is illustrated in Figure E. Table 1 includes two tax amounts: "tax generated" and "income tax after credits." Tables 5 through 8 and Figures A and B include an additional measure of tax, "total income tax."

As shown (Figure E and column 5 of Table 1), the tax generated by applying statutory income tax rates to modified taxable income was \$508.4 billion. For most taxpay-

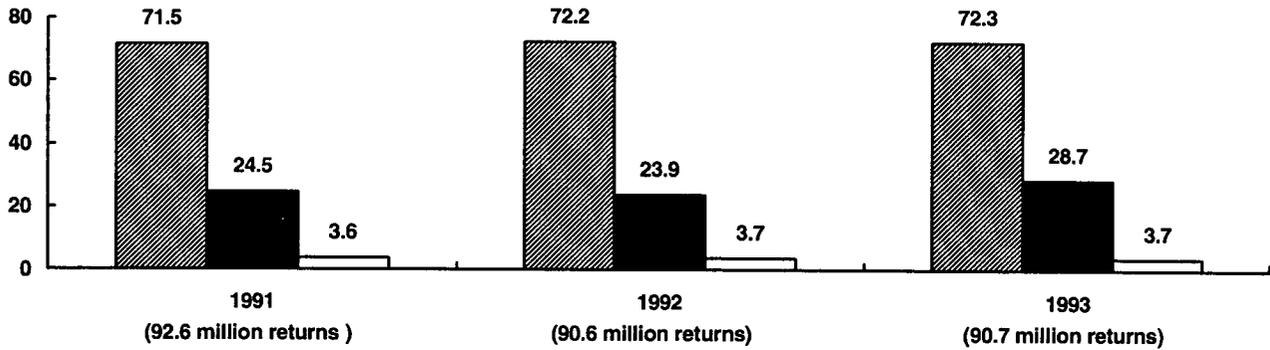
# Individual Income Tax Rates and Tax Shares, 1993

**Figure D-1**

**Returns with Modified Taxable Income: Percentages of Returns, Modified Taxable Income and Income Tax Generated by Marginal Rate Classification, Tax Years 1991-1993**

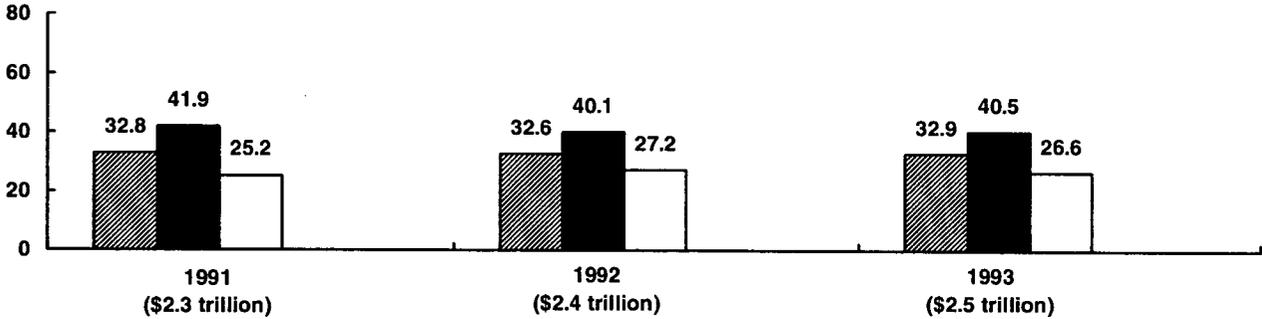
**Individual Tax Returns**

Percentage



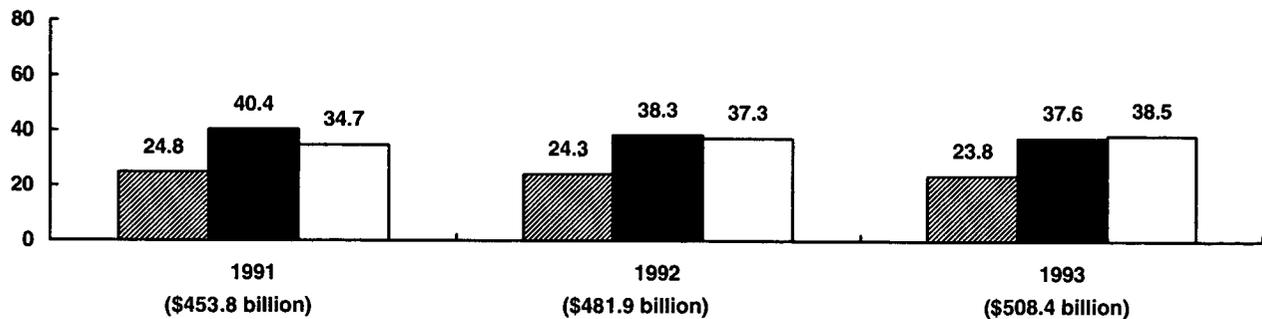
**Modified Taxable Income**

Percentage



**Income Tax Generated**

Percentage



■ 15 percent    ■ 28 percent<sup>1</sup>    □ 31 percent (and higher for 1993)

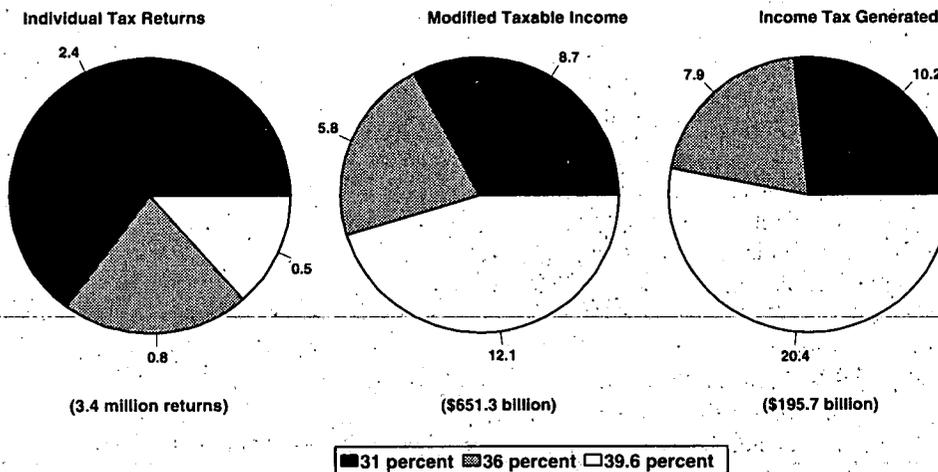
<sup>1</sup>Includes 28 percent, with net long-term capital gains.

NOTE: Returns in the "Form 8615" and "Form 8814" categories were included in the calculation of the percentages, but are not shown separately. For 1993, these two categories accounted for less than 0.30 percent of the returns, 0.06 percent of the "modified" taxable income, and 0.09 percent of the income tax generated. Therefore, detail may not add to totals.

# Individual Income Tax Rates and Tax Shares, 1993

**Figure D-2**

**Returns with Modified Taxable Income: Percentages of Returns, Modified Taxable Income and Tax Generated by Marginal Rate Classification for the Upper Income Tax Brackets, Tax Year 1993**



ers, tax generated was equal to income tax before credits. However, for others, income tax before credits included special taxes on accumulation distributions of trusts and lump-sum distributions from qualified retirement plans (when the special 5- or 10-year averaging method was used) [7]. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC which is refundable to the taxpayer and any portion of the EIC used to reduce other taxes are excluded from the computation of income tax after credits [8]. Income tax after credits, (Figure E and column 7 of Table 1), totaled \$500.6 billion. Total income tax of \$502.7 billion, (Figure A and Tables 5 through 8), is thus the sum of income tax after credits and the alternative minimum tax [9].

Statistics on the type of tax computation for returns with modified taxable income are provided in Table 4. For 1993, over 251-thousand returns were filed by children under age 14 with investment income over \$1,200. Using Form 8615 to compute their tax, these children showed \$408.1 million in tax generated (column 7). If these same children had had all their income taxed as ordinary income, \$296.7 million in income tax before credits (regular tax computation) would have been paid (column 6). Thus, the difference resulting from the special tax computation was over \$111.4 million (column 8).

Over 1.6 million returns using the Schedule D tax computation generated \$115.1 billion in tax (column 7).

**Figure E**

## Derivation of 1993 Total Income Tax as Shown in Statistics of Income

(Money amounts are in billions of dollars)

<b>Tax generated from tax rate schedules or tax table.....</b>	<b>508.4</b>
PLUS: Taxes from special computations, total.....	0.5
Tax on accumulation distributions of trusts.....	( <sup>1</sup> )
Tax on lump-sum distributions from qualified retirement plans.....	( <sup>1</sup> )
<b>EQUALS:</b>	
<b>Income tax before credits.....</b>	<b>508.9</b>
LESS: Tax credits, total.....	8.2
Child-care credit.....	2.6
Foreign tax credit.....	2.2
General business credit.....	0.6
Elderly or disabled credit.....	( <sup>2</sup> )
Earned income credit (limited to the amount needed to reduce total income tax to zero).....	2.3
Credit for prior-year minimum tax.....	0.3
Other credits.....	0.1
<b>EQUALS:</b>	
<b>Income tax after credits.....</b>	<b>500.6</b>
PLUS: Alternative minimum tax.....	2.1
<b>EQUALS:</b>	
<b>Total income tax.....</b>	<b>502.7</b>

<sup>1</sup> Not tabulated.

<sup>2</sup> Less than 0.1 billion.

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

## Individual Income Tax Rates and Tax Shares, 1993

However, if capital gains had been taxed the same as ordinary income (i.e., at a rate greater than 28 percent), the amount of income tax before credits (regular tax computation) for these same taxpayers would have been \$122.3 billion (column 6). Therefore, the reduction resulting from use of the Schedule D tax computation was nearly \$7.2 billion (column 8).

### Alternative Minimum Tax

The alternative minimum tax was established by the Revenue Act of 1978, to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise use certain provisions of the tax code meant to stimulate economic activity and generate "economic income" to reduce, or even eliminate, their regular tax liability. The AMT provisions may recapture some of these tax reductions by recomputing income to achieve "alternative minimum taxable income," or AMTI, the tax base for AMT. Form 6251, *Alternative Minimum Tax Individuals* is used to calculate AMT. (See Appendix E for an explanation of the computation of AMTI.)

There were several changes in the AMT calculation for Tax Year 1993. The basic AMT rate increased from 24 percent to 26 percent for 1993, and a 28 percent tax rate was added for taxable amounts in excess of \$175,000 (\$87,500 if married filing separately). The filing requirements for Form 6251 were changed so that many taxpayers who may have needed to complete the form but were not liable for any AMT did not have to attach the form to their return. The AMT exemption amounts increased for 1993, from \$40,000 to \$45,000 for joint filers and surviving spouses; from \$30,000 to \$33,750 for single filers or heads of households; and from \$20,000 to \$22,500 for married persons filing separately. The energy preference adjustment, first allowed for Tax Year 1991, was eliminated from the calculation of AMTI for 1993, thereby raising the amount of AMTI for those taxpayers who would otherwise claim this adjustment. The tax preference for charitable contributions of appreciated property was repealed for all contributions made after 1992. Therefore, for 1993 this tax preference item applied only to contributions of tangible personal property made before 1990 and contributions of all property made before 1992. The preferences for depletion and intangible drilling costs did not apply to independent producers for 1993.

Statistics by size of AGI on the alternative minimum tax reported by taxpayers showing AMT on their returns are presented in Figure F. For 1993, an AMT liability of almost \$2.1 billion was reported based on AMTI of \$445.8 billion. This amount of AMT represents a 51.3 percent increase from the nearly \$1.4 billion in AMT for 1992 based on \$447.2 billion of AMTI. (Note, however,

that if filing requirements for Form 6251 had not been altered, AMTI would have been significantly higher for 1993.) For 1993, the amount of total adjustments and preferences showed a slight decrease (3.3 percent), although this amount also would have been higher if the filing requirements were not changed. Since the changes in adjustments, preferences, and AMTI do not seem unusual, the very large increase in AMT appears to be mostly the result of the higher AMT rates for 1993. The largest increase in the amount of AMT between 1992 and 1993 was for the returns in the "\$200,000 under \$500,000" income size class which showed an increase of \$320.4 million over the amount reported for 1992. In fact, all of the higher income size classifications (exceeding \$200,000) showed large increases in AMT between 1992 and 1993. This group includes most of the taxpayers who, based on their AMTI, faced the second AMT rate of 28 percent.

### Income and Tax Shares

Historical statistics on income and tax by cumulative percentiles (based on numbers of returns) are presented in Tables 5 through 8. Distributions of AGI, as defined for each year, and tax, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, between years within the ERTA81 period (i.e., Tax Years 1982 through 1986), and between years within the post-TRA86 period (i.e., Tax Years 1987 through 1993). Since AGI was redefined under TRA86, Tables 5 and 6 are not as useful for comparisons between pre- and post-TRA86 years. Thus, Tables 7 and 8, which are based on a consistent definition of income (i.e., using the 1979 Income Concept), are included to facilitate such comparisons.

Tables 5 and 7 are based on percentiles of returns cumulated *downward* from the highest income returns. The data are shown for the top 1, 5, 10, 25, and 50 percent of returns. In contrast, Tables 6 and 8 are based on returns cumulated *upward* for the lowest income returns. Data are shown for the bottom 50, 75, 90, 95, and 99 percent of all returns.

For example, consider the data in Table 5 for the 113.7 million returns filed for 1993 with positive AGI. The returns in the top one percentile reported 13.8 percent of total AGI and paid 29.0 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$185,715. In contrast, for 1992 the returns in this percentile group (i.e., those with at least \$181,904 in AGI) reported 14.2 percent of total AGI and paid 27.5 percent of total income tax. The returns in the top five percentile group (returns reporting AGI of

# Individual Income Tax Rates and Tax Shares, 1993

**Figure F**

## Returns with Alternative Minimum Tax: Selected Data from Alternative Minimum Tax Computation, by Size of Adjusted Gross Income, Tax Years 1992 and 1993

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total adjustments and preferences		Alternative minimum taxable income		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Tax Year 1993</b>						
<b>All returns.....</b>	<b>3,670,697</b>	<b>53,571,103</b>	<b>3,673,531</b>	<b>445,835,134</b>	<b>334,615</b>	<b>2,052,790</b>
No adjusted gross income.....	97,664	742,421	96,465	-6,574,981	3,227	66,287
\$1 under \$10,000.....	315,525	962,639	315,525	1,110,406	21,820	5,613
\$10,000 under \$20,000.....	294,400	1,506,523	294,400	3,648,137	3,492	16,681
\$20,000 under \$30,000.....	263,740	1,205,728	264,705	5,655,908	1,600	4,245
\$30,000 under \$40,000.....	287,548	1,509,200	287,548	8,965,196	2,964	11,210
\$40,000 under \$50,000.....	294,745	1,602,231	294,745	11,749,970	6,142	8,752
\$50,000 under \$75,000.....	587,914	4,428,102	588,913	32,593,726	33,284	62,381
\$75,000 under \$100,000.....	386,942	3,929,917	386,942	29,711,481	47,118	110,200
\$100,000 under \$200,000.....	641,968	9,810,616	643,318	80,297,012	104,905	384,454
\$200,000 under \$500,000.....	369,145	10,851,875	369,631	101,465,884	84,731	658,671
\$500,000 under \$1,000,000.....	83,597	5,363,325	83,760	53,071,682	17,626	290,786
\$1,000,000 or more.....	47,511	11,658,527	47,580	124,140,713	7,706	433,509
<b>Tax Year 1992</b>						
<b>All returns.....</b>	<b>4,435,447</b>	<b>55,383,476</b>	<b>4,278,169</b>	<b>447,188,317</b>	<b>287,183</b>	<b>1,357,063</b>
No adjusted gross income.....	103,688	769,523	91,382	-5,780,146	4,808	62,427
\$1 under \$10,000.....	394,426	1,233,474	350,479	1,290,698	23,401	5,940
\$10,000 under \$20,000.....	305,608	1,287,067	292,140	3,409,587	3,149	5,440
\$20,000 under \$30,000.....	323,365	1,623,713	310,098	6,645,767	3,702	7,832
\$30,000 under \$40,000.....	379,450	1,668,435	365,160	11,135,723	4,266	3,085
\$40,000 under \$50,000.....	452,270	2,366,811	446,982	17,899,226	14,157	19,701
\$50,000 under \$75,000.....	866,524	5,835,980	855,132	46,309,845	43,337	84,245
\$75,000 under \$100,000.....	488,550	4,620,739	476,551	36,675,033	49,208	89,798
\$100,000 under \$200,000.....	667,020	9,579,839	650,065	79,037,546	82,583	308,748
\$200,000 under \$500,000.....	332,936	9,692,604	322,607	89,142,734	46,717	338,311
\$500,000 under \$1,000,000.....	77,097	5,109,788	74,934	48,385,867	8,321	170,698
\$1,000,000 or more.....	44,513	11,595,501	42,640	113,036,440	3,535	260,839

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

\$87,386 or more) reported 27.8 percent of total AGI and paid 47.4 percent of total income tax, compared to 28.0 percent and 45.9 percent, respectively, for 1992 (when the AGI floor was \$85,103). The returns in the top 10 percentile group (returns with AGI of at least \$66,077) showed 39.1 percent of AGI and paid 59.2 percent of total income tax. For 1992, the returns in this percentile group (with AGI of \$64,457 or more) reported 39.2 percent of total AGI and paid 58.0 percent of total income tax.

The statistics by percentile in Tables 5 and 6 (for years prior to 1991) and Tables 7 and 8 were estimated, using a mathematical technique called "osculatory interpolation," applied to aggregated data tabulated by income size classes, in order to distribute the tax returns within each class [10]. For 1991 and later years, the statistics by percentiles were computed based on an actual ranking of

the returns in the statistical sample that served as the basis for Individual Statistics of Income estimates. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable.

### Notes and References

- [1] The percentile groupings of tax filers exclude returns with zero or negative AGI.
- [2] Approximately 635,000 taxpayers opted to defer payment of nearly \$8.3 billion of additional taxes for 1993.
- [3] For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 and 28 percent. However, taxable income over certain levels

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was subject to a 33 percent tax rate, to phase out the benefit of the 15 percent tax bracket (as compared to the 28 percent rate) and the deduction for personal exemptions. At the taxable income level where these benefits were completely phased out, the tax rate returned to 28 percent.

- [4] Inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U, 1982-84=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
- [5] For further information on the Tax Reform Act of 1986, see U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986* (H.R. 3838, 99th Congress, Public Law 99-514), May 4, 1987.
- [6] Nontaxable (i.e., tax-exempt) forms of income, such as interest on state and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, the receipt of some forms of tax-exempt income could have influenced the taxability of other income, such as social security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.
- [7] The income amounts on which these special computations were based were not reflected in current-year AGI or current-year taxable income.
- [8] For 1993, the total earned income credit was \$15.5 billion. This amount includes the amount used to reduce the regular income tax (\$2.3 billion), the amount used to reduce other taxes reported on individual income tax returns (\$1.2 billion), and the amounts refunded to taxpayers (\$12.0 billion). These amounts are shown in Table 2.5 in *Statistics of Income Individual Income Tax Returns 1993*.
- [9] Total income tax does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the social security tax on income from self-employment), the social security tax on certain tip income, tax from the recapture of prior-year investment or low-income housing credits, and tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans. These taxes are included in the statistics for "total tax liability," which is shown in *Statistics of Income Individual Income Tax Returns 1993*. For Tax Year 1993, total tax liability reported on 88,724,446 returns was \$526.8 billion.

- [10] For an explanation of the osculatory interpolation technique, see Oh, H. Lock, "Osculatory Interpolation with a Monotonicity Constraint," *1977 Proceedings of the American Statistical Association, Section on Statistical Computing*, 1978.

### Appendix A: Explanation of Selected Terms

Brief explanations of the major tax concepts discussed in this article are provided. For more extensive definitions, see *Statistics of Income Individual Income Tax Returns 1993*.

*Adjusted Gross Income*--Adjusted gross income is "total income," as defined by the tax code, less "statutory adjustments" (primarily business, investment, or employee-related deductions, such as payments to a Keogh self-employed retirement plan and contributions to an Individual Retirement Arrangement or IRA, and self-employed health insurance deductions). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and the net amounts from sources such as business income, rents and royalties, and sales of capital assets.

*Difference Due to Special Tax Computation*--In this article, the tax difference is the amount of tax resulting from using the provisions of one of the special tax computations (Form 8615 or Schedule D) less the amount of tax that would result from not using these provisions (regular tax computation).

*Form 8615 Tax Computation*--Form 8615 was used to compute the tax on investment income of children under age 14 who had investment income of more than \$1,200. (See Appendix D.)

*Income Tax Before Credits (Regular Tax Computation)*--This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional taxes (tax on accumulation distributions of trusts and tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was paid on investment income of children, for this concept, all the income was taxed at the child's rate rather than at the rate of the parents. When Schedule D tax was paid on net long-term capital gains, the tax was based on the regular tax rates rather than the 28 percent tax rate for capital gains.

*Marginal Tax Rate*--See Appendix D.

*Modified Taxable Income*--This is the term used for the statistics to describe "income subject to tax," the actual base on which tax is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the *Statistics of Income* sample. Some of these returns are selected for the sample and act

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as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year's tax law (which may reflect different tax rates and income concepts). For the statistics in this article, "taxable income" (defined below) is modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates ("modified taxable income" in the statistics). For current-year returns, modified taxable income is identical to "taxable income."

*Regular Tax Computation*--Depending on marital status and size of taxable income, the taxpayer used the tax table or applied the rates from one of the four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

*Schedule D Tax Computation*--Schedule D was used to compute the 28 percent tax on net long-term capital gains (in excess of short-term capital losses). For 1993, any investment interest used for itemized deductions (Schedule A) were excluded from this computation.

*Taxable Income*--Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for non-itemizers or total itemized deductions (net of any reduction of allowable itemized deductions because of a taxpayer's higher income).

*Taxable Returns*--A return is classified as "taxable" based on the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). The following additional taxes were not taken into account for this purpose: self-employment, social security, or Railroad Retirement Tax Act (RRTA) taxes, tax from recomputing prior-year investment or low-income housing credits, penalty taxes on Individual Retirement Arrangements, section 72 penalty taxes, advance earned income credit payments, or "golden parachute" payments (made to key employees as compensation under certain circumstances).

*Tax Generated*--This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special taxes on lump-sum distributions from qualified retirement plans or on accumulation distributions of trusts), tax generated equals "income tax before credits."

*Total Income Tax*--Total income tax is the sum of income tax after credits and the alternative minimum tax.

### Appendix B: Income Tax Structure

Each year, taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing

requirements for 1993 were based on the amount of "gross income," filing status, age, and, to a lesser extent, on dependency and blindness [B1]. Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 1993 if they had net earnings from self-employment of at least \$400; liability for social security or Medicare tax on unreported tip income; social security, Medicare, or railroad retirement tax on reported tip income or group-term life insurance; "alternative minimum tax"; tax on a qualified retirement plan, including an Individual Retirement Arrangement (IRA); tax on the recapture of investment credit or low-income housing credit; recapture tax on the disposition of a home purchased with a federally-subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from social security taxes.

Gross income includes all income, received in the form of money, goods, property, or services, that was not expressly exempt from tax [B2]. Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses [B3]. "Taxable income," the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers.

Income tax before credits is calculated from taxable income using: the tax table or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children's investment income; Schedule D worksheet for net long-term capital gains; or some combination of the above [B4]. For 1993, the tax rates for each filing status were 15, 28, 31, 36, and 39.6 percent, with a maximum rate of 28 percent on net long-term capital gains (in excess of short-term capital losses).

To calculate their Federal income tax liability for 1993, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than \$100,000 were required to use the tax table, while those with taxable income of \$100,000 or more were required to use the tax rate schedules. The tax table was based on income tax "brackets" that were \$50 wide. The tax within each bracket was based on the tax calculated at the midpoint of

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the bracket and then rounded to the nearest whole dollar. As a result, the tax table and the tax rate schedules could produce slightly different amounts of tax for the same amount of taxable income. For taxpayers using the tax table with taxable income that was subject to the 36 percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$8.89 [B5]. However, the actual difference in tax was smaller for almost all taxpayers.

### Notes to Appendix B

- [B1] Taxpayers fall into one of five filing statuses: single, married filing jointly, married filing separately, head of household, and surviving spouse. Being age 65 or older or being legally blind affects both the filing requirements and the amount of the standard deduction. Those taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements for 1993, see *Statistics of Income Individual Income Tax Returns 1993* or U.S. Department of the Treasury, Internal Revenue Service, *Your Federal Income Tax Publication 17* for 1993.
- [B2] As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross profits from sole proprietorships and farming, income from partnerships and S Corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, *U.S. Individual Income Tax Return*, concept of "total income," which is a component of the adjusted gross income (AGI) calculation on the Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from items such as business income and rent and royalties.
- [B3] As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, or the health insurance deduction for certain self-employed taxpayers.

[B4] Income tax before credits includes tax on lump-sum distributions from qualified retirement plans and tax on accumulation distributions of trusts.

[B5] For example, assume a taxpayer filing as "married filing separately" reported taxable income of \$82,449. Using the tax table, the tax would be \$22,437, but using the tax rate schedules, the tax would be \$22,445.89, a difference of \$8.89.

### Appendix C: Other Changes in Law for 1993

Among the additional tax law changes was the expiration of the provision which allowed self-employed persons, or owners of more than two percent of the outstanding stock of an S Corporation, to deduct, in the calculation of AGI, up to 25 percent of the amount paid for health insurance for themselves and their families. This provision was extended retroactively for the period July 1, 1992 through December 31, 1993 [C1]; however, to obtain the benefits retroactively, taxpayers had to file amended returns and such returns, if filed, are not reflected in these statistics [C2]. The ceilings on taxable "self-employment income" increased to \$57,600 for self-employment tax, and \$135,000 for the Medicare tax. Furthermore, the earned income credit, the limitation for itemized deductions, the personal exemption amounts, the standard deduction, and the width of each tax bracket were adjusted for inflation.

For 1993, the basic earned income credit could be as much as \$1,434 for one qualifying child, and as much as \$1,511 for two or more qualifying children for individuals whose earned income and AGI were both less than \$23,050. The maximum amounts of the health insurance credit and the extra credit for a child born in 1993 were \$465 and \$388, respectively.

Itemized deductions for taxpayers with AGI exceeding \$108,450 (\$54,225 if married filing separately) were subject to a limitation. (The limitation applied to itemized deductions other than deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, or gambling losses.) Total itemized deductions were reduced by the smaller of 80 percent of the nonexempt deductions, or three percent of the amount of AGI in excess of the threshold amounts.

The individual personal exemption amount increased from \$2,300 to \$2,350. A taxpayer's personal exemption deduction was limited, based on filing status, if AGI exceeded certain amounts. For each filing status, if a taxpayer reported AGI below the bottom threshold, the entire deduction was allowed; if AGI was more than the upper limit, the deduction was disallowed entirely. The deduction was reduced by two percentage points for each

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\$2,500, or part of \$2,500 (\$1,250 if married filing separately), that AGI exceeded the limitation threshold. The threshold for the limitation of personal exemption amounts increased. For single taxpayers, the limitation began at \$108,450 and was completed at \$230,950; for married taxpayers filing jointly and surviving spouses, the limitation began at \$162,700 and was completed at \$285,200; for heads of households, the limitation began at \$135,600 and was completed at \$258,100; and for married taxpayers filing separately, the limitation began at \$81,350 and was completed at \$142,600.

The standard deduction increased from \$3,600 to \$3,700 for single filers; from \$6,000 to \$6,200 for joint filers and surviving spouses; from \$3,000 to \$3,100 for married persons filing separately; and from \$5,250 to \$5,450 for heads of households.

## Notes to Appendix C

[C1] U.S. Congress, *Omnibus Budget Reconciliation Act of 1993* (H.R. 2264, 103rd Congress; Public Law 103-66), August 10, 1993.

[C2] The reinstated deduction was disallowed for any month in which the self-employed individual was eligible to participate in any subsidized health plan maintained by an employer of the individual or their spouse.

## Appendix D: Income and Tax Concepts

As discussed in Appendix B, gross income is all income received that is not exempt from tax. Total income is the net amount of gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is the result of total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

### 1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the tax laws change, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 1993 includes many

income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns, as well as disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept [D1].

### Modified Taxable Income

Each year, a relatively small number of returns for prior years are filed during the same period in which returns for the current year are being selected for *Statistics of Income Individual Income Tax Returns*. These returns are included in the statistics as proxies for current-year tax returns that will be filed during a later year. Because the tax on these returns is based on previous years' tax laws,

## Figure G

### Components of the 1979 Income Concept, Tax Year 1993

#### Income or Loss:

- Salaries and wages <sup>1</sup>
- Interest <sup>1</sup>
- Dividends <sup>1</sup>
- Alimony received <sup>1</sup>
- Capital gains reported on Schedule D minus allowable losses <sup>1</sup>
- Capital gains and losses not reported on Schedule D <sup>1</sup>
- Other gains and losses (Form 4797) <sup>1</sup>
- Business net income or loss <sup>1</sup>
- Farm net income or loss <sup>1</sup>
- Royalty net income or loss <sup>1</sup>
- Partnership net income or loss <sup>1</sup>
- Subchapter S Corporation net income or loss <sup>1</sup>
- Farm rental net income or loss <sup>1</sup>
- Estate or trust net income or loss <sup>1</sup>
- Unemployment compensation <sup>1</sup>
- Depreciation in excess of straight-line depreciation <sup>2</sup>
- Total pension income <sup>3</sup>
- Other net income or loss <sup>4</sup>

#### Deductions:

- Disallowed passive losses (Form 8582)
- Moving expenses <sup>5</sup>
- Alimony paid <sup>1</sup>
- Unreimbursed business expenses <sup>5</sup>

<sup>1</sup> Included in adjusted gross income for Tax Year 1993.

<sup>2</sup> Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

<sup>3</sup> Includes taxable and tax-exempt pension and retirement distributions.

<sup>4</sup> Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."

<sup>5</sup> Reported on Schedule A, Form 1040, for those taxpayers who reported itemized deductions.

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which reflect different tax rates and income concepts, the taxable income reported on these prior-year returns was "modified" for the statistics in this article by substituting the taxable income necessary to generate the amount of tax reported on the return, using the current-year's tax law. For current-year returns, "modified taxable income" is the same as taxable income.

## Marginal Tax Rates

Under the progressive U.S. tax rate structure, different portions of taxable income are taxed at different rates. How income tax is determined for a single taxpayer with AGI of \$275,000 using the standard deduction is illustrated in Figure H. As shown in the example, five different tax rates are applied to the taxable income to arrive at total tax. The first \$22,100 of taxable income was taxed at the 15 percent rate, the next \$31,400 was taxed at the 28 percent rate, the next \$61,500 was taxed at the 31 percent rate, the next \$135,000 was taxed at the 36 percent rate, and the remaining portion, \$21,300, was taxed at the 39.6 percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. The example shown has a marginal tax rate of 39.6 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes, which are not subject to the same treatment under the tax laws, determining marginal tax rates can be difficult. For instance, investment income of a dependent under age 14 in excess of a specific amount is treated

differently than salaries and wages of the same dependent. The investment income in excess of \$1,200 was taxed as if it were the marginal income of the parents, while the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received "last." This determination is complicated by the presence of items such as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal rate was the "last" income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows: (1) if a return showed taxable income below or equal to the amount to which the 39.6 percent tax rate was applied, then the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed; (2) if the return had taxable income (from other than net long-term capital gains) below or equal to the maximum amount to which the 28 percent tax rate applied, as well as net long-term capital gains to which the maximum 28 percent rate on the net gain applied, then the return was defined as having a "28 percent (capital gains)" marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 28 percent rate applied, as well as net long-term capital gains to which the 28 percent rate on the net gain applied, then the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed. (3) For returns of dependents with a Form 8615 attached when the use of this form resulted in the taxation of the dependent's income as if it were that of the parents, the return was classified as having a "Form 8615" marginal tax rate. The returns in the Form 8615 classification are not distributed by tax rate. (4) For returns of parents choosing to report interest and dividend income of their dependents under age 14 on their own (i.e., the parents') return using Form 8814 when the dependent's income generated the only tax liability on the parent's return, the return was classified with a "Form 8814" marginal tax rate.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of short-

**Figure H**

### Income Tax Calculation for a Single Taxpayer with One Exemption Who Used the Standard Deduction, Tax Year 1993

[Money amounts are in whole dollars]

Item	1993
Adjusted gross income.....	275,000
Less: Exemption amount.....	0 <sup>1</sup>
Standard deduction amount.....	3,700
Equals: Taxable income.....	271,300
Tax based on tax rates for single taxpayers:	
First \$22,100 taxed at 15 percent.....	3,315
Next \$31,400 taxed at 28 percent.....	8,792
Next \$61,500 taxed at 31 percent.....	19,065
Next \$135,000 taxed at 36 percent.....	48,600
Next \$21,300 taxed at 39.6 percent.....	8,435
Total tax from tax rate schedule.....	88,207

<sup>1</sup> The exemption amount was phased out completely because AGI exceeded \$230,950.

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term capital losses), and presence of a Form 8615 or a Form 8814. Returns were classified into one of the following eight mutually-exclusive marginal tax rate categories: (1) Form 8814 (15 percent rate with no tax liability other than that generated by the dependent's income); (2) 15 percent rate; (3) 28 percent rate; (4) 28 percent rate with net long-term capital gains [D2]; (5) 31 percent rate; (6) 36 percent rate; (7) 39.6 percent rate; and (8) Form 8615 (with income taxed at any rate) [D3].

Statistics by marginal tax rate classification and filing status for returns with modified taxable income are presented in Table 1. For each marginal rate classification, modified taxable income and "income tax generated" were computed "at all rates" and "at marginal rate." The "at all rates" computations (Columns 3 and 5) show the total amount of modified taxable income or tax generated tabulated by the marginal tax rate specified; each tax rate classification is mutually exclusive. The "at marginal rate" computations (Columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications. For example, consider returns in the "joint returns and returns of surviving spouses" filing status that were included in the "39.6 percent" marginal tax rate classification. The total modified taxable income for the 389,596 returns in this classification "at all rates" was \$251.5 billion (Column 3) and the total tax generated was \$87.5 billion (Column 5). \$129.1 billion (Column 4) of the modified taxable income for 1993 was subject to tax at the marginal tax rate of 39.6 percent. This modified taxable income generated \$51.1 billion (Column 6) in tax at the 39.6 percent tax rate with the remainder generated by the lower four tax rates. The alternative minimum tax was not included in the statistics by marginal tax rate.

Statistics on the tax generated, in total and at each marginal tax rate bracket, for returns with modified taxable income are provided in Table 2. Returns in this table are classified by size of AGI rather than by the marginal tax rate classifications used in Table 1. The tax generated at each marginal tax rate was computed based on the modified taxable income for each individual return. For example, the nearly 0.8 million returns included in the "\$200,000 under \$500,000" income size classification showed total modified taxable income of \$193.3 billion and generated total tax of \$58.2 billion. Of the \$193.3 billion of modified taxable income, \$27.7 billion was taxed at 15 percent, \$37.9 billion was taxed at 28 percent, \$16.5 billion was taxed at the 28 percent rate with net long-term capital gains, \$37.5 billion was taxed at 31 percent, \$54.7 billion was taxed at 36 percent, and \$19.0 billion was taxed at the 39.6 percent rate, with the remain-

der consisting of tax related to Forms 8814 and 8615. Approximately \$4.1 billion of the total tax generated was from the 15 percent rate, \$10.6 billion resulted from the 28 percent rate, \$4.6 billion was from the 28 percent rate with net long-term capital gains, \$11.6 billion was from the 31 percent rate, \$19.7 billion was from the 36 percent rate, and \$7.5 billion resulted from the 39.6 percent rate, with the remainder from tax related to Forms 8814 and 8615.

Statistics are presented in Table 3 on the income and tax generated at each marginal tax rate (as in Table 2, columns 5 through 28) by filing status, instead of size of AGI, for returns with modified taxable income. Nearly 0.4 million of the 41.9 million returns filed jointly had some income taxed at the 39.6 percent tax rate. For these returns, the total taxable income subject to this rate was \$129.1 billion and the tax generated was \$51.1 billion.

### Notes to Appendix D

[D1] For more details on the income computation under the 1979 Income Concept for 1993, see *Statistics of Income Individual Tax Returns 1993*.

[D2] The "28 percent (capital gains)" marginal tax rate category consists of returns which have a top tax rate of 28 percent, but have net long-term capital gains (in excess of short-term capital losses) which would have been taxed at a higher rate if it had been some other form of income.

[D3] For some taxpayers, the statutory marginal tax rate may differ from the actual marginal tax rate. For example, extra income received by certain taxpayers may result in the phaseout of their personal exemptions as well as some of their itemized deductions. Therefore, an extra dollar of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 31 percent, the actual marginal rate faced by the taxpayer would be somewhat higher.

### Appendix E: Computation of Alternative Minimum Taxable Income

AMTI was computed by adding certain "tax preferences" (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and "adjustments" (i.e., regular tax deduction amounts recomputed for AMT purposes) to taxable income before any deductions for personal exemptions (Figures I-1 and I-2). Despite the fact that itemized deductions for some taxpayers were limited, the full amounts of certain itemized deductions were included as

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**Figure I-1**

## Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 1993

	Taxable income before deduction for personal exemptions
PLUS:	Adjustments and Preferences
PLUS:	Net operating loss deduction
MINUS:	Overall itemized deductions limitation
MINUS:	Alternative tax net operating loss deduction <sup>1</sup>
EQUALS:	Alternative minimum taxable income

<sup>1</sup> Limited to 90 percent of AMTI, except when one of the following items is present on Form 6251: medical and dental expenses, passive activity gains or losses, charitable contributions, depletion, or other related adjustments. In which case AMTI is recalculated and the alternative tax net operating loss deduction is limited to 90 percent of the recalculated amount.

adjustments. To compensate for this, the overall limitation on itemized deductions was subtracted from taxable income for AMT purposes. The "net operating loss deduction" was recomputed to allow for the exclusion of the "tax preference items" and "adjustments" used to reduce regular tax liability. The recomputed net operating loss deduction, termed the "alternative net operating loss deduction," was limited to 90 percent of AMTI (with certain minor exceptions for 1993).

AMTI was reduced by an exemption amount, subject to phase-out at higher income levels, dependent upon the filing status of the individual. For 1993, the AMTI exemption for single filers (and heads of households) was \$33,750; for joint filers and surviving spouses, \$45,000; and, for married persons filing separately, \$22,500. The exemption was reduced (but not below zero) by 25 percent of the amount by which AMTI exceeded threshold levels of \$112,500 for single filers (and heads of households), \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single (or head of household), married filing jointly, and married filing separately, at \$247,500, \$330,000, and \$165,000, of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500 if married filing separately) of the remaining AMTI, was subject to tax at a 26 percent rate (up from 24 percent for 1992) with any excess being taxed at a 28 percent rate (24 percent for 1992). The resulting tax was reduced by the "alternative minimum tax foreign tax credit," which produced a "tentative minimum tax." Tentative minimum tax was further reduced by the individual's regular tax before credits (including additional taxes from accumulation distributions of trusts or lump-sum distributions from qualified retirement plans)

less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 14 with investment income over a certain amount, who filed their own return, were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid had the parents included the dependent's income on their own tax return. (Dependents filing their own returns were limited to an AMT exemption of \$1,000 plus their "earned income." The dependent's AMT could be reduced if the parent had regular tax greater than the child's own tentative minimum tax, or if any other dependent under age 14 of the same parents had regular tax greater than this dependent's own tentative minimum tax.)

### Appendix F: Data Sources and Limitations

The statistics for Tax Year 1993 are based on a stratified probability sample of unaudited individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronic returns) filed with the Internal Revenue Service during Calendar Year 1994. Returns in the sample were stratified based on the larger of "total income" or "total loss" (adjusted gross income before subtraction of statutory adjustments), the size of business plus farm receipts, and the presence or absence of the following tax forms: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*. Returns were selected at rates ranging from 0.02 percent (for the more numerous, smaller-sized, nearly homogeneous returns) to 100 percent (for the relatively few returns with large income amounts or unusual characteristics). The sampling resulted in 104,605 returns selected to represent the 115,699,026 returns filed during 1994.

Since the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. (For information about the samples used for the other tax years referred to in the statistics, for example, in Tables 5 through 8, see the *Statistics of Income* reports for these years.) Estimated CV's for the number of returns and money amounts for selected income items are presented in Figure J. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

# Individual Income Tax Rates and Tax Shares, 1993

**Figure I-2**

## **Alternative Minimum Tax Adjustments and Preferences, Tax Year 1993**

- Standard deduction
- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI) or from the medical and dental expenses worksheet
- Deductions for state and local income, real estate, and foreign taxes
- Deductions for interest on certain home mortgages that were not used to buy, build or improve the taxpayer's main home or second home
- Miscellaneous itemized deductions subject to the 2-percent-of-adjusted gross income limitation
- Refunds of state and local income, real estate, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Adjustment of gain or loss on property; the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for alternative minimum tax purposes (the result could be negative)
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Passive activity loss allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account alternative minimum tax adjustments and preference items
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for alternative minimum tax purposes (the result could be negative)
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excess of deduction for charitable contributions of appreciated capital gain property contributed before 1993 refigured for AMT purposes using Alternative Tax AGI (the result could be negative)<sup>1</sup>
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization had the expenditures been capitalized (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over adjusted basis (the result could be negative)
- Excess of accelerated depreciation on property placed in service before 1987 over straight-line depreciation as refigured for alternative minimum tax purposes
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result could be negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs had been capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas and geothermal wells, with exceptions for independent oil producers and royalty owners
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account alternative minimum tax adjustments and preference items (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization had the costs been capitalized (the result could be negative)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization had the expenditures been capitalized (the result could be negative)
- Adjustment for refigured tax shelter farm losses, taking into account alternative minimum tax adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, such as section 179 expense deduction, expenses for business or rental use of the home, taxable IRA distributions, etc. (the result could be negative)

<sup>1</sup> This tax preference item applied to contributions of tangible personal property made before 1990 and contributions of all property made before 1992.

# Individual Income Tax Rates and Tax Shares, 1993

**Figure J**

## Coefficients of Variation for Selected Items, Tax Year 1993

[Coefficients of variation are percentages]

Size of adjusted gross income	Adjusted gross income		Taxable income		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	0.06	0.17	0.26	0.22	0.28	0.25
Under \$2,000.....	2.15	1.41	4.99	6.55	5.05	6.59
\$2,000 under \$4,000.....	2.41	2.45	5.60	7.93	5.65	8.47
\$4,000 under \$6,000.....	2.47	2.48	5.54	6.03	5.52	6.51
\$6,000 under \$8,000.....	2.31	2.32	3.37	4.37	3.40	4.41
\$8,000 under \$10,000.....	2.36	2.36	3.34	3.73	3.39	4.96
\$10,000 under \$12,000.....	2.39	2.39	3.02	3.48	3.35	4.04
\$12,000 under \$14,000.....	2.43	2.43	2.73	3.32	3.13	3.61
\$14,000 under \$16,000.....	2.54	2.54	2.74	3.26	3.24	3.66
\$16,000 under \$18,000.....	2.62	2.62	2.76	3.21	3.17	3.64
\$18,000 under \$20,000.....	2.71	2.71	2.79	3.17	2.98	3.45
\$20,000 under \$25,000.....	1.77	1.77	1.79	2.00	1.81	2.05
\$25,000 under \$30,000.....	1.94	1.94	1.96	2.13	1.96	2.16
\$30,000 under \$40,000.....	1.15	1.15	1.15	1.22	1.15	1.27
\$40,000 under \$50,000.....	1.46	1.47	1.47	1.51	1.47	1.57
\$50,000 under \$75,000.....	1.13	1.10	1.13	1.12	1.13	1.15
\$75,000 under \$100,000.....	1.87	1.87	1.87	1.90	1.87	1.93
\$100,000 under \$200,000.....	1.55	1.36	1.55	1.35	1.55	1.32
\$200,000 under \$500,000.....	1.50	1.26	1.50	1.26	1.50	1.24
\$500,000 under \$1,000,000.....	1.13	1.13	1.14	1.15	1.14	1.16
\$1,000,000 or more.....	0.57	0.33	0.58	0.35	0.58	0.36

# Individual Income Tax Rates and Tax Shares, 1993

**Table 1.-- Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed, Tax Year 1993**

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

Highest marginal rate at which tax was computed	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			Taxed at all rates	Taxed at marginal rate	At all rates	At marginal rate	Total	As a percentage of-	
								Adjusted gross income	Modified taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All returns</b>									
<b>Total</b> .....	<b>90,737,061</b>	<b>3,632,319,536</b>	<b>2,453,219,085</b>	<b>1,351,496,944</b>	<b>508,355,316</b>	<b>295,156,672</b>	<b>500,589,168</b>	<b>13.8</b>	<b>20.4</b>
15 percent (Form 8814) <sup>1</sup> .....	11,504	134,279	9,039	9,039	1,352	1,352	940	0.7	10.4
15 percent.....	65,550,750	1,522,416,484	807,199,205	807,175,912	121,081,663	121,076,387	116,800,883	7.7	14.5
28 percent.....	21,236,907	1,279,898,794	945,351,453	286,352,443	179,028,917	80,178,684	177,940,799	13.9	18.8
28 percent (capital gains) <sup>2</sup> .....	310,161	58,224,270	47,962,000	31,872,094	12,168,607	8,924,186	12,089,238	20.8	25.2
31 percent.....	2,166,479	266,268,498	212,481,144	38,778,018	51,867,277	12,021,186	51,562,182	19.4	24.3
36 percent.....	756,618	169,556,094	142,270,404	31,259,727	40,147,107	11,253,502	39,719,668	23.4	27.9
39.6 percent.....	453,111	334,247,048	296,586,033	154,847,981	103,652,261	61,319,800	102,073,458	30.5	34.4
Form 8615 <sup>3</sup> .....	251,531	1,574,068	1,359,807	1,201,731	408,132	381,575	402,002	25.5	29.6
<b>Joint returns and returns of surviving spouses</b>									
<b>Total</b> .....	<b>41,901,069</b>	<b>2,482,606,769</b>	<b>1,699,995,608</b>	<b>886,859,929</b>	<b>364,239,764</b>	<b>203,543,884</b>	<b>359,842,490</b>	<b>14.5</b>	<b>21.2</b>
15 percent (Form 8814) <sup>1</sup> .....	7,779	113,882	6,887	6,887	1,031	1,031	776	0.7	11.3
15 percent.....	26,898,363	909,866,186	481,060,508	481,040,352	72,159,815	72,156,053	70,494,429	7.7	14.7
28 percent.....	12,478,589	915,186,141	663,805,743	203,319,433	126,002,459	56,929,441	125,049,766	13.7	18.8
28 percent (capital gains) <sup>2</sup> .....	190,310	41,778,168	34,267,599	22,571,883	8,682,326	6,320,127	8,627,555	20.7	25.2
31 percent.....	1,324,924	190,910,547	150,744,132	25,614,109	36,620,475	7,940,374	36,401,617	19.1	24.1
36 percent.....	611,508	141,697,396	118,593,038	25,244,988	33,224,301	9,088,196	32,877,407	23.2	27.7
39.6 percent.....	389,596	283,054,449	251,517,701	129,062,278	87,549,357	51,108,662	86,390,940	30.5	34.3
Form 8615 <sup>3</sup> .....	--	--	--	--	--	--	--	--	--
<b>Returns of married persons filing separately</b>									
<b>Total</b> .....	<b>2,101,652</b>	<b>64,739,546</b>	<b>46,180,872</b>	<b>26,060,385</b>	<b>10,434,320</b>	<b>6,442,501</b>	<b>10,276,112</b>	<b>15.9</b>	<b>22.3</b>
15 percent (Form 8814) <sup>1</sup> .....	--	--	--	--	--	--	--	( )	( )
15 percent.....	1,374,564	22,449,229	12,375,316	12,375,316	1,856,355	1,856,297	1,839,200	8.2	14.9
28 percent.....	622,622	22,917,333	17,294,767	5,806,596	3,349,384	1,625,847	3,343,904	14.6	19.3
28 percent (capital gains) <sup>2</sup> .....	3,328	1,033,281	880,290	808,118	238,524	226,273	236,795	22.9	26.9
31 percent.....	60,042	4,071,347	3,338,552	556,378	807,504	172,477	798,665	19.6	23.9
36 percent.....	25,106	2,874,489	2,382,843	498,011	665,957	179,284	664,924	23.1	27.9
39.6 percent.....	15,990	11,393,867	9,909,104	6,015,967	3,516,596	2,382,323	3,392,625	29.8	34.2
Form 8615 <sup>3</sup> .....	--	--	--	--	--	--	--	( )	( )
<b>Returns of heads of households</b>									
<b>Total</b> .....	<b>9,615,321</b>	<b>253,639,494</b>	<b>135,631,339</b>	<b>98,591,375</b>	<b>23,582,150</b>	<b>17,108,543</b>	<b>20,969,465</b>	<b>8.3</b>	<b>15.5</b>
15 percent (Form 8814) <sup>1</sup> .....	--	--	--	--	--	--	--	--	--
15 percent.....	**8,574,743	**185,420,594	**83,593,094	**83,589,957	**12,539,190	**12,538,492	**10,071,041	**5.4	**12.0
28 percent.....	963,068	52,202,429	38,592,346	10,082,893	7,099,610	2,823,210	7,020,977	13.4	18.2
28 percent (capital gains) <sup>2</sup> .....	5,869	1,329,803	1,125,050	854,489	292,452	239,257	289,002	21.7	25.7
31 percent.....	46,340	5,751,143	4,545,271	852,634	1,119,934	264,317	1,114,917	19.4	24.5
36 percent.....	18,328	3,924,416	3,300,758	790,234	945,002	284,484	939,064	23.9	28.4
39.6 percent.....	6,971	5,011,108	4,474,821	2,421,169	1,585,961	958,783	1,534,463	30.6	34.3
Form 8615 <sup>3</sup> .....	--	--	--	--	--	--	--	( )	( )
<b>Returns of single persons</b>									
<b>Total</b> .....	<b>37,119,020</b>	<b>831,333,726</b>	<b>571,411,266</b>	<b>339,985,255</b>	<b>110,099,082</b>	<b>68,061,745</b>	<b>109,501,101</b>	<b>13.2</b>	<b>19.2</b>
15 percent (Form 8814) <sup>1</sup> .....	--	--	--	--	--	--	--	--	--
15 percent.....	**28,706,805	**404,700,872	**230,172,440	**230,172,440	**34,526,624	**34,525,867	**34,396,377	**8.5	**14.9
28 percent.....	7,172,628	289,592,890	225,658,596	67,143,521	42,577,464	18,800,186	42,526,152	14.7	18.8
28 percent (capital gains) <sup>2</sup> .....	110,653	14,083,018	11,689,062	7,637,605	2,955,305	2,138,529	2,935,885	20.8	25.1
31 percent.....	735,173	65,535,461	53,853,188	11,754,897	13,319,364	3,644,018	13,246,984	20.2	24.6
36 percent.....	101,676	21,059,793	17,993,765	4,726,494	5,311,848	1,701,538	5,238,273	24.9	29.1
39.6 percent.....	40,554	34,787,624	30,684,407	17,348,567	11,000,347	6,870,033	10,755,431	30.9	35.1
Form 8615 <sup>3</sup> .....	251,531	1,574,068	1,359,807	1,201,731	408,132	381,575	402,002	25.5	29.6

\*\* Data are combined with data in an adjacent tax rate class to avoid disclosure of information for specific taxpayers.

<sup>1</sup> Form 8814 was filed for a dependent child under age 14 for whom the parents made the election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parents' income tax return.

<sup>2</sup> Returns with net long-term capital gains in excess of short-term capital losses taxed at the 28 percent rate.

<sup>3</sup> Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The returns in this rate classification are not distributed by tax rate. Percentage not computed.

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

# Individual Income Tax Rates and Tax Shares, 1993

**Table 2.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1993**

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

Size of adjusted gross income	Number of returns with modified taxable income	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					15 percent (from Form 8814) <sup>1</sup>			15 percent		
					Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>Total</b> .....	<b>90,737,061</b>	<b>2,453,542,487</b>	<b>2,453,219,085</b>	<b>508,355,316</b>	<b>141,916</b>	<b>83,437</b>	<b>12,516</b>	<b>90,720,481</b>	<b>1,585,203,210</b>	<b>237,780,481</b>
Under \$2,000.....	1,394,773	468,901	469,833	75,996	1,772	933	140	1,393,009	432,934	64,940
\$2,000 under \$4,000.....	1,276,689	755,135	756,260	126,850	*935	*1,100	*165	1,275,755	631,195	94,679
\$4,000 under \$6,000.....	1,428,245	1,964,999	1,965,004	307,083	--	--	--	1,428,245	1,861,671	279,251
\$6,000 under \$8,000.....	3,336,727	4,925,132	4,926,637	745,844	*2,360	*1,469	*219	3,333,260	4,861,987	729,298
\$8,000 under \$10,000.....	3,293,161	9,749,372	9,750,240	1,466,271	*1,572	*861	*129	3,291,588	9,701,499	1,455,225
\$10,000 under \$12,000.....	3,899,521	15,626,131	15,626,211	2,346,255	--	--	--	3,899,521	15,605,255	2,340,788
\$12,000 under \$14,000.....	4,490,156	21,559,311	21,560,636	3,243,697	*2,237	*1,565	*234	4,488,911	21,503,832	3,225,575
\$14,000 under \$16,000.....	4,404,067	26,907,794	26,908,495	4,042,180	**1,116	**466	**70	4,402,953	26,875,442	4,031,316
\$16,000 under \$18,000.....	4,204,953	31,585,856	31,585,560	4,749,545	**	**	**	4,204,952	31,525,926	4,728,889
\$18,000 under \$20,000.....	4,143,954	38,616,424	38,616,793	5,792,651	*2,408	*542	*82	4,143,954	38,616,251	5,792,438
\$20,000 under \$25,000.....	9,309,754	113,976,326	113,985,884	17,106,723	*3,483	*1,038	*156	9,309,754	113,924,508	17,088,676
\$25,000 under \$30,000.....	7,674,885	124,474,976	124,481,851	18,817,176	*3,355	*2,110	*316	7,673,893	123,419,974	18,512,996
\$30,000 under \$40,000.....	12,298,362	272,828,793	272,860,798	43,652,732	9,301	5,109	771	12,298,021	251,907,655	37,786,148
\$40,000 under \$50,000.....	9,046,135	269,806,935	269,841,830	43,955,303	*12,861	*8,954	*1,344	9,046,135	243,114,150	36,467,122
\$50,000 under \$75,000.....	12,220,165	516,912,048	517,001,291	91,798,295	36,194	17,238	2,587	12,220,154	407,790,427	61,168,564
\$75,000 under \$100,000.....	4,219,032	262,755,147	262,800,841	54,329,755	17,466	13,129	1,963	4,215,661	149,194,028	22,379,104
\$100,000 under \$200,000.....	3,104,461	313,409,048	313,443,056	75,416,598	25,359	15,168	2,275	3,102,910	109,391,976	16,408,796
\$200,000 under \$500,000.....	785,021	193,398,214	193,295,003	58,234,398	17,367	11,265	1,691	784,862	27,655,357	4,148,304
\$500,000 under \$1,000,000.....	140,638	82,915,033	82,771,612	28,425,533	2,896	1,610	241	140,586	4,905,911	735,887
\$1,000,000 or more.....	66,365	150,906,911	150,571,253	53,722,430	1,233	880	132	66,359	2,283,233	342,485

Size of adjusted gross income	Tax generated at specified rate								
	28 percent			28 percent (capital gains) <sup>2</sup>			31 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
<b>Total</b> .....	<b>24,836,271</b>	<b>447,820,104</b>	<b>125,389,629</b>	<b>1,625,559</b>	<b>81,960,424</b>	<b>22,948,915</b>	<b>3,376,210</b>	<b>100,769,032</b>	<b>31,238,400</b>
Under \$2,000.....	--	--	--	--	--	--	--	--	--
\$2,000 under \$4,000.....	--	--	--	--	--	--	--	--	--
\$4,000 under \$6,000.....	--	--	--	--	--	--	--	--	--
\$6,000 under \$8,000.....	--	--	--	--	--	--	--	--	--
\$8,000 under \$10,000.....	--	--	--	--	--	--	--	--	--
\$10,000 under \$12,000.....	--	--	--	--	--	--	--	--	--
\$12,000 under \$14,000.....	--	--	--	--	--	--	--	--	--
\$14,000 under \$16,000.....	--	--	--	--	--	--	--	--	--
\$16,000 under \$18,000.....	--	--	--	--	--	--	--	--	--
\$18,000 under \$20,000.....	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	49,860	35,562	9,957	--	--	--	--	--	--
\$25,000 under \$30,000.....	810,892	997,672	279,348	--	--	--	--	--	--
\$30,000 under \$40,000.....	3,831,942	20,948,034	5,865,450	--	--	--	--	--	--
\$40,000 under \$50,000.....	2,546,059	26,671,594	7,468,046	--	--	--	*154	*69	*21
\$50,000 under \$75,000.....	9,423,832	106,444,916	29,804,576	102,149	994,742	278,534	334,527	1,753,967	543,730
\$75,000 under \$100,000.....	4,160,546	107,698,246	30,155,509	112,097	1,371,343	383,980	287,404	4,401,501	1,364,465
\$100,000 under \$200,000.....	3,046,262	137,392,336	38,469,854	869,773	13,693,405	3,834,140	1,814,415	47,149,210	14,616,255
\$200,000 under \$500,000.....	767,298	37,851,748	10,598,489	410,837	16,537,226	4,630,423	743,845	37,469,744	11,615,621
\$500,000 under \$1,000,000.....	136,033	6,694,677	1,874,510	84,960	10,877,365	3,045,662	133,210	6,797,037	2,107,081
\$1,000,000 or more.....	63,547	3,085,319	863,889	45,743	38,486,342	10,776,176	62,655	3,197,504	991,226

Footnotes at end of table.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 2.-- Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 1993--Continued**

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

Size of adjusted gross income	Tax generated at specified rate								
	36 percent			39.6 percent			Form 8615 <sup>3</sup>		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
<b>Total.....</b>	<b>1,209,730</b>	<b>81,323,629</b>	<b>29,276,506</b>	<b>453,112</b>	<b>154,857,518</b>	<b>61,323,577</b>	<b>251,531</b>	<b>1,201,731</b>	<b>381,575</b>
Under \$2,000.....	--	--	--	--	--	--	110,959	35,966	10,677
\$2,000 under \$4,000.....	--	--	--	--	--	--	71,755	123,965	31,839
\$4,000 under \$6,000.....	--	--	--	--	--	--	30,717	103,333	27,720
\$6,000 under \$8,000.....	--	--	--	--	--	--	*10,599	*63,180	*16,216
\$8,000 under \$10,000.....	--	--	--	--	--	--	*6,225	*47,881	*10,797
\$10,000 under \$12,000.....	--	--	--	--	--	--	*2,353	*20,955	*5,405
\$12,000 under \$14,000.....	--	--	--	--	--	--	*4,980	*55,239	*17,731
\$14,000 under \$16,000.....	--	--	--	--	--	--	*2,353	*32,587	*10,576
\$16,000 under \$18,000.....	--	--	--	--	--	--	*3,735	*59,634	*20,547
\$18,000 under \$20,000.....	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	*1,245	*24,776	*7,733
\$25,000 under \$30,000.....	--	--	--	--	--	--	*2,237	*62,095	*24,294
\$30,000 under \$40,000.....	--	--	--	--	--	--	--	--	--
\$40,000 under \$50,000.....	--	--	--	--	--	--	*1,124	*47,062	*18,507
\$50,000 under \$75,000.....	--	--	--	--	--	--	--	--	--
\$75,000 under \$100,000.....	*9,424	*56,165	*20,219	--	--	--	*962	*66,429	*24,530
\$100,000 under \$200,000.....	302,221	5,449,930	1,961,975	5,503	135,975	53,846	*1,877	*215,057	*69,057
\$200,000 under \$500,000.....	705,669	54,730,953	19,703,143	262,774	19,008,195	7,527,245	*158	*30,515	*9,060
\$500,000 under \$1,000,000.....	130,549	14,293,199	5,145,552	124,688	39,045,905	15,462,178	*215	*155,908	*54,336
\$1,000,000 or more.....	61,868	6,793,382	2,445,618	60,147	96,667,444	38,280,308	*37	*57,149	*22,551

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

\*\* Data are combined with data in an adjacent adjusted gross income size class to avoid disclosure of information for specific taxpayers.

<sup>1</sup> Form 8814 was filed for a dependent child under age 14 for whom the parents made the election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parents' income tax return.

<sup>2</sup> Returns with net long-term capital gains in excess of short-term capital losses taxed at the 28 percent rate.

<sup>3</sup> Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The returns in this rate classification are not distributed by tax rate.

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

# Individual Income Tax Rates and Tax Shares, 1993

**Table 3.-- Returns with Modified Taxable Income: Taxable Income and Tax Classified by Each Rate at Which Tax was Computed and by Filing Status, Tax Year 1993**

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

Marginal tax rate classes	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All tax rates.....</b>	<b>90,737,061</b>	<b>2,453,219,085</b>	<b>508,351,604</b>	<b>41,901,069</b>	<b>1,699,995,608</b>	<b>364,238,153</b>	<b>2,101,652</b>	<b>46,180,872</b>	<b>10,433,921</b>
15 percent (Form 8814) <sup>1</sup> .....	141,916	83,437	12,516	123,701	74,426	11,167	904	795	119
15 percent.....	90,720,481	1,585,203,210	237,780,482	41,893,290	1,034,352,460	155,152,869	2,101,652	25,790,046	3,868,507
28 percent.....	24,836,271	447,820,104	125,389,629	14,947,379	329,527,917	92,267,817	724,577	8,459,639	2,368,699
28 percent (capital gains) <sup>2</sup> .....	1,625,559	81,960,424	22,948,919	1,174,132	62,357,748	17,460,170	28,529	2,935,722	822,002
31 percent.....	3,376,210	100,769,032	31,238,400	2,326,028	76,520,236	23,721,273	101,138	1,601,245	496,386
36 percent.....	1,209,730	81,323,629	29,276,506	1,001,104	68,100,542	24,516,195	41,096	1,377,459	495,885
39.6 percent.....	453,112	154,857,518	61,323,577	389,596	129,062,278	51,108,662	15,990	6,015,967	2,382,323
Form 8615 <sup>3</sup> .....	251,531	1,201,731	381,575	--	--	--	--	--	--

Marginal tax rate classes	Returns of heads of households			Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)	(13)	(14)	(15)
<b>All tax rates.....</b>	<b>9,615,321</b>	<b>135,631,339</b>	<b>23,581,919</b>	<b>37,119,020</b>	<b>571,411,266</b>	<b>110,097,611</b>
15 percent (Form 8814) <sup>1</sup> .....	17,105	8,115	1,215	205	101	15
15 percent.....	9,611,597	114,388,896	17,158,334	37,113,942	410,671,808	61,600,771
28 percent.....	1,037,722	13,532,484	3,789,095	8,126,593	96,300,064	26,964,018
28 percent (capital gains) <sup>2</sup> .....	32,370	1,490,997	417,479	390,528	15,175,957	4,249,268
31 percent.....	71,640	2,145,449	665,089	877,404	20,502,103	6,355,652
36 percent.....	25,300	1,644,230	591,923	142,231	10,201,399	3,672,504
39.6 percent.....	6,971	2,421,169	958,783	40,555	17,358,104	6,873,809
Form 8615 <sup>3</sup> .....	--	--	--	251,531	1,201,731	381,575

<sup>1</sup> Form 8814 was filed for a dependent child under age 14 for whom the parents made an election to report the child's investment income (if it was from interest or dividends totaling between \$500 and \$5,000) on the parents' income tax return.

<sup>2</sup> Returns with net long-term capital gains in excess of short-term capital losses taxed at the 28 percent rate.

<sup>3</sup> Form 8615 was filed for a child under age 14 to report the child's investment income in excess of \$1,200. The returns in this rate classification are not distributed by tax rate.

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

# Individual Income Tax Rates and Tax Shares, 1993

**Table 4.--Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 1992 and 1993**

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

Type of tax computation by size of adjusted gross income	Tax Year 1992				Tax Year 1993			
	Income tax before credits (regular tax computation)		Tax generated	Difference due to special tax computation <sup>1</sup>	Income tax before credits (regular tax computation)		Tax generated	Difference due to special tax computation <sup>1</sup>
	Number of returns	Amount	Amount		Number of returns	Amount	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns with regular tax computation only</b>								
<b>Total</b> .....	<b>88,916,192</b>	<b>384,798,390</b>	<b>384,835,549</b>	<b>N/A</b>	<b>88,848,467</b>	<b>392,858,171</b>	<b>392,859,128</b>	<b>N/A</b>
Under \$5,000.....	3,661,295	302,390	304,692	N/A	3,309,268	260,453	260,457	N/A
\$5,000 under \$10,000.....	7,901,078	2,629,444	2,633,610	N/A	7,183,440	2,343,224	2,343,224	N/A
\$10,000 under \$15,000.....	10,407,482	7,548,319	7,553,578	N/A	10,538,406	7,426,626	7,426,622	N/A
\$15,000 under \$20,000.....	10,829,259	13,310,717	13,316,252	N/A	10,589,709	12,694,206	12,694,200	N/A
\$20,000 under \$25,000.....	9,353,882	17,326,453	17,331,374	N/A	9,308,509	17,097,875	17,099,139	N/A
\$25,000 under \$30,000.....	7,484,044	18,735,822	18,738,944	N/A	7,671,656	18,792,662	18,792,654	N/A
\$30,000 under \$40,000.....	12,259,525	44,082,396	44,086,699	N/A	12,298,021	43,652,729	43,652,715	N/A
\$40,000 under \$50,000.....	8,988,898	44,066,814	44,070,758	N/A	9,045,011	43,937,300	43,937,300	N/A
\$50,000 under \$75,000.....	11,642,973	87,197,009	87,198,154	N/A	12,118,004	90,385,890	90,385,849	N/A
\$75,000 under \$100,000.....	3,853,114	49,516,574	49,517,648	N/A	4,103,565	52,335,559	52,335,560	N/A
\$100,000 under \$200,000.....	2,062,542	46,687,823	46,689,020	N/A	2,232,809	49,985,796	49,985,733	N/A
\$200,000 under \$500,000.....	387,035	26,719,153	26,719,319	N/A	374,024	27,136,278	27,136,132	N/A
\$500,000 under \$1,000,000.....	60,415	10,705,593	10,705,618	N/A	55,459	11,558,868	11,558,845	N/A
\$1,000,000 or more.....	24,649	15,969,882	15,969,893	N/A	20,585	15,250,706	15,250,698	N/A
<b>Returns with Form 8615 tax computation</b>								
<b>Total</b> .....	<b>207,539</b>	<b>199,658</b>	<b>275,461</b>	<b>75,803</b>	<b>251,531</b>	<b>296,709</b>	<b>408,132</b>	<b>111,423</b>
Under \$5,000.....	166,029	45,307	65,573	20,266	205,047	52,951	81,589	28,638
\$5,000 under \$10,000.....	22,594	19,122	32,477	13,355	25,209	23,989	36,826	12,837
\$10,000 under \$15,000.....	*7,314	*12,700	*21,777	*9,077	*8,578	*14,628	*28,314	*13,686
\$15,000 under \$20,000.....	*4,967	*11,099	*22,232	*11,133	*4,843	*11,708	*27,033	*15,325
\$20,000 under \$25,000.....	*1,242	*3,822	*7,859	*4,037	*1,245	*3,833	*7,847	*4,014
\$25,000 under \$30,000.....	--	--	--	--	*2,237	*11,329	*24,500	*13,171
\$30,000 under \$40,000.....	*4,446	*30,091	*46,394	*16,303	--	--	--	--
\$40,000 under \$50,000.....	--	--	--	--	*1,124	*10,089	*18,584	*8,495
\$50,000 under \$75,000.....	*328	*3,542	*4,883	*1,341	--	--	--	--
\$75,000 under \$100,000.....	--	--	--	--	*962	*16,290	*24,530	*8,240
\$100,000 under \$200,000.....	*481	*19,772	*20,761	*989	*1,877	*59,072	*69,087	*10,015
\$200,000 under \$500,000.....	--	--	--	--	*158	*9,367	*9,060	*-307
\$500,000 under \$1,000,000.....	*40	*10,320	*10,492	*172	*215	*57,649	*54,351	*-3,298
\$1,000,000 or more.....	99	43,883	43,013	*-870	*37	*25,804	*26,410	*606
<b>Returns with Schedule D tax computation</b>								
<b>Total</b> .....	<b>1,484,914</b>	<b>98,681,342</b>	<b>96,787,561</b>	<b>-1,893,781</b>	<b>1,625,559</b>	<b>122,253,076</b>	<b>115,090,650</b>	<b>-7,162,426</b>
Under \$5,000.....	--	--	--	--	--	--	--	--
\$5,000 under \$10,000.....	--	--	--	--	--	--	--	--
\$10,000 under \$15,000.....	--	--	--	--	--	--	--	--
\$15,000 under \$20,000.....	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--
\$25,000 under \$30,000.....	--	--	--	--	--	--	--	--
\$30,000 under \$40,000.....	--	--	--	--	--	--	--	--
\$40,000 under \$50,000.....	--	--	--	--	--	--	--	--
\$50,000 under \$75,000.....	129,798	1,770,236	1,760,520	-9,716	102,149	1,423,425	1,412,379	-11,046
\$75,000 under \$100,000.....	129,074	2,332,300	2,304,005	-28,295	112,097	1,995,452	1,969,890	-25,562
\$100,000 under \$200,000.....	744,751	21,232,638	20,998,135	-234,503	869,773	25,718,876	25,361,873	-357,003
\$200,000 under \$500,000.....	358,350	25,854,646	25,461,370	-393,276	410,837	32,349,469	31,088,931	-1,260,538
\$500,000 under \$1,000,000.....	80,523	14,455,891	14,186,827	-269,064	84,960	17,950,865	16,812,283	-1,138,582
\$1,000,000 or more.....	42,418	33,035,633	32,076,703	-958,930	45,743	42,814,989	38,445,294	-4,369,695

\* Estimate should be used with caution due to the small number of sample returns on which it is based.

<sup>1</sup> The difference between the amount of tax resulting from using the provisions of one of the special tax computations and the amount of tax resulting from the regular tax computation.

N/A - Not applicable.

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

# Individual Income Tax Rates and Tax Shares, 1993

**Table 5.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1993**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: <sup>1</sup></b>						
1980.....	93,238,823	932,388	4,661,941	9,323,882	23,309,706	46,619,411
1981.....	94,586,878	945,869	4,729,344	9,458,688	23,646,719	47,293,439
1982.....	94,426,498	944,265	4,721,325	9,442,650	23,606,624	47,213,249
1983.....	95,330,713	953,307	4,766,536	9,533,071	23,832,678	47,665,356
1984.....	98,435,000	984,350	4,921,750	9,843,500	24,608,750	49,217,500
1985.....	100,625,484	1,006,255	5,031,274	10,062,548	25,156,371	50,312,742
1986.....	102,087,623	1,020,876	5,104,381	10,208,762	25,521,906	51,043,811
1987.....	106,154,761	1,061,548	5,307,738	10,615,476	26,538,690	53,077,380
1988.....	108,872,859	1,088,729	5,443,643	10,887,286	27,218,214	54,436,429
1989.....	111,312,721	1,113,127	5,565,636	11,131,272	27,828,181	55,656,361
1990.....	112,812,262	1,128,123	5,640,613	11,281,226	28,203,066	56,406,132
1991.....	113,804,104	1,138,041	5,690,205	11,380,410	28,451,026	56,902,052
1992.....	112,652,759	1,126,528	5,632,638	11,265,276	28,163,190	56,326,380
1993.....	113,681,387	1,136,814	5,684,069	11,368,139	28,420,347	56,840,694
<b>Adjusted gross income floor on percentiles (current dollars):</b>						
1980.....	N/A	80,580	43,792	35,070	23,606	12,936
1981.....	N/A	85,428	47,845	38,283	25,655	14,000
1982.....	N/A	89,388	49,284	39,676	27,027	14,539
1983.....	N/A	93,512	51,553	41,222	27,827	15,044
1984.....	N/A	100,889	55,423	43,956	29,360	15,998
1985.....	N/A	108,134	58,883	46,322	30,928	16,688
1986.....	N/A	118,818	62,377	48,656	32,242	17,302
1987.....	N/A	139,289	68,414	52,921	33,983	17,768
1988.....	N/A	157,136	72,735	55,437	35,398	18,367
1989.....	N/A	163,869	76,933	58,263	36,839	18,993
1990.....	N/A	167,421	79,064	60,287	38,080	19,767
1991.....	N/A	170,139	81,720	61,944	38,929	20,097
1992.....	N/A	181,904	85,103	64,457	40,378	20,803
1993.....	N/A	185,715	87,386	66,077	41,210	21,179
<b>Adjusted gross income floor on percentiles (constant dollars): <sup>2</sup></b>						
1980.....	N/A	97,791	53,146	42,561	28,648	15,699
1981.....	N/A	93,980	52,635	42,116	28,223	15,402
1982.....	N/A	92,630	51,072	41,115	28,007	15,066
1983.....	N/A	93,888	51,760	41,388	27,939	15,104
1984.....	N/A	97,102	53,343	42,306	28,258	15,397
1985.....	N/A	100,496	54,724	43,050	28,743	15,509
1986.....	N/A	108,411	56,913	44,394	29,418	15,786
1987.....	N/A	122,614	60,224	46,585	29,915	15,641
1988.....	N/A	132,828	61,484	46,861	29,922	15,526
1989.....	N/A	132,152	62,043	46,986	29,709	15,317
1990.....	N/A	128,096	60,493	46,126	29,135	15,124
1991.....	N/A	124,919	60,000	45,480	28,582	14,756
1992.....	N/A	129,654	60,658	45,942	28,780	14,828
1993.....	N/A	128,522	60,475	45,728	28,519	14,657
<b>Adjusted gross income (millions of dollars): <sup>1</sup></b>						
1980.....	1,626,555	137,668	341,790	522,685	922,300	1,338,978
1981.....	1,791,116	148,722	372,171	572,719	1,015,006	1,473,267
1982.....	1,875,872	167,109	398,189	605,159	1,065,241	1,543,634
1983.....	1,969,600	182,895	428,162	645,661	1,127,019	1,625,287
1984.....	2,173,228	209,899	482,266	722,552	1,250,911	1,794,303
1985.....	2,343,989	235,095	531,372	791,481	1,358,860	1,939,351
1986.....	2,524,124	285,197	608,467	886,510	1,490,173	2,103,569
1987.....	2,813,728	346,635	722,221	1,038,221	1,709,389	2,373,869
1988.....	3,124,156	473,527	890,702	1,232,536	1,950,860	2,657,865
1989.....	3,298,858	468,079	918,421	1,286,539	2,054,478	2,805,235
1990.....	3,451,237	483,252	953,337	1,338,032	2,144,177	2,932,537
1991.....	3,516,142	456,603	943,350	1,343,202	2,174,765	2,984,003
1992.....	3,680,552	523,586	1,031,093	1,443,784	2,299,401	3,131,400
1993.....	3,775,578	520,586	1,048,252	1,474,463	2,357,953	3,212,299

Footnotes at end of Table 6.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 5.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1993--Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total income tax (millions of dollars):<sup>a</sup></b>						
1980.....	250,240	48,270	92,773	123,799	182,966	232,662
1981.....	283,993	50,820	100,423	136,928	205,665	262,913
1982.....	277,470	53,528	100,958	135,394	201,466	257,160
1983.....	274,056	56,806	103,350	137,256	200,897	254,561
1984.....	301,504	65,707	116,512	154,142	222,515	279,574
1985.....	325,525	72,581	127,880	168,907	241,887	302,401
1986.....	366,979	94,491	156,240	200,703	278,976	343,289
1987.....	369,046	91,559	159,642	205,230	283,857	346,655
1988.....	412,761	113,841	188,303	236,411	321,297	389,145
1989.....	432,838	109,259	190,188	241,458	334,258	407,599
1990.....	447,061	112,338	195,088	247,514	344,340	421,075
1991.....	448,349	111,267	194,480	250,282	346,511	423,759
1992.....	476,163	131,156	218,479	276,213	373,700	452,070
1993.....	502,720	145,836	238,083	297,808	398,516	478,563
<b>Average tax rate (percentage):<sup>a</sup></b>						
1980.....	15.38	35.06	27.14	23.69	19.84	17.38
1981.....	15.86	34.17	26.98	23.91	20.26	17.85
1982.....	14.79	32.03	25.35	22.37	18.91	16.66
1983.....	13.91	31.06	24.14	21.26	17.83	15.66
1984.....	13.87	31.30	24.16	21.33	17.79	15.58
1985.....	13.89	30.87	24.07	21.34	17.80	15.59
1986.....	14.54	33.13	25.68	22.64	18.72	16.32
1987.....	13.12	26.41	22.10	19.77	16.61	14.60
1988.....	13.21	24.04	21.14	19.18	16.47	14.64
1989.....	13.12	23.34	20.71	18.77	16.27	14.53
1990.....	12.95	23.25	20.46	18.50	16.06	14.36
1991.....	12.75	24.37	20.62	18.63	15.93	14.20
1992.....	12.94	25.05	21.19	19.13	16.25	14.44
1993.....	13.32	28.01	22.71	20.20	16.90	14.90
<b>Adjusted gross income share (percentage):</b>						
1980.....	100.00	8.46	21.01	32.13	56.70	82.32
1981.....	100.00	8.30	20.78	31.98	56.67	82.25
1982.....	100.00	8.91	21.23	32.26	56.79	82.29
1983.....	100.00	9.29	21.74	32.78	57.22	82.52
1984.....	100.00	9.66	22.19	33.25	57.56	82.56
1985.....	100.00	10.03	22.67	33.77	57.97	82.74
1986.....	100.00	11.30	24.11	35.12	59.04	83.34
1987.....	100.00	12.32	25.67	36.90	60.75	84.37
1988.....	100.00	15.16	28.51	39.45	62.44	85.07
1989.....	100.00	14.19	27.84	39.00	62.28	85.04
1990.....	100.00	14.00	27.62	38.77	62.13	84.97
1991.....	100.00	12.99	26.83	38.20	61.85	84.87
1992.....	100.00	14.23	28.01	39.23	62.47	85.08
1993.....	100.00	13.79	27.76	39.05	62.45	85.08
<b>Total income tax share (percentage):</b>						
1980.....	100.00	19.29	37.07	49.47	73.12	92.98
1981.....	100.00	17.89	35.36	48.22	72.42	92.58
1982.....	100.00	19.29	36.39	48.80	72.61	92.68
1983.....	100.00	20.73	37.71	50.08	73.31	92.89
1984.....	100.00	21.79	38.64	51.12	73.80	92.73
1985.....	100.00	22.30	39.28	51.89	74.31	92.90
1986.....	100.00	25.75	42.57	54.69	76.02	93.54
1987.....	100.00	24.81	43.26	55.61	76.92	93.93
1988.....	100.00	27.58	45.62	57.28	77.84	94.28
1989.....	100.00	25.24	43.94	55.78	77.22	94.17
1990.....	100.00	25.13	43.64	55.36	77.02	94.19
1991.....	100.00	24.82	43.38	55.82	77.29	94.52
1992.....	100.00	27.54	45.88	58.01	78.48	94.94
1993.....	100.00	29.01	47.36	59.24	79.27	95.19

Footnotes at end of Table 6.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1993**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: <sup>1</sup></b>						
1980.....	93,238,823	46,619,411	69,929,117	83,914,941	88,576,882	92,306,435
1981.....	94,586,878	47,293,439	70,940,158	85,128,190	89,857,534	93,641,009
1982.....	94,426,498	47,213,249	70,819,873	84,983,848	89,705,173	93,482,233
1983.....	95,330,713	47,665,356	71,498,035	85,797,642	90,564,177	94,377,406
1984.....	98,435,000	49,217,500	73,826,250	88,591,500	93,513,250	97,450,650
1985.....	100,625,484	50,312,742	75,469,113	90,562,936	95,594,210	99,619,229
1986.....	102,087,623	51,043,811	76,565,717	91,878,861	96,983,242	101,066,747
1987.....	106,154,761	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213
1988.....	108,872,858	54,436,429	81,654,643	97,985,572	103,429,215	107,784,129
1989.....	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596
1990.....	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141
1991.....	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063
1992.....	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231
1993.....	113,681,387	56,840,693	85,261,040	102,313,248	107,997,318	112,544,573
<b>Adjusted gross income (millions of dollars): <sup>1</sup></b>						
1980.....	1,626,555	287,576	704,255	1,103,869	1,284,765	1,488,886
1981.....	1,791,116	317,848	776,110	1,218,397	1,418,945	1,642,393
1982.....	1,875,872	332,238	810,630	1,270,713	1,477,682	1,708,762
1983.....	1,969,600	344,313	842,581	1,323,939	1,541,438	1,786,705
1984.....	2,173,228	378,925	922,317	1,450,676	1,690,962	1,963,329
1985.....	2,343,989	404,637	985,129	1,552,508	1,812,617	2,108,894
1986.....	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927
1987.....	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093
1988.....	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629
1989.....	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779
1990.....	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985
1991.....	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539
1992.....	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966
1993.....	3,775,578	563,279	1,417,625	2,301,115	2,727,326	3,254,992
<b>Total income tax (millions of dollars): <sup>3</sup></b>						
1980.....	250,240	17,578	67,274	126,441	157,467	201,971
1981.....	283,993	21,080	78,329	147,065	183,570	233,173
1982.....	277,470	20,310	76,005	142,076	176,512	223,942
1983.....	274,056	19,495	73,159	136,799	170,706	217,250
1984.....	301,504	21,930	78,990	147,362	184,992	235,797
1985.....	325,525	23,124	83,638	156,618	197,645	252,944
1986.....	366,979	23,690	88,002	166,276	210,739	272,488
1987.....	369,046	22,391	85,189	163,819	209,404	277,488
1988.....	412,761	23,616	91,464	176,350	224,459	298,920
1989.....	432,838	25,239	98,580	191,380	242,650	323,579
1990.....	447,061	25,986	102,721	199,547	251,973	334,723
1991.....	448,349	24,554	101,837	198,067	253,869	337,081
1992.....	476,163	24,093	102,463	199,950	257,683	345,007
1993.....	502,720	24,157	104,203	204,912	264,637	356,884
<b>Average tax rate (percentage): <sup>4</sup></b>						
1980.....	15.38	6.11	9.55	11.45	12.26	13.57
1981.....	15.86	6.63	10.09	12.07	12.94	14.20
1982.....	14.79	6.11	9.38	11.18	11.95	13.11
1983.....	13.91	5.66	8.68	10.33	11.07	12.16
1984.....	13.87	5.79	8.56	10.16	10.94	12.01
1985.....	13.89	5.71	8.49	10.09	10.90	11.99
1986.....	14.54	5.63	8.51	10.15	11.00	12.17
1987.....	13.12	5.09	7.71	9.23	10.01	11.25
1988.....	13.21	5.06	7.80	9.32	10.05	11.28
1989.....	13.12	5.11	7.92	9.51	10.19	11.43
1990.....	12.95	5.01	7.86	9.44	10.09	11.28
1991.....	12.75	4.61	7.59	9.12	9.87	11.04
1992.....	12.94	4.39	7.42	8.94	9.73	10.93
1993.....	13.32	4.29	7.35	8.90	9.70	10.96

Footnotes at end of table.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 6.--Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1980-1993--Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income share (percentage):</b>						
1980.....	100.00	17.68	43.30	67.87	78.99	91.54
1981.....	100.00	17.75	43.33	68.02	79.22	91.70
1982.....	100.00	17.71	43.21	67.74	78.77	91.09
1983.....	100.00	17.48	42.78	67.22	78.26	90.71
1984.....	100.00	17.44	42.44	66.75	77.81	90.34
1985.....	100.00	17.26	42.03	66.23	77.33	89.97
1986.....	100.00	16.66	40.96	64.88	75.89	88.70
1987.....	100.00	15.63	39.25	63.10	74.33	87.68
1988.....	100.00	14.93	37.56	60.55	71.49	84.84
1989.....	100.00	14.96	37.72	61.00	72.16	85.81
1990.....	100.00	15.03	37.87	61.23	72.38	86.00
1991.....	100.00	15.13	38.15	61.80	73.17	87.01
1992.....	100.00	14.92	37.53	60.77	71.99	85.77
1993.....	100.00	14.92	37.55	60.95	72.24	86.21
<b>Total income tax share (percentage):</b>						
1980.....	100.00	7.02	26.88	50.53	62.93	80.71
1981.....	100.00	7.42	27.58	51.78	64.64	82.11
1982.....	100.00	7.32	27.39	51.20	63.61	80.71
1983.....	100.00	7.11	26.69	49.92	62.29	79.27
1984.....	100.00	7.27	26.20	48.88	61.36	78.21
1985.....	100.00	7.10	25.69	48.11	60.72	77.70
1986.....	100.00	6.46	23.98	45.31	57.43	74.25
1987.....	100.00	6.07	23.08	44.39	56.74	75.19
1988.....	100.00	5.72	22.16	42.72	54.38	72.42
1989.....	100.00	5.83	22.78	44.22	56.06	74.76
1990.....	100.00	5.81	22.98	44.64	56.36	74.87
1991.....	100.00	5.48	22.71	44.18	56.62	75.18
1992.....	100.00	5.06	21.52	41.99	54.12	72.46
1993.....	100.00	4.81	20.73	40.76	52.64	70.99

N/A-- Not applicable.

<sup>1</sup> The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Tables 5 and 6. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 1993 there were 3,227 returns with no adjusted gross income that reported alternative minimum tax totaling \$66.3 million.

<sup>2</sup> Constant dollar estimates were based on the Consumer Price Index (CPI-U 1982-84=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review.

<sup>3</sup> Total income tax is the sum of income tax after credits and alternative minimum tax reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

<sup>4</sup> The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 7.--Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1993**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: <sup>1</sup></b>						
1985.....	100,215,784	1,002,158	5,010,789	10,021,578	25,053,946	50,107,892
1986.....	101,881,062	1,018,811	5,094,053	10,188,106	25,470,265	50,940,531
1987.....	106,128,238	1,061,282	5,306,412	10,612,824	26,532,059	53,064,119
1988.....	108,831,700	1,088,317	5,441,585	10,883,170	27,207,925	54,415,850
1989.....	111,273,993	1,112,740	5,563,700	11,127,399	27,818,498	55,636,996
1990.....	112,644,099	1,126,441	5,632,205	11,264,410	28,161,025	56,322,049
1991.....	113,755,078	1,137,551	5,687,754	11,375,508	28,438,769	56,877,539
1992.....	112,593,838	1,125,938	5,629,692	11,259,384	28,148,459	56,296,919
1993.....	113,721,706	1,137,217	5,686,085	11,372,171	28,430,426	56,860,853
<b>Income floor on percentiles (current dollars):</b>						
1985.....	N/A	125,454	63,509	49,092	31,977	17,101
1986.....	N/A	147,688	68,347	52,034	33,630	17,915
1987.....	N/A	145,646	69,216	53,092	34,166	17,960
1988.....	N/A	161,795	73,442	55,524	35,432	18,531
1989.....	N/A	169,588	77,552	58,436	36,789	19,156
1990.....	N/A	174,721	80,408	60,630	38,032	19,948
1991.....	N/A	180,316	83,317	62,421	38,916	20,304
1992.....	N/A	197,080	87,389	65,295	40,423	21,039
1993.....	N/A	199,698	88,992	66,685	41,013	21,390
<b>Income floor on percentiles (constant dollars): <sup>2</sup></b>						
1985.....	N/A	116,593	59,023	45,625	29,718	15,893
1986.....	N/A	134,752	62,360	47,476	30,684	16,346
1987.....	N/A	128,210	60,930	46,736	30,076	15,810
1988.....	N/A	136,767	62,081	46,935	29,951	15,664
1989.....	N/A	136,765	62,542	47,126	29,669	15,448
1990.....	N/A	133,681	61,521	46,389	29,099	15,262
1991.....	N/A	132,391	61,173	45,830	28,573	14,907
1992.....	N/A	140,470	62,287	46,540	28,812	14,996
1993.....	N/A	138,199	61,586	46,149	28,383	14,803
<b>Income (millions of dollars):</b>						
1985.....	2,502,868	301,734	628,546	905,119	1,495,580	2,091,694
1986.....	2,801,375	426,237	795,034	1,095,304	1,729,360	2,365,312
1987.....	2,854,624	363,729	748,879	1,066,870	1,740,792	2,410,410
1988.....	3,152,156	484,475	910,840	1,254,591	1,972,166	2,682,269
1989.....	3,335,581	486,816	947,005	1,317,118	2,084,226	2,837,477
1990.....	3,494,266	503,585	986,110	1,374,485	2,179,930	2,971,249
1991.....	3,575,798	478,588	985,238	1,390,402	2,224,033	3,037,065
1992.....	3,760,326	556,143	1,089,411	1,508,861	2,368,211	3,204,199
1993.....	3,849,532	554,075	1,105,014	1,537,285	2,422,475	3,278,866
<b>Total income tax (millions of dollars): <sup>3</sup></b>						
1985.....	324,299	67,217	121,525	162,495	236,042	298,149
1986.....	366,468	92,954	155,301	198,577	277,253	341,982
1987.....	368,902	89,885	158,481	204,039	282,946	346,203
1988.....	412,540	112,191	186,803	235,147	320,142	388,632
1989.....	432,643	107,515	188,568	240,198	333,255	407,091
1990.....	446,896	110,560	192,975	245,850	342,901	420,334
1991.....	448,176	107,908	192,511	246,715	345,154	423,175
1992.....	476,067	127,345	216,267	272,327	372,358	451,501
1993.....	502,638	142,329	235,908	294,238	397,261	477,997
<b>Average tax rate (percentage): <sup>4</sup></b>						
1985.....	12.96	22.28	19.33	17.95	15.78	14.25
1986.....	13.08	21.81	19.53	18.13	16.03	14.46
1987.....	12.92	24.71	21.16	19.13	16.25	14.36
1988.....	13.09	23.16	20.51	18.74	16.23	14.49
1989.....	12.97	22.09	19.91	18.24	15.99	14.35
1990.....	12.79	21.95	19.57	17.89	15.73	14.15
1991.....	12.53	22.55	19.54	17.74	15.52	13.93
1992.....	12.66	22.90	19.85	18.05	15.72	14.09
1993.....	13.06	25.69	21.35	19.14	16.40	14.58

Footnotes at end of Table 8.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 7.--Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1993--Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Income share (percentage):</b>						
1985.....	100.00	12.06	25.11	36.16	59.75	83.57
1986.....	100.00	15.22	28.38	39.10	61.73	84.43
1987.....	100.00	12.74	26.23	37.37	60.98	84.44
1988.....	100.00	15.37	28.90	39.80	62.57	85.09
1989.....	100.00	14.59	28.39	39.49	62.48	85.07
1990.....	100.00	14.41	28.22	39.34	62.39	85.03
1991.....	100.00	13.38	27.55	38.88	62.20	84.93
1992.....	100.00	14.79	28.97	40.13	62.98	85.21
1993.....	100.00	14.39	28.71	39.93	62.93	85.18
<b>Total income tax share (percentage):</b>						
1985.....	100.00	20.73	37.47	50.11	72.79	91.94
1986.....	100.00	25.36	42.38	54.19	75.66	93.32
1987.....	100.00	24.37	42.96	55.31	76.70	93.85
1988.....	100.00	27.20	45.28	57.00	77.60	94.20
1989.....	100.00	24.85	43.59	55.52	77.03	94.09
1990.....	100.00	24.74	43.18	55.01	76.73	94.06
1991.....	100.00	24.08	42.95	55.05	77.01	94.42
1992.....	100.00	26.75	45.43	57.20	78.22	94.84
1993.....	100.00	28.32	46.93	58.54	79.04	95.10

Footnotes at end of Table 8.

# Individual Income Tax Rates and Tax Shares, 1993

**Table 8.--Returns with Positive Income: Number of Returns, Shares of Income Based on the 1979 Income Concept, and Total Income Tax, Income Floor on Percentiles, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the 1979 Income Concept, Tax Years 1985-1993**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: <sup>1</sup></b>						
1985.....	100,215,784	50,107,892	75,161,838	90,194,206	95,204,995	99,213,626
1986.....	101,881,062	50,940,531	76,410,796	91,692,956	96,787,009	100,862,251
1987.....	106,128,238	53,064,119	79,596,178	95,515,414	100,821,826	105,066,956
1988.....	108,831,700	54,415,850	81,623,775	97,948,530	103,390,115	107,743,383
1989.....	111,273,993	55,636,996	83,455,495	100,146,594	105,710,293	110,161,253
1990.....	112,644,099	56,322,049	84,483,074	101,379,689	107,011,894	111,517,658
1991.....	113,755,078	56,877,539	85,316,308	102,379,570	108,067,324	112,617,527
1992.....	112,593,838	56,296,919	84,445,378	101,334,454	106,964,146	111,467,900
1993.....	113,721,706	56,860,853	85,291,280	102,349,535	108,035,621	112,584,489
<b>Income (millions of dollars):</b>						
1985.....	2,502,868	411,173	1,007,288	1,597,749	1,874,322	2,201,134
1986.....	2,801,375	436,063	1,072,015	1,706,071	2,006,341	2,375,138
1987.....	2,854,624	444,214	1,113,832	1,787,754	2,105,745	2,490,895
1988.....	3,152,156	469,887	1,179,990	1,897,565	2,241,316	2,667,681
1989.....	3,335,581	498,104	1,251,355	2,018,463	2,388,576	2,848,765
1990.....	3,494,266	523,018	1,314,336	2,119,781	2,508,156	2,990,681
1991.....	3,575,798	538,733	1,351,765	2,185,396	2,590,560	3,097,210
1992.....	3,760,326	556,126	1,392,115	2,251,465	2,670,914	3,204,183
1993.....	3,849,532	570,666	1,427,057	2,312,247	2,744,518	3,295,456
<b>Total income tax (millions of dollars): <sup>2</sup></b>						
1985.....	324,299	26,149	88,257	161,804	202,773	257,082
1986.....	366,468	24,486	89,214	167,891	211,167	273,513
1987.....	368,902	22,699	85,956	164,863	210,421	279,017
1988.....	412,540	23,908	92,398	177,393	225,737	300,349
1989.....	432,643	25,552	99,387	192,445	244,075	325,128
1990.....	446,896	26,561	103,994	201,046	253,921	336,336
1991.....	448,176	25,001	103,022	201,461	255,665	340,267
1992.....	476,067	24,567	103,709	203,740	259,801	348,722
1993.....	502,638	24,641	105,377	208,400	266,730	360,309
<b>Average tax rate (percentage): <sup>4</sup></b>						
1985.....	12.96	6.36	8.76	10.13	10.82	11.68
1986.....	13.08	5.62	8.32	9.84	10.52	11.52
1987.....	12.92	5.11	7.72	9.22	9.99	11.20
1988.....	13.09	5.09	7.83	9.35	10.07	11.26
1989.....	12.97	5.13	7.94	9.53	10.22	11.41
1990.....	12.79	5.08	7.91	9.48	10.12	11.25
1991.....	12.53	4.64	7.62	9.22	9.87	10.99
1992.....	12.66	4.42	7.45	9.05	9.73	10.88
1993.....	13.06	4.32	7.38	9.01	9.72	10.93
<b>Income share (percentage):</b>						
1985.....	100.00	16.43	40.25	63.84	74.89	87.94
1986.....	100.00	15.57	38.27	60.90	71.62	84.78
1987.....	100.00	15.56	39.02	62.63	73.77	87.26
1988.....	100.00	14.91	37.43	60.20	71.10	84.63
1989.....	100.00	14.93	37.52	60.51	71.61	85.41
1990.....	100.00	14.97	37.61	60.66	71.78	85.59
1991.....	100.00	15.07	37.80	61.12	72.45	86.62
1992.....	100.00	14.79	37.02	59.87	71.03	85.21
1993.....	100.00	14.82	37.07	60.07	71.29	85.61
<b>Total income tax share (percentage):</b>						
1985.....	100.00	8.06	27.21	49.89	62.53	79.27
1986.....	100.00	6.68	24.34	45.81	57.62	74.64
1987.....	100.00	6.15	23.30	44.69	57.04	75.63
1988.....	100.00	5.80	22.40	43.00	54.72	72.80
1989.....	100.00	5.91	22.97	44.48	56.41	75.15
1990.....	100.00	5.94	23.27	44.99	56.82	75.26
1991.....	100.00	5.58	22.99	44.95	57.05	75.92
1992.....	100.00	5.16	21.78	42.80	54.57	73.25
1993.....	100.00	4.90	20.96	41.46	53.07	71.68

N/A--Not applicable.

<sup>1</sup> The number of returns in columns 2 through 6, Tables 7 and 8, were processed in thousands and, therefore, reflect differences due to rounding.

<sup>2</sup> Constant dollar estimates were based on the Consumer Price Index (CPI-U 1982-84=100) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review.

<sup>3</sup> Total income tax is the sum of income tax after credits and the alternative minimum tax.

<sup>4</sup> Average tax rate was computed by dividing total income tax (see footnote 3) by income, using the 1979 income concept (see text and Figure A).

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

# Corporation Income Tax Returns, 1993

by Michael G. Seiders

**F**or Tax Year 1993, as the economy continued to emerge from the 1990-1991 recession, the corporate pre-tax profits as reported on income tax returns increased sharply, by 23.9 percent to \$498.2 billion. The \$527.6 billion increase in corporate sales and other receipts significantly exceeded the \$434.8 billion growth in deductions, fueling the increase in net income. The number of profit-reporting corporations increased 3.9 percent to a record 2.1 million, while the profits they reported rose 15.5 percent to a record \$658.7 billion. The number of corporations reporting deficits increased 0.8 percent; however, corporate net losses declined 4.7 percent to \$160.5 billion.

The increase in positive net income led to a 15.6 percent increase in "income subject to tax" (the tax base for regular income tax purposes) to \$436.8 billion. This increase, in part, prompted the regular corporation income tax (before tax credits) to increase from \$125.8 billion to \$149.0 billion. Total income tax after credits (the amount payable to the U.S. Government) increased \$18.4 billion from \$101.5 billion to \$119.9 billion.

## Number of Returns

The estimated number of active corporation income tax returns for Tax Year 1993 increased 2.5 percent to 3,964,629 compared with Tax Year 1992 (Figure A). This modest increase continued the slow growth trend exhibited since Tax Year 1989 [1]. However, returns with net income increased 3.9 percent to a record high of 2,144,534. The number of returns without net income increased slightly 0.8 percent, to 1,820,095. As a percentage of total returns, the number of returns without net income declined to 46 percent, down from 47 percent for 1992 and 49 percent for 1990 and 1991.

By industrial division, the total number of returns classified in services; agriculture, forestry, and fishing; finance, insurance, and real estate; wholesale and retail; and manufacturing continued to rise. Those classified in mining continued to decline, by 3.6 percent for 1993, while those classified in transportation and public utilities declined 1.3 percent after recording an increase of 8.1 percent for 1992. Returns classified in construction rebounded, after a 1992 decline, with an increase of 2.3 percent. Only the transportation and public utilities division recorded a decrease among returns with net income (Figure B).

By return type, the number of Form 1120-A (corporation short-form) returns filed recorded the largest percentage decrease, declining 5.4 percent to 265,627 (Figure C). The number of Forms 1120-RIC, filed by regulated investment companies, increased 16.3 percent to 6,796 returns (Figure C). The number of Form 1120 returns, those filed by most non S-Corporations, declined 0.4 percent to 1,775,931, continuing a decline that began with 1987. In contrast, the number of Form 1120S returns filed by qualifying corporations electing to be taxed through their shareholders increased 6.5 percent to 1,901,505. With the increased growth rate for 1993, S Corporations comprised 48.0 percent of all corporation income tax returns, up slightly from 46.1 percent for 1992 [2]. However, the rate of increase in the number of S Corporation returns for 1993 was still lower than the average annual growth rate of nearly 10 percent recorded since the passage of the Tax Reform Act of 1986 (TRA '86).

## Net Income

Pre-tax profits reported on corporation income tax returns for Tax Year 1993 increased sharply, rising 23.9 percent to \$498.2 billion (Figure D)[3]. The continued increase in corporate profits for 1993, in large part, reflected the gradually improving economy [4]. As with prior years, most corporate profits were attributable to returns with total assets of \$250 million or more. For 1993, the 6,798 returns with total assets of \$250 million or more accounted for nearly 79 percent of corporate profits.

The services division posted the largest percentage increase for 1993, rising 36.9 percent to \$25.4 billion, continuing the strong profits recorded for this division for 1992 (Figure D). The \$6.8 billion increase was mostly due to a 151.8 percent increase (\$1.5 billion) recorded for amusement and recreation services. The increased profit figures were also buttressed by a 122.4 percent increase (\$0.7 billion) recorded for hotels and other lodging places. Profits recorded for business services also increased, by 27.2 percent or \$2.7 billion, to slightly over \$9 billion.

Profits for the construction division increased sharply, by 36.5 percent, to \$7.5 billion, after having declined for 1992. The 1993 increase was mainly the result of lower mortgage and interest rates, which spurred residential real estate markets and public works projects [5]. However, commercial real estate markets continued to slump in 1993 due to high vacancy rates in commercial buildings [6].

For 1993, net income (less deficit) for the transportation and public utilities division increased by 26.6 percent to \$52.9 billion. Within this division, telephone, telegraph, and other communication services, and radio and televi-

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# Corporation Income Tax Returns, 1993

**Figure A**

## Number and Growth Rate of Returns Filed, Tax Years 1983-1993

[Money amounts are in thousands of dollars]

Tax year	Total active corporation returns	Percentage increase over previous year	Number of returns with net income	Percentage increase over previous year	Number of returns without net income	Percentage increase over previous year
	(1)	(2)	(3)	(4)	(5)	(6)
1983.....	2,999,071	2.5	1,676,288	4.2	1,322,783	0.4
1984.....	3,170,743	5.7	1,777,770	6.0	1,392,973	5.3
1985.....	3,277,219	3.4	1,820,120	2.4	1,457,099	4.6
1986.....	3,428,515	4.6	1,907,738	4.8	1,520,777	4.4
1987.....	3,612,133	5.4	1,995,452	4.6	1,616,681	6.3
1988.....	3,562,789	-1.4	1,908,799	-4.3	1,653,990	2.3
1989.....	3,627,863	1.8	1,921,805	0.7	1,706,058	3.1
1990.....	3,716,650	2.5	1,910,670	-0.6	1,805,980	5.9
1991.....	3,802,788	2.3	1,942,450	1.7	1,860,338	3.0
1992.....	3,869,023	1.7	2,063,593	6.2	1,805,430	-3.0
1993.....	3,964,629	2.5	2,144,534	3.9	1,820,095	0.8

NOTE: Number of returns excludes Domestic International Sales Corporations, Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations starting with Tax Year 1988.

**Figure B**

## Number of Returns by Industrial Division, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Industrial division	1992				1993			
	Total active corporation returns	Percentage increase over 1991	Number of returns with net income	Percentage increase over 1991	Total active corporation returns	Percentage increase over 1992	Number of returns with net income	Percentage increase over 1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All Industries</b> <sup>1</sup> .....	<b>3,869,023</b>	<b>1.7</b>	<b>2,063,593</b>	<b>6.2</b>	<b>3,964,629</b>	<b>2.5</b>	<b>2,144,534</b>	<b>3.9</b>
Agriculture, forestry, and fishing.....	137,833	6.1	79,399	14.2	141,326	2.5	81,456	2.6
Mining.....	36,660	-6.5	15,824	-11.6	35,345	-3.6	15,969	0.9
Construction.....	407,881	-2.2	224,509	-4.0	417,250	2.3	250,904	11.8
Manufacturing.....	300,071	( <sup>2</sup> )	169,381	3.5	307,419	2.4	179,594	6.0
Transportation and public utilities.....	178,284	8.1	97,677	10.7	175,980	-1.3	97,212	-0.5
Wholesale and retail trade.....	1,052,713	0.9	567,784	5.9	1,072,980	1.9	582,440	2.6
Finance, insurance and real estate...	635,268	2.9	295,066	8.0	641,397	1.0	296,483	0.5
Services.....	1,100,449	3.7	607,204	10.2	1,157,724	5.2	636,095	4.8

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

<sup>2</sup> Less than .05 percent.

sion broadcasting, accounted for most of the gain. Profits for telephone, telegraph, and other communication services grew by 18.5 percent or \$3.4 billion, to \$22.0 billion. Radio and television broadcasting profits also showed a sharp increase, 123 percent or \$1.6 billion, to \$3.0 billion.

Profits for the finance, insurance, and real estate division increased 26 percent to \$185.2 billion. The insurance industry group showed the largest gain, 48.4 percent, to \$42.4 billion. Bank holding companies also showed large profit gains, 32.1 percent, to \$42.1 billion. The improved quality of bank assets and the increased spread between

interest income and interest expense, set in the context of the general economic rebound, were largely responsible [7]. The security, commodity brokers, and services group also recorded large gains, 66.5 percent, to \$9.8 billion, due largely to impressive growth in the mutual fund industry as reflected in total assets, the number of funds, and the number of shareholder accounts [8].

Profits of manufacturers increased 20.6 percent to \$173.2 billion. Gains were widespread by industry. The largest part of the division's \$29.6 billion increase was associated with motor vehicles and equipment. For 1993, motor vehicle and equipment manufacturers posted profits

# Corporation Income Tax Returns, 1993

**Figure C**

## Number of Returns by Form Type, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Form type	1992	1993	Percentage increase
	(1)	(2)	
<b>Total</b> .....	<b>3,869,023</b>	<b>3,964,629</b>	<b>2.5</b>
Form 1120.....	1,782,933	1,775,931	-0.4
Form 1120-A.....	280,697	265,627	-5.4
Form 1120F.....	9,452	9,925	5.0
Form 1120L.....	1,959	1,876	-4.2
Form 1120-PC.....	2,475	2,623	6.0
Form 1120-REIT.....	.293	346	18.1
Form 1120-RIC.....	5,842	6,796	16.3
Form 1120S.....	1,785,371	1,901,505	6.5

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

of \$15.8 billion, a \$15.7 billion increase over the low profits reported for 1992. Profits among manufacturers were accompanied by a 14.1 percent increase to \$5.8 billion in the aircraft, guided missiles, and parts manufacturers. This particular industry group had reported a loss of \$4.2 billion for 1992. Significant profits in the manufacturing division were also reported for lumber (\$1.1 billion, or 41.3 percent) and for petroleum and coal products (\$2.1 billion, or 10.5 percent).

Profits for the wholesale and retail-trade division also increased for 1993, by 20.3 percent to \$49.7 billion. Retailers contributed \$5.6 billion to this increase compared with 1992; wholesalers, \$2.6 billion. While increases in profits were recorded throughout the retail

trade industries, the principal gains were recorded by motor vehicle dealers; "other retail stores" (which include jewelry stores, optical goods stores, florists, book stores, and sporting goods stores); and "miscellaneous retail stores" (which include drug stores, liquor stores, and proprietary stores). For 1993, pre-tax profits for motor vehicle dealers grew by 59.3 percent to \$2.8 billion, reflecting increased sales, enhanced operational efficiencies, and higher profit margins [9]. Profits for "other retail stores" increased 44.2 percent to \$3.6 billion. Miscellaneous retail stores posted increases of 58.7 percent and \$1.7 billion. Among wholesalers, profits rose 51.6 percent to slightly more than \$1 billion for companies classified in "lumber and construction materials," possibly reflecting the increase recorded in the construction industries. However, profits of motor vehicle and automotive equipment wholesalers dropped 17.5 percent, to \$1.1 billion. Petroleum and petroleum products showed the largest decline among wholesalers, 79.0 percent to nearly \$0.4 billion.

Of all the industry divisions, only mining showed an overall decline in profits. As Figure D indicates, mining showed a slight decline in net income for 1993. The poor performance for 1993 was due primarily to declines in both the coal mining and nonmetallic minerals (except fuels) industries. Profits for the nonmetallic minerals group fell 62.1 percent or nearly \$0.3 billion, to \$0.2 billion. However, the profits of oil and gas extractors (which exclude the large integrated extracting and refining companies) rose 31.3 percent or \$0.5 billion to \$2.2 billion, after losses for both 1992 and 1991.

**Figure D**

## Net Income (Less Deficit) and Net Income by Industrial Division, Tax Years 1992-93

[Money amounts are in thousands of dollars]

Industrial division	Net Income (less deficit)				Net income			
	1992		1993		1992		1993	
	Amount	Percentage increase	Amount	Percentage increase	Amount	Percentage increase	Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All Industries</b> <sup>1</sup> .....	<b>401,997,022</b>	<b>16.6</b>	<b>498,159,174</b>	<b>23.9</b>	<b>570,431,380</b>	<b>6.5</b>	<b>658,666,005</b>	<b>15.5</b>
Agriculture, forestry, and fishing.....	1,607,297	156.9	1,647,725	2.5	4,625,097	22.5	4,841,649	4.7
Mining.....	2,706,769	-32.4	2,628,720	-2.9	6,688,820	-13.4	6,541,858	-2.2
Construction.....	5,505,062	-9.8	7,514,819	36.5	13,812,392	-7.7	14,814,675	7.3
Manufacturing.....	143,627,403	8.6	173,219,957	20.6	184,567,950	1.5	214,058,222	16.0
Transportation and public utilities.....	41,789,809	10.7	52,885,350	26.6	58,195,820	8.6	65,726,981	12.9
Wholesale and retail trade.....	41,343,782	38.0	49,714,808	20.2	72,317,416	12.2	78,182,240	8.1
Finance, insurance, and real estate.....	146,978,975	18.0	185,229,845	26.0	188,715,713	8.3	226,551,700	20.0
Services.....	18,525,343	89.6	25,361,467	36.9	41,370,718	18.3	47,845,396	-15.7

<sup>1</sup> Includes net income or deficit not allocable by industrial division.

## Corporation Income Tax Returns, 1993

### Receipts

Total receipts, the sum of business receipts and investment income, increased \$527.6 billion to \$12,269.7 billion [10] (Table 1). This 4.5 percent gain followed a 2.7 percent gain for 1992. The 1992 and 1993 figures reversed the previous 3-year pattern, when receipts increased but at a declining rate. The increase in receipts for 1993 exceeded the \$434.8 billion growth (and the 3.8 percent increase) in total deductions, leading to the increase in corporate profits (see the Net Income section of this article). The 6,798 returns of \$250 million or more for 1993 accounted for 54.9 percent of total receipts.

This increase in total receipts was spread over all industrial divisions, except mining. The largest percentage increase, 8.3 percent, was for the services division. This same division showed a large dollar increase of \$72.1 billion to \$941.6 billion. The construction division rebounded from a decline in 1992, increasing 7.8 percent, to \$538.3 billion. Manufacturing, the largest single contributor to total receipts increased \$130.5 billion, to \$3,890.7 billion. Receipts for the wholesale and retail division rose 5.9 percent or \$205.6 billion, to \$3,709.5 billion. Transportation and public utilities; agriculture, forestry, and fishing; and finance, insurance, and real estate each increased 4.0 percent, 2.9 percent, and 2.1 percent, respectively. Mining was the only division that showed a decline in receipts for 1993, by 0.6 percent or \$.7 billion, to \$112.1 billion.

Business receipts, the operating income of most corporations and the principal component of total receipts, grew \$505.1 billion for 1993 [11]. This 4.9 percent increase caused business receipts, as reported on corporation income tax returns, to increase to a new high of slightly less than \$10.9 trillion.

Continuing a decline that began with 1991, taxable interest income dropped 3.3 percent from \$790.9 billion for 1992 to \$764.5 billion for 1993 (Table 2). In turn, taxable interest for 1993 was 18.9 percent less than the \$942.2 billion recorded for 1990. This 3-year decline was largely a result of declining interest rates [12]. As with prior years, most of the interest income was attributable to commercial banks and bank holding companies. For 1993, taxable interest income for total banking declined 5.1 percent or \$16.2 billion, to \$300.0 billion, accounting for 61.3 percent of the total decline for the year.

Conversely, tax-exempt interest on State and local Government obligations rose 13 percent to \$43.3 billion. The nearly \$5.0 billion increase recorded for 1993 followed a \$2.0 billion increase for 1992. Like taxable interest, most tax-exempt interest income was attributable to finance, insurance, and real estate, but, unlike taxable

interest, most of it was reported by regulated investment companies (i.e., mutual funds, rather than banks). Tax-exempt interest reported by regulated investment companies increased 28.1 percent for 1993 to \$22.4 billion. The increases reported by these companies was consistent with the large increase in tax-exempt securities reported on their balance sheets, which increased 21.4 percent from \$262.3 billion to \$318.4 billion (see the discussion of tax-exempt securities in the Balance Sheet section of this article). Tax-exempt interest reported by insurance companies also increased, rising 6.7 percent, from \$216.7 billion to \$231.4 billion.

Among the other types of corporate receipts, the largest percentage increase for 1993 was for net short-term capital gains (reduced by net long-term capital losses), which rose \$11.5 billion to \$26.1 billion. This 78.7 percent increase was substantially less than the 234.3 percent gain recorded for 1991. However, indicative of the inherent fluctuating character of these short-term transactions, short-term gains had previously dropped 62 percent from 1989 to 1990. Net long-term capital gains (reduced by net short-term capital losses) increased for the second consecutive year [13]. For 1993, net long-term gains grew 18.1 percent to \$53.3 billion. Life insurance companies were the primary reason, in particular, stock life insurance companies, whose excess net long-term capital gains increased 32.6 percent from \$8.3 billion to \$11.0 billion. (In using the statistics, it should be noted that the capital gains data exclude those reported by regulated investment companies and S Corporations).

The corporate receipt category with the largest decrease in 1993 was rents, which declined 13.6 percent to \$85.5 billion. Manufacturing had the largest dollar decrease, 22.0 percent or \$7.7 billion, to \$27.4 billion. The decline in rents was fairly widespread across the manufacturing division. However, several industry groups predominated, including printing and publishing, 31.3 percent; chemicals and allied products, 26.6 percent; and rubber and miscellaneous plastic products, 22.3 percent. The services division showed the largest percentage decrease, 66.0 percent or \$4.9 billion, to \$2.5 billion, caused almost entirely by a drop in the rents reported for business services (except advertising). The hotel and other lodging places group showed a decline, 50 percent or \$0.2 billion, to \$0.2 billion. The wholesale and retail trade division also saw a 25 percent decrease in rents, from \$8.9 billion to \$6.6 billion, due primarily to a decline among retailers. Several groups of retailers experienced large declines: "other retail stores," 71.6 percent; automotive dealers, 68 percent; furniture and home furnishing stores, 66 percent; and miscellaneous retail stores, 63.9 percent.

# Corporation Income Tax Returns, 1993

## Deductions

Total deductions increased \$434.8 billion or 3.8 percent to \$11,764.7 billion for 1993. However, this increase was less than the \$527.6 billion increase in total receipts, giving rise to the sizable increase in net income previously described. Cost of sales and operations, generally the largest deduction item, rose \$280.5 billion to \$7,052.2 billion (Table 2). Although its 1993 growth of 4.1 percent was more than the 1.8 percent increase for 1992, the cost of sales and operations was less than the 4.9 percent increase in business receipts for 1993, thus the increase in net income.

For 1993, the interest paid deduction dropped 8.5 percent, from \$597.0 billion to \$546.2 billion, the fourth consecutive year of decline. Since 1989, the interest paid deduction declined 34.3 percent or \$285.3 billion. Like taxable interest income, the decline was largely driven by the continued decline in interest rates for 1993. As Figure E illustrates, between 1988 and 1989, both taxable interest income and the interest paid deduction grew rapidly as interest rates (using the prime rate) increased. However, as economic growth slowed and interest rates declined from their 1989 high to their relatively low levels in 1993, receipts and deductions followed suit.

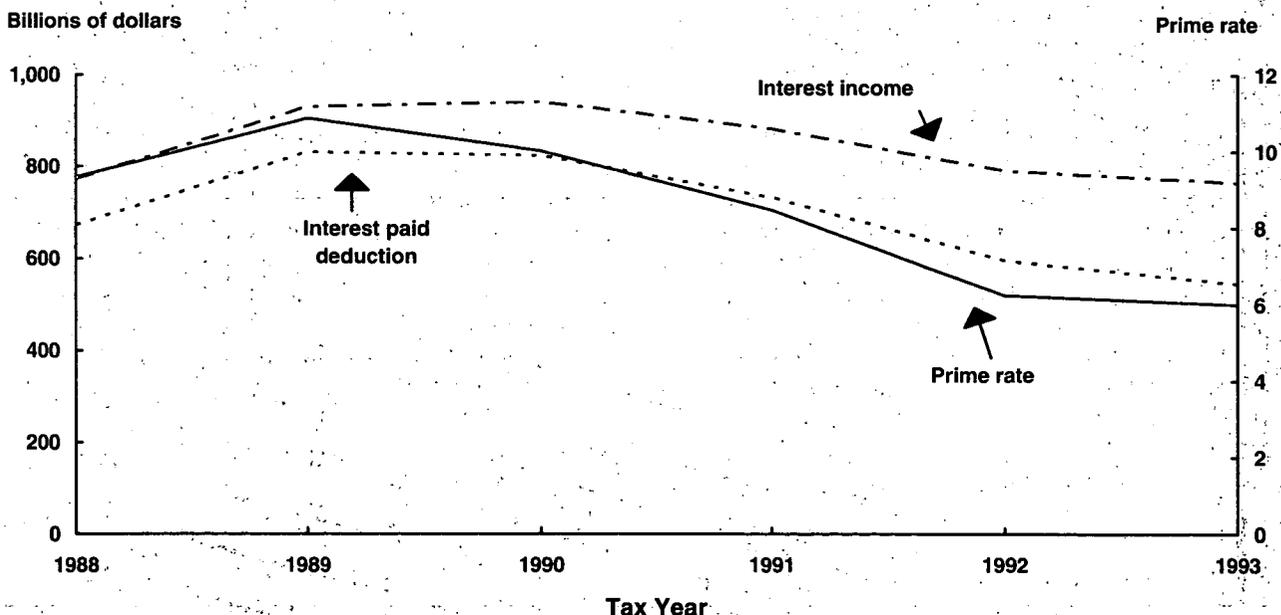
The largest decline in the 1993 interest paid deduction was, again, in the finance, insurance, and real estate division, 10.3 percent or \$33.5 billion, to \$292.8 billion. Most of the deduction was for interest paid on deposits and withdrawable shares by banking and savings institutions or interest paid by these same institutions on bonds, notes, loans, and mortgages. Within the finance division, commercial banks and savings and loan associations accounted for most of the decline, 13.7 percent or \$25.5 billion, to \$160.3 billion.

After increasing by more than 20 percent for both 1990 and 1991, the bad debt deduction reported by corporations continued its decline that began with 1992. For 1993, the bad debt deduction dropped 9.9 percent to \$80.7 billion. As with the 1992 decline, most of it was attributable to the finance, insurance, and real estate division. Again, commercial banks and savings and loan associations accounted for the largest part, dropping 21.8 percent or \$7.4 billion, to \$26.6 billion. In general, the decline for the bad debt deduction recorded for 1993 reflected the continued improved financial health of both commercial banks and the remaining savings and loan institutions [14,15].

In percentage terms, the largest increase among deduction items for 1993 was for charitable contributions,

Figure E

Interest Income, Interest Paid Deduction, and the Prime Rate



## Corporation Income Tax Returns, 1993

which increased 14.2 percent to \$6.3 billion. Charitable contributions by manufacturers increased 15.5 percent to \$2.9 billion, largely because of companies classified in paper and allied products; chemicals and allied products; primary metals; and lumber. Charitable contributions also increased for finance, insurance, and real estate, 21.8 percent to \$1.4 billion. The largest increases were recorded for bank holding companies; security, commodity brokers, and services; and insurance companies.

The employee benefits programs deduction (which excludes pension plan contributions) also increased by 12.7 percent to \$160.1 billion. Most of the overall \$18.1 billion increase was attributable to manufacturing, which rose 16.7 percent or \$10.5 billion, to \$73.1 billion. Within manufacturing, motor vehicles and equipment manufacturers accounted for the largest part, increasing 130.9 percent from \$5.7 billion to \$13.2 billion.

Continuing the trend that began with 1991, the depreciation deduction (including amounts deducted as part of the cost of sales and operations) reported by corporations rose from \$346.2 billion for 1992 to \$363.5 billion for 1993. This 5.0 percent increase was the largest recorded since 1985, when the depreciation deduction rose 14.9 percent in advance of TRA '86. TRA '86 instituted a "Modified Accelerated Cost Recovery System" (MACRS) that lengthened certain class lives over which assets could be depreciated for tax purposes and changed the depreciation methods for business property placed in service after 1986. Prior to TRA '86 (from 1980 through 1985), depreciation deductions rose at an average annual rate of 15.6 percent; after TRA '86 (from 1987 through 1993), the average rate of increase dropped to 2.1 percent.

### Assets

The total book value of assets reported on corporation income tax returns for 1993 increased \$1.8 trillion to \$21.8 trillion (Table 2). The 9.1 percent growth rate for 1993 exceeded the 5.1 and 4.6 percent rates for 1992 and 1991, respectively. The largest increase was recorded for the "other investments" account, which rose 14.7 percent or \$0.73 trillion, to just over \$5.7 trillion.

For 1993, "other investments" was the largest asset account on tax return balance sheets, comprising 26.1 percent of the total. In 1983, "other investments" was only 17.6 percent of the total. Net notes and accounts receivable (after subtracting the allowance for bad debts) was the second largest asset account for 1993, representing 20.2 percent of total assets. In contrast, net notes and accounts receivable for 1983 represented 25.7 percent of total corporate assets. In addition, net depreciable assets (after deducting accumulated depreciation) comprised

12.4 percent of total assets for 1993, down from 16.7 percent for 1983 and 13.1 for 1992.

By industrial division, the largest dollar increase in total assets for 1993 was for finance, insurance, and real estate (Table 1). Total assets for the finance division increased 11.8 percent, from \$11.5 trillion to \$12.8 trillion. For the third consecutive year, regulated investment companies recorded the largest increases in total assets, from \$1.9 trillion to \$2.3 trillion, an increase of 23.1 percent. After 1990, total assets of regulated investment companies nearly doubled, increasing from \$1.2 trillion for 1990 to \$2.3 trillion for 1993. In general, the sharp growth in mutual fund assets reflected the record-breaking performance of the securities markets and the infusion of new cash into mutual funds as a consequence of declining interest rates [16].

The largest percentage increase in total assets occurred in the services division. Total assets for services rose 12.6 percent to \$744.8 billion, primarily due to large increases in the amusement and recreation industry group, and in "other services" (which includes health care, legal, social, engineering, and architectural services); and hotels and other lodging places. Wholesale and retail trade also experienced a large increase, 7.6 percent growing to \$1.7 trillion. Wholesalers were led by increases in petroleum and petroleum products; motor vehicles; and electrical goods. Retailers were led by increases in automobile dealers; service stations; and apparel and accessories. Total assets also increased in all other industrial divisions of the economy during 1993.

Tax-exempt securities increased 13.9 percent, from \$615.6 billion for 1992 to \$701.1 billion for 1993 (Table 2). The \$85.5 billion increase for 1993 followed a \$146.4 billion increase the year before. Almost the entire increase was attributable to finance, insurance, and real estate, where tax-exempt investments rose 13.5 percent, from \$570.6 billion to \$647.4 billion. The increase in tax-exempt securities was largely due to regulated investment companies and insurance companies, specifically life and property and casualty companies. Investments in tax-exempt securities by regulated investment companies increased 21.4 percent to \$318.4 billion, and was reflected in the increase they reported for tax-exempt interest. Investments in these securities by life and property and casualty insurance companies also increased, 6.7 percent, to \$231.4 billion.

Continuing an increase that began in 1992, and after the slight decline recorded in 1991, intangible assets rose 5.8 percent to \$559.1 billion for 1993. This continued increase may reflect the continued increase in the number of completed merger and acquisitions observed for 1992 and

## Corporation Income Tax Returns, 1993

1993; the number of completed mergers and acquisitions for 1991 had declined compared with 1990 [17]. In general, the acquisition costs of trademarks, patents, copyrights, and like assets, tend to increase during periods of increased merger and acquisition activity, and such acquisition costs are properly accounted for as intangible assets.

### Liabilities and Stockholders' Equity

Compared with 1992, the largest percentage increases on corporation income tax return balance sheets for 1993 occurred in the equity accounts. Paid-in or capital surplus increased 15.5 percent to \$4,223.3 billion. The \$567.5 billion rise was 42.4 percent more than the \$398.6 billion figure recorded for 1992. Since 1989, the paid-in or capital surplus account increased \$1,626.1 billion, or 62.7 percent, from \$2,595.2 billion to \$4,223.3 billion. The capital stock account increased 8.6 percent to \$2,042.5 billion in 1993, after increasing 8.1 percent in 1992. From 1989 to 1993, the capital stock account increased \$565.2 billion, a 38.3 percent gain. Most of these two increases were due to regulated investment companies and reflected the growth of mutual funds in the early 1990's. Generally, the growth in these two equity items is related since paid-in or capital surplus, in part, represents receipts from the sales of capital stock in excess of par value.

Corporate indebtedness, as indicated by the various liability accounts, rose 7.3 percent to \$15.4 trillion in 1993. Short-term debt (accounts payable; mortgages, notes, and bonds payable in 1 year or less; and "other current liabilities") increased 7.7 percent to slightly over \$9 trillion in 1993. The increase in short-term debt was principally due to a 14.9 percent increase in "other current liabilities" to \$5,994.5 billion (this account includes the deposits and withdrawable shares of banking and savings institutions). Long-term debt (long-term mortgages, notes, and bonds payable; loans from stockholders; and "other liabilities") increased 6.8 percent to \$6.3 trillion.

From 1982 to 1986, debt as a percentage of the sum of corporate liabilities and shareholders' equity had been about 74 percent, while the equity component remained near 26 percent. Then for Tax Years 1987 and 1988, the debt component drifted slightly above 74 percent. However, after 1988, the debt component steadily declined, dropping to 71.5 percent in 1992 and 70.4 percent in 1993. Thus, the equity portion increased from 25.4 percent in 1988 to 29.6 percent in 1993.

### Income Tax and Tax Credits

Reflecting the increase in positive net income, "income subject to tax" (the base on which the regular corporation

income tax was computed) increased by 15.6 percent for 1993, from \$377.9 billion to \$436.8 billion. Returns of \$250 million or more accounted for 77.7 percent of income subject to tax for 1993. For most corporations, income subject to tax was equal to net income minus certain "statutory special deductions," at least in theory [18]. While positive net income increased 23.9 percent to \$498.2 billion for 1993, total statutory special deductions increased 16.1 percent from \$117.6 billion to \$136.5 billion, leading to a disproportionate increase in income subject to tax (relative to net income). At least partly as a result, the regular corporation income tax (before reductions by credits) increased by 18.5 percent to a record high of \$149.0 billion (Figure F).

The \$18.9 billion increase in total statutory special deductions for 1993 was mainly due to the deduction for dividends paid allowed by regulated investment companies and real estate investment trusts. This deduction increased from \$64.9 billion to \$76.0 billion. Another reason for the increase was the "net operating loss deduction," which grew from \$38.9 billion to \$45.2 billion. In general, "net operating losses" were the deficits as shown in the statistics (excluding those of S Corporations, which were allocated to their shareholders), augmented by "unused" portions (discussed below) of the deductions for intercorporate dividends received and for dividends paid on certain preferred stock of public utilities. The net operating loss deduction was limited based on the size of positive net income, so the increase in positive net income for 1993 may have contributed to the size of the deduction. (The net operating loss deduction statistics are only for prior year losses, not previously deducted, "carried forward" to 1993; future-year losses "carried back" as deductions for 1993 are unavailable.) The deduction for intercorporate dividends received also increased for 1993, from \$13.4 billion to \$14.9 billion (Figure F).

It should be noted that the statistics for statutory special deductions include (a) certain unused amounts reported by corporations without net income and, therefore, with no income subject to tax, as well as (b) unused portions attributable to some corporations with net income where the total of these deductions exceeded the amount needed to offset net income; these corporations also had no income subject to tax. In addition, the relationship between net income and income subject to tax was defined differently for life insurance businesses and real estate investment trusts. Therefore, the net income shown in the statistics (which also includes the net income of S Corporations, which was, in general taxable to shareholders), minus statutory special deductions will not yield the statistics shown for income subject to tax.

# Corporation Income Tax Returns, 1993

**Figure F**

## Statutory Special Deductions, Income Subject to Tax, Selected Tax and Tax Credit Items, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Item	1992	1993	Percentage increase
	(1)	(2)	(3)
<b>Statutory special deductions, total</b> .....	<b>117,627,408</b>	<b>136,513,433</b>	<b>16.1</b>
Net operating loss deduction.....	38,894,962	45,158,874	16.1
Dividends received deduction.....	13,448,638	14,933,621	11.0
Public utility dividends paid deduction.....	49,908	49,060	-1.7
Deduction for dividends paid by regulated investment companies and real estate investment trusts.....	64,903,561	75,984,756	17.1
<b>Income subject to tax</b> .....	<b>377,899,601</b>	<b>436,797,939</b>	<b>15.6</b>
<b>Income tax, total</b> <sup>1</sup> .....	<b>131,284,690</b>	<b>154,447,416</b>	<b>17.6</b>
Regular tax.....	125,770,915	149,026,690	18.5
Personal Holding Company tax <sup>2</sup> .....	20,494	9,472	-53.8
Tax from recapture of investment and low-income housing credits <sup>2</sup>	25,145	22,864	-9.1
Alternative minimum tax <sup>2</sup> .....	4,856,262	4,863,090	0.1
Environmental tax <sup>2</sup> .....	496,610	566,361	14.1
<b>Tax credits, total</b> <sup>3</sup> .....	<b>29,752,312</b>	<b>34,510,139</b>	<b>16.0</b>
Foreign tax credit.....	21,520,683	22,895,789	6.4
U.S. possessions credit.....	3,748,561	4,722,588	26.0
Orphan drug credit.....	17,826	20,486	14.9
Nonconventional fuel source credit.....	233,331	690,593	196.0
General business credit.....	1,918,100	3,078,073	60.5
Prior-year minimum tax credit.....	2,313,811	3,102,567	34.1
<b>Total income tax after credits</b> .....	<b>101,532,379</b>	<b>119,937,278</b>	<b>18.1</b>

<sup>1</sup> Includes certain other taxes, not shown separately.

<sup>2</sup> For purposes of the statistics, this tax is included in both income tax before and after credits. By law, tax credits can only offset regular tax.

<sup>3</sup> Includes certain other credits, not shown separately.

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

Regular tax, which was the tax applicable to most corporations (accounting for 96.5 percent of total tax), could be reduced by tax credits, principally the foreign tax, U.S. possessions tax, orphan drug, nonconventional source fuel, general business, and prior-year minimum credits. Manufacturers were responsible for the largest portion accounting for 40.4 percent, or \$60.3 billion, of the \$149.0 billion grand total, with chemical and allied products accounting for 8.1 percent; petroleum (including integrated) and coal products, 4.9 percent; and automobiles and equipment, 3.2 percent of the grand total. The foreign tax credit (the largest credit) increased 6.4 percent, from \$21.5 billion to \$22.9 billion. Manufacturers claimed 71.4 percent of the foreign tax credit, led by petroleum (including integrated) and coal products and chemicals and allied products, which together accounted for 48.5 percent of all foreign tax credits reported for manufacturing and 34.7 percent of the grand total.

The U.S. possessions tax credit increased every year after 1988. For 1993, it increased 26 percent, from \$3.7 billion to \$4.7 billion. Manufacturers accounted for 97.0 percent of the total, with chemical and allied products, alone, accounting for 51.0 percent of the manufacturing total, and 49.0 percent of the grand total. The Tax Reform Act of 1976 added the U.S. possessions tax credit in lieu of the ordinary foreign tax credit in order to provide a tax incentive for domestic corporations to invest in Puerto Rico (or in U.S. possessions or territories, including American Samoa, Guam, Johnston Island, Midway Islands, and Wake Island).

The "general business credit" reversed 7 years of decline for 1993, by increasing 60.5 percent, from \$1.9 billion to \$3.1 billion. For 1993, this credit included the investment credit (for certain 1993 capital expenditures still recognized for credit purposes under provisions of TRA '86, which otherwise abolished the credit for new

## Corporation Income Tax Returns, 1993

acquisitions), jobs credit, credit for alcohol used as fuel, credit for increasing research activities, low-income housing credit, enhanced oil recovery credit, disabled access credit, renewable electricity production credit, as well as the carryforward of previously unused investment credits. The purpose of the general business credit was to provide a single limitation on these component credits and to establish uniform rules for the carryback and carryforward to other years of the unused amounts which were in excess of this limitation. Each of these component credits was computed separately. The carryforward from prior years (amounts carried back to 1993 were unavailable) was the largest component (82.3 percent) of the "tentative" general business credit (the credit before limitation). However, the research credit was the largest component for 1993 expenditures (in contrast to the amounts carried forward to 1993 from prior years), representing 57.3 percent of the total credit for 1993 expenditures. The portion of the investment credit component attributable to 1993 expenditures rebounded 12.1 percent for 1993, after 3 consecutive years of decline. The 1993 amount, \$122.4 million, represented an increase of \$21.4 million over 1992, but was still well below the comparable amounts for 1990 and 1991 (\$1,145.1 million and \$309.7 million, respectively).

Corporations that reported "alternative minimum tax" (AMT) in prior years could elect to take a credit against current-year regular income tax liability based on the size of the prior year AMT. (The credit could not be applied against their current-year AMT). The credit for prior-year tax increased 34.1 percent for 1993 to \$3.1 billion. Most of this increase was due to amounts claimed by mutual property and casualty insurance companies, which increased from \$117.8 million for 1992 to \$628.0 million for 1993.

For purposes of the statistics, total income tax before or after credits includes regular tax, Personal Holding Company tax, taxes from recapturing prior-year investment or low-income housing credits, alternative minimum tax, environmental tax, other taxes unique to specific types of corporations, and certain statutory tax adjustments. AMT was the largest of these additional taxes. AMT slightly reversed its decline from the previous 2 years, increasing slightly to \$4.9 billion for 1993; AMT was reported on 29,326 returns. Total income tax after credits, the amount actually due the Federal Government, increased 18.1 percent, from \$101.5 billion for Tax Year 1992 to \$119.9 billion for Tax Year 1993. The 6,798 returns of \$250 million or more accounted for 79.6 percent of total income tax and 76.4 percent of total income tax after credits for 1993.

### Summary

Corporate pre-tax profits as reported on income tax returns for 1993 increased by 24 percent over 1992 to \$498.2 billion, reflecting the continued economic recovery following the recession of 1990-1991. The number of returns with net income increased 3.9 percent, while those without net income dropped by 1 percent. "Positive" net income increased 16 percent to a record \$658.7 billion; "negative" net income (i.e., net losses) declined 5 percent to \$160.5 billion. Increases in pre-tax profits were recorded for each industrial division, except mining. Profits of the 6,800 returns with total assets of \$250 million or more accounted for almost 79 percent of the total.

As "positive" net income grew for 1993, so did income subject to tax (the tax base used for Statistics of Income). Income subject to tax increased 16 percent, from \$377.9 billion to \$436.8 billion for 1993. This gain led to a 19-percent increase in the regular income tax (before credits), including the "alternative minimum tax" (\$4.9 billion), from \$125.8 billion to \$149.0 billion. Total tax after credits, the amount payable to the U.S. Government, increased 18.1 percent (\$18.4 billion) from \$101.5 billion for 1992 to \$119.9 billion for 1993.

### Data Sources and Limitations

Data for Tax Year 1993 are based on a sample of corporation income tax returns with accounting periods ended July 1993 through June 1994. These returns represented domestic corporations filing Form 1120 or 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; property and casualty insurance companies filing Form 1120-PC; S Corporations filing Form 1120S; regulated investment companies filing Form 1120-RIC; and real estate investment trusts filing Form 1120-REIT. For purposes of the 1993 statistics, Forms 1120 IC-DISC filed by certain Domestic International Sales Corporations and Forms 1120-FSC filed by Foreign Sales Corporations were excluded. The 1987 revisions to the Standard Industrial Classification are not reflected in the industry statistics.

The estimates were based on a stratified probability sample of 91,643 corporation income tax returns drawn from a total population of 4,340,684. Based on the 87,453 active corporation returns in the sample, the population estimate of active corporations was 3,964,629 returns. The sample was selected after administrative processing was complete, but before any audit examination, and was stratified based on combinations of net income and total assets at rates ranging from 0.25 percent to 100 percent.

# Corporation Income Tax Returns, 1993

Because the data are based on a sample, they are subject to sampling error. To properly use the statistics, the magnitude of the potential sampling error needs to be known. Coefficients of variation (CV's) are used to measure this magnitude. Figure G presents the CV's for the number of returns by asset size and industrial division. The smaller the CV, the more reliable the estimate is judged to be.

## Notes and References

[1] For Tax Year 1988, the number of returns declined for the first time since the end of World War II. This decline was prompted by the Tax Reform Act of 1986 which caused some companies to be represented in the 1987 statistics twice, by a part-year return and a

full-year return, each with an accounting period ending during the span of months July 1987 through June 1988 (the accounting periods comprising Tax Year 1987, as defined for these statistics). The unusually large number of part-year returns for that year, in turn, led to an unusually large increase in the total number of returns. The increase in part-year returns was caused by many S Corporations (and Personal Service Corporations) changing their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. In addition, other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates applicable to S Corporation profits (which are taxed through shareholders) allowed under the Act.

**Figure G**

## Coefficients of Variation for Number of Returns, by Asset Size and Industrial Division, Tax Year 1993

[Money amounts are in thousands of dollars]

Industrial division	Total	Size of total assets					
		Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All Industries<sup>1</sup></b> .....	0.64	3.31	1.05	1.40	1.27	1.19	0.75
Agriculture, forestry, and fishing.....	3.37	20.10	6.60	7.59	5.64	4.89	3.87
Mining.....	6.79	26.53	12.81	16.11	13.20	10.82	7.63
Construction.....	2.07	11.56	3.32	4.49	3.90	3.58	2.41
Manufacturing.....	2.16	12.94	4.77	5.36	4.23	3.53	1.89
Transportation and public utilities.....	3.18	14.01	5.28	7.08	6.13	5.72	3.65
Wholesale and retail trade.....	1.21	6.89	2.21	2.47	2.18	2.12	1.31
Finance, insurance, and real estate.....	1.54	7.00	2.97	3.36	2.96	2.63	1.64
Services.....	1.20	6.12	1.56	2.76	2.99	3.13	2.14

Industrial division	Size of total assets - Continued					
	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
<b>All Industries<sup>1</sup></b> .....	1.28	0.86	0.88	0.08	0.04	
Agriculture, forestry, and fishing.....	9.94	7.90	8.57	1.10	0.73	Not subject to sampling error
Mining.....	10.25	7.08	7.99	0.84	0.45	
Construction.....	4.46	3.79	5.09	0.66	0.52	
Manufacturing.....	2.81	1.68	1.75	0.24	0.12	
Transportation and public utilities.....	6.17	4.15	4.34	0.53	0.28	
Wholesale and retail trade.....	2.31	1.75	2.15	0.29	0.17	
Finance, insurance, and real estate.....	2.71	1.58	1.38	0.08	0.04	
Services.....	3.98	2.77	3.03	0.37	0.23	

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

<sup>2</sup> Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of businesses), returns of foreign corporations with income "effectively connected" with a US trade or business (except foreign insurance providing separate data for US branches, assets for which are included in the appropriate size class).

## Corporation Income Tax Returns, 1993

- [2] See Gill, Amy M. and Wittman, Susan M., "S Corporation Returns, 1993," *Statistics of Income Bulletin*, Spring 1996, Volume 15, Number 4.
- [3] Starting with Tax Year 1987, statistics for net income or deficit and for receipts and deductions of S Corporations are limited to those derived "from a trade or business." Investment or portfolio income (or loss) such as interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income were not included in the corporation totals. Therefore, the overall statistics for receipts, deductions and net income or deficit are slightly understated; it is estimated that total net income (less deficit), alone, is understated by \$12.1 billion as a result (see Gill, Amy M. and Wittman, Susan M., *op. cit.*).
- [4] The growth rate in the gross domestic product (GDP) for 1993 was 2.2 percent compared with a 2.7 percent increase for 1992 (in constant dollars). The U.S. Department of Commerce, Bureau of Economic Analysis, as reported in The U.S. Office of Management and Budget, *Economic Report of the President*, February 1996, p. 281.
- [5] MacAuley, Patrick, "Construction," *1994 U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Administration, January 1994, pp. 5-1, 11.
- [6] *Ibid*, pp. 5-1, 11
- [7] Candilis, Wray O., and Shuman, John R., "Financial Services," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 45-2.
- [8] Muir, S. Cassin, "Securities Industry," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 46-5.
- [9] Hamrock, Susan, "Motor Vehicles and Parts," *1994 U.S. Industrial Outlook*, *op. cit.*, pp. 28-35.
- [10] See footnote 3 above.
- [11] In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, and service charges which may have originally been reported on attached schedules as other income. For such companies, these items were included in the statistics for business receipts, not other receipts. Similarly, condominium management fees reported by condominium management and cooperative housing associations were included in business receipts, when identified from attached other income schedules. Rents reported by real estate operators and lessors of buildings as their principal income were included in the statistics for business receipts. Premium income of most insurance companies was included in business receipts. Regulated investment companies and real estate investment trusts do not report business receipts.
- [12] U.S. Department of the Treasury; The Council of Economic Advisors; Bureau of Economic Analysis; and *Eggert's Blue Chip Economic Indicators* as reported in The U.S. Office of Management and Budget, *Economic Report of the President*, February 1994, pp. 31, 78-85.
- [13] The preferential "alternative tax" rate on net long-term capital gains (reduced by net short-term capital losses) was repealed by the Tax Reform Act of 1986 for tax years that began on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates. (Also, because they were no longer given preferential tax treatment, these gains were exempted from the "alternative minimum tax" on "tax preference" items.)
- [14] Candilis, Wray O., and Shuman, John R., *op. cit.*, p. 45-2.
- [15] Feid, John J., and Colantuoni, Joseph A., "Financial Services," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 45-5.
- [16] Muir, S. Cassin, *op. cit.*, p. 46-5.
- [17] *Mergers & Acquisitions, 1994 Almanac and Index*, May/June 1995, Volume 29, Number 6, p. 48.
- [18] For 1993, statutory special deductions include the following: the several dividends received deductions; the deduction for dividends paid on certain preferred stock of public utilities; the deduction for dividends paid by regulated investment companies and real estate investment trusts; the special deduction for taxes paid by real estate investment trusts allowed under section 857; and the special deduction allowed small life insurance companies.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples—money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item, and industrial division	Total <sup>1</sup>	Size of total assets				
		Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIES <sup>3</sup></b>						
Number of returns.....	3,964,629	239,331	2,048,646	635,265	394,244	269,277
Total assets..... <sup>4</sup>	21,815,869,373	--	63,188,749	102,662,775	139,592,757	189,985,446
Total receipts.....	12,269,721,710	151,793,131	380,938,628	319,364,601	352,203,519	409,079,513
Business receipts.....	10,865,542,520	98,165,166	374,264,825	313,155,611	345,470,001	400,066,774
Interest paid.....	546,236,159	32,859,097	2,460,394	2,874,617	3,656,572	4,707,916
Net income (less deficit)..... <sup>4</sup>	498,159,174	-2,601,993	4,847,963	4,823,383	4,221,007	5,859,725
Total income tax..... <sup>5</sup>	154,447,416	1,595,244	382,528	572,987	781,033	1,079,868
Total income tax after credits..... <sup>5</sup>	119,937,278	1,297,415	374,794	556,744	758,790	1,038,651
Net worth.....	6,463,939,611	--	-12,807,099	23,877,324	41,130,802	58,317,826
<b>AGRICULTURE, FORESTRY, AND FISHING</b>						
Number of returns.....	141,326	5,791	59,869	23,908	22,493	16,640
Total assets..... <sup>4</sup>	74,646,834	--	2,045,180	3,888,509	8,036,901	11,790,320
Total receipts.....	98,301,076	524,957	7,761,657	6,793,757	11,116,422	12,681,856
Business receipts.....	92,071,144	403,475	7,491,079	6,267,983	10,225,539	11,465,191
Interest paid.....	2,233,054	53,668	105,981	160,891	255,964	325,858
Net income (less deficit)..... <sup>4</sup>	1,647,725	-104,058	278,266	-48,838	182,012	263,174
Total income tax..... <sup>5</sup>	613,080	7,883	19,095	20,099	35,623	62,234
Total income tax after credits..... <sup>5</sup>	568,605	5,591	18,820	19,808	33,421	58,307
Net worth.....	27,698,859	--	-68,049	989,117	3,125,577	5,351,314
<b>MINING</b>						
Number of returns.....	35,345	2,850	15,884	4,909	3,553	3,472
Total assets..... <sup>4</sup>	224,018,659	--	510,151	767,238	1,302,807	2,478,157
Total receipts.....	112,121,150	746,747	1,270,752	1,384,579	1,952,132	3,482,651
Business receipts.....	102,064,204	605,989	1,222,603	1,274,437	1,821,940	3,164,197
Interest paid.....	4,794,523	53,831	14,398	17,331	15,189	76,710
Net income (less deficit)..... <sup>4</sup>	2,628,720	-35,493	-22,722	40,881	80,353	20,985
Total income tax..... <sup>5</sup>	1,360,692	6,450	*382	*1,942	3,158	14,419
Total income tax after credits..... <sup>5</sup>	737,935	6,367	*292	*1,608	2,684	9,916
Net worth.....	111,449,998	--	-227,169	-5,961	-102,832	752,397
<b>CONSTRUCTION</b>						
Number of returns.....	417,250	20,500	226,212	64,637	41,498	30,281
Total assets..... <sup>4</sup>	240,435,575	--	6,537,432	10,568,594	14,842,976	21,085,740
Total receipts.....	538,266,252	3,622,917	53,688,977	39,128,565	46,268,011	55,473,966
Business receipts.....	528,889,876	3,409,432	53,449,401	38,870,522	45,915,734	54,869,281
Interest paid.....	5,052,958	68,011	296,060	281,752	338,875	422,331
Net income (less deficit)..... <sup>4</sup>	7,514,819	-131,680	1,016,685	790,798	578,080	849,403
Total income tax..... <sup>5</sup>	1,654,270	11,857	33,095	64,662	108,345	115,206
Income tax after credits..... <sup>5</sup>	1,492,497	11,409	32,809	63,441	104,215	109,110
Net worth.....	75,814,580	--	-196,301	3,427,532	4,800,466	6,711,432
<b>MANUFACTURING</b>						
Number of returns.....	307,419	12,600	116,717	45,993	37,500	31,197
Total assets..... <sup>4</sup>	4,225,134,395	--	3,879,799	7,564,665	13,580,696	22,328,340
Total receipts.....	3,890,747,271	20,668,061	19,393,682	24,323,901	36,327,849	56,021,960
Business receipts.....	3,652,017,915	19,233,543	19,120,574	24,047,298	35,936,524	55,425,788
Interest paid.....	118,233,685	593,468	171,850	221,489	414,546	621,449
Net income (less deficit)..... <sup>4</sup>	173,219,957	196,076	-381,347	232,622	187,210	844,975
Total income tax..... <sup>5</sup>	61,912,971	363,167	36,991	34,321	85,139	182,744
Income tax after credits..... <sup>5</sup>	38,070,925	98,746	34,782	32,645	80,902	173,549
Net worth.....	1,440,728,404	--	-2,138,810	1,410,613	3,031,965	7,755,343

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item, and industrial division	Total <sup>1</sup>	Size of total assets--continued				
		Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns.....	175,980	12,393	90,757	26,042	17,601	12,161
Total assets.....	1,770,691,651	--	2,779,128	4,139,201	6,118,590	8,563,165
Total receipts..... <sup>4</sup>	1,037,156,438	4,408,943	25,449,172	12,554,300	17,683,155	22,156,149
Business receipts.....	981,004,201	3,850,866	25,026,796	12,414,037	17,354,703	21,669,177
Interest paid.....	53,421,303	158,422	142,285	141,623	226,053	327,256
Net income (less deficit)..... <sup>4</sup>	52,885,350	-6,689	93,029	120,328	146,394	332,005
Total income tax..... <sup>5</sup>	20,717,373	31,074	19,268	21,900	36,191	58,910
Total income tax after credits.....	18,902,929	28,246	19,162	20,595	33,674	54,064
Net worth.....	579,823,500	--	-510,643	830,238	1,279,055	2,056,526
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns.....	1,072,980	57,997	483,836	204,607	130,058	82,706
Total assets.....	1,702,833,504	--	18,264,195	33,470,091	45,990,818	58,201,028
Total receipts..... <sup>4</sup>	3,709,494,745	40,781,122	107,498,289	137,707,856	158,707,185	187,586,108
Business receipts.....	3,623,042,583	39,954,798	106,141,057	136,270,203	157,060,065	185,157,439
Interest paid.....	46,771,670	362,644	611,039	910,576	1,259,431	1,409,511
Net income (less deficit)..... <sup>4</sup>	49,714,808	-711,411	-718,077	991,722	993,387	1,786,202
Total income tax..... <sup>5</sup>	16,373,907	87,470	69,753	164,281	224,405	339,147
Total income tax after credits.....	15,152,750	86,335	68,203	162,072	222,365	333,101
Net worth.....	448,591,875	--	-4,641,176	7,000,699	13,424,086	20,328,137
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>						
Number of returns.....	641,397	46,888	273,799	108,385	71,306	53,629
Total assets.....	12,831,680,335	--	8,724,343	17,714,139	25,162,925	38,014,940
Total receipts..... <sup>4</sup>	1,940,315,739	65,991,609	28,561,545	18,111,109	15,117,515	14,587,552
Business receipts.....	992,334,922	17,476,600	26,975,356	16,351,586	13,509,178	12,589,344
Interest paid.....	292,846,507	31,010,834	290,820	462,120	390,389	706,113
Net income (less deficit)..... <sup>4</sup>	185,229,845	-1,380,337	804,715	723,953	766,403	326,273
Total income tax..... <sup>5</sup>	44,409,373	970,913	52,988	138,136	116,525	136,274
Total income tax after credits.....	38,723,220	950,373	52,812	135,805	114,147	134,887
Net worth.....	3,543,133,206	--	-2,624,025	3,361,907	8,592,353	7,413,215
<b>SERVICES</b>						
Number of returns.....	1,157,724	76,839	772,197	155,304	69,915	38,929
Total assets.....	744,758,261	--	20,288,934	24,296,069	24,430,584	27,359,898
Total receipts..... <sup>4</sup>	941,642,864	14,887,083	136,759,697	79,044,828	64,973,736	57,005,032
Business receipts.....	892,537,156	13,080,246	134,285,804	77,348,611	63,588,805	55,643,442
Interest paid.....	22,857,022	557,444	822,931	672,199	755,482	816,923
Net income (less deficit)..... <sup>4</sup>	25,361,467	-411,140	3,771,428	1,985,455	1,287,540	1,447,671
Total income tax..... <sup>5</sup>	7,401,280	114,912	148,896	127,615	171,648	170,782
Total income tax after credits.....	6,284,086	108,832	145,853	120,739	167,383	165,565
Net worth.....	236,109,841	--	-2,383,244	6,820,624	6,901,460	7,897,344

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item, and industrial division	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>ALL INDUSTRIES<sup>3</sup></b>							
Number of returns.....	279,146	40,077	25,906	11,371	7,968	6,599	6,798
Total assets..... <sup>4</sup>	585,115,423	277,364,662	401,660,986	402,041,584	564,528,095	1,038,795,154	18,050,933,743
Total receipts..... <sup>4</sup>	1,250,178,880	560,801,791	657,265,630	427,762,340	414,914,207	608,219,632	6,737,199,838
Business receipts.....	1,223,675,528	547,768,340	637,858,564	405,281,084	383,043,352	542,569,202	5,594,224,075
Interest paid.....	14,776,174	6,694,210	9,612,898	9,598,737	13,261,942	23,052,845	422,680,758
Net income (less deficit)..... <sup>4</sup>	17,955,206	8,648,647	12,446,974	10,292,537	13,751,415	26,917,675	390,996,633
Total income tax..... <sup>5</sup>	4,050,482	2,258,964	3,663,484	3,535,493	4,579,190	8,994,517	122,953,624
Total income tax after credits..... <sup>5</sup>	3,871,768	2,146,370	3,353,792	3,224,758	4,159,319	7,572,044	91,582,832
Net worth.....	174,639,595	83,809,380	125,774,316	124,800,336	182,614,471	382,532,243	5,279,250,417
<b>AGRICULTURE, FORESTRY, AND FISHING</b>							
Number of returns.....	11,317	735	352	123	57	30	11
Total assets.....	21,185,391	5,115,905	5,175,715	4,137,170	3,927,748	4,379,145	4,964,850
Total receipts..... <sup>4</sup>	23,147,630	7,668,980	6,723,962	5,109,307	4,790,829	5,792,043	6,189,675
Business receipts.....	21,483,620	7,380,966	6,434,803	4,817,695	4,611,215	5,525,499	5,964,080
Interest paid.....	610,970	151,039	146,902	99,111	78,828	149,098	94,746
Net income (less deficit)..... <sup>4</sup>	250,163	32,195	-23,239	131,646	80,439	188,522	417,442
Total income tax..... <sup>5</sup>	106,617	46,072	35,903	36,229	45,912	47,751	149,662
Total income tax after credits..... <sup>5</sup>	103,871	44,117	34,970	33,391	44,038	45,472	126,800
Net worth.....	8,155,149	1,254,453	1,668,615	1,671,204	1,413,360	1,375,509	2,762,610
<b>MINING</b>							
Number of returns.....	3,124	676	427	141	107	97	105
Total assets.....	6,362,804	4,772,425	6,587,697	5,038,580	7,609,877	16,339,189	172,249,734
Total receipts..... <sup>4</sup>	5,824,973	3,655,885	5,880,486	3,322,799	4,696,983	10,754,637	69,148,526
Business receipts.....	5,235,931	3,110,935	5,439,235	3,069,059	4,195,165	9,758,808	63,165,904
Interest paid.....	142,229	85,659	132,665	104,810	147,288	338,211	3,666,201
Net income (less deficit)..... <sup>4</sup>	188,140	99,268	158,120	22,702	132,078	276,389	1,668,020
Total income tax..... <sup>5</sup>	39,962	24,598	60,618	53,897	44,740	134,533	975,992
Total income tax after credits..... <sup>5</sup>	34,844	21,732	47,543	48,430	33,064	92,856	438,597
Net worth.....	2,606,230	2,129,149	3,328,006	2,325,946	4,089,769	8,412,870	88,141,592
<b>CONSTRUCTION</b>							
Number of returns.....	28,396	3,620	1,492	351	157	63	42
Total assets.....	58,207,283	24,899,900	22,261,230	11,879,016	10,996,966	10,034,375	49,122,063
Total receipts..... <sup>4</sup>	134,009,360	54,569,289	44,911,255	22,788,432	18,828,865	17,508,432	47,468,184
Business receipts.....	132,392,061	53,983,958	44,186,883	22,367,659	18,316,288	17,107,162	44,021,495
Interest paid.....	1,003,450	336,120	313,182	215,500	172,546	244,630	1,360,500
Net income (less deficit)..... <sup>4</sup>	1,464,105	941,960	632,591	259,765	267,050	-42,883	888,945
Total income tax..... <sup>5</sup>	381,546	193,451	131,280	68,700	82,295	72,990	390,843
Total income tax after credits..... <sup>5</sup>	354,341	184,537	125,004	63,201	78,927	67,324	298,179
Net worth.....	17,867,296	8,147,457	7,531,162	3,991,651	3,775,736	2,085,588	17,672,561
<b>MANUFACTURING</b>							
Number of returns.....	43,086	8,145	6,201	2,384	1,383	1,041	1,173
Total assets.....	95,667,262	56,421,893	96,615,889	83,229,363	97,649,165	162,883,835	3,585,313,488
Total receipts..... <sup>4</sup>	210,365,715	115,782,843	175,170,938	136,151,980	146,383,306	209,954,560	2,740,202,477
Business receipts.....	207,789,601	114,591,080	172,856,441	133,532,729	143,532,385	204,163,587	2,521,788,367
Interest paid.....	2,401,574	1,380,125	2,211,059	2,009,584	2,557,194	4,557,293	101,094,053
Net income (less deficit)..... <sup>4</sup>	4,334,885	3,027,025	6,225,999	5,150,394	5,037,645	10,044,842	138,319,631
Total income tax..... <sup>5</sup>	957,569	743,571	1,453,516	1,394,499	1,730,400	3,640,652	51,290,405
Total income tax after credits..... <sup>5</sup>	905,470	685,830	1,265,989	1,187,713	1,437,784	2,500,490	29,667,026
Net worth.....	35,375,521	22,361,820	41,571,533	35,466,432	40,889,161	66,465,758	1,188,539,069

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples—money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item, and industrial division	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>							
Number of returns.....	12,555	1,926	1,222	459	258	222	383
Total assets.....	26,511,288	13,412,192	18,932,456	16,079,709	18,113,444	35,559,658	1,620,482,820
Total receipts.....	51,984,381	21,492,805	26,388,673	20,654,361	16,399,350	30,516,875	787,468,275
Business receipts.....	50,475,908	20,917,426	25,632,797	19,433,573	15,503,302	28,933,215	739,792,402
Interest paid.....	830,130	418,623	613,365	613,885	720,192	1,483,209	47,746,262
Net income (less deficit).....	691,965	438,529	475,199	556,745	471,006	998,633	48,568,207
Total income tax.....	256,740	150,036	211,005	205,848	230,913	520,005	18,975,483
Total income tax after credits.....	235,818	145,365	198,089	199,629	221,919	489,308	17,257,061
Net worth.....	6,577,149	3,205,565	4,313,227	3,388,916	3,673,359	6,674,960	548,335,148
<b>WHOLESALE AND RETAIL TRADE</b>							
Number of returns.....	90,613	12,657	6,769	1,858	849	564	466
Total assets.....	190,150,246	87,723,205	102,430,057	63,882,692	58,945,335	90,405,150	953,370,687
Total receipts.....	649,326,191	298,856,540	317,540,373	172,948,227	149,557,792	203,825,007	1,285,160,055
Business receipts.....	641,719,135	294,775,177	313,133,488	170,101,389	146,899,456	199,598,631	1,232,231,744
Interest paid.....	4,721,855	2,081,859	2,465,607	1,498,533	1,526,478	2,112,707	27,811,430
Net income (less deficit).....	7,187,030	3,540,116	4,712,615	2,426,607	2,558,112	3,894,695	23,053,812
Total income tax.....	1,284,535	597,305	907,869	682,768	747,513	1,421,389	9,847,473
Total income tax after credits.....	1,262,493	581,116	882,427	639,714	716,046	1,359,536	8,839,341
Net worth.....	60,056,906	24,890,098	27,813,400	19,617,326	19,343,609	31,897,568	228,861,222
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>							
Number of returns.....	54,092	8,054	6,834	5,163	4,661	4,251	4,335
Total assets.....	112,754,567	55,328,532	109,539,496	185,396,885	331,930,376	666,950,748	11,280,163,384
Total receipts.....	41,477,762	18,098,195	26,442,860	27,692,195	39,453,467	84,469,063	1,560,312,867
Business receipts.....	34,766,783	14,295,305	18,300,616	14,894,408	17,533,257	35,660,704	769,981,787
Interest paid.....	2,791,133	1,314,278	2,489,216	4,193,161	7,116,633	12,537,472	229,544,337
Net income (less deficit).....	1,141,522	106,021	374,691	1,544,818	4,475,775	10,347,546	166,747,845
Total income tax.....	478,957	287,464	475,645	765,351	1,277,248	2,493,917	37,215,954
Total income tax after credits.....	462,568	283,519	453,890	746,624	1,247,681	2,408,553	31,732,363
Net worth.....	26,673,641	14,338,635	28,432,794	48,882,192	99,399,309	252,495,234	3,056,167,949
<b>SERVICES</b>							
Number of returns.....	35,693	4,245	2,602	891	495	331	283
Total assets.....	73,689,846	29,581,274	39,970,495	32,276,207	35,355,183	52,243,053	385,266,718
Total receipts.....	133,557,085	40,666,561	54,201,401	39,095,028	34,803,615	45,399,016	241,249,780
Business receipts.....	129,385,704	38,713,493	51,874,302	37,064,573	32,452,285	41,821,597	217,278,296
Interest paid.....	2,265,408	925,345	1,240,902	864,152	942,783	1,630,225	11,363,229
Net income (less deficit).....	2,697,985	454,399	656,211	199,942	729,310	1,209,933	11,332,732
Total income tax.....	544,070	216,355	387,540	328,200	420,169	663,281	4,107,812
Total income tax after credits.....	511,916	200,041	345,871	306,055	379,861	608,506	3,223,466
Net worth.....	17,215,833	7,381,200	11,016,692	9,334,740	10,030,167	13,124,758	148,770,266

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

<sup>1</sup> Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest Charge Domestic International Sales Corporations (Form 1120-IC-DISC).

<sup>2</sup> Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly-incorporated businesses), returns of foreign corporations with income effectively connected with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate size class.)

<sup>3</sup> Includes "Nature of business not allocable" which is not shown separately.

<sup>4</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and S corporations (qualifying corporations electing to be taxed through shareholders).

<sup>5</sup> For purposes of the statistics, includes not only regular tax, but alternative minimum tax, tax from recapture of investment and low-income housing credits and certain other taxes. By law, only regular tax could be reduced by tax credits.

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

# Corporation Income Tax Returns, 1993

## Table 2.-Selected Balance Sheet, Income Statement, and Tax Items by Asset Size

[All figures are estimates based on samples-money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item	Total <sup>1</sup>	Size of total assets				
		Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns.....</b>	<b>3,964,629</b>	<b>239,331</b>	<b>2,048,646</b>	<b>635,265</b>	<b>394,244</b>	<b>269,277</b>
<b>Total assets.....</b>	<b>21,815,869,373</b>	-	<b>63,188,749</b>	<b>102,662,775</b>	<b>139,592,757</b>	<b>189,985,446</b>
Cash.....	812,077,106	-	14,685,705	18,334,855	19,797,773	23,861,869
Notes and accounts receivable.....	4,532,360,299	-	7,094,258	14,673,541	23,950,966	36,381,615
Less: Allowance for bad debts.....	117,104,017	-	253,040	146,199	284,969	463,206
Inventories.....	947,287,758	-	7,754,069	15,870,809	23,374,316	31,363,274
Investment in U.S. Government obligations.....	1,290,041,298	-	51,614	134,052	306,010	545,719
Tax-exempt securities.....	701,101,044	-	50,727	206,136	250,775	497,159
Other current assets.....	1,537,521,042	-	2,867,757	4,355,975	6,656,453	9,449,622
Loans to stockholders.....	83,900,670	-	4,377,099	5,314,679	4,873,288	4,360,565
Mortgage and real estate loans.....	1,626,813,106	-	500,571	1,192,042	1,931,976	2,347,751
Other investments.....	5,700,750,483	-	1,674,163	4,869,178	7,881,345	11,663,943
Depreciable assets.....	4,968,959,443	-	66,925,255	75,341,794	94,470,145	113,559,015
Less: Accumulated depreciation.....	2,265,345,826	-	47,475,714	47,803,297	58,630,875	66,009,366
Depletable assets.....	136,837,315	-	325,409	490,119	575,197	842,491
Less: Accumulated depletion.....	64,129,960	-	200,242	195,795	260,702	345,365
Land.....	230,380,089	-	1,824,899	4,554,493	8,860,160	14,212,245
Intangible assets.....	559,011,523	-	2,888,843	3,700,136	4,305,117	4,853,540
Less: Accumulated amortization.....	138,208,765	-	1,709,638	1,934,849	1,937,542	2,114,544
Other assets.....	1,273,616,767	-	1,807,013	3,705,105	3,473,324	4,979,120
<b>Total liabilities.....</b>	<b>21,815,869,373</b>	-	<b>63,188,749</b>	<b>102,662,775</b>	<b>139,592,757</b>	<b>189,985,446</b>
Accounts payable.....	1,465,685,698	-	9,807,552	14,256,215	19,595,885	26,960,076
Mortgages, notes, and bonds payable in less than 1 year.....	1,569,039,749	-	8,006,788	8,634,504	13,310,052	17,953,781
Other current liabilities.....	5,994,457,055	-	7,812,900	8,520,654	10,811,376	14,269,957
Loans from stockholders.....	303,017,642	-	30,332,480	20,933,407	21,708,168	21,391,578
Mortgages, notes, and bonds payable in 1 year or more.....	2,871,045,770	-	14,286,574	21,814,223	29,508,305	41,107,762
Other liabilities.....	3,148,683,849	-	5,749,555	4,626,447	3,528,169	9,984,467
<b>Net worth.....</b>	<b>6,463,939,611</b>	-	<b>-12,807,099</b>	<b>23,877,324</b>	<b>41,130,802</b>	<b>58,317,826</b>
Capital stock.....	2,042,497,435	-	16,597,897	12,725,511	16,922,749	17,458,191
Paid-in or capital surplus.....	4,223,297,163	-	23,754,190	14,988,947	17,053,092	19,378,677
Retained earnings, appropriated.....	106,288,339	-	2,289,146	237,403	628,271	654,350
Retained earnings, unappropriated.....	1,424,175,422	-	-31,303,662	4,025,919	12,744,887	19,550,324
Other retained earnings (1120S).....	131,159,615	-	-21,239,225	-4,270,429	-1,783,496	6,801,606
Less: Cost of treasury stock.....	1,463,478,361	-	2,905,445	3,830,028	4,434,699	5,525,323
<b>Total receipts.....</b>	<b>12,269,721,710</b>	<b>151,793,131</b>	<b>380,938,628</b>	<b>319,364,601</b>	<b>352,203,519</b>	<b>409,079,513</b>
Business receipts.....	10,865,542,520	98,165,166	374,264,825	313,155,611	345,470,001	400,066,774
Interest.....	764,546,106	41,857,652	309,066	556,007	700,533	1,008,497
Interest on State and local Government obligations.....	43,319,556	223,671	3,740	20,766	35,580	53,845
Rents.....	85,478,375	698,019	357,184	367,149	658,633	898,486
Royalties.....	44,076,734	77,928	187,715	228,501	66,808	122,457
Net short-term capital gain less net long-term capital loss.....	26,064,516	405,769	69,897	45,042	48,887	53,887
Net long-term capital gain less net short-term capital loss.....	53,303,500	1,687,064	426,391	396,714	639,548	671,617
Net gain, noncapital assets.....	32,763,625	1,566,170	609,641	519,449	558,733	750,541
Dividends, domestic corporations.....	13,570,604	74,984	7,700	53,083	88,376	98,070
Dividends, foreign corporations.....	25,907,770	14,114	*212	*1,006	1,842	903
Other receipts.....	315,148,404	7,022,595	4,702,255	4,021,272	3,934,580	5,354,437

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

## Table 2.-Selected Balance Sheet, Income Statement, and Tax Items by Asset Size--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item	Total <sup>1</sup>	Size of total assets--continued				
		Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> .....	<b>11,764,744,057</b>	<b>154,176,318</b>	<b>376,086,924</b>	<b>314,538,380</b>	<b>347,946,932</b>	<b>403,166,853</b>
Cost of sales and operations.....	7,052,236,546	65,493,534	159,870,670	165,566,937	200,994,382	252,979,250
Compensation of officers.....	226,147,454	2,717,666	38,225,213	24,334,406	20,724,398	20,189,097
Repairs.....	104,140,185	806,834	3,735,123	3,449,827	3,389,520	3,506,822
Bad debts.....	80,671,397	6,045,321	778,172	645,386	985,649	1,203,076
Rent on business property.....	200,741,346	2,641,234	17,689,785	11,340,164	10,034,930	9,484,765
Taxes paid.....	289,513,615	2,858,755	12,453,543	9,538,882	10,341,793	11,220,583
Interest paid.....	546,236,159	32,859,097	2,460,394	2,874,617	3,656,572	4,707,916
Contributions or gifts.....	6,305,178	49,903	58,364	55,781	66,502	95,933
Amortization.....	38,494,898	572,106	445,592	427,533	485,161	601,377
Depreciation.....	363,545,335	2,636,241	6,047,881	6,343,618	6,943,391	8,226,575
Depletion.....	8,471,334	30,602	31,148	20,831	29,015	36,635
Advertising.....	140,143,456	938,654	4,398,286	3,244,469	3,432,697	3,675,228
Pension, profit sharing, stock bonus and annuity plans.....	61,073,784	349,791	1,891,300	1,235,645	1,212,481	1,537,083
Employee benefit programs.....	160,120,219	1,244,515	2,650,877	2,344,168	2,932,519	3,535,526
Net loss, noncapital assets.....	26,272,309	2,946,142	404,132	152,308	307,484	383,503
Other deductions.....	2,460,630,844	31,985,922	124,946,446	82,963,806	82,410,439	81,783,484
<b>Total receipts less total deductions</b> .....	<b>504,977,653</b>	<b>-2,383,187</b>	<b>4,851,704</b>	<b>4,826,221</b>	<b>4,256,587</b>	<b>5,912,660</b>
Constructive taxable income						
from related foreign corporations.....	36,501,077	*4,865		*17,928		*910
<b>Net income (less deficit), total</b> .....	<b>498,159,174</b>	<b>-2,601,993</b>	<b>4,847,963</b>	<b>4,823,383</b>	<b>4,221,007</b>	<b>5,859,725</b>
Net income, total.....	658,666,005	9,069,730	17,301,100	12,192,006	11,576,910	13,340,392
Deficit, total.....	160,506,831	11,671,723	12,453,136	7,368,623	7,355,903	7,480,667
Net income (less deficit), Form 1120A.....	-118,866	-25,590	-89,579	-661	-3,036	-
Net income (less deficit), Form 1120F.....	-2,115,353	-2,115,353	-	-	-	-
Net income (less deficit), Form 1120S <sup>3</sup> .....	54,133,890	-787,417	6,711,861	4,005,457	2,706,325	3,859,325
<b>Statutory special deductions, total</b> .....	<b>136,513,433</b>	<b>2,821,591</b>	<b>2,091,002</b>	<b>1,510,294</b>	<b>1,376,295</b>	<b>1,577,291</b>
Net operating loss deduction.....	45,158,874	1,773,363	2,085,450	1,469,967	1,305,700	1,496,365
Dividends received deduction.....	14,933,621	58,036	4,968	37,885	63,200	66,989
Public utility dividends paid deduction.....	49,060					
<b>Income subject to tax</b> <sup>5</sup> .....	<b>436,797,939</b>	<b>4,566,366</b>	<b>2,254,027</b>	<b>3,127,724</b>	<b>3,973,250</b>	<b>4,786,123</b>
<b>Income tax before credits, total</b> <sup>6</sup> .....	<b>154,447,416</b>	<b>1,595,244</b>	<b>382,528</b>	<b>572,987</b>	<b>781,033</b>	<b>1,079,868</b>
Regular tax.....	149,026,690	1,527,253	376,916	566,885	769,400	1,061,879
Personal Holding Company tax.....	9,472	*84	*523	*327	*372	*781
Recapture of investment and low- income housing credits.....	22,864	**	-	-	*121	-
Alternative minimum tax.....	4,863,090	32,997	4,895	5,535	10,786	15,420
Environmental tax.....	566,361	4,190	*53	*204	*17	*42
Foreign tax credit.....	22,895,789	4,747	*125	*4,776	509	245
U.S. possessions tax credit.....	4,722,588	262,040	1,479	99	*369	1,965
Orphan drug credit.....	20,486					
Nonconventional source fuel credit.....	690,593	1	*51	*283	*296	*6,254
General business credit.....	3,078,073	11,062	5,816	9,352	13,731	24,933
Prior year minimum tax credit.....	3,102,567	19,978	*263	*1,732	7,337	7,821
<b>Total income tax after credits</b> .....	<b>119,937,278</b>	<b>1,297,415</b>	<b>374,794</b>	<b>556,744</b>	<b>758,790</b>	<b>1,038,651</b>

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples—money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under 250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Number of returns</b> .....	<b>279,146</b>	<b>40,077</b>	<b>25,906</b>	<b>11,371</b>	<b>7,968</b>	<b>6,599</b>	<b>6,798</b>
<b>Total assets</b> .....	<b>585,115,423</b>	<b>277,364,662</b>	<b>401,660,986</b>	<b>402,041,584</b>	<b>564,528,095</b>	<b>1,038,795,154</b>	<b>18,050,933,743</b>
Cash.....	55,387,742	24,447,531	30,517,056	25,997,905	31,690,320	46,800,575	520,555,775
Notes and accounts receivable.....	124,962,171	61,876,447	93,847,308	101,606,534	147,504,593	226,519,406	3,693,943,459
Less: Allowance for bad debts.....	1,796,834	1,291,496	2,403,403	2,685,265	4,214,404	7,374,438	96,190,762
Inventories.....	117,619,093	56,093,344	64,804,627	43,398,361	41,659,224	58,936,426	486,414,215
Investment in U.S. Government obligations.....	2,985,682	3,294,188	12,100,847	28,094,582	51,386,551	89,873,244	1,101,268,808
Tax-exempt securities.....	2,051,659	1,404,865	5,017,317	10,405,779	24,760,552	57,948,265	598,507,809
Other current assets.....	30,518,114	15,642,935	21,808,963	21,937,895	27,595,785	51,644,725	1,345,042,819
Loans to stockholders.....	8,869,517	2,832,049	2,804,201	2,020,304	1,914,361	2,790,342	43,744,266
Mortgage and real estate loans.....	6,067,860	2,587,728	6,403,872	14,344,001	33,537,945	76,926,217	1,480,973,143
Other investments.....	40,183,255	23,585,582	43,362,310	56,453,407	95,499,973	239,628,259	5,175,949,066
Depreciable assets.....	308,778,598	130,312,911	172,402,503	127,956,698	134,005,731	209,375,915	3,535,830,877
Less: Accumulated depreciation.....	166,729,890	66,793,410	84,704,265	59,797,965	60,319,428	91,170,880	1,515,910,737
Depletable assets.....	1,914,490	1,805,357	2,862,531	2,907,003	3,700,123	7,991,506	113,423,089
Less: Accumulated depletion.....	712,790	773,879	1,385,573	1,339,922	1,717,841	3,080,508	54,117,342
Land.....	35,214,472	12,789,305	15,212,830	10,790,536	10,269,111	14,042,743	102,609,296
Intangible assets.....	12,081,712	7,994,385	11,767,045	12,892,136	19,156,632	36,684,200	442,687,777
Less: Accumulated amortization.....	4,891,325	4,113,635	4,232,373	4,233,185	6,107,250	9,274,558	97,659,867
Other assets.....	12,611,899	5,670,454	11,475,188	11,292,779	14,206,117	30,533,715	1,173,862,053
<b>Total liabilities</b> .....	<b>585,115,423</b>	<b>277,364,662</b>	<b>401,660,986</b>	<b>402,041,584</b>	<b>564,528,095</b>	<b>1,038,795,154</b>	<b>18,050,933,743</b>
Accounts payable.....	86,947,249	40,588,290	52,728,532	41,972,451	46,612,971	72,835,284	1,053,381,194
Mortgages, notes, and bonds payable in less than 1 year.....	81,726,693	44,782,651	53,449,960	34,815,847	36,136,388	51,709,547	1,218,513,540
Other current liabilities.....	50,194,044	28,575,920	60,044,537	106,910,007	193,307,456	333,997,487	5,180,012,718
Loans from stockholders.....	45,711,352	14,287,231	12,750,371	7,341,254	6,799,815	9,381,029	112,380,958
Mortgages, notes, and bonds payable in 1 year or more.....	122,368,181	52,674,888	73,490,277	62,283,817	71,437,932	129,530,734	2,252,543,076
Other liabilities.....	23,528,309	12,646,302	23,422,994	23,917,872	27,619,063	58,808,830	2,954,851,842
Net worth.....	174,639,595	83,809,380	125,774,316	124,800,336	182,614,471	382,532,243	5,279,250,417
Capital stock.....	43,053,291	19,256,107	28,013,046	27,570,133	36,845,478	77,349,051	1,746,705,981
Paid-in or capital surplus.....	68,967,254	38,729,876	65,874,094	77,615,748	124,714,367	272,356,392	3,499,864,526
Retained earnings, appropriated.....	1,495,200	720,971	993,753	947,243	1,618,868	3,840,589	92,862,545
Retained earnings, unappropriated.....	36,912,862	4,389,238	3,195,484	1,303,636	12,239,503	33,163,017	1,327,954,214
Other retained earnings (1120S).....	37,303,753	25,244,390	33,139,525	21,720,193	15,158,191	11,608,319	7,476,787
Less: Cost of treasury stock.....	13,092,765	4,531,203	5,441,586	4,356,617	7,961,936	15,785,123	1,395,613,636
<b>Total receipts</b> .....	<b>1,250,178,880</b>	<b>560,801,791</b>	<b>657,265,630</b>	<b>427,762,340</b>	<b>414,914,207</b>	<b>608,219,632</b>	<b>6,737,199,838</b>
Business receipts.....	1,223,675,528	547,768,340	637,858,564	405,281,084	383,043,352	542,569,202	5,594,224,075
Interest.....	3,531,155	1,751,590	4,801,177	9,141,453	17,075,258	33,242,495	650,571,222
Interest on State and local Government obligations.....	229,252	145,642	392,483	659,875	1,455,722	3,683,787	36,415,193
Rents.....	2,302,041	876,447	1,550,516	1,086,460	1,440,398	2,848,298	72,394,744
Royalties.....	334,949	191,967	361,874	357,514	824,809	1,203,892	40,118,321
Net short-term capital gain less net long-term capital loss.....	195,236	88,871	227,009	337,354	716,172	1,976,702	21,899,692
Net long-term capital gain less net short-term capital loss.....	1,752,032	1,000,148	1,299,716	1,362,361	1,348,463	2,570,742	40,148,704
Net gain, noncapital assets.....	1,760,307	810,423	1,062,676	875,703	882,808	1,425,635	21,941,538
Dividends, domestic corporations.....	386,555	179,824	287,507	248,788	320,405	483,594	11,341,717
Dividends, foreign corporations.....	46,232	40,214	135,792	140,400	319,000	626,766	24,581,289
Other receipts.....	15,965,593	7,948,324	9,288,315	8,271,349	7,487,821	17,588,519	223,563,345

Footnotes at end of table.

# Corporation Income Tax Returns, 1993

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

[All figures are estimates based on samples—money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under 250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Total deductions</b> .....	<b>1,232,029,036</b>	<b>552,010,620</b>	<b>644,499,587</b>	<b>416,950,952</b>	<b>399,841,550</b>	<b>578,183,540</b>	<b>6,345,313,367</b>
Cost of sales and operations.....	860,643,141	408,147,618	466,275,369	287,476,030	266,981,975	368,319,680	3,549,487,959
Compensation of officers.....	42,170,035	12,978,049	12,552,760	6,841,975	5,568,210	6,213,309	33,632,335
Repairs.....	7,828,362	2,764,659	3,036,294	2,089,184	2,122,878	3,531,563	67,879,120
Bad debts.....	3,696,453	1,675,190	2,148,383	1,957,514	1,942,262	3,418,724	56,175,266
Rent on business property.....	19,514,872	6,333,328	7,750,498	5,531,030	5,653,165	8,667,833	96,099,743
Taxes paid.....	27,314,536	10,590,718	12,561,453	8,216,442	8,246,618	12,068,568	164,101,723
Interest paid.....	14,776,174	6,694,210	9,612,898	9,598,737	13,261,942	23,052,845	422,680,758
Contributions or gifts.....	221,846	97,189	144,569	125,538	170,862	277,569	4,941,121
Amortization.....	1,506,771	1,266,947	1,521,614	1,339,675	1,726,571	2,973,532	25,628,018
Depreciation.....	21,869,086	9,088,095	12,554,588	9,624,811	10,215,352	15,907,404	254,088,293
Depletion.....	139,293	147,829	236,576	196,872	207,091	596,692	6,798,750
Advertising.....	9,887,944	4,468,765	5,878,240	4,586,894	4,578,681	7,185,396	87,868,203
Pension, profit sharing, stock bonus and annuity plans.....	4,190,074	1,756,524	2,024,261	1,470,576	1,411,385	2,321,853	41,672,811
Employee benefit programs.....	10,615,202	4,790,491	6,484,622	5,083,617	4,810,685	8,231,567	107,396,431
Net loss, noncapital assets.....	1,051,880	689,412	1,096,106	952,358	1,131,696	2,093,477	15,063,812
Other deductions.....	206,603,368	80,521,595	100,621,357	71,859,699	71,812,177	113,323,528	1,411,799,023
<b>Total receipts less total deductions</b> .....	<b>18,149,844</b>	<b>8,791,171</b>	<b>12,766,043</b>	<b>10,811,388</b>	<b>15,072,657</b>	<b>30,036,093</b>	<b>391,886,472</b>
Constructive taxable income from related foreign corporations.....	34,613	3,119	73,415	141,024	134,479	565,369	35,525,353
<b>Net income (less deficit), total</b> .....	<b>17,955,206</b>	<b>8,648,647</b>	<b>12,446,974</b>	<b>10,292,537</b>	<b>13,751,415</b>	<b>26,917,675</b>	<b>390,996,633</b>
Net income, total.....	36,502,701	16,456,446	23,219,027	18,307,419	21,300,517	37,281,440	442,118,316
Deficit, total.....	18,547,495	7,807,799	10,772,053	8,014,882	7,549,101	10,363,765	51,121,684
Net income (less deficit), Form 1120A... Net income (less deficit), Form 1120F... Net income (less deficit), Form 1120S <sup>3</sup> .....	12,250,110	6,064,685	8,086,126	4,468,112	3,266,720	2,412,885	1,089,701
<b>Statutory special deductions, total</b> .....	<b>3,833,425</b>	<b>1,585,489</b>	<b>2,736,027</b>	<b>2,852,966</b>	<b>4,614,111</b>	<b>9,323,159</b>	<b>102,191,783</b>
Net operating loss deduction.....	3,420,560	1,294,923	2,075,409	1,771,009	2,276,014	2,629,401	23,560,712
Dividends received deduction.....	294,675	158,476	266,637	260,143	335,983	553,391	12,833,237
Public utility dividends paid deduction.....	*5,131	-	-	**	1,233	12	42,684
<b>Income subject to tax</b> .....	<b>13,318,183</b>	<b>6,547,426</b>	<b>10,452,488</b>	<b>10,057,551</b>	<b>12,945,564</b>	<b>25,333,150</b>	<b>339,436,088</b>
<b>Income tax before credits, total</b> .....	<b>4,050,482</b>	<b>2,258,964</b>	<b>3,663,484</b>	<b>3,535,493</b>	<b>4,579,190</b>	<b>8,994,517</b>	<b>122,953,624</b>
Regular tax.....	3,914,986	2,182,739	3,537,204	3,416,707	4,408,622	8,741,537	118,522,561
Personal Holding Company tax.....	3,158	1,113	2,368	*35	383	46	281
Recapture of investment and low- income housing credits.....	*283	*192	*657	*1,674	53	63	19,821
Alternative minimum tax.....	126,891	71,675	117,712	106,129	154,568	228,675	3,987,806
Environmental tax.....	556	769	4,338	7,365	12,148	26,945	509,734
Foreign tax credit.....	23,294	10,027	61,775	55,218	102,896	334,070	22,298,106
U.S. possessions tax credit.....	18,817	21,257	122,953	140,554	176,040	832,537	3,144,477
Orphan drug credit.....	-	-	-	-	199	-	20,287
Nonconventional source fuel credit.....	1,767	*1,567	1,832	1,732	7,053	6,848	662,910
General business credit.....	71,272	37,474	60,068	56,026	59,712	124,315	2,604,310
Prior year minimum tax credit.....	63,565	42,269	63,064	57,204	73,971	124,703	2,640,661
<b>Total income tax after credits</b> .....	<b>3,871,768</b>	<b>2,146,370</b>	<b>3,353,792</b>	<b>3,224,758</b>	<b>4,159,319</b>	<b>7,572,044</b>	<b>91,582,832</b>

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

\*\* Amount is less than \$500.

<sup>1</sup> Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC)

<sup>2</sup> Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly-incorporated businesses), returns of foreign corporations with income effectively connected with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate size class.)

<sup>3</sup> Net income of S Corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations was excluded from income subject to tax.

<sup>4</sup> Also includes deductions for dividends paid allowed regulated investment companies and real estate investment trusts. These deductions are not shown separately.

<sup>5</sup> See Footnote 3.

<sup>6</sup> For purposes of the statistics, all of the taxes shown below plus certain others not shown, are included in both income tax before and after credits. By law, tax credits could only offset regular tax.

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

# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

by Laura R. Rosage

To help improve compliance and increase tax collections, the Internal Revenue Service (IRS) has created a Nonfiler Database. This database, which will enhance the understanding of the causes of noncompliance and help focus operational initiatives, contains information on 6.5 million individual taxpayers who, in Fiscal Year (FY) 1993, filed 7.5 million returns after their due date or extended due date. Of these, 1.7 million taxpayers filed more than 2.5 million "delinquent" returns, returns that were filed at least 360 days after their due date. (The remainder were "late" returns, returns that were filed after the due date, but by less than 360 days.) Follow-ups on these 1.7 million FY 1993 delinquent individual taxpayers indicated that 53 percent of those who had failed to file a return for Tax Year (TY) 1991 or earlier years failed to timely file a return for TY 1993, and that 40 percent had still not filed a TY 1993 return more than a year after the return due date.

The data show that 15 percent of the 1.7 million FY 1993 delinquent taxpayers are "repeaters" and "in inventory" to be worked on by IRS enforcement personnel. Fourteen percent of these Repeaters in Inventory filed three or more delinquent returns in FY 1993 (for TY 1991 and previous years) and almost 36 percent of the delinquent returns they filed were three or more years late [1]. More than 50 percent of the delinquent returns filed by Repeaters in Inventory were filed with a tax balance due of more than \$1,000. Nearly 68 percent of the repeaters' delinquent returns filed in FY 1993 were secured through IRS enforcement.

## Background

The IRS profiles taxpayers to identify groups or "market segments" that have common characteristics or tax problems. These profiles are then used to develop operational programs that allow the IRS to maximize resources while minimizing burden. IRS recognizes that the same approach to tax administration may not be effective or even appropriate for all taxpayers. The characteristics highlighted in a profile of repeaters may suggest ways to target these taxpayers and change their noncompliant behavior. For example, an educational awareness program may not be the answer for a repeater whose delinquent return in FY 1993 was secured through IRS enforcement efforts, but may be a viable option for a delinquent repeater who filed voluntarily in the past. It should be

noted, however, that developing an effective treatment for market segments may not be an easy process. There may likely be a need to conduct additional studies to gather further information that describes the cause(s) of noncompliance with the tax laws.

Starting in Fiscal Year 1992, additional nonfiler strategies were introduced to identify nonfilers and bring them back into the system. In order to study the effectiveness of the strategies, the Nonfiler Database was created for each fiscal year. This database is a file with selected information, by taxpayer, from the Individual Master File (IMF) for returns filed one day or more after the return due date or the extended due date. The returns on this file are classified into two segments: late-filed returns and delinquent returns. A late-filed return is any individual return received one day or more after April 15 (or the extended due date), but less than 360 days later. A delinquent return is any individual return filed 360 days or more after the return due date. The Fiscal Year 1993 Nonfiler Database contained information on nearly 6.5 million taxpayers who filed almost 7.5 million returns after their due date. Of these, there were 1.7 million taxpayers who filed more than 2.5 million delinquent returns for TY 1991 or earlier years (the remaining 4.8 million taxpayers filed 5.0 million "late" returns).

In August 1994, IRS reviewed the subsequent filing behavior of these 1.7 million individuals who filed tax returns for TY 1991 or earlier years in FY 1993 in order to see if they had filed a return for TY 1993. The data showed that 53 percent (914,817) of the FY 1993 delinquent taxpayers repeated their noncompliant behavior by failing to file a TY 1993 income tax return on time. In August 1995, IRS checked again to see if any of these repeaters had filed their 1993 income tax return by that date. About 76 percent of them (or 40 percent of the original 1.7 million delinquent taxpayers) still had not filed for TY 1993 [2].

The 915,000 repeaters were also matched against the Nonfiler Case Major File for TY 1993 to see if these taxpayers would be contacted through normal IRS enforcement operations. The Nonfiler Case Major File is created for each tax year and contains records for those taxpayers who, based primarily on "information reporting," were required to file an income tax return, but did not [3]. The cases on this file are prioritized by "select code" and placed in inventory to be worked [4]. A little more than 257,000 of the repeaters were in inventory as of August 1995.

Based on their subsequent behavior, the 1.7 million FY 1993 delinquent filers were classified by four types, or

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# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

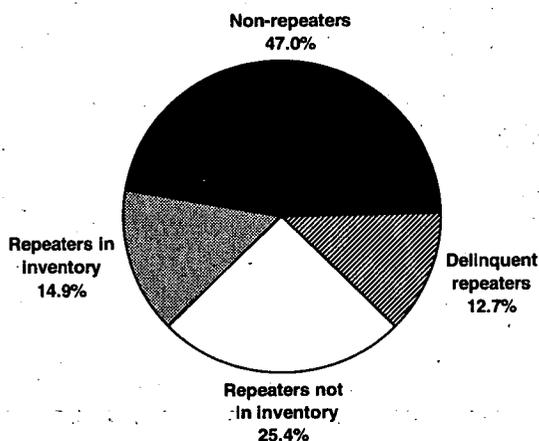
“market segments,” for profiling. They are arranged below in order by degree of noncompliance, from least to greatest:

- (1) **Non-repeaters:** those who filed their TY 1993 return timely
- (2) **Delinquent repeaters:** those who filed their TY 1993 return delinquently
- (3) **Repeaters not in inventory:** those who had not filed their TY 1993 income tax return as of August 1995, but were not selected to be worked operationally because of low potential tax yield
- (4) **Repeaters in inventory:** those who had not filed their TY 1993 return as of August 1995, have been selected for the Nonfiler Case Major File, assigned a “select code,” and are in inventory to be worked [5].

Forty-seven percent of the FY 1993 delinquent taxpayers were Non-repeaters, and nearly 13 percent were Delinquent Repeaters. More than 25 percent were Repeaters not in Inventory, and the remaining 15 percent were Repeaters in Inventory who will be worked operationally (Figure A). While IRS places the most emphasis on Repeaters in Inventory because therein lies the highest potential tax yield, it is also important to look at Repeaters not in Inventory. These cases have low potential tax yield, but are great in number. Any operational solution which might cause these taxpayers to file timely and voluntarily would increase revenues and benefit IRS.

**Figure A**

**Delinquent Taxpayers by Market Segment, Fiscal Year 1993**



## Characteristics of Repeaters

In FY 1993, there were 2.5 million delinquent returns filed by 1.7 million individuals. The number of delinquent returns filed by these 1,727,466 taxpayers shows that the majority of the Non-repeaters filed only one delinquent return. However, when broken down by the four types of taxpayers, the data show that less than 29 percent of the Non-repeaters and 31 percent of the Delinquent Repeaters filed more than one delinquent return in FY 1993, but more than one third (38 percent) of the Repeaters in Inventory filed 2 or more delinquent returns in FY 1993 (Figure B).

How many years late the delinquent returns were filed varied (Figure C). The largest portion, 43 percent, of the delinquent returns filed in FY 1993 were only one year late (at least one year, but less than two years late) [6]. Yet when broken down by market segment, 25 percent of the Non-repeaters and 26 percent of the Delinquent Repeaters filed returns that were two years late, while 26 percent of the Repeaters not in Inventory and 32 percent of the Repeaters in Inventory filed returns that were two years late. Further, only 28 percent of the Non-repeaters filed returns that were three or more years late, but nearly 36 percent of the Repeaters in Inventory, those IRS has identified as requiring enforcement contact, filed returns in FY 1993 that were three or more years late.

## Type of Return

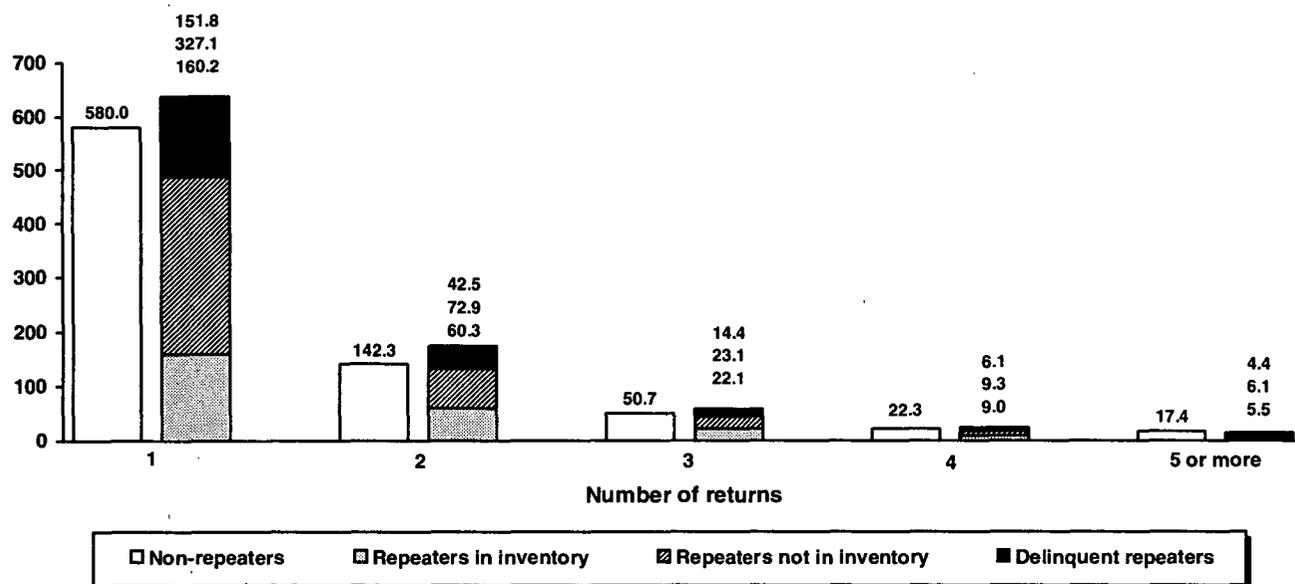
The delinquent returns filed in FY 1993 are classified into three groups: returns with refunds, those with a balance due, and “even” returns (in general, with neither a refund or balance due) [7]. These characteristics are important because delinquent filers who have tax liabilities represent delayed or lost revenues to the Federal Government. Refund returns are also important because people who are due refunds are not receiving their rightful amounts under the law, particularly in the case of citizens entitled to the earned income tax credit. The data show that almost 35 percent of the delinquent individual income tax returns processed in FY 1993 were refund returns, only 8 percent were “even” returns, and more than 57 percent had a balance due (Figure D). When looked at by market segment, the data further show that, while almost 44 percent of the delinquent returns filed by Non-repeaters were refund returns, only 29 percent of the returns filed by Delinquent Repeaters, 31 percent of the returns filed by Repeaters not in Inventory, and less than 20 percent of the returns filed by Repeaters in Inventory were refund returns. Conversely, while more than 71 percent of the returns filed by Repeaters in Inventory were balance due, less than 56 percent of the returns filed by Non-repeaters,

# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

**Figure B**

**Delinquent Individual Income Tax Returns: Number of Returns Filed Per Delinquent Taxpayer by Market Segment, Fiscal Year 1993**

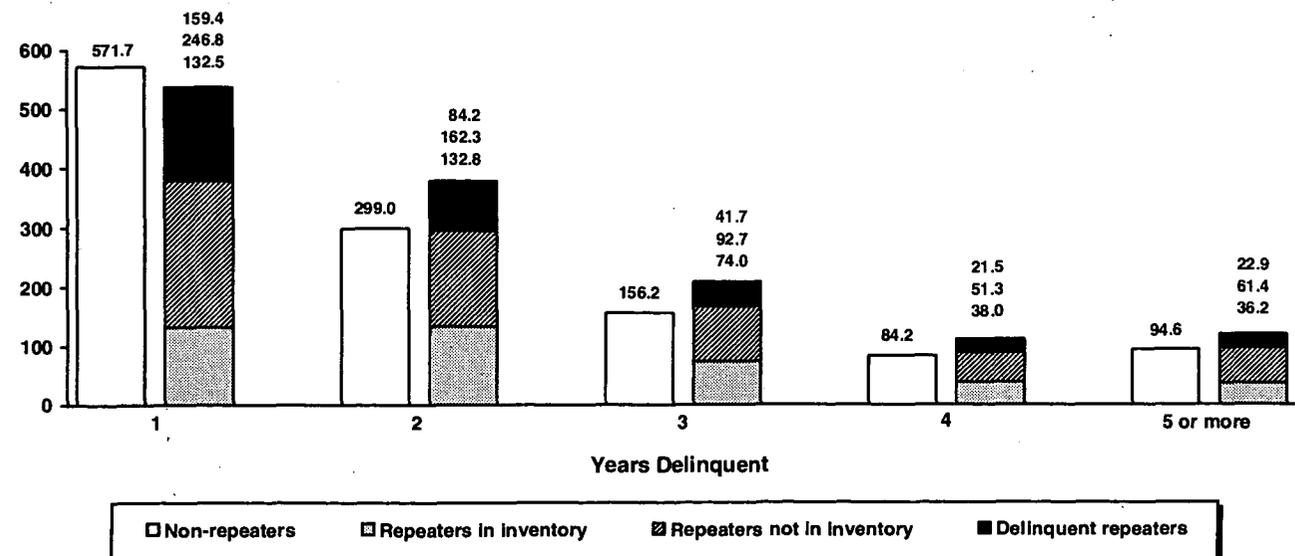
Thousands of taxpayers



**Figure C**

**Delinquent Individual Income Tax Returns: Number of Years Late by Market Segment, Fiscal Year 1993**

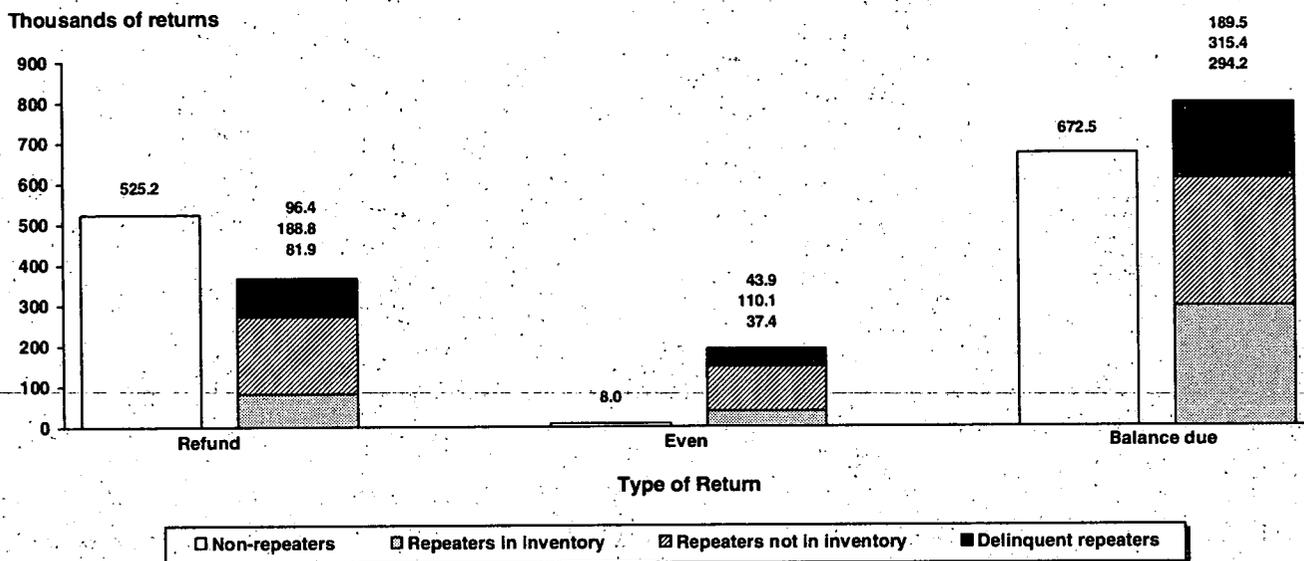
Thousands of returns



# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

**Figure D**

**Delinquent Individual Income Tax Returns: Type of Return by Market Segment, Fiscal Year 1993**



58 percent of the returns filed by Delinquent Repeaters, and only 51 percent of the returns filed by Repeaters not in Inventory in FY-1993 were balance due returns.

A comparison of delinquent individual income tax returns can also be made by the size of the refund or balance due (Figure E). In general, the data show that refund returns were fewer in number and smaller in amounts as compared to balance due returns. Also, as would be expected, the difference between refund and balance due returns becomes larger as the degree of noncompliance increases. To illustrate, in FY 1993, 27 percent of the balance due returns filed by Non-repeaters fell in the under \$500 size category and only 20 percent had a balance due of at least \$500 but under \$1,000. However, more than 53 percent of the balance due returns filed by Non-repeaters fell in the \$1,000 or more category. In contrast, only 13 percent of the balance due returns filed by Repeaters in Inventory in FY 1993 fell in the under \$500 segment and 16 percent had a balance due between \$500 and \$1,000. The remaining 71 percent of balance due returns filed by Repeaters in Inventory fell in the \$1,000 or more category. In fact, 6 percent of these had balances due of \$10,000 or more.

### Enforcement-secured vs. Voluntary

The distinction between returns that are filed as a direct result of IRS enforcement and those that are voluntarily filed without any IRS enforcement activity is very important in the analysis of delinquent returns [8]. The

data show that, in general, the worse the degree of repeat noncompliant behavior, the more likely that prior delinquent returns were filed as a result of enforcement (Figure F). Nearly 60 percent of the Non-repeaters filed their delinquent returns voluntarily. However, only 53 percent of the Delinquent Repeaters and 32 percent of the Repeaters in Inventory filed their delinquent returns voluntarily.

As would be expected, the repeaters were more likely to voluntarily file their delinquent returns if they were due a refund. Conversely, enforcement efforts were often required for repeaters to file returns with a balance due. This difference is partially due to the large number of IRS-created "Substitute for Returns" (SFR), which are only resorted to for taxpayers that IRS believes to have an outstanding balance due return [9]. The data show that 74 percent of the Delinquent Repeaters with refund returns filed voluntarily, but only 34 percent with a balance due filed their returns without enforcement activity. More than 86 percent of the Repeaters not in Inventory who had refund returns filed voluntarily, but nearly 73 percent of those with balance due returns had to be contacted by IRS. Only 62 percent of the Repeaters in Inventory who had refund returns filed voluntarily, and of those with balance due returns, almost 73 percent required enforcement.

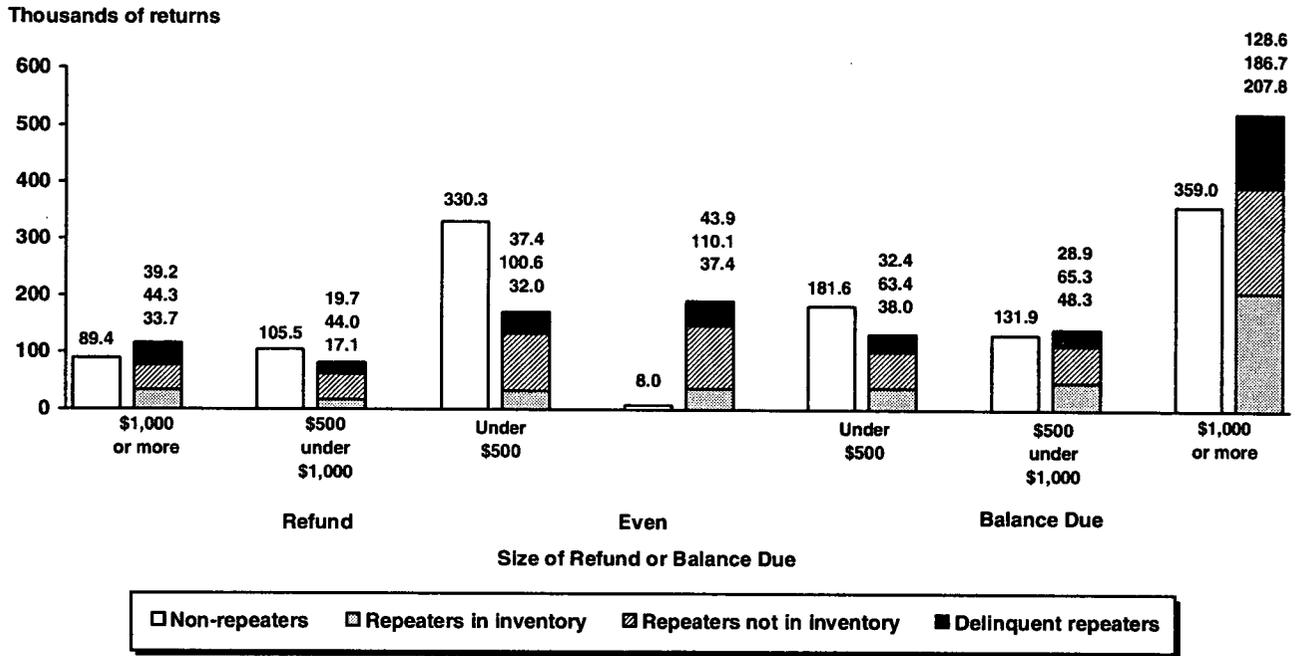
### Personal Demographics

A distribution by filing status (i.e., the marital status categories recognized under the tax code) shows that across all types of repeaters, the delinquent individual

# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

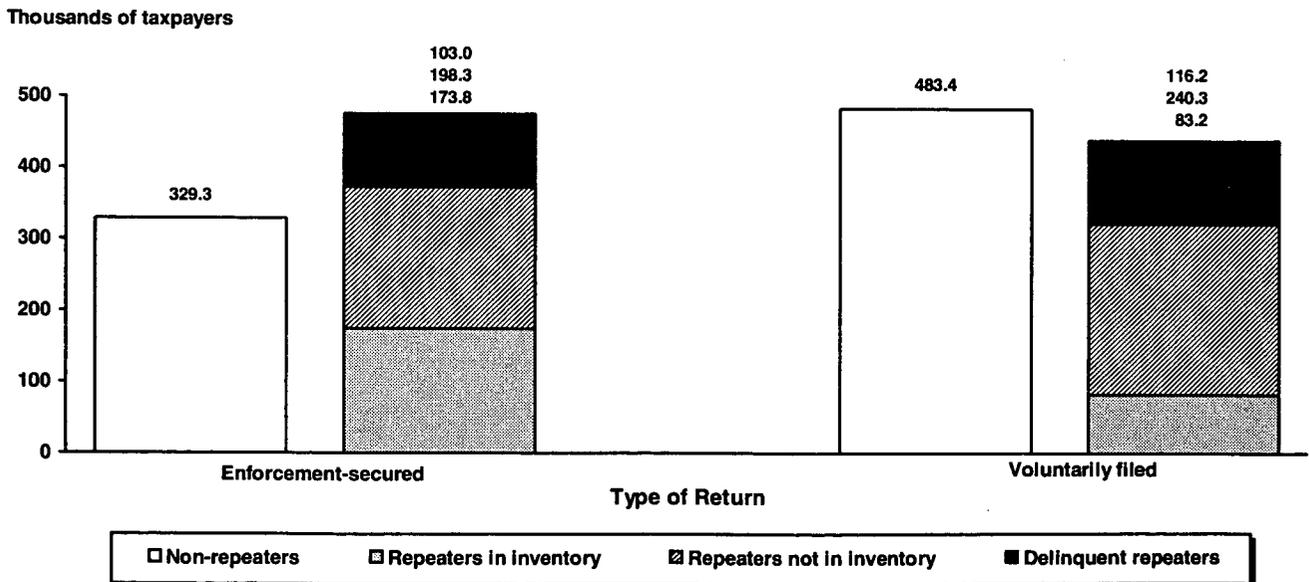
**Figure E**

**Delinquent Individual Income Tax Returns: Type of Return and Size of Refund or Balance Due, Fiscal Year 1993**



**Figure F**

**Repeat Taxpayers: Type of Taxpayer by Method of Securing Delinquent Return and by Type of Return, Fiscal Year 1993**



# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

income tax returns in FY 1993 were largely filed by taxpayers claiming single status (Figure G) [10]. In general, a higher percentage of non-repeaters filed married filing jointly and head of household, where the larger percentage of repeaters filed returns claiming single and married filing separately filing status. In fact, repeaters as a whole filed three-and-a-half times as many returns claiming married filing separately status than did non-repeaters.

Delinquent returns filed in FY 1993 were also distributed by the age of the primary taxpayer (Figure H) [11]. (In the case of joint returns of husbands and wives, the age of the primary taxpayer was that of the taxpayer whose name was listed first on the tax return, usually the husband.) In general, non-repeaters were younger taxpayers than repeaters. More than 48 percent of the returns filed by non-repeaters were filed by taxpayers age 40 or under, but only 39 percent of the returns filed by repeaters were filed by taxpayers 40 or under. More than 45 percent of the delinquent returns filed by repeaters were filed by taxpayers in their prime earning years, between the ages of 41 and 61.

### A Focus on Repeaters in Inventory

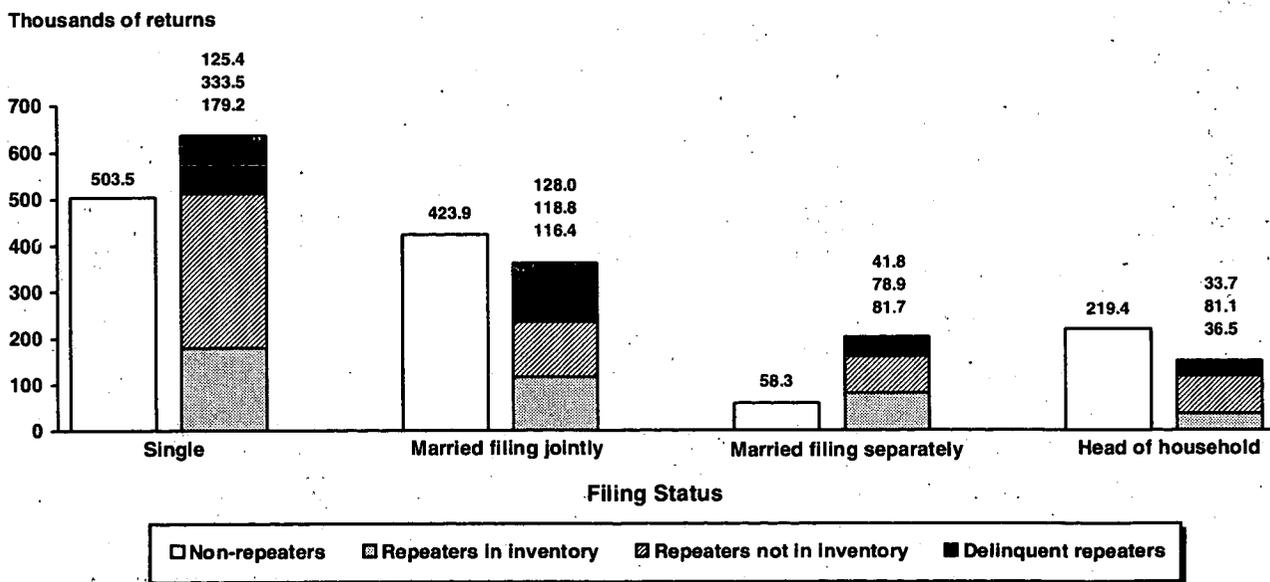
Additional data are available for profiling Repeaters in Inventory on the Nonfiler Case Major File. The Nonfiler

Case Major File contains data, such as total wages, interest, dividends, pensions and annuities, unemployment compensation, non-employee compensation, and mortgage interest, from information returns that were filed for Tax Year 1993, the year for which these repeaters have not filed. The data show that almost 68 percent of the total income as reported on information returns earned by Repeaters in Inventory was wage income. This percentage, when calculated for the entire population for which the IRS received Tax Year 1993 information returns, was slightly higher at a little more than 70 percent (Figure I). In addition, interest and dividend income was 8 percent of the total income amount for the population, but only 2 percent of the income of Repeaters in Inventory. The data also show that although non-employee compensation was nearly 14 percent of the total income reported for the entire population, it was significantly larger for Repeaters in Inventory at 21 percent of the total income reported. Also, while the amount of withholding was at 11 percent of the total income amount reported for the entire population, it was less than 9 percent of the total income reported for Repeaters in Inventory.

Based on the availability of this type of income information for taxpayers who have not filed, IRS has created some market segments for these taxpayers through the assignment of select codes [12]. For Tax Year 1993 there

**Figure G**

**Delinquent Individual Income Tax Returns: Filing Status by Market Segment, Fiscal Year 1993**

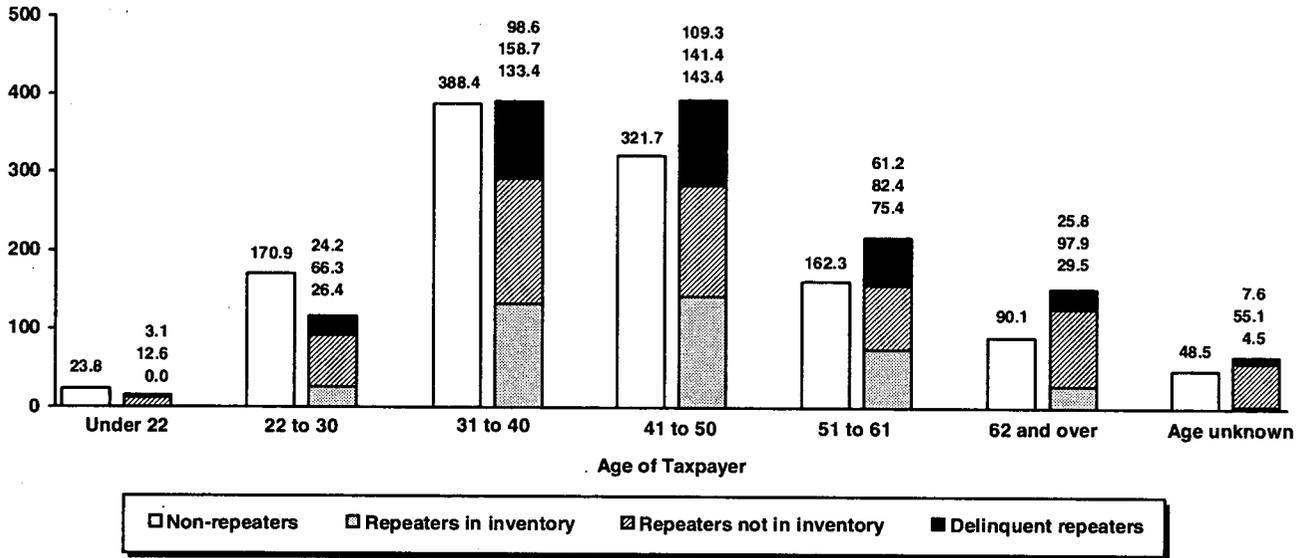


# Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

**Figure H**

**Delinquent Individual Income Tax Returns: Age of Primary Taxpayer by Market Segment, Fiscal Year 1993**

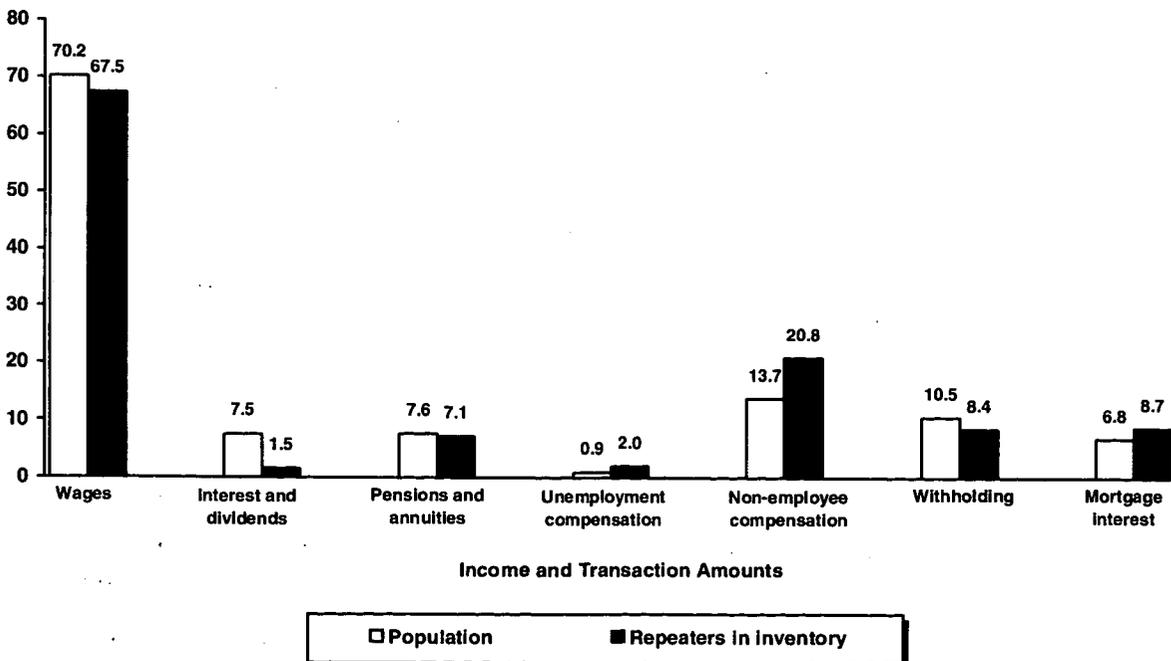
Thousands of returns



**Figure I**

**Repeaters with Select Codes: Income and Transaction Amounts as a Percent of Total Income Reported on Information Returns, Tax Year 1993**

Percent of total income



## Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

were 25 individual select codes, which for the purposes of this article can be arranged into five major groups that generally maintain the select code hierarchy (Figure J). The hierarchy is designed to prioritize cases in inventory to maximize tax revenues and target the largest possible number of taxpayers with the available resources.

The first group includes select codes which are highest in the hierarchy and are assigned to taxpayers based on their personal characteristics. This group comprises taxpayers who are held to a higher standard, such as IRS employees or other Federal Government employees; people who illegally protest Federal taxes; and those who already owe the IRS and are currently paying the balance from a prior year through an installment agreement.

The second group entails select codes which are based primarily on high income levels estimated from information returns. Included are taxpayers whose income information indicates a total income of \$100,000 or more and those whose balance due, based on income estimated from information returns, is estimated to be \$500 or more. This is by far the largest segment of the Repeaters in Inventory. These cases are high in IRS's enforcement priority because of the substantial potential tax yield.

The select codes in the third group are also based upon income estimated from information returns, but the in-

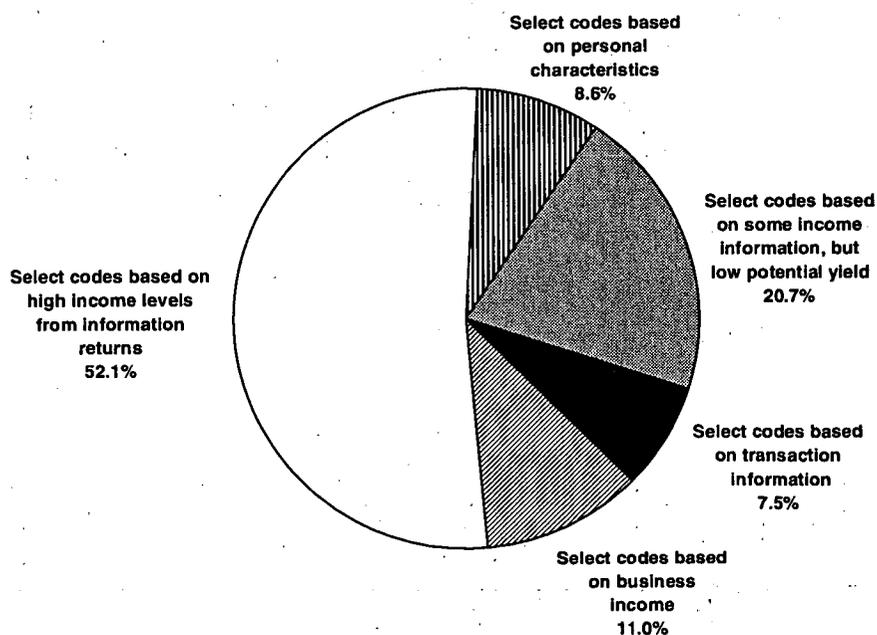
come is business type income. Included are taxpayers who have received information documents indicating income from partnerships or S Corporations, which is at least 30 percent of their total income estimated from information returns, and taxpayers who have received information returns indicating the receipt of a payment of \$600 or more in the course of trade or business.

The fourth group is made up of select codes that are not based on information return income amounts, but on other available transaction data. Taxpayers who have stopped filing, but in the immediately prior tax year: a) had \$200 or more in self-employment tax, b) filed a Schedule D, *Capital Gains and Losses*, and had total positive income of at least \$20,000, or c) had a total positive income of \$40,000 or more, fall into this group. Also included are taxpayers who have an expired extension or a credit balance from estimated credits, taxpayers who have sold stock or real estate, or have made large cash transactions, and taxpayers who have paid more than \$10,000 in mortgage interest or have a dependent under the age of 14 who has unearned income of at least \$5,000.

The last group of select codes are lowest in priority and are assigned to cases where there is some income information, but a low potential tax yield. Included are taxpayers who are not U.S. citizens and have a green card or U.S.

**Figure J**

### Repeaters in Inventory by Select Code Group, Tax Year 1993



## Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

citizens who have applied for a passport and have a potential tax assessment of \$50 or more. Also here are taxpayers for which IRS has information indicating some income, but the potential refund or balance due is minimal.

As one can see, the IRS has substantial information on Repeaters in Inventory. However, the profiles of the other segments of the repeater population are also important. In profiling market segments, solutions to noncompliance problems may become more evident.

### Summary

More than half of the FY 1993 delinquent taxpayers repeated their noncompliant behavior and failed to file a TY 1993 income tax return timely. As of August 1995, 40 percent of the delinquent taxpayers still had not filed a return for TY 1993. The IRS has identified more than 257,000 of these taxpayers for enforcement contact. These taxpayers were in their prime earning years and more likely to file their delinquent returns with more than \$1,000 balance due. More than two-thirds of the delinquent returns filed by these taxpayers were filed due to enforcement efforts, and, compared to the entire population, they were far more likely to have non-employee compensation.

Such taxpayer profiles allow IRS to identify group patterns of noncompliance and to measure trends [13]. One goal of the Internal Revenue Service is to tailor approaches to these groups to bring them "back into the system." The decision not to file on time can cause economic losses to both the nonfiler and the U.S. Government. Unclaimed refunds, for example, are cases in which people harm themselves. However, a major financial problem is unpaid tax liabilities, which represent a drain on the resources of the U.S. Government and, ultimately, are subsidized by society as a whole. Taxpayers who repeat their noncompliant behavior by filing late or failing to file required income tax returns are a substantial economic burden. Not only do their unpaid tax liabilities represent a loss of money to the government, but they also repeatedly consume IRS resources each time they require personal contact before they comply with the law. By developing profiles of repeat nonfiler market segments, the IRS can improve its system of nonfiler detection and establish programs to increase filing compliance.

### Data Sources and Limitations

The data presented in this article are from the Statistics of Income Nonfiler Database and are based on the population of 1,727,466 taxpayers who were responsible for the 2,563,312 returns received during Fiscal Year 1993 that were filed 1 year or more late. This population includes

743,312 "substitutes for returns" (SFR's), for which there was little information beyond tax and balance due. Based on the subsequent filing behavior of the FY 1993 nonfilers for Tax Year 1993, additional information has been added from the Individual Master File and from the Nonfiler Case Major File.

While the data provide an accurate picture of those nonfilers who eventually filed one or more delinquent returns either voluntarily or through enforcement in FY 1993, and later repeated their noncompliant behavior, they do not provide any insight into those nonfilers who have not filed a delinquent return. As a result, there is a segment of the nonfiler population for which this profile has no information.

### Explanation of Selected Terms

*Delinquent return.* - Any individual return filed 360 days or more after the return due date.

*Individual Master File (IMF).* - This data file, compiled and maintained at the IRS National Computing Center in Martinsburg, West Virginia, contains tax accounts for all individual taxpayers. Identifying information, such as name, address, and social security number, as well as tax information, e.g., "adjusted gross income" or tax balance due, is recorded in each taxpayer's account. The file is updated periodically with changes to each account.

*Information Returns Master File (IRMF).* - This file contains data from Forms W-2, *Wage and Tax Statement*; Forms 1099-INT, *Interest Income*; Forms 1099-MISC, *Miscellaneous Income*; and any other "information returns" issued to taxpayers by employers or other payers for a given calendar year. IRS uses this information to verify income and deductions reported on income tax returns. This file contains over 1 billion information returns per year.

*Late filed return.* - Any individual return received one day or more after April 15 (or the extended due date), but less than 360 days.

*Nonfiler Case Major File.* - This file, created for each tax year, contains identifying information and income data from the IRMF on taxpayers who meet certain income criteria and IRS has determined are required to file an income tax return but have not for that tax year. This case file becomes inventory for IRS enforcement functions to work.

### Notes and References

- [1] Unless stated otherwise, the data on size of refund, balance due, etc., in this article are taken from the delinquent returns processed in FY 1993. Because the returns were delinquent, they are for Tax Year 1991 and earlier.

## Nonfiler Profiles, Fiscal Year 1993: A Focus on Repeaters

- [2] It should be noted that some of the apparent repeaters may not be required to file a Tax Year 1993 income tax return because their income has dropped below the filing level threshold or they are now deceased.
- [3] Information reporting is the process by which employers and other financial entities report wages and other monies paid out to taxpayers and withheld from taxpayers on Form W-2, *Wage and Tax Statement*; Form 1099-MISC, *Miscellaneous Income*; etc. These reports are sent to the payee for his or her records and for use in tax return preparation, as well as to the Internal Revenue Service for determining filing requirements and comparing with what is subsequently reported by the taxpayer on his or her return.
- [4] For each tax year, select codes are assigned to nonfiler cases on the Nonfiler Case Major File. The select codes are developed based on taxpayer characteristics, income types and amounts, and transaction information available from information returns. For example, one specific select code indicates the taxpayer is currently a Federal government employee or retiree with an estimated tax balance due of \$100 or more; and another indicates that the taxpayer has a total income reported on information returns of \$100,000 or more. Select codes are arranged in a hierarchy designed to maximize revenue and target the largest number of delinquent taxpayers. If a taxpayer could fall into more than one select code based on the available information, he or she is assigned the select code which ranks highest in the established hierarchy.
- [5] Because of limited resources, the Internal Revenue Service is unable to work all nonfiler cases identified. Programs have been developed, based on information from the previous year's return, if filed, and current information returns, to select those nonfiler cases that will provide the maximum revenue. The selected cases are placed on the Nonfiler Case Major File, assigned a "select code" (see footnote 4), and arranged in field inventory based on the select code hierarchy, to be worked by IRS enforcement.
- [6] The database includes returns that are at least one year or more late. Returns that are more than one year late, but less than two years late are counted as being delinquent one year; returns that are two years late, but less than three years late are counted as being delinquent two years, and so on.
- [7] A refund return includes those for which the taxpayer elects to credit an overpayment for one tax year to the estimated tax due for the next tax year, as well as an overpayment refunded directly to the taxpayer. Balance due represents the tax due at the time of filing and is therefore calculated before any remittance submitted with the return is credited. An "even" return occurs when there is no tax liability and no prepayment credits, or in the rare instances when the tax liabilities exactly match the prepayments.
- [8] For this article, enforcement-secured returns are defined as those for which the IRS sends a "demand notice" or investigates because of information available that indicates a filing requirement should have been met.
- [9] When a taxpayer does not file a return, the IRS issues a series of reminder and delinquency notices. If the taxpayer continues to be delinquent, the IRS may choose to file a "substitute for return" (SFR) for the taxpayer. Using single filing status, the standard deduction, and income information available from Form W-2, *Wage and Tax Statement*, and other information returns, IRS computes the tax liability and penalties for the taxpayer. A bill is then issued for the outstanding amount. Mainly because only the standard deduction is included in the calculation, the tax amount due may be higher than if the taxpayer had filed a return. In Fiscal Year 1993, the number of SFR assessments was 743,213; this does not include the actual number of returns the taxpayer filed after an SFR assessment notification.
- [10] The percentage of returns claiming single status is higher than might be expected because the calculation includes SFR returns (see footnote 9). SFR's are always generated with a filing status of single.
- [11] IRS receives age information for all taxpayers from the Social Security Administration for use in tax administration.
- [12] See footnote 4.
- [13] See also Rosage, Laura R., "Nonfiler Profiles, Fiscal Year 1993," *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4; and Daronco, Karla M., "Nonfiler Profiles, Processing Year 1991," *Statistics of Income Bulletin*, Summer 1993, Volume 13, Number 1.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

by Alicia Meckstroth and Paul Arnsberger

**P**ivate foundations, over 42,400 for 1992, contribute billions of dollars each year to charities and communities to support causes in such areas as education, health, human services, community development, the arts and humanities, and the environment. Private foundations represent over one-quarter of all Internal Revenue Code section 501(c)(3) nonprofit charitable organizations that file information returns with the Internal Revenue Service. For 1992, foundations made contributions, gifts, and grants totaling over \$10.9 billion [1]. This represents a two-year current-dollar increase of 23 percent over the contributions, gifts, and grants given for 1990. During the two-year period the number of foundations increased by 6 percent.

Foundations rely largely on asset growth, earned income on investments, and contributions received to support their charitable giving. In terms of gains in assets and revenues, foundations experienced a relatively strong two-year period from 1990 to 1992, with the vast majority of the gains realized over the 1990 to 1991 period. Total foundation assets grew by 17 percent over the two-year period, to \$192.2 billion. Investment assets of \$181.2 billion represented the majority of foundation assets. Gains of 20 percent in the value of investments in corporate stock and 30 percent in the value of corporate bonds largely explain the 17 percent two-year increase. Total foundation revenue increased by 21 percent from 1990 to 1992, to \$23.6 billion, despite a decrease of 4 percent from 1991 to 1992. A significant increase of 70 percent in net gains from sales of assets and a smaller increase of 16 percent in the amount of contributions received by foundations, helps to explain the increased revenues. Additionally, the decrease in foundation revenues from 1991 to 1992 and the only minimal growth in assets from 1991 to 1992 was largely due to one organization's sale of some of its assets in 1991 [2]. Figure A shows the total amount and percentage changes for various private foundation revenue, asset, and expense items for the period 1990 to 1992 [3,4].

For 1992, over 2,900 nonexempt charitable trusts described in Internal Revenue Code section 4947(a)(1) held \$3.1 billion in total assets, realized \$346.8 million in total revenues, and distributed \$154.6 million in contributions, gifts, and grants. The amount of grants given by these charitable trusts increased by only 2 percent from 1990 to 1992 despite a 29 percent increase in revenues

and a 13 percent increase in assets during this same period. These trusts are discussed in detail beginning with the section, Section 4947(a)(1) Nonexempt Charitable Trusts.

## Statistics of Income Studies

The statistics presented in this article on both private foundations and charitable trusts are based on sample data from Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*, the annual information return filed by these organizations [5]. The 1992 Reporting Year represents the fourth consecutive year that Statistics of Income has collected data on the 4947(a)(1) charitable trusts that are treated as private foundations. Statistical studies on private foundations have previously been conducted for Reporting Years 1974, 1979, 1982, 1983, and 1985 through 1991 [6].

Private foundations and charitable trusts are treated separately in both the statistical and descriptive analyses. In the analyses that follow a number of key topic areas on foundations are discussed, including:

- Overview of revenue, assets, and grants paid
- Organizational definition and legislative background
- Top ten domestic foundations
- Sources of foundation revenue
- Excise tax on investment income
- Foundation assets and investments
- Investment behavior by size of foundation
- Income yields and rates of total return
- Charitable distribution (or payout) requirement
- Charitable grants and other qualifying distributions
- Payout rates
- Asset growth and distribution goals

Following these is a similar, but shorter, discussion of charitable trusts and a summary of both types of organizations. The report ends with a discussion of the data sources and limitations and an explanation of key terms.

## Private Foundations

### Overview of Revenue, Assets, and Grants Paid

During the decade from 1982 to 1992, foundation assets and charitable grants paid increased steadily each year with

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# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Figure A**

## Private Foundations: Selected Financial Items, 1990-1992

[Money amounts are in billions of dollars.]

Item	1990	1991	1992	Percentage increase, 1990-1992
	(1)	(2)	(3)	(4)
<b>Total assets (fair market value)</b> .....	<b>164.8</b>	<b>189.6</b>	<b>192.2</b>	<b>16.6</b>
Investments, total.....	161.7	184.6	181.2	12.1
Savings and temporary cash investments.....	13.9	12.5	12.7	-8.6
Investments in securities, total.....	126.2	139.4	144.4	14.4
U.S. and State Government obligations.....	32.5	31.1	30.5	-6.2
Corporate stock.....	79.3	90.9	95.2	20.1
Corporate bonds.....	14.4	17.4	18.7	29.9
Other investments <sup>1</sup> .....	21.6	32.7	30.4	40.7
<b>Total revenue</b> .....	<b>19.5</b>	<b>24.6</b>	<b>23.6</b>	<b>21.0</b>
Contributions, gifts, and grants received.....	6.8	7.1	7.9	16.2
Net gain (or loss) from sales of assets.....	3.9	8.5	6.7	71.8
Dividends and interest from securities.....	6.4	6.7	6.6	3.1
<b>Total expenses</b> .....	<b>11.7</b>	<b>13.2</b>	<b>14.5</b>	<b>23.9</b>
Contributions, gifts, and grants paid.....	8.9	10.1	10.9	22.5
<b>Excess of revenue (less loss) over expenses</b> .....	<b>7.8</b>	<b>11.4</b>	<b>9.1</b>	<b>16.7</b>

<sup>1</sup> Sum of "Investments in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on the Form 990-PF. "Other investments" includes items such as advances; certificates of investment; and investments in art, coins, gold, and gems.

overall real growth of 112 percent and 71 percent, respectively. Foundation revenue grew by 79 percent from 1982 to 1992, with steady annual increases from 1982 to 1986 and fluctuating year-to-year changes from 1986 to 1992. Substantial real increases in contributions received and net gains from sales of assets from 1982 to 1992, 104 percent and 162 percent, respectively, help to explain the overall increases in revenue. The overall growth in foundation assets and revenues markedly exceeds the 32 percent real growth of Gross Domestic Product from 1982 to 1992 [7]. The number of foundations increased by nearly 50 percent, from 28,468 in 1982 to 42,428 in 1992. Figure B graphically displays the growth in real assets, revenue, and grants from 1982 to 1992.

The asset growth of foundations during the 1982 to 1992 decade helped to increase total grants paid over the same period. The charitable payout requirement for certain types of foundations (explained in detail in the section Charitable Distribution (or Payout) Requirement) is based on the value of foundation investment assets; that is, as investment assets grow, so does the amount that foundations are required to distribute. Total investment assets, equal to \$181.2 billion for 1992, increased by 116 percent from 1982 to 1992. Investment assets for the "large" foundations, those holding \$50 million or more in fair market value of assets, grew in real terms by 163 percent over the decade, to \$121.8 billion. The real

amount of charitable grants distributed by the large foundations grew by 165 percent over the same time period, to \$5.7 billion. The large foundations accounted for the majority of foundation assets, 66 percent in 1992. The number of these large foundations increased from 165 in 1982 to 476 in 1992 as a few new large organizations were formed and as existing foundations increased past \$50 million in assets size.

Comparisons of the different size classes of foundations are discussed throughout this article. The following classifications apply throughout, unless otherwise indicated: the "smallest foundations" refers to the group holding less than \$100,000 in fair market value of total assets (excluding foundations that either do not report assets or that report assets equal to zero); "small foundations" refers to the group holding less than \$1 million in assets (excluding foundations that either do not report assets or that report assets equal to zero); "medium-size foundations" refers to the group holding from \$1 million to less than \$50 million in assets; "large foundations" refers to the group holding \$50 million or more in assets; and, the "largest foundations" refers to the group holding \$100 million or more in assets.

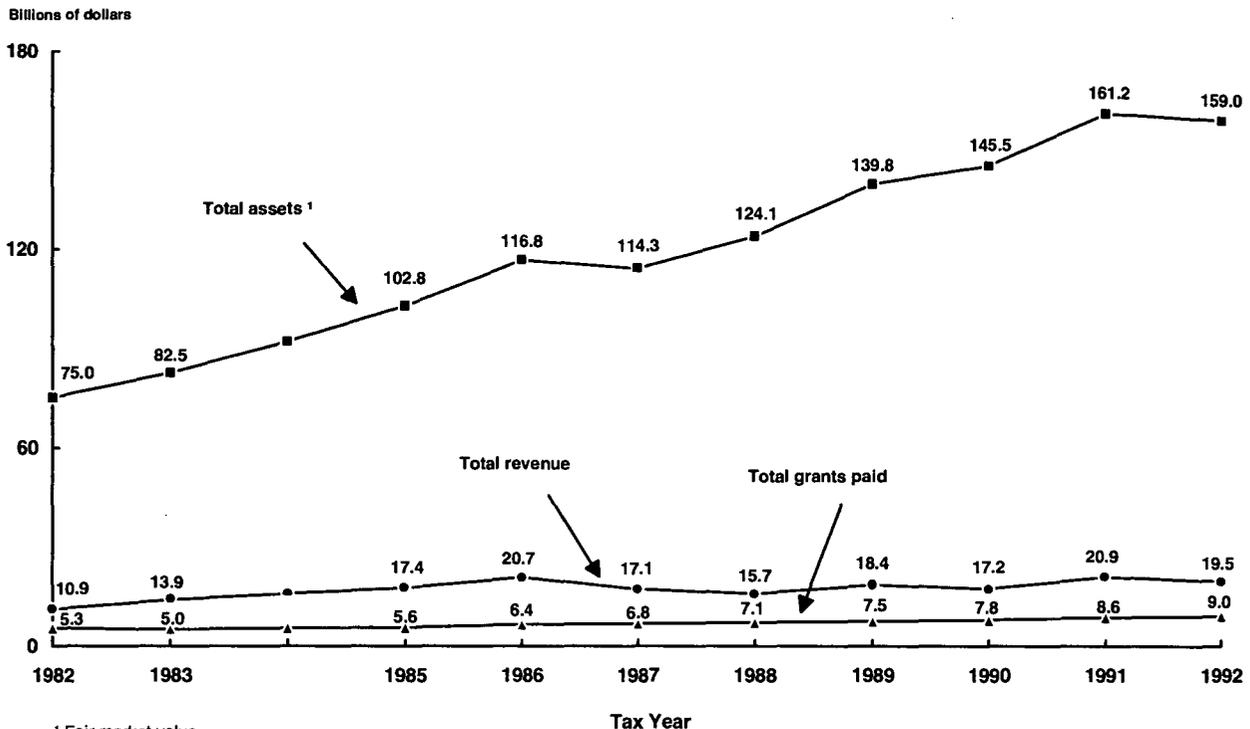
### Organizational Definition and Legislative Background

A private foundation is a nonprofit, tax-exempt corporation, association, or trust which is narrowly supported and

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**Figure B**

**Private Foundations: Real Growth in Revenue, Assets, and Grants, 1982-1992, in 1987 Dollars**



controlled, usually by an individual, family, or corporation. It is this narrow base of support and control which differentiates a private foundation from a publicly supported tax-exempt charitable organization, although both receive tax exemption under section 501(c)(3) [8]. The other 501(c)(3) organizations, those filing the Form 990, *Return of Organization Exempt From Income Tax*, generally receive broad support from a large number of sources within the general public. Because of their centralized support and control, private foundations are more strictly regulated than the other section 501(c)(3) organizations. Private foundations held less than 16 percent of the book value of total assets and earned less than 5 percent of the total revenue of all section 501(c)(3) nonprofit charitable organizations that filed information returns for 1992 with the Internal Revenue Service [9].

The nonexempt charitable trusts included in this article are described in section 4947(a)(1). Charitable trusts represented only 6 percent of the total number of Form 990-PF filers for 1992. Unless otherwise noted, the same background information and requirements apply to both types of Form 990-PF filers [10]. A detailed discussion and analyses of the characteristics and behavior of the charitable trusts can be found beginning with the section,

## Section 4947(a)(1) Nonexempt Charitable Trusts.

The two types of private foundations or trusts, "operating" and "nonoperating," are distinguished by the type of charitable support they provide. Nonoperating foundations generally provide indirect charitable support by making grants to other nonprofit organizations that conduct charitable programs of their own [11]. Nonoperating foundations are annually required to distribute (typically through grants or related expenses) a minimum amount for charitable purposes, the "distributable amount." If they do not distribute the required amount in the current year, they have until the end of the following year to fulfill the charitable distribution requirement without penalty. The minimum required amount is based on 5 percent of the value of their "noncharitable-use (or net investment) assets" [12].

If an organization is sufficiently involved in the direct operation of its charitable activities, then it can qualify as an operating foundation and is exempted from the charitable distribution requirement that applies to nonoperating foundations. Although operating foundations are not subject to the annual distribution requirement, many choose to make grants in addition to carrying on charitable programs of their own. For a further explanation of the

## Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

requirements of operating foundations, see operating foundations and section 4947(a)(1) charitable trusts in the Explanation of Selected Terms section.

Individual income tax deductions for contributions to nonoperating foundations are generally more restrictive than deductions for contributions made to operating foundations or other section 501(c)(3) organizations. Contributions that either establish or support a nonoperating foundation qualify for a Federal tax deduction of up to 30 percent of the donor's "adjusted gross income" (AGI). This compares to a deduction limit of 50 percent of AGI for donations to operating foundations and to other 501(c)(3) nonprofit charitable organizations (Form 990 filers).

Passage of the Tax Reform Act of 1969 (TRA69) subjected foundations to an excise tax on "net investment income" for the first time. While most foundations pay the excise tax, some operating foundations are exempt from the tax. For a further explanation of exempt operating foundations refer to operating foundations in the Explanation of Selected Terms section. TRA69 also imposed a series of excise taxes on foundations that engaged in "prohibited activities," which were deemed not to be in the public interest. These activities applied to any foundation that attempted to influence legislation by contacting legislators, encouraged the public to contact legislators, or participated in the campaign of a candidate for public office; any foundation that engaged in certain financial transactions (or acts of "self-dealing") with "disqualified persons" having a relationship with the foundation, such as substantial donors or officers, directors, or trustees of the foundation; any foundation which owned holdings in a business enterprise deemed to be excessive or which made investments deemed to jeopardize the charitable purpose of the foundation; and any nonoperating foundation that failed to distribute the required minimum payout after a 1-year grace period. Taxes on these prohibited activities are reported on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code*, and are not included in this article.

Of the estimated 42,400 private foundations filing Form 990-PF information returns for 1992, 91 percent were nonoperating foundations and the remaining 9 percent were operating foundations, virtually the same percentages as prior years. Nearly 35,200 foundations, or 83 percent of all foundations, made grants for 1992. Nearly 87 percent of the nonoperating foundations and 47 percent of the operating foundations made grants. (Unless otherwise noted, data are for 1992.) [13] Of the non-grantmaking foundations, 28 percent were operating foundations; 17 percent were

nonoperating foundations that had no "distributable amount" and, therefore, were not required to make a minimum distribution (see the Explanation of Selected Terms section for a definition of the required distributable amount); 29 percent were nonoperating foundations that made other types of disbursements in order to satisfy the charitable distribution requirement; and the remaining 26 percent were nonoperating foundations that did not fully make the required distribution for 1992 and legally had until the end of their 1993 accounting period to do so without tax penalty. The types of disbursements, other than grants, made by foundations to fulfill the charitable distribution requirement include the following: operating and administrative expenses used in the conduct of charitable programs or activities; amounts paid to acquire charitable-use assets; charitable "set-asides" for future time periods; and program-related investments. All of these expenditures counted towards a foundation's charitable distribution requirement. Some of the non-grantmaking foundations described above were "failed public charities" that had been reclassified by the Internal Revenue Service as nonoperating foundations. These organizations could no longer qualify for the favored public charity status of a Form 990 filer because they failed to maintain the required minimum support from public sources. Many, however, continued to operate direct charitable programs rather than make grants to other nonprofit organizations. Some of these organizations may have qualified as operating foundations, but did not request such status from the Internal Revenue Service.

Foreign foundations (those foundations organized abroad) comprise less than 0.1 percent of the foundation population. A foreign foundation was required to file Form 990-PF when it received a certain degree of support from either U.S. citizens or corporations. These foundations may or may not have chosen to distribute charitable grants within the United States. The IRS required that foreign foundations, like domestic foundations, pay an excise tax on investment income. While the excise tax equaled 2 percent of worldwide "net" investment income for the majority of domestic foundations, the tax on foreign foundations equaled 4 percent of their "gross" investment income derived from U.S. sources. The investment income on which these taxes are based does not include any income included in figuring the tax on unrelated business income, as reported on Form 990-T, *Exempt Organization Business Income Tax Return*.

### Ten Largest Domestic Foundations

Three-quarters of all foundations held less than \$1 million in total assets. The largest foundations, those holding

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\$100 million or more in total assets, comprised less than 1 percent of all foundations, but held 58 percent of total foundation assets, realized 46 percent of total revenue, and distributed nearly 44 percent of total grants for 1992. In contrast, the small foundations, those holding less than \$1 million in assets, held only 3 percent of total assets, realized 7 percent of total revenue, and distributed 11 percent of total grants. These foundations accounted for 72 percent of all foundations.

The ten largest domestic foundations, displayed by asset size in Figure C, held over 18 percent of total foundation assets and distributed close to 12 percent of total foundation grants for 1992, \$35.3 billion and \$1.3 billion, respectively [14]. From 1990 to 1992 this represents only a 7 percent increase in assets of the largest ten foundations, but a 33 percent increase in grants. The increase in assets was much lower than the overall foundation asset increase of 17 percent for 1990 to 1992. However, the increase in top ten foundation grants was much higher than the increase of 23 percent in all foundation grants for 1990 to 1992. The huge Ford Foundation alone accounted for 3.6 percent of all foundation assets and 2.6 percent of all foundation grants for 1992. The ten largest foundations in terms of assets for 1992 are the same as for 1990, with the top three foundations assuming the same positions. While the Annenberg Foundation was the tenth largest foundation in terms of assets for 1992, its \$137 million of grants were third only to the Ford Foundation's \$282 million of grants and the combined W.K. Kellogg Foundations' \$227 million of grants.

The Robert Wood Johnson and Annenberg Foundations both realized gains in assets over the two-year period from 1990 to 1992 that were well above the overall 17 percent gain in all foundation assets, 28 percent and 27 percent, respectively. The Robert Wood Johnson Foundation realized all of its gains from 1990 to 1991 and actually realized a 9 percent loss from 1991 to 1992. The Annenberg Foundation, in contrast, realized comparable gains for both years. These two foundations also distributed grants over this same period at a rate well above the overall 23 percent increase in all foundation grants, 56 percent and 149 percent, respectively. A number of the ten largest foundations experienced overall losses in assets over the period from 1990 to 1992. The Lilly Endowment, MacArthur Foundation, and the combined W.K. Kellogg Foundations experienced two-year losses of 18 percent, 8 percent, and 7 percent, respectively. These three foundations realized all of their asset losses during the 1991 to 1992 period [15].

### Sources of Foundation Revenue

Over the decade from 1982 to 1992, foundation revenues fluctuated from year to year, but realized an overall real increase of 79 percent. The two-year period from 1990 to 1992 was no exception, as foundation revenues increased in nominal terms a dramatic 26 percent from 1990 to 1991, only to decrease by 4 percent from 1991 to 1992, to \$23.6 billion. When the Wellcome Trust, a British foundation, is excluded from this calculation, revenues would have increased by 12 percent from 1991 to 1992.

**Figure C**

### Top Ten Domestic Private Foundations, by Size of Fair Market Value of Total Assets, 1992

[Money amounts are in millions of dollars.]

Name	State	Total assets <sup>3</sup>	Total revenue	Total grants paid
	(1)	(2)	(3)	(4)
1. Ford Foundation.....	NY	6,956	798	282
2. J. Paul Getty Trust <sup>1</sup> .....	CA	6,184	426	10
3. W.K. Kellogg Foundation Trust / W.K. Kellogg Foundation <sup>2</sup> .....	NY/MI	4,675	579	227
4. Robert Wood Johnson Foundation.....	NJ	3,735	177	103
5. John D. and Catherine T. MacArthur Foundation.....	IL	2,946	225	127
6. Lilly Endowment, Inc.....	IN	2,608	109	119
7. Pew Memorial Trust.....	PA	2,218	183	97
8. Andrew W. Mellon Foundation.....	NY	2,185	222	96
9. Rockefeller Foundation.....	NY	2,139	213	93
10. Annenberg Foundation.....	PA	1,654	128	137
<b>Total.....</b>		<b>35,300</b>	<b>3,060</b>	<b>1,291</b>

<sup>1</sup> The J. Paul Getty Trust is an operating foundation. All other foundations listed are nonoperating foundations.

<sup>2</sup> The W.K. Kellogg Foundation Trust (classified as a private foundation and not as a section 4947(a)(1) charitable trust) is located in New York and has a "pass-through" relationship with the W.K. Kellogg Foundation, located in Michigan. Typically, the entire amount of the annual qualifying (charitable) distributions of the W.K. Kellogg Foundation Trust is made in the form of a grant to the W.K. Kellogg Foundation, which then redistributes the grant for charitable purposes (and does not count the redistribution as a qualifying distribution of its own). The combined total assets of the two organizations are shown in the "Total assets" column, but in order to avoid duplication, only the grants paid by the W.K. Kellogg Foundation are shown in the "Total grants paid" column.

<sup>3</sup> Fair market value.

## Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

The overall revenue increase over the two-year period is largely explained by a huge increase in net gains from sales of assets from 1990 to 1991. Over the two-year period, total foundation net gains from sales of assets increased by 70 percent, to \$6.7 billion for 1992. Overall gains of 116 percent were realized from 1990 to 1991, while an overall loss of 21 percent occurred from 1991 to 1992. This pattern can be largely explained by the Wellcome Trust's sale of some of its assets for 1991. The Wellcome Trust, alone, realized net gains from sales of assets of \$3.8 billion for 1991. These gains dropped to \$0.2 billion for 1992. Once again, by excluding the Wellcome Trust from the data for 1990 through 1992, net gains from sales of assets would have increased by only 21 percent from 1990 to 1991, and by 36 percent from 1991 to 1992.

The large foundations, which earn over half of foundation revenues, realized both the greatest gains and the greatest losses when compared to the smaller foundations. From 1990 to 1991, large foundation revenues increased by 45 percent, but from 1991 to 1992, their revenues declined by 12 percent. Excluding the Wellcome Trust from the calculations, large foundation revenues would have increased by 6 percent from 1991 to 1992 and by 16 percent the following year. In contrast, small foundation revenues increased by 25 percent for the 1990-1991 period, but then decreased by 9 percent for the next year. Medium-sized foundations achieved moderate increases of 4 percent and 10 percent for each of the time periods, 1990 to 1991 and 1991 to 1992, respectively. Figure D displays the sources of foundation revenue for 1992 for all foundations and for three different size groups: "small," "medium," and "large."

The year-to-year changes in revenue among the different size groups of foundations is better understood through an examination of the different sources of revenue upon which the different groups rely. The figure for total foundation revenue reveals that for 1992 over a third of total revenue came from contributions received by foundations; and well over a quarter each came from both net gains from sales of assets and dividends and interest from securities, 29 percent and 28 percent, respectively. Smaller amounts were earned from interest on savings and temporary cash investments and "other" sources. While the small foundations earned nearly three-quarters, or 72 percent, of their revenue from contributions, the large foundations earned only a fifth, or 21 percent, in this manner. Similarly, while the large foundations earned 71 percent of revenue from the combination of net gains from sales of assets and dividends and interest from securities, the small foundations earned only 19 percent of revenue

from these two investment sources. As in past years, the data show that as the size of the foundation increases, the proportion of revenue from contributions declines and the proportion from investment income rises.

An examination of the actual number of small and large foundations receiving contributions and earning investment income shows that the large foundations may be a somewhat more homogeneous group relative to the small foundations. Of the large foundations, nearly all, or 98 percent, earned dividends and interest from securities for 1992; 94 percent realized net gains from sales of assets; and only 41 percent received contributions. In contrast, 57 percent of the small foundations earned dividends and interest from securities for that year; only 31 percent realized net gains from sales of assets; and fewer than half, or 47 percent, received contributions. These percentages were relatively comparable for 1991.

In terms of contributions received, small foundations received an amount for 1992, \$1.3 billion, that was 18 percent over the amount received for 1990. In contrast, the contributions given to medium-size foundations remained stagnant over the two-year period, at about \$3.8 billion. The large foundations, in contrast, realized notable increases in contributions received. From 1990 to 1992, these contributions increased by 49 percent, to \$2.7 billion. The large increase in net gains from sales of assets between 1990 and 1992 was widespread among foundations. Small foundation net gains from these sales increased 130 percent over the two years, to \$127.9 million. A similar pattern was true for the medium-size foundations, which realized increases in net gains of 139 percent, amounting to \$1.8 billion for 1992. Net gains from sales of assets also increased notably for the large foundations, to \$4.8 billion, a 53 percent increase over the same period.

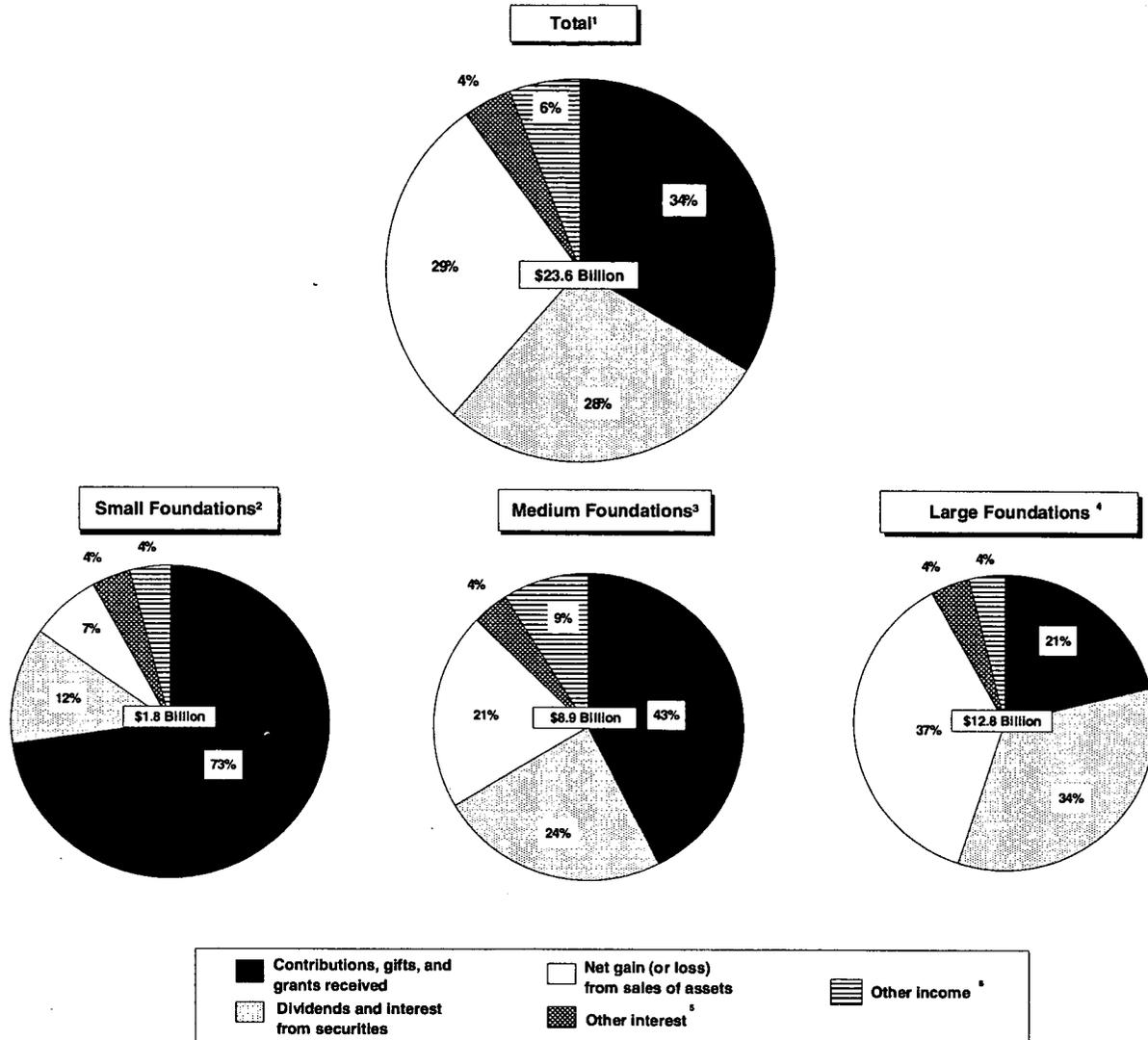
In terms of dividends and interest from securities, overall foundation earnings increased by only 4 percent from 1990 to 1992. Small foundations realized 9 percent less dividends and interest from securities for 1992 as compared to 1990; medium foundations earned virtually the same amount from this type of revenue for 1992 as for 1990; and large foundations achieved a modest increase of 6 percent in dividends and interest from securities from 1990 to 1992.

Reporting Year 1992 represented only the fourth year for which information on the "unrelated business" activities of private foundations was available from the Form 990-PF. Only 3.1 percent of foundations reported a total of \$72.7 million in "unrelated business income" (UBI) for 1992. For 1991 these figures were 3.5 percent and \$65.5 million, respectively. For 1992, the amount of UBI

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**Figure D**

**Sources of Private Foundation Revenue, by Size of Foundation, 1992**



<sup>1</sup> Includes foundations with assets unreported or equal to zero, which are not shown separately.  
<sup>2</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.  
<sup>3</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.  
<sup>4</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.  
<sup>5</sup> Represents "Interest on savings and temporary cash investments."  
<sup>6</sup> Includes "Gross rents and royalties" and "Gross profit (or loss) from business activities," as well as items such as imputed interest on deferred payments and program-related investment income.  
 NOTE: Detail may not add to total because of rounding.

represented only 0.5 percent of total revenue as reported on the "Analysis of Income-Producing Activities" schedule on the Form 990-PF. A tax was levied on the unrelated business income of foundations as it was reported on the Form 990-T, *Exempt Organization Business Income Tax Return* [16].

The section on the "Analysis of Income-Producing

Activities" categorizes total foundation revenue (with the exception of contributions) as either "unrelated business income," "excluded income," or "related or exempt function income." Unrelated business income is that income from a trade or business that was regularly carried on by the organization and that was not substantially related to the performance of the organization's exempt

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purpose or function (other than that the organization needed the profits derived from the unrelated activity). Excluded income represents income which was not directly related to the tax-exempt, charitable function of the foundation and which was excluded or exempted from the tax on unrelated business income by Code sections 512, 513, or 514. Generally, dividends, interest, rental income, and gains from sales of investment assets were all considered excluded income. Related or exempt function income generally represents any income earned that is related to the organization's purpose or function constituting the basis for the organization's tax exemption.

The vast majority of revenue reported in the "Analysis of Income Producing Activities" section (which excludes contributions received) was reported as excluded income, 89 percent, with 11 percent reported as income which was (directly) related to the foundation's exempt, charitable purpose and only one-half of 1 percent reported as UBI [17]. In terms of the type of foundation, operating foundations tend to report a much higher proportion of income as exempt function income compared to nonoperating foundations, 33 percent compared to 8 percent, respectively. Both types of foundations report one-half of 1 percent or less as UBI. Small foundations tend to report a higher proportion of income as UBI and exempt function income, less than 2 percent and 29 percent, respectively, and a smaller percentage as excluded income, 69 percent. In contrast, the large foundations reported less than one-tenth of one percentage point as UBI, 6 percent as exempt function income, and 94 percent as excluded income.

### Excise Tax on Investment Income

The excise tax on the investment income of private foundations was enacted as part of TRA69. Originally, it was levied in order to provide funds for Internal Revenue Service oversight of foundation activities and enforcement of laws governing their exempt status. Domestic foundations generally are liable for a tax equal to 2 percent of their net investment income and foreign foundations for an excise tax equal to 4 percent of their gross investment income. Domestic organizations compute the excise tax based on investment income from all sources, while foreign organizations compute the tax based on investment income from U.S. sources only. Some foreign foundations, classified as "exempt foreign foundations," are not subject to the charitable payout requirement, but still are required to pay the excise tax on investment income. These exempt foreign foundations are those that from the date of their creation have received at least 85 percent of their support from sources outside of the United States. Due to special treaty provisions with the United States, all Canadian foundations are exempted from the excise tax,

regardless of whether or not they are considered "exempt foreign foundations." Additionally, domestic operating foundations, by meeting several requirements that show extensive public support and control, can be exempted from the excise tax on net investment income. Twenty-six percent of all operating foundations were exempted from the excise tax for 1992. For a complete discussion of the requirements for exempt operating foundations, see operating foundations in the Explanation of Selected Terms section.

One provision of the Deficit Reduction Act of 1984 allowed any domestic nonoperating foundation to reduce the annual 2 percent excise tax to 1 percent, if, simply stated, the foundation showed improvement in the rate at which it paid out charitable dollars. Specifically, if current "qualifying distributions" exceeded a 5-year average of qualifying distributions plus 1 percent of current net investment income, a foundation qualified for the reduced tax. Qualifying for the reduced tax was not affected by whether a foundation's charitable payout rate exceeded the required 5 percent; it was affected, however, by the level of increase in a foundation's payout rate.

Investment income, on which the excise tax is based, increased by 19 percent from 1990 to 1992, to \$14.3 billion. This rate of increase is comparable to the overall increase in foundation revenue. Small foundations, however, experienced declining investment income from 1990 to 1992, 6 percent, while both medium-size and large foundations realized increases of 24 percent and 19 percent, respectively. An increase of 19 percent in capital gain income explains much of the overall gain in investment income. (For a complete definition of net investment income and a further explanation of capital gain net income and how it differs from net gain (or loss) from sales of assets, see the appropriate entries in the Explanation of Selected Terms section.) For 1992, foundations reported excise tax on investment income of \$194.2 million. This amount was a 25 percent increase over that for 1990. Figure E displays selected statistics on the excise tax of foundations by size of foundation. Thirty-two percent of all foundations increased the rate at which they paid out charitable dollars for 1992, thereby qualifying for the reduced 1-percent excise tax. A greater percentage of the large foundations qualified for the reduced tax compared to the small foundations, 46 percent versus 29 percent.

### Foundation Assets and Investments

Total foundation assets continued to grow steadily, to \$192.2 billion for 1992. This represents an overall increase of 17 percent from 1990 to 1992. Assets for each of the three size groups increased as well, the small

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**Figure E**

## Private Foundations Reporting Excise Tax on Investment Income, by Size of Foundation, 1992

[Money amounts are in millions of dollars.]

Item	Total <sup>1</sup>	Small foundations <sup>2</sup>	Medium foundations <sup>3</sup>	Large foundations <sup>4</sup>
	(1)	(2)	(3)	(4)
Number of foundations.....	35,083	24,611	9,689	448
Percentage of all foundations.....	83	80	96	94
Net investment income (NI).....	14,252.2	463.7	4,587.7	9,192.2
Excise tax.....	194.2	7.2	68.3	118.6
Percentage of all foundations reporting:				
1 percent tax.....	36	34	42	49
2 percent tax.....	64	66	58	49
4 percent tax.....	( <sup>6</sup> )	—	( <sup>6</sup> )	2

<sup>1</sup> Includes 337 foundations with assets unreported or equal to zero, which are not shown separately. These foundations earned \$8.7 million in net investment income and paid excise tax of \$0.1 million.

<sup>2</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>3</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>4</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

<sup>5</sup> Includes \$170 million in gross investment income from 30 foreign foundations.

<sup>6</sup> Less than 0.5 percent.

foundations by 6 percent, and both the medium and large foundations by 17 percent. Excluding the Wellcome Trust, the assets of all foundations would have grown by 20 percent from 1990 to 1992. Investment assets of \$181.2 billion represent the vast majority of foundation assets, 94 percent. These investments increased by a two-year total of 16 percent. Investment assets include savings and temporary cash investments; U.S. and State Government obligations; corporate stock; corporate bonds; land, buildings, and equipment held for investment purposes; mortgage loans; and "other" investments. Non-investment assets include non-interest bearing cash; land, buildings, and equipment used in the direct operation of a foundation's charitable activities; various receivables; inventories held for sale or use; prepaid expenses and deferred charges; and "other" assets, which include items such as escrow deposits, interest-free or low-interest loans made for charitable purposes, and program-related investments.

Holdings of investments in securities (including investments in U.S. and State Government obligations, corporate stocks, and corporate bonds), increased by over 14 percent from 1990 to 1992. These securities, valued at \$144.4 billion for 1992, represented 80 percent of total investment assets. Nearly two-thirds of all securities, or \$95.2 billion, were held in the form of corporate stock, with more than one-fifth and one-tenth of securities held in the form of U.S. and State Government obligations and corporate bonds, respectively. Reporting Year 1992 represents only the third consecutive year since 1979 for which the IRS required foundations to report separately the value of each of these types of securities on the Form

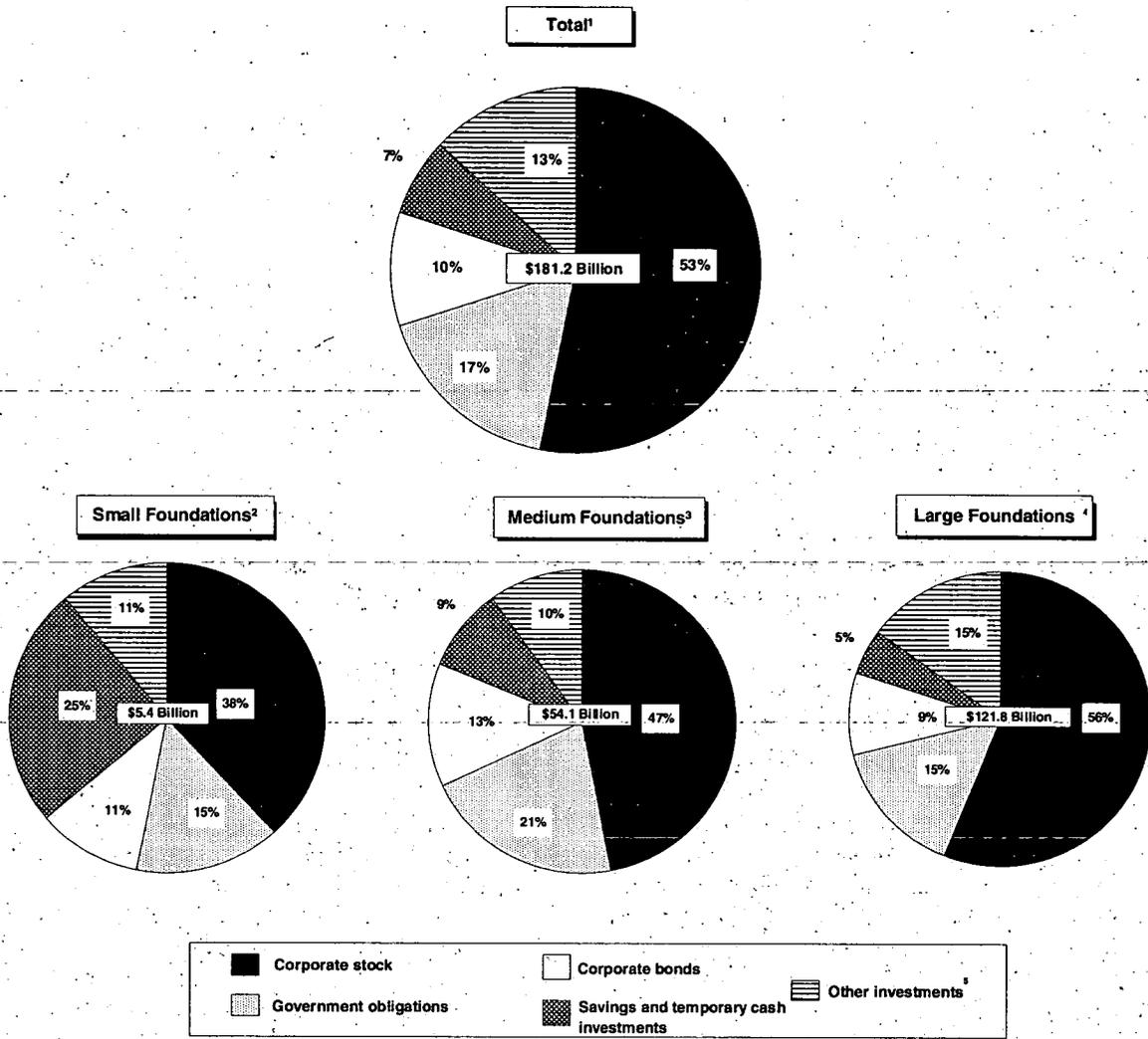
990-PF. Over the 1990 to 1992 period, foundations experienced considerable increases in investments in corporate stock, 20 percent, and investments in corporate bonds, 30 percent, and decreases in investments in government obligations, 6 percent. Foundations also experienced overall decreases in holdings of other types of investment assets, including savings and temporary cash investments and investments in land, buildings, and equipment, each of which declined by 8 percent from 1990 to 1992. While this same pattern was generally true for each of the three size groups of foundations, each group experienced increases and decreases of varying magnitudes [18].

As foundations grow in size they tend to engage in more sophisticated investment practices and hold greater proportions of investment assets, particularly corporate stock. While the large foundations held 96 percent of all their assets as investments for 1992, the small foundations held 83 percent as investments. Figure F displays the composition of investment assets for small, medium, and large-sized foundations. While the large foundations held 80 percent of all investments as a combination of corporate stocks, corporate bonds, and government obligations, the small foundations held only 64 percent in this manner. Holdings of corporate stock, 53 percent of total investments, were the dominant investment for all foundation size groups, but particularly for the large foundations. While large foundations held 56 percent of investment assets as corporate stock, the small foundations held 38 percent in this manner. Small and medium-size foundations tend to hold somewhat more of their investments in U.S. and State Government obligations and corporate

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Figure F

Composition of Private Foundation Investment Assets, by Size of Foundation, 1992



<sup>1</sup> Includes foundations with assets unreported or equal to zero, which are not shown separately.  
<sup>2</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.  
<sup>3</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.  
<sup>4</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.  
<sup>5</sup> Sum of "Investment in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on the Form 990-PF. "Other investments" includes items such as advances; certificates of investment; and investments in art, coins, gold, and gems.  
 NOTE: Percentages may not add to 100% because of rounding.

bonds compared to the larger foundations. As foundations grow in size, they also tend to hold a smaller percentage of their assets in the form of savings and temporary cash investments. For 1992, the small foundations held 25 percent of their investment assets as savings and temporary cash investments, compared to 9 percent for the medium size foundations and only 5 percent for the large foundations. Large foundations also tend to hold less non-interest bearing cash compared to the small foundations. For 1992, small foundations held 6 percent of total

assets as non-interest bearing cash, compared to less than 1 percent for the large foundations. The distribution of assets by the different size groups may generally indicate that many of the small foundations have less of a preference for risky investments and more of a preference for asset liquidity compared to the large foundations. While holdings of cash for the small foundations remained relatively constant over the 1990 to 1992 period, the large foundation holdings of cash actually increased by over 300 percent from 1990 to 1992. This can be largely

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explained by the huge holdings of cash held by the Wellcome Trust for both 1991 and 1992.

### **Investment Behavior by Size of Foundation**

In general, the larger the asset size of a foundation, the more it tends to emphasize the growth of its assets (or endowments) as a means by which to fund charitable giving, both now and in the future. Unlike other nonprofit charitable organizations, nonoperating foundations of all sizes most often distribute grants in order to fulfill their charitable purpose. Although foundations have relative freedom in the way that they choose to invest their tax-exempt endowments, they are also subject to a minimum distribution or charitable payout requirement. Allowing for certain exceptions, nonoperating foundations must annually distribute for charitable purposes an amount that equals 5-percent of the average value of their net investment assets. (For an explanation and discussion of the payout requirement, see the sections beginning with The Charitable Distribution (or Payout) Requirement.) In order to fund charitable activity without reducing the value of their endowment, a foundation must earn an average "rate of total return on assets" (defined below) that equals at least 5 percent plus the costs of investment and the rate of inflation. To the extent that foundations wish to maintain or increase the value of their endowments to fund charitable giving into the future, this represents an important goal.

Different sizes of foundations tend to have different charitable and investment objectives. For instance, larger foundations may tend to operate with more of a long-term focus. They may invest and manage their assets in order to maintain or increase the size of their endowments by earning income and realizing a return on assets which will allow them both to meet the annual 5-percent payout requirement and to use any remainder to increase their investment portfolio [19]. Many of the larger foundations pay out close to the required 5-percent of their net investment assets to charitable causes each year. The larger foundations hold a greater proportion of assets as investments in securities, including a greater proportion as corporate stock. Holdings of corporate stock tend to have greater risk but also higher returns compared to other investment holdings. Larger foundations may also tend to possess the resources necessary to use sophisticated investment management services. For these reasons, the larger foundations typically earn higher rates of total return on investments than do the smaller foundations.

Many of the smaller foundations do not possess the resources necessary to use sophisticated investment management techniques and may not have the same incentives to perpetuate their endowments. They tend to

hold lower risk and lower-return assets than the larger foundations [20]. Moreover, they may operate with more of a short-term focus in order to distribute large contributions currently, so as to direct their resources to present concerns and immediate needs [21]. The smaller foundations rely much more on contributions as a source of revenue compared to other foundations. Given this, many may act as conduits or "pass-through" organizations, receiving contributions one year and then distributing them in the same year or the next. To note, the larger foundations, which typically benefit from professional investment management services, realized the greatest rates of total return on their investments and "paid out" the smallest percentage of their assets as charitable distributions between 1990 to 1992.

### **Income Yields and Rates of Total Return**

An income yield measures the realized investment income earned by a foundation on its investment assets. Figure G shows median "net investment income yields" for nonoperating foundations for 1988 through 1992. The median yield is calculated, rather than the mean, since it minimizes the influence of large outliers in the data, and therefore, may be a better representation of the typical foundation. The net investment income, or NII, yield was calculated by dividing net investment income by the end-of-year fair market value of investment assets [22]. Only nonoperating foundations were analyzed since only they are subject to the charitable payout requirement, discussed below. The use of only nonoperating foundations in the analysis here and in the sections that follow allows for comparisons of the NII yields, rates of total return, and payout rates, all discussed below.

During the period from 1988 to 1990 the median NII yields remained relatively constant between 7.1 and 7.7 percent. The total foundation NII yield declined from 7.1 percent for 1990 to 6.5 percent for 1991 and then to 5.6 percent for 1992. However, an examination of the yields for the different size groups reveals that the large foundations' median yield increased slightly during both 1991 and 1992. The largest foundations realized a median yield of 7.1 percent for 1992, up from 6.6 percent for 1990 and 6.8 percent for 1991. In contrast the median rate of the small foundations declined somewhat in both years. The smallest foundations realized an NII yield of 4.2 percent for 1992, down from a 6.4 percent yield for 1990. The large foundations typically earn somewhat higher NII yields than the smaller foundations. Since large foundations, compared to small foundations, rely more on investment income as a source of revenue and may use more sophisticated investment management techniques, it is not surprising that they typically realize higher NII yields.

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**Figure G**

## Nonoperating Private Foundation Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1988-1992

Size of fair market value of total assets	Median NII yields (percentages)				
	1988	1989	1990	1991	1992
	(1)	(2)	(3)	(4)	(5)
<b>All nonoperating foundations<sup>1</sup></b> .....	7.2	7.7	7.1	6.5	5.6
<b>Small foundations</b>					
\$1 under \$100,000.....	6.6	6.8	6.4	5.6	4.2
\$100,000 under \$1,000,000.....	7.3	8.0	7.3	6.5	5.6
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000.....	7.6	8.0	7.1	6.9	6.6
\$10,000,000 under \$50,000,000.....	7.6	8.2	7.2	6.9	7.0
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000.....	7.4	8.6	6.7	7.3	7.2
\$100,000,000 or more.....	7.3	8.1	6.6	6.8	7.1

<sup>1</sup>Excludes nonoperating foundations with assets unreported or equal to zero.

The rate of total return, a measurement of the total capital appreciation of the endowment of a foundation, is a more comprehensive measure of investment performance than the NII yield. An examination of rates of total return on assets helps to show differences among the different sizes of nonoperating foundations. Figure H shows median rates of total return on nonoperating foundation assets for 1988 to 1992. A comparison with the charitable payout rates, discussed below, helps to further the understanding of the different sizes of foundations. Consistently strong rates of total return tend to lead to increased long-run giving power. The rate of total return

formula used here measures the change in the value of the entire asset base with considerations for inflows and outflows of money [23]. The formula adjusts for inflation and measures the realized income from assets, investments and otherwise, as well as the unrealized appreciation or depreciation in the fair market value of assets.

Median foundation rates of total return on assets for 1991 and 1992 rebounded from the very low 1990 rates. For 1990, the total nonoperating foundation median rate was 2.4 percent. This increased to 6.7 percent for 1991, but fell again to 3.6 percent for 1992. An examination of the different size groups shows a similar trend, but at a

**Figure H**

## Nonoperating Private Foundation Rates of Total Return on Assets, by Size of Fair Market Value of Total Assets, 1988-1992

Size of fair market value of total assets	Median rates of total return (percentages)				
	1988	1989	1990	1991	1992
	(1)	(2)	(3)	(4)	(5)
<b>All nonoperating foundations<sup>1</sup></b> .....	n.a.	4.3	2.4	6.7	3.6
<b>Small foundations</b>					
\$1 under \$100,000.....	n.a.	2.0	1.4	2.5	0.9
\$100,000 under \$1,000,000.....	n.a.	5.3	3.1	7.6	4.2
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000.....	6.8	7.7	3.4	10.0	5.1
\$10,000,000 under \$50,000,000.....	7.9	10.9	2.3	12.2	5.2
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000.....	8.3	11.6	1.5	12.9	6.3
\$100,000,000 or more.....	9.0	12.7	1.3	14.9	6.2

n.a. - Not available.

<sup>1</sup>Excludes nonoperating foundations with assets unreported or equal to zero.

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much different magnitude. Large foundations typically earn much higher rates of total return than do smaller foundations. Generally, as the holdings of investment assets increase, so do the total returns on assets. Median rates for the largest nonoperating foundations increased from a rate of only 1.3 percent for 1990 to 14.9 percent for 1991, the largest median rate of return realized by foundations in recent years. The year-to-year fluctuations in the returns of foundations, particularly the larger ones, tend to coincide with fluctuations in the stock market. The rate of total return for these foundations then dropped to 6.2 percent for 1992. The median return of the smallest nonoperating foundations, in contrast, increased from 1.4 percent for 1990 to 2.5 percent for 1991, only to fall to 0.9 percent for 1992.

### **Charitable Distribution (or Payout) Requirement**

The following discussion of the charitable distribution requirement and the payout rate excludes operating foundations since they are not subject to the distribution requirement. Therefore, all references to foundations in this section and in the sections that follow are to nonoperating foundations, unless otherwise indicated. For reasons of comparability, the operating foundations were also excluded from median net investment income yields and rates of total return, discussed previously.

The Federal Government first began to grant tax-exempt status to charitable foundations in the early 1900's. Legislative changes and discussions prior to 1969 focused on the regulation of foundation activities. However, beginning with TRA69, private nonoperating foundations were required to meet a charitable giving or "payout requirement." The 1969 legislation provided guidelines for foundation minimum giving levels. The original payout requirement, which was based on the greater of (adjusted) net income or a fixed percentage of net investment assets, was designed to prevent potential abusive foundation activity and ensure that a minimum amount was charitably distributed. Later, the Economic Recovery Tax Act of 1981 (ERTA) modified the payout requirement by basing the required amount only on net investment assets and not on income. Generally, the data indicate that, after ERTA, large foundations altered their giving patterns more noticeably than small foundations [24]. From 1982 to 1992 the large foundations realized the greatest percentage increase in both assets and distributions. The number of large foundations, not adjusting for those that moved to the large size group due to an inflationary increase in their assets, also increased at a much faster rate than the other size groups. (For a more detailed discussion, see the section, Asset Growth and Distribution Goals.)

Under the guidelines of ERTA, each year nonoperating foundations must calculate a "distributable amount," which is the minimum amount that the organizations must distribute for charitable purposes by the end of the next full reporting year in order to avoid a penalty tax on undistributed charitable dollars. The distributable amount, or required payout amount, equals 5 percent of the fair market value of net investment assets (the "minimum investment return"), plus or minus certain adjustments, either allowed or required [25]. See distributable (payout) amount, net investment assets, minimum investment return, and net adjustments to distributable amount in the Explanation of Selected Terms section.

### **Charitable Grants and Other Qualifying Distributions**

To fulfill the charitable payout requirement, nonoperating foundations can apply "qualifying distributions" from the current year, as well as any carryovers (distributions paid in excess of the minimum required amount) from the 5 previous years. The requirement can be met in either the current year or the following year. Qualifying distributions for 1992 for these nonoperating foundations are comprised primarily of contributions and grants, 88 percent; with smaller proportions for operating and administrative expenses, 8 percent; "set-asides" for future charitable distributions, 2 percent; program-related investments (e.g., loans made to public charities at below market or zero rates of interest), 1 percent; and amounts paid to acquire charitable-use assets (e.g., buildings, equipment, or supplies), less than 1 percent.

As mentioned previously, nonoperating foundations fulfill their exempt purpose in an indirect manner, primarily by making grants to other charitable organizations, while operating foundations generally expend their income for direct involvement in charitable activities and programs. Operating foundations are not subject to the same charitable payout requirement, but they must still expend a minimum amount each year on direct charitable support, usually through conducting their own charitable programs. These expenditures count as "qualifying distributions" in meeting the operating foundation requirements. For a discussion of the operating foundation requirements, see operating foundations and section 4947(a)(1) charitable trusts in the Explanation of Selected Terms section.

For 1992, nonoperating foundations paid out \$11.3 billion in qualifying distributions against a required payout (or distributable) amount of \$7.6 billion. As in years past, qualifying distributions increased at a relatively constant rate, 17 percent over the period from 1990-1992. The different size groups increased qualifying distributions at different rates between these years. The

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small foundations paid out 18 percent more qualifying distributions for 1992 than for 1990, while the medium foundations paid out 11 percent more and the large foundations, 22 percent more. When the Wellcome Trust's qualifying distributions are excluded, the large foundations qualifying distributions increased by 26 percent from 1990 to 1992. Foundation giving generally increases faster than the rate of inflation.

Over 79 percent of foundations with a charitable payout requirement either met or exceeded the required amount for 1992 in that same year. Those that did not had until the end of the following reporting year to fulfill the requirement. While 17 percent of the small foundations did not meet the 1992 requirement during 1992, thereby amassing "undistributed income," nearly 46 percent of the large foundations chose to wait until the following reporting year to distribute their required amount for 1992 [26]. Given that the annual payout amount is not calculated until the end of the reporting year and that it is based on the monthly average of investment assets, many foundations choose to take advantage of the 1-year tax- and penalty-free "grace period" for making required distributions. This lag time gives them an opportunity to consider their investment returns, payout rates, and contributions received, among other factors, when preparing their grantmaking budgets for the following year or years.

In contrast, while some foundations chose to wait until 1993 to disperse 1992 qualifying distributions, many gave in excess of the 1992 required amount during the 1992 Reporting Year. Small foundations typically distribute much more than their required amount. For 1992, the small foundations as a group distributed an amount of

qualifying distributions that was over 325 percent more than their combined required distributable amount. In contrast, the large foundations for 1992 distributed an amount of qualifying distributions that was 18 percent more than their combined required distributable amount.

Contributions, gifts, and grants distributed by nonoperating foundations equaled \$10.7 billion for 1992. According to the Foundation Center's *Foundation Giving*, the largest proportions of total foundation grants for 1992 went to the areas of education, health, human services, and arts and culture [27]. The contributions and grants given by foundations accounted for less than one-tenth of total philanthropic giving, with the vast majority of giving coming from individual gifts [28].

### Payout Rates

Since the small foundations tend to distribute more charitable dollars relative to the required amount, they also tend to have higher charitable payout rates. Figure I displays median foundation payout rates by size of foundation for 1988 through 1992. To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment assets [29]. The 1991 and 1992 median payout rates declined slightly over past years. Foundation payout rates are generally extremely steady, but from 1990 to 1992 they declined by half of a percentage point for the median foundation, from 7.0 percent for 1990 to 6.5 percent for 1992. The median payout rates for 1991 and 1992 for the smallest foundations, 12.0 percent and 11.7 percent, respectively, increased over the 1990 payout rate, 10.6 percent. In contrast, the median payout rate of

**Figure I**

### Nonoperating Private Foundation Payout Rates, by Size of Fair Market Value of Total Assets, 1988-1992

Size of fair market value of total assets	Median payout rates (percentages)				
	1988 (1)	1989 (2)	1990 (3)	1991 (4)	1992 (5)
<b>All nonoperating foundations<sup>1</sup></b>	7.2	7.1	7.0	6.7	6.5
<b>Small foundations</b>					
\$1 under \$100,000	10.7	10.9	10.6	12.0	11.7
\$100,000 under \$1,000,000	6.6	6.8	6.7	6.3	6.0
<b>Medium foundations</b>					
\$1,000,000 under \$10,000,000	5.9	5.8	5.8	5.6	5.5
\$10,000,000 under \$50,000,000	5.5	5.4	5.4	5.2	5.3
<b>Large foundations</b>					
\$50,000,000 under \$100,000,000	5.3	5.4	5.4	5.1	5.1
\$100,000,000 or more	5.3	5.0	5.0	5.1	5.0

<sup>1</sup> Includes nonoperating foundations with assets unreported or equal to zero, which are not shown separately.

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the largest foundations remained very constant and equaled the required 5.0 percent for 1992. Overall, Figure I shows that foundation payout rates for all size groups remained relatively constant over the entire 5-year period.

The payout rates for the large and medium-sized foundations were very close to the required 5 percent. Those of the smaller foundations, which tend to emphasize current, rather than future, charitable giving, were much higher than the required rate. The smaller foundations seem to focus more on distributing charitable dollars currently, rather than on long-term endowment growth. The larger foundations, on the other hand, tend to reinvest a greater portion of their return on investments, perhaps to ensure endowment growth for future charitable giving. The trend of the large foundations to give consistently at a payout rate of 5.0 percent seems to demonstrate their use of long-range planning in setting grantmaking budgets. Salamon, in a survey of the payout policies of foundations, found that smaller foundations, as a group, tend to use their investment yields to help to structure their charitable payout rates, while the larger foundations, as a group, tend to structure their investment decisions in order to reduce the effect of the payout requirement on their assets [30].

### Asset Growth and Distribution Goals

Over the decade from 1982 to 1992, total nonoperating foundation assets increased in real terms by 115 percent. This growth in nonoperating foundation assets is explained both by the growth in the value of assets and by the 52 percent increase in the number of foundations. The increasing assets helped to fund a real increase of 61 percent in the amount of qualifying charitable distributions made by foundations during that decade. The overall growth in foundation assets and charitable distributions exceeds the 32 percent real growth rate of the Gross Domestic Product from 1982 to 1992 [31].

The growing assets of foundations during the 1982 to 1992 decade helped to increase total grants over the same period. Foundation statistics suggest that a growing endowment may help to fund charitable giving at the same or at an increased amount in the future. During much of the 1980's and into the early 1990's, many foundations benefited from favorable stock market conditions that allowed them to realize rates of return and income yields high enough to easily meet the 5-percent charitable payout requirement. As foundation assets increased, so did the required distributable amounts, thereby leading to an increased amount of charitable distributions made by many foundations.

Large foundations historically have realized greater rates of total return on assets than have small foundations.

The large foundations typically rely heavily on the growth of their endowments to fund charitable programs and, therefore, have distributed dollars at consistent rates and in such a way as to further long-run asset growth. From 1982 to 1992, the significant real asset growth of the large foundations allowed them to increase charitable distributions at a faster rate than either of the other size groups, despite paying out charitable dollars at rates hovering at the minimum 5.0 percent.

Figure J displays revenue, assets, and qualifying charitable distributions for the different size groups of foundations for the period 1982 to 1992. During that 10-year period, the large foundations increased real assets by 164

**Figure J**

### Nonoperating Private Foundations: Changes in Number of Foundations and Real Growth in Revenue, Assets, and Charitable Distributions, by Size of Foundation, 1982-1992

[Money amounts are in billions of 1987 dollars.]

Item	1982	1992	Percentage increase, 1982-1992
	(1)	(2)	(3)
<b>Total number of nonoperating foundations<sup>1</sup></b> .....	25,363	38,620	52
Total revenue.....	9.6	17.7	83
Total assets <sup>2</sup> .....	67.1	144.3	115
Total charitable distributions <sup>3</sup> .....	5.8	9.3	61
<b>Number of small nonoperating foundations</b> .....	19,752	27,824	41
Total revenue.....	1.0	1.3	28
Total assets <sup>2</sup> .....	4.1	4.9	21
Total charitable distributions <sup>3</sup> .....	1.0	1.0	( <sup>7</sup> )
<b>Number of medium nonoperating foundations</b> .....	3,948	9,331	136
Total revenue.....	3.9	6.5	65
Total assets <sup>2</sup> .....	27.1	44.5	64
Total charitable distributions <sup>3</sup> .....	2.6	3.5	31
<b>Number of large nonoperating foundations</b> .....	148	438	196
Total revenue.....	4.7	9.8	110
Total assets <sup>2</sup> .....	35.9	94.9	164
Total charitable distributions <sup>3</sup> .....	2.1	4.8	128

<sup>1</sup> The total number of foundations includes 1,027 foundations for 1992 and 1,515 foundations for 1982 that had assets unreported or equal to zero. These foundations are not shown separately.

<sup>2</sup> Total assets represent "fair market value of total assets" from Form 990-PF.

<sup>3</sup> Total charitable distributions represent "qualifying distributions" from Form 990-PF.

<sup>4</sup> Small foundations are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>5</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>6</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

<sup>7</sup> Less than 0.5 percent.

NOTE: Constant dollar amounts were calculated using the Gross Domestic Product (GDP) price deflator.

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percent, while increasing charitable distributions by 128 percent. In contrast, the small foundations, which typically pay out charitable dollars at more generous rates than the large foundations but realize lower rates of total return and income yields, increased real assets and distributions by 21 percent and less than one-half of 1 percent, respectively. It is important to note, however, that the number of large foundations increased at a rate nearly 5 times that of the small foundations during this decade. The number of large foundations increased by 290, or 196 percent, while the number of small foundations increased by over 8,000, or 41 percent.

### Section 4947(a)(1) Nonexempt Charitable Trusts Overview of Revenue, Assets, and Grants Paid

Charitable trusts described in Internal Revenue Code section 4947(a)(1) are organizations which have exclusively charitable interests but which are not exempt from federal income tax as Section 501(c)(3) organizations are. Charitable trusts that are not publicly supported are subject to the same requirements as foundations, including the excise tax provisions and the charitable payout requirement. Charitable trusts are typically supported and controlled by an individual or family and, like foundations, they file the Form 990-PF. The 4947(a)(1) charitable trusts that file the Form 990-PF, hereafter referred to as "charitable trusts" are unlike foundations in that they are not required to be formally recognized as tax-exempt organizations by IRS. Most were originally formed as 4947(a)(2) split-interest trusts that at one time had one or more noncharitable beneficiaries. Additionally, the 4947(a)(1) trusts must pay an annual tax on their income (usually from investments) that is not distributed for charitable purposes. Trusts must report such income and tax (under Subtitle A of the IRC) on Form 1041, *U.S. Fiduciary Income Tax Return*. Statistics for charitable trusts contained in this article are based on Forms 990-PF, but not on Forms 1041.

Two other types of section 4947(a)(1) charitable trusts file different returns with the Internal Revenue Service and are not covered in this article. First, certain charitable trusts, those that receive the majority of their support from public, rather than private, sources, file the Form 990. These trusts typically operate in connection with, and provide support to, one or more public charities. Second, split-interest trusts, which have both charitable and noncharitable beneficiaries, file the Form 5227, *Split-Interest Trust Information Return*.

Over 2,900 section 4947(a)(1) trusts filed Forms 990-PF for 1992. For this year, charitable trusts represented 2 percent or less of the total assets held, total revenue earned, and total grants distributed by all of the Form 990-

PF filers. The number of Form 990-PF filers classified as trusts increased by 12 percent from 1990. Nearly 99 percent of these organizations were classified as nonoperating trusts. The vast majority of trusts, 92 percent, made charitable grants for 1992. This compares to 83 percent for private foundations. From 1990 to 1992, total trust revenues increased at a faster rate than the revenues of foundations, 29 percent (compared to 21 percent), from \$269.7 million to \$346.8 million. Large increases in both net gains from sales of assets, 219 percent, and contributions received, 63 percent, help explain the overall increase in revenues. Total trust assets, equal to \$3.1 billion for 1992, also increased from 1990 to 1992, but a smaller percentage increase than the assets of foundations, 13 percent for trust assets compared to 17 percent for foundation assets. Increases of 25 percent in investments in corporate stock and 17 percent in investments in corporate bonds help explain the overall increase in trust assets. Despite large increases in both assets and revenues, the amount of grants distributed by trusts increased by only 2 percent between 1990 and 1992, to \$154.6 million. Figure K shows total amount and percentage changes for various charitable trust revenue, asset, and expense items for the period 1990 to 1992:

The following classifications apply, unless otherwise indicated, to the discussion of charitable trusts throughout the remainder of this article: "small charitable trusts" refers to the group holding less than \$1 million in assets (excluding trusts that either do not report assets or that report assets equal to zero); "medium-size charitable trusts" refers to the group holding from \$1 million to less than \$10 million in assets; and, "large charitable trusts" refers to the group holding \$10 million or more in assets. It should be noted that the medium and large-sized trusts are much smaller on average than the medium and large-sized foundations.

### Sources of Charitable Trust Revenue

With large increases in net gains from sales of assets and in the amount of contributions received during the 1990 to 1992 period, the composition of trust revenue for 1992 changed somewhat from 1990. Trusts earn the majority of their revenue from net gain from the sales of assets, 36 percent, and dividends and interest from securities, 35 percent. A smaller proportion of total revenues, 18 percent, come from contributions received. Compared to foundations, which received over a third of their revenue from contributions, trusts relied much less on contributions as a source of revenue and much more on investment income. The overall trust revenue composition most resembles the large foundation revenue composition. Along with increases in overall revenue, charitable trust

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**Figure K**

## IRC Section 4947(a)(1) Charitable Trusts: Selected Financial Items, 1990-1992

[Money amounts are in millions of dollars.]

Item	1990	1991	1992	Percentage increase, 1990-1992
	(1)	(2)	(3)	(4)
<b>Total assets (fair market value)</b> .....	<b>2,772.4</b>	<b>2,991.0</b>	<b>3,130.0</b>	<b>12.9</b>
Investments, total .....	2,475.6	2,714.4	2,831.3	14.4
Savings and temporary cash investments.....	225.8	212.5	193.7	(14.2)
Investments in securities, total.....	1,876.5	2,023.8	2,174.5	15.9
U.S. and State Government obligations.....	449.0	415.1	413.9	(7.8)
Corporate stock.....	1,101.4	1,287.0	1,379.2	25.2
Corporate bonds.....	326.1	321.8	381.5	17.0
Other investments <sup>1</sup> .....	343.3	478.1	463.1	34.9
<b>Total revenue</b> .....	<b>269.7</b>	<b>280.4</b>	<b>346.8</b>	<b>28.6</b>
Contributions, gifts, and grants received.....	38.9	39.3	63.3	62.7
Net gain (or loss) from sales of assets.....	39.5	73.7	126.1	219.2
Dividends and interest from securities.....	120.0	117.0	120.1	0.1
<b>Total expenses</b> .....	<b>192.2</b>	<b>197.0</b>	<b>191.2</b>	<b>(0.5)</b>
Contributions, gifts, and grants paid.....	151.8	158.2	154.6	1.8
<b>Excess of revenue (less loss) over expenses</b> .....	<b>77.5</b>	<b>83.3</b>	<b>155.6</b>	<b>100.8</b>

<sup>1</sup> Sum of "Investments in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on the Form 990-PF. "Other investments" includes items such as advances; certificates of investment; and investments in art, coins, gold, and gems.

net investment income, on which the excise tax is based, increased by 27 percent from 1990 to 1992, to \$252.8 million, while the amount of excise tax reported increased by 36 percent, to \$4.3 million.

Less than 1 percent of charitable trusts reported "unrelated business income" for 1992, totalling only \$117,200, or less than one-tenth of one percentage point of the total revenue reported on the "Analysis of Income Producing Activities" schedule of the Form 990-PF. Like foundations, the majority of trust revenue reported on the aforementioned schedule was reported as excluded income, 87 percent, with the remaining amount reported as income that was (directly) related to the trust's charitable purpose, 13 percent [32]. Like the foundations, the operating trusts, compared to the nonoperating trusts, tend to report a much higher proportion of income on this schedule as exempt function income.

### Charitable Trust Assets and Investments

Like foundations, charitable trusts hold the majority of their assets as investments, 90 percent, which is somewhat less than the proportion of investment assets held by foundations. Over three-quarters of trust investment assets, or 77 percent, were held in the form of securities. The amount of investments in securities increased by 16 percent from 1990 to 1992, to \$2.2 billion. This increase was greater than the 13 percent overall increase in trust assets over this period. Figure L depicts the composition of investment assets for all trusts and for each of the different size groups. Investment assets include savings

and temporary cash investments; government obligations; corporate stock; corporate bonds; land, buildings, and equipment; mortgage loans; and "other" investments. Over three-quarters of all trust investment assets were held as either government obligations, corporate stock, or corporate bonds. Compared to foundations, trusts held a somewhat smaller proportion of investment assets in corporate stock, 49 percent, and government obligations, 15 percent, and a somewhat larger proportion in corporate bonds, 13 percent. The remainder of investment assets was comprised of savings and short-term cash investments, 7 percent; and land, buildings, equipment, mortgage loans, and other investments, 16 percent. Like foundations, as trusts grow in size they tend to hold somewhat more of their investment portfolio as investments in securities, particularly corporate stock.

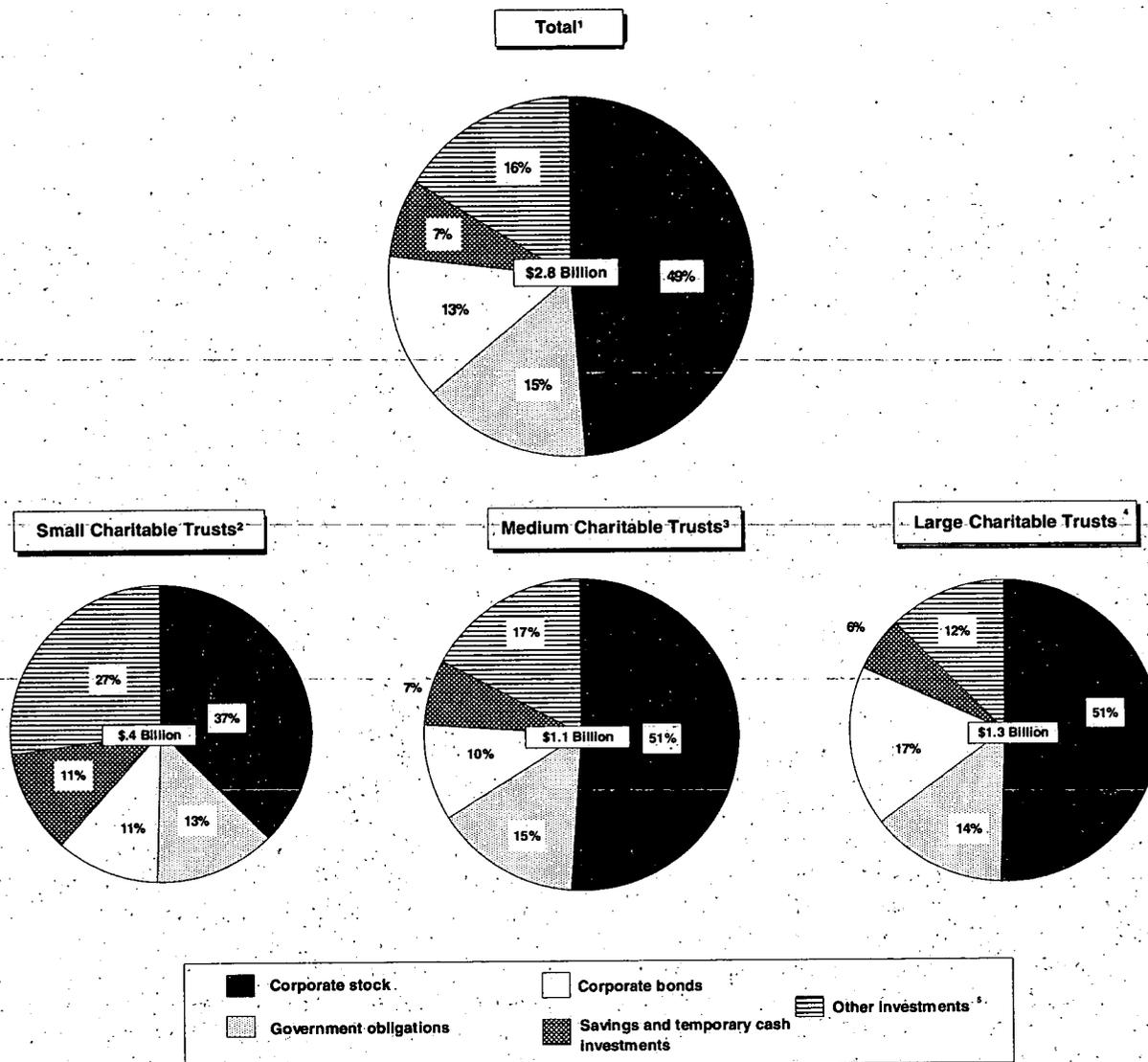
### Charitable Trust Income Yields and Rates of Total Return

As in the case of foundations, the median net investment income (NII) yields and rates of total return on assets were calculated only for nonoperating trusts. Figure M displays the median NII yields for the different sizes of charitable trusts for 1989 through 1992. The trusts realized somewhat higher NII yields for 1991 and 1992 compared to foundations. For instance, for 1992 the median trust realized a 7.5 percent NII yield, while the median foundation realized only a 5.6 percent yield. For all of the years displayed in Figure M, the small trusts realized higher NII yields than either the medium or large-sized trusts. This trend is the opposite of that of foundations. Compared to

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Figure L

Composition of Charitable Trust Investment Assets, by Size of Trust, 1992



<sup>1</sup> Includes charitable trusts with assets unreported or equal to zero, which are not shown separately.

<sup>2</sup> Small charitable trusts are those holding from \$1 to less than \$1,000,000 in fair market value of total assets.

<sup>3</sup> Medium charitable trusts are those holding from \$1,000,000 to less than \$10,000,000 in fair market value of total assets.

<sup>4</sup> Large charitable trusts are those holding \$10,000,000 or more in fair market value of total assets.

<sup>5</sup> Sum of "Investments in land, buildings, and equipment (less accumulated depreciation)," "Investments in mortgage loans," and "Other investments," as reported on the Form 990-PF. "Other investments" includes items such as advances; certificates of investment; and investments in art, coins, gold, and gems.

NOTE: Percentages may not add to 100% because of rounding.

foundations, there is little difference among the different trust size groups in terms of the extent to which they rely on investment income as a source of revenue.

Figure N displays the median rates of total return on assets for the different sizes of trusts for the years 1990 to 1992. For both 1991 and 1992, the median trust rate of total return exceeded the median foundation rate of total

return, 10.5 percent to 6.7 percent for 1991 and 6.4 percent to 3.6 percent for 1992. In terms of both the NII yield and rate of total return data, it seems that the small trusts outperformed their small foundation counterparts. The large trusts, however, did not outperform foundations of the same size for either year. Unlike foundations, few notable differences existed among the different size groups of trusts.

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**Figure M**

## Nonoperating Charitable Trust Net Investment Income (NII) Yields, by Size of Fair Market Value of Total Assets, 1989-1992

Size of fair market value of total assets	Median NII yields (percentages)	
	1989	1990
	(1)	(2)
<b>All nonoperating trusts</b> .....	8.9	7.4
<b>Small trusts</b>		
\$1 under \$100,000.....	8.5	7.3
\$100,000 under \$1,000,000.....	9.3	7.5
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000.....	8.2	7.2
\$10,000,000 or more.....	8.2	6.6

Size of fair market value of total assets	Median NII yields (percentages)--continued	
	1991	1992
	(3)	(4)
<b>All nonoperating trusts</b> .....	7.3	7.5
<b>Small trusts</b>		
\$1 under \$100,000.....	7.3	7.2
\$100,000 under \$1,000,000.....	7.4	8.0
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000.....	7.0	6.9
\$10,000,000 or more.....	6.9	7.1

<sup>1</sup>Excludes nonoperating trusts with assets unreported or equal to zero.

**Figure N**

## Nonoperating Charitable Trust Rates of Total Return on Assets, by Size of Fair Market Value of Total Assets, 1990-1992

Size of fair market value of total assets	Median rates of total return (percentages)		
	1990	1991	1992
	(1)	(2)	(3)
<b>All nonoperating trusts</b> <sup>1</sup> .....	3.4	10.5	6.4
<b>Small trusts</b>			
\$1 under \$100,000.....	3.2	10.3	5.7
\$100,000 under \$1,000,000.....	3.5	10.5	6.4
<b>Medium and large trusts</b>			
\$1,000,000 under \$10,000,000.....	3.5	10.1	6.5
\$10,000,000 or more.....	3.5	11.1	4.7

<sup>1</sup>Excludes nonoperating trusts with assets unreported or equal to zero.

### Charitable Trust Distributions and Payout Rates

The section 4947(a)(1) charitable trusts distributed \$154.6 million as contributions, gifts, and grants paid for 1992, an increase of only 2 percent over 1990. The grants distributed by the trusts represented 93 percent of the total amount of qualifying distributions. The nonoperating trusts paid out \$163.8 million in qualifying distributions

or 21 percent more than the required distributable amount. As in the case of foundations, the discussion of the distribution requirement and payout rates excludes operating trusts because they are not subject to the same payout requirements as nonoperating trusts.

The small trusts as a group distributed 28 percent more for charitable purposes than the required amount, while the medium trusts distributed 10 percent more than the required amount and the large foundations 27 percent more. Much less variation in the payout rate is evident among the different size groups of trusts, as compared with foundations. Approximately 72 percent of trusts either met or exceeded the required payout amount for 1992. This is somewhat less than the 79 percent of foundations that met or exceeded the required payout amount in that same year. The remaining 28 percent of trusts amassed undistributed income and had until the end of the following reporting year to fulfill the requirement.

Figure O presents median payout rates for charitable trusts for 1989 to 1992. The median payout rate for all trusts for 1992 was 5.0 percent, which was below the 6.5 percent median payout rate for foundations for that same year. While the smallest foundations paid out distributions at a rate of 11.7 percent for 1992, trusts of the same

**Figure O**

## Nonoperating Charitable Trust Payout Rates, by Size of Fair Market Value of Total Assets, 1989-1992

Size of fair market value of total assets	Median payout rates (percentages)	
	1989	1990
	(1)	(2)
<b>All nonoperating trusts</b> <sup>1</sup> .....	5.9	5.8
<b>Small trusts</b>		
\$1 under \$100,000.....	6.4	6.0
\$100,000 under \$1,000,000.....	5.9	5.7
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000.....	5.5	5.6
\$10,000,000 or more.....	5.8	5.5

Size of fair market value of total assets	Median payout rates (percentages)--continued	
	1991	1992
	(3)	(4)
<b>All nonoperating trusts</b> <sup>1</sup> .....	5.5	5.0
<b>Small trusts</b>		
\$1 under \$100,000.....	6.0	5.5
\$100,000 under \$1,000,000.....	5.5	5.0
<b>Medium and large trusts</b>		
\$1,000,000 under \$10,000,000.....	5.1	5.0
\$10,000,000 or more.....	5.0	5.0

<sup>1</sup> Includes nonoperating trusts with assets unreported or equal to zero, which are not shown separately.

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size paid out distributions at a rate of only 5.5 percent. The charitable trusts generally distributed charitable dollars at a lower rate than did foundations. Aside from the smallest trusts, those holding assets from \$1 to less than \$100,000, trusts paid out charitable dollars at a median rate equal to the required 5.0 percent for 1992, which is comparable to the payout rate of the large foundations.

### Summary

#### Private Foundations

Over 42,400 private foundations, representing over one-quarter of all Internal Revenue Code 501(c)(3) nonprofit charitable organizations that filed information returns with the Internal Revenue Service, distributed over \$10.9 billion in charitable contributions and grants for 1992. Foundations increased the amount of contributions and grants given by 23 percent from 1990 to 1992. During this same time period, total foundation revenues and assets both realized relatively strong increases of 21 percent and 17 percent, respectively.

Total foundation revenue increased to \$23.6 billion from 1990 to 1992. All of the gain occurred from 1990 to 1991, as foundations actually realized a 4 percent loss in revenues from 1991 to 1992. A significant two-year increase of 70 percent in net gains from sales of assets and a smaller increase of 16 percent in the amount of contributions received by foundations, help to explain the increased total revenues from 1990 to 1992. Overall trends by size of foundation continue to show that as the size of a foundation increases, the proportion of revenue from contributions declines, while the proportion from net investment income rises.

Like total revenue, net investment income, on which the excise tax is based, increased by 19 percent from 1990 to 1992, to \$14.3 billion. Foundations reported a total of \$194.2 million for the excise tax paid on investment income, an increase of 25 percent compared to the tax paid for 1990.

Total foundation assets grew to \$192.2 billion for 1992, an increase of 17 percent from 1990. Nearly all of the gains were realized for the 1990 to 1991 period, as foundation assets only increased by 1 percent from 1991 to 1992. Foundations held the majority of their assets as investments, 94 percent, with investments in securities, alone, comprising 80 percent of total investment assets. Foundations held well over half of their investment assets, \$95.2 billion, as investments in corporate stock; followed by investments in Government obligations, 17 percent; and investments in corporate bonds, 10 percent. As the size of a foundation increased, the proportion of assets held as corporate stock tended to increase, while the

proportion held as savings and temporary cash investments tended to decrease.

Along with the increases in assets, particularly from 1990 to 1991, foundations, especially the large foundations, realized very high rates of total return on assets for 1991. For this year, the median foundation achieved a return of 6.7 percent, while the largest foundations achieved a median return of 14.9 percent. For 1992, along with the small gains in total foundation assets, median foundation rates of total returns were more moderate. The median foundation achieved a return of 3.6 percent for 1992, while the largest foundations achieved a median return of 6.2 percent. The large foundations typically achieve higher rates of return than their small counterparts. As in past years, this was also true for both 1991 and 1992. For instance, for 1991, the smallest foundations realized a rate of total return of only 2.5 percent, compared to the 14.9 percent median return for the largest foundations. In terms of the income yield on net investment assets, or the "net investment income (NII) yield," the median foundation realized a slightly lower yield for both 1991 and 1992, 6.5 percent and 5.6 percent, respectively, compared to the 7.1 percent median yield for 1990.

Foundations typically rely largely on asset growth, earned income on investments, and contributions received to support their charitable giving. Charitable distributions continued to increase at a relatively consistent rate for 1991 and 1992 as foundations continued to make contributions to areas such as education, health, human services, community development, the arts and humanities, and the environment. In order to fulfill the charitable payout requirement, nonoperating foundations paid out \$11.3 billion in qualifying distributions against a required payout amount of \$7.6 billion. The amount of qualifying distributions made by the nonoperating foundations increased by 17 percent from 1990 to 1992. However, as a measure of rate of charitable giving, the median charitable payout rate decreased by half a percentage point from 1990 to 1992, from 7.0 percent to 6.5 percent. As in past years, the smaller foundations tended to pay out charitable dollars at higher rates than the larger foundations. The smallest foundations distributed charitable dollars at a median payout rate of 12.0 percent for 1991 and 11.7 percent for 1992. In contrast, the largest foundations distributed charitable dollars at a median payout rate of only 5.1 percent for 1991 and 5.0 percent for 1992. The rate of 5.0 percent was equal to the minimum required payout rate.

During the decade from 1982 to 1992, foundation assets and charitable grants increased in real terms by 112 percent and 71 percent, respectively. Real foundation revenue grew by 79 percent during the same decade, with

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steady annual increases from 1982 to 1986 and fluctuating year-to-year changes from 1986 to 1992. The overall growth in foundation assets and revenues markedly exceeds the 32 percent growth of the Gross Domestic Product from 1982 to 1992 [33].

### Section 4947(a)(1) Charitable Trusts

Over 2,900 nonexempt charitable trusts defined under Internal Revenue Code 4947(a)(1) represented 6 percent of the total number of Form 990-PF filers for 1992, which includes both private foundations and 4947(a)(1) charitable trusts. Charitable trusts are subject to the same charitable distribution requirement as foundations and operate in a relatively similar manner. For 1992, these charitable trusts represented less than 2 percent of the total assets held, total revenue earned, and total grants distributed of all of the Form 990-PF filers. Charitable trusts distributed \$154.6 million in charitable contributions and grants for 1992, an increase of only 2 percent from 1990 to 1992. During this same period, trusts realized increases in both revenues and assets, 29 percent and 13 percent, respectively. Total trust revenues increased to \$346.8 million for 1992. Large increases in both net gains from sales of assets, 219 percent, and contributions received, 63 percent, help explain the overall increase in revenues. Compared to foundations, trusts relied much less on contributions as a source of revenue and, instead, relied more on investment income. In this respect, they behaved most like the large foundations.

Total charitable trust assets grew to \$3.1 billion for 1992, an increase of 13 percent over 1990. Two-year increases of 25 percent in investments in corporate stock and 17 percent in investments in corporate bonds help explain the overall increase in trust assets. Like foundations, trusts held the majority of their assets as investments, 90 percent, with investments in securities alone comprising 77 percent of total investment assets.

For both 1991 and 1992, the median trust rate of total return exceeded the median foundation rate of total return. For 1992, the median trust earned a total return on assets of 6.4 percent, and for 1991, 10.5 percent. The trusts realized somewhat higher NII yields for 1991 and 1992, compared to foundations. For 1992, the median trust realized a 7.5 percent NII yield and for 1991, 7.3 percent. For both years the small trusts realized higher NII yields than either the medium or large-sized trusts. Unlike foundations, there were few notable differences in NII yields and rates of total return on assets among the different size groups of trusts.

In terms of charitable giving, in order to fulfill the charitable payout requirement, the nonoperating trusts paid out \$163.8 million in total qualifying distributions

against a required distributable amount of \$134.9 million. The amount of qualifying distributions made by the nonoperating trusts increased by less than 2 percent from 1990 to 1992. The median payout rate for all trusts was 5.0 percent for 1992, which was below the 6.5 percent median payout rate for foundations. There was little variation in the rate at which trusts of different sizes paid out charitable dollars. For instance, for 1992, the smallest trusts paid out distributions at a rate of 5.5 percent, while the largest trusts paid out distributions at a rate equal to the required 5.0 percent.

### Data Sources and Limitations

The statistics in this article are based on a sample of Reporting Years 1991 and 1992 Forms 990-PF that were filed with the IRS. For 1992, for example, IRS required organizations having accounting periods beginning in 1992 (and therefore ending between December 1992 and November 1993) to file a Form 990-PF. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. More than 61 percent of the foundations in the sample had accounting periods covering Calendar Year 1992 or, in some cases, part-year periods that ended in December 1992. The same was true for Reporting Year 1991. For charitable trusts, 58 percent filed calendar year returns for 1992 and over 55 percent did so for 1991. The 1992 and 1991 samples were stratified based on both the size of book value of total assets and the type of organization (either a foundation or a 4947(a)(1) charitable trust) [34].

Foundation returns were selected at rates that ranged from approximately 5 percent (for the more numerous but very small asset-size returns) to 100 percent (for the relatively few returns with large amounts of assets). Charitable trust returns were selected at rates that ranged from 31 to 100 percent. The 5,761 returns in the 1992 sample (4,929 foundations and 832 trusts) were drawn from an estimated population of 42,428 foundations and 2,932 trusts. Similarly, 5,574 returns in the 1991 sample (4,381 foundations and 1,193 trusts) were drawn from an estimated population of 41,348 foundations and 2,662 trusts. The magnitude of sampling error, measured by coefficients of variation for selected items for Reporting Year 1992 is shown in Figure P.

The samples were designed to provide reliable estimates of total assets and total revenue. For both 1991 and 1992, to accomplish this, 100 percent of foundation returns with book value of assets of \$10 million or more and 100 percent of charitable trust returns with book value of assets of \$1 million or more were included in the sample, since these were the returns that, in dollar terms,

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**Figure P**

## Coefficients of Variation for Selected Items, by Type of Organization, 1992

Item	Private foundations	Charitable trusts
Total assets (fair market value).....	0.39	0.57
Total revenue.....	1.87	1.24
Total expenses.....	2.06	2.06
Contributions, gifts, and grants paid.....	2.25	2.61

accounted for the majority of activity. Efforts were made to verify that organizations selected as foundations were, in fact, foundations; and that organizations selected as trusts were, in fact, trusts. The relatively small number of foundations in the sample that were incorrectly selected as trusts were ultimately re-classified as foundations (for the statistics) using identification codes from the IRS Exempt Organization Master File. However, the weights used for these organizations were based on the original sample selection classification. These same methods were used for the trusts that were incorrectly sampled as foundations.

Approximately 34 percent of all foundations, including those reclassified as foundations, reported \$10 million or more in book value of total assets for 1992. These foundations reported 80 percent of the estimated book value of assets of all foundations. While these foundations were selected at a rate of 100 percent, the remaining foundation population was randomly selected for the sample at various rates of less than 100 percent depending on asset size: 4.9 percent for returns with assets zero, unreported, or less than \$100,000; 5.9 percent for returns with assets of \$100,000 to less than \$1 million; and 14.4 percent for returns with assets of \$1 million to less than \$10 million.

Approximately 37 percent of all 4947(a)(1) charitable trusts in the sample reported \$1 million or more in book value of total assets for 1991. These trusts reported 79 percent of the book value of assets of all trusts. While these trusts were selected at a rate of 100 percent, the remaining trust population was randomly selected for the sample at various rates of less than 100 percent depending on asset size: 31.1 percent for returns with assets zero, unreported, or less than \$100,000; and 27.9 percent for returns with assets of \$100,000 to less than \$1 million. Sampling rates for both foundations and trusts were similar for 1991 data.

The population from which the 1991 and 1992 samples were drawn consisted of Form 990-PF records posted to the IRS Business Master File during 1991 and 1992 for the 1991 sample and during 1992 and 1993 for the 1992 sample. Some of the records designated were for organi-

zations that were deemed inactive or terminated. Inactive and terminated organizations are not reflected in the estimates. For the small number of active, large foundations whose returns for the 1991 and 1992 Reporting Years were not yet filed or were otherwise unavailable for the statistics (approximately 5 returns in each year), data were estimated using other returns having similar characteristics. For the unavailable active trust returns, which were smaller in size than those for foundations, prior-year data of those trusts were in most instances used as a substitute, approximately 5 returns in each year.

The data presented were obtained from returns as originally filed with IRS. The data were subject to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. In most cases, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the data base. A general discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and non-sampling error; and the precision of sample estimates can be found in the general Appendix to this report.

### Explanation of Selected Terms

The following explanations describe terms as they applied to both private foundations and charitable trusts for 1991 and 1992. Unless otherwise indicated, all references to foundations also apply to trusts.

**Adjusted Net Income.**--In general, this was the amount by which a private foundation's gross income exceeded the expenses associated with earning the income. Included were all amounts derived from, or connected with, property held by the foundation, such as net short-term capital gain, ordinary investment income (dividends, interest, rents, and royalties), and income from amounts set aside for future charitable use, from all charitable functions, or from unrelated trade or business activities. Excluded were contributions received and long-term capital gains. Long-term capital losses could be reported as "other expenses" for the calculation of adjusted net income. This item is primarily used to determine if an operating foundation met the required "income test." This test demonstrates if the operating foundation spent the vast majority of its investment income on the direct, active conduct of tax-exempt charitable activities. See operating foundation and section 4947(a)(1) charitable trusts in this section. This item was reported on Form 990-PF, Part I, line 27c, column (c).

**Assets Zero or Unreported.**--Included in this asset size category were: (1) final returns of liquidating or dissolving foundations that had disposed of all assets; (2) returns

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of those foundations reporting zero end-of-year assets that had apparently distributed (or disposed of) all assets and income received during the year; and (3) returns of those foundations that did not report assets. A liquidating or dissolving foundation usually passes its assets on to another foundation or to a public charity.

**Capital Gain Net Income.**--This was the amount of net gains from sales or dispositions of property used for investment purposes (property used for charitable purposes was excluded). Capital losses from the sale or other disposition of property could be subtracted from capital gains only to the extent of such gains. Capital gain net income was used in the computation of "net investment income" (on which an excise tax generally had to be paid). In contrast, the net gain (or loss) per the books from the sale of all assets (other than inventory), including those used for both investment and charitable purposes, was reported as "net gain (or loss) from the sale of assets" on Form 990-PF, Part I, line 6, column (a). This item, capital gain net income, was reported on Form 990-PF, Part I, line 7, column (b).

**Charitable Trust.**--A charitable trust, also referred to as a "nonexempt" charitable trust, was defined in Internal Revenue Code section 4947(a)(1) as an organization (1) that is not considered tax-exempt under section 501(a); (2) that has exclusively charitable interests; and (3) that has amounts in trust for which donors are allowed to claim a tax deduction for charitable contributions. Nonexempt charitable trusts that are not publicly supported are subject to the excise tax provisions that apply to private foundations and are required to file the same Form 990-PF. ("Publicly supported" nonexempt charitable trusts are required to file Form 990, *Return of Organization Exempt From Income Tax*, and are, therefore, not included in the statistics.) Nonexempt charitable trusts that are treated as private foundations must pay an annual tax on income (usually from investments) that is not distributed for charitable purposes, and they must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*. Data from this form are not included in the statistics of this article.

**Disbursements for Exempt Purposes.**--These deductions comprised the largest component of "qualifying distributions" and included grants paid, operating expenses, and necessary and reasonable administrative expenditures for activities that were directly related to the tax-exempt purposes of the foundation. These amounts were determined solely on the basis of the cash receipts and disbursements method of accounting, as required by law and regulations. This item was reported on Form 990-PF, Part I, line 26, column (d).

**Disqualified Persons.**--With respect to engaging in

prohibited transactions with a private foundation, such as "self-dealing," the following were considered disqualified persons: (1) all substantial contributors to the foundation (generally, those who contributed an amount over \$5,000 that was also more than 2 percent of total contributions received by the foundation); (2) foundation officers, directors, trustees, or managers; (3) an owner of more than a 20-percent interest (based on voting power, profits interest, or beneficial interest) in an organization that was a substantial contributor to the foundation; (4) a member of the family of any individual described above (including spouses, ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren and great-grandchildren; but not including brothers or sisters); (5) organizations in which persons described above held a total beneficial interest of more than 35 percent; (6) another private foundation, for purposes of the tax on excess business holdings, that was effectively controlled by a person or persons in control of the foundation in question or to which substantially all of the contributions were made by a disqualified person; and (7) certain government officials, for purposes of the tax on "self-dealing."

**Distributable (Payout) Amount.**--This was the minimum payout amount that was required to be distributed by nonoperating foundations by the end of the year following the year for which the return was filed. Failure to distribute income within this time period resulted in a 15-percent excise tax on the undistributed portion. The distributable amount was computed as 5 percent of net investment assets, called the "minimum investment return," minus the excise tax on net investment income and the income tax under subtitle A, plus or minus other adjustments, either allowed or required (see "Net Adjustments to Distributable Amount").

The tax under subtitle A is levied on charitable trust and taxable private foundation income (usually from investments) that is not distributed for charitable purposes. The tax reported on Form 1041 for trusts and Form 1120, *U.S. Corporation Income Tax Return* for taxable private foundations. Taxable private foundations are those entities that may operate as taxable entities but will continue to be treated as private foundations until their tax status as such is terminated.

The distributable amount item was reported on Form 990-PF, Part XI, line 7.

**Excess Distributions Carryover.**--This was the amount distributed, after fulfilling the charitable payout requirement, that equaled the excess of qualifying distributions for 1992 over the distributable amount. If necessary, excess amounts from the current year could be carried forward to be applied to the distributable amount for the 5

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following years. This item was reported on Form 990-PF, Part XIII, line 9.

**Inventories.**--Included was the value of materials, goods and supplies purchased or manufactured by the organization and held for sale or use in some future period. This item was reported on Form 990-PF, Part II, line 8, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings, and Equipment, Charitable-use.**--This represented either the book value (less accumulated depreciation) or fair market value of all land, buildings, and equipment not held for investment purposes and used by the organization in conducting its charitable activities. This item was reported on Form 990-PF, Part II, line 14, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Land, Buildings, and Equipment, Investment-use.**--This represented either the book value (less accumulated depreciation) or fair market value of all land, buildings, and equipment held for investment purposes, such as rental properties. This item was reported on Form 990-PF, Part II, line 11, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Minimum Investment Return.**--This was the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire these assets and the cash held for charitable activities, multiplied by 5 percent. The minimum investment return was used as the base for calculating the "distributable amount." This item was reported on Form 990-PF, Part X, line 6.

**Net Adjustments to Distributable Amount.**--Adjustments that increased the "distributable amount" consisted of increases attributable to the income portion (as distinct from the principal portion) of distributions from split-interest trusts on amounts placed in trust after May 26, 1969. (A split-interest trust is a trust that is not exempt from tax and not all of whose interests are devoted to charitable, religious, educational, and like purposes, but that has amounts in trust for which a charitable contribution deduction was allowed.) These organizations file Form 5227, *Split-Interest Trust Information Return*. Recoveries of amounts previously treated as qualifying distributions also had to be added back to the distributable amount. Adjustments that decreased the distributable amount were the result of income required to be accumulated by the terms of an organization's governing instrument. These adjustments were allowed only for founda-

tions or trusts organized before May 27, 1969, whose governing instrument continued to require such accumulation, since State Courts would not allow the organization to change its governing instrument. These items were reported on Form 990-PF, Part XI, lines 4a, 4b, and 6.

**Net Gain (or Loss) from Sales of Assets.**--Included were profits and losses from sales of items such as securities, land, buildings, or equipment. Gain or loss reflected the amount shown on the books of the foundation and included any amount from the sale of property used for either investment or tax-exempt charitable purposes. Most of the gain or loss was from sales of stocks and bonds. Profit or loss from the sale of inventory items was included in gross profit (loss) from business activities. This item was reported on Form 990-PF, Part I, line 6, column (a).

**Net Investment Assets (Noncharitable-use Assets).**--For purposes of calculating "minimum investment return," only the average, rather than end-of-year, fair market value of assets that were not used or held for use for tax-exempt purposes entered into the computation. An asset was considered an investment asset if it was not used in carrying out a charitable, educational, or other similar function which gave rise to the tax-exempt status of the foundation. Examples include the fair market value of securities and rental property owned by the foundation for investment purposes. The asset amounts included on the balance sheet in Part II of the Form 990-PF included both investment and charitable-use assets. This item, which was reported on Form 990-PF, Part X, line 5, is not shown separately in the tables of this article. However, "minimum investment return," which is based on net investment assets, is shown in the tables.

**Net Investment Income.**--This was the amount by which the sum of gross investment income plus capital gain net income exceeded allowable deductions. Included in investment income were interest, dividends, capital gain net income, rents, payments with respect to securities loans, and royalties. Excluded were tax-exempt interest on state and local government obligations and any investment income derived from unrelated trade or business activities that were subject to the "unrelated business income" tax reported on Form 990-T, *Exempt Organization Business Income Tax Return*. This item was reported on Form 990-PF, Part I, line 27b, column (b).

**Nonoperating Foundations (and Section 4947(a)(1) Charitable Trusts).**--These were organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to those (operating) foundations and trusts that engaged in charitable

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activities themselves. However, some nonoperating foundations and trusts were actively involved in charitable programs of their own, in addition to making grants. Nonoperating foundations and trusts were subject to an excise tax (and possible additional penalties) for failure to distribute an annual minimum amount for charitable purposes within a required time period. An organization's status as a nonoperating foundation or trust was indicated on Form 990-PF, Part VII, line 9.

*Operating Foundations (and Section 4947(a)(1) Charitable Trusts).*--These organizations generally expended their income for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. Operating foundations and trusts were excepted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. To qualify as an operating foundation or trust for a particular taxable year, the foundation or trust had to meet both an "income test" and one of three other tests: an "assets test," an "endowment test," or a "support test."

To meet the income test, a foundation or trust had to spend at least 85 percent of the lesser of its "adjusted net income" or "minimum investment return" on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs). Simply put, to meet the assets test, a foundation or trust had to directly use 65 percent or more of its assets for the active conduct of charitable activities. To meet the endowment test, a foundation or trust had to regularly make distributions for the active conduct of charitable activities in an amount not less than two-thirds of its "minimum investment return." To meet the support test, a foundation or trust had to regularly receive substantially all of its support (other than from gross investment income) from the public or from five or more qualifying exempt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) from any one such qualifying exempt organization; and (b) no more than 50 percent of its support from gross investment income.

Distributions made by a private nonoperating foundation or trust to an operating foundation or trust qualified toward meeting the nonoperating organization's distribution requirement. (Distributions made by one nonoperating foundation or trust to another were subject to a number of conditions and restrictions requiring a "pass-through" of the distribution, whereby the donor organization received credit for a qualifying distribution but the donee organization did not.) Additionally, contributions to operating foundations or trusts were deductible on the donors'

individual income tax returns, up to 50 percent of their "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

While most operating foundations paid the excise tax on net investment income, 26 percent of operating foundations were considered exempt from this tax for 1992 under section 4940(d)(2) of the Internal Revenue Code. In order to be exempt, an operating foundation was required to meet the following requirements in any given year: (1) maintain public support for a minimum of 10 taxable years; (2) maintain a governing body at all times that is broadly representative of the general public and that is comprised of no more than 25 percent disqualified individuals; and (3) at no time during the year include a disqualified individual as an officer of the foundation. An organization's status as an operating foundation or trust was indicated on Form 990-PF, Part VII, line 9.

*Other Assets.*--Assets reported as "other" included: (1) those assets not allocable to a specific asset item on the Form 990-PF balance sheet or not included elsewhere on the return; and (2) certain amounts given special treatment in the course of statistical processing. The first category included such items as construction reserve land, dividends receivable, escrow deposits, income tax refunds, interest discounts, interest-free loans, overdraft protection and program-related investments. The second category included atypical amounts reported by the return filer as "negative liabilities." These items were reported on Form 990-PF, Part II, line 15, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

*Other Investments.*--Investments reported as "other" included such items as advances, bank certificates, cash values of life insurance, certificates of investment, miscellaneous loan income, patronage dividends, and investments in art, coins, gold, and gems. These items were reported on Form 990-PF, Part II, line 13, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

*Private Foundation.*--A private foundation was defined in Internal Revenue Code section 501(c)(3) as a nonprofit organization with a narrow source of funds that operated or supported educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation qualified for tax-exempt status under Code section 501(c)(3) but was not (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax-exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organiza-

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tions; or (4) an organization that conducted tests for public safety. The primary difference between a private foundation and a public charity was the sources of each type of organization's funding. A foundation typically received its funds from an individual, a family, or a corporation, while a public charity received its funds primarily from a large number of sources within the general public.

**Qualifying Distributions.**--Qualifying distributions included disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes, and charitable-purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions could be credited against the foundation's or trust's obligation to pay out its "distributable amount." This item was reported on Form 990-PF, Part XII, line 4.

**Set-Asides.**--Amounts set-aside for specific charitable purposes can be treated as qualifying distributions only if the foundation establishes to the satisfaction of the IRS that the amount will be paid for the specific project within 60 months from the date of the first set-aside and if the foundation meets either the suitability test or the cash distribution test. To meet the suitability test a foundation must receive prior approval from the IRS and must demonstrate that the project can better be accomplished by a set-aside than by an immediate payment of funds. To meet the cash distribution test under section 4942(g)(2)(B)(ii) a foundation must attach a schedule to its annual return showing how the requirements are met. The foundation must attach a schedule for the year of the set-aside and for each subsequent year until the set-aside amount has been distributed. Set-asides were reported on Form 990-PF, Part XII, lines 3a and 3b.

**Total Assets.**--This was the sum of all assets reported in the foundation's balance sheet, shown at both book value and fair market value. Total assets were reported on Form 990-PF, Part II, line 16, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

**Total Expenses.**--This was the sum of contributions, gifts, and grants paid, plus various operating and administrative expenses related to both investment and charitable-purpose activities. Total expense items were reported as shown on the books and records of the foundation and were based on either the cash receipts or the accrual method of accounting. Total expenses were reported on Form 990-PF, Part I, line 26, column (a).

**Total Revenue.**--This was the sum of gross contributions, gifts, and grants received; interest on savings and

temporary cash investments; dividends and interest from securities; net gain (or loss) from sales of assets (mostly investment assets, but also charitable-use assets); gross rents and royalties; gross profit (or loss) from business activities; and other income (such as royalty income, program-related investment income, interest earned on assets used for charitable purposes, and imputed interest on certain deferred payments). These other income items were reported on Form 990-PF, Part I, line 11, column (a). Total revenue items included both investment and charitable-use items, were reported as shown on the books and records of the foundation, and were based on either the cash receipts or the accrual method of accounting. Total revenues were reported on Form 990-PF, Part I, line 12, column (a).

**Undistributed Income.**--This is the portion of the required "distributable amount" still undistributed after applying against it the sum of current-year qualifying distributions and any excess distributions carried over from prior years. Sanctions were imposed in the form of excise taxes on private foundations that did not pay out an amount equal to the "distributable amount" by the end of the following tax year. This item was reported on Form 990-PF, Part XIII, line 6f, column (d).

**Unrelated Business Income (UBI).**--This is an exempt organization's income from a trade or business that was regularly carried on by the organization and that was not substantially related to the performance of the organization's exempt purpose or function (other than that the organization needed the profits derived from the unrelated activity). The term "trade or business" generally comprised any activity carried on for the production of income from selling goods or performing services. A tax, as reported on the Form 990-T, *Exempt Organization Business Income Tax Return*, was imposed on "unrelated business taxable income (UBTI)." Unrelated business taxable income is gross unrelated business income, less deductions directly connected with carrying on the trade or business and less certain other deductions. The unrelated business income tax was determined based on the corporate or trust tax rates that were in effect for a given tax year. (Gross) unrelated business income and the associated business codes were reported on Form 990-PF, Part XVI-A, columns (a) and (b).

### Notes and References

- [1] The amount of contributions, gifts, and grants paid by foundations is based on the amount that foundations actually disbursed for 1992 using the cash receipts and disbursements method of accounting.
- [2] This organization, the Wellcome Trust, is a private

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foundation funded by a British pharmaceutical company. For 1990, the foundation reported \$9.0 billion in fair market value of total assets and earned \$158 million in total revenues. For 1991, the foundation held \$10.6 billion in assets and later sold \$3.8 billion of its asset holdings (which increased its total revenue to \$4.0 billion). By the end of 1992, its assets dropped to \$5.1 billion and its total revenue dropped to \$574 million.

Because Forms 990-PF on which private foundations report their financial information are public documents, the names of individual foundations can be used in this article.

- [3] Unless otherwise indicated, dollar amounts and percentages in the text and figures are not adjusted for inflation. However, Figure B, which presents data over a 10-year time period, does present *real* changes in revenue, assets, and charitable distributions. Adjustments for inflation are based on the 1987 implicit price deflators for the Gross Domestic Product from the Department of Commerce, Bureau of Economic Analysis, found in Council of Economic Advisors, *Economic Report of the President*, 1995, Table B-3.
- [4] The Explanation of Selected Terms section at the end of this article defines total assets, total revenues and other selected items reported on Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*. Also, all references to assets are stated at fair market value unless book value is specifically noted.
- [5] The data presented in this article are from the Forms 990-PF, filed for Reporting Years 1991 and 1992, by organizations which had accounting periods *beginning* in either 1991 or 1992. Therefore, the statistics for Reporting Year 1991 include organizations with accounting periods that ended sometime during the period December 1991 through November 1992. Similarly, the statistics for Reporting Year 1992 include organizations with accounting periods that ended sometime during the period December 1992 through November 1993. For a more detailed analysis, see the section, Data Sources and Limitations.
- [6] Statistics of Income periodically consolidates exempt organization data by publishing volumes in the *Exempt Compendium* series. These volumes include annual analyses of data that have appeared in the

quarterly *Statistics of Income Bulletin*, or which were originally prepared for other publications such as the *Journal of Nonprofit Management and Leadership*, *Trusts and Estates*, the Independent Sector's *Research Forum*, and the American Statistical Association. Private foundation data for 1987 and earlier years were published in the *Compendium of Studies of Tax-Exempt Organizations, 1974-1987*. Data for Reporting Years 1986 through 1990 are included in the second volume of the series, the *Compendium of Studies of Tax-Exempt Organizations, 1986-1992, Volume 2*.

Both volumes of the *Compendium* are included under Publication 1416 and are available exclusively from the Statistics of Income Division. Results of private foundation studies for 1982, 1983, and 1985-1992 have also been published in various issues of the *Statistics of Income Bulletin*: Fall 1985, Volume 5, Number 2 (1982 data); Winter 1986-1987, Volume 6, Number 3 (1983 data); Summer 1989, Volume 9, Number 1 (1985 data); Spring 1991, Volume 10, Number 4 (1986-1987 data); Winter 1991-1992, Volume 11, Number 3 (1988 data); Winter 1992-1993, Volume 12, Number 3 (1989 data); Winter 1993-1994, Volume 13, Number 3 (1990 data); Winter 1994-1995, Volume 14, Number 3 (1991 data); and Winter 1995-1996, Volume 15, Number 3 (1992 data). Private foundation data, primarily for 1974, were published in the special report, *Statistics of Income—1974-1978, Private Foundations*.

- [7] Council of Economic Advisors, *Economic Report of the President*, 1995, Table B-2.
- [8] For an in-depth discussion of organizations other than private foundations that are tax-exempt under Internal Revenue Code section 501(c)(3), see "Charities and Other Tax-Exempt Organizations, 1992," *Statistics of Income Bulletin*, same issue.
- [9] Of the 466,961 nonprofit charitable organizations recognized by the Internal Revenue Service under section 501(c)(3), there were 157,941 Forms 990 and 990-EZ and 42,428 Forms 990-PF filed for 1992. Those not required to file included religious organizations.
- [10] For purposes of the analyses, "charitable trusts" refer only to the section 4947(a)(1) charitable trusts that file Form 990-PF, while "private foundations" refer to the section 501(c)(3) private foundations that file Form 990-PF.

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- [11] Programs termed "charitable" refer to tax-exempt activities which are charitable, educational, scientific, social, literary, or religious in nature.
- [12] The net value of noncharitable-use assets was reported on Form 990-PF, Part X, line 5. For more information, see net investment assets in the Explanation of Selected Terms section.
- [13] For purposes of the analyses, the term "grantmaking" in the text and tables refers to any organization reporting contributions, gifts, and grants paid on Part I of the Form 990-PF.
- [14] A foundation is considered domestic if it is organized in the United States; however, this does not necessarily imply that all of its assets, activities, or grant recipients are domestic.
- [15] Six out of the ten largest foundations had calendar year accounting periods, meaning that all of their activity occurred during the calendar year period. However, four of the ten had other fiscal year accounting periods. For instance, for the 1992 Reporting Year, the Ford Foundation had an accounting period ending in September 1993; the two W.K. Kellogg Foundations in August 1993; and the Annenberg Foundation and J. Paul Getty Trust both in June 1993; therefore, much of their activity for 1992 occurred in Calendar Year 1993. See the section, Data Sources and Limitations.
- [16] For more information on the unrelated business income of exempt organizations, see Riley, Margaret, "Exempt Organization Business Income Tax Returns, 1992," *Statistics of Income Bulletin*, Volume 15, Number 4, pp. 64-81.
- [17] While all foundations reporting revenue (with the exception of those reporting only contributions) were required to complete the "Analysis of Income-Producing Activities" schedule of the return, only 77 percent actually did so on their return as originally filed.
- [18] This pattern was true for all of the investment categories noted, with the exception of investments in land, buildings, and equipment. While both small and large foundations realized decreases in investments in land, buildings, and equipment, 9 percent and 15 percent, respectively, medium foundations realized an increase of 7 percent in this asset.
- [19] Salamon, Lester M. and Voytek, Kenneth P.,

*Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, Washington, DC: The Council on Foundations, 1989; and Salamon, Lester M. and Voytek, Kenneth P., *Foundation Investment and Payout Performance: An Update*, Washington, DC: The Council on Foundations, 1991.

- [20] Salamon and Voytek, *Ibid.*
- [21] Salamon and Voytek, *Ibid.*
- [22] Net investment income is comprised of income not considered to be related to a foundation's charitable purpose, such as interest, dividends, and capital gain net income. The net investment income amount used in calculating NII yield was obtained from column (b) of the income statement, found in Part I of the Form 990-PF.
- [23] The rate of total return formula used here is the same as that developed and used by Salamon and Voytek in their studies on foundation assets. See Salamon and Voytek, *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, Washington, DC: The Council on Foundations, 1989, p. 32. The formula is as follows:

**Rate of Total Return =**

$$\begin{aligned}
 & \text{[Ending Fair Market Value of Assets} \\
 & - \text{Beginning Fair Market Value of Assets} \\
 & - \text{Contributions Received} \\
 & + \text{Grants Paid} \\
 & + \text{Operating and Administrative Expenses} \\
 & + \text{Excise Tax Paid on Net Investment Income}] \\
 & \text{DIVIDED BY}
 \end{aligned}$$

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$$\begin{aligned}
 & \text{[Beginning Fair Market Value of Assets} \\
 & + \text{50\% of Contributions Received}]
 \end{aligned}$$

To calculate the rate of total return shown in Figure H, samples of private foundation information returns for consecutive years were matched in order to analyze both the beginning- and end-of-year fair market value data. Due to the lower sampling rates used for the smaller foundations, the rate at which returns were matched for consecutive years was not high enough for 1988 to ensure a proper level of statistical reliability. Therefore, the rate of total return was only calculated for the medium- and large-size foundations for that year.

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The beginning fair market value of assets for any given year equals the ending fair market value reported on the prior year's tax return. Thus, in order to provide a consistent form of measurement by which to compare rates of total return among different years, the ending fair market value of asset amounts (reported for both the year subject to the computation and the prior year) were used to compute the rate of return. In order to obtain an inflation-adjusted real rate of return, the figure equaling the beginning-of-year fair market value of assets was adjusted using the Gross Domestic Product implicit price deflator (see footnote 3).

- [24] For a more detailed discussion, see Meckstroth, Alicia, "Analyzing the Trends Within Private Foundations," *Trusts and Estates*, August 1991, pp. 38-47; and, Meckstroth, Alicia, and Riley, Margaret, "Private Foundation Returns, 1986-1987," *Statistics of Income Bulletin*, Spring 1991, Volume 10, Number 4.
- [25] For valuing net investment (noncharitable-use) assets for the purpose of computing the minimum investment return, reductions for "blockage" or other marketability discounts were permitted. These discounts (limited to 10 percent in the case of securities, but statutorily unlimited in other cases, such as for land holdings) could effectively reduce the net investment asset base and, thus, result in a minimum payout level of less than 5 percent of the full fair market value. An example of this type of discounting was a foundation that owned 15 percent of the stock of a publicly-held corporation. This percentage represented a block of securities so large in relation to the volume of actual sales on the existing market that it could not be liquidated in a reasonable time without depressing the market price of the securities. Because of this situation, the foundation was allowed to discount the fair market value of the stock for the purposes of reporting it on the Form 990-PF.
- [26] After applying current-year qualifying distributions and any carryovers from previous years, the amount by which foundations fell short of meeting the charitable payout requirement was called "undistributed income."
- [27] Renz, Loren; Lawrence, Steven; and Treiber, Rikard R., *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1995 edition, New York: The Foundation Center, 1995, Table 56, p. 56.
- [28] *Ibid.*, pp. 49-50.
- [29] To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment (or noncharitable-use) assets. This payout formula adjusts qualifying distributions with additions and subtractions that are made to the required "distributable amount" on the Form 990-PF. The numerator of the formula also includes excess distributions made in the past and applied to the requirement of the current filing year.
- [30] Salamon, *Ibid.*, pp. 269-270.
- [31] Department of Commerce, Bureau of Economic Analysis, *Ibid.*, Table B-2.
- [32] While all trusts reporting revenue (with the exception of those receiving only contributions) were required to complete the "Analysis of Income Producing Activities" schedule of the return, only 90 percent did.
- [33] Department of Commerce, Bureau of Economic Analysis, *Ibid.*, Table B-2.
- [34] The samples were stratified based on book value of assets, rather than fair market value, because fair market value of assets was not fully validated by the Internal Revenue Service during administrative processing for the Business Master File (BMF) system, from which the Statistics of Income samples were drawn. Book value of assets, on the other hand, was fully validated. Beginning with the 1992 Reporting Year, the IRS fully validated the fair market value of assets for purposes of the BMF system. This makes it possible for Statistics of Income to begin sampling the 990-PF tax returns based on the fair market value of total assets for the 1994 Reporting Year.

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**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets**

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

Type of foundation, size of fair market value of total assets	Number of returns	Total revenue		Selected sources of revenue					
				Contributions, gifts, and grants received		Dividends and interest from securities		Net gain (or loss) from sales of assets	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>ALL FOUNDATIONS</b>									
<b>Total.....</b>	<b>42,428</b>	<b>41,413</b>	<b>23,566,388</b>	<b>19,280</b>	<b>7,902,873</b>	<b>27,283</b>	<b>6,631,079</b>	<b>17,999</b>	<b>6,733,267</b>
Zero or unreported.....	1,137	932	91,606	548	87,286	333	2,971	206	-2,526
\$1 under \$100,000.....	14,733	13,990	386,638	7,718	342,929	5,396	10,190	2,269	13,960
\$100,000 under \$1,000,000.....	15,941	15,897	1,367,283	6,698	925,103	11,945	197,436	7,282	113,900
\$1,000,000 under \$10,000,000.....	8,531	8,511	4,036,788	3,450	1,851,583	7,619	925,386	6,384	758,618
\$10,000,000 under \$25,000,000.....	1,180	1,179	2,613,958	501	1,037,506	1,110	635,331	1,015	583,392
\$25,000,000 under \$50,000,000.....	428	428	2,236,590	172	908,538	412	533,788	395	494,953
\$50,000,000 under \$100,000,000.....	237	237	1,910,967	98	653,443	232	599,811	223	492,769
\$100,000,000 or more.....	239	239	10,922,557	95	2,096,484	236	3,726,166	226	4,278,202
<b>Nonoperating foundations</b>									
<b>Total.....</b>	<b>38,620</b>	<b>37,735</b>	<b>21,354,907</b>	<b>16,734</b>	<b>7,153,118</b>	<b>25,848</b>	<b>6,197,344</b>	<b>17,149</b>	<b>6,248,271</b>
Zero or unreported.....	1,028	822	89,911	459	85,717	313	2,936	206	-2,526
\$1 under \$100,000.....	12,915	12,295	329,627	6,447	292,364	5,036	9,582	2,122	12,914
\$100,000 under \$1,000,000.....	14,909	14,865	1,266,801	6,153	844,694	11,491	191,479	7,102	111,341
\$1,000,000 under \$10,000,000.....	7,883	7,869	3,474,842	2,965	1,544,236	7,189	882,221	6,028	725,154
\$10,000,000 under \$25,000,000.....	1,053	1,052	2,326,864	403	947,873	1,003	588,923	911	554,331
\$25,000,000 under \$50,000,000.....	395	395	2,005,445	145	863,479	383	509,232	365	446,374
\$50,000,000 under \$100,000,000.....	218	218	1,784,815	84	638,064	215	555,832	207	457,276
\$100,000,000 or more.....	220	220	10,076,603	79	1,936,690	218	3,457,139	208	3,943,407
<b>Operating foundations</b>									
<b>Total.....</b>	<b>3,808</b>	<b>3,678</b>	<b>2,211,481</b>	<b>2,546</b>	<b>749,755</b>	<b>1,435</b>	<b>433,736</b>	<b>850</b>	<b>484,996</b>
Zero or unreported.....	109	109	1,695	89	1,569	21	35	--	--
\$1 under \$100,000.....	1,818	1,695	57,012	1,271	50,564	359	608	147	1,045
\$100,000 under \$1,000,000.....	1,033	1,033	100,482	545	80,409	454	5,957	180	2,559
\$1,000,000 under \$10,000,000.....	649	642	581,946	485	307,348	430	43,165	355	33,463
\$10,000,000 under \$25,000,000.....	128	128	287,094	99	89,633	108	46,408	104	29,061
\$25,000,000 under \$50,000,000.....	33	33	231,146	27	45,059	29	24,556	30	48,579
\$50,000,000 under \$100,000,000.....	19	19	126,152	14	15,379	17	43,979	16	35,493
\$100,000,000 or more.....	19	19	845,954	16	159,794	18	269,027	18	334,795
<b>GRANTMAKING FOUNDATIONS</b>									
<b>Total.....</b>	<b>35,197</b>	<b>35,067</b>	<b>21,956,869</b>	<b>14,963</b>	<b>7,114,121</b>	<b>25,282</b>	<b>6,430,457</b>	<b>16,987</b>	<b>6,506,152</b>
Zero or unreported.....	719	678	88,648	356	86,711	332	1,581	206	-2,526
\$1 under \$100,000.....	10,534	10,448	298,998	5,309	262,468	4,554	9,176	1,975	13,143
\$100,000 under \$1,000,000.....	14,149	14,146	1,174,991	5,559	781,747	11,284	191,370	6,942	98,141
\$1,000,000 under \$10,000,000.....	7,853	7,853	3,551,366	2,984	1,596,183	7,237	889,966	6,112	691,336
\$10,000,000 under \$25,000,000.....	1,087	1,087	2,288,089	428	872,952	1,038	603,647	948	562,302
\$25,000,000 under \$50,000,000.....	404	404	2,105,372	154	865,960	391	512,581	375	472,979
\$50,000,000 under \$100,000,000.....	225	225	1,816,787	89	640,998	222	568,286	215	468,871
\$100,000,000 or more.....	226	226	10,632,617	84	2,007,103	224	3,653,852	215	4,201,907
<b>Grantmaking-nonoperating foundations</b>									
<b>Total.....</b>	<b>33,421</b>	<b>33,291</b>	<b>20,731,358</b>	<b>13,876</b>	<b>6,733,371</b>	<b>24,479</b>	<b>6,152,985</b>	<b>16,506</b>	<b>6,177,071</b>
Zero or unreported.....	654	613	87,150	291	85,256	312	1,546	206	-2,526
\$1 under \$100,000.....	9,668	9,583	275,351	4,720	241,585	4,338	8,706	1,889	12,240
\$100,000 under \$1,000,000.....	13,635	13,632	1,112,689	5,357	733,892	10,976	186,094	6,787	96,308
\$1,000,000 under \$10,000,000.....	7,608	7,608	3,274,404	2,816	1,431,734	7,056	874,374	5,950	675,538
\$10,000,000 under \$25,000,000.....	1,036	1,036	2,194,975	390	829,111	992	582,827	902	550,572
\$25,000,000 under \$50,000,000.....	387	387	1,951,346	142	837,489	377	501,090	359	446,307
\$50,000,000 under \$100,000,000.....	216	216	1,775,163	83	638,052	213	551,963	207	457,276
\$100,000,000 or more.....	218	218	10,060,281	77	1,936,253	216	3,446,386	207	3,941,356
<b>Grantmaking-operating foundations</b>									
<b>Total.....</b>	<b>1,776</b>	<b>1,776</b>	<b>1,225,511</b>	<b>1,087</b>	<b>380,750</b>	<b>802</b>	<b>277,472</b>	<b>481</b>	<b>329,080</b>
Zero or unreported.....	65	65	1,499	65	1,455	21	35	--	--
\$1 under \$100,000.....	866	866	23,647	589	20,882	215	470	85	902
\$100,000 under \$1,000,000.....	514	514	62,302	203	47,855	308	5,276	156	1,832
\$1,000,000 under \$10,000,000.....	245	245	276,963	168	164,449	182	15,592	162	15,798
\$10,000,000 under \$25,000,000.....	52	52	93,114	38	43,842	46	20,820	46	11,729
\$25,000,000 under \$50,000,000.....	17	17	154,026	12	28,470	14	11,491	16	26,672
\$50,000,000 under \$100,000,000.....	9	9	41,624	6	2,946	9	16,323	8	11,595
\$100,000,000 or more.....	8	8	572,336	7	70,850	8	207,465	8	260,551

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Total expenses		Excess of revenue (less loss) over expenses		Net investment income <sup>1</sup>		Disbursements for exempt purposes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>ALL FOUNDATIONS</b>								
<b>Total.....</b>	<b>41,240</b>	<b>14,498,073</b>	<b>41,456</b>	<b>9,068,314</b>	<b>36,639</b>	<b>14,252,246</b>	<b>39,182</b>	<b>12,693,054</b>
Zero or unreported.....	1,055	150,822	826	-59,216	411	8,721	887	119,676
\$1 under \$100,000.....	13,866	433,092	14,172	-46,454	10,661	40,528	12,624	405,464
\$100,000 under \$1,000,000.....	15,741	1,001,959	15,854	365,324	15,125	423,146	15,223	941,064
\$1,000,000 under \$10,000,000.....	8,497	2,570,423	8,522	1,466,365	8,387	1,990,549	8,374	2,241,681
\$10,000,000 under \$25,000,000.....	1,177	1,757,848	1,179	856,110	1,162	1,494,124	1,173	1,406,462
\$25,000,000 under \$50,000,000.....	427	1,159,315	428	1,077,275	422	1,102,995	426	1,016,266
\$50,000,000 under \$100,000,000.....	237	1,148,059	236	762,908	233	1,275,898	236	998,052
\$100,000,000 or more.....	239	6,276,556	239	4,648,001	237	7,916,285	238	5,564,388
<b>Nonoperating foundations</b>								
<b>Total.....</b>	<b>37,627</b>	<b>13,189,477</b>	<b>37,853</b>	<b>8,165,429</b>	<b>33,873</b>	<b>13,246,548</b>	<b>35,883</b>	<b>11,653,581</b>
Zero or unreported.....	946	147,233	781	-57,322	387	8,496	799	116,244
\$1 under \$100,000.....	12,192	379,102	12,477	-49,476	9,549	38,066	11,161	359,688
\$100,000 under \$1,000,000.....	14,759	921,039	14,838	345,762	14,299	398,665	14,275	869,969
\$1,000,000 under \$10,000,000.....	7,848	2,151,058	7,874	1,323,784	7,774	1,911,160	7,769	1,948,154
\$10,000,000 under \$25,000,000.....	1,050	1,539,158	1,052	787,706	1,040	1,402,178	1,050	1,217,543
\$25,000,000 under \$50,000,000.....	394	989,162	395	1,016,282	391	1,029,845	393	873,461
\$50,000,000 under \$100,000,000.....	218	1,064,336	217	720,478	214	1,169,999	217	934,994
\$100,000,000 or more.....	220	5,998,389	220	4,078,214	219	7,288,140	219	5,333,529
<b>Operating foundations</b>								
<b>Total.....</b>	<b>3,613</b>	<b>1,308,596</b>	<b>3,603</b>	<b>902,885</b>	<b>2,766</b>	<b>1,005,698</b>	<b>3,299</b>	<b>1,039,473</b>
Zero or unreported.....	*109	*3,588	*44	*-1,894	*24	*225	*89	*3,432
\$1 under \$100,000.....	1,674	53,990	1,695	3,022	1,113	2,462	1,462	45,776
\$100,000 under \$1,000,000.....	982	80,921	1,016	19,561	826	24,482	948	71,095
\$1,000,000 under \$10,000,000.....	649	419,365	649	142,581	613	79,389	605	293,527
\$10,000,000 under \$25,000,000.....	128	218,690	128	68,404	123	91,946	124	188,920
\$25,000,000 under \$50,000,000.....	33	170,153	33	60,993	31	73,150	33	142,805
\$50,000,000 under \$100,000,000.....	19	83,722	19	42,430	19	105,899	19	63,058
\$100,000,000 or more.....	19	278,167	19	567,787	18	628,144	19	230,858
<b>GRANTMAKING FOUNDATIONS</b>								
<b>Total.....</b>	<b>35,194</b>	<b>13,719,663</b>	<b>34,873</b>	<b>8,237,205</b>	<b>32,625</b>	<b>13,776,197</b>	<b>35,197</b>	<b>12,127,592</b>
Zero or unreported.....	719	149,142	575	-60,493	345	8,651	719	118,391
\$1 under \$100,000.....	10,534	355,579	10,428	-56,581	8,693	37,618	10,534	348,890
\$100,000 under \$1,000,000.....	14,146	954,016	14,078	220,975	13,868	397,872	14,149	911,705
\$1,000,000 under \$10,000,000.....	7,853	2,347,134	7,851	1,204,233	7,797	1,882,086	7,853	2,086,961
\$10,000,000 under \$25,000,000.....	1,087	1,598,956	1,087	689,132	1,077	1,425,773	1,087	1,269,707
\$25,000,000 under \$50,000,000.....	404	1,084,326	404	1,021,045	399	1,065,526	404	967,628
\$50,000,000 under \$100,000,000.....	225	1,077,123	224	739,664	222	1,205,388	225	955,154
\$100,000,000 or more.....	226	6,153,387	226	4,479,230	225	7,753,284	226	5,469,156
<b>Grantmaking-nonoperating foundations</b>								
<b>Total.....</b>	<b>33,418</b>	<b>13,010,162</b>	<b>33,159</b>	<b>7,721,196</b>	<b>31,168</b>	<b>13,133,777</b>	<b>33,421</b>	<b>11,564,025</b>
Zero or unreported.....	654	146,615	551	-59,465	321	8,425	654	116,045
\$1 under \$100,000.....	9,668	335,445	9,583	-60,094	8,059	35,835	9,668	330,134
\$100,000 under \$1,000,000.....	13,632	894,935	13,564	217,754	13,388	375,227	13,635	858,143
\$1,000,000 under \$10,000,000.....	7,608	2,103,748	7,606	1,170,655	7,558	1,846,912	7,608	1,924,193
\$10,000,000 under \$25,000,000.....	1,036	1,527,413	1,036	667,561	1,027	1,392,547	1,036	1,209,827
\$25,000,000 under \$50,000,000.....	387	968,444	387	982,902	384	1,022,961	387	864,193
\$50,000,000 under \$100,000,000.....	216	1,049,696	215	725,467	213	1,169,838	216	931,236
\$100,000,000 or more.....	218	5,983,865	218	4,076,415	217	7,282,032	218	5,330,255
<b>Grantmaking-operating foundations</b>								
<b>Total.....</b>	<b>1,776</b>	<b>709,501</b>	<b>1,714</b>	<b>516,010</b>	<b>1,458</b>	<b>642,420</b>	<b>1,776</b>	<b>563,567</b>
Zero or unreported.....	*65	*2,526	*24	*-1,028	*24	*225	*65	*2,347
\$1 under \$100,000.....	866	20,134	845	3,512	633	1,783	866	18,756
\$100,000 under \$1,000,000.....	514	59,081	514	3,221	480	22,644	514	53,562
\$1,000,000 under \$10,000,000.....	245	243,386	245	33,577	239	35,175	245	162,769
\$10,000,000 under \$25,000,000.....	52	71,543	52	21,571	50	33,226	52	59,880
\$25,000,000 under \$50,000,000.....	17	115,883	17	38,144	15	42,565	17	103,434
\$50,000,000 under \$100,000,000.....	9	27,427	9	14,197	9	35,550	9	23,918
\$100,000,000 or more.....	8	169,521	8	402,815	8	471,252	8	138,901

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Contributions, gifts, and grants paid <sup>2</sup>		Excise tax on investment income				
	Number of returns	Amount	Total	Domestic foundations		Foreign foundations	
				Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>ALL FOUNDATIONS</b>							
Total.....	35,197	10,910,358	194,157	35,054	187,363	30	6,794
Zero or unreported.....	719	117,712	139	336	137	*1	*3
\$1 under \$100,000.....	10,534	319,895	573	9,723	573	--	--
\$100,000 under \$1,000,000.....	14,149	842,996	6,635	147,887	6,635	--	--
\$1,000,000 under \$10,000,000.....	7,853	1,915,881	30,703	8,159	30,695	*14	*8
\$10,000,000 under \$25,000,000.....	1,087	1,156,907	21,643	1,111	21,609	1	33
\$25,000,000 under \$50,000,000.....	404	848,349	15,910	399	15,846	5	64
\$50,000,000 under \$100,000,000.....	225	855,669	19,100	222	19,093	2	7
\$100,000,000 or more.....	226	4,852,948	99,455	217	92,775	7	6,680
<b>Nonoperating foundations</b>							
Total.....	33,421	10,700,524	189,274	32,919	182,480	30	6,794
Zero or unreported.....	654	115,398	137	312	134	*1	*3
\$1 under \$100,000.....	9,668	306,848	539	8,843	539	--	--
\$100,000 under \$1,000,000.....	13,635	815,373	6,315	14,200	6,315	--	--
\$1,000,000 under \$10,000,000.....	7,608	1,831,496	29,930	7,724	29,922	*14	*8
\$10,000,000 under \$25,000,000.....	1,036	1,139,731	20,597	1,036	20,563	1	33
\$25,000,000 under \$50,000,000.....	387	805,082	15,263	383	15,199	5	64
\$50,000,000 under \$100,000,000.....	216	850,441	17,659	209	17,652	2	7
\$100,000,000 or more.....	218	4,836,155	98,836	212	92,156	7	6,680
<b>Operating foundations</b>							
Total.....	1,776	209,834	4,883	2,135	4,883	--	--
Zero or unreported.....	*65	*2,314	2	24	2	--	--
\$1 under \$100,000.....	866	13,046	34	880	34	--	--
\$100,000 under \$1,000,000.....	514	27,623	320	688	320	--	--
\$1,000,000 under \$10,000,000.....	245	84,386	773	435	773	--	--
\$10,000,000 under \$25,000,000.....	52	17,176	1,046	75	1,046	--	--
\$25,000,000 under \$50,000,000.....	17	43,267	647	16	647	--	--
\$50,000,000 under \$100,000,000.....	9	5,229	1,441	13	1,441	--	--
\$100,000,000 or more.....	8	16,793	619	5	619	--	--
<b>GRANTMAKING FOUNDATIONS</b>							
Total.....	35,197	10,910,358	189,385	31,739	182,620	25	6,765
Zero or unreported.....	719	117,712	136	315	136	--	--
\$1 under \$100,000.....	10,534	319,895	521	8,111	521	--	--
\$100,000 under \$1,000,000.....	14,149	842,996	6,157	13,705	6,157	--	--
\$1,000,000 under \$10,000,000.....	7,853	1,915,881	29,129	7,739	29,122	*14	*8
\$10,000,000 under \$25,000,000.....	1,087	1,156,907	20,810	1,053	20,777	1	33
\$25,000,000 under \$50,000,000.....	404	848,349	15,728	389	15,675	4	52
\$50,000,000 under \$100,000,000.....	225	855,669	18,046	214	18,039	2	7
\$100,000,000 or more.....	226	4,852,948	98,857	214	92,192	6	6,664
<b>Grantmaking-nonoperating foundations</b>							
Total.....	33,421	10,700,524	187,095	30,547	180,330	27	6,765
Zero or unreported.....	654	115,398	134	291	134	--	--
\$1 under \$100,000.....	9,668	306,848	496	7,604	496	--	--
\$100,000 under \$1,000,000.....	13,635	815,373	5,865	13,310	5,865	--	--
\$1,000,000 under \$10,000,000.....	7,608	1,831,496	28,652	7,522	28,644	*14	*8
\$10,000,000 under \$25,000,000.....	1,036	1,139,731	20,437	1,023	20,404	1	33
\$25,000,000 under \$50,000,000.....	387	805,082	15,150	378	15,097	4	52
\$50,000,000 under \$100,000,000.....	216	850,441	17,656	208	17,649	2	7
\$100,000,000 or more.....	218	4,836,155	98,706	211	92,041	6	6,664
<b>Grantmaking-operating foundations</b>							
Total.....	1,776	209,834	2,290	1,193	2,290	--	--
Zero or unreported.....	*65	*2,314	*2	*24	*2	--	--
\$1 under \$100,000.....	866	13,046	25	507	25	--	--
\$100,000 under \$1,000,000.....	514	27,623	292	396	292	--	--
\$1,000,000 under \$10,000,000.....	245	84,386	477	217	477	--	--
\$10,000,000 under \$25,000,000.....	52	17,176	373	30	373	--	--
\$25,000,000 under \$50,000,000.....	17	43,267	578	11	578	--	--
\$50,000,000 under \$100,000,000.....	9	5,229	391	6	391	--	--
\$100,000,000 or more.....	8	16,793	151	3	151	--	--

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Total assets (book value)		Investments in securities (book value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
<b>ALL FOUNDATIONS</b>										
<b>Total.....</b>	<b>41,418</b>	<b>154,007,992</b>	<b>24,406</b>	<b>111,429,857</b>	<b>12,374</b>	<b>29,267,210</b>	<b>20,048</b>	<b>64,308,074</b>	<b>11,021</b>	<b>17,854,573</b>
Zero or unreported.....	*128	*43,507	*22	*36,806	--	--	*22	*36,600	*21	*206
\$1 under \$100,000.....	14,733	428,532	3,966	116,570	1,301	30,568	2,657	63,378	881	22,624
\$100,000 under \$1,000,000.....	15,941	5,341,314	10,855	2,754,699	4,561	725,746	8,909	1,484,915	4,313	544,039
\$1,000,000 under \$10,000,000.....	8,531	21,831,258	7,579	14,937,794	4,938	4,666,794	6,623	7,411,145	4,334	2,859,855
\$10,000,000 under \$25,000,000.....	1,180	14,562,306	1,113	10,354,924	849	3,129,476	1,016	5,217,975	796	2,007,473
\$25,000,000 under \$50,000,000.....	428	11,772,796	409	8,756,762	338	2,714,080	377	4,388,891	313	1,653,791
\$50,000,000 under \$100,000,000.....	237	13,329,900	229	10,223,920	189	3,133,741	221	5,217,969	171	1,872,210
\$100,000,000 or more.....	239	86,698,379	233	64,248,381	198	14,866,806	224	40,487,201	193	8,894,374
<b>Nonoperating foundations</b>										
<b>Total.....</b>	<b>37,720</b>	<b>139,098,844</b>	<b>23,141</b>	<b>102,923,373</b>	<b>11,727</b>	<b>26,556,748</b>	<b>19,018</b>	<b>59,693,669</b>	<b>10,479</b>	<b>16,672,956</b>
Zero or unreported.....	*128	*43,507	*22	*36,806	--	--	*22	*36,600	*21	*206
\$1 under \$100,000.....	12,915	377,324	3,712	110,707	1,195	28,572	2,510	59,662	858	22,474
\$100,000 under \$1,000,000.....	14,909	4,976,675	10,452	2,666,122	4,470	707,756	8,564	1,443,869	4,157	514,497
\$1,000,000 under \$10,000,000.....	7,883	20,124,530	7,142	14,224,011	4,634	4,438,590	6,237	7,059,412	4,096	2,726,009
\$10,000,000 under \$25,000,000.....	1,053	12,994,541	1,005	9,625,853	753	2,885,874	923	4,887,147	718	1,852,832
\$25,000,000 under \$50,000,000.....	395	10,879,839	381	8,300,754	316	2,583,900	353	4,146,348	293	1,570,506
\$50,000,000 under \$100,000,000.....	218	12,174,204	212	9,548,518	177	2,925,935	204	4,894,900	157	1,727,684
\$100,000,000 or more.....	220	77,528,224	215	58,410,602	182	12,986,121	206	37,165,732	180	8,258,749
<b>Operating foundations</b>										
<b>Total.....</b>	<b>3,699</b>	<b>14,909,148</b>	<b>1,265</b>	<b>8,506,484</b>	<b>647</b>	<b>2,710,462</b>	<b>1,030</b>	<b>4,614,404</b>	<b>542</b>	<b>1,181,617</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	1,818	51,208	253	5,863	*106	*1,996	*147	*3,717	*24	*150
\$100,000 under \$1,000,000.....	1,033	364,638	403	88,578	*92	*17,989	345	41,046	*156	*29,542
\$1,000,000 under \$10,000,000.....	649	1,706,727	437	713,783	304	228,204	386	351,733	238	133,845
\$10,000,000 under \$25,000,000.....	128	1,567,766	109	729,071	96	243,602	93	330,828	78	154,641
\$25,000,000 under \$50,000,000.....	33	892,958	28	456,008	22	130,180	24	242,543	20	83,285
\$50,000,000 under \$100,000,000.....	19	1,155,696	17	675,402	12	207,806	17	323,070	14	144,526
\$100,000,000 or more.....	19	9,170,155	18	5,837,778	16	1,880,684	18	3,321,468	13	635,626
<b>GRANTMAKING FOUNDATIONS</b>										
<b>Total.....</b>	<b>34,499</b>	<b>146,021,079</b>	<b>22,577</b>	<b>107,610,735</b>	<b>11,623</b>	<b>28,269,288</b>	<b>18,652</b>	<b>62,088,764</b>	<b>10,230</b>	<b>17,252,683</b>
Zero or unreported.....	*21	*744	*21	*515	--	--	*21	*309	*21	*206
\$1 under \$100,000.....	10,534	348,223	3,384	99,480	1,198	28,164	2,301	55,137	676	16,178
\$100,000 under \$1,000,000.....	14,149	4,743,773	10,149	2,616,748	4,320	700,018	8,322	1,400,888	4,028	515,842
\$1,000,000 under \$10,000,000.....	7,853	20,012,780	7,157	14,290,291	4,624	4,430,070	6,278	7,107,657	4,120	2,752,564
\$10,000,000 under \$25,000,000.....	1,087	13,339,303	1,040	9,824,156	789	3,002,729	948	4,934,761	740	1,886,665
\$25,000,000 under \$50,000,000.....	404	11,104,826	387	8,418,581	321	2,604,843	359	4,244,577	296	1,569,161
\$50,000,000 under \$100,000,000.....	225	12,579,283	219	9,782,916	182	2,999,640	212	4,995,715	164	1,787,561
\$100,000,000 or more.....	226	83,892,146	221	62,578,048	188	14,503,823	212	39,349,720	185	8,724,505
<b>Grantmaking-nonoperating foundations</b>										
<b>Total.....</b>	<b>32,788</b>	<b>136,933,564</b>	<b>21,903</b>	<b>102,003,587</b>	<b>11,364</b>	<b>26,396,770</b>	<b>18,076</b>	<b>59,043,408</b>	<b>9,961</b>	<b>16,563,410</b>
Zero or unreported.....	*21	*744	*21	*515	--	--	*21	*309	*21	*206
\$1 under \$100,000.....	9,668	319,595	3,213	95,973	1,133	27,313	2,195	52,633	652	16,028
\$100,000 under \$1,000,000.....	13,635	4,527,220	9,892	2,541,034	4,270	684,972	8,082	1,365,081	3,906	490,981
\$1,000,000 under \$10,000,000.....	7,608	19,446,692	6,989	14,039,668	4,548	4,396,078	6,112	6,931,959	4,046	2,711,631
\$10,000,000 under \$25,000,000.....	1,036	12,729,194	993	9,491,971	746	2,865,579	913	4,793,016	711	1,833,376
\$25,000,000 under \$50,000,000.....	387	10,625,400	373	8,174,855	310	2,531,448	347	4,105,948	288	1,537,459
\$50,000,000 under \$100,000,000.....	216	12,032,468	210	9,481,331	176	2,919,699	203	4,833,948	157	1,727,684
\$100,000,000 or more.....	218	77,252,251	213	58,178,239	181	12,971,680	204	36,960,514	179	8,246,045
<b>Grantmaking-operating foundations</b>										
<b>Total.....</b>	<b>1,711</b>	<b>9,087,515</b>	<b>674</b>	<b>5,607,147</b>	<b>259</b>	<b>1,872,518</b>	<b>576</b>	<b>3,045,357</b>	<b>269</b>	<b>689,273</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	866	28,628	171	3,507	*65	*852	*106	*2,500	*24	*150
\$100,000 under \$1,000,000.....	514	216,553	257	75,714	*51	*15,046	240	35,807	*122	*24,861
\$1,000,000 under \$10,000,000.....	245	566,088	168	250,623	77	33,992	166	175,698	74	40,933
\$10,000,000 under \$25,000,000.....	52	610,109	47	332,185	43	137,150	35	141,745	29	53,290
\$25,000,000 under \$50,000,000.....	17	479,426	14	243,726	11	73,395	12	138,629	8	31,702
\$50,000,000 under \$100,000,000.....	9	546,815	9	301,585	6	79,941	9	161,767	7	59,877
\$100,000,000 or more.....	8	6,639,895	8	4,399,808	7	1,532,143	8	2,389,206	6	478,460

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
	Number of returns	Amount	Total		Government obligations		Corporate stock		Corporate bonds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
<b>ALL FOUNDATIONS</b>										
<b>Total.....</b>	<b>41,291</b>	<b>192,207,531</b>	<b>24,344</b>	<b>144,378,998</b>	<b>12,377</b>	<b>30,519,768</b>	<b>20,009</b>	<b>95,190,351</b>	<b>10,949</b>	<b>18,668,879</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	14,733	443,117	3,925	130,585	1,301	32,150	2,636	77,476	861	20,959
\$100,000 under \$1,000,000.....	15,941	5,981,293	10,855	3,305,247	4,564	755,946	8,913	1,980,515	4,306	568,786
\$1,000,000 under \$10,000,000.....	8,531	25,921,651	7,579	18,537,424	4,938	4,942,721	6,623	10,545,703	4,310	3,049,001
\$10,000,000 under \$25,000,000.....	1,180	18,194,523	1,113	13,574,290	849	3,293,743	1,016	8,096,689	796	2,183,858
\$25,000,000 under \$50,000,000.....	428	14,771,809	410	11,312,084	338	2,890,707	377	6,653,592	313	1,767,786
\$50,000,000 under \$100,000,000.....	237	16,362,363	229	12,828,197	189	3,338,103	221	7,543,135	171	1,946,959
\$100,000,000 or more.....	239	110,532,775	233	84,691,169	198	15,266,400	223	60,293,241	193	9,131,529
<b>Nonoperating foundations</b>										
<b>Total.....</b>	<b>37,592</b>	<b>174,433,681</b>	<b>23,117</b>	<b>134,916,247</b>	<b>11,730</b>	<b>27,756,754</b>	<b>18,996</b>	<b>89,708,076</b>	<b>10,428</b>	<b>17,451,417</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	12,915	391,471	3,692	124,360	1,195	30,069	2,489	73,481	858	20,810
\$100,000 under \$1,000,000.....	14,909	5,592,340	10,469	3,201,679	4,473	737,210	8,585	1,926,750	4,150	537,720
\$1,000,000 under \$10,000,000.....	7,883	23,811,681	7,142	17,629,024	4,634	4,702,720	6,237	10,019,162	4,072	2,907,142
\$10,000,000 under \$25,000,000.....	1,053	16,347,985	1,005	12,647,964	753	3,039,392	923	7,585,107	718	2,023,465
\$25,000,000 under \$50,000,000.....	395	13,586,149	382	10,740,345	316	2,754,186	353	6,310,108	293	1,676,052
\$50,000,000 under \$100,000,000.....	218	15,043,901	212	12,056,478	177	3,122,250	204	7,138,193	157	1,796,034
\$100,000,000 or more.....	220	99,660,154	215	78,516,397	182	13,370,927	205	56,655,276	180	8,490,194
<b>Operating foundations</b>										
<b>Total.....</b>	<b>3,699</b>	<b>17,773,850</b>	<b>1,227</b>	<b>9,462,751</b>	<b>647</b>	<b>2,763,014</b>	<b>1,013</b>	<b>5,482,275</b>	<b>522</b>	<b>1,217,462</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	1,818	51,647	233	6,225	*106	*2,080	*147	*3,995	*3	*149
\$100,000 under \$1,000,000.....	1,033	388,954	386	103,569	*92	*18,736	328	53,766	*156	*31,066
\$1,000,000 under \$10,000,000.....	649	2,109,970	437	908,400	304	240,001	386	526,540	238	141,859
\$10,000,000 under \$25,000,000.....	128	1,846,538	109	926,326	96	254,351	93	511,582	78	160,393
\$25,000,000 under \$50,000,000.....	33	1,185,660	28	571,739	22	136,520	24	343,484	20	91,735
\$50,000,000 under \$100,000,000.....	19	1,318,461	17	771,719	12	215,853	17	404,942	14	150,925
\$100,000,000 or more.....	19	10,872,621	18	6,174,772	16	1,895,472	18	3,637,966	13	641,334
<b>GRANTMAKING FOUNDATIONS</b>										
<b>Total.....</b>	<b>34,479</b>	<b>182,455,683</b>	<b>22,533</b>	<b>139,956,826</b>	<b>11,626</b>	<b>29,480,875</b>	<b>18,630</b>	<b>92,429,741</b>	<b>10,158</b>	<b>18,046,210</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	10,534	364,036	3,343	114,466	1,198	29,713	2,280	68,530	656	16,224
\$100,000 under \$1,000,000.....	14,149	5,368,974	10,166	3,156,633	4,323	729,675	8,343	1,886,364	4,021	540,595
\$1,000,000 under \$10,000,000.....	7,853	23,693,194	7,157	17,729,029	4,624	4,694,322	6,278	10,099,114	4,096	2,935,593
\$10,000,000 under \$25,000,000.....	1,087	16,821,954	1,040	12,928,757	789	3,160,582	948	7,709,531	740	2,058,645
\$25,000,000 under \$50,000,000.....	404	13,943,935	388	10,914,183	321	2,776,187	359	6,458,899	296	1,679,097
\$50,000,000 under \$100,000,000.....	225	15,531,611	219	12,341,162	182	3,197,798	212	7,284,879	164	1,858,485
\$100,000,000 or more.....	226	106,731,979	221	82,772,596	188	14,892,599	211	58,922,425	185	8,957,572
<b>Grantmaking-nonoperating foundations</b>										
<b>Total.....</b>	<b>32,767</b>	<b>172,121,174</b>	<b>21,880</b>	<b>133,916,633</b>	<b>11,367</b>	<b>27,590,092</b>	<b>18,054</b>	<b>88,986,214</b>	<b>9,909</b>	<b>17,340,327</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	9,668	335,147	3,192	110,671	1,133	28,810	2,174	65,786	652	16,075
\$100,000 under \$1,000,000.....	13,635	5,135,198	9,909	3,065,395	4,273	714,028	8,103	1,837,286	3,900	514,081
\$1,000,000 under \$10,000,000.....	7,608	23,013,268	6,989	17,394,415	4,548	4,658,428	6,112	9,843,637	4,022	2,892,350
\$10,000,000 under \$25,000,000.....	1,036	16,067,751	993	12,499,210	746	3,018,631	913	7,477,072	711	2,003,506
\$25,000,000 under \$50,000,000.....	387	13,324,457	374	10,607,199	310	2,698,761	347	6,266,856	288	1,641,582
\$50,000,000 under \$100,000,000.....	216	14,891,595	210	11,978,720	176	3,116,014	203	7,066,671	157	1,796,034
\$100,000,000 or more.....	218	99,353,757	213	78,261,024	181	13,355,419	203	56,428,906	179	8,476,699
<b>Grantmaking-operating foundations</b>										
<b>Total.....</b>	<b>1,711</b>	<b>10,334,509</b>	<b>653</b>	<b>6,040,193</b>	<b>259</b>	<b>1,890,783</b>	<b>576</b>	<b>3,443,527</b>	<b>249</b>	<b>705,883</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	866	28,889	*150	*3,795	*65	*902	*106	*2,744	*3	*149
\$100,000 under \$1,000,000.....	514	233,776	257	91,239	*51	*15,647	240	49,078	*122	*26,514
\$1,000,000 under \$10,000,000.....	245	679,926	168	334,614	77	35,894	166	255,476	74	43,243
\$10,000,000 under \$25,000,000.....	52	754,202	47	429,547	43	141,951	35	232,458	29	55,138
\$25,000,000 under \$50,000,000.....	17	619,478	14	306,984	11	77,426	12	192,043	8	37,515
\$50,000,000 under \$100,000,000.....	9	640,015	9	362,442	6	81,784	9	218,208	7	62,450
\$100,000,000 or more.....	8	7,378,222	8	4,511,572	7	1,537,180	8	2,493,520	6	480,873

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Net worth (book value)		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(45)	(46)	(47)	(48)	(49)	(50)
<b>ALL FOUNDATIONS</b>						
<b>Total.....</b>	<b>41,388</b>	<b>147,232,004</b>	<b>40,261</b>	<b>8,223,186</b>	<b>36,699</b>	<b>7,590,639</b>
Zero or unreported.....	148	43,390	552	1,362	511	1,291
\$1 under \$100,000.....	14,707	399,344	13,449	21,631	11,733	20,099
\$100,000 under \$1,000,000.....	15,924	5,136,059	15,691	269,374	14,733	274,368
\$1,000,000 under \$10,000,000.....	8,524	21,164,376	8,504	1,157,276	7,855	1,079,371
\$10,000,000 under \$25,000,000.....	1,180	14,156,191	1,175	809,558	1,049	738,281
\$25,000,000 under \$50,000,000.....	428	11,402,994	426	668,604	392	619,103
\$50,000,000 under \$100,000,000.....	237	12,987,051	232	730,107	213	672,725
\$100,000,000 or more.....	239	81,942,600	233	4,565,275	214	4,185,400
<b>Nonoperating foundations</b>						
<b>Total.....</b>	<b>37,710</b>	<b>133,611,418</b>	<b>36,796</b>	<b>7,683,200</b>	<b>36,699</b>	<b>7,590,639</b>
Zero or unreported.....	148	43,390	511	1,319	511	1,291
\$1 under \$100,000.....	12,909	352,911	11,795	19,483	11,733	20,099
\$100,000 under \$1,000,000.....	14,892	4,800,194	14,767	256,216	14,733	274,368
\$1,000,000 under \$10,000,000.....	7,876	19,639,150	7,855	1,093,233	7,855	1,079,371
\$10,000,000 under \$25,000,000.....	1,053	12,690,366	1,049	753,270	1,049	738,281
\$25,000,000 under \$50,000,000.....	395	10,570,653	393	629,753	392	619,103
\$50,000,000 under \$100,000,000.....	218	11,936,226	213	688,569	213	672,725
\$100,000,000 or more.....	220	73,578,529	214	4,241,357	214	4,185,400
<b>Operating foundations</b>						
<b>Total.....</b>	<b>3,678</b>	<b>13,620,586</b>	<b>3,466</b>	<b>539,986</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	-	-	*41	*44	N/A	N/A
\$1 under \$100,000.....	1,798	46,433	1,654	2,147	N/A	N/A
\$100,000 under \$1,000,000.....	1,033	335,865	924	13,157	N/A	N/A
\$1,000,000 under \$10,000,000.....	649	1,525,226	649	64,043	N/A	N/A
\$10,000,000 under \$25,000,000.....	128	1,465,825	127	56,288	N/A	N/A
\$25,000,000 under \$50,000,000.....	33	832,341	33	38,852	N/A	N/A
\$50,000,000 unde \$100,000,000.....	19	1,050,825	19	41,538	N/A	N/A
\$100,000,000 or more.....	19	8,364,071	19	323,917	N/A	N/A
<b>GRANTMAKING FOUNDATIONS</b>						
<b>Total.....</b>	<b>34,468</b>	<b>140,670,939</b>	<b>34,470</b>	<b>7,969,495</b>	<b>32,741</b>	<b>7,534,679</b>
Zero or unreported.....	*21	*744	486	1,180	465	1,112
\$1 under \$100,000.....	10,510	324,370	10,092	18,969	9,247	18,242
\$100,000 under \$1,000,000.....	14,149	4,648,357	14,108	254,308	13,577	254,831
\$1,000,000 under \$10,000,000.....	7,846	19,719,124	7,853	1,098,457	7,608	1,061,979
\$10,000,000 under \$25,000,000.....	1,087	13,039,771	1,085	772,749	1,034	732,137
\$25,000,000 under \$50,000,000.....	404	10,842,764	403	642,606	385	612,893
\$50,000,000 under \$100,000,000.....	225	12,405,657	221	707,941	212	671,990
\$100,000,000 or more.....	226	79,690,153	221	4,473,284	213	4,181,495
<b>Grantmaking-nonoperating foundations</b>						
<b>Total.....</b>	<b>32,778</b>	<b>131,990,060</b>	<b>32,797</b>	<b>7,633,567</b>	<b>32,741</b>	<b>7,534,679</b>
Zero or unreported.....	*21	*744	465	1,137	465	1,112
\$1 under \$100,000.....	9,665	299,364	9,268	17,690	9,247	18,242
\$100,000 under \$1,000,000.....	13,635	4,445,608	13,611	244,432	13,577	254,831
\$1,000,000 under \$10,000,000.....	7,601	19,209,989	7,608	1,074,734	7,608	1,061,979
\$10,000,000 under \$25,000,000.....	1,036	12,461,454	1,034	746,966	1,034	732,137
\$25,000,000 under \$50,000,000.....	387	10,389,638	386	623,441	385	612,893
\$50,000,000 under \$100,000,000.....	216	11,869,950	212	687,830	212	671,990
\$100,000,000 or more.....	218	73,313,312	213	4,237,337	213	4,181,495
<b>Grantmaking-operating foundations</b>						
<b>Total.....</b>	<b>1,691</b>	<b>8,680,878</b>	<b>1,674</b>	<b>335,928</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	-	-	*21	*44	N/A	N/A
\$1 under \$100,000.....	845	25,005	825	1,279	N/A	N/A
\$100,000 under \$1,000,000.....	514	202,749	497	9,875	N/A	N/A
\$1,000,000 under \$10,000,000.....	245	509,134	245	23,723	N/A	N/A
\$10,000,000 under \$25,000,000.....	52	578,316	52	25,783	N/A	N/A
\$25,000,000 under \$50,000,000.....	17	453,126	17	19,165	N/A	N/A
\$50,000,000 unde \$100,000,000.....	9	535,707	9	20,111	N/A	N/A
\$100,000,000 or more.....	8	6,376,841	8	235,947	N/A	N/A

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 1.—All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued**

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

Type of foundation, size of fair market value of total assets	Qualifying distributions		Undistributed income for 1992		Excess distributions carryover to 1993	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)
<b>ALL FOUNDATIONS</b>						
Total.....	39,306	12,592,243	8,980	2,034,620	28,703	14,700,506
Zero or unreported.....	887	119,676	*25	*178	*777	*423,918
\$1 under \$100,000.....	12,644	407,260	2,235	2,206	10,059	1,536,105
\$100,000 under \$1,000,000.....	15,318	974,517	3,478	45,336	11,393	2,714,192
\$1,000,000 under \$10,000,000.....	8,389	2,289,096	2,521	229,187	5,339	4,266,424
\$10,000,000 under \$25,000,000.....	1,173	1,528,250	358	156,924	682	1,905,534
\$25,000,000 under \$50,000,000.....	426	1,047,102	165	170,294	224	1,217,947
\$50,000,000 under \$100,000,000.....	232	1,005,745	91	201,596	121	1,011,435
\$100,000,000 or more.....	236	5,220,598	106	1,228,899	107	1,624,952
<b>Nonoperating foundations</b>						
Total.....	35,981	11,292,816	8,980	2,034,620	28,703	14,700,506
Zero or unreported.....	799	116,244	*25	*178	*777	*423,918
\$1 under \$100,000.....	11,182	360,806	2,235	2,206	10,059	1,536,105
\$100,000 under \$1,000,000.....	14,353	898,181	3,478	45,336	11,393	2,714,192
\$1,000,000 under \$10,000,000.....	7,776	1,968,175	2,521	229,187	5,339	4,266,424
\$10,000,000 under \$25,000,000.....	1,049	1,322,491	358	156,924	682	1,905,534
\$25,000,000 under \$50,000,000.....	393	882,244	165	170,294	224	1,217,947
\$50,000,000 under \$100,000,000.....	213	932,669	91	201,596	121	1,011,435
\$100,000,000 or more.....	217	4,811,806	106	1,228,899	107	1,624,952
<b>Operating foundations</b>						
Total.....	3,325	1,299,627	N/A	N/A	N/A	N/A
Zero or unreported.....	*89	*3,432	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	1,462	46,453	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	965	76,336	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	613	320,921	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	125	205,759	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	33	164,858	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	19	73,076	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	19	408,792	N/A	N/A	N/A	N/A
<b>GRANTMAKING FOUNDATIONS</b>						
Total.....	35,190	11,932,043	7,028	2,017,448	26,230	14,262,269
Zero or unreported.....	719	118,391	--	--	633	422,773
\$1 under \$100,000.....	10,534	349,111	1,078	1,494	8,504	1,429,594
\$100,000 under \$1,000,000.....	14,149	917,514	2,848	39,353	10,767	2,612,691
\$1,000,000 under \$10,000,000.....	7,853	2,115,609	2,390	222,061	5,209	4,101,843
\$10,000,000 under \$25,000,000.....	1,086	1,369,057	351	154,747	672	1,882,030
\$25,000,000 under \$50,000,000.....	404	988,065	164	169,298	218	1,182,497
\$50,000,000 under \$100,000,000.....	221	956,489	91	201,596	120	1,008,413
\$100,000,000 or more.....	224	5,117,808	106	1,228,899	106	1,622,427
<b>Grantmaking-nonoperating foundations</b>						
Total.....	33,414	11,164,973	7,028	2,017,448	26,230	14,262,269
Zero or unreported.....	654	116,045	--	--	633	422,773
\$1 under \$100,000.....	9,668	330,272	1,078	1,494	8,504	1,429,594
\$100,000 under \$1,000,000.....	13,635	862,008	2,848	39,353	10,767	2,612,691
\$1,000,000 under \$10,000,000.....	7,608	1,942,137	2,390	222,061	5,209	4,101,843
\$10,000,000 under \$25,000,000.....	1,035	1,306,417	351	154,747	672	1,882,030
\$25,000,000 under \$50,000,000.....	387	870,651	164	169,298	218	1,182,497
\$50,000,000 under \$100,000,000.....	212	928,911	91	201,596	120	1,008,413
\$100,000,000 or more.....	216	4,808,532	106	1,228,899	106	1,622,427
<b>Grantmaking-operating foundations</b>						
Total.....	1,776	767,070	N/A	N/A	N/A	N/A
Zero or unreported.....	65	2,347	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	868	18,839	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	514	55,506	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	245	173,472	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	52	62,640	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	17	117,413	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	9	27,578	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	8	309,276	N/A	N/A	N/A	N/A

N/A - not applicable.

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

<sup>1</sup> Includes \$170 million in gross investment from 30 foreign foundations.

<sup>2</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1992 using a cash receipts and disbursements method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement (Table 3) because foundations may use either the cash receipts and disbursements or the accrual method of accounting.

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

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets**

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

Type of trust, size of fair market value of total assets	Number of returns	Total revenue		Selected sources of revenue					
		Number of returns	Amount	Contributions, gifts, and grants received		Dividends and interest from securities		Net gain (or loss) from sales of assets	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>ALL CHARITABLE TRUSTS</b>									
<b>Total.....</b>	<b>2,932</b>	<b>2,909</b>	<b>346,797</b>	<b>411</b>	<b>63,265</b>	<b>2,514</b>	<b>120,056</b>	<b>2,028</b>	<b>126,066</b>
Zero or unreported.....	36	36	280	*10	*(')	*26	*87	*23	*183
\$1 under \$100,000.....	964	940	5,178	123	2,024	682	1,692	480	907
\$100,000 under \$500,000.....	1,078	1,078	24,988	148	3,078	977	10,582	807	8,481
\$500,000 under \$1,000,000.....	323	323	20,078	*32	*3,024	312	9,954	270	4,729
\$1,000,000 under \$10,000,000.....	486	486	162,664	90	51,333	471	51,980	407	44,756
\$10,000,000 or more.....	47	47	133,609	9	3,806	46	45,760	41	67,010
<b>Nonoperating trusts</b>									
<b>Total.....</b>	<b>2,902</b>	<b>2,878</b>	<b>341,009</b>	<b>401</b>	<b>62,709</b>	<b>2,490</b>	<b>119,380</b>	<b>2,015</b>	<b>125,657</b>
Zero or unreported.....	36	36	280	*10	*(')	*26	*87	*23	*183
\$1 under \$100,000.....	954	930	4,825	119	1,703	678	1,691	480	907
\$100,000 under \$500,000.....	1,070	1,070	24,930	148	3,078	970	10,517	800	8,489
\$500,000 under \$1,000,000.....	319	319	19,812	*32	*3,024	308	9,826	266	4,594
\$1,000,000 under \$10,000,000.....	477	477	158,174	83	51,098	462	51,707	406	44,678
\$10,000,000 or more.....	46	46	132,989	9	3,806	45	45,551	40	66,806
<b>Operating trusts</b>									
<b>Total.....</b>	<b>30</b>	<b>30</b>	<b>5,787</b>	<b>*10</b>	<b>*556</b>	<b>*24</b>	<b>*676</b>	<b>*13</b>	<b>*409</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*10	*353	*3	*321	*3	*(')	--	--
\$100,000 under \$500,000.....	*7	*7	*58	--	--	*7	*65	*7	*8
\$500,000 under \$1,000,000.....	*4	*4	*266	--	--	*4	*128	*4	*134
\$1,000,000 under \$10,000,000.....	9	9	4,490	7	235	9	274	1	79
\$10,000,000 or more.....	1	1	620	--	--	1	209	1	204
<b>GRANTMAKING CHARITABLE TRUSTS</b>									
<b>Total.....</b>	<b>2,706</b>	<b>2,706</b>	<b>317,132</b>	<b>351</b>	<b>58,656</b>	<b>2,385</b>	<b>115,865</b>	<b>1,931</b>	<b>111,992</b>
Zero or unreported.....	32	32	184	*10	*(')	*22	*47	*19	*129
\$1 under \$100,000.....	825	825	4,195	83	1,203	633	1,612	444	863
\$100,000 under \$500,000.....	1,038	1,038	23,752	137	2,639	945	10,250	778	8,367
\$500,000 under \$1,000,000.....	316	316	19,755	*32	*3,024	305	9,769	266	4,594
\$1,000,000 under \$10,000,000.....	450	450	151,347	80	47,984	435	49,876	384	43,321
\$10,000,000 or more.....	45	45	117,899	9	3,806	44	44,312	39	54,716
<b>Grantmaking-nonoperating trusts</b>									
<b>Total.....</b>	<b>2,691</b>	<b>2,691</b>	<b>316,118</b>	<b>347</b>	<b>58,335</b>	<b>2,377</b>	<b>115,616</b>	<b>1,926</b>	<b>111,787</b>
Zero or unreported.....	32	32	184	*10	*(')	*22	*47	*19	*129
\$1 under \$100,000.....	815	815	3,842	80	882	630	1,612	444	863
\$100,000 under \$500,000.....	1,035	1,035	23,712	137	2,639	941	10,210	775	8,367
\$500,000 under \$1,000,000.....	316	316	19,755	*32	*3,024	305	9,769	266	4,594
\$1,000,000 under \$10,000,000.....	450	450	151,347	80	47,984	435	49,876	384	43,321
\$10,000,000 or more.....	44	44	117,279	9	3,806	43	44,102	38	54,512
<b>Grantmaking-operating trusts</b>									
<b>Total.....</b>	<b>*14</b>	<b>*14</b>	<b>*1,014</b>	<b>*3</b>	<b>*321</b>	<b>*8</b>	<b>*250</b>	<b>*5</b>	<b>*204</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*10	*353	*3	*321	*3	*(')	--	--
\$100,000 under \$500,000.....	*4	*4	*41	--	--	*4	*40	*4	*(')
\$500,000 under \$1,000,000.....	--	--	--	--	--	--	--	--	--
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	1	620	--	--	1	209	1	204

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value of total assets	Total expenses		Excess of revenue (less loss) over expenses		Net investment income <sup>2</sup>		Disbursements for exempt purposes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>ALL CHARITABLE TRUSTS</b>								
<b>Total.....</b>	<b>2,895</b>	<b>191,202</b>	<b>2,882</b>	<b>155,594</b>	<b>2,807</b>	<b>252,784</b>	<b>2,837</b>	<b>164,428</b>
Zero or unreported.....	36	1,741	36	-1,461	32	218	36	1,718
\$1 under \$100,000.....	927	5,115	917	64	852	3,098	908	4,653
\$100,000 under \$500,000.....	1,078	19,558	1,074	5,430	1,070	20,665	1,056	16,794
\$500,000 under \$1,000,000.....	323	14,083	323	5,994	323	16,741	316	11,526
\$1,000,000 under \$10,000,000.....	485	73,678	485	88,985	482	97,343	475	60,016
\$10,000,000 or more.....	47	77,026	47	56,583	47	114,719	47	69,720
<b>Nonoperating trusts</b>								
<b>Total.....</b>	<b>2,864</b>	<b>185,552</b>	<b>2,851</b>	<b>155,458</b>	<b>2,777</b>	<b>251,370</b>	<b>2,822</b>	<b>161,904</b>
Zero or unreported.....	36	1,741	36	-1,461	32	218	36	1,718
\$1 under \$100,000.....	917	4,109	908	716	843	3,067	898	3,650
\$100,000 under \$500,000.....	1,070	19,509	1,067	5,421	1,063	20,613	1,052	16,759
\$500,000 under \$1,000,000.....	319	13,918	319	5,895	319	16,494	316	11,526
\$1,000,000 under \$10,000,000.....	476	70,459	476	87,714	473	96,594	474	59,457
\$10,000,000 or more.....	46	75,815	46	57,174	46	114,384	46	68,794
<b>Operating trusts</b>								
<b>Total.....</b>	<b>30</b>	<b>*5,651</b>	<b>30</b>	<b>137</b>	<b>30</b>	<b>1,414</b>	<b>15</b>	<b>2,524</b>
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*1,006	*10	*-652	*10	*31	*10	*1,004
\$100,000 under \$500,000.....	*7	*49	*7	*9	*7	*52	*4	*34
\$500,000 under \$1,000,000.....	*4	*166	*4	*100	*4	*247	--	--
\$1,000,000 under \$10,000,000.....	*9	*3,219	*9	*1,271	*9	*749	*1	*559
\$10,000,000 or more.....	1	1,211	1	-591	1	335	1	926
<b>GRANTMAKING CHARITABLE TRUSTS</b>								
<b>Total.....</b>	<b>2,706</b>	<b>184,454</b>	<b>2,679</b>	<b>132,678</b>	<b>2,648</b>	<b>232,067</b>	<b>2,706</b>	<b>162,303</b>
Zero or unreported.....	32	1,738	32	-1,553	*29	*125	32	1,717
\$1 under \$100,000.....	825	4,796	802	-601	777	2,954	825	4,368
\$100,000 under \$500,000.....	1,038	19,165	1,035	4,587	1,035	20,034	1,038	16,772
\$500,000 under \$1,000,000.....	316	13,894	316	5,860	316	16,460	316	11,526
\$1,000,000 under \$10,000,000.....	450	69,028	449	82,319	446	92,978	450	58,560
\$10,000,000 or more.....	45	75,832	45	42,067	45	99,516	45	69,359
<b>Grantmaking-nonoperating trusts</b>								
<b>Total.....</b>	<b>2,691</b>	<b>182,196</b>	<b>2,664</b>	<b>133,922</b>	<b>2,633</b>	<b>231,668</b>	<b>2,691</b>	<b>160,338</b>
Zero or unreported.....	32	1,738	32	-1,553	*29	*125	32	1,717
\$1 under \$100,000.....	815	3,791	793	51	768	2,923	815	3,364
\$100,000 under \$500,000.....	1,035	19,124	1,031	4,588	1,031	20,000	1,035	16,738
\$500,000 under \$1,000,000.....	316	13,894	316	5,860	316	16,460	316	11,526
\$1,000,000 under \$10,000,000.....	450	69,028	449	82,319	446	92,978	450	58,560
\$10,000,000 or more.....	44	74,621	44	42,657	44	99,181	44	68,433
<b>Grantmaking-operating trusts</b>								
<b>Total.....</b>	<b>*14</b>	<b>*2,258</b>	<b>*14</b>	<b>*-1,244</b>	<b>*14</b>	<b>*399</b>	<b>*14</b>	<b>*1,964</b>
Zero or unreported.....	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*1,006	*10	*-652	*10	*31	*10	*1,004
\$100,000 under \$500,000.....	*4	*42	*4	*-1	*4	*33	*4	*34
\$500,000 under \$1,000,000.....	--	--	--	--	--	--	--	--
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	1,211	1	-591	1	335	1	926

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value of total assets	Contributions, gifts, and grants paid <sup>P</sup>		Excise tax on investment income				
	Number of returns	Amount	Total	Domestic trusts		Foreign trusts	
				Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>ALL CHARITABLE TRUSTS</b>							
<b>Total.....</b>	<b>2,706</b>	<b>154,636</b>	<b>4,340</b>	<b>2,751</b>	<b>4,334</b>	<b>4</b>	<b>5</b>
Zero or unreported.....	32	1,703	4	32	4	--	--
\$1 under \$100,000.....	825	4,101	56	816	56	--	--
\$100,000 under \$500,000.....	1,038	15,780	380	1,056	380	--	--
\$500,000 under \$1,000,000.....	316	11,020	308	323	308	--	--
\$1,000,000 under \$10,000,000.....	450	55,627	1,640	477	1,634	4	5
\$10,000,000 or more.....	45	66,405	1,953	47	1,953	--	--
<b>Nonoperating trusts</b>							
<b>Total.....</b>	<b>2,691</b>	<b>153,011</b>	<b>4,315</b>	<b>2,720</b>	<b>4,310</b>	<b>4</b>	<b>5</b>
Zero or unreported.....	32	1,703	4	32	4	--	--
\$1 under \$100,000.....	815	3,098	55	806	55	--	--
\$100,000 under \$500,000.....	1,035	15,746	379	1,049	379	--	--
\$500,000 under \$1,000,000.....	316	11,020	303	319	303	--	--
\$1,000,000 under \$10,000,000.....	450	55,627	1,628	468	1,623	4	5
\$10,000,000 or more.....	44	65,817	1,946	46	1,946	--	--
<b>Operating trusts</b>							
<b>Total.....</b>	<b>*14</b>	<b>*1,625</b>	<b>25</b>	<b>30</b>	<b>25</b>	<b>--</b>	<b>--</b>
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*1,003	*1	*10	*1	--	--
\$100,000 under \$500,000.....	*4	*34	*1	*7	*1	--	--
\$500,000 under \$1,000,000.....	--	--	*5	*4	*5	--	--
\$1,000,000 under \$10,000,000.....	--	--	12	9	12	--	--
\$10,000,000 or more.....	1	589	7	1	7	--	--
<b>GRANTMAKING CHARITABLE TRUSTS</b>							
<b>Total.....</b>	<b>2,706</b>	<b>154,636</b>	<b>3,943</b>	<b>2,603</b>	<b>3,938</b>	<b>4</b>	<b>5</b>
Zero or unreported.....	32	1,703	2	29	2	--	--
\$1 under \$100,000.....	825	4,101	53	744	53	--	--
\$100,000 under \$500,000.....	1,038	15,780	368	1,027	368	--	--
\$500,000 under \$1,000,000.....	316	11,020	303	316	303	--	--
\$1,000,000 under \$10,000,000.....	450	55,627	1,569	442	1,563	4	5
\$10,000,000 or more.....	45	66,405	1,649	45	1,649	--	--
<b>Grantmaking-nonoperating trusts</b>							
<b>Total.....</b>	<b>2,691</b>	<b>153,011</b>	<b>3,935</b>	<b>2,588</b>	<b>3,930</b>	<b>4</b>	<b>5</b>
Zero or unreported.....	32	1,703	2	29	2	--	--
\$1 under \$100,000.....	815	3,098	52	734	52	--	--
\$100,000 under \$500,000.....	1,035	15,746	368	1,024	368	--	--
\$500,000 under \$1,000,000.....	316	11,020	303	316	303	--	--
\$1,000,000 under \$10,000,000.....	450	55,627	1,569	442	1,563	4	5
\$10,000,000 or more.....	44	65,817	1,642	44	1,642	--	--
<b>Grantmaking-operating trusts</b>							
<b>Total.....</b>	<b>*14</b>	<b>*1,625</b>	<b>*8</b>	<b>*14</b>	<b>*8</b>	<b>--</b>	<b>--</b>
Zero or unreported.....	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*1,003	*1	*10	*1	--	--
\$100,000 under \$500,000.....	*4	*34	*1	*4	*1	--	--
\$500,000 under \$1,000,000.....	--	--	--	--	--	--	--
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	589	7	1	7	--	--

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value	Total assets (book value)		Investments in securities (book value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
<b>ALL CHARITABLE TRUSTS</b>										
Total.....	2,880	2,417,064	1,814	1,629,008	958	391,688	1,451	882,933	831	354,387
Zero or unreported.....	*4	*824	*4	*757	--	--	*4	*374	*4	*383
\$1 under \$100,000.....	943	34,958	460	15,186	166	4,272	296	7,520	159	3,395
\$100,000 under \$500,000.....	1,078	219,222	666	102,071	342	23,797	523	53,547	301	24,728
\$500,000 under \$1,000,000.....	323	177,321	204	86,664	143	25,872	190	45,117	121	15,675
\$1,000,000 under \$10,000,000.....	486	978,108	434	672,848	273	166,034	396	402,694	215	104,120
\$10,000,000 or more.....	47	1,006,632	46	751,482	33	171,713	43	373,682	32	206,087
<b>Nonoperating trusts</b>										
Total.....	2,849	2,391,162	1,800	1,621,251	953	390,072	1,438	879,472	821	351,707
Zero or unreported.....	*4	*824	*4	*757	--	--	*4	*374	*4	*383
\$1 under \$100,000.....	933	34,652	457	15,106	166	4,272	292	7,439	159	3,395
\$100,000 under \$500,000.....	1,070	218,142	662	101,576	342	23,797	520	53,319	297	24,459
\$500,000 under \$1,000,000.....	319	174,511	200	84,526	140	25,692	186	44,660	117	14,173
\$1,000,000 under \$10,000,000.....	477	963,103	432	670,104	271	164,597	394	402,225	213	103,282
\$10,000,000 or more.....	46	999,930	45	749,182	33	171,713	42	371,454	31	206,015
<b>Operating trusts</b>										
Total.....	30	25,902	13	7,757	*6	*1,616	*13	*3,461	*10	*2,680
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*305	3	*80	--	--	*3	*80	--	--
\$100,000 under \$500,000.....	*7	*1,080	*4	*496	--	--	*4	*227	*4	*268
\$500,000 under \$1,000,000.....	*4	*2,809	*4	*2,138	*4	*179	*4	*457	*4	*1,502
\$1,000,000 under \$10,000,000.....	9	15,005	2	2,744	2	1,436	2	469	2	838
\$10,000,000 or more.....	1	6,702	1	2,300	--	--	1	2,228	1	72
<b>GRANTMAKING CHARITABLE TRUSTS</b>										
Total.....	2,674	2,266,776	1,712	1,514,421	905	359,585	1,373	841,611	779	313,226
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	825	31,792	412	14,007	150	3,861	267	6,917	146	3,229
\$100,000 under \$500,000.....	1,038	209,974	652	100,372	335	23,419	512	53,104	293	23,849
\$500,000 under \$1,000,000.....	316	171,314	197	81,450	136	24,346	183	42,931	117	14,173
\$1,000,000 under \$10,000,000.....	450	924,697	407	644,170	251	156,956	370	389,341	191	97,874
\$10,000,000 or more.....	45	928,999	44	674,422	32	151,003	41	349,318	31	174,101
<b>Grantmaking-nonoperating trusts</b>										
Total.....	2,659	2,259,228	1,707	1,512,041	905	359,585	1,369	839,302	778	313,154
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	815	31,487	409	13,927	150	3,861	263	6,837	146	3,229
\$100,000 under \$500,000.....	1,035	209,434	652	100,372	335	23,419	512	53,104	293	23,849
\$500,000 under \$1,000,000.....	316	171,314	197	81,450	136	24,346	183	42,931	117	14,173
\$1,000,000 under \$10,000,000.....	450	924,697	407	644,170	251	156,956	370	389,341	191	97,874
\$10,000,000 or more.....	44	922,297	43	672,122	32	151,003	40	347,090	30	174,029
<b>Grantmaking-operating trusts</b>										
Total.....	*14	*7,548	*4	*2,380	--	--	*4	*2,308	1	72
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*305	*3	*80	--	--	*3	*80	--	--
\$100,000 under \$500,000.....	*4	*540	--	--	--	--	--	--	--	--
\$500,000 under \$1,000,000.....	--	--	--	--	--	--	--	--	--	--
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	6,702	1	2,300	--	--	1	2,228	1	72

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
	Number of returns	Amount	Total		Government obligations		Corporate stock		Corporate bonds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
<b>ALL CHARITABLE TRUSTS</b>										
<b>Total.....</b>	<b>2,897</b>	<b>3,130,730</b>	<b>1,810</b>	<b>2,174,484</b>	<b>965</b>	<b>413,858</b>	<b>1,451</b>	<b>1,379,155</b>	<b>820</b>	<b>381,472</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	964	38,899	460	17,132	166	4,482	296	8,920	159	3,730
\$100,000 under \$500,000.....	1,078	267,241	666	130,373	346	25,198	526	77,876	297	27,299
\$500,000 under \$1,000,000.....	323	232,048	204	114,464	143	27,176	190	70,799	121	16,488
\$1,000,000 under \$10,000,000.....	486	1,239,955	434	866,089	277	175,914	396	578,162	212	112,012
\$10,000,000 or more.....	47	1,352,587	46	1,046,426	33	181,087	43	643,398	32	221,942
<b>Nonoperating trusts</b>										
<b>Total.....</b>	<b>2,866</b>	<b>3,093,173</b>	<b>1,797</b>	<b>2,163,905</b>	<b>959</b>	<b>412,197</b>	<b>1,437</b>	<b>1,372,909</b>	<b>810</b>	<b>378,800</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	954	38,591	457	17,052	166	4,482	292	8,840	159	3,730
\$100,000 under \$500,000.....	1,070	266,116	662	129,875	346	25,198	523	77,659	294	27,019
\$500,000 under \$1,000,000.....	319	229,175	200	112,262	140	26,985	186	70,302	117	14,975
\$1,000,000 under \$10,000,000.....	477	1,223,114	432	863,271	275	174,444	394	577,659	210	111,167
\$10,000,000 or more.....	46	1,336,177	45	1,041,444	33	181,087	42	638,449	31	221,908
<b>Operating trusts</b>										
<b>Total.....</b>	<b>30</b>	<b>37,557</b>	<b>*13</b>	<b>*10,579</b>	<b>*6</b>	<b>*1,661</b>	<b>*13</b>	<b>*6,246</b>	<b>*10</b>	<b>*2,672</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*308	*3	*80	--	--	*3	*80	--	--
\$100,000 under \$500,000.....	*7	*1,125	*4	*497	--	--	*4	*217	*4	*280
\$500,000 under \$1,000,000.....	*4	*2,872	*4	*2,201	*4	*191	*4	*497	*4	*1,513
\$1,000,000 under \$10,000,000.....	9	16,841	2	2,818	2	1,470	2	503	2	845
\$10,000,000 or more.....	1	16,410	1	4,982	--	--	1	4,949	1	33
<b>GRANTMAKING CHARITABLE TRUSTS</b>										
<b>Total.....</b>	<b>2,674</b>	<b>2,951,247</b>	<b>1,712</b>	<b>2,038,953</b>	<b>912</b>	<b>380,463</b>	<b>1,376</b>	<b>1,319,459</b>	<b>772</b>	<b>339,032</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	825	35,543	412	15,818	150	4,072	267	8,202	146	3,544
\$100,000 under \$500,000.....	1,038	256,142	652	127,985	338	24,817	516	76,862	290	26,305
\$500,000 under \$1,000,000.....	316	225,638	197	108,847	136	25,615	183	68,256	117	14,975
\$1,000,000 under \$10,000,000.....	450	1,172,864	407	830,831	255	166,520	370	558,788	188	105,523
\$10,000,000 or more.....	45	1,261,060	44	955,473	32	159,438	41	607,351	31	188,684
<b>Grantmaking-nonoperating trusts</b>										
<b>Total.....</b>	<b>2,659</b>	<b>2,933,946</b>	<b>1,707</b>	<b>2,033,891</b>	<b>912</b>	<b>380,463</b>	<b>1,372</b>	<b>1,314,430</b>	<b>771</b>	<b>338,999</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	815	35,236	409	15,737	150	4,072	263	8,121	146	3,544
\$100,000 under \$500,000.....	1,035	255,558	652	127,985	338	24,817	516	76,862	290	26,305
\$500,000 under \$1,000,000.....	316	225,638	197	108,847	136	25,615	183	68,256	117	14,975
\$1,000,000 under \$10,000,000.....	450	1,172,864	407	830,831	255	166,520	370	558,788	188	105,523
\$10,000,000 or more.....	44	1,244,650	43	950,491	32	159,438	40	602,402	30	188,651
<b>Grantmaking-operating trusts</b>										
<b>Total.....</b>	<b>*14</b>	<b>*17,301</b>	<b>*4</b>	<b>*5,062</b>	<b>--</b>	<b>--</b>	<b>*4</b>	<b>*5,029</b>	<b>1</b>	<b>33</b>
Zero or unreported.....	--	--	--	--	--	--	--	--	--	--
\$1 under \$100,000.....	*10	*308	*3	*80	--	--	*3	*80	--	--
\$100,000 under \$500,000.....	*4	*584	--	--	--	--	--	--	--	--
\$500,000 under \$1,000,000.....	--	--	--	--	--	--	--	--	--	--
\$1,000,000 under \$10,000,000.....	--	--	--	--	--	--	--	--	--	--
\$10,000,000 or more.....	1	16,410	1	4,982	--	--	1	4,949	1	33

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value of total assets	Net worth (book value)		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(45)	(46)	(47)	(48)	(49)	(50)
<b>ALL CHARITABLE TRUSTS</b>						
Total.....	2,876	2,407,824	2,888	147,795	2,850	134,891
Zero or unreported.....	*4	*824	36	107	36	103
\$1 under \$100,000.....	940	34,844	923	1,872	906	1,812
\$100,000 under \$500,000.....	1,078	218,947	1,074	12,908	1,067	12,497
\$500,000 under \$1,000,000.....	323	176,859	323	11,219	319	10,727
\$1,000,000 under \$10,000,000.....	486	972,318	486	58,528	477	55,738
\$10,000,000 or more.....	47	1,004,033	47	63,162	45	54,014
<b>Nonoperating trusts</b>						
Total.....	2,846	2,385,829	2,857	146,415	2,850	134,891
Zero or unreported.....	*4	*824	36	107	36	103
\$1 under \$100,000.....	930	34,539	913	1,867	906	1,812
\$100,000 under \$500,000.....	1,070	217,867	1,067	12,853	1,067	12,497
\$500,000 under \$1,000,000.....	319	174,239	319	11,087	319	10,727
\$1,000,000 under \$10,000,000.....	477	959,157	477	58,019	477	55,738
\$10,000,000 or more.....	46	999,204	46	62,483	45	54,014
<b>Operating trusts</b>						
Total.....	30	21,995	30	1,380	N/A	N/A
Zero or unreported.....	-	-	-	-	N/A	N/A
\$1 under \$100,000.....	*10	*305	*10	*5	N/A	N/A
\$100,000 under \$500,000.....	*7	*1,080	*7	*54	N/A	N/A
\$500,000 under \$1,000,000.....	*4	*2,619	*4	*132	N/A	N/A
\$1,000,000 under \$10,000,000.....	9	13,161	9	509	N/A	N/A
\$10,000,000 or more.....	1	4,829	1	679	N/A	N/A
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
Total.....	2,670	2,259,864	2,685	139,620	2,668	131,006
Zero or unreported.....	-	-	32	50	32	49
\$1 under \$100,000.....	822	31,678	804	1,722	791	1,666
\$100,000 under \$500,000.....	1,038	209,840	1,038	12,432	1,035	12,071
\$500,000 under \$1,000,000.....	316	171,043	316	10,904	316	10,510
\$1,000,000 under \$10,000,000.....	450	920,768	450	55,849	450	53,905
\$10,000,000 or more.....	45	926,535	45	58,662	44	52,804
<b>Grantmaking-nonoperating trusts</b>						
Total.....	2,656	2,254,189	2,671	138,907	2,668	131,006
Zero or unreported.....	-	-	32	50	32	49
\$1 under \$100,000.....	812	31,373	795	1,717	791	1,666
\$100,000 under \$500,000.....	1,035	209,300	1,035	12,404	1,035	12,071
\$500,000 under \$1,000,000.....	316	171,043	316	10,904	316	10,510
\$1,000,000 under \$10,000,000.....	450	920,768	450	55,849	450	53,905
\$10,000,000 or more.....	44	921,706	44	57,983	44	52,804
<b>Grantmaking-operating trusts</b>						
Total.....	*14	*5,675	*14	*713	N/A	N/A
Zero or unreported.....	-	-	-	-	N/A	N/A
\$1 under \$100,000.....	*10	*305	*10	*5	N/A	N/A
\$100,000 under \$500,000.....	*4	*540	*4	*29	N/A	N/A
\$500,000 under \$1,000,000.....	-	-	-	-	N/A	N/A
\$1,000,000 under \$10,000,000.....	-	-	-	-	N/A	N/A
\$10,000,000 or more.....	1	4,829	1	679	N/A	N/A

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued**

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

Type of trust, size of fair market value of total assets	Qualifying distributions		Undistributed income for 1992		Excess distributions carryover to 1993	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)
<b>ALL CHARITABLE TRUSTS</b>						
<b>Total.....</b>	<b>2,838</b>	<b>166,331</b>	<b>804</b>	<b>29,578</b>	<b>2,071</b>	<b>160,042</b>
Zero or unreported.....	36	1,718	*4	*35	32	1,812
\$1 under \$100,000.....	908	4,653	211	192	722	8,141
\$100,000 under \$500,000.....	1,056	16,794	300	2,183	767	18,133
\$500,000 under \$1,000,000.....	316	11,526	86	1,289	233	10,813
\$1,000,000 under \$10,000,000.....	476	61,918	188	14,011	287	47,431
\$10,000,000 or more.....	47	69,722	15	11,867	30	73,712
<b>Nonoperating trusts</b>						
<b>Total.....</b>	<b>2,823</b>	<b>163,808</b>	<b>804</b>	<b>29,578</b>	<b>2,071</b>	<b>160,042</b>
Zero or unreported.....	36	1,718	*4	*35	32	1,812
\$1 under \$100,000.....	898	3,650	211	192	722	8,141
\$100,000 under \$500,000.....	1,052	16,759	300	2,183	767	18,133
\$500,000 under \$1,000,000.....	316	11,526	86	1,289	233	10,813
\$1,000,000 under \$10,000,000.....	475	61,358	188	14,011	287	47,431
\$10,000,000 or more.....	46	68,796	15	11,867	30	73,712
<b>Operating trusts</b>						
<b>Total.....</b>	<b>*15</b>	<b>*2,524</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	*10	*1,004	N/A	N/A	N/A	N/A
\$100,000 under \$500,000.....	*4	*34	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000.....	--	--	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	1	559	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	1	926	N/A	N/A	N/A	N/A
<b>GRANTMAKING CHARITABLE TRUSTS</b>						
<b>Total.....</b>	<b>2,706</b>	<b>163,976</b>	<b>683</b>	<b>26,958</b>	<b>1,986</b>	<b>159,269</b>
Zero or unreported.....	32	1,717	--	--	32	1,812
\$1 under \$100,000.....	825	4,368	157	134	638	7,419
\$100,000 under \$500,000.....	1,038	16,772	268	1,823	767	18,133
\$500,000 under \$1,000,000.....	316	11,526	82	1,073	233	10,813
\$1,000,000 under \$10,000,000.....	450	60,231	162	12,912	286	47,381
\$10,000,000 or more.....	45	69,361	14	11,016	30	73,712
<b>Grantmaking-nonoperating trusts</b>						
<b>Total.....</b>	<b>2,691</b>	<b>162,012</b>	<b>683</b>	<b>26,958</b>	<b>1,986</b>	<b>159,269</b>
Zero or unreported.....	32	1,717	--	--	32	1,812
\$1 under \$100,000.....	815	3,364	157	134	638	7,419
\$100,000 under \$500,000.....	1,035	16,738	268	1,823	767	18,133
\$500,000 under \$1,000,000.....	316	11,526	82	1,073	233	10,813
\$1,000,000 under \$10,000,000.....	450	60,231	162	12,912	286	47,381
\$10,000,000 or more.....	44	68,435	14	11,016	30	73,712
<b>Grantmaking-operating trusts</b>						
<b>Total.....</b>	<b>*14</b>	<b>*1,964</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported.....	--	--	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	*10	*1,004	N/A	N/A	N/A	N/A
\$100,000 under \$500,000.....	*4	*34	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000.....	--	--	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	--	--	N/A	N/A	N/A	N/A
\$10,000,000 or more.....	1	926	N/A	N/A	N/A	N/A

N/A - not applicable.

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

<sup>1</sup> Less than \$500.

<sup>2</sup> Includes some gross investment income from foreign trusts.

<sup>3</sup> The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1992 using the cash receipts and disbursements method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement (Table 4) because trusts may use either the cash receipts and disbursements or the accrual method of accounting.

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

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 3.—All Private Foundations: Income Statements and Balance Sheets, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Number of returns.....</b>	<b>42,428</b>	<b>1,137</b>	<b>14,733</b>	<b>15,941</b>	<b>8,531</b>	<b>1,180</b>	<b>428</b>	<b>237</b>	<b>239</b>
<b>Total revenue.....</b>	<b>23,566,388</b>	<b>91,606</b>	<b>386,638</b>	<b>1,367,283</b>	<b>4,036,788</b>	<b>2,613,958</b>	<b>2,236,590</b>	<b>1,910,967</b>	<b>10,922,557</b>
Contributions, gifts, and grants received.....	7,902,873	87,286	342,929	925,103	1,851,583	1,037,506	908,538	653,443	2,096,484
Interest on savings and temporary cash investments.....	989,956	3,762	8,843	63,848	195,178	118,141	85,124	96,756	418,304
Dividends and interest from securities.....	6,631,079	2,971	10,190	197,436	925,386	635,331	533,788	599,811	3,726,166
Gross rents and royalties.....	236,649	—	1,059	14,966	49,758	18,395	30,480	19,694	102,296
Net gain (or loss) from sales of assets.....	6,733,267	-2,526	13,960	113,900	758,618	583,392	494,953	492,769	4,278,202
Gross profit (less loss) from business activities.....	47,956	*17	1,576	*608	5,982	8,444	26,025	2,203	3,135
Other income.....	1,024,604	*130	8,082	51,420	250,282	212,749	157,682	46,290	297,969
<b>Total expenses.....</b>	<b>14,498,073</b>	<b>150,822</b>	<b>433,092</b>	<b>1,001,959</b>	<b>2,570,423</b>	<b>1,757,848</b>	<b>1,159,315</b>	<b>1,148,059</b>	<b>6,276,556</b>
Contributions, gifts, and grants paid <sup>1</sup> .....	11,382,837	118,002	322,888	841,262	1,920,316	1,345,255	849,552	904,961	5,080,600
Compensation of officers.....	293,045	*244	10,647	16,069	66,188	40,959	34,000	25,088	99,850
Other salaries and wages.....	600,713	*3	18,706	21,212	139,696	96,001	50,458	40,340	234,297
Pension plans and employee benefits.....	156,478	—	1,319	1,851	19,448	18,893	12,670	13,167	89,131
Legal fees.....	73,428	518	4,339	7,785	19,041	9,554	5,303	6,083	20,807
Accounting fees.....	64,657	425	4,392	11,078	22,062	8,800	5,027	5,029	7,844
Other professional fees.....	421,700	*153	6,048	15,195	67,629	46,908	35,967	38,610	211,190
Interest.....	56,627	*5	587	6,520	24,778	5,710	8,273	2,422	8,332
Taxes.....	269,350	82	3,173	11,028	46,307	34,037	30,893	24,647	119,184
Depreciation and depletion.....	142,617	*8	1,468	6,749	25,998	18,932	21,373	12,269	55,820
Occupancy.....	181,344	*11	17,853	12,567	35,931	18,660	14,143	12,906	69,274
Travel, conferences, and meetings.....	92,517	—	8,577	5,082	10,429	7,434	5,487	5,426	50,083
Printing and publications.....	43,812	47	2,974	4,723	3,055	3,013	1,493	2,464	26,044
Other expenses.....	718,943	31,325	30,122	40,835	169,544	103,694	84,674	54,648	204,101
<b>Excess of revenue (less loss) over expenses.....</b>	<b>9,068,314</b>	<b>-59,216</b>	<b>-46,454</b>	<b>365,324</b>	<b>1,466,365</b>	<b>856,110</b>	<b>1,077,275</b>	<b>762,908</b>	<b>4,646,001</b>
Excess of revenue.....	10,893,354	*4,396	47,116	604,875	1,867,130	1,169,023	1,198,939	956,799	5,045,078
Loss.....	1,825,041	63,611	93,570	239,551	400,765	312,913	121,663	193,890	399,077
<b>Total assets (fair market value).....</b>	<b>192,207,531</b>	<b>—</b>	<b>443,117</b>	<b>5,981,293</b>	<b>25,921,651</b>	<b>18,194,523</b>	<b>14,771,809</b>	<b>16,362,363</b>	<b>110,532,775</b>
Cash, total.....	14,854,724	—	239,324	1,457,116	3,304,268	1,458,574	1,134,401	1,224,628	6,036,413
Non-interest bearing accounts.....	2,114,095	—	82,087	281,604	501,902	209,542	64,384	117,575	857,001
Savings and temporary cash investments.....	12,740,629	—	157,237	1,175,512	2,802,367	1,249,031	1,070,017	1,107,053	5,179,412
Accounts receivable, net.....	584,574	—	1,801	37,636	79,888	83,949	35,000	47,435	298,865
Pledges receivable, net.....	59,405	—	*290	2,094	36,348	12,502	994	7,135	43
Grants receivable.....	114,706	—	—	*155	63,002	22,892	13,124	15,505	28
Receivables due from disqualified persons.....	25,062	—	*706	*5	*23,299	541	183	72	256
Other notes and loans receivable.....	1,592,711	—	2,677	150,632	273,194	138,004	51,301	64,531	912,372
Inventories.....	25,755	—	2,441	*1,494	7,144	3,430	1,957	854	8,435
Prepaid expenses and deferred charges.....	192,602	—	305	1,574	41,036	10,374	16,408	14,129	108,775
Investments, total (non-cash).....	168,449,004	—	164,531	3,865,911	20,560,260	15,460,380	12,931,168	14,488,530	100,978,224
Securities, total.....	144,378,998	—	130,585	3,305,247	18,537,424	13,574,290	11,312,084	12,828,197	84,691,169
Government obligations.....	30,519,768	—	32,150	755,946	4,942,721	3,293,743	2,890,707	3,338,103	15,266,400
Corporate stock.....	95,190,351	—	77,476	1,980,515	10,545,703	8,096,689	6,653,592	7,543,135	60,293,241
Corporate bonds.....	18,668,879	—	20,959	568,786	3,049,001	2,183,858	1,767,786	1,946,959	9,131,529
Land, buildings, and equipment (less accumulated depreciation).....	3,240,500	—	*3,369	84,156	529,254	290,684	423,031	277,667	1,632,340
Mortgage loans.....	875,162	—	3,503	47,756	147,460	107,250	100,162	105,252	363,780
Other investments.....	19,954,344	—	27,074	428,751	1,346,122	1,488,156	1,095,891	1,277,414	14,290,935
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	3,571,034	—	13,145	267,109	863,411	711,108	356,547	219,205	1,140,508
Other assets.....	2,737,951	—	17,897	197,565	669,799	292,768	230,725	280,340	1,048,857

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 3.--All Private Foundations: Income Statements and Balance Sheets, by Size of Fair Market Value of Total Assets--Continued**

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

Item	Total	Size of fair market value of total assets							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total assets (book value).....</b>	<b>154,007,992</b>	<b>*43,507</b>	<b>428,532</b>	<b>5,341,314</b>	<b>21,831,258</b>	<b>14,562,306</b>	<b>11,772,796</b>	<b>13,329,900</b>	<b>86,698,379</b>
Cash, total.....	14,791,475	*4,714	239,377	1,460,279	3,303,660	1,453,241	1,115,138	1,194,724	6,020,343
Non-interest bearing accounts.....	2,097,628	*4,607	82,160	279,812	502,946	204,861	64,202	114,856	844,184
Savings and temporary cash investments.....	12,693,847	*107	157,217	1,180,467	2,800,714	1,248,380	1,050,936	1,079,868	5,176,159
Accounts receivable, net.....	570,992	--	1,801	37,892	77,765	76,562	35,000	47,435	294,538
Pledges receivable, net.....	58,959	--	*290	*2,094	35,876	12,502	1,020	7,135	43
Grants receivable.....	115,454	--	--	*864	63,002	22,892	13,124	15,505	67
Receivables due from disqualified persons.....	25,114	--	*706	*5	*23,361	531	183	72	256
Other notes and loans receivable.....	1,666,172	*1,702	2,677	150,789	285,679	137,591	50,192	67,821	969,721
Inventories.....	21,482	--	2,460	*1,465	7,137	3,197	1,949	854	4,421
Prepaid expenses and deferred charges.....	197,875	--	315	10,057	40,025	10,583	16,508	14,199	106,188
Investments, total (non-cash).....	131,074,161	*37,002	150,506	3,266,814	16,665,575	12,014,320	10,053,923	11,517,351	77,368,670
Securities, total.....	111,429,857	*36,806	116,570	2,754,699	14,937,794	10,354,924	8,756,762	10,223,920	64,248,381
Government obligations.....	29,267,210	--	30,568	725,746	4,666,794	3,129,476	2,714,080	3,133,741	14,866,806
Corporate stock.....	64,308,074	*36,600	63,378	1,484,915	7,411,145	5,217,975	4,388,891	5,217,969	40,487,201
Corporate bonds.....	17,854,573	*206	22,624	544,039	2,859,855	2,007,473	1,653,791	1,872,210	8,894,374
Land, buildings, and equipment (less accumulated depreciation).....	2,281,239	--	*2,968	54,816	375,800	234,437	249,480	160,922	1,202,816
Mortgage loans.....	854,440	--	3,493	52,010	135,993	112,132	99,413	105,253	346,146
Other investments.....	16,508,624	*195	27,476	405,288	1,215,988	1,312,826	948,267	1,027,255	11,571,328
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	3,053,079	*40	13,506	252,861	763,439	538,256	287,660	209,200	988,115
Other assets.....	2,433,223	*49	16,894	158,193	565,738	292,629	198,099	255,604	946,016
<b>Total liabilities (book value).....</b>	<b>6,775,987</b>	<b>*117</b>	<b>29,188</b>	<b>205,255</b>	<b>666,882</b>	<b>406,115</b>	<b>369,803</b>	<b>342,849</b>	<b>4,755,779</b>
<b>Net worth (book value).....</b>	<b>147,232,004</b>	<b>*43,390</b>	<b>399,344</b>	<b>5,136,059</b>	<b>21,164,376</b>	<b>14,156,191</b>	<b>11,402,994</b>	<b>12,987,051</b>	<b>81,942,600</b>
<b>Total assets, beginning-of-year (book value)...</b>	<b>145,330,532</b>	<b>198,567</b>	<b>474,551</b>	<b>4,915,085</b>	<b>20,178,908</b>	<b>13,550,356</b>	<b>11,055,187</b>	<b>12,492,139</b>	<b>82,465,739</b>
<b>Investments in securities, beginning-of-year (book value).....</b>	<b>104,256,705</b>	<b>108,939</b>	<b>132,260</b>	<b>2,518,345</b>	<b>13,544,391</b>	<b>9,415,865</b>	<b>8,203,345</b>	<b>9,607,615</b>	<b>60,725,945</b>
Government obligations.....	29,507,635	*14,819	34,143	738,926	4,600,953	3,126,666	2,715,204	3,137,448	15,139,476
Corporate stock.....	58,172,603	59,380	75,711	1,247,542	6,442,795	4,467,667	3,885,991	4,704,546	37,288,971
Corporate bonds.....	16,576,467	*34,741	22,406	531,877	2,500,643	1,821,532	1,602,149	1,765,620	8,297,498

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

<sup>1</sup> The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 1, which are calculated using the cash receipts and disbursements method of accounting.

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

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 4.--All 4947(a)(1) Charitable Trusts: Income Statements and Balance Sheets, by Size of Fair Market Value of Total Assets**

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

Item	Total	Size of fair market value of total assets					
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>2,932</b>	<b>36</b>	<b>964</b>	<b>1,078</b>	<b>323</b>	<b>486</b>	<b>47</b>
<b>Total revenue.....</b>	<b>346,797</b>	<b>280</b>	<b>5,178</b>	<b>24,988</b>	<b>20,078</b>	<b>162,664</b>	<b>133,609</b>
Contributions, gifts, and grants received.....	63,265	*(')	2,024	3,078	3,024	51,333	3,806
Interest on savings and temporary cash investments.....	15,466	10	332	1,865	1,030	4,980	7,248
Dividends and interest from securities.....	120,056	*87	1,692	10,582	9,954	51,980	45,760
Gross rents and royalties.....	5,440	-	*21	625	*308	2,533	1,953
Net gain (or loss) from sales of assets.....	126,066	*183	907	8,481	4,729	44,756	67,010
Gross profit (less loss) from business activities.....	*15	-	-	-	*9	6	-
Other income.....	16,487	*(')	202	355	1,024	7,074	7,831
<b>Total expenses.....</b>	<b>191,202</b>	<b>1,741</b>	<b>5,115</b>	<b>19,558</b>	<b>14,083</b>	<b>73,678</b>	<b>77,026</b>
Contributions, gifts, and grants paid <sup>2</sup> .....	154,274	1,703	4,102	15,392	11,025	55,816	66,236
Compensation of officers.....	15,560	*16	364	2,381	1,789	7,135	3,875
Other salaries and wages.....	1,371	-	-	*2	-	1,100	269
Pension plans and employee benefits.....	*318	-	-	-	-	281	37
Legal fees.....	1,705	*11	34	233	49	609	768
Accounting fees.....	1,632	*2	165	428	203	619	216
Other professional fees.....	3,894	*1	42	269	326	1,654	1,603
Interest.....	190	-	*1	*35	*(')	31	124
Taxes.....	5,877	*4	84	550	462	2,448	2,329
Depreciation and depletion.....	823	-	-	*26	*84	589	123
Occupancy.....	548	-	*55	-	-	357	136
Travel, conferences, and meetings.....	1,080	-	*(')	*1	*(')	899	180
Printing and publications.....	94	*(')	10	10	6	62	6
Other expenses.....	3,837	*4	258	230	140	2,078	1,126
<b>Excess of revenue (less loss) over expenses.....</b>	<b>155,594</b>	<b>*-1,461</b>	<b>64</b>	<b>5,430</b>	<b>5,994</b>	<b>88,985</b>	<b>56,583</b>
Excess of revenue.....	177,241	*135	1,908	10,624	7,117	95,228	62,229
Loss.....	21,647	*1,597	1,844	5,194	1,122	6,243	5,646
<b>Total assets (fair market value).....</b>	<b>3,130,730</b>		<b>38,899</b>	<b>267,241</b>	<b>232,048</b>	<b>1,239,955</b>	<b>1,352,587</b>
Cash, total.....	225,511	-	5,955	32,758	13,417	96,663	76,719
Non-interest bearing accounts.....	31,842	-	1,538	4,185	1,107	19,012	6,000
Savings and temporary cash investments.....	193,669	-	4,418	28,573	12,310	77,650	70,718
Accounts receivable, net.....	3,029	-	*27	*153	*179	2,504	167
Pledges receivable, net.....	-	-	-	-	-	-	-
Grants receivable.....	-	-	-	-	-	-	-
Receivables due from disqualified persons.....	*35	-	-	-	35	-	-
Other notes and loans receivable.....	33,970	-	*450	*2,991	*69	5,531	24,928
Inventories.....	*335	-	-	-	-	335	-
Prepaid expenses and deferred charges.....	748	-	*1	*10	*14	579	144
Investments, total (non-cash).....	2,637,584	-	27,633	174,942	174,183	1,057,344	1,203,482
Securities, total.....	2,174,484	-	17,132	130,373	114,464	866,089	1,046,426
Government obligations.....	413,858	-	4,482	25,198	27,176	175,914	181,087
Corporate stock.....	1,379,155	-	8,920	77,876	70,799	578,162	643,398
Corporate bonds.....	381,472	-	3,730	27,299	16,488	112,012	221,942
Land, buildings, and equipment (less accumulated depreciation).....	36,908	-	-	*1,641	*400	21,418	13,449
Mortgage loans.....	10,427	-	*6	*564	*839	8,973	44
Other investments.....	415,765	-	10,494	42,365	58,479	160,865	143,562
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	42,625	-	*(')	*3,019	*4,224	14,471	20,910
Other assets.....	186,893	-	4,833	53,368	39,927	62,528	26,237

Footnotes at end of table.

# Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992

**Table 4.--All 4947(a)(1) Charitable Trusts: Income Statements and Balance Sheets, by Size of Fair Market Value of Total Assets--Continued**

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

Item	Total	Size of fair market value of total assets					
		Assets Zero or Unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total assets (book value).....</b>	<b>2,417,064</b>	<b>824</b>	<b>34,958</b>	<b>219,222</b>	<b>177,321</b>	<b>978,108</b>	<b>1,006,632</b>
Cash, total.....	222,828	66	6,057	31,432	13,326	95,226	76,720
Non-interest bearing accounts.....	29,742	--	1,645	4,169	1,099	16,829	6,000
Savings and temporary cash investments.....	193,086	66	4,412	27,263	12,227	78,397	70,720
Accounts receivable, net.....	3,022	--	*20	*153	*179	2,504	167
Pledges receivable, net.....	--	--	--	--	--	--	--
Grants receivable.....	--	--	--	--	--	--	--
Receivables due from disqualified persons.....	*35	--	--	--	*35	--	--
Other notes and loans receivable.....	34,252	--	450	2,991	69	5,813	24,928
Inventories.....	29	--	--	--	--	29	--
Prepaid expenses and deferred charges.....	748	--	*1	*10	*14	579	144
Investments, total (non-cash).....	2,003,484	*757	24,558	138,808	134,808	817,085	887,468
Securities, total.....	1,629,008	*757	15,186	102,071	86,664	672,848	751,482
Government obligations.....	391,688	--	4,272	23,797	25,872	166,034	171,713
Corporate stock.....	882,933	*374	7,520	53,547	45,117	402,694	373,682
Corporate bonds.....	354,387	*383	3,395	24,728	15,675	104,120	206,087
Land, buildings, and equipment (less accumulated depreciation).....	18,372	--	--	*953	*757	12,238	4,424
Mortgage loans.....	10,425	--	*6	*564	*839	8,971	44
Other investments.....	345,679	--	9,366	35,219	46,548	123,029	131,518
Charitable-purpose land, buildings, and equipment (less accumulated depreciation).....	19,234	--	*(')	*1,647	*1,649	9,137	6,801
Other assets.....	133,432	--	3,872	44,182	27,239	47,735	10,404
<b>Total liabilities (book value).....</b>	<b>9,240</b>	<b>--</b>	<b>*114</b>	<b>275</b>	<b>462</b>	<b>5,790</b>	<b>2,599</b>
<b>Net worth (book value).....</b>	<b>2,407,824</b>	<b>*824</b>	<b>34,844</b>	<b>218,947</b>	<b>176,859</b>	<b>972,318</b>	<b>1,004,033</b>
<b>Total assets, beginning-of-year (book value).....</b>	<b>2,248,072</b>	<b>2,541</b>	<b>34,719</b>	<b>207,305</b>	<b>171,168</b>	<b>897,195</b>	<b>935,145</b>
<b>Investments in securities, beginning-of-year (book value).....</b>	<b>1,480,379</b>	<b>*1,778</b>	<b>15,002</b>	<b>94,354</b>	<b>89,370</b>	<b>594,191</b>	<b>685,685</b>
Government obligations.....	385,944	*192	4,206	24,042	28,941	161,071	167,491
Corporate stock.....	801,545	*888	7,496	47,106	42,918	343,394	359,743
Corporate bonds.....	292,891	*698	3,300	23,207	17,511	89,725	158,450

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

<sup>1</sup> Less than \$500.

<sup>2</sup> The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 2, which are calculated using the cash receipts and disbursements method of accounting.

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

# Charities and Other Tax-Exempt Organizations, 1992

Data Release

The Internal Revenue Code classifies tax-exempt, nonprofit organizations into 31 groups, some of which are eligible to receive tax-deductible donations under Code section 170. Those organizations that are exempt under section 501(c)(3) receive the largest part of the tax-deductible donations. This data release discusses them and also the organizations that are exempt under sections 501(c)(4) through (9). The statistics are based on data from Form 990, *Return of Organization Exempt from Income Tax*, and Form 990EZ, *Short Form Return of Organization Exempt from Income Tax* [1].

## Charitable Organizations Tax-Exempt Under Internal Revenue Code Section 501(c)(3)

Organizations that are exempt under Code section 501(c)(3) are those whose purposes are religious, charitable, scientific, literary, or educational, or they foster national or international amateur sports competition, or they prevent cruelty to children or animals, or they test for public safety. Their activities are restricted in that they must further one or more of these exempt purposes.

Examples of these "charitable" organizations include nonprofit hospitals, educational institutions, youth organizations, community fundraising campaigns, public charities, local housing authorities, historical societies, and environmental preservation groups. Each must serve the public good (as opposed to private interests) to qualify for tax-exempt status. Under the Code, exempt organizations may not distribute net earnings to a private shareholder or individual. In addition, they are restricted in activities that can influence legislation, and cannot participate in any political campaign in behalf of, or in opposition to, any candidate for public office.

Of the 466,961 nonprofit charitable organizations recognized by the Internal Revenue Service (IRS) under Code section 501(c)(3), there were 157,941 returns filed for 1992 [2]. Those not required to file included religious organizations and organizations with annual gross receipts of less than \$25,000. The number of returns filed showed a 6-percent increase from 1991 (Figure A). The number of Form 990EZ returns increased to 22 percent of total returns filed. This shortened return form is for organizations with gross receipts of less than \$100,000 and assets of less than \$250,000. (Where possible, Form 990 data and Form 990EZ are combined in this data release.)

*This data release was written by Cecelia Hilgert, an economist with the Special Studies Special Projects Section, under the direction of Michael Alexander, Chief.*

Figure A

## Selected Items for Nonprofit Charitable Organizations, Reporting Years 1991 and 1992

(Money amounts are in millions of dollars)

Item	1991	1992
	(1)	(2)
Number of returns.....	149,544	157,941
Forms 990.....	118,805	122,563
Forms 990EZ.....	30,739	35,378
Total assets.....	777,472	849,324
Total liabilities.....	365,605	398,177
Total fund balance or net worth.....	411,866	451,148
Total revenue.....	491,106	523,793
Program service revenue.....	344,446	374,804
Contributions, gifts, and grants.....	87,462	94,992
Membership dues and assessments.....	5,188	5,659
Other.....	54,009	48,337
Total expenses.....	458,739	490,245
Excess of revenue over expenses.....	32,367	33,548

NOTES: Data are from both Forms 990 and 990EZ for nonprofit charitable organizations that are tax-exempt under IRC section 501(c)(3) and exclude private foundations and most religious organizations. Detail may not add to totals because of rounding and processing tolerances.

Total revenue of organizations exempt under Code section 501(c)(3), excluding private foundations, was \$523.8 billion for 1992, an increase of 7 percent from 1991. Program service revenue—the fees collected by organizations for the programs operated in support of their tax-exempt purposes—was the major source. It totaled \$374.8 billion for 1992, which represented 72 percent of total revenue. For 1992, revenues exceeded expenses by \$33.5 billion, an increase of 4 percent. Total assets grew to \$849.3 billion, an increase of 9 percent from 1991. Investments in securities were the major asset holding, \$285.0 billion, which accounted for one-third of the total. (See Table 1 for selected balance sheet and income statement items for Form 990 filers, including expense totals for three functions: program services, management and general, and fundraising. Table 2 provides detailed expenditures by object classification for Form 990 filers. Tables 3 and 4 show selected items for Form 990 and Form 990EZ filers, respectively.)

Figure B presents information on the types of nonprofit charitable organizations that filed Forms 990 or 990EZ for 1992. The information was based on responses to a question on the return forms identifying the reason why the organization was not classified as a private foundation. In contrast to a nonprofit charitable organization, a private foundation is narrowly supported and controlled, usually by an individual, family, or corporation, as compared to a

# Charities and Other Tax-Exempt Organizations, 1992

**Figure B**

## Selected Items, by Type of Nonprofit Charitable Organization, Reporting Year 1992

[Money amounts are in millions of dollars]

Type of organization	Total assets	Total liabilities	Total fund balance or net worth	Total revenue	Program service revenue	Contributions, gifts, and grants	Total expenses	Excess of revenue over expenses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b> .....	<b>849,324</b>	<b>398,177</b>	<b>451,148</b>	<b>523,793</b>	<b>374,804</b>	<b>94,992</b>	<b>490,245</b>	<b>33,548</b>
Educational institution or school.....	175,569	41,343	134,226	84,648	53,719	19,415	76,354	8,294
Governmental unit.....	3,023	2,351	672	1,760	650	937	1,773	-13
Hospital.....	250,739	130,785	119,954	242,819	228,048	5,559	232,723	10,096
Hospital research organization.....	11,263	1,396	9,867	3,090	1,445	760	2,519	570
Organization supporting a public college.....	11,794	1,804	9,990	5,348	1,670	2,629	4,316	1,032
Organization supporting other charitable organizations.....	198,776	133,442	65,335	36,765	17,038	4,968	32,073	4,692
Organization testing for public safety..	378	59	319	282	259	( <sup>2</sup> )	268	14
Publicly-supported organization.....	191,723	83,760	107,963	144,746	69,400	59,247	136,067	8,679
Religious-affiliated organization <sup>1</sup> .....	5,685	3,033	2,652	3,783	2,122	1,446	3,619	163
Type not reported.....	374	204	170	553	453	31	532	21

<sup>1</sup> Churches and other religious-affiliated organizations are not required to file a Form 990 or Form 990EZ. Most of the organizations filed voluntarily or misreported their type of organization. The estimate is, therefore, not inclusive of the majority of religious organizations.

<sup>2</sup> Less than \$500,000.

NOTES: Data are from both Forms 990 and 990EZ for nonprofit charitable organizations that are tax-exempt under Code section 501(c)(3) and exclude private foundations and most religious organizations (see footnote 1). Detail may not add to totals because of rounding and processing tolerances.

nonprofit charitable organization which receives broad support from a large number of sources within the general public. It is this narrow base of support and control which differentiates a private foundation from a nonprofit charitable organization. Because of their centralized support and control, private foundations are more strictly regulated than the other section 501(c)(3) organizations. Their contributors are subject to limitations on individual income tax deductions, and nonoperating foundations have requirements on mandatory distributions and an excise tax on net investment income [3].

As shown in Figure B, hospitals were the leading category of nonprofit charitable organization in terms of assets and revenue, representing 30 percent of the total amount of assets and 46 percent of the revenue total. Publicly-supported organizations were the second leading category in terms of revenue with 28 percent of the total. Examples of publicly-supported organizations are the American Red Cross or United Way and their affiliated agencies, voluntary health agencies, community foundations, cultural organizations, and a wide variety of community-service organizations. Program service revenue was the leading revenue source for both hospitals and publicly-supported organizations.

### Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(4) Through (9)

Organizations that are tax-exempt under Code sections 501(c)(4) through (9) are quite diverse in their program activities, as well as in their organizational structures. Unlike the nonprofit charitable organizations that are tax-exempt under section 501(c)(3), most of them are not eligible to receive tax-deductible contributions.

Figure C presents selected data for these organizations for 1991 and 1992. Three types of organizations exempt under these Code sections—civic leagues and social welfare organizations, section 501(c)(4); labor, agricultural, and horticultural organizations, section 501(c)(5); and business leagues, chambers of commerce, and real estate boards, section 501(c)(6)—each filed over 21,000 Forms 990 and 990EZ for 1992. In general, the relative use of the Form 990EZ was greater by organizations in these Code sections than that of the nonprofit charitable organizations exempt under Code section 501(c)(3). For example, the Form 990EZ represented 36 percent of the returns filed by civic leagues and social welfare organizations; 34 percent of the returns filed by labor, agricultural, and horticultural organizations; and 29 percent of the

# Charities and Other Tax-Exempt Organizations, 1992

**Figure C**

## Selected Items for Organizations Tax-Exempt Under Selected Internal Revenue Code Sections, Reporting Years 1991 and 1992

[Money amounts are in millions of dollars]

Internal Revenue Code section	Number of returns		Total assets		Total liabilities		Total revenue		Total expenses		Excess of revenue over expenses	
	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
501(c)(4).....	22,813	22,802	37,461	38,683	26,382	27,412	21,353	21,498	20,029	20,595	1,323	903
501(c)(5).....	20,304	21,431	15,224	18,841	2,593	3,442	12,631	13,681	12,376	12,758	256	923
501(c)(6).....	22,883	24,443	21,208	21,464	12,534	11,179	19,664	18,504	18,681	17,344	983	1,160
501(c)(7).....	16,112	15,215	10,107	10,627	3,129	3,190	6,401	6,471	6,163	6,232	238	239
501(c)(8).....	8,112	7,719	32,975	36,890	27,580	31,501	8,080	9,067	7,926	8,802	154	265
501(c)(9).....	9,865	9,951	37,374	41,754	13,272	14,064	56,191	65,514	54,855	63,080	1,336	2,434

NOTES: Data are from both Forms 990 and 990EZ.

returns filed by business leagues, chambers of commerce, and real estate boards, as compared to 22 percent of the returns filed by the nonprofit organizations exempt under 501(c)(3). Tables 2 and 3 show data for Form 990 filers, while Table 4 presents information on Form 990EZ filers.

Voluntary employees' beneficiary associations, Code section 501(c)(9), led the other five types of organizations in terms of assets (\$41.8 billion). Civic leagues and social welfare organizations, Code section 501(c)(4), were second with \$38.7 billion, followed closely by fraternal beneficiary societies and associations, Code section 501(c)(8), with \$36.9 billion. The largest of these organizations—those with assets of \$10 million or more—represented more than three-quarters of the assets of the organizations exempt under these three Code sections [4].

In terms of revenue, voluntary employees' beneficiary associations, section 501(c)(9), reported the largest amount for 1992, \$65.5 billion. The composition of revenue varied considerably for the organizations in these six Code sections. Membership dues and assessments were the major source of revenue for labor, agricultural, and horticultural organizations, section 501(c)(5); business leagues, chambers of commerce, and real estate boards, section 501(c)(6); and social and recreation clubs, section 501(c)(7). Program service revenue was the major source of revenue for the organizations exempt under the other three Code sections. While program service revenue is generally composed of fees for services on which the tax exemption is based, including hospital and tuition charges in the case of nonprofit charitable organizations (501(c)(3)), for fraternal beneficiary associations (501(c)(8)) and voluntary beneficiary associations (501(c)(9)), the program service revenue was, instead, composed of payments received for health and welfare benefits coverage.

### Data Sources and Limitations

The statistics in this data release are based on a sample of the 1992 Forms 990, *Return of Organization Exempt from Income Tax*, and Forms 990EZ, *Short-Form Return of Organization Exempt from Income Tax*. Organizations used the 1992 forms when their accounting periods ended during the time period December 31, 1992, through November 30, 1993. These returns comprise the data for Reporting Year 1992 shown in this data release. The sample did not include private foundations, which were required to file on a separate return form. Most churches and other religious organizations were also excluded from the sample because they were not required to file a Form 990 or a Form 990EZ. However, as shown in Figure B, some of these organizations filed returns voluntarily. The sample included only those returns with receipts of more than \$25,000, the filing threshold.

The sample design was split into two parts: the first part included returns of organizations exempt under section 501(c)(3), and the second part included organizations exempt under sections 501(c)(4) through (9). Returns of organizations exempt under other sections were not included in the study. The data presented were obtained from returns as originally filed with the Internal Revenue Service. They were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. However, in most cases, changes made to the original return as a result of either administrative processing or taxpayer amendment were not incorporated into the data base.

Each part of the sample was classified into sample strata based on size of total assets, with each stratum sampled at different rate. For section 501(c)(3) organizations, a sample of 11,461 returns was selected from a

## Charities and Other Tax-Exempt Organizations, 1992

population of 160,629. Sampling rates ranged from 0.9 percent for small asset classes to 100 percent for organizations with assets of \$10,000,000 or more. For organizations filing under sections 501(c)(4) through (9), a sample of 9,800 returns was selected from a population of 102,777. Sampling rates ranged from 1.5 percent for the small asset classes to 100 percent for organizations with assets of \$2,500,000 or more. The populations for these organizations included some returns of terminated organizations, returns of inactive organizations, duplicate returns, and returns of organizations filed prior to 1992. These returns were not included in the samples, nor in the estimated population counts.

### Notes and References

- [1] Data for previous years were published in Internal Revenue Service, *Statistics of Income, Compendium of Studies of Tax-Exempt Organizations, 1974-1987*, and *Compendium of Studies of Tax-Exempt Organizations, 1986-1992*, Volume 2. See also Hilgert, Cecelia, "Charities and Other Tax-Exempt Organizations, 1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1, and Riley, Margaret, "Exempt Organization Business Income Tax Returns, 1992," *Statistics of Income Bulletin*, Spring 1996, Volume 15, Number 4 .
- [2] Data presented in this data release are from 1992 Forms 990 and 990EZ. Organizations used the 1992 forms when their accounting periods ended between December 1992 and November 1993. The total number of nonprofit charitable organizations, including those not required to file Form 990 or Form 990EZ, was obtained from the Internal Revenue Service Exempt Organizations Business Master File, as reported in *Monthly Exempt Organizations Statistical Summary*, and does not include private foundations filing Form 990-PF, *Return of Private Foundation*. A file containing Business Master File records of exempt organizations is available on the Statistics of Income's electronic bulletin board, which can be accessed at (202) 874-9574.
- [3] For information on private foundations, see "Private Foundations and Charitable Trusts: A Decade of Charitable Giving and Growth, with Highlights of 1991 and 1992," in this issue.
- [4] Some data in this section are from unpublished Statistics of Income tabulations.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 1.—Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Asset Size**

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

Item	Total	Asset size					
		Under \$100,000 <sup>1,2</sup>	\$100,000 under \$500,000 <sup>2</sup>	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>122,563</b>	<b>34,479</b>	<b>36,920</b>	<b>14,806</b>	<b>28,254</b>	<b>5,520</b>	<b>2,583</b>
<b>Total assets.....</b>	<b>847,724,959</b>	<b>1,309,527</b>	<b>9,288,294</b>	<b>10,469,507</b>	<b>86,753,572</b>	<b>120,584,261</b>	<b>619,319,798</b>
<b>Cash:</b>							
Number of returns.....	97,124	27,787	30,251	11,252	21,814	4,151	1,869
Amount.....	15,439,057	384,542	1,416,240	735,151	3,414,617	2,846,116	6,642,390
<b>Savings and temporary cash investments:</b>							
Number of returns.....	83,185	17,922	27,313	10,896	20,990	4,109	1,954
Amount.....	63,096,998	411,356	2,842,641	1,943,693	10,796,408	10,122,257	36,980,642
<b>Accounts receivable (net):</b>							
Number of returns.....	58,565	10,212	14,209	8,318	18,944	4,538	2,344
Amount.....	59,152,885	103,672	554,361	793,338	5,879,437	9,128,384	42,693,692
<b>Pledges receivable (net):</b>							
Number of returns.....	7,666	454	1,340	796	3,695	1,005	376
Amount.....	6,558,598	9,312	85,596	111,077	1,632,759	2,246,626	2,473,228
<b>Grants receivable:</b>							
Number of returns.....	13,812	3,402	3,463	1,832	3,993	677	446
Amount.....	4,486,662	42,052	145,586	164,258	1,307,519	937,781	1,889,466
<b>Receivables due from officers, directors, trustees, and key employees:</b>							
Number of returns.....	2,591	680	809	72	644	206	179
Amount.....	579,111	1,574	4,304	2,704	22,652	48,827	499,050
<b>Other notes and loans receivable:</b>							
Number of returns.....	14,197	794	2,911	2,027	5,002	2,118	1,346
Amount.....	21,587,359	6,416	200,296	278,380	1,825,458	3,274,895	16,001,914
<b>Inventories for sale or use:</b>							
Number of returns.....	25,198	3,402	5,855	3,310	7,755	2,952	1,925
Amount.....	5,735,465	36,439	179,080	85,192	730,249	1,107,039	3,597,467
<b>Prepaid expenses and deferred charges:</b>							
Number of returns.....	55,022	7,830	14,945	7,364	18,241	4,372	2,269
Amount.....	7,930,226	21,813	110,307	83,805	855,354	1,402,684	5,456,264
<b>Investments in securities:</b>							
Number of returns.....	27,867	1,134	6,885	3,402	11,258	3,377	1,811
Amount.....	284,955,667	9,569	765,313	1,140,544	16,217,370	30,736,237	236,086,634
<b>Investments in land, buildings, and equipment minus accumulated depreciation:</b>							
Number of returns.....	20,107	5,676	5,348	2,896	4,567	1,011	609
Amount.....	18,266,065	82,332	565,360	944,874	4,933,297	3,369,020	8,371,182
<b>Other investments:</b>							
Number of returns.....	11,195	567	1,164	1,165	5,075	1,901	1,323
Amount.....	75,341,784	4,000	14,872	191,563	3,205,354	6,630,287	65,295,708
<b>Land, buildings, and equipment minus accumulated depreciation:</b>							
Number of returns.....	75,213	13,153	23,540	10,071	21,432	4,655	2,362
Amount.....	237,997,177	174,243	2,256,464	3,632,916	32,387,920	42,430,256	157,115,379
<b>Other assets:</b>							
Number of returns.....	43,386	6,124	9,994	6,394	14,911	3,861	2,102
Amount.....	46,597,881	22,196	147,854	362,018	3,545,180	6,303,851	36,216,782
<b>Total liabilities.....</b>	<b>398,019,530</b>	<b>679,708</b>	<b>2,502,043</b>	<b>3,443,702</b>	<b>35,557,532</b>	<b>49,652,124</b>	<b>306,184,421</b>
<b>Accounts payable:</b>							
Number of returns.....	85,047	19,510	23,251	10,801	23,878	5,096	2,511
Amount.....	68,026,324	276,505	675,265	817,131	7,159,730	10,293,138	48,804,555
<b>Grants payable:</b>							
Number of returns.....	4,422	794	1,283	290	1,500	398	157
Amount.....	3,410,353	12,043	50,467	25,331	669,016	1,111,341	1,542,154
<b>Support and revenue designated for future periods:</b>							
Number of returns.....	23,146	4,082	6,267	2,635	8,007	1,605	550
Amount.....	12,479,853	60,060	371,427	249,140	3,212,632	4,145,097	4,441,496
<b>Loans from officers, directors, trustees, and key employees:</b>							
Number of returns.....	5,278	3,062	1,268	408	461	60	20
Amount.....	392,735	88,312	90,991	33,741	64,064	68,183	47,444
<b>Mortgages and other notes payable:</b>							
Number of returns.....	42,175	5,329	10,104	6,160	14,991	3,536	2,055
Amount.....	161,001,136	141,660	1,025,540	1,897,324	20,394,589	25,927,186	111,614,838
<b>Other liabilities:</b>							
Number of returns.....	37,121	4,989	8,138	5,386	13,426	3,318	1,865
Amount.....	152,709,126	101,128	288,351	421,033	4,057,500	8,107,180	139,733,934

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 1.--Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Asset Size--Continued**

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

Item	Total	Asset size					
		Under \$100,000 <sup>1,2</sup>	\$100,000 under \$500,000 <sup>2</sup>	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total fund balance or net worth:</b>							
Number of returns.....	122,063	34,138	36,806	14,806	28,235	5,502	2,575
Amount.....	449,705,417	629,807	6,786,240	7,025,805	51,196,052	70,932,137	313,135,376
<b>Total revenue:</b>							
Number of returns.....	122,563	34,479	36,920	14,806	28,254	5,520	2,583
Amount.....	522,177,774	6,165,700	14,429,478	10,947,134	71,240,870	82,042,970	337,351,621
<b>Total contributions received:</b>							
Number of returns.....	103,251	28,922	32,311	12,345	22,921	4,524	2,228
Amount.....	94,178,723	3,068,365	7,457,928	5,425,092	26,692,570	15,642,282	35,892,485
<b>Contributions received from direct public support:</b>							
Number of returns.....	93,501	25,294	29,661	11,549	20,846	4,180	1,971
Amount.....	43,986,785	1,487,009	3,352,197	2,527,253	10,903,486	9,132,184	16,584,657
<b>Contributions received from indirect public support:</b>							
Number of returns.....	26,403	6,690	8,378	3,444	6,123	1,059	710
Amount.....	9,110,478	345,267	836,012	415,508	2,017,786	1,818,389	3,677,516
<b>Government grants:</b>							
Number of returns.....	40,303	11,566	12,228	4,603	9,147	1,700	1,060
Amount.....	41,081,462	1,236,089	3,269,720	2,482,332	13,771,299	4,691,710	15,630,312
<b>Program service revenue:</b>							
Number of returns.....	74,994	18,264	21,098	8,958	20,000	4,383	2,292
Amount.....	374,442,779	2,271,765	5,682,789	4,372,056	38,424,776	59,028,796	264,662,596
<b>Membership dues and assessments:</b>							
Number of returns.....	26,750	8,731	9,914	3,185	4,132	581	207
Amount.....	5,499,117	312,802	413,669	325,966	1,253,531	947,011	2,246,138
<b>Interest on savings and temporary cash investments:</b>							
Number of returns.....	98,232	23,139	31,504	12,923	24,282	4,348	2,036
Amount.....	5,094,749	19,878	130,775	117,515	789,025	881,577	3,155,978
<b>Dividends and interest from securities:</b>							
Number of returns.....	24,993	1,822	6,169	3,338	9,115	2,912	1,637
Amount.....	14,877,803	4,861	49,912	65,592	890,058	1,646,936	12,220,445
<b>Net rental income (loss):</b>							
Number of returns.....	17,748	1,361	4,128	2,678	6,359	1,935	1,287
Amount.....	1,124,583	10,951	52,893	63,755	252,706	202,747	541,531
<b>Gross rents:</b>							
Number of returns.....	17,872	1,361	4,247	2,678	6,356	1,942	1,289
Amount.....	2,685,536	19,726	96,832	98,125	650,346	448,454	1,372,053
<b>Rental expenses:</b>							
Number of returns.....	7,049	340	1,510	724	2,856	910	709
Amount.....	1,560,953	8,775	43,939	34,370	397,641	245,707	830,522
<b>Other investment income:</b>							
Number of returns.....	4,901	340	712	586	1,855	768	640
Amount.....	3,093,007	183	8,867	4,907	125,419	182,940	2,770,691
<b>Total gain (loss) from sales of assets:</b>							
Number of returns.....	23,492	1,474	4,077	3,040	9,747	3,223	1,931
Amount.....	10,890,786	694	48,966	44,093	499,622	1,076,222	9,221,188
<b>Gain (loss), sales of securities:</b>							
Number of returns.....	14,191	567	2,325	1,448	6,475	2,200	1,177
Amount.....	9,699,578	342	23,629	14,141	447,577	1,022,724	8,191,165
<b>Gross amount from sales:</b>							
Number of returns.....	14,067	680	2,325	1,303	6,424	2,174	1,161
Amount.....	218,630,482	92,008	151,080	158,066	5,388,781	12,157,632	200,682,915
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	12,247	680	1,969	1,303	5,546	1,831	918
Amount.....	208,930,904	91,666	127,451	143,925	4,941,204	11,134,908	192,491,750
<b>Gain (loss), sales of other assets:</b>							
Number of returns.....	11,494	907	1,753	1,665	4,236	1,664	1,269
Amount.....	1,191,208	352	25,338	29,952	52,044	53,498	1,030,024
<b>Gross amount from sales:</b>							
Number of returns.....	10,375	907	1,758	1,593	3,555	1,433	1,130
Amount.....	5,516,688	2,537	97,035	92,324	538,692	511,778	4,274,322
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	8,068	567	1,170	1,086	2,980	1,254	1,011
Amount.....	4,325,479	2,185	71,697	62,372	486,647	458,280	3,244,298

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 1.--Form 990 Returns of Nonprofit Charitable Section 501(c)(3) Organizations: Selected Income Statement and Balance Sheet Items, by Asset Size--Continued**

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

Item	Total	Asset size					
		Under \$100,000 <sup>1,2</sup>	\$100,000 under \$500,000 <sup>2</sup>	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total revenue (continued):</b>							
<b>Net income (loss), fundraising:</b>							
Number of returns.....	28,876	9,752	9,271	3,721	5,211	648	273
Amount.....	1,739,760	324,975	278,218	272,634	577,113	207,059	79,761
<b>Gross revenue:</b>							
Number of returns.....	29,218	9,752	9,503	3,721	5,252	691	299
Amount.....	3,671,531	988,121	597,256	509,717	975,634	399,050	201,753
<b>Direct expenses:</b>							
Number of returns.....	24,539	8,164	7,417	3,504	4,545	626	283
Amount.....	1,931,770	663,146	319,037	237,083	398,521	191,991	121,992
<b>Gross profit (loss), sales of inventories:</b>							
Number of returns.....	16,689	3,855	5,549	2,251	3,924	712	398
Amount.....	2,867,952	74,107	133,087	135,079	638,995	554,540	1,332,143
<b>Gross sales minus returns and allowances:</b>							
Number of returns.....	16,697	3,742	5,663	2,251	3,930	714	398
Amount.....	6,884,262	179,000	439,476	448,911	1,717,656	1,404,986	2,694,233
<b>Cost of goods sold:</b>							
Number of returns.....	14,841	3,402	4,967	2,034	3,397	662	380
Amount.....	4,016,309	104,892	306,389	313,832	1,078,661	850,446	1,362,090
<b>Other revenue:</b>							
Number of returns.....	44,982	7,485	13,604	5,628	12,911	3,418	1,937
Amount.....	8,368,506	77,115	172,368	120,440	1,097,061	1,672,858	5,228,664
<b>Total expenses:</b>							
Number of returns.....	121,718	34,366	36,456	14,806	28,004	5,507	2,579
Amount.....	488,762,585	6,099,245	13,913,510	10,344,831	67,418,916	77,022,418	313,963,665
<b>Program services:</b>							
Number of returns.....	117,017	33,345	35,183	13,576	27,015	5,365	2,532
Amount.....	421,496,589	4,919,538	11,457,071	8,710,470	56,550,170	64,217,168	275,642,173
<b>Management and general:</b>							
Number of returns.....	103,403	26,768	31,112	13,069	25,022	5,036	2,396
Amount.....	61,880,400	988,018	2,227,702	1,410,026	9,750,925	11,449,673	36,054,056
<b>Fundraising:</b>							
Number of returns.....	34,951	7,711	9,929	5,143	9,015	2,128	1,025
Amount.....	4,317,901	178,582	207,078	213,002	972,663	1,031,135	1,715,441
<b>Payments to affiliates:</b>							
Number of returns.....	4,920	1,134	1,392	652	1,386	239	118
Amount.....	1,067,688	13,105	21,653	11,331	145,161	324,441	551,996
<b>Excess (deficit) of revenue over expenses:</b>							
Number of returns.....	121,972	34,139	36,806	14,806	28,156	5,494	2,571
Amount.....	33,415,189	66,455	515,965	602,303	3,821,957	5,020,552	23,387,956

<sup>1</sup>Includes returns with zero assets or assets not reported. Estimates in this column should be used with caution because of the small number of sample returns on which they are based.

<sup>2</sup>Includes organizations with end-of-year total assets less than \$250,000 and gross receipts less than \$100,000 electing to file Forms 990 rather than Forms 990EZ.

NOTES: Nonprofit charitable organizations exclude private foundations and most religious organizations. Detail may not add to totals because of rounding and processing tolerances.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 2.--Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Total Functional Expenditures, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns.....	122,563	14,587	14,222	17,474	11,397	6,250	9,433
<b>Total functional expenditures:</b>							
Number of returns.....	121,716	14,297	14,204	17,461	11,351	6,237	9,407
Amount.....	487,694,917	20,271,580	10,891,736	16,749,392	6,039,771	8,713,122	63,038,575
Grants and allocations:							
Number of returns.....	31,497	4,071	4,064	4,026	1,092	3,170	290
Amount.....	24,677,278	1,074,219	129,959	330,779	8,492	139,500	607,739
Specific assistance to individuals:							
Number of returns.....	9,702	895	432	315	143	445	186
Amount.....	18,494,782	175,997	7,352	30,058	1,451	12,495	594,808
Benefits paid to or for members:							
Number of returns.....	2,082	1,125	4,873	581	499	1,024	7,938
Amount.....	2,643,827	6,415,161	1,274,742	853,125	20,062	6,240,215	53,397,047
Compensation of officers or directors:							
Number of returns.....	39,271	3,034	10,691	7,163	1,158	3,361	2,052
Amount.....	4,858,467	255,852	974,054	691,052	36,146	65,554	145,305
Other salaries and wages:							
Number of returns.....	87,205	6,169	11,012	10,963	7,331	3,923	1,537
Amount.....	168,215,317	1,928,132	2,146,628	3,177,540	1,986,656	536,734	405,318
Pension plan contributions:							
Number of returns.....	24,297	858	4,934	4,493	756	190	771
Amount.....	5,174,866	88,586	276,508	215,958	21,494	55,983	124,640
Other employee benefits:							
Number of returns.....	60,918	2,825	5,915	7,352	3,090	638	1,308
Amount.....	20,839,083	281,428	1,083,679	465,198	164,027	263,315	1,310,889
Payroll taxes:							
Number of returns.....	77,769	5,301	11,752	10,399	6,916	4,076	1,796
Amount.....	11,610,871	147,053	272,100	275,931	261,921	74,401	53,698
Accounting fees:							
Number of returns.....	80,620	7,921	9,489	13,437	6,838	3,892	4,630
Amount.....	955,937	41,292	66,998	76,908	33,223	18,178	80,604
Legal fees:							
Number of returns.....	34,996	3,145	6,510	7,856	1,919	823	3,236
Amount.....	1,036,063	71,373	250,943	348,298	15,110	15,444	81,190
Supplies:							
Number of returns.....	98,994	10,709	10,109	13,691	8,846	5,484	2,058
Amount.....	39,501,752	237,432	126,253	180,795	219,203	42,671	40,944
Telephone:							
Number of returns.....	86,813	7,649	9,582	13,271	7,713	4,300	1,634
Amount.....	2,278,110	81,079	104,234	156,161	46,563	26,187	15,930
Postage and shipping:							
Number of returns.....	76,052	6,917	7,831	13,797	5,858	3,976	2,156
Amount.....	1,984,164	212,118	86,844	286,458	29,513	21,555	39,134
Occupancy:							
Number of returns.....	86,494	8,837	10,047	11,498	8,722	5,068	1,615
Amount.....	12,978,122	431,022	293,569	617,066	665,501	156,040	62,745
Equipment rental and maintenance:							
Number of returns.....	66,039	5,648	4,997	8,095	5,935	2,873	842
Amount.....	6,209,360	122,692	69,178	176,008	185,912	36,076	20,362
Printing and publications:							
Number of returns.....	76,978	6,429	6,625	14,496	5,824	4,294	2,379
Amount.....	3,569,751	315,163	157,433	761,639	61,937	43,463	31,445
Travel:							
Number of returns.....	69,574	4,247	6,645	11,072	1,972	865	767
Amount.....	3,559,131	114,020	273,560	459,227	16,445	24,146	8,237
Conferences, conventions, and meetings:							
Number of returns.....	56,840	6,545	9,872	14,560	2,887	4,360	2,278
Amount.....	1,464,510	123,959	201,083	1,049,333	33,304	46,177	15,313
Interest:							
Number of returns.....	45,497	4,150	2,464	3,689	4,643	2,057	440
Amount.....	9,737,052	993,616	37,220	66,569	131,217	21,872	21,189
Depreciation and depletion:							
Number of returns.....	78,496	5,834	7,507	9,805	6,727	2,602	1,552
Amount.....	18,772,305	319,187	157,618	306,543	472,456	73,362	45,857
Other expenses:							
Number of returns.....	118,458	13,929	14,084	17,313	11,125	6,177	7,799
Amount.....	128,863,843	6,816,049	2,882,755	6,217,288	1,628,984	786,388	5,936,051

<sup>1</sup>Excludes private foundations and most religious organizations.

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

# Charities and Other Tax-Exempt Organizations, 1992

**Table 3.--Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>122,563</b>	<b>14,587</b>	<b>14,222</b>	<b>17,474</b>	<b>11,397</b>	<b>6,250</b>	<b>9,433</b>
<b>Total assets.....</b>	<b>847,724,959</b>	<b>38,335,846</b>	<b>18,517,512</b>	<b>21,200,240</b>	<b>10,404,804</b>	<b>36,797,203</b>	<b>41,736,505</b>
<b>Cash:</b>							
Number of returns.....	97,124	11,097	11,814	13,841	9,526	5,628	5,200
Amount.....	15,439,057	1,284,185	970,855	960,759	363,102	335,227	987,102
<b>Savings and temporary cash investments:</b>							
Number of returns.....	83,185	10,561	9,862	14,519	8,534	4,246	6,572
Amount.....	63,096,998	4,752,708	3,566,705	5,203,443	877,683	819,969	9,644,809
<b>Accounts receivable (net):</b>							
Number of returns.....	58,565	3,267	4,277	7,134	5,518	1,017	4,575
Amount.....	59,152,885	2,245,955	587,296	1,427,759	696,623	74,076	3,740,114
<b>Pledges receivable (net):</b>							
Number of returns.....	7,666	46	37	267	89	7	42
Amount.....	6,558,598	75,684	16,566	131,821	4,939	167	19,704
<b>Grants receivable:</b>							
Number of returns.....	13,812	380	18	180	12	18	54
Amount.....	4,486,662	86,787	4,342	29,495	644	1,714	30,072
<b>Receivables due from officers, directors, trustees, and key employees:</b>							
Number of returns.....	2,591	80	169	415	116	19	133
Amount.....	579,111	69,831	3,797	5,642	1,258	69	8,242
<b>Other notes and loans receivable:</b>							
Number of returns.....	14,197	791	1,118	1,379	525	293	239
Amount.....	21,587,359	7,157,913	356,850	392,698	102,040	900,178	62,487
<b>Inventories for sale or use:</b>							
Number of returns.....	25,198	2,606	671	1,840	5,676	3,917	44
Amount.....	5,735,465	127,527	27,677	125,486	126,148	32,923	5,157
<b>Prepaid expenses and deferred charges:</b>							
Number of returns.....	55,022	3,184	2,621	6,687	4,468	1,210	2,397
Amount.....	7,930,226	228,639	126,199	327,474	116,420	11,864	150,371
<b>Investments in securities:</b>							
Number of returns.....	27,867	1,604	2,032	2,640	683	1,825	2,635
Amount.....	284,955,667	8,890,180	8,599,787	7,873,871	260,172	19,559,920	22,334,585
<b>Investments in land, buildings, and equipment minus accumulated depreciation:</b>							
Number of returns.....	20,107	1,950	1,782	2,478	1,794	885	234
Amount.....	18,266,065	1,665,917	672,974	326,783	1,005,346	592,201	59,050
<b>Other investments:</b>							
Number of returns.....	11,195	570	1,171	1,609	497	374	565
Amount.....	75,341,784	3,120,346	902,021	987,709	67,017	4,810,106	2,430,070
<b>Land, buildings, and equipment minus accumulated depreciation:</b>							
Number of returns.....	75,213	6,747	9,212	8,539	7,271	4,063	1,341
Amount.....	237,997,177	4,962,367	2,212,003	2,440,134	6,532,683	1,401,305	436,581
<b>Other assets:</b>							
Number of returns.....	43,386	3,315	3,807	4,528	2,892	1,999	2,365
Amount.....	46,597,881	3,667,805	475,431	967,167	250,723	8,257,484	1,828,164
<b>Total liabilities.....</b>	<b>398,019,530</b>	<b>27,377,172</b>	<b>3,412,170</b>	<b>11,167,657</b>	<b>3,170,452</b>	<b>31,494,959</b>	<b>14,064,012</b>
<b>Accounts payable:</b>							
Number of returns.....	85,047	5,784	7,120	10,446	6,822	4,125	5,239
Amount.....	68,026,324	4,908,720	1,128,384	1,786,812	592,354	303,539	5,632,269
<b>Grants payable:</b>							
Number of returns.....	4,422	388	34	208	50	35	26
Amount.....	3,410,353	118,655	5,141	34,373	13,946	27,220	39,615
<b>Support and revenue designated for future periods:</b>							
Number of returns.....	23,146	742	305	3,017	1,042	732	513
Amount.....	12,479,853	599,236	106,181	1,034,528	129,855	52,016	818,771
<b>Loans from officers, directors, trustees, and key employees:</b>							
Number of returns.....	5,278	206	137	127	209	30	7
Amount.....	392,735	7,757	2,420	1,962	17,659	438	4,679
<b>Mortgages and other notes payable:</b>							
Number of returns.....	42,175	3,975	2,480	2,689	4,377	2,138	243
Amount.....	161,001,136	11,430,800	682,539	1,296,393	1,846,132	313,912	197,921
<b>Other liabilities:</b>							
Number of returns.....	37,121	2,722	3,142	5,357	3,724	1,719	2,759
Amount.....	152,709,126	10,312,003	1,487,506	7,013,587	570,507	30,797,835	7,370,757
<b>Total fund balance or net worth:</b>							
Number of returns.....	122,063	14,318	14,091	17,308	11,319	6,222	8,701
Amount.....	449,705,417	10,958,674	15,105,340	10,032,584	7,234,344	5,302,235	27,672,493
<b>Total revenue:</b>							
Number of returns.....	122,563	14,586	14,222	17,474	11,397	6,250	9,433
Amount.....	522,177,774	21,203,549	13,299,051	18,187,368	6,285,570	9,006,249	65,482,500

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 3.--Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section--Continued**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total revenue (continued):</b>							
Total contributions received:							
Number of returns.....	103,251	7,189	1,711	4,031	2,183	3,527	377
Amount.....	94,178,723	1,964,090	373,351	1,185,359	51,797	91,433	680,533
Contributions received from direct public support:							
Number of returns.....	93,501	6,043	1,312	2,757	2,043	3,345	283
Amount.....	43,986,785	980,498	120,154	508,133	43,558	72,419	604,578
Contributions received from indirect public support:							
Number of returns.....	26,403	1,186	151	716	261	307	13
Amount.....	9,110,478	207,796	105,906	108,848	5,660	18,317	29,814
Government grants:							
Number of returns.....	40,303	2,450	359	1,073	2	2	85
Amount.....	41,081,462	775,803	147,291	568,377	2,579	697	46,140
Program service revenue:							
Number of returns.....	74,994	6,248	4,319	11,613	6,550	2,805	7,808
Amount.....	374,442,779	14,558,889	3,690,370	6,525,517	1,107,669	7,895,655	57,407,750
Membership dues and assessments:							
Number of returns.....	26,750	8,586	12,985	15,832	10,035	5,664	1,275
Amount.....	5,499,117	1,776,601	7,802,195	8,326,933	3,713,281	359,964	2,514,038
Interest on savings and temporary cash investments:							
Number of returns.....	98,232	12,849	13,122	16,096	9,801	5,225	7,636
Amount.....	5,094,749	422,292	307,427	356,872	48,087	43,428	570,660
Dividends and interest from securities:							
Number of returns.....	24,993	1,586	1,904	1,916	740	1,134	2,140
Amount.....	14,877,803	580,232	273,424	374,885	15,716	173,093	1,174,788
Net rental income (loss):							
Number of returns.....	17,748	2,670	2,814	1,831	2,607	1,582	103
Amount.....	1,124,583	192,802	28,068	24,271	26,240	24,426	5,246
Gross rents:							
Number of returns.....	17,872	2,663	2,866	1,882	2,742	1,583	103
Amount.....	2,685,536	310,415	110,654	106,184	94,411	39,831	16,178
Rental expenses:							
Number of returns.....	7,049	1,150	1,321	919	1,365	452	67
Amount.....	1,560,953	117,613	82,586	81,914	68,171	15,405	10,932
Other investment income:							
Number of returns.....	4,901	230	475	570	238	117	659
Amount.....	3,093,007	49,255	27,342	22,692	1,804	12,263	435,209
Total gain (loss) from sales of assets:							
Number of returns.....	23,492	1,314	1,426	1,997	1,299	571	1,695
Amount.....	10,890,786	160,775	108,374	134,491	24,148	48,404	507,123
Gain (loss), sales of securities:							
Number of returns.....	14,191	438	660	779	174	430	1,559
Amount.....	9,699,578	141,155	84,569	98,009	4,133	7,732	512,871
Gross amount from sales:							
Number of returns.....	14,067	467	731	777	176	419	1,661
Amount.....	218,630,482	13,745,296	4,662,604	5,015,300	54,778	773,455	48,324,798
Cost or other basis and sales expense:							
Number of returns.....	12,247	421	640	663	136	343	1,619
Amount.....	208,930,904	13,604,142	4,578,037	4,917,292	50,645	765,723	47,811,927
Gain (loss), sales of other assets:							
Number of returns.....	11,494	923	887	1,309	1,146	178	196
Amount.....	1,191,208	19,621	23,805	36,482	20,015	40,672	-5,748
Gross amount from sales:							
Number of returns.....	10,375	923	825	1,027	1,031	250	236
Amount.....	5,516,688	342,443	53,124	130,779	92,030	57,927	409,454
Cost or other basis and sales expense:							
Number of returns.....	8,068	522	544	1,088	730	213	221
Amount.....	4,325,479	322,822	29,318	94,297	72,015	17,256	415,202
Net income (loss), fundraising:							
Number of returns.....	28,876	5,425	1,174	2,585	1,512	2,241	80
Amount.....	1,739,760	201,197	19,572	102,840	28,882	112,696	3,479
Gross revenue:							
Number of returns.....	29,218	5,431	1,174	2,588	1,513	2,241	80
Amount.....	3,671,531	669,337	77,253	302,627	67,535	328,606	8,295
Direct expenses:							
Number of returns.....	24,539	4,948	1,071	2,388	1,195	1,921	75
Amount.....	1,931,770	468,139	57,681	199,788	38,653	215,909	4,817
Gross profit (loss), sales of inventories:							
Number of returns.....	16,689	2,734	884	1,731	5,333	2,600	50
Amount.....	2,867,952	196,003	19,623	94,230	1,061,251	137,098	2,956

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 3.—Form 990 Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section—Continued**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total revenue (continued)</b>							
Gross profit (loss), sales of inventories (continued):							
Gross sales minus returns and allowances:							
Number of returns.....	16,697	2,746	972	1,745	5,322	2,600	51
Amount.....	6,884,262	724,718	47,862	267,724	2,295,746	367,729	57,352
Cost of goods sold:							
Number of returns.....	14,841	2,500	763	1,439	5,134	2,586	51
Amount.....	4,016,309	528,715	28,240	173,494	1,234,495	230,631	54,396
Other revenue:							
Number of returns.....	44,982	5,085	7,667	8,175	4,330	1,881	1,684
Amount.....	8,368,506	1,101,409	649,300	1,039,275	206,695	107,789	2,180,716
<b>Total expenses:</b>							
Number of returns.....	121,718	14,298	14,204	17,461	11,351	6,237	9,408
Amount.....	488,762,585	20,312,040	12,384,769	17,037,927	6,051,785	8,743,144	63,046,433
Program services:							
Number of returns.....	117,017	13,006	( <sup>2</sup> )				
Amount.....	421,496,589	17,369,031	( <sup>2</sup> )				
Management and general:							
Number of returns.....	103,403	10,976	( <sup>2</sup> )				
Amount.....	61,880,400	2,658,599	( <sup>2</sup> )				
Fundraising:							
Number of returns.....	34,951	1,949	( <sup>2</sup> )				
Amount.....	4,317,901	243,956	( <sup>2</sup> )				
Payments to affiliates:							
Number of returns.....	4,920	1,835	8,033	1,065	557	2,016	34
Amount.....	1,067,688	40,453	1,493,032	288,534	12,015	30,011	7,857
<b>Excess (deficit) of revenue over expenses:</b>							
Number of returns.....	121,972	14,347	14,156	17,398	11,325	6,250	8,807
Amount.....	33,415,189	891,508	914,282	1,149,441	233,786	263,104	2,436,066

<sup>1</sup> Excludes private foundations and most religious organizations.

<sup>2</sup> Not required to be reported.

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

# Charities and Other Tax-Exempt Organizations, 1992

**Table 4.--Form 990EZ Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)-(9): Selected Income Statement and Balance Sheet Items, by Code Section**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>35,378</b>	<b>8,215</b>	<b>7,209</b>	<b>6,969</b>	<b>3,818</b>	<b>1,469</b>	<b>518</b>
<b>Total assets.....</b>	<b>1,599,476</b>	<b>346,863</b>	<b>323,061</b>	<b>264,167</b>	<b>221,922</b>	<b>92,631</b>	<b>17,316</b>
<b>Cash, savings, and investments:</b>							
Number of returns.....	34,811	8,150	7,144	6,969	3,818	1,404	518
Amount.....	1,032,457	227,840	266,814	241,436	84,171	51,333	14,140
<b>Land and buildings:</b>							
Number of returns.....	6,123	1,459	1,322	638	1,689	582	--
Amount.....	353,998	97,430	44,851	14,474	109,402	40,247	--
<b>Other assets:</b>							
Number of returns.....	14,627	1,923	2,841	2,064	1,395	591	65
Amount.....	213,031	21,594	11,396	8,257	28,349	1,051	3,175
<b>Total liabilities:</b>							
Number of returns.....	10,999	2,099	1,942	1,518	1,210	452	--
Amount.....	157,101	34,788	30,031	11,828	19,509	6,058	--
<b>Total fund balance or net worth:</b>							
Number of returns.....	34,924	8,215	7,144	6,904	3,818	1,469	518
Amount.....	1,442,375	312,075	283,029	252,338	202,413	86,573	17,316
<b>Total revenue:</b>							
Number of returns.....	35,378	8,215	7,209	6,969	3,818	1,469	518
Amount.....	1,615,153	294,243	382,056	316,262	185,391	60,920	31,283
<b>Contributions, gifts, and grants:</b>							
Number of returns.....	29,595	4,440	833	2,064	953	943	130
Amount.....	813,604	61,476	16,012	31,085	4,833	7,747	11,348
<b>Program service revenue:</b>							
Number of returns.....	14,854	1,554	1,498	4,118	1,858	462	324
Amount.....	361,519	34,171	19,076	98,211	51,115	15,391	15,790
<b>Dues and assessments:</b>							
Number of returns.....	14,287	6,311	6,932	6,386	3,504	1,220	130
Amount.....	159,877	109,418	305,082	152,903	93,986	22,225	3,737
<b>Investment income:</b>							
Number of returns.....	25,853	6,151	5,923	5,803	3,070	1,165	454
Amount.....	38,463	7,922	9,204	8,609	9,603	2,281	408
<b>Gain (loss) from sales of assets:</b>							
Number of returns.....	1,247	287	259	65	314	--	--
Amount.....	6,743	3,310	1,938	25	549	--	--
<b>Gross amount from sales of assets:</b>							
Number of returns.....	1,361	287	194	65	249	--	--
Amount.....	15,836	9,457	1,940	25	2,611	--	--
<b>Cost or other basis and sales expense:</b>							
Number of returns.....	794	259	65	--	249	--	--
Amount.....	9,094	6,147	2	--	2,063	--	--
<b>Net income (loss), fundraising:</b>							
Number of returns.....	14,060	4,896	518	2,203	731	536	--
Amount.....	133,614	49,651	5,517	14,734	2,504	5,896	--
<b>Gross revenue:</b>							
Number of returns.....	14,287	4,896	583	2,203	731	536	--
Amount.....	311,828	132,745	10,534	57,066	11,730	14,754	--
<b>Direct expenses:</b>							
Number of returns.....	12,926	4,183	389	1,944	731	509	--
Amount.....	178,212	83,094	5,013	42,331	9,224	8,858	--
<b>Gross profit (loss), sales of inventories:</b>							
Number of returns.....	6,803	1,388	518	648	1,404	287	--
Amount.....	51,264	12,066	890	152	13,822	1,422	--
<b>Gross sales minus returns and allowances:</b>							
Number of returns.....	6,803	1,388	546	648	1,404	287	--
Amount.....	128,914	26,707	2,483	2,069	35,563	8,307	--
<b>Cost of goods sold:</b>							
Number of returns.....	6,123	1,296	416	389	1,404	222	--
Amount.....	77,644	14,641	1,593	1,917	21,741	6,885	--
<b>Other revenue:</b>							
Number of returns.....	9,411	2,608	3,442	2,517	1,414	277	--
Amount.....	50,051	16,228	24,332	10,540	8,978	5,958	--

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1992

**Table 4.—Form 990EZ Returns of Organizations Tax-Exempt Under Internal Revenue Code Sections 501(c)(3)–(9): Selected Income Statement and Balance Sheet Items, by Code Section—Continued**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total expenses:</b>							
Number of returns.....	35,378	8,020	7,209	6,969	3,818	1,469	518
Amount.....	1,482,452	282,924	373,694	305,904	180,553	58,672	33,331
Grants paid:							
Number of returns.....	13,380	4,581	3,480	2,453	823	1,247	--
Amount.....	209,047	82,600	65,692	13,444	4,864	11,818	--
Benefits paid to or for members:							
Number of returns.....	1,928	1,174	2,480	546	915	676	518
Amount.....	17,535	19,455	30,657	8,580	8,348	12,524	31,866
Salaries and compensation:							
Number of returns.....	13,720	1,395	5,858	2,184	1,711	674	194
Amount.....	316,401	20,688	90,213	41,258	23,839	2,622	214
Professional fees:							
Number of returns.....	19,503	2,913	3,869	4,609	2,060	591	194
Amount.....	149,794	17,358	17,545	42,310	6,456	424	1,112
Occupancy, rent, and utilities:							
Number of returns.....	20,297	3,254	4,405	2,924	3,245	998	--
Amount.....	157,658	26,760	20,861	10,028	59,714	6,851	--
Printing, publications, and postage:							
Number of returns.....	28,688	5,856	4,998	6,164	2,866	1,442	65
Amount.....	92,836	14,460	14,496	37,263	7,001	2,100	104
Other expenses:							
Number of returns.....	33,223	7,345	6,598	6,710	3,504	1,377	130
Amount.....	539,171	101,601	134,230	153,028	70,329	22,333	35
<b>Excess (deficit) of revenue over expenses:</b>							
Number of returns.....	34,924	8,215	7,144	6,904	3,818	1,469	518
Amount.....	132,705	11,321	8,361	10,358	4,837	2,248	-2,047

<sup>1</sup>Excludes private foundations and most religious organizations.

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

# Selected Historical and Other Data

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

# Selected Historical and Other Data

**Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994**

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

Item	1975	1980	1985	1990	1992	1993	p1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b> .....	<b>82,229,332</b>	<b>93,902,469</b>	<b>101,660,287</b>	<b>113,717,138</b>	<b>113,604,503</b>	<b>114,601,819</b>	<b>116,147,596</b>
Form 1040 returns <sup>1</sup> .....	54,527,726	57,122,592	67,006,425	69,270,236	65,870,679	66,358,259	66,224,278
Form 1040A returns <sup>1</sup> .....	27,701,606	36,779,877	18,124,702	25,917,288	28,768,327	27,850,427	26,156,366
Form 1040EZ returns <sup>1</sup> .....	N/A	N/A	16,529,160	18,529,614	18,965,496	20,393,132	20,721,566
Form 1040PC returns <sup>1</sup> .....	N/A	N/A	N/A	N/A	N/A	N/A	3,045,386
<b>Adjusted gross income (AGI) <sup>2</sup></b> .....	<b>947,784,873</b>	<b>1,613,731,497</b>	<b>2,305,951,483</b>	<b>3,405,427,348</b>	<b>3,629,129,550</b>	<b>3,723,339,880</b>	<b>3,909,275,114</b>
<b>Salaries and wages:</b>							
Number of returns .....	73,520,046	83,802,109	87,198,001	96,729,912	96,263,895	98,003,356	99,754,112
Amount .....	795,399,462	1,349,842,802	1,928,200,978	2,599,401,271	2,805,703,266	2,892,120,390	3,033,845,380
<b>Taxable interest received:</b>							
Number of returns .....	40,378,240	49,019,575	64,526,434	70,369,662	67,280,674	65,233,312	65,556,611
Amount .....	43,433,554	102,009,444	182,109,194	227,083,888	162,343,260	131,140,527	120,562,672
<b>Tax-exempt interest: <sup>3</sup></b>							
Number of returns .....	n.a.	n.a.	n.a.	3,916,925	4,453,458	4,691,129	5,084,069
Amount .....	n.a.	n.a.	n.a.	40,228,405	45,728,471	46,459,032	48,489,303
<b>Dividends in AGI: <sup>4</sup></b>							
Number of returns .....	8,853,491	10,738,982	15,527,579	22,904,441	23,715,100	24,690,816	25,246,984
Amount .....	21,892,126	38,761,253	55,046,351	80,168,536	77,925,720	79,728,631	81,260,298
<b>Business or profession net income:</b>							
Number of returns .....	5,434,857	6,305,794	8,640,701	11,221,925	11,727,047	11,864,976	12,143,312
Amount .....	44,861,623	66,995,010	98,775,563	161,657,252	173,501,912	176,342,644	181,976,241
<b>Business or profession net loss:</b>							
Number of returns .....	1,807,685	2,575,325	3,259,640	3,415,666	3,593,419	3,768,073	3,773,891
Amount .....	5,440,145	11,865,856	20,002,986	20,227,059	19,499,758	20,637,964	20,209,620
<b>Net capital gain in AGI: <sup>6</sup></b>							
Number of returns .....	5,798,724	6,973,930	9,991,808	9,217,141	12,054,502	14,201,679	13,176,626
Amount .....	16,034,430	32,723,298	72,183,321	123,783,047	126,677,169	152,257,494	142,704,577
<b>Net capital loss in AGI:</b>							
Number of returns .....	2,513,399	1,955,544	2,667,409	5,070,741	4,436,100	4,206,780	5,574,977
Amount .....	1,727,272	3,063,698	3,905,541	9,551,854	8,447,633	8,085,593	10,329,685
<b>Pensions and annuities in AGI: <sup>7</sup></b>							
Number of returns .....	5,088,937	7,373,704	13,133,295	17,014,091	17,676,445	17,441,114	18,066,206
Amount .....	20,886,871	43,339,736	95,096,003	159,294,448	186,491,698	194,014,034	208,174,000
<b>Unemployment compensation in AGI: <sup>8</sup></b>							
Number of returns .....	N/A	1,798,210	4,771,546	8,014,136	10,309,533	9,655,286	8,540,244
Amount .....	N/A	2,028,456	6,355,539	15,453,147	31,393,169	27,586,208	20,159,926
<b>Social security benefits in AGI: <sup>9</sup></b>							
Number of returns .....	N/A	N/A	2,956,073	5,082,575	5,535,811	5,688,191	5,975,508
Amount .....	N/A	N/A	9,594,182	19,686,539	23,139,399	24,649,668	39,356,862
<b>Rent net income: <sup>10</sup></b>							
Number of returns .....	3,737,264	3,653,996	3,541,964	3,933,823	4,019,574	4,279,102	4,329,607
Amount .....	8,053,918	13,664,671	16,340,908	25,886,388	29,423,161	31,596,448	33,927,550
<b>Rent net loss: <sup>10</sup></b>							
Number of returns .....	2,834,547	3,809,821	5,390,750	5,163,186	4,927,819	4,760,586	4,733,438
Amount .....	4,621,220	13,464,274	36,163,023	33,450,215	29,799,973	28,327,060	27,989,179
<b>Royalty net income: <sup>11</sup></b>							
Number of returns .....	547,192	707,018	960,701	1,170,627	1,169,563	1,119,621	1,081,027
Amount .....	1,867,085	4,213,345	7,243,748	4,534,436	5,032,510	4,945,498	4,625,276
<b>Royalty net loss: <sup>11</sup></b>							
Number of returns .....	24,809	37,297	77,189	49,133	37,850	56,272	55,658
Amount .....	97,700	308,361	385,360	125,855	96,511	105,695	114,971
<b>Partnership and S Corporation net income: <sup>12</sup></b>							
Number of returns .....	2,500,000	3,200,000	2,477,459	3,210,384	3,240,270	3,385,545	3,326,190
Amount .....	12,811,091	10,099,346	48,477,552	112,029,507	128,704,285	133,437,568	141,754,070
<b>Partnership and S Corporation net loss: <sup>13</sup></b>							
Number of returns .....	( <sup>14</sup> )	( <sup>14</sup> )	3,010,212	2,767,074	2,117,743	2,128,339	1,980,111
Amount .....	( <sup>14</sup> )	( <sup>14</sup> )	51,004,143	45,007,276	41,052,774	40,569,503	29,212,681
<b>Estate or trust net income:</b>							
Number of returns .....	676,691	865,381	1,075,119	444,953	424,883	428,226	435,330
Amount .....	2,740,733	4,974,127	10,328,599	4,633,163	4,664,394	5,091,374	5,226,079
<b>Estate or trust net loss:</b>							
Number of returns .....	56,990	40,916	73,534	74,127	57,847	55,537	41,651
Amount .....	186,410	414,096	652,621	467,976	701,176	526,949	284,713

# Selected Historical and Other Data

**Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994--Continued**

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

Item	1975	1980	1985	1990	1992	1993	p1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Adjusted gross income (AGI)--continued</b>							
<b>Farm net income:</b>							
Number of returns.....	1,340,485	1,123,085	891,562	996,360	895,900	899,302	769,143
Amount.....	10,112,147	9,938,950	6,493,117	11,395,305	10,042,249	9,474,244	8,709,308
<b>Farm net loss:</b>							
Number of returns.....	1,414,556	1,485,345	1,729,299	1,324,793	1,392,318	1,373,105	1,482,891
Amount..... <sup>15</sup>	6,548,822	11,731,416	18,498,600	11,829,067	12,578,256	13,140,691	15,389,913
<b>Total statutory adjustments:</b>							
Number of returns <sup>16</sup> .....	9,024,255	13,148,919	37,763,418	16,648,032	17,170,925	17,179,519	17,739,110
Amount <sup>16</sup> .....	15,101,999	28,614,061	95,082,299	33,974,231	35,464,254	36,624,273	38,017,887
<b>Individual Retirement Arrangements:<sup>17</sup></b>							
Number of returns.....	1,211,794	2,564,421	16,205,846	5,223,737	4,477,720	4,385,422	4,331,433
Amount.....	1,436,443	3,430,894	38,211,574	9,858,219	8,696,060	8,527,400	8,441,663
<b>Self-employed retirement plans:</b>							
Number of returns.....	595,892	568,936	675,822	824,327	919,187	947,949	992,402
Amount.....	1,603,788	2,007,666	5,181,993	6,777,645	7,592,136	8,160,190	7,937,570
<b>Deduction for self-employment tax:</b>							
Number of returns.....	N/A	N/A	N/A	11,006,093	12,206,670	12,486,990	12,639,260
Amount.....	N/A	N/A	N/A	9,921,387	11,540,330	11,867,147	12,699,197
<b>Self-employed health insurance:<sup>18</sup></b>							
Number of returns.....	N/A	N/A	N/A	2,754,040	2,825,883	2,944,725	1,333,191
Amount.....	N/A	N/A	N/A	1,627,356	1,367,088	2,101,234	1,074,172
<b>Exemptions:<sup>19</sup></b>							
Number of exemptions, total.....	212,202,596	227,925,098	244,180,202	227,549,246	230,547,002	232,920,023	232,958,188
Number, age 65 or over.....	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A	N/A
Amount..... <sup>19</sup>	159,140,845	227,569,280	253,720,447	465,985,366	523,042,222	540,540,132	563,396,654
<b>Total deductions:<sup>20</sup></b>							
Number of returns.....	81,585,541	88,491,251	96,848,626	112,795,712	112,612,850	113,662,380	115,192,394
Amount..... <sup>20</sup>	233,181,778	346,000,155	554,733,523	789,941,575	848,479,238	872,538,153	881,834,839
<b>Standard deductions:<sup>21</sup></b>							
Number of returns, total.....	55,511,480	59,540,969	57,000,442	80,620,774	80,072,236	80,840,916	82,289,731
Amount.....	100,921,181	127,972,016	149,709,998	331,456,520	366,533,607	382,134,445	399,214,507
<b>Returns with additional standard deductions for age 65 or over or blindness:</b>							
Number of returns.....	N/A	N/A	N/A	10,954,167	10,643,118	10,547,983	10,700,411
Amount.....	N/A	N/A	N/A	10,615,715	11,310,862	11,229,050	12,174,005
<b>Itemized deductions:<sup>22</sup></b>							
Number of returns.....	26,074,061	28,950,282	39,848,184	32,174,938	32,540,614	32,821,464	32,902,663
Amount..... <sup>22</sup>	122,260,601	218,028,139	405,023,525	458,485,055	481,945,631	490,403,708	482,620,332
<b>Medical and dental expense:<sup>23</sup></b>							
Number of returns.....	19,483,273	19,458,318	10,777,296	5,090,958	5,507,781	5,489,587	5,173,999
Amount.....	11,422,312	14,972,082	22,926,214	21,456,587	25,747,466	26,509,957	25,768,471
<b>Taxes paid:<sup>24</sup></b>							
Number of returns.....	25,929,082	28,749,278	39,548,023	31,594,114	31,958,848	32,263,880	32,478,270
Amount.....	44,141,289	69,404,275	128,084,618	140,011,461	160,452,525	169,850,372	173,487,087
<b>Interest paid:<sup>25</sup></b>							
Number of returns.....	23,385,461	26,676,836	36,286,822	29,394,600	27,347,034	27,497,691	27,763,614
Amount.....	38,885,282	91,187,006	180,094,578	208,354,360	208,655,776	200,189,793	191,721,682
<b>Contributions:</b>							
Number of returns.....	24,642,672	26,601,428	36,162,178	29,230,265	29,603,408	29,799,001	29,807,540
Amount.....	15,393,331	25,809,608	47,962,848	57,242,757	63,843,281	68,354,293	68,888,439
<b>Taxable income:<sup>26</sup></b>							
Number of returns.....	65,852,602	88,104,696	96,124,046	93,148,332	90,717,400	90,831,069	92,979,590
Amount.....	595,492,866	1,279,985,360	1,820,740,833	2,263,661,230	2,395,695,907	2,453,542,706	2,593,834,158
<b>Income tax before credits:<sup>27</sup></b>							
Number of returns.....	65,854,734	76,135,819	85,994,216	93,089,368	90,633,192	90,754,509	92,884,792
Amount.....	132,452,044	256,294,315	332,165,333	453,127,579	482,630,873	508,893,963	538,921,003
<b>Total tax credits:<sup>28, 29</sup></b>							
Number of returns.....	65,854,734	19,674,483	20,995,285	12,483,535	12,733,252	13,221,602	15,041,496
Amount..... <sup>28, 29</sup>	8,069,846	7,215,839	10,248,044	6,831,187	7,749,139	8,158,947	8,429,348
<b>Child care credit:</b>							
Number of returns.....	n.a.	4,230,757	8,417,522	6,143,590	5,980,219	6,090,070	6,001,405
Amount.....	n.a.	956,439	3,127,702	2,549,004	2,527,188	2,559,319	2,518,400
<b>Credit for the elderly and disabled:</b>							
Number of returns.....	784,808	561,918	462,548	339,818	240,144	223,053	212,844
Amount.....	128,968	134,993	108,642	61,898	51,120	49,019	45,916

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994—Continued**

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

Item	1975	1980	1985	1990	1992	1993	p1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total tax credits—continued</b>							
Foreign tax credit:							
Number of returns.....	233,510	393,074	453,863	772,143	1,068,776	1,292,596	1,543,731
Amount.....	381,985	1,341,675	782,561	1,682,307	2,047,276	2,217,865	1,982,473
Investment credit: <sup>30</sup>							
Number of returns.....	n.a.	n.a.	( <sup>30</sup> )				
Amount.....	1,593,150	3,288,415	( <sup>30</sup> )				
General business credit: <sup>30</sup>							
Number of returns.....	N/A	N/A	4,614,307	262,573	252,151	255,132	286,557
Amount.....	N/A	N/A	4,791,132	616,288	574,633	578,304	598,125
<b>Income tax after credits:</b>							
Number of returns.....	61,483,928	73,840,395	82,762,130	89,844,225	86,708,399	86,420,482	87,757,056
Amount.....	124,382,197	249,078,475	321,917,289	446,296,392	474,881,734	500,735,016	530,491,655
<b>Total income tax: <sup>31</sup></b>							
Number of returns.....	61,490,737	73,906,244	82,846,420	89,862,434	86,731,946	86,435,367	87,773,459
Amount.....	124,526,297	250,341,440	325,710,254	447,126,703	476,238,785	502,787,806	532,338,400
Minimum tax: <sup>32</sup>							
Number of returns.....	20,188	94,599	N/A	N/A	N/A	N/A	NA
Amount.....	144,099	412,638	N/A	N/A	N/A	N/A	NA
Alternative minimum tax: <sup>32</sup>							
Number of returns.....	N/A	122,670	427,688	132,103	287,183	334,615	345,929
Amount.....	N/A	850,326	3,791,672	830,313	1,357,063	2,052,790	1,846,746
<b>Earned income credit: <sup>33</sup></b>							
Number of returns.....	6,214,533	6,953,621	6,499,568	12,541,651	14,096,575	15,117,389	19,081,380
Amount.....	1,249,959	1,985,996	2,087,658	7,542,231	13,027,917	15,536,762	21,203,356
Used to offset income tax before credits:							
Number of returns.....	2,650,241	3,154,428	2,688,925	5,702,209	5,974,099	6,130,847	7,789,260
Amount.....	252,141	451,366	379,571	1,616,812	2,058,859	2,300,455	2,797,928
Used to offset other taxes:							
Number of returns.....	688,432	720,863	774,579	1,354,955	1,588,023	1,869,901	2,784,203
Amount.....	111,069	164,461	209,212	659,341	1,010,266	1,208,309	1,711,382
Excess earned income credit (refundable):							
Number of returns.....	4,334,159	4,996,637	4,743,200	8,698,475	10,934,238	12,172,698	14,721,582
Amount.....	886,750	1,370,169	1,498,875	5,266,077	9,958,792	12,027,998	16,694,046
<b>Overpayments, total <sup>34</sup></b>							
Number of returns.....	63,825,188	69,868,451	77,424,003	83,507,580	80,991,052	82,403,149	85,425,189
Amount.....	29,363,945	49,458,344	76,220,146	88,479,352	92,047,931	98,875,046	109,694,424
Overpayment refunds:							
Number of returns.....	62,660,424	68,232,903	74,914,665	80,514,484	77,840,969	79,275,446	82,619,685
Amount.....	27,252,870	46,680,072	68,933,993	78,103,385	78,879,540	84,776,869	98,572,367
<b>Tax due at time of filing: <sup>35</sup></b>							
Number of returns.....	15,842,400	21,755,516	21,210,194	26,986,948	29,035,574	28,637,871	27,532,953
Amount.....	14,208,747	32,843,576	39,091,228	56,561,150	50,411,381	50,330,900	63,106,708

See notes at end of this section.

# Selected Historical and Other Data

**Table 3.--Number of Individual Returns, Income, Exemptions and Deductions, Tax, and Average Tax by Size of Adjusted Gross Income, Tax Years 1992-1994**

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

Size of adjusted gross income	Number of returns			Adjusted gross income		
	1992	1993	p1994	1992	1993	p1994
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>113,604,503</b>	<b>114,601,819</b>	<b>116,147,596</b>	<b>3,629,129,550</b>	<b>3,723,339,880</b>	<b>3,909,275,114</b>
No adjusted gross income <sup>1</sup> .....	951,744	920,431	932,035	-51,422,468	-52,237,725	-40,776,967
\$1 under \$1,000 .....	2,563,007	2,630,024	2,377,061	1,545,812	1,567,089	1,430,698
\$1,000 under \$3,000 .....	6,568,092	6,472,017	6,401,052	13,012,521	12,823,698	12,786,017
\$3,000 under \$5,000 .....	5,889,687	5,748,112	5,885,738	23,515,915	22,900,772	23,620,661
\$5,000 under \$7,000 .....	5,962,134	5,825,575	5,592,266	35,835,937	34,974,936	33,589,511
\$7,000 under \$9,000 .....	5,908,675	5,963,864	5,847,281	47,240,900	47,553,285	46,836,414
\$9,000 under \$11,000 .....	5,693,569	5,701,001	5,517,313	56,810,810	56,889,964	55,064,935
\$11,000 under \$13,000 .....	5,582,747	5,496,355	5,425,269	66,943,733	65,858,170	65,057,105
\$13,000 under \$15,000 .....	4,967,703	5,210,087	5,397,350	69,477,071	72,724,962	75,362,890
\$15,000 under \$17,000 .....	4,871,439	4,859,885	4,976,589	77,887,474	77,669,303	79,494,207
\$17,000 under \$19,000 .....	4,506,152	4,306,292	4,304,405	80,973,334	77,466,232	77,411,957
\$19,000 under \$22,000 .....	6,214,933	6,252,720	6,306,416	127,304,158	127,917,208	129,263,950
\$22,000 under \$25,000 .....	5,450,958	5,426,552	5,535,751	128,013,327	127,397,223	129,850,521
\$25,000 under \$30,000 .....	7,590,154	7,783,772	8,133,053	208,225,889	212,848,223	222,798,590
\$30,000 under \$40,000 .....	12,324,990	12,358,342	12,023,708	428,478,262	429,243,404	418,453,417
\$40,000 under \$50,000 .....	9,008,646	9,072,138	9,028,320	403,103,550	405,366,468	404,016,578
\$50,000 under \$75,000 .....	11,796,348	12,248,446	13,183,382	712,270,449	741,486,274	798,223,939
\$75,000 under \$100,000 .....	3,988,202	4,224,878	4,780,610	340,631,134	359,850,336	408,697,490
\$100,000 under \$200,000 .....	2,810,579	3,107,998	3,403,645	368,372,099	408,039,318	445,930,612
\$200,000 under \$500,000 .....	746,344	786,038	880,234	218,604,180	228,008,384	253,513,142
\$500,000 under \$1,000,000 .....	141,159	140,803	148,055	95,365,741	94,353,593	99,641,027
\$1,000,000 or more .....	67,243	66,485	68,064	176,939,720	170,638,763	169,008,420

Size of adjusted gross income	Personal exemptions, total deductions			Taxable income <sup>2</sup>		
	1992	1993	p1994	1992	1993	p1994
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b> .....	<b>1,371,521,460</b>	<b>1,413,078,285</b>	<b>1,445,231,493</b>	<b>2,395,695,907</b>	<b>2,453,542,706</b>	<b>2,593,834,158</b>
No adjusted gross income <sup>1</sup> .....	3,999,366	4,006,501	4,099,727	--	--	--
\$1 under \$1,000 .....	8,904,423	9,181,257	9,150,806	90,769	86,864	90,928
\$1,000 under \$3,000 .....	30,761,070	31,509,356	30,740,514	916,764	693,865	717,112
\$3,000 under \$5,000 .....	38,064,015	38,047,283	38,260,231	1,321,361	1,304,528	1,287,773
\$5,000 under \$7,000 .....	44,055,592	44,319,746	42,934,220	3,614,665	2,939,347	2,855,469
\$7,000 under \$9,000 .....	49,163,680	51,733,481	49,450,939	7,814,798	7,187,508	7,120,944
\$9,000 under \$11,000 .....	50,291,284	51,673,762	51,024,248	12,876,325	12,500,988	11,355,655
\$11,000 under \$13,000 .....	51,431,993	51,191,787	52,024,027	19,106,902	18,371,337	17,357,658
\$13,000 under \$15,000 .....	46,792,842	50,661,295	53,586,389	24,702,714	24,372,769	24,384,855
\$15,000 under \$17,000 .....	47,339,544	50,063,054	50,665,940	32,159,891	29,583,635	30,533,166
\$17,000 under \$19,000 .....	45,232,138	43,865,217	44,837,660	36,829,811	34,250,619	33,565,366
\$19,000 under \$22,000 .....	63,713,412	64,243,331	65,932,611	64,475,972	64,440,469	64,168,315
\$22,000 under \$25,000 .....	57,754,117	57,349,878	59,784,495	70,888,046	70,403,670	70,372,909
\$25,000 under \$30,000 .....	85,417,846	88,871,791	92,647,463	123,555,002	124,474,977	130,587,174
\$30,000 under \$40,000 .....	154,965,365	156,989,585	153,451,309	274,011,013	272,828,793	265,662,713
\$40,000 under \$50,000 .....	134,017,791	136,060,942	134,919,332	269,211,742	269,806,936	269,382,973
\$50,000 under \$75,000 .....	217,346,064	225,115,126	240,022,225	495,922,686	516,912,048	558,580,749
\$75,000 under \$100,000 .....	93,395,458	97,364,447	108,244,871	247,431,448	262,755,147	300,899,299
\$100,000 under \$200,000 .....	87,803,554	94,790,047	99,328,865	280,674,802	313,409,048	346,837,943
\$200,000 under \$500,000 .....	32,664,818	34,725,564	36,822,863	186,065,353	193,398,214	216,769,530
\$500,000 under \$1,000,000 .....	11,107,642	11,482,808	10,989,317	84,322,055	82,915,033	88,674,762
\$1,000,000 or more .....	17,299,443	19,832,032	16,313,443	159,703,788	150,906,911	152,728,864

# Selected Historical and Other Data

**Table 3.--Number of Individual Returns, Income, Exemptions and Deductions, Tax, and Average Tax by Size of Adjusted Gross Income, Tax Years 1992-1994--Continued**

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

Size of adjusted gross income	Total income tax <sup>3</sup>			Percentage of returns showing no total income tax <sup>3</sup>		
	1992	1993	p1994	1992	1993	p1994
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b> .....	<b>476,238,785</b>	<b>502,787,806</b>	<b>532,338,400</b>	<b>23.7</b>	<b>24.6</b>	<b>24.4</b>
No adjusted gross income <sup>1</sup> .....	76,028	67,898	34,201	99.2	99.5	99.1
\$1 under \$1,000 .....	14,421	19,270	13,781	78.3	81.0	78.2
\$1,000 under \$3,000 .....	147,896	113,898	136,112	74.8	76.6	75.7
\$3,000 under \$5,000 .....	214,065	226,441	203,888	72.5	73.9	70.6
\$5,000 under \$7,000 .....	552,261	446,403	438,293	57.5	64.0	70.2
\$7,000 under \$9,000 .....	1,166,151	1,136,969	1,027,426	40.9	42.8	41.1
\$9,000 under \$11,000 .....	1,879,954	1,849,754	1,675,075	43.6	44.9	43.8
\$11,000 under \$13,000 .....	2,656,280	2,601,250	2,441,120	37.9	37.3	39.5
\$13,000 under \$15,000 .....	3,303,921	3,231,805	3,222,311	30.7	33.1	33.5
\$15,000 under \$17,000 .....	4,203,490	3,795,510	4,039,664	26.8	32.0	32.4
\$17,000 under \$19,000 .....	4,877,504	4,400,687	4,290,367	15.4	21.0	25.2
\$19,000 under \$22,000 .....	9,065,162	8,940,293	8,681,415	6.1	7.4	11.7
\$22,000 under \$25,000 .....	10,471,162	10,367,168	10,120,407	2.0	2.0	3.6
\$25,000 under \$30,000 .....	18,482,005	18,548,862	19,415,812	1.8	1.6	1.5
\$30,000 under \$40,000 .....	43,730,622	43,255,579	41,925,434	0.7	0.6	0.6
\$40,000 under \$50,000 .....	43,621,782	43,495,959	43,623,231	0.3	0.4	0.4
\$50,000 under \$75,000 .....	88,455,492	91,053,007	97,372,526	0.2	0.3	0.2
\$75,000 under \$100,000 .....	51,552,937	54,080,534	61,659,104	0.1	0.1	0.1
\$100,000 under \$200,000 .....	67,445,248	75,285,238	82,786,691	0.1	0.1	0.1
\$200,000 under \$500,000 .....	52,053,401	58,279,965	65,273,983	0.1	0.1	0.1
\$500,000 under \$1,000,000 .....	24,779,821	28,345,337	30,344,012	0.1	0.1	0.1
\$1,000,000 or more .....	47,489,182	53,245,979	53,613,545	0.1	0.1	0.1

Size of adjusted gross income	Return showing total income tax					
	Average tax (whole dollars) <sup>3</sup>			Tax as percentage of AGI <sup>3</sup>		
	1992	1993	p1994	1992	1993	p1994
(19)	(20)	(21)	(22)	(23)	(24)	
<b>Total</b> .....	<b>5,491</b>	<b>5,817</b>	<b>6,065</b>	<b>13.7</b>	<b>14.1</b>	<b>14.3</b>
No adjusted gross income <sup>1</sup> .....	10,170	13,561	3,899	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
\$1 under \$1,000 .....	26	39	27	3.2	4.6	3.3
\$1,000 under \$3,000 .....	89	75	88	4.7	4.0	4.6
\$3,000 under \$5,000 .....	132	151	118	3.2	3.7	2.9
\$5,000 under \$7,000 .....	218	213	263	3.5	3.4	4.3
\$7,000 under \$9,000 .....	334	333	298	4.2	4.2	3.7
\$9,000 under \$11,000 .....	587	589	540	5.9	5.9	5.4
\$11,000 under \$13,000 .....	766	755	743	6.4	6.3	6.2
\$13,000 under \$15,000 .....	960	927	897	6.9	6.6	6.4
\$15,000 under \$17,000 .....	1,180	1,148	1,201	7.4	7.2	7.5
\$17,000 under \$19,000 .....	1,280	1,293	1,333	7.1	7.2	7.4
\$19,000 under \$22,000 .....	1,553	1,543	1,559	7.6	7.5	7.6
\$22,000 under \$25,000 .....	1,959	1,950	1,896	8.3	8.3	8.1
\$25,000 under \$30,000 .....	2,479	2,422	2,423	9.0	8.9	8.8
\$30,000 under \$40,000 .....	3,573	3,521	3,510	10.3	10.1	10.1
\$40,000 under \$50,000 .....	4,857	4,813	4,849	10.9	10.8	10.8
\$50,000 under \$75,000 .....	7,517	7,454	7,398	12.4	12.3	12.2
\$75,000 under \$100,000 .....	12,936	12,812	12,916	15.1	15.0	15.1
\$100,000 under \$200,000 .....	24,022	24,257	24,354	18.3	18.5	18.6
\$200,000 under \$500,000 .....	69,814	74,223	74,214	23.8	25.6	25.8
\$500,000 under \$1,000,000 .....	175,695	201,499	205,107	26.0	30.1	30.5
\$1,000,000 or more .....	706,716	801,583	787,994	26.9	31.2	31.7

See notes at end of this section.

# Selected Historical and Other Data

**Table 4.--Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), for Specified Years, 1975-1994**

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

Income and adjustment items	1975	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1. Personal income (per NIPA) .....</b>	<b>1,315.6</b>	<b>2,285.7</b>	<b>3,439.6</b>	<b>4,791.6</b>	<b>5,264.2</b>	<b>5,479.2</b>	<b>5,750.2</b>
<b>2. Portion of personal income not included in AGI.....</b>	<b>346.5</b>	<b>605.9</b>	<b>1,084.1</b>	<b>1,478.7</b>	<b>1,714.6</b>	<b>1,791.0</b>	<b>1,909.4</b>
Transfer payments (except taxable military pay and taxable Government pensions) .....	171.6	282.1	408.1	561.2	692.8	738.0	772.6
Other labor income (except fees) .....	65.0	138.0	199.8	296.1	346.5	376.0	397.2
Imputed income <sup>1</sup> .....	40.8	63.1	89.2	152.0	182.2	203.6	214.9
Investment income received by nonprofit institutions or retained by fiduciaries.....	11.5	23.3	37.9	52.3	50.7	48.5	50.0
Investment income retained by life insurance carriers and noninsured pension funds <sup>2</sup> .....	23.5	62.6	122.9	189.7	200.2	205.5	211.5
Net differences in accounting treatment (NIPA vs. IRS) <sup>3</sup> .....	9.6	0.4	71.8	77.1	66.0	31.5	56.6
Other excluded or tax exempt income .....	24.4	43.6	154.4	150.3	176.2	187.8	206.5
<b>3. Portion of AGI not included in personal income.....</b>	<b>84.5</b>	<b>156.2</b>	<b>299.7</b>	<b>512.0</b>	<b>571.9</b>	<b>607.7</b>	<b>657.8</b>
Personal contributions for social insurance .....	50.4	88.6	149.0	223.9	248.4	259.6	278.1
Net capital gain less loss from sales of property.....	13.9	27.1	60.9	107.6	109.1	124.8	115.2
Taxable private pensions .....	13.1	31.8	87.1	130.1	147.4	153.6	163.3
S Corporation income (taxed through shareholders) less loss .....	2.1	0.7	6.3	36.4	47.9	50.7	62.8
Other taxable income less loss.....	5.4	8.1	-3.6	14.1	19.2	18.9	38.4
<b>4. Total net adjustment for conceptual differences (line 2 minus line 3) .....</b>	<b>261.5</b>	<b>449.7</b>	<b>784.4</b>	<b>966.7</b>	<b>1,142.7</b>	<b>1,183.3</b>	<b>1,251.6</b>
<b>5. Estimated total AGI (per NIPA) (line 1 minus line 4) .....</b>	<b>1,054.0</b>	<b>1,836.0</b>	<b>2,655.2</b>	<b>3,824.9</b>	<b>4,121.5</b>	<b>4,295.9</b>	<b>4,498.7</b>
<b>6. Adjusted gross income (AGI) (SOI) .....</b>	<b>947.8</b>	<b>1,613.7</b>	<b>2,306.0</b>	<b>3,405.4</b>	<b>3,629.1</b>	<b>3,723.3</b>	<b>3,909.3</b>
<b>7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6) <sup>4</sup>.....</b>	<b>106.3</b>	<b>222.3</b>	<b>349.2</b>	<b>419.4</b>	<b>492.4</b>	<b>572.5</b>	<b>589.4</b>

See notes at end of this section.

## Selected Historical and Other Data

**Table 5.--Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947-1995**

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

Tax year	Personal income (per NIPA) <sup>1</sup>	Total adjusted gross income (AGI) (per NIPA) <sup>1,2</sup>	Difference	
			Amount <sup>2</sup>	Percentage of personal income <sup>2</sup>
	(1)	(2)	(3)	(4)
1947.....	190.1	170.0	20.1	10.6
1948.....	209.0	183.2	25.8	12.3
1949.....	206.1	180.9	25.2	12.2
1950.....	227.8	201.9	25.9	11.4
1951.....	256.5	228.7	27.8	10.8
1952.....	273.7	241.1	32.6	11.9
1953.....	290.4	255.5	34.9	12.0
1954.....	293.0	256.8	36.2	12.4
1955.....	314.5	278.5	36.0	11.4
1956.....	337.5	299.4	38.1	11.3
1957.....	356.5	312.8	43.7	12.3
1958.....	367.2	316.5	50.7	13.8
1959.....	393.5	342.4	51.1	13.0
1960.....	411.7	354.7	56.7	13.8
1961.....	429.1	369.1	60.0	14.0
1962.....	456.1	391.0	65.1	14.3
1963.....	479.1	412.4	66.7	13.9
1964.....	513.5	445.7	67.8	13.2
1965.....	555.8	483.6	72.2	13.0
1966.....	604.7	525.4	79.3	13.1
1967.....	649.7	559.8	89.9	13.8
1968.....	713.5	613.2	100.3	14.1
1969.....	778.2	668.5	109.7	14.1
1970.....	836.1	704.9	131.2	15.7
1971.....	898.9	751.0	147.9	16.5
1972.....	987.3	831.3	156.0	15.8
1973.....	1,105.6	933.4	172.2	15.6
1974.....	1,213.3	1,011.3	202.0	16.7
1975.....	1,315.6	1,054.0	261.6	19.9
1976.....	1,455.4	1,174.8	280.6	19.3
1977.....	1,611.4	1,303.4	308.0	19.1
1978.....	1,820.2	1,476.2	344.0	18.9
1979.....	2,049.7	1,665.5	384.2	18.7
1980.....	2,285.7	1,836.0	449.7	19.7
1981.....	2,560.4	2,026.0	534.4	20.9
1982.....	2,718.7	2,103.7	615.0	22.6
1983.....	2,891.7	2,238.9	652.8	22.6
1984.....	3,205.5	2,492.3	713.2	22.3
1985.....	3,439.6	2,655.2	784.4	22.8
1986.....	3,647.5	2,882.1	765.4	21.0
1987.....	3,877.3	3,159.5	717.8	18.5
1988.....	4,172.8	3,433.7	739.1	17.7
1989.....	4,489.3	3,669.4	819.9	18.3
1990.....	4,791.6	3,824.9	966.7	20.2
1991.....	4,968.5	3,878.4	1,090.1	21.9
1992.....	5,264.2	4,121.5	1,142.7	21.7
1993.....	5,479.2	4,295.9	1,183.3	21.6
1994.....	5,750.2	4,498.7	1,251.5	21.8
1995r.....	6,101.7	n.a.	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 6.--Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947-1994**

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

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) <sup>1,2</sup>	Reported on tax returns (per SOI) <sup>2</sup>	Amount <sup>2</sup>	Percentage of total <sup>2</sup>
	(1)	(2)	(3)	(4)
1947.....	170.0	149.7	20.3	11.9
1948.....	183.2	163.5	19.6	10.7
1949.....	180.9	160.6	20.4	11.3
1950.....	201.9	179.1	22.7	11.2
1951.....	228.7	202.3	26.4	11.5
1952.....	241.1	215.3	25.8	10.7
1953.....	255.5	228.7	26.8	10.5
1954.....	256.8	229.2	27.5	10.7
1955.....	278.5	248.5	30.0	10.8
1956.....	299.4	267.7	31.7	10.6
1957.....	312.8	280.3	32.4	10.4
1958.....	316.5	281.2	35.3	11.2
1959.....	342.4	305.1	37.3	10.9
1960.....	354.7	315.5	39.2	11.5
1961.....	369.1	329.9	39.2	10.6
1962.....	391.0	348.7	42.3	10.8
1963.....	412.4	368.8	43.6	10.6
1964.....	445.7	396.7	49.0	11.0
1965.....	483.6	429.2	54.4	11.3
1966.....	525.4	468.5	56.9	10.8
1967.....	559.8	504.8	55.0	9.8
1968.....	613.2	554.4	58.8	9.6
1969.....	668.5	603.5	65.0	9.7
1970.....	704.9	631.7	73.2	10.4
1971.....	751.0	673.6	77.4	10.3
1972.....	831.3	746.0	85.3	10.3
1973.....	933.4	827.1	106.3	11.4
1974.....	1,011.3	905.5	105.8	10.5
1975.....	1,054.0	947.8	106.2	10.1
1976.....	1,174.8	1,053.9	120.9	10.3
1977.....	1,303.4	1,158.5	144.9	11.1
1978.....	1,476.2	1,302.4	173.8	11.8
1979.....	1,665.5	1,465.4	200.1	12.0
1980.....	1,836.0	1,613.7	222.3	12.1
1981.....	2,026.0	1,772.6	253.4	12.5
1982.....	2,103.7	1,852.1	251.6	12.0
1983.....	2,238.9	1,942.6	296.3	13.2
1984.....	2,492.3	2,139.9	352.4	14.1
1985.....	2,655.2	2,306.0	349.2	13.2
1986.....	2,882.1	2,481.7	400.4	13.9
1987.....	3,159.5	2,773.8	385.7	12.2
1988.....	3,433.7	3,083.0	350.7	10.2
1989.....	3,669.4	3,256.4	413.0	11.3
1990.....	3,824.9	3,405.4	419.5	11.0
1991.....	3,878.4	3,464.5	413.9	10.7
1992.....	4,121.5	3,629.1	492.4	12.0
1993.....	4,295.9	3,723.3	572.6	13.3
1994.....	4,498.7	3,909.3	589.4	13.1

See notes at end of this section.

# Selected Historical and Other Data

**Table 7.--Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1994**

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

Tax year	Total number of returns	Standard deduction		Itemized deductions		Total deductions	
		Number of returns <sup>1</sup>	Amount <sup>2</sup>	Number of returns <sup>1</sup>	Amount <sup>3</sup>	Amount <sup>4</sup>	As a percentage of adjusted gross income (AGI) <sup>5</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944.....	47.1	38.7	8.0	8.4	4.8	12.8	11.0
1945.....	49.9	41.5	8.1	8.5	5.5	13.6	11.3
1946.....	52.8	44.1	8.9	8.8	6.3	15.2	11.3
1947.....	55.1	44.7	9.8	10.4	7.8	17.6	11.8
1948.....	52.1	43.2	11.5	8.8	7.9	19.4	11.9
1949.....	51.8	42.1	11.1	9.7	8.8	19.9	12.4
1950.....	53.1	42.7	12.0	10.3	9.9	21.9	12.2
1951.....	55.4	43.9	13.3	11.6	11.9	25.2	12.5
1952.....	56.5	43.7	13.7	12.8	13.6	27.3	12.7
1953.....	57.8	43.4	14.2	14.4	15.6	29.8	13.0
1954.....	56.7	41.0	13.3	15.7	17.4	30.7	13.4
1955.....	58.3	41.4	13.6	16.9	20.0	33.6	13.5
1956.....	59.2	40.7	13.8	18.5	22.6	36.4	13.6
1957.....	59.8	39.7	13.8	20.2	25.7	39.5	14.1
1958.....	59.1	38.3	13.2	20.8	27.5	40.7	14.5
1959.....	60.3	37.8	13.4	22.5	32.0	45.4	14.9
1960.....	61.0	36.9	13.1	24.1	35.3	48.4	15.3
1961.....	61.5	36.2	12.9	25.3	38.4	51.3	15.6
1962.....	62.7	36.3	13.1	26.5	41.7	54.8	15.7
1963.....	63.9	35.8	13.1	28.2	46.1	59.2	16.1
1964.....	65.4	38.5	20.2	26.9	46.8	67.0	16.9
1965.....	67.6	39.7	20.6	27.9	50.7	71.4	16.6
1966.....	70.2	41.6	21.8	28.6	54.6	76.4	16.3
1967.....	71.7	41.9	22.1	29.8	59.6	81.7	16.2
1968.....	73.7	41.7	22.1	32.0	69.2	91.3	16.5
1969.....	75.8	40.9	21.6	34.9	80.2	101.8	16.9
1970.....	74.3	38.8	32.4	35.4	88.2	120.5	19.1
1971.....	74.6	43.9	48.1	30.7	91.9	139.9	20.8
1972.....	77.6	50.6	69.8	27.0	96.7	166.4	22.3
1973.....	80.7	52.6	73.6	28.0	107.0	180.6	21.8
1974.....	83.3	53.8	76.1	29.6	119.4	195.5	21.6
1975.....	82.2	56.1	100.9	26.1	122.3	233.2	24.6
1976.....	84.7	58.7	113.8	26.0	133.9	247.6	23.5
1977.....	86.6	63.7	137.7	22.9	138.5	276.2	23.8
1978.....	89.8	64.0	139.8	25.8	164.4	304.3	23.4
1979.....	92.7	66.2	148.8	26.5	184.2	333.0	22.7
1980.....	93.9	65.0	146.0	29.0	218.0	346.0	21.4
1981.....	95.4	63.8	144.7	31.6	256.4	401.2	22.6
1982.....	95.3	61.9	140.2	33.4	284.5	425.2	23.0
1983.....	96.3	61.1	138.5	35.2	309.6	448.7	23.1
1984.....	99.4	61.2	139.5	38.2	358.9	499.6	23.3
1985.....	101.7	61.8	145.0	39.8	405.0	554.7	24.1
1986.....	103.3	62.4	151.0	40.7	447.1	611.3	24.6
1987.....	107.0	71.4	215.2	35.6	392.0	607.2	21.9
1988.....	109.7	76.5	289.6	31.9	395.2	686.0	22.3
1989.....	112.1	79.3	309.4	32.0	431.0	740.4	22.7
1990.....	113.7	80.6	331.5	32.2	458.5	789.9	23.2
1991.....	114.7	81.3	351.1	32.5	467.7	818.8	23.6
1992.....	113.6	80.1	366.5	32.5	481.9	848.5	23.4
1993.....	114.6	80.8	382.1	32.8	490.4	872.5	23.4
p1994.....	116.1	82.3	399.2	32.9	482.6	881.8	22.6

See notes at end of this section.

# Selected Historical and Other Data

**Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1995**

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

Tax year	Personal income (per NIPA) <sup>1</sup>	Taxable income (per SOI) <sup>2</sup>		Total income tax (per SOI) <sup>3</sup>		
		Amount	As a percentage of personal income	Total	As a percentage of--	
					Personal income <sup>1</sup>	Taxable income <sup>2</sup>
(1)	(2)	(3)	(4)	(5)	(6)	
1947.....	190.1	75.4	39.7	18.1	9.5	24.0
1948.....	209.0	74.8	35.8	15.4	7.4	20.6
1949.....	206.1	71.7	34.8	14.5	7.0	20.2
1950.....	227.8	84.3	37.0	18.4	8.1	21.8
1951.....	256.5	99.2	38.7	24.2	9.4	24.4
1952.....	273.7	107.2	39.2	27.8	10.2	25.9
1953.....	290.4	114.3	39.4	29.4	10.1	25.7
1954.....	293.0	115.3	39.4	26.7	9.1	23.2
1955.....	314.5	128.0	40.7	29.6	9.4	23.1
1956.....	337.5	141.5	41.9	32.7	9.7	23.1
1957.....	356.5	149.4	41.9	34.4	9.6	23.0
1958.....	367.2	149.3	40.7	34.3	9.3	23.0
1959.....	393.5	166.5	42.3	38.6	9.8	23.2
1960.....	411.7	171.6	41.7	39.5	9.6	23.0
1961.....	429.1	181.8	42.4	42.2	9.8	23.2
1962.....	456.1	195.3	42.8	44.9	9.8	23.0
1963.....	479.1	209.1	43.6	48.2	10.1	23.1
1964.....	513.5	229.9	44.8	47.2	9.2	20.5
1965.....	555.8	255.1	45.9	49.6	8.9	19.4
1966.....	604.7	286.3	47.4	56.1	9.3	19.6
1967.....	649.7	315.1	48.5	63.0	9.7	20.0
1968.....	713.5	352.8	49.5	76.7	10.8	21.7
1969.....	778.2	388.8	50.0	86.6	11.1	22.3
1970.....	836.1	401.2	48.0	83.9	10.0	20.9
1971.....	898.9	414.0	46.1	85.4	9.5	20.6
1972.....	987.3	447.6	45.3	93.6	9.5	20.9
1973.....	1,105.6	511.9	46.3	108.1	9.8	21.1
1974.....	1,213.3	573.6	47.3	123.6	10.2	21.5
1975.....	1,315.6	595.5	45.3	124.5	9.5	20.9
1976.....	1,455.4	674.9	46.4	141.8	9.7	21.0
1977.....	1,611.4	733.8	45.5	159.8	9.9	21.8
1978.....	1,820.4	846.4	46.5	188.2	10.3	22.2
1979.....	2,049.7	926.6	45.2	214.5	10.5	23.2
1980.....	2,285.7	1,045.2	45.7	250.3	11.0	23.0
1981.....	2,560.4	1,170.1	45.7	284.1	11.1	24.3
1982.....	2,718.7	1,231.9	45.3	277.6	10.2	22.5
1983.....	2,891.7	1,300.2	45.0	274.2	9.5	21.1
1984.....	3,205.5	1,447.0	45.1	301.9	9.4	20.9
1985.....	3,439.6	1,550.5	45.1	325.7	9.5	21.0
1986.....	3,647.5	1,665.6	45.7	367.3	10.1	22.1
1987.....	3,877.3	1,850.6	47.7	369.2	9.5	20.0
1988.....	4,172.8	2,070.0	49.6	412.9	9.9	19.9
1989.....	4,489.3	2,173.3	48.4	432.9	9.6	19.9
1990.....	4,791.6	2,263.7	47.2	447.1	9.3	19.8
1991.....	4,968.5	2,284.1	46.0	448.4	9.0	19.6
1992.....	5,264.2	2,395.7	45.5	476.2	9.1	19.9
1993.....	5,479.2	2,453.5	44.8	502.8	9.2	20.5
1994.....	5,750.2	2,593.8	45.1	532.3	9.3	20.5
1995r.....	6,101.7	n.a.	n.a.	n.a.	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 9.--Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1994**  
 [All figures are estimates based on samples--number of returns is in millions]

Tax year	Total number of returns	Returns with--		
		Tax due at time of filing	Overpayments <sup>1</sup>	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1944.....	47.1	22.6	22.9	1.6
1945.....	49.9	14.5	33.5	1.9
1946.....	52.8	13.6	34.4	4.8
1947.....	55.1	15.3	33.0	6.7
1948.....	52.1	8.1	38.4	5.6
1949.....	51.8	13.8	30.2	7.9
1950.....	53.1	14.3	32.0	6.8
1951.....	55.4	18.6	31.0	5.8
1952.....	56.5	19.3	32.1	5.1
1953.....	57.8	19.0	32.7	6.2
1954.....	56.7	16.6	35.2	5.0
1955.....	58.3	18.7	35.4	4.2
1956.....	59.2	19.4	36.1	3.7
1957.....	59.8	18.6	37.6	3.6
1958.....	59.1	18.1	37.4	3.6
1959.....	60.3	19.1	38.4	2.8
1960.....	61.0	18.1	39.4	3.5
1961.....	61.5	18.6	40.0	2.9
1962.....	62.7	18.7	40.9	3.1
1963.....	63.9	19.3	41.4	3.3
1964.....	65.4	22.5	39.3	3.5
1965.....	67.6	20.0	44.3	3.2
1966.....	70.2	17.8	49.4	3.0
1967.....	71.7	17.5	51.2	3.0
1968.....	73.7	20.3	50.6	2.8
1969.....	75.8	17.9	54.9	3.0
1970.....	74.3	16.5	55.3	2.5
1971.....	74.6	17.0	55.3	2.4
1972.....	77.6	11.9	63.3	2.3
1973.....	80.7	14.2	64.2	2.2
1974.....	83.3	15.4	65.8	2.1
1975.....	82.2	15.8	63.8	2.6
1976.....	84.7	16.9	65.0	2.8
1977.....	86.6	17.8	66.0	2.8
1978.....	89.8	21.6	65.5	2.7
1979.....	92.7	18.8	71.4	2.4
1980.....	93.9	21.8	69.9	2.3
1981.....	95.4	23.0	70.0	2.4
1982.....	95.3	20.3	72.4	2.6
1983.....	96.3	18.5	75.0	2.9
1984.....	99.4	21.2	75.6	2.7
1985.....	101.7	21.2	77.4	3.0
1986.....	103.0	21.5	78.1	3.5
1987.....	107.0	23.8	79.8	3.4
1988.....	109.7	27.2	79.1	3.4
1989.....	112.1	28.0	80.9	3.2
1990.....	113.7	27.0	83.5	3.2
1991.....	114.7	25.6	85.6	3.5
1992.....	113.6	29.0	81.0	3.6
1993.....	114.6	28.6	82.4	3.6
p1994.....	116.1	27.5	85.4	3.2

See notes at end of this section.

# Selected Historical and Other Data

**Table 10.-- Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1980-1993**

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

Item	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns with nonfarm business<sup>1</sup></b>						
<b>net income or deficit, total.....</b>	<b>8,931,712</b>	<b>11,928,573</b>	<b>14,782,738</b>	<b>15,180,722</b>	<b>15,495,419</b>	<b>15,848,119</b>
Number with nonfarm business net income.....	n.a.	8,640,701	11,221,925	11,550,579	11,720,148	11,872,224
<b>Number of nonfarm businesses.....</b>	<b>9,730,019</b>	<b>n.a.</b>	<b>16,596,384</b>	<b>16,959,688</b>	<b>17,292,286</b>	<b>17,714,121</b>
<b>Business receipts, total .....</b>	<b>411,205,713</b>	<b>540,045,430</b>	<b>730,606,020</b>	<b>712,567,989</b>	<b>737,082,032</b>	<b>757,215,452</b>
Income from sales and operations .....	407,169,299	528,675,271	719,007,636	700,681,216	725,666,334	746,306,213
<b>Total deductions<sup>2</sup>.....</b>	<b>356,258,495</b>	<b>461,272,852</b>	<b>589,249,583</b>	<b>571,153,515</b>	<b>583,146,571</b>	<b>600,765,115</b>
Cost of sales and operations.....	209,889,809	232,294,132	291,010,060	272,626,595	274,219,623	289,577,573
Inventory, beginning-of-year.....	n.a.	21,435,438	29,024,992	29,516,926	28,860,062	30,585,415
Inventory, end-of-year.....	21,996,236	24,969,895	30,421,844	29,782,755	29,898,172	31,795,025
Purchases.....	168,301,517	n.a.	210,225,158	200,860,580	204,316,835	210,260,432
Cost of labor.....	10,922,221	14,504,201	22,679,507	21,917,899	18,838,120	20,685,004
Materials and supplies .....	12,909,222	n.a.	30,195,388	28,072,005	28,825,291	32,701,327
Advertising.....	n.a.	n.a.	6,574,743	6,712,252	7,344,070	7,599,257
Car and truck expenses.....	13,378,289	17,044,421	21,765,531	22,594,000	23,919,600	26,714,114
Commissions.....	3,333,345	n.a.	8,816,233	7,628,344	10,456,775	8,706,883
Depletion.....	n.a.	n.a.	816,131	717,387	628,917	568,446
Depreciation .....	13,952,703	26,291,389	23,734,507	23,076,150	23,273,917	24,964,396
Pension and profit sharing plans .....	141,463	311,323	586,394	519,358	527,945	636,097
Employee benefit programs.....	n.a.	n.a.	1,056,604	1,016,368	1,186,031	1,252,242
Insurance.....	6,003,126	n.a.	13,357,568	13,064,988	13,259,715	13,172,614
Interest paid, total .....	7,190,257	11,913,982	13,311,670	12,077,268	10,406,164	9,430,614
Mortgage interest.....	n.a.	n.a.	6,256,506	5,527,499	4,626,346	4,181,330
Other interest.....	n.a.	n.a.	7,055,164	6,549,769	5,779,818	5,249,285
Legal and professional services.....	2,633,596	n.a.	5,880,163	5,376,814	5,698,841	5,649,951
<b>Meals and entertainment expenses</b>						
before limitation.....	n.a.	n.a.	5,329,281	5,646,857	5,715,169	5,748,559
Meals and entertainment deduction.....	n.a.	n.a.	4,262,870	4,516,821	4,571,529	4,598,258
Office expenses.....	n.a.	n.a.	6,896,758	7,086,395	7,395,168	7,642,163
Rent paid, total .....	9,636,290	15,258,690	23,391,608	23,643,282	25,148,446	25,008,071
On machinery.....	n.a.	n.a.	3,754,492	4,160,172	4,551,560	4,733,446
On other business property.....	n.a.	n.a.	19,637,116	19,483,110	20,596,886	20,274,625
Repairs .....	5,031,573	n.a.	8,940,657	9,158,697	9,705,814	9,847,207
<b>Net salaries and wages (not deducted elsewhere).....</b>	<b>26,560,821</b>	<b>38,265,691</b>	<b>46,998,029</b>	<b>48,889,989</b>	<b>52,316,452</b>	<b>52,045,887</b>
Supplies.....	n.a.	n.a.	n.a.	n.a.	n.a.	15,401,709
Taxes paid .....	7,672,459	n.a.	10,341,654	10,629,067	12,618,367	13,062,473
Travel.....	n.a.	n.a.	5,605,961	5,475,477	5,860,143	5,865,812
Utilities (including telephone) .....	4,790,337	n.a.	13,538,612	13,259,743	14,546,685	16,068,808
Bad debts .....	n.a.	600,613	1,038,756	1,130,267	1,065,802	960,701
Business use of home.....	n.a.	n.a.	n.a.	2,897,903	2,966,899	3,042,538
<b>Net income (less deficit)<sup>2</sup>.....</b>	<b>54,947,219</b>	<b>78,772,578</b>	<b>141,430,193</b>	<b>141,515,783</b>	<b>153,960,246</b>	<b>156,458,803</b>
Net income <sup>2</sup> .....	68,010,051	98,775,563	161,657,252	162,426,709	173,472,549	176,983,281
Deficit <sup>2</sup> .....	13,062,832	20,002,986	20,227,059	20,910,927	19,512,304	20,524,477

See notes at end of this section.

# Selected Historical and Other Data

**Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1980-1993**

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

Item	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total number of active partnerships</b> .....	<b>1,379,654</b>	<b>1,713,603</b>	<b>1,553,529</b>	<b>1,515,345</b>	<b>1,484,752</b>	<b>1,467,567</b>
Number with net income.....	774,173	875,846	853,676	855,523	856,015	869,817
Number with balance sheets .....	1,194,236	1,227,498	1,081,224	1,047,704	975,330	976,967
<b>Number of partners</b> .....	<b>8,419,899</b>	<b>13,244,824</b>	<b>17,094,966</b>	<b>15,801,047</b>	<b>15,734,691</b>	<b>15,626,848</b>
<b>Total assets</b> <sup>1</sup> .....	<b>597,503,923</b>	<b>1,269,434,302</b>	<b>1,735,285,033</b>	<b>1,816,567,895</b>	<b>1,907,344,453</b>	<b>2,118,268,141</b>
Depreciable assets (net) .....	239,139,823	695,878,822	681,409,780	696,335,452	700,933,529	698,121,914
Inventories, end of year.....	33,218,272	27,279,234	56,507,062	56,845,071	61,865,690	71,278,725
Land.....	70,241,248	152,179,314	214,757,035	212,850,061	212,808,128	206,500,951
<b>Total liabilities</b> <sup>1</sup> .....	<b>488,734,023</b>	<b>1,069,221,649</b>	<b>1,415,247,893</b>	<b>1,460,065,895</b>	<b>1,508,212,931</b>	<b>1,619,630,794</b>
Accounts payable.....	33,899,048	40,871,755	66,747,965	63,086,121	79,336,897	79,764,998
Short-term debt <sup>2</sup> .....	48,001,839	102,760,363	88,092,149	116,756,131	114,638,421	131,148,176
Long-term debt <sup>3</sup> .....	178,044,406	381,960,685	497,560,607	490,848,692	486,374,218	488,793,170
Nonrecourse loans <sup>3</sup> .....	118,910,380	327,558,208	470,139,911	474,221,624	475,615,076	477,709,746
<b>Partners' capital accounts</b> <sup>1</sup> .....	<b>108,769,900</b>	<b>200,212,653</b>	<b>320,037,140</b>	<b>356,502,000</b>	<b>399,131,522</b>	<b>498,637,347</b>
<b>Total receipts</b> .....	<b>291,998,115</b>	<b>367,117,316</b>	<b>566,212,218</b>	<b>562,779,428</b>	<b>596,782,859</b>	<b>656,111,439</b>
Business receipts <sup>5</sup> .....	271,108,832	302,733,374	483,417,504	483,164,395	514,827,003	560,999,120
Interest received <sup>6</sup> .....	10,869,323	20,558,966	20,799,631	19,872,179	15,570,376	16,327,321
<b>Total deductions</b> .....	<b>283,749,460</b>	<b>376,000,991</b>	<b>549,602,678</b>	<b>541,372,821</b>	<b>553,866,209</b>	<b>589,459,150</b>
Cost of sales and operations .....	113,885,668	146,315,315	242,448,195	236,500,500	248,626,073	272,502,902
Purchases.....	70,439,607	91,925,923	140,521,621	134,086,152	150,034,393	163,167,689
Cost of labor.....	7,015,547	8,845,106	13,924,993	14,188,250	14,826,792	16,208,644
Salaries and wages.....	22,336,337	33,884,204	56,025,118	57,907,843	61,761,245	65,374,814
Taxes paid.....	9,553,145	7,745,756	9,339,396	9,863,080	10,307,970	10,877,982
Interest paid.....	28,362,385	28,674,933	29,617,935	27,973,593	25,091,279	27,006,200
Depreciation <sup>7</sup> .....	21,576,189	53,650,790	60,204,443	58,362,541	60,024,456	59,730,416
<b>Net income (less deficit)</b> .....	<b>8,248,655</b>	<b>-8,883,674</b>	<b>16,609,540</b>	<b>21,406,607</b>	<b>42,916,649</b>	<b>66,652,288</b>
Net income .....	45,061,756	77,044,693	116,317,801	113,408,221	121,834,358	137,440,684
Deficit .....	36,813,100	85,928,367	99,708,261	92,001,615	78,917,710	70,788,396

See notes at end of this section.

# Selected Historical and Other Data

**Table 12.--Number of Business Income Tax Returns by Size of Business for Specified Income Years, 1980-1993**

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

Size of business	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CORPORATIONS</b>						
<b>Receipt size<sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	557.0	710.8	878.7	924.2	935.7	967.6
\$25,000 under \$50,000 .....	207.7	236.6	252.0	260.1	256.5	256.4
\$50,000 under \$100,000 .....	322.7	330.2	358.9	375.6	375.8	396.7
\$100,000 under \$250,000.....	558.4	620.5	661.7	665.6	682.9	674.8
\$250,000 under \$500,000 .....	367.3	489.2	500.0	514.5	532.9	542.8
\$500,000 under \$1,000,000.....	279.8	352.4	416.0	415.8	422.8	439.3
\$1,000,000 or more .....	417.7	537.6	649.4	647.1	662.3	687.0
<b>Asset size</b>						
Under \$100,000 <sup>3</sup> .....	1,514.6	1,833.5	2,111.5	2,176.9	2,231.2	2,288.0
\$100,000 under \$1,000,000.....	968.9	1,152.5	1,246.3	1,265.4	1,272.9	1,298.8
\$1,000,000 under \$10,000,000.....	191.8	245.4	303.8	305.5	309.0	319.2
\$10,000,000 under \$25,000,000.....	16.6	20.9	25.2	24.6	24.5	25.9
\$25,000,000 under \$50,000,000.....	7.8	10.4	11.0	11.0	11.2	11.3
\$50,000,000 under \$100,000,000.....	4.8	6.2	7.4	7.5	7.7	8.0
\$100,000,000 under \$250,000,000.....	3.2	4.4	5.8	6.0	6.2	6.6
\$250,000,000 or more.....	2.9	4.1	5.6	5.9	6.3	6.8
<b>PARTNERSHIPS</b>						
<b>Receipt size<sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	638.0	840.1	962.6	955.6	920.6	886.9
\$25,000 under \$50,000.....	181.8	195.5	126.0	113.5	113.0	121.2
\$50,000 under \$100,000.....	183.6	199.5	133.4	120.1	126.0	129.3
\$100,000 under \$250,000 .....	155.2	190.1	139.9	143.7	144.7	144.0
\$250,000 under \$500,000 .....	135.6	165.5	82.5	78.5	75.3	78.3
\$500,000 under \$1,000,000 .....	48.1	66.9	52.1	49.4	49.6	49.0
\$1,000,000 or more .....	37.4	56.0	57.1	54.6	55.6	59.0
<b>Asset size</b>						
Under \$25,000 <sup>3</sup> .....	541.9	794.1	737.9	700.1	690.8	683.6
\$25,000 under \$50,000 .....	156.3	132.7	99.3	97.3	88.1	76.9
\$50,000 under \$100,000.....	180.2	165.8	99.5	110.2	104.4	102.8
\$100,000 under \$250,000.....	219.1	210.9	194.1	181.8	164.0	171.8
\$250,000 under \$500,000 .....	117.9	142.8	128.6	125.4	125.8	126.8
\$500,000 under \$1,000,000 .....	72.1	100.0	105.2	109.7	120.5	111.4
\$1,000,000 or more.....	92.2	167.2	188.9	190.8	191.2	194.2
<b>NONFARM SOLE PROPRIETORSHIPS</b>						
<b>Receipt size</b>						
Under \$2,500 <sup>3</sup> .....	2,783.1	3,067.5	3,750.1	3,985.0	3,775.9	3,808.5
\$2,500 under \$5,000 .....	1,158.6	1,444.6	1,714.5	1,704.6	1,741.3	1,796.7
\$5,000 under \$10,000.....	1,262.9	1,633.6	2,011.7	2,058.8	2,005.4	2,136.6
\$10,000 under \$25,000 .....	1,711.8	2,104.6	2,719.8	2,809.7	2,869.3	2,873.5
\$25,000 under \$50,000 .....	1,079.1	1,393.9	1,660.2	1,724.8	1,817.0	1,838.3
\$50,000 under \$100,000.....	835.6	1,094.1	1,282.1	1,327.0	1,269.0	1,329.6
\$100,000 under \$200,000 .....	795.8	1,060.2	857.2	843.2	869.2	900.6
\$200,000 under \$500,000 .....	73.9	89.3	587.0	545.4	584.4	553.8
\$500,000 under \$1,000,000 .....	73.9	89.3	142.7	122.7	133.1	138.6
\$1,000,000 or more.....	29.2	40.7	57.3	59.5	58.4	66.4

See notes at end of this section.

# Selected Historical and Other Data

**Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1993**

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

Item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1991 <sup>1</sup>	1992 <sup>1</sup>	1993 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total</b> <sup>1</sup> .....	<b>2,710,538</b>	<b>3,277,219</b>	<b>3,716,650</b>	<b>3,802,788</b>	<b>3,869,023</b>	<b>3,964,629</b>
Number with net income <sup>1</sup> .....	1,596,632	1,820,120	1,910,670	1,942,450	2,063,593	2,144,534
Consolidated returns <sup>1,2,3</sup> .....	57,890	79,598	71,769	69,120	66,479	64,080
S Corporation returns <sup>1,3,4</sup> .....	545,389	724,749	1,575,092	1,698,271	1,785,371	1,901,505
DISC returns <sup>1,3,5</sup> .....	8,665	1,383	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
FSC returns <sup>1,3,6</sup> .....	N/A	2,341	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Total assets</b> .....	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>18,190,057,609</b>	<b>19,029,508,839</b>	<b>20,002,093,972</b>	<b>21,815,869,373</b>
Cash .....	528,914,747	683,204,264	771,086,440	786,735,219	806,358,400	812,077,106
Notes and accounts receivable .....	1,984,601,790	3,317,635,191	4,198,016,230	4,191,331,906	4,168,985,629	4,532,360,299
Less: Allowance for bad debts .....	50,057,307	61,580,335	110,059,993	114,576,136	118,702,488	117,104,017
Inventories <sup>7</sup> .....	534,806,547	714,722,928	893,586,141	883,913,179	915,412,953	947,287,758
Investments in Government obligations <sup>8</sup> .....	265,542,521	916,550,098	921,193,216	1,068,564,351	1,248,403,852	1,290,041,298
Tax-exempt securities <sup>8</sup> .....	206,517,216	( <sup>8</sup> )	380,320,504	469,245,167	615,621,779	701,101,044
Other current assets .....	310,177,160	629,136,396	1,164,582,476	1,133,425,425	1,283,851,498	1,537,521,042
Loans to stockholders .....	29,873,250	56,761,232	94,866,044	84,545,262	87,204,098	83,900,670
Mortgage and real estate loans .....	894,323,489	1,258,672,577	1,537,899,636	1,529,474,897	1,566,888,344	1,626,813,106
Other investments .....	1,213,986,210	2,413,551,474	4,136,891,162	4,749,822,622	4,970,564,447	5,700,750,483
Depreciable assets .....	2,107,027,914	3,174,193,649	4,317,781,452	4,549,055,093	4,755,145,257	4,968,959,443
Less: Accumulated depreciation .....	767,841,763	1,232,072,530	1,848,022,862	1,999,540,977	2,131,890,499	2,265,345,826
Depletable assets .....	71,901,490	112,339,389	129,370,543	141,758,337	130,636,678	136,837,315
Less: Accumulated depletion .....	19,569,556	37,203,920	55,075,300	61,141,866	60,154,855	64,129,960
Land .....	92,931,935	141,448,357	209,579,296	215,498,441	221,387,129	230,380,089
Intangible assets (amortizable) .....	45,480,694	145,290,625	491,252,807	489,782,490	528,635,628	559,011,523
Less: Accumulated amortization .....	18,393,037	42,505,240	95,754,475	110,369,202	124,473,187	138,208,765
Other assets .....	187,015,106	582,949,738	1,052,544,294	1,021,984,633	1,138,219,310	1,273,616,767
<b>Total liabilities</b> .....	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>18,190,057,609</b>	<b>19,029,508,839</b>	<b>20,002,093,972</b>	<b>21,815,869,373</b>
Accounts payable <sup>9</sup> .....	542,172,368	891,571,443	1,094,001,051	1,680,717,102	1,604,993,260	1,465,685,698
Mortgages, notes, and bonds payable in less than 1 year .....	504,802,288	1,001,337,795	1,802,732,358	1,500,043,192	1,559,836,081	1,569,039,749
Other current liabilities .....	2,706,796,360	4,234,983,432	5,197,682,027	4,856,874,743	5,215,873,641	5,994,457,055
Loans from stockholders .....	85,718,510	174,317,253	268,559,197	306,729,880	305,658,885	303,017,642
Mortgages, notes, and bonds payable in 1 year or more .....	986,663,932	1,699,272,481	2,665,098,250	2,697,909,300	2,742,496,304	2,871,045,770
Other liabilities .....	846,696,691	1,467,912,913	2,423,067,175	2,710,749,072	2,872,881,055	3,148,683,849
Capital stock .....	417,153,783	920,182,882	1,584,840,863	1,740,894,708	1,881,147,182	2,042,497,435
Paid-in or capital surplus .....	532,039,407	1,420,996,805	2,814,210,083	3,257,218,951	3,655,821,974	4,223,297,163
Retained earnings, appropriated .....	41,461,644	54,074,364	60,978,729	74,926,536	79,869,218	106,288,339
Retained earnings, unappropriated .....	1,027,902,049	1,311,512,589	1,349,027,584	1,365,865,627	1,351,565,703	1,555,335,037
Less: Cost of treasury stock .....	74,168,627	403,068,064	1,070,139,706	1,162,420,270	1,268,049,328	1,463,478,361
<b>Total receipts</b> <sup>10</sup> .....	<b>6,361,284,012</b>	<b>8,398,278,426</b>	<b>11,409,520,074</b>	<b>11,436,474,767</b>	<b>11,742,134,729</b>	<b>12,269,721,710</b>
Business receipts <sup>11,12</sup> .....	5,731,616,337	7,369,538,953	9,860,441,633	9,965,628,799	10,360,428,794	10,865,542,520
Interest on State and local Government obligations .....	12,620,876	20,164,514	35,164,734	36,339,860	38,331,700	43,319,556
Other interest .....	354,243,674	617,622,425	942,237,940	883,325,876	790,946,417	764,546,106
Dividends received from domestic corporations <sup>10,12</sup> .....	18,654,800	16,967,379	13,413,839	13,114,605	13,109,858	13,570,604
Dividends received from foreign corporations <sup>10</sup> .....	14,563,353	20,770,361	33,261,669	28,760,176	28,883,052	25,907,770
Rents <sup>10</sup> .....	41,371,141	89,700,937	100,642,848	101,958,702	98,901,418	85,478,375
Royalties <sup>10</sup> .....	12,450,250	15,237,421	32,142,258	34,822,123	41,426,926	44,076,734
Net short-term capital gain reduced by net long-term capital loss .....	2,013,510	7,032,062	4,110,745	13,742,293	14,586,137	26,064,516
Net long-term capital gain reduced by net short-term capital loss .....	24,910,957	53,771,685	50,935,859	41,111,234	45,124,296	53,303,500
Net gain, noncapital assets <sup>13,14</sup> .....	20,117,615	33,537,842	32,275,111	31,476,569	32,313,236	32,763,625
Other receipts .....	128,721,498	153,934,848	304,893,438	286,194,531	278,082,895	315,148,404

# Selected Historical and Other Data

**Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1993--Continued**

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

Item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1991 <sup>1</sup>	1992 <sup>1</sup>	1993 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> <sup>10</sup> .....	<b>6,125,365,155</b>	<b>8,158,144,126</b>	<b>11,032,574,630</b>	<b>11,087,119,512</b>	<b>11,329,910,609</b>	<b>11,764,744,057</b>
Cost of sales and operations.....	4,204,905,905	4,894,254,081	6,610,769,883	6,654,370,271	6,771,767,395	7,052,236,546
Compensation of officers.....	108,973,751	170,737,540	205,403,164	201,408,195	221,064,264	226,147,454
Repairs.....	42,407,967	81,495,784	95,887,821	94,643,427	93,926,324	104,140,185
Bad debts.....	18,769,771	43,333,588	83,690,549	100,875,268	89,579,547	80,671,397
Rent paid on business property.....	71,990,832	134,661,335	184,771,540	192,743,992	196,187,884	200,741,346
Taxes paid.....	163,003,622	200,977,161	250,928,813	257,796,399	273,955,753	289,513,615
Interest paid.....	344,612,542	568,645,475	825,372,164	735,721,055	597,033,444	546,236,159
Contributions or gifts.....	2,358,554	4,471,736	4,752,406	4,762,763	5,521,019	6,305,178
Amortization.....	1,374,658	6,133,737	31,503,958	35,923,984	36,582,360	38,494,898
Depreciation.....	157,345,828	304,380,703	332,781,754	333,952,832	346,214,939	363,545,335
Depletion.....	8,871,993	7,779,731	9,646,712	8,417,411	9,023,229	8,471,334
Advertising.....	52,266,004	91,922,667	126,417,097	129,194,304	134,332,126	140,143,456
Pension, profit-sharing, stock bonus and annuity plans <sup>14</sup> .....	51,529,310	49,588,712	42,233,693	46,487,339	56,177,312	61,073,784
Employee benefit programs <sup>14</sup> .....	40,179,104	71,601,577	113,320,117	133,467,913	142,114,225	160,120,219
Net loss, noncapital assets <sup>10,11</sup> .....	5,903,104	7,893,175	22,330,746	18,859,047	18,678,786	26,272,309
Other deductions <sup>14</sup> .....	850,872,216	1,520,267,133	2,092,764,214	2,138,495,313	2,337,752,003	2,460,630,844
<b>Total receipts less total deductions</b> <sup>10,15</sup> .....	<b>235,918,858</b>	<b>240,134,300</b>	<b>376,945,444</b>	<b>349,355,256</b>	<b>412,224,119</b>	<b>504,977,653</b>
Constructive taxable income from related foreign corporations.....	15,708,560	20,299,335	36,776,886	31,844,399	28,104,602	36,501,077
<b>Net income (less deficit)</b> <sup>10,15,16</sup> .....	<b>239,006,542</b>	<b>240,119,020</b>	<b>370,632,632</b>	<b>344,859,794</b>	<b>401,997,022</b>	<b>498,159,174</b>
Net income <sup>10,15,16</sup> .....	296,787,201	363,867,384	552,526,789	535,816,622	570,431,380	658,666,005
Deficit <sup>10,15,16</sup> .....	57,780,659	123,748,365	181,894,157	190,956,827	168,434,358	160,506,831
<b>Income subject to tax</b> <sup>17</sup> .....	<b>246,598,486</b>	<b>266,060,609</b>	<b>366,352,857</b>	<b>350,009,712</b>	<b>377,899,601</b>	<b>436,797,939</b>
<b>Income tax, total</b> <sup>19</sup> .....	<b>105,142,436</b>	<b>111,340,839</b>	<b>128,185,666</b>	<b>121,121,231</b>	<b>131,284,690</b>	<b>154,447,416</b>
Regular and alternative tax <sup>18,19</sup> .....	103,831,172	109,106,358	119,434,430	116,275,308	125,770,915	149,026,690
Recapture of prior-year investment credit.....	867,571	1,497,597	126,600	72,693	25,103	22,864
Recapture of prior-year work incentive (WIN) credit.....	4,873	N/A	N/A	N/A	N/A	N/A
Minimum tax and alternative minimum tax.....	438,820	725,878	8,104,269	5,320,587	4,856,262	4,863,090
Environmental tax.....	N/A	N/A	520,167	479,288	496,610	566,361
Foreign tax credit.....	24,879,737	24,263,487	24,989,922	21,096,940	21,520,683	22,895,789
U.S. possessions tax credit.....	1,572,734	2,450,583	3,194,481	3,472,330	3,748,561	4,722,588
Investment credit <sup>21</sup> .....	15,102,812	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Work incentive (WIN) credit.....	36,483	N/A	N/A	N/A	N/A	N/A
Jobs credit <sup>21</sup> .....	601,444	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Nonconventional source fuel credit.....	2	43,267	81,790	244,732	233,331	690,593
Alcohol fuel credit <sup>21</sup> .....	4	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Research activities credit.....	N/A	1,627,997	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Employees stock ownership credit <sup>21</sup> .....	N/A	( <sup>21</sup> )	N/A	N/A	N/A	N/A
Orphan drug credit.....	N/A	204	15,637	18,475	17,826	20,486
General business credit <sup>21</sup> .....	N/A	19,607,097	2,833,701	2,206,371	1,918,100	3,078,073
Prior year minimum tax credit.....	N/A	N/A	667,036	1,516,063	2,313,811	3,102,567
<b>Distributions to stockholders:</b>						
Cash and property except in own stock.....	97,378,617	n.a.	n.a.	n.a.	n.a.	n.a.
Corporation's own stock.....	3,525,549	n.a.	n.a.	n.a.	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1993**

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

Industrial division and item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1991 <sup>1</sup>	1992 <sup>1</sup>	1993 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns, total <sup>1</sup>	80,883	103,156	126,423	129,886	137,833	141,326
Number with net income <sup>1</sup>	43,827	52,776	70,965	69,543	79,399	81,456
Total assets	40,738,977	52,651,197	68,338,381	67,756,553	71,760,770	74,646,834
Net worth	11,460,935	15,406,221	23,360,455	22,769,981	25,079,471	27,698,859
Total receipts <sup>2</sup>	52,089,915	70,491,486	88,101,065	85,945,700	95,563,046	98,301,076
Business receipts <sup>2</sup>	48,850,056	65,419,402	82,114,836	80,981,260	89,556,975	92,071,144
Interest received <sup>2,4</sup>	476,654	775,383	681,127	553,203	513,231	501,828
Total deductions <sup>2</sup>	51,418,280	70,559,478	86,883,128	85,331,571	94,017,630	96,656,629
Cost of sales and operations <sup>2</sup>	35,798,332	45,085,526	52,758,720	51,674,544	53,057,740	53,240,017
Interest paid	2,184,441	2,758,952	2,852,242	2,634,724	2,453,897	2,233,054
Net income (less deficit) <sup>2</sup>	673,158	-74,270	1,156,269	625,656	1,607,297	1,647,725
Net income <sup>2</sup>	2,464,381	2,930,905	4,328,433	3,774,209	4,625,097	4,841,649
Deficit <sup>2</sup>	1,791,222	3,005,175	3,172,164	3,148,553	3,017,800	3,193,924
Regular and alternative tax <sup>5</sup>	533,768	531,787	569,812	498,545	541,516	590,364
Total income tax after credits <sup>6</sup>	422,356	344,626	554,818	473,493	496,946	568,605
Distributions to stockholders except in own stock	304,733	n.a.	n.a.	n.a.	n.a.	n.a.
<b>MINING</b>						
Number of returns, total <sup>1</sup>	25,576	41,426	39,674	39,199	36,660	35,345
Number with net income <sup>1</sup>	12,698	18,031	18,436	17,893	15,824	15,969
Total assets	126,947,880	240,815,996	219,197,640	212,962,835	218,211,769	224,018,659
Net worth	54,068,148	104,772,797	110,339,579	106,585,141	106,082,663	111,449,998
Total receipts <sup>2</sup>	176,672,390	142,038,595	111,444,457	103,286,287	112,830,722	112,121,150
Business receipts <sup>2</sup>	167,397,918	126,710,610	97,321,579	90,512,940	102,467,999	102,064,204
Interest received <sup>2,4</sup>	1,301,266	3,584,890	3,849,674	3,289,590	2,692,680	2,425,849
Total deductions <sup>2</sup>	169,051,624	145,389,514	106,466,509	99,537,632	110,301,522	109,623,248
Cost of sales and operations <sup>2</sup>	116,989,880	87,972,035	62,070,361	56,314,253	67,184,989	66,116,598
Interest paid	3,440,080	7,789,995	6,674,114	6,315,413	5,153,228	4,794,523
Net income (less deficit) <sup>2</sup>	7,750,561	-2,543,487	5,302,223	4,001,356	2,706,769	2,628,720
Net income <sup>2</sup>	10,133,685	6,166,623	9,071,733	7,721,788	6,688,820	6,541,858
Deficit <sup>2</sup>	2,383,124	8,710,110	3,769,511	3,720,432	3,982,051	3,913,138
Regular and alternative tax <sup>5</sup>	3,947,569	1,736,952	1,897,245	1,505,027	1,428,389	1,185,200
Total income tax after credits <sup>6</sup>	1,674,566	557,519	1,348,333	1,041,082	969,531	737,935
Distributions to stockholders except in own stock	4,757,780	n.a.	n.a.	n.a.	n.a.	n.a.
<b>CONSTRUCTION</b>						
Number of returns, total <sup>1</sup>	272,432	318,276	406,874	416,987	407,881	417,250
Number with net income <sup>1</sup>	150,368	185,613	223,434	233,866	224,509	250,904
Total assets	132,939,026	215,297,771	243,829,026	243,035,939	231,050,110	240,435,575
Net worth	32,826,174	54,687,270	63,865,550	70,666,636	71,556,252	75,814,580
Total receipts <sup>2</sup>	267,205,356	387,232,953	534,654,044	515,128,533	499,405,033	538,266,252
Business receipts <sup>2</sup>	260,387,692	374,590,273	522,586,199	502,691,224	488,401,977	528,889,876
Interest received <sup>2,4</sup>	2,073,650	3,851,628	3,621,561	3,415,774	2,636,172	2,233,964
Total deductions <sup>2</sup>	262,116,275	382,823,113	527,800,795	509,247,728	493,857,790	530,697,417
Cost of sales and operations <sup>2</sup>	208,064,925	295,803,244	407,448,745	389,883,167	376,299,025	408,884,991
Interest paid	4,278,502	6,407,652	7,368,430	6,984,942	5,413,320	5,052,958
Net income (less deficit) <sup>2</sup>	5,271,209	4,370,924	6,824,608	6,103,605	5,505,062	7,514,819
Net income <sup>2</sup>	8,911,143	11,053,145	15,859,977	14,965,305	13,812,392	14,814,675
Deficit <sup>2</sup>	3,639,934	6,682,220	9,035,370	8,861,700	8,307,330	7,299,856
Regular and alternative tax <sup>5</sup>	2,521,507	2,243,786	1,983,902	1,910,621	1,458,612	1,575,504
Total income tax after credits <sup>6</sup>	1,973,659	1,662,563	1,906,537	1,722,422	1,376,546	1,492,497
Distributions to stockholders except in own stock	793,764	n.a.	n.a.	n.a.	n.a.	n.a.
<b>MANUFACTURING</b>						
Number of returns, total <sup>1</sup>	242,550	276,545	301,669	300,122	300,071	307,419
Number with net income <sup>1</sup>	153,640	159,778	167,509	163,599	169,381	179,594
Total assets	1,709,471,700	2,644,393,424	3,921,323,756	4,028,360,038	4,113,123,804	4,225,134,395
Net worth	749,186,774	1,099,645,876	1,392,233,318	1,481,203,474	1,411,948,242	1,440,728,404
Total receipts <sup>2</sup>	2,404,323,844	2,831,062,496	3,688,693,895	3,658,501,307	3,760,265,837	3,890,747,271
Business receipts <sup>2</sup>	2,301,056,550	2,656,345,750	3,434,141,360	3,409,490,090	3,513,707,078	3,652,017,915
Interest received <sup>2,4</sup>	28,315,784	47,753,626	81,135,811	81,950,229	75,514,098	69,071,714
Total deductions <sup>2</sup>	2,290,593,808	2,733,105,346	3,545,121,842	3,548,746,793	3,633,844,572	3,741,592,660
Cost of sales and operations <sup>2</sup>	1,707,143,900	1,797,852,805	2,377,226,499	2,355,261,594	2,402,877,254	2,483,308,485
Interest paid	54,177,356	90,452,072	151,214,835	145,611,955	127,971,817	118,233,685
Net income (less deficit) <sup>2</sup>	125,667,815	113,758,645	171,373,726	132,269,225	143,627,403	173,219,957
Net income <sup>2</sup>	141,547,510	142,541,119	212,936,099	181,884,248	184,567,951	214,058,222
Deficit <sup>2</sup>	15,879,695	28,782,474	41,562,373	49,615,023	40,940,548	40,838,265
Regular and alternative tax <sup>5</sup>	59,577,413	55,553,921	60,664,655	51,769,226	51,315,542	60,251,051
Total income tax after credits <sup>6</sup>	32,726,986	25,382,459	38,971,197	32,104,071	32,851,672	38,070,925
Distributions to stockholders except in own stock	37,306,509	n.a.	n.a.	n.a.	n.a.	n.a.

# Selected Historical and Other Data

**Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1993--Continued**

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

Industrial division and item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1991 <sup>1</sup>	1992 <sup>1</sup>	1993 <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns, total <sup>1</sup> .....	111,324	138,337	160,353	164,980	178,284	175,980
Number with net income <sup>1</sup> .....	62,232	69,938	81,418	88,263	97,677	97,212
Total assets .....	758,364,400	1,246,426,899	1,522,045,738	1,573,824,265	1,641,997,827	1,770,691,651
Net worth .....	290,655,693	490,481,127	508,667,821	528,942,779	535,664,915	579,823,500
Total receipts <sup>2</sup> .....	523,807,396	772,358,188	936,277,062	954,944,592	997,640,581	1,037,156,438
Business receipts <sup>2</sup> .....	507,372,820	733,943,970	874,111,070	897,131,837	941,456,847	981,004,201
Interest received <sup>2,4</sup> .....	5,760,072	12,310,594	18,194,729	17,919,573	16,938,590	16,095,202
Total deductions <sup>2</sup> .....	503,954,285	747,836,158	900,960,832	917,837,603	956,469,140	984,901,013
Cost of sales and operations <sup>2</sup> .....	336,868,172	381,028,354	405,924,209	413,508,684	381,368,495	393,351,737
Interest paid .....	27,638,591	44,880,858	59,190,735	59,686,545	56,073,874	53,421,303
Net income (less deficit) <sup>2</sup> .....	20,046,155	25,087,629	35,413,596	37,742,965	41,789,809	52,885,350
Net income <sup>2</sup> .....	24,917,293	37,880,144	51,490,850	53,590,652	58,195,820	65,726,981
Deficit <sup>2</sup> .....	4,871,138	12,792,516	16,077,254	15,847,686	16,406,010	12,841,631
Regular and alternative tax <sup>5</sup> .....	10,532,722	14,881,470	15,228,031	15,887,339	16,884,562	19,667,270
Total income tax after credits <sup>6</sup> .....	5,322,655	8,432,924	15,882,038	15,793,417	16,627,618	18,902,929
Distributions to stockholders except in own stock .....	17,329,807	n.a.	n.a.	n.a.	n.a.	n.a.
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns, total <sup>1</sup> .....	799,628	917,301	1,023,057	1,043,534	1,052,713	1,072,980
Number with net income <sup>1</sup> .....	487,300	510,825	527,128	536,277	567,784	582,440
Total assets .....	646,901,005	1,009,965,739	1,447,296,828	1,483,427,907	1,581,910,771	1,702,833,504
Net worth .....	222,289,687	286,260,274	354,827,439	374,844,301	404,190,513	448,591,875
Total receipts <sup>2</sup> .....	1,955,523,778	2,473,865,453	3,308,988,336	3,380,598,972	3,503,944,396	3,709,494,745
Business receipts <sup>2</sup> .....	1,919,347,689	2,408,174,933	3,216,861,660	3,291,367,866	3,416,387,593	3,623,042,583
Interest received <sup>2,4</sup> .....	10,503,989	21,633,480	29,851,239	31,285,080	28,471,311	27,704,694
Total deductions <sup>2</sup> .....	1,919,454,218	2,440,403,373	3,279,066,687	3,350,908,857	3,463,379,154	3,659,764,518
Cost of sales and operations <sup>2</sup> .....	1,538,128,634	1,869,766,621	2,482,483,270	2,527,007,700	2,618,368,057	2,786,432,350
Interest paid .....	25,645,855	38,217,998	63,914,431	61,081,388	50,510,058	46,771,670
Net income (less deficit) <sup>2</sup> .....	38,309,671	33,126,702	30,094,078	29,951,221	41,343,782	49,714,808
Net income <sup>2</sup> .....	49,426,500	51,434,500	65,383,876	64,477,312	72,317,416	78,182,240
Deficit <sup>2</sup> .....	11,116,829	18,307,798	35,289,798	34,526,092	30,973,634	28,467,432
Regular and alternative tax <sup>5</sup> .....	13,515,653	16,130,885	13,324,360	12,789,106	14,357,322	15,690,940
Total income tax after credits <sup>6</sup> .....	10,564,358	13,396,555	12,615,991	12,015,216	13,157,318	15,152,750
Distributions to stockholders except in own stock .....	10,343,087	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns, total <sup>1</sup> .....	493,426	518,432	609,138	617,557	635,268	641,397
Number with net income <sup>1</sup> .....	273,853	285,273	269,667	273,097	295,066	296,483
Total assets .....	4,022,206,073	7,029,452,681	10,193,295,357	10,780,681,276	11,480,469,997	12,831,680,335
Net worth .....	530,541,317	1,161,968,009	2,142,041,011	2,513,553,034	2,949,156,395	3,543,133,206
Total receipts <sup>2</sup> .....	697,460,846	1,182,034,309	1,954,709,651	1,924,317,623	1,900,428,224	1,940,315,739
Business receipts <sup>2,3</sup> .....	256,892,475	501,993,840	900,908,453	928,022,390	989,306,810	992,334,922
Interest received <sup>2,4</sup> .....	315,146,115	541,268,193	830,451,126	771,288,512	693,208,002	680,042,021
Total deductions <sup>2</sup> .....	652,637,787	1,104,572,202	1,809,867,575	1,771,169,018	1,724,307,330	1,723,335,528
Cost of sales and operations <sup>2</sup> .....	129,644,330	237,577,803	526,244,728	556,461,819	575,172,643	540,333,700
Interest paid .....	219,167,684	363,009,417	506,921,011	426,757,261	326,347,417	292,846,507
Net income (less deficit) <sup>2</sup> .....	33,122,972	60,670,526	109,901,881	124,545,504	146,978,975	185,229,845
Net income <sup>2</sup> .....	46,040,390	90,546,934	158,458,842	174,249,613	188,715,713	226,551,700
Deficit <sup>2</sup> .....	12,917,599	29,876,408	48,556,962	49,704,109	41,736,737	41,321,855
Regular and alternative tax <sup>5</sup> .....	9,680,755	13,369,981	20,709,720	26,890,049	34,091,152	42,851,510
Total income tax after credits <sup>6</sup> .....	7,699,628	10,193,877	20,511,294	24,850,137	30,902,544	38,723,220
Distributions to stockholders except in own stock .....	24,692,146	n.a.	n.a.	n.a.	n.a.	n.a.
<b>SERVICES</b>						
Number of returns, total <sup>1</sup> .....	671,338	939,390	1,029,447	1,061,657	1,100,449	1,157,724
Number with net income <sup>1</sup> .....	408,716	529,337	546,268	551,235	607,204	636,095
Total assets .....	178,163,737	330,982,941	572,842,266	636,751,574	661,597,099	744,758,261
Net worth .....	52,865,513	89,852,365	143,154,346	177,668,039	196,588,365	236,109,841
Total receipts <sup>2</sup> .....	279,883,187	534,587,609	779,329,609	809,724,469	869,533,422	941,642,864
Business receipts <sup>2</sup> .....	266,088,619	497,980,990	726,041,364	761,589,005	816,783,759	892,537,156
Interest received <sup>2,4</sup> .....	3,269,412	6,561,301	9,526,124	9,941,775	9,283,407	9,772,446
Total deductions <sup>2</sup> .....	271,792,974	528,685,613	769,035,909	800,163,940	851,122,645	916,453,470
Cost of sales and operations <sup>2</sup> .....	129,352,692	176,070,808	290,965,307	301,802,690	296,026,593	319,675,277
Interest paid .....	8,033,612	15,027,259	27,188,190	26,544,428	23,050,166	22,857,022
Net income (less deficit) <sup>2</sup> .....	8,193,903	5,883,782	10,616,792	9,769,891	18,525,343	25,361,467
Net income <sup>2</sup> .....	13,246,601	21,124,460	34,850,560	34,963,661	41,370,718	47,845,396
Deficit <sup>2</sup> .....	5,052,698	15,240,678	24,233,768	25,193,769	22,845,375	22,483,930
Regular and alternative tax <sup>5</sup> .....	3,497,265	4,621,875	5,041,377	5,016,937	5,690,665	7,210,494
Total income tax after credits <sup>6</sup> .....	2,603,370	3,343,830	4,597,561	4,561,377	5,147,294	6,284,086
Distributions to stockholders except in own stock .....	1,841,945	n.a.	n.a.	n.a.	n.a.	n.a.

See notes at end of this section.

## Selected Historical and Other Data

**Table 15.--Corporation Profits Before Taxes per National Income and Product Accounts (NIPA) and per SOI, and Income Subject to Tax per SOI, Income Years 1960-1995**

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

Income year	Profits before taxes (per NIPA) <sup>1</sup>	Net income (less deficit) (per SOI) <sup>2</sup>	Income subject to tax (per SOI) <sup>3</sup>
	(1)	(2)	(3)
1960.....	51.1	43.5	47.2
1961.....	51.0	45.9	47.9
1962.....	56.4	49.6	51.7
1963.....	61.2	54.3	54.3
1964.....	68.0	61.6	60.4
1965.....	78.8	73.9	70.8
1966.....	85.1	80.5	77.1
1967.....	81.8	78.2	74.8
1968.....	90.6	86.0	81.4
1969.....	89.0	80.2	81.2
1970.....	78.4	65.9	72.4
1971.....	90.1	79.7	83.2
1972.....	104.5	96.8	95.1
1973.....	130.9	120.4	115.5
1974.....	142.8	148.2	144.0
1975.....	140.4	142.6	146.6
1976.....	173.8	185.4	183.5
1977.....	203.6	219.2	212.5
1978.....	238.1	246.9	239.6
1979.....	261.8	284.6	279.4
1980.....	241.4	239.0	246.6
1981.....	229.8	213.6	241.5
1982.....	176.7	154.3	205.2
1983.....	212.8	188.3	218.7
1984.....	244.2	232.9	257.1
1985.....	229.9	240.1	266.1
1986.....	222.6	269.5	276.2
1987.....	293.6	328.2	311.8
1988.....	354.3	413.0	383.2
1989.....	348.1	389.0	371.1
1990.....	371.7	370.6	366.4
1991.....	374.2	344.9	350.0
1992.....	406.4	402.0	377.9
p1993.....	464.3	498.2	436.8
p1994.....	528.2	n.a.	n.a.
p1995.....	600.8	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 16.--Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-1992**

[Starting with 1965, number of returns are estimates based on samples]

Selected year of death <sup>1</sup>	Total adult deaths <sup>1</sup>	Taxable estate tax returns <sup>2</sup>	
		Number	Percentage of adult deaths
	(1)	(2)	(3)
1934.....	983,970	8,655	0.88
1935.....	1,172,245	9,137	0.78
1936.....	1,257,290	12,010	0.96
1937.....	1,237,585	13,220	1.07
1938.....	1,181,275	12,720	1.08
1939.....	1,205,072	12,907	1.07
1940.....	1,237,186	13,336	1.08
1941.....	1,216,855	13,493	1.11
1942.....	1,211,391	12,726	1.05
1943.....	1,277,009	12,154	0.95
1944.....	1,238,917	13,869	1.12
1946.....	1,239,713	18,232	1.47
1947.....	1,278,856	19,742	1.54
1948.....	1,283,601	17,469	1.36
1949.....	1,285,684	17,411	1.35
1950.....	1,304,343	18,941	1.45
1953.....	1,237,741	24,997	2.02
1954.....	1,332,412	25,143	1.89
1956.....	1,289,193	32,131	2.49
1958.....	1,358,375	38,515	2.84
1960.....	1,426,148	45,439	3.19
1962.....	1,483,846	55,207	3.72
1965.....	1,578,813	67,404	4.27
1969.....	1,796,055	93,424	5.20
1972.....	1,854,146	120,761	6.51
1976.....	1,819,107	139,115	7.65
1982.....	1,897,820	34,446	1.82
1983.....	1,945,913	34,883	1.79
1984.....	1,968,128	30,447	1.55
1985.....	2,015,070	22,324	1.11
1986.....	2,033,978	21,939	1.08
1987.....	2,053,084	18,059	0.88
1988.....	2,096,704	20,751	0.99
1989.....	2,079,035	23,002	1.11
1990.....	2,079,034	24,456	1.18
p1991.....	2,101,746	26,277	1.25
p1992.....	2,111,617	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 17.--Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-1996**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>886,290</b>	<b>465,452</b>	<b>102,859</b>	<b>33,311</b>	<b>277,000</b>	<b>7,668</b>
October 1986 - December 1986.....	180,580	92,346	22,466	8,281	55,615	1,872
January 1987 - March 1987.....	209,032	105,483	22,649	7,925	71,156	1,819
April 1987 - June 1987.....	285,477	164,008	29,748	8,493	81,139	2,089
July 1987 - September 1987.....	211,201	103,615	27,996	8,612	69,090	1,888
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>945,459</b>	<b>473,667</b>	<b>109,683</b>	<b>36,286</b>	<b>318,039</b>	<b>7,784</b>
October 1987 - December 1987.....	200,033	97,479	24,828	9,413	66,500	1,813
January 1988 - March 1988.....	222,721	111,215	22,006	7,578	80,161	1,761
April 1988 - June 1988.....	298,865	160,018	35,991	9,240	91,426	2,190
July 1988 - September 1988.....	223,840	104,955	26,858	10,055	79,952	2,020
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>1,023,421</b>	<b>515,732</b>	<b>117,015</b>	<b>36,076</b>	<b>345,625</b>	<b>8,973</b>
October 1988 - December 1988.....	216,133	104,522	29,551	9,272	70,632	2,156
January 1989 - March 1989.....	238,290	114,475	20,760	8,504	92,587	1,964
April 1989 - June 1989.....	333,964	180,947	40,825	9,386	100,077	2,729
July 1989 - September 1989.....	235,034	115,788	25,879	8,914	82,329	2,124
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>1,066,515</b>	<b>540,228</b>	<b>110,017</b>	<b>37,289</b>	<b>367,219</b>	<b>11,762</b>
October 1989 - December 1989.....	222,859	110,077	26,390	8,966	74,982	2,444
January 1990 - March 1990.....	251,913	127,277	21,433	8,044	92,868	2,291
April 1990 - June 1990.....	343,951	181,180	37,398	10,808	110,281	4,284
July 1990 - September 1990.....	247,792	121,694	24,796	9,471	89,088	2,743
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>1,099,124</b>	<b>546,877</b>	<b>113,598</b>	<b>42,578</b>	<b>384,451</b>	<b>11,473</b>
October 1990 - December 1990.....	242,881	118,047	29,248	9,135	83,646	2,735
January 1991 - March 1991.....	256,949	119,891	22,974	9,820	101,569	2,618
April 1991 - June 1991.....	338,469	181,949	35,953	10,967	106,426	3,173
July 1991 - September 1991.....	260,825	126,990	25,423	12,656	82,810	2,947
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>1,120,799</b>	<b>557,723</b>	<b>117,951</b>	<b>46,919</b>	<b>400,081</b>	<b>11,479</b>
October 1991 - December 1991.....	246,273	117,980	28,571	11,822	88,749	2,735
January 1992 - March 1992.....	264,161	136,220	19,751	10,963	97,425	2,606
April 1992 - June 1992.....	345,447	173,437	41,930	11,757	118,503	3,266
July 1992 - September 1992.....	264,918	130,086	27,699	12,377	95,404	2,872
<b>FISCAL YEAR 1993, TOTAL</b> .....	<b>1,190,373</b>	<b>585,774</b>	<b>131,548</b>	<b>48,649</b>	<b>411,511</b>	<b>12,891</b>
October 1992 - December 1992.....	258,823	124,812	30,324	11,877	92,284	3,015
January 1993 - March 1993.....	282,851	154,596	21,124	11,388	96,042	2,772
April 1993 - June 1993.....	353,737	168,977	47,920	12,182	120,767	3,891
July 1993 - September 1993.....	294,962	137,389	32,180	13,202	102,418	3,213
<b>FISCAL YEAR 1994, TOTAL</b> .....	<b>1,289,920</b>	<b>619,819</b>	<b>154,205</b>	<b>56,458</b>	<b>443,831</b>	<b>15,607</b>
October 1993 - December 1993.....	282,602	132,790	36,088	13,143	97,012	3,569
January 1994 - March 1994.....	309,864	160,382	24,883	13,059	108,037	3,503
April 1994 - June 1994.....	386,364	182,996	55,652	14,182	128,665	4,869
July 1994 - September 1994.....	311,090	143,651	37,582	16,074	110,117	3,666
<b>FISCAL YEAR 1995, TOTAL</b> .....	<b>1,375,730</b>	<b>675,779</b>	<b>174,422</b>	<b>44,980</b>	<b>465,405</b>	<b>15,144</b>
October 1994 - December 1994.....	297,447	138,454	40,811	11,029	103,537	3,616
January 1995 - March 1995.....	326,641	169,977	26,137	10,790	116,503	3,234
April 1995 - June 1995.....	428,953	214,105	65,995	11,116	133,357	4,380
July 1995 - September 1995.....	322,689	153,243	41,479	12,045	112,008	3,914
<b>FISCAL YEAR 1996, TOTAL</b> .....						
October 1995 - December 1995.....	316,627	148,203	46,823	11,409	106,200	3,992
January 1996 - March 1996.....	346,724	184,419	27,971	9,939	120,783	3,612

See notes at end of this section.

# Selected Historical and Other Data

**Table 18.--Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-1996**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>96,969</b>	<b>73,583</b>	<b>19,891</b>	<b>1,381</b>	<b>1,900</b>	<b>214</b>
October 1986 - December 1986 .....	8,668	3,406	4,789	111	312	50
January 1987 - March 1987.....	28,422	22,198	5,296	479	393	56
April 1987 - June 1987 .....	50,063	42,858	5,948	332	869	57
July 1987 - September 1987.....	9,816	5,121	3,858	459	326	52
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>94,480</b>	<b>74,399</b>	<b>16,477</b>	<b>1,114</b>	<b>2,263</b>	<b>227</b>
October 1987 - December 1987.....	7,701	3,437	3,727	207	275	55
January 1988 - March 1988.....	27,798	21,744	5,248	196	553	55
April 1988 - June 1988.....	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988.....	9,776	5,449	3,654	268	321	67
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>93,613</b>	<b>73,597</b>	<b>14,921</b>	<b>2,054</b>	<b>2,771</b>	<b>289</b>
October 1988 - December 1988.....	8,380	3,362	4,461	118	359	80
January 1989 - March 1989.....	32,041	26,759	4,462	182	570	67
April 1989 - June 1989.....	43,538	38,895	3,849	350	381	63
July 1989 - September 1989.....	9,654	4,581	2,149	1,404	1,461	59
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>99,656</b>	<b>76,065</b>	<b>18,324</b>	<b>2,261</b>	<b>2,677</b>	<b>329</b>
October 1989 - December 1989.....	8,487	3,094	4,605	300	409	79
January 1990 - March 1990.....	37,121	31,367	4,922	342	423	67
April 1990 - June 1990.....	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990.....	10,740	4,652	4,588	1,070	353	77
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>104,380</b>	<b>82,877</b>	<b>17,440</b>	<b>1,188</b>	<b>2,471</b>	<b>404</b>
October 1990 - December 1990.....	8,284	3,367	4,148	344	323	102
January 1991 - March 1991.....	38,020	32,811	4,286	293	538	92
April 1991 - June 1991.....	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991.....	10,114	5,061	4,258	325	361	109
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>113,108</b>	<b>88,624</b>	<b>19,688</b>	<b>1,997</b>	<b>2,398</b>	<b>401</b>
October 1991 - December 1991.....	10,072	3,607	5,639	379	346	101
January 1992 - March 1992 .....	44,657	38,183	5,750	201	430	93
April 1992 - June 1992.....	47,817	42,231	4,596	476	399	115
July 1992 - September 1992.....	10,562	4,603	3,703	941	1,223	92
<b>FISCAL YEAR 1993, TOTAL</b> .....	<b>93,580</b>	<b>74,234</b>	<b>16,035</b>	<b>958</b>	<b>1,969</b>	<b>384</b>
October 1992 - December 1992.....	7,891	3,081	4,190	208	324	88
January 1993 - March 1993.....	37,213	31,503	4,971	239	396	104
April 1993 - June 1993.....	39,325	35,353	3,195	290	397	90
July 1993 - September 1993.....	9,151	4,297	3,679	221	852	102
<b>FISCAL YEAR 1994, TOTAL</b> .....	<b>96,980</b>	<b>75,935</b>	<b>16,251</b>	<b>1,877</b>	<b>2,477</b>	<b>441</b>
October 1993 - December 1993.....	7,329	2,322	4,176	394	324	113
January 1994 - March 1994.....	34,614	27,859	5,800	403	445	107
April 1994 - June 1994.....	43,804	40,876	2,109	333	393	93
July 1994 - September 1994.....	11,233	4,878	4,165	747	1,315	128
<b>FISCAL YEAR 1995, TOTAL</b> .....	<b>108,035</b>	<b>84,056</b>	<b>19,350</b>	<b>2,223</b>	<b>1,972</b>	<b>434</b>
October 1994 - December 1994.....	9,086	3,440	4,909	319	305	113
January 1995 - March 1995.....	35,791	27,642	6,369	926	753	102
April 1995 - June 1995.....	53,388	47,434	4,905	500	443	108
July 1995 - September 1995.....	9,768	5,541	3,167	478	471	111
<b>FISCAL YEAR 1996, TOTAL</b> .....						
October 1995 - December 1995.....	10,949	3,933	5,391	361	1,152	112
January 1996-March 1996.....	41,634	34,644	6,102	239	537	112

See notes at end of this section.

# Selected Historical and Other Data

**Table 19.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years 1984-1995 <sup>1</sup>**

[Money amounts are in thousands of dollars]

Selected program or agency	1984		1985		1986	
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>423,193</b>	<b>206,430</b>	<b>489,366</b>	<b>231,709</b>	<b>882,797</b>	<b>465,998</b>
Department of Health and Human Services..... <sup>5</sup>	423,193	206,430	489,366	231,709	604,425	307,764
Aid to Families with Dependent Children (AFDC)..... <sup>6</sup>	423,193	206,430	489,366	231,709	533,051	258,192
Other child support programs (non-AFDC)..... <sup>7</sup>	N/A	N/A	N/A	N/A	71,374	49,592
Department of Education.....	N/A	N/A	N/A	N/A	243,135	127,585
Department of Agriculture.....	N/A	N/A	N/A	N/A	1,895	1,256
Department of Defense.....	N/A	N/A	N/A	N/A	N/A	N/A
Department of Veterans Affairs.....	N/A	N/A	N/A	N/A	17,027	8,241
Department of Housing and Urban Development.....	N/A	N/A	N/A	N/A	8,642	5,630
All other.....	N/A	N/A	N/A	N/A	7,673	6,522
	1987		1988		1989	
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b> .....	<b>1,150,365</b>	<b>566,175</b>	<b>1,194,901</b>	<b>637,504</b>	<b>1,259,297</b>	<b>708,545</b>
Department of Health and Human Services..... <sup>5</sup>	664,534	342,523	737,731	407,815	779,554	449,627
Aid to Families with Dependent Children (AFDC)..... <sup>6</sup>	566,312	269,212	604,645	320,288	627,403	350,918
Other child support programs (non-AFDC)..... <sup>7</sup>	108,160	73,216	132,875	87,201	151,880	98,407
Department of Education.....	278,490	137,425	315,742	167,990	334,740	191,940
Department of Agriculture.....	6,505	3,446	4,838	2,699	4,465	2,567
Department of Defense.....	54,950	17,561	59,533	18,202	61,804	21,622
Department of Veterans Affairs.....	129,466	54,302	52,602	23,268	56,085	27,209
Department of Housing and Urban Development.....	9,501	6,604	10,653	7,948	1,141	8,602
All other.....	6,919	4,314	13,802	9,582	11,208	6,978
	1990		1991		1992	
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b> .....	<b>1,402,111</b>	<b>804,906</b>	<b>1,565,432</b>	<b>946,210</b>	<b>1,921,944</b>	<b>1,262,622</b>
Department of Health and Human Services..... <sup>5</sup>	831,966	483,474	869,941	523,952	1,070,999	683,657
Aid to Families with Dependent Children (AFDC)..... <sup>6</sup>	651,893	365,613	672,801	392,802	737,254	464,462
Other child support programs (non-AFDC)..... <sup>7</sup>	179,611	117,249	196,381	130,348	254,435	178,198
Department of Education.....	432,139	257,392	575,578	363,968	720,326	516,213
Department of Agriculture.....	7,548	6,056	8,589	7,551	20,262	12,034
Department of Defense.....	57,952	19,778	49,085	18,116	54,509	18,199
Department of Veterans Affairs.....	50,004	23,265	38,987	17,684	29,103	13,122
Department of Housing and Urban Development.....	10,850	8,076	11,250	8,380	13,520	10,815
All other.....	11,652	6,865	12,002	6,559	13,225	8,582
	1993		1994		1995	
	(19)	(20)	(21)	(22)	(23)	(24)
<b>Total</b> .....	<b>1,758,162</b>	<b>1,160,397</b>	<b>2,009,877</b>	<b>1,379,675</b>	<b>2,188,257</b>	<b>1,505,736</b>
Department of Health and Human Services..... <sup>5</sup>	975,924	633,579	1,037,174	711,825	1,165,444	828,631
Aid to Families with Dependent Children (AFDC)..... <sup>6</sup>	701,598	448,560	749,269	507,047	848,166	591,854
Other child support programs (non-AFDC)..... <sup>7</sup>	244,780	170,404	267,546	193,939	316,707	236,198
Department of Education.....	651,056	472,928	781,829	582,662	778,446	571,280
Department of Agriculture.....	28,969	13,076	73,452	33,383	73,648	30,280
Department of Defense.....	46,125	14,829	59,459	25,345	85,023	35,971
Department of Veterans Affairs.....	33,844	10,914	35,368	9,973	45,761	11,830
Department of Housing and Urban Development.....	11,399	8,963	10,454	9,090	10,676	9,745
All other..... <sup>5</sup>	10,845	6,108	12,141	7,397	29,259	17,199

See notes at end of this section.

# Selected Historical and Other Data

## Table 20.--Excise Taxes by Specified Fiscal Years, 1975-1993

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes reported by fiscal year <sup>1</sup>					
	1975	1980	1985	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL <sup>2</sup></b> .....	<b>7,665,948</b>	<b>8,151,184</b>	<b>9,881,293</b>	<b>12,125,900</b>	<b>13,353,696</b>	<b>13,687,416</b>
Distilled spirits .....	3,851,837	3,927,235	3,501,559	3,763,058	3,889,720	3,797,200
Wine .....	172,440	211,493	305,339	499,037	615,696	578,013
Beer .....	1,305,034	1,545,441	1,569,726	2,964,591	3,402,057	3,329,424
Cigarettes and cigars .....	2,312,342	2,442,357	4,473,210	4,781,936	5,189,516	5,700,009
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>5,516,611</b>	<b>6,487,421</b>	<b>10,020,574</b>	<b>14,223,212</b>	<b>16,642,890</b>	<b>16,694,097</b>
Gasoline and gasohol <sup>3</sup> .....	4,071,465	4,326,549	9,062,630	13,001,336	15,465,988	15,582,172
Tires, tubes and tread rubber <sup>4</sup> .....	697,660	682,624	242,923	284,360	279,852	311,442
Motor vehicles, bodies, parts <sup>5</sup> .....	662,556	1,088,696	N/A	N/A	N/A	N/A
Recreational products .....	84,946	136,521	166,666	145,877	242,401	281,742
Coal .....	N/A	251,288	548,356	630,700	630,600	604,916
<b>SPECIAL FUELS AND RETAIL TAXES, TOTAL<sup>6</sup></b> .....	<b>404,187</b>	<b>560,144</b>	<b>3,802,608</b>	<b>4,753,159</b>	<b>5,237,506</b>	<b>5,770,136</b>
Diesel and special motor fuels .....	370,489	512,718	2,430,165	3,690,518	4,198,979	4,377,536
Truck and trailer chassis and bodies .....	N/A	N/A	1,289,750	926,381	904,861	1,211,440
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>3,306,077</b>	<b>6,359,198</b>	<b>11,044,833</b>	<b>9,903,242</b>	<b>10,871,808</b>	<b>11,584,928</b>
Telephone and teletype .....	2,023,744	1,117,834	2,307,607	2,952,522	3,173,000	3,351,600
Air transportation .....	850,567	1,748,837	2,589,818	4,299,627	4,661,757	4,623,948
Highway use .....	207,663	263,272	456,143	593,123	596,167	616,741
Policies issued by foreign insurers .....	19,458	74,630	73,494	69,800	116,822	109,200
Exempt organization net investment income .....	63,828	65,280	136,153	182,997	204,780	224,568
Crude oil windfall profit <sup>7</sup> .....	N/A	3,051,719	5,073,159	-425,106	-259,625	-365
Environmental taxes <sup>8</sup> .....	N/A	N/A	272,957	1,729,459	1,675,294	1,869,122

Selected class of tax	Taxes reported by fiscal year quarter ending--					
	June 1992	Sept. 1992	Dec. 1992	March 1993	June 1993	Sept. 1993
	(7)	(8)	(9)	(10)	(11)	(12)
<b>ALCOHOL AND TOBACCO TAXES, TOTAL <sup>2</sup></b> .....	<b>3,410,142</b>	<b>3,478,119</b>	<b>3,452,635</b>	<b>3,032,319</b>	<b>3,398,087</b>	<b>3,634,005</b>
Distilled spirits .....	971,647	966,989	1,096,035	846,323	894,098	960,744
Wine .....	156,222	150,011	178,641	130,390	112,171	156,811
Beer .....	928,830	924,777	766,438	757,887	842,145	962,954
Cigarettes and cigars .....	1,383,566	1,296,693	1,408,572	1,293,234	1,603,384	1,394,819
<b>MANUFACTURERS EXCISE TAXES, TOTAL</b> .....	<b>4,122,928</b>	<b>4,224,969</b>	<b>4,311,911</b>	<b>4,145,183</b>	<b>3,910,024</b>	<b>4,326,979</b>
Gasoline and gasohol <sup>3</sup> .....	3,820,232	3,925,767	4,000,154	3,858,731	3,655,945	4,067,343
Tires, tubes and tread rubber <sup>4</sup> .....	70,000	73,927	80,388	74,904	72,650	83,500
Recreational products .....	69,279	69,442	58,601	60,275	78,873	82,023
Coal .....	159,600	154,400	156,972	155,663	147,132	145,149
<b>SPECIAL FUELS AND RETAIL TAXES, TOTAL<sup>6</sup></b> .....	<b>1,242,427</b>	<b>1,369,059</b>	<b>1,366,809</b>	<b>1,397,738</b>	<b>1,403,048</b>	<b>1,602,541</b>
Diesel and special motor fuels .....	989,722	1,108,926	1,056,174	1,064,456	1,067,172	1,189,734
Truck and trailer chassis and bodies .....	213,300	256,100	267,081	283,102	294,760	366,497
<b>MISCELLANEOUS EXCISE TAXES, TOTAL</b> .....	<b>2,584,633</b>	<b>2,995,111</b>	<b>2,724,224</b>	<b>2,714,858</b>	<b>2,702,093</b>	<b>3,443,754</b>
Telephone and teletype .....	781,900	789,400	845,100	794,200	821,100	891,200
Air transportation .....	1,164,855	1,161,814	1,176,748	1,148,271	970,437	1,328,492
Highway use .....	103,085	301,732	59,000	136,535	109,000	312,206
Policies issued by foreign insurers .....	28,654	31,710	30,000	27,400	24,200	27,600
Exempt organization net investment income .....	76,946	63,508	41,619	29,481	94,032	59,244
Crude oil windfall profit <sup>7</sup> .....	-145,915	-44,891	-365	--	--	--
Environmental taxes <sup>8</sup> .....	406,606	474,591	400,902	400,440	481,260	588,520

See notes at end of this section.

# Selected Historical and Other Data

**Table 21.—Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1975-1996**

Type of return or form	Number filed in calendar year--						
	1975	1980	1985	1990	1994	1995	1996 (Projected)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Individual income</b> <sup>1</sup> .....	<b>84,026,800</b>	<b>93,196,100</b>	<b>99,704,200</b>	<b>112,596,000</b>	<b>115,062,300</b>	<b>116,466,900</b>	<b>118,272,400</b>
Forms 1040, 1040A, 1040EZ, and 1040PC.....	83,913,100	93,052,300	99,528,900	112,305,000	114,683,400	116,059,700	117,838,700
Paper returns.....	83,913,100	93,052,300	99,528,900	108,100,900	100,662,600	104,252,800	102,898,900
Electronically-filed returns.....	N/A	N/A	N/A	4,204,200	14,020,700	11,806,900	14,938,300
Business returns.....	10,073,100	11,402,900	14,136,800	16,170,200	17,758,000	18,058,600	18,588,700
Schedule C.....	7,439,000	8,944,300	11,767,300	14,149,000	15,831,300	16,157,000	16,663,600
Schedule F.....	2,634,200	2,458,600	2,369,400	2,021,300	1,926,800	1,901,600	1,895,000
Nonbusiness returns.....	73,840,000	81,649,400	85,392,100	96,134,800	96,925,300	98,001,100	99,280,000
Forms 1040NR, 1040PR, and 1040SS.....	113,700	143,800	175,300	291,000	378,900	407,200	433,700
<b>Corporation income</b> <sup>2</sup> .....	<b>2,132,800</b>	<b>2,675,700</b>	<b>3,437,300</b>	<b>4,319,500</b>	<b>4,666,500</b>	<b>4,817,900</b>	<b>4,934,500</b>
Forms 1120.....	1,762,900	2,115,500	2,432,300	2,334,600	2,157,600	2,197,000	2,203,300
Form 1120A.....	N/A	N/A	199,700	332,000	335,700	319,100	302,800
Form 1120S.....	367,200	528,100	736,900	1,536,100	2,036,700	2,161,000	2,282,300
Other.....	2,600	32,100	68,400	116,800	136,500	140,800	146,100
<b>Partnership, Form 1065</b> .....	<b>1,132,800</b>	<b>1,401,600</b>	<b>1,755,300</b>	<b>1,750,900</b>	<b>1,558,400</b>	<b>1,580,300</b>	<b>1,602,500</b>
<b>Fiduciary, Forms 1041 and 1041S</b> <sup>3</sup> .....	<b>1,564,200</b>	<b>1,881,800</b>	<b>2,125,000</b>	<b>2,680,900</b>	<b>3,087,900</b>	<b>3,190,900</b>	<b>3,306,500</b>
<b>Estate tax, Forms 706, 706NA, 706GS(D) and 706GS(T)</b> <sup>4</sup> .....	<b>225,800</b>	<b>147,300</b>	<b>80,800</b>	<b>60,800</b>	<b>80,500</b>	<b>81,400</b>	<b>85,200</b>
<b>Gift tax, Form 709</b> <sup>5</sup> .....	<b>273,200</b>	<b>214,800</b>	<b>97,700</b>	<b>147,700</b>	<b>215,700</b>	<b>216,200</b>	<b>218,300</b>
<b>Tax exempt organizations</b> <sup>6</sup> .....	<b>403,800</b>	<b>442,600</b>	<b>454,100</b>	<b>487,400</b>	<b>533,600</b>	<b>572,600</b>	<b>592,400</b>
Forms 990 and 990EZ.....	346,600	362,600	365,500	359,700	378,300	406,400	415,700
Form 990-PF.....	29,600	33,100	32,000	44,700	49,800	51,300	53,000
Form 990-T.....	19,700	23,500	26,200	39,100	46,400	49,800	51,900
Forms 990C, 4720, and 5227.....	7,900	23,400	30,400	43,900	59,200	65,100	71,800

See notes at end of this section.

# Selected Historical and Other Data

**Table 22.--Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1990-1994**

[Some estimates based on samples--all data are in thousands]

Type of assistance	Tax year				
	1990	1991	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)
<b>Returns with paid preparer signature:<sup>1</sup></b>					
All returns .....	54,499	55,711	56,051	56,588	57,290
1040EZ .....	648	667	777	1,527	1,504
1040A .....	4,801	4,695	5,530	5,823	5,717
1040, total .....	49,049	50,348	49,744	49,239	47,709
1040 Business, total .....	10,723	12,657	12,864	12,834	12,491
Nonfarm .....	9,025	10,986	11,212	10,894	10,648
Farm .....	1,697	1,671	1,652	1,459	1,378
1040 Nonbusiness, total.....	36,629	37,691	36,880	36,405	35,218
With itemized deductions .....	17,249	17,749	17,367	14,793	14,266
Without itemized deductions.....	19,380	19,942	19,513	21,612	20,951
Electronically filed <sup>2</sup> .....	4,715	7,448	8,696	9,477	8,598
<b>Assistance provided by IRS:<sup>3</sup></b>					
Telephone inquiries (including recorded telephone information) .....	63,980	67,285	65,364	66,253	110,753
Office walk-ins, information.....	7,173	7,247	6,974	7,149	7,484
Written inquiries.....	168	202	169	270	219
Special programs:					
Community classes and seminars (taxpayers assisted).....	924	711	747	751	668
Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (taxpayers assisted).....	3,112	3,212	3,264	3,170	3,430

See notes on following page.

## Notes to Selected Historical and Other Data Tables

### General notations and statement

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised.

\* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix—SOI Sampling Methodology and Data Limitations."

\*\* - Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

Detail may not add to totals because of rounding.

### Table 1

- [1] Forms 1040, 1040A, and 1040EZ include "standard" electronically-filed (ELF) returns starting with 1985, and returns filed electronically by telephone ("Telefile") starting with 1991. For 1992 and 1993, includes computer-generated "paper" returns (Form 1040PC) that were reclassified as Form 1040, 1040A, or 1040EZ returns for Statistics of Income, depending on the filing characteristics of each return. Starting with 1994, Form 1040PC returns are shown separately and were not reclassified. Therefore, 1994 data for Forms 1040, 1040A, and 1040EZ are not comparable with previous years.
- [2] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.
- [3] Not included in AGI.
- [4] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.
- [5] Starting with 1987, losses are after "passive loss" limitation.
- [6] Starting with 1987, represents total capital gains; previously, represented total capital gains after statutory exclusion. For other changes affecting capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years.
- [7] Before 1980 and starting again after 1987, excludes Individual Retirement Arrangement (IRA) distribu-

tions; for intervening years, pensions and IRA distributions in AGI were reported together on the tax return. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.

- [8] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.
- [9] Starting with 1994, up to 85 percent of social security benefits were taxable; previously, the maximum percentage was 50.
- [10] Excludes sole-proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.
- [11] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.
- [12] Prior to 1981, amounts for net income are actually for net income (less loss). Net income and loss were not separately tabulated. Also, for these years, the number of returns shown with net income was rounded to millions during processing; the more exact number was not tabulated.
- [13] See footnote 5.
- [14] See footnote 12.
- [15] See footnote 5.
- [16] Includes adjustments not shown separately in this table. Starting with 1987, excludes certain business-related expenses, deduction for two-earner married couples, and certain alimony payments, but includes self-employed health insurance deduction; see also footnotes 17 and 18. Also, for 1987-1993, excludes employee moving expenses (see footnote 22). Starting with 1990, adjustments include deduction for one-half of self-employment (social security) tax. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [17] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting with 1980, were limited starting with 1987.
- [18] Deduction expired during 1992 and 1994, but was later reinstated retroactively for each of these years.

## Notes to Selected Historical and Other Data Tables

Data for 1992 and 1994 are, therefore, understated because they exclude amounts subsequently claimed on amended returns.

- [19] Includes exemptions for blindness repealed effective 1987. Deduction for exemptions was limited for higher-income taxpayers starting with 1991. Exemption amounts were indexed for inflation starting with 1985 and were limited for certain high-income taxpayers starting with 1987.
- [20] In general, represents the sum of standard and itemized deductions. For 1980 and 1985 data, includes total itemized deductions before subtraction of "zero bracket amount," plus, for non-itemized deduction returns, the zero bracket amount and, for 1985 data only, charitable contributions deduction. Starting with 1987, includes revised itemized deductions (see also footnotes 22-24), "basic" standard deduction and "additional" standard deductions for age 65 or over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax Returns*, for appropriate years). Starting with 1991, total itemized deductions are after statutory limitation (see footnote 22).
- [21] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 26. Zero bracket amount for 1985 and standard deduction, starting with 1986, were indexed for inflation.
- [22] Includes itemized deductions not shown separately in this table, including revised deductions, starting with 1987, for "miscellaneous expenses" after limitation and for employee moving expenses; see also footnotes 23 and 24. For the most part, moving expenses are excluded after 1993 (see also footnote 15). In general, total itemized deductions were limited for certain high-income taxpayers starting with 1991. For changes in deductions for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [23] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. For changes in the deduction for 1987 and earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [24] Starting with 1987, State sales taxes were no longer deductible.
- [25] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited and, starting with 1991, personal interest was no longer deductible.
- [26] For 1980 and 1985 data, taxable income *includes* the "zero bracket amount," repealed effective 1987 and partially replaced by standard deductions which were *subtracted* in computing taxable income. A standard deduction was similarly used prior to 1980. For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns*.
- [27] Different tax rate structures applied to Tax Years 1970, 1971-1978, 1979-1981, 1982-1986, 1987, 1988-1990, 1991-1992, and 1993-1994. Indexing of tax rate boundaries for inflation was introduced starting with 1985. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished effective 1987, but a maximum capital gains tax rate less than the maximum regular tax rate continued to apply under certain conditions starting with 1991. For additional information on changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns*.
- [28] Includes that portion of the earned income credit used to offset income tax before credits; see also footnotes 33 and 34. Earned income credit is shown below in Table 1.
- [29] Includes credits not shown separately in this table, such as the political contributions credit (repealed effective 1987), earned income credit (see below in Table 1; see also footnote 33), and low-income housing credit (introduced effective 1987); see also footnote 30. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [30] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.
- [31] Includes income tax after credits and additional tax for tax preferences, i.e., "minimum tax" or "alternative minimum tax" (see footnote 32).
- [32] The add-on "minimum tax" on "tax preferences" (chief among which were net long-term capital gains) was introduced starting with 1970. (This tax

## Notes to Selected Historical and Other Data Tables

was formerly described in Statistics of Income as the "additional tax for tax preferences.") The minimum tax computation, using a base related to taxable income, was revised and the tax rate increased effective 1976. The number of preferences subject to tax was revised effective 1976 and 1981. Starting with 1979, two major preferences formerly subject to minimum tax (including net long-term capital gains) were subjected, instead, to the new "alternative minimum tax," which required taxpayers to pay the larger of the regular income tax or the AMT. Computation of AMT was revised effective 1980 (to allow tax to be reduced by certain credits) and, again, effective 1981 (to modify the graduated tax rate structure). Minimum tax was abolished effective 1983 and many of the tax preferences subject to this tax were subjected, instead, to a revised AMT. AMT was increased starting with 1983 by introduction of a single, higher tax rate which replaced two, lower graduated rates. The single rate was increased effective 1987 and 1991; two, higher graduated rates were introduced effective 1993.

[33] Earned income credit, allowed certain low-income recipients, was liberalized starting with 1985, 1987, 1991, and 1994. In Table 1, the amounts used "to offset income tax before credits" and "to offset other taxes" (that are income-related) is reflected in the statistics for "total tax credits"; "excess earned income credit (refundable)" is reflected in the statistics for "overpayments."

[34] Includes refunds and credits to the following year's estimated tax and refundable portion of earned income credit. Reflects overpayments of income tax, tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income, and certain other income-related taxes (for the taxes applicable to the years shown, see *Statistics of Income—Individual Income Tax Returns*).

[35] Reflects taxes mentioned in footnote 34.

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

**Table 2** - Not presented.

### Table 3

- [1] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax"); defined in footnote 32, Table 1.
- [2] AGI minus "total deductions, personal exemptions" will not equal "taxable income" because the total of deductions and exemptions could exceed AGI and therefore includes amounts that could not be used in computing taxable income.
- [3] Tax includes income tax after credits and the alternative minimum tax (see footnote 1).
- [4] Not computed.

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

### Table 4

- [1] Represents "income" from owner-occupied nonfarm housing (less actual rental income and subsidies); proprietors' income; services to individuals furnished without payment by financial intermediaries (except life insurance carriers and private non-insured pension plans); employment-related food to employees, including that related to military and domestic service; standard military clothing issued to military personnel; and employees' lodging. Excludes employer-paid health and life insurance premiums.
- [2] Represents imputed interest received by persons from life insurance carriers and private non-insured pension plans.
- [3] Starting with 1990, the procedure for estimating the difference between NIPA and IRS treatment of depreciation was revised. Therefore, the data for years before 1990 are not comparable to data for later years.
- [4] Represents income of low-income individuals not required to file individual income tax returns, unreported income, and statistical errors or omissions and effects of errors in data for adjusted gross income or personal income.

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SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58, 1993*, and revised *Volume 2, 1959-92* (in preparation); for years after 1992, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-58, Volume 1, 1993*, and revised *Volume 2, 1959-92* (in preparation); for years after 1992, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 7

- [1] Returns with standard deduction, starting with 1955, include a small number with no adjusted gross income and no deductions. (For 1977-1986, standard deduction is the "zero bracket amount," which was also reported on a small number of returns included in the 1987-1988 statistics; see footnote 2.) For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.
- [2] Amount of standard deduction for 1944-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of returns by income class and marital status in *Statistics of Income—Individual Income Tax Returns*, and, starting with 1958, was obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum

of "basic" and "additional" standard deductions (for age 65 or over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics.

- [3] For 1977-1986, total itemized deductions are before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see footnote 22, Table 1).
- [4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1988, total deductions also include "zero bracket amount" reported on a small number of returns (see footnote 2). Includes total deductions that could not be used because they exceeded AGI.
- [5] See footnote 2, Tables 5 and 6.

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

### Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Excludes the "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1955 and 1987 is not comparable with earlier years. See also footnote 26, Table 1.
- [3] For the definition of total income tax, see footnote 31, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58, 1993*, and revised *Volume 2, 1959-9* (in preparation); for years after 1992, *Survey of Current Business*, various issues; and *Statistics of Income—Individual Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

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### Table 9

- [1] Starting with 1975, includes refundable portion of the earned income credit.

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

### Table 10

- [1] For 1980, represents number of businesses (up to a maximum of three per return). For other years, represents the number of returns, even if there were more than one business per return.
- [2] Total deductions include amounts not shown separately in this table, as well as amounts not reported separately on Schedule C-EZ (short form) used by certain of the smaller businesses starting with 1992. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. After 1986, total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, business receipts minus total deductions do not equal net income (less deficit).

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

### Table 11

- [1] Includes assets and liabilities not shown separately. Totals are somewhat understated because not all partnership returns included a complete balance sheet. In addition, after 1990 certain small partnerships were not required to file balance sheets.
- [2] Short-term debt is the abbreviated title for mortgages, notes, and bonds payable in less than 1 year.
- [3] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.

- [4] "Total receipts" and "total deductions" include amounts not shown separately. Prior to 1981, "total receipts" included *gross* income from farming, rents, and royalties. Expenses related to this income were included under "total deductions." Starting with 1981, only the *net* incomes or deficits from farming, rents, and royalties were tabulated; the positive amounts were included under "total receipts" and the negative amounts under "total deductions." The related expenses were not tabulated. Because of a redesign of the partnership return, starting with 1987, total receipts was computed for the statistics as the sum of "total income from a trade or business;" and the following income distributed directly to partners: "ordinary" gain from sales of property other than "capital assets;" "ordinary" income from estates, trusts, and other partnerships; "portfolio income," comprising interest, dividends, royalties, and other (excluding net capital gains), and rental real estate income (positive amounts only); income from other rental activities (positive amounts only). Most, but not all, of these types of income were included in receipts data for 1986 and earlier years.

Total deductions was computed as the sum of "cost of sales and operations," "total deductions from a trade or business," and the following, which were allocated directly to partners: "ordinary" loss from sales of property other than "capital assets"; "ordinary" loss from estates, trusts, and other partnerships; rental real estate losses; other rental losses; and "portfolio losses" (excluding net capital losses). Portfolio income and loss from sales of "capital assets" was intentionally omitted from receipts and deductions to improve comparability with earlier years.

- [5] In finance, insurance, and real estate prior to 1981, only gross rentals reported as investment income were treated as business receipts, but only if they were the principal operating income.
- [6] Taxable interest only. For the 1985 statistics, also includes certain dividends reported in combination with taxable interest.
- [7] After 1980, represents the more complete amounts reported in depreciation computation schedules, rather than the amounts reported as the depreciation deduction (augmented by depreciation identified for the statistics in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns*,

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

**Table 12**

- [1] Size classes are based on "business receipts," i.e., gross amounts from sales and operations, for industries except those in finance, insurance, and real estate. For the latter industries, "total receipts," which is the sum of business receipts and investment income, was used. For partnerships, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by the change in statistical treatment of partnership farm and rental income, an effort was made for 1981-1987 only, to include rental (though not farm) gross income in the receipts used for the size distribution in Table 12. Starting with 1988 though, only partnership net rentals are reflected in the size distribution.
- [2] Includes returns with no business receipts.
- [3] Includes corporations and partnerships with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 1, Table 11).
- [4] See footnote 1, Table 10. Table 10.

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

**Table 13**

- [1] Starting with 1985, "number of returns" excludes taxable cooperatives; starting with 1987, Real Estate Mortgage Investment Conduits (REMIC's); and starting with 1988, Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also footnotes 5

and 6, below. Because of the omission of these returns, totals for all income and financial items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax," and tax credits) are slightly understated. (There were 980 IC-DISC returns for 1991; see "Interest-Charge Domestic International Sales Corporations, 1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1.) A change in the definition of S Corporation net income starting with 1987 means that totals for receipts and deductions are slightly understated to the extent that they were not directly related to the "trade or business income" reported by these companies. Comparability of data for returns with net income is also affected by this same change, as well as by a change in the definition of regulated investment company net income for certain years; for additional information about these changes in the definition of net income, see footnote 16.

- [2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.
- [3] Included in "number of returns, total" and "number with net income."
- [4] In general, certain small, closely-held corporations that elected to be taxed at the shareholder level, with no more than 35 shareholders (25 for 1982; 15 for 1979-1981; 10 or 15 for 1977-1978, depending on conditions contained in the law; and 10 for earlier years).
- [5] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 6. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax-deferred amounts was imposed on the parent shareholders, whose DISC subsidiaries were unable to meet the FSC requirements and that elected to continue as IC-DISC's.
- [6] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports

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(see footnote 5). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.

- [7] Starting with 1985, inventories includes amounts reported by real estate subdividers and developers previously included in "other investments."
- [8] For 1980 and 1985 data, tax-exempt securities, representing investments in State and local Government obligations, were reported with investments in U.S. Government obligations as a combined total on the tax return. After 1988, tax-exempt securities were again reported separately on the tax return, but were redefined to include, not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.
- [9] After 1990, accounts payable of banking and savings and loan institutions includes deposits and withdrawable shares previously reported in "other current liabilities."
- [10] In general, after 1982, Statistics of Income data for receipts, deductions, and net income (or deficit) of S Corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; as well as deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion; foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179), are not reflected in net income (because they were allocated directly to shareholders, instead). See also footnote 11.
- After 1991, "cost of sales and operations" exclude amounts previously estimated for the statistics from other information reported (often in "other deductions") on the tax returns of corporations reporting "business receipts," without a corresponding cost of sales and operations. Most of these corporations were classified either in transportation and public utilities or in services.
- [11] After 1986, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers and operative builders, even when they

bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), non-capital assets."

- [12] See footnote 10.
- [13] Starting with the 1985 statistics, includes any dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4). Based on prior years when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.
- [14] For the 1985 statistics, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus, and annuity plans, and to employee benefit programs, reported on the Form 1120-A short form. After 1987, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction. For the 1985 statistics, "other deductions" include depletion and employer contributions to pension, profit-sharing, stock bonus, and annuity plans, reported on the Form 1120-A short form. After 1987, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction. Starting with 1992, "other deductions" include certain amounts previously treated as part of the cost of sales and operations for Statistics of Income. See also footnote 10.
- [15] In general, "total receipts less total deductions" includes nontaxable interest on State and local Government obligations, but excludes income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represents all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and excludes all income only "constructively" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local Government obligations" and "constructive taxable income from related foreign corporations" equals "net income (less deficit)." For the exception, due to regulated investment companies, see footnote 16.

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[16] "Net income (less deficit)," "net income," and "deficit" shown for 1991-1993 exclude: (a) net long-term capital gain reduced by net short-term capital loss reported by regulated investment companies (see also footnote 15), and (b) amounts other than "from a trade or business" reported by S Corporations (see also footnote 4). For comparisons with earlier years, these amounts should therefore be added back in. Regulated investment company net long-term capital gain reduced by net short-term capital loss excluded from the statistics for net income (less deficit) were: for 1990, \$7.5 billion; for 1991, \$12.8 billion; for 1992, \$20.9 billion; and, for 1993, \$33.3 billion. S Corporation net income (less deficit) excluded from the statistics for 1992 and 1993 was estimated at \$12.1 billion for each year. Data with which to estimate the S Corporation net income (less deficit) excluded from the statistics for 1988-1991 were not tabulated. (For additional information about S Corporation net income, see *Statistics of Income Bulletin*, "S Corporations, 1992," Spring 1995, Volume 14, Number 4, and "S Corporation Returns, 1993," Spring 1996, Volume 15, Number 4.)

[17] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined for the statistics as net income minus certain statutory special non-business deductions, such as for intercorporate dividends received and "net operating losses"): prior to 1988, a variation of this base in combination with net long-term capital gains in certain situations where the lower capital gains tax applied; and the special tax bases applicable to S Corporations (otherwise taxed through their shareholders), insurance businesses, and certain investment companies. Profits of Domestic International Sales Corporations or Interest-Charge Domestic International Sales Corporations (depending on the year) were tax-deferred until distributed, actually or constructively, to parent businesses, and those of S Corporations were mostly taxed through their individual shareholders. Therefore, the net income of all these corporations is excluded from income

subject to tax for years for which data for these companies are included in the statistics (see also footnote 1).

[18] For 1980, includes tax from recapture of Work Incentive Program (WIN) credit; starting with 1985, Personal Holding Company tax; after 1987, tax on "branch profits" of foreign corporations with U.S. operations; and, after 1988, certain lesser taxes, including special taxes applicable to real estate investment trusts and foreign corporations with U.S.-source income.

[19] Different tax rate structures applied for Tax Years 1979-1981, 1982, 1983-1986, and 1987-1993. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a maximum rate on net long-term capital gains that produced a tax that was less than that produced by the regular tax rates.

[20] Effective during 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"). The tax computation was modified effective with Tax Years 1983, 1984, and 1990. The alternative minimum tax rate exceeded that applicable under the former minimum tax.

[21] Starting with the 1985 statistics, general business credit includes alcohol fuel, investment, jobs and employee stock ownership plan (ESOP) credits which were reported separately for previous years. Also included are the research credit (starting 1986) and the low-income housing credit (starting 1987). With exceptions, investment credit was repealed effective 1986; employee stock ownership plan contributions credit was repealed effective 1987. For changes in definitions of component credits, see *Statistics of Income—Corporation Income Tax Returns*, for the years concerned.

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

### Table 14

[1] See footnote 1, Table 13.

[2] See footnotes 10 and 16, Table 13.

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- [3] See footnote 11, Table 13.
- [4] See footnote 13, Table 13.
- [5] See footnotes 18 and 19, Table 13.
- [6] In addition to regular (and alternative) tax, for years prior to 1988, includes certain other taxes either shown in Table 13 or specified in footnote 18, Table 13. See *Statistics of Income—Corporation Income Tax Returns*, for the years concerned for more detailed explanations.

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

### Table 15

- [1] Profits shown are without inventory valuation and capital-consumption adjustments.
- [2] "Net income (less deficit)" and "income subject to tax" exclude taxable cooperatives starting with 1980, and Real Estate Mortgage Investment Conduits starting with 1987. Net income (less deficit) starting with 1985 excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also Table 13, footnote 1. For changes in the definition of regulated investment company and S Corporation net income, see Table 13, footnote 16.
- [3] For the definition of "income subject to tax," see footnote 17, Table 13. See also footnote 2, above.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58, 1993*, and revised *Volume 2, 1959-92* (in preparation); for years after 1992, *Survey of Current Business*, various issues; and *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 16

- [1] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.

- [2] Prior to 1982, number of "taxable estate tax returns" by year of death is only approximate because, while the majority of returns filed in a given calendar year represent estates of decedents who died in the immediately preceding year, many represent estates of decedents who died in earlier years. Therefore, the number of taxable returns shown for 1976 decedents is actually the number of taxable returns filed in 1977, regardless of year of death. Starting with 1982, statistics by year of death are more accurate because they are based on the year of death reported on return filings over a period of successive years.

Year-to-year comparability is affected by changes in the gross estate filing threshold which is based on date of death: 1934 (\$50,000); 1935 (\$50,000 changing to \$40,000); 1942 (\$40,000 changing to \$60,000); 1943 (\$60,000); 1977 (\$120,000); 1978 (\$134,000); 1979 (\$147,000); 1980 (\$161,000); 1981 (\$175,000); 1982 (\$225,000); 1983 (\$275,000); 1984 (\$325,000); 1985 (\$400,000); 1986 (\$500,000); and 1987 (\$600,000).

SOURCE: For years after 1953, *Statistics of Income—Estate Tax Returns; Estate and Gift Tax Returns; Fiduciary, Estate and Gift Tax Returns*; and unpublished tabulations, depending on the year. For years prior to 1954, *Statistics of Income—Part 1*. Adult deaths are from the National Center for Health Statistics, Public Health Service, U.S. Department of Health and Human Services, *Vital Statistics of the United States*, unpublished tables.

### Tables 17 and 18

- [1] Collections include that portion designated for the Presidential election campaign fund by taxpayers on their income tax returns. Also included is the income tax collected from estates and trusts. Income tax from estates and trusts collected in 1995, was \$5.3 billion; in 1994, was \$6.2 billion; in 1993 was \$6.0 billion; in 1992, \$6.1 billion; in 1991, \$4.8 billion; in 1990, \$5.9 billion; in 1989, \$6.0 billion; in 1988, \$6.5 billion; and, in 1987, \$8.4 billion. Presidential election campaign designations amounted \$68.5 million in 1995; to \$69.7 million in 1994; \$27.7 million in 1993; \$29.6 million in 1992, \$32.3 million in 1991; \$32.5 million in 1990; \$32.3 million in 1989; \$33.2 million in 1988; and \$33.2 million in 1987.

Refunds include the refundable portion of the earned income credit; see footnote 4, Table 2. Individual income tax refunds are net of offsets under laws

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which require IRS to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs; see Table 19.

- [2] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were \$294.3 million in 1995, \$372.4 million in 1994, \$173.6 million in 1993, \$181.6 million in 1992, \$155.6 million in 1991, \$127.9 million in 1990, \$115.6 million in 1989, \$137.5 million in 1988, and \$119.9 million in 1987.
- [3] Excise taxes are imposed on selected products, services and activities, such as on alcohol and tobacco products and on gasoline. Statistics shown in Table 17 have been revised, starting with Fiscal Year 1988, to include alcohol and tobacco taxes, collection of which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco, and Firearms, starting with that year. Collections and refunds of manufacturers tax on recreational products include taxes on firearms, responsibility for which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco, and Firearms starting January 1991. Collections exclude taxes on cargoes, paid to the U.S. Customs Service; however, refunds include these taxes.
- [4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement, and unemployment taxes; plus the self-employment (social security) tax imposed on "self-employment income."

NOTES: Refunds in Table 18 are associated with the taxes (including alcohol, tobacco, and firearms taxes) as described in footnotes 1-4, Table 17. Collections (or refunds) are those made during time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

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

Refunds result chiefly from tax overpayments determined at time of filing a return. Also included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those

produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of IRS examination and other activities.

All refund data include interest paid by IRS (in 1995, \$2.6 billion, in 1994, \$3.1 billion, in 1993, \$2.1 billion; in 1992, \$3.2 billion; in 1991, \$2.8 billion; in 1990, \$2.4 billion; in 1989, \$0.5 billion; in 1988, \$0.4 billion; and, in 1987, \$0.4 billion).

Starting with Fiscal Year 1988, additional detail on manufacturers excise taxes, retail and special fuel taxes, and miscellaneous excise taxes is available in the fourth quarter *Internal Revenue Report of Excise Taxes*; previously this information was published in the *Internal Revenue Service Annual Report*. Data for fiscal years after 1993 are not yet available. For additional detail on alcohol, tobacco, and firearms taxes, see the Statistical Release, *Alcohol and Tobacco Tax Collections*, Bureau of Alcohol, Tobacco, and Firearms, U.S. Department of the Treasury.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Service Branch.

### Table 19

- [1] Represents repayments to specific Federal agencies for debts, such as student loans, mortgage and loan foreclosures, dishonored checks, and overpayments of benefits. There was no refund offset program prior to Fiscal Year 1982.
- [2] After 1990, number of offsets includes adjustments for injured spouse claims filed with the original return.
- [3] Net amount collected after injured spouse claims and after processing of reversal claims; excludes fees charged by the Internal Revenue Service and Financial Management Service, U.S. Department of the Treasury.
- [4] Also includes repayments to the Public Health Service (starting with 1987) and to the Social Security Administration, (for 1992 through 1994). Data for the Social Security Administration (SSA) are included under "All other" programs or agencies starting with 1995, when SSA became an independent Federal agency, no longer affiliated with the Department of Health and Human Services. Therefore, data for the Department of Health and Human Services and "All other" programs or

## Notes to Selected Historical and Other Data Tables

agencies are not comparable with previous years, starting with 1995.

- [5] Represents repayments to State treasuries for funds disbursed to families receiving State assistance.
- [6] Represents repayments to State treasuries for distribution to custodial parents.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Annual Report, Commissioner and Chief Counsel*, for Fiscal Years 1982 and 1983; for all other years, Assistant Commissioner (Taxpayer Services), Customer Service Branch.

### Table 20

- [1] For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. Starting with 1980, the fiscal year was redefined as October of the previous calendar year through September of the year noted. (For Fiscal Year 1976, data are not shown for the interim period, July-September 1976.) Tabulations for 1994 and 1995 are not yet available.
- [2] Alcohol and tobacco taxes each include special (occupational) taxes prior to Fiscal Year 1988. Starting with Fiscal Year 1988, occupational taxes are excluded from the separate amounts shown for alcohol and for tobacco taxes, although they are reflected in the combined total for *all* alcohol and tobacco taxes.
- [3] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.
- [4] Effective January 1, 1984, taxes on tubes and tread rubber were repealed.
- [5] Effective January 7, 1983, the manufacturers excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, taxes on motor vehicles are excluded.
- [6] Starting with the quarter ended December 1983, includes manufacturers excise taxes on motor vehicles and, starting with the quarter ended March 1990, Leaking Underground Storage Tank Trust Fund tax (except for the tax on fuel used in aviation, which is classified under environmental excise taxes). Also, starting with the quarter ended June 1991, includes the luxury taxes on automobiles, boats, aircraft, jewelry, and furs. Except for the tax on automobiles, these taxes were repealed effective January 1993.

[7] Repealed effective August 23, 1988. Amounts reported for more recent time periods result from amended filings, delinquent taxes, examination activities, and refunds of tax deposited in excess of tax liabilities.

[8] Environmental "Superfund" tax expired September 1985, but was reimposed January 1987. Data include Oil Spill Trust Fund and ozone-depleting chemical taxes, effective January 1990. Also includes Leaking Underground Storage Trust Fund tax for quarters ended March 1988 through December 1989; thereafter, except for the tax on aviation fuel use, this tax is classified under special fuels tax.

NOTE: Amounts reported for specific excise taxes are the total tax *liabilities* reported on returns processed during the period shown and thus differ from amounts collected during the same period through deposits and through payments with the returns, some of which were processed in other quarters. Gross excise tax *collections* are shown in Table 17.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Service Branch; and Financial Management Service.

### Table 21

- [1] Form 1040 is the long form, and Form 1040A, one of the two short forms. Prior to 1994, Form 1040EZ, the other short form, was for single taxpayers with no dependents; starting with 1994, certain married taxpayers with no dependents could also file on this form. Schedule C is for reporting non-farm sole proprietorship business income and deductions, and Schedule F is for reporting farm sole proprietorship income and expenses. The reported figures for total Forms 1040, 1040A, 1040EZ, and 1040PC, as well as totals for business and nonbusiness Form 1040 returns with Schedules C or F attached, all include "paper" returns plus "standard" electronically-filed (ELF) returns (usually filed by tax preparers) starting with 1986. Starting with 1992, these totals also include returns filed by telephone ("TeleFile"). Form 1040PC represents "paper" Form 1040, 1040A, or 1040EZ returns filed by taxpayers (or tax preparers) using an IRS-approved computer software-generated format, rather than a specific tax form. Calendar Year 1992 is the first for which this "form" applied. The last category under individual income includes Form 1040C (departing alien) in years before 1992; 1040NR (nonresident alien);

## Notes to Selected Historical and Other Data Tables

1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, and American Samoa); but excludes Form 1040X (amended return).

- [2] Form 1120 is the basic corporation income tax return; Form 1120A is the short form; and Form 1120S is for S Corporations (certain small companies electing to be taxed through their shareholders, no more than 35 shareholders starting with 1983, and no more than 10, for earlier years). "Other" includes Forms 1120F (most foreign companies with U.S. income); 1120L (life insurance companies) starting in 1992 (included in the statistics for Form 1120 in the earlier years); 1120 POL (certain political associations); 1120H (homeowners associations); 1120-FSC (Foreign Sales Corporations or FSC's) starting in 1986; starting in 1988, 1120-REIT for real estate investment trusts, 1120-RIC for regulated investment companies (both of which formerly filed on Form 1120), and 1120-PC for property and casualty insurance companies (which formerly filed on Form 1120 or 1120M, described below). "Other" also includes Form 1120 DF (for designated funds) starting in 1988; and for years before 1988, Form 1120M, now discontinued, for mutual non-life insurance companies which now file on Form 1120 or Form 1120-PC (and are included in the statistics for Form 1120 in the earlier years). "Other" excludes Forms 1120-DISC for Domestic International Sales Corporations or DISC's, discontinued after 1985 and mostly replaced by FSC's (see above); 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations, which replaced certain DISC's after 1985; and 1120X, amended returns.
- [3] Form 1041 is the regular income tax return filed for estates and trusts. For 1988-1990, includes Form 1041S (short form). For 1970, includes Form 1041A (trust accumulation of charitable trust) information return.
- [4] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens; Forms 706 GS(D) and 706 GS(T) are for estate tax returns for which the generation-skipping transfer tax applies.
- [5] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' coopera-

tives. Form 4720 is for computing the special excise taxes applicable to certain private foundations and Form 5227 is for split-interest trusts treated as private foundations.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Research Division, Projections and Forecasting Group.

### Table 22

- [1] Number of returns with a paid signature is based on different sources, depending on the year. Data for 1993 are based on the Statistics of Income sample. Data for 1989-1992 are from the Individual Master File of all individual income taxpayers, with the following exceptions: the number of returns with itemized deductions; and, starting with 1990, the number of returns filed electronically. These latter numbers were estimated from the Statistics of Income—Taxpayer Usage Study (TPUS) samples of returns filed during the first 4 months of the filing year, and, for 1992, from the full Statistics of Income sample of returns received throughout the entire filing year.
- [2] Data on electronically-filed returns are included in the counts of Form 1040 returns shown above in Table 22, for all years. For Tax Years 1990 and 1991, data are based on the TPUS samples (see footnote 1) of returns filed, extended to cover the first 8 months of the filing years. No adjustment was made for the returns filed after the first 8 months on the assumption that few were likely to have been filed electronically during these months. Starting with Tax Year 1992, data are based on the full Statistics of Income samples of returns filed throughout the entire filing year.
- [3] Data on IRS taxpayer assistance programs are actually for the fiscal year. In general, assistance rendered in a given fiscal year may be associated with returns due on April 15th of that fiscal year and is, therefore, for the tax year ending with the previous December. As a result, data in Table 22 on taxpayer assistance, shown as for Tax Year 1994, for example, are actually for Fiscal Year 1995.

NOTE: Data on IRS assistance represent taxpayers contacts, unless otherwise indicated. Some taxpayers are contacted more than once. The number of taxpayers assisted (in contrast to the number of taxpayers contacted) is not known.

SOURCE: Data on paid preparers were obtained from

## Notes to Selected Historical and Other Data Tables

Statistics of Income; and from the Corporate Systems Division, Individual Systems Branch. Data on IRS assistance were obtained from the *Internal Revenue*

*Service Annual Reports* for Fiscal Years 1990 through 1992; and *Internal Revenue Service Data Book*, for 1993/1994 and 1995.

# SOI Sampling Methodology and Data Limitations

## Appendix

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

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

### Sample Criteria and Selection of Returns

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

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in

*Information for this appendix was compiled by Bettye Jamerson, Special Studies and Publications Branch, under the direction of Beth Kilss, Chief, Publications Section. Major contributions were made by Paul McMahan, Statistical Computing Branch.*

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

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

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

### Method of Estimation

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

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

# SOI Sampling Methodology and Data Limitations

## Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

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

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

$$\begin{aligned} &150,000 \text{ (sample estimate)} \\ &\quad \times 0.02 \text{ (coefficient of variation)} \\ &= 3,000 \text{ (standard error of estimate)} \end{aligned}$$

then:

$$\begin{aligned} &150,000 \text{ (sample estimate)} \\ &\quad + \text{ or } - 3,000 \text{ (standard error)} \\ &= \{147,000, 153,000\} \text{ (68 percent confidence interval).} \end{aligned}$$

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

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

## Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field follow-up. More often, though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

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

Finally, before publication, all statistics are reviewed

## SOI Sampling Methodology and Data Limitations

for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations, as well as limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

### Tabular Conventions

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables. The presence of the indicator means that the sampling rate is less than 100 percent of the population and that there are fewer than 10 sample observations available for estimation purposes.

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

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated in the tables.

### Notes

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings of the American Statistical Association, Section on Survey Research Methods*. Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and*

*Present Prospects*, Volume 1, Internal Revenue Service, March 1984.

- [2] Quality control activities for all SOI studies are published from time to time in a series of separate reports. These reports provide detailed information relating to quality in all phases of SOI processing.

### References

Reports that contain additional information about the samples include:

*Statistics of Income—1993, Individual Income Tax Returns*, (see especially pages 19-22).

*Statistics of Income—1992, Corporation Income Tax Returns* (see especially pages 7-13).

*Statistics of Income—1994, Compendium of Federal Estate Tax and Personal Wealth Studies* (see descriptions for selected articles).

*Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations* (see descriptions at the end of each chapter).

*Statistics of Income—1986-1992, Compendium of Studies of Tax-Exempt Organizations, Volume 2* (see descriptions for selected articles).

*Statistics of Income—1984-1988, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns* (see descriptions at the end of each chapter).

*Statistics of Income Bulletin* (see each issue).

# SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964

Project	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 1991 Program	Sarah Nutter	This periodic study is conducted every 4 years (every 5 years, after 1991). It covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are by size of adjusted gross income and country.
<b>Corporation Foreign Tax Credit:</b> 1993 Program 1994 Program 1995 Program	Bill States Robin Robison Maggie Lewis	This annual study provides data on foreign income and taxes paid and foreign tax credit reported on corporation income tax returns. Data are classified by industry and country.
<b>Corporation Income Tax Returns:</b> 1993 Program  1994 Program  1995 Program	Ellen Legel Glenn Hentz Paula Miller Nina Shumofsky Patty Treubert John McGrath	Basic data are produced annually and cover complete income statement, balance sheet, tax, and tax credits, and detail from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Environmental Excise Taxes (Superfund) Study:</b> 1994 Program 1995 Program	Sara Boroshok	The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), authorizing the collection of environmental taxes, a type of excise tax. This study, published annually, is the only source of data that provides detailed tabulations by type of chemical.
<b>Estate Tax Returns:</b> 1992-1994 Program	Barry Johnson Martha Eller	This annual study includes information on gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 1989 with returns filed in 1989-91.
<b>Exempt Organizations Business Income Tax Returns:</b> 1992 Program 1993 Program	Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The data file will also be linked with the Form 990 data file of tax-exempt organizations.
<b>Foreign Controlled Corporations:</b> 1992 Program 1993 Program 1994 Program	Dan Holik  Michael Seiders	This study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry. This study will be done biennially after 1994.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Foreign Corporations:</b> 1993 Program 1994 Program 1995 Program	Maggie Lewis Kathryn Green Randy Miller	This annual study (as of 1992) provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.
<b>Foreign Recipients of U.S. Income:</b> 1993 Program 1994 Program	Denise Freites	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Sales Corporations (FSC):</b> 1992 Program 1996 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
<b>Foreign Trusts:</b> 1994 Program	Robin Robison	This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors, or beneficiaries. Data include country where trust was created, value of transfer to the trust, and the year the trust was created.
<b>Individual Income Tax Return Public Use File</b>	Mario Fernandez	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination, on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.)
<b>Individual Income Tax Returns:</b> 1993 Program 1994 Program 1995 Program	Michael Strudler Marty Shiley	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules, chiefly by size of adjusted gross income.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISC):</b> 1991 Program 1996 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987; thereafter, on a 4-year cycle.
<b>Intergenerational Wealth</b>	Barry Johnson Martha Eller	This on-going study involves estate returns filed since the inception of the estate tax (1916), and focuses on changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>International Boycott Participation:</b> 1994 Program 1995 Program	Denise Freitas	This study provides data on business operations of U.S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
<b>Migration Flow and County Income Data</b>	Emily Gross	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 1993-94.
<b>Nonprofit Charitable and Other Organizations:</b> 1992 Program 1993 Program	Cecelia Hilgert	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code.
<b>Occupation Studies</b>	Terry Nuriddin	This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by-occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.
<b>Partnership Returns of Income</b>	Tim Wheeler	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 1994 Program	Chris Carson	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 1992 Program	Barry Johnson Martha Eller	This periodic study provides estimates of personal wealth of top wealthholders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data (1989) are based on returns filed from 1989 to 1991. The 1992 program will be based on returns filed from 1992-1994.
<b>Private Foundations:</b> 1992 Program 1993 Program	Susan Eastep Paul Arnsberger	This annual study includes balance sheet and income statement data for private foundations and charitable trusts filing a Form 990-PF.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Project</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>S Corporations</b>	Amy Gill Susan Wittman	Annual study data are collected for the income statement, balance sheet, and from supporting schedules. Data are classified by industry group or by asset size.
<b>Sales of Capital Assets:</b> 1985 Program 1985-1995 Panel Study	Barbara Livingston Janette Wilson Laura Prizzi	This periodic study provides detailed data on the sales of capital assets reported on Schedule D of the individual income tax return, sales of residences, and personal or depreciable business property.  A panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, over a period of years.
<b>Sales of U.S. Real Property Interests by Foreign Persons:</b> 1994 Program	Chris Carson	This annual study will provide data on transfers of U.S. real property interests, when these interests are acquired from foreign persons. Data include the amount realized on transfers, U.S. tax withheld, and the country of foreign persons.
<b>Sole Proprietorships:</b> 1993 Program 1994 Program 1995 Program	Michael Strudler	Basic data, produced annually, cover business receipts, deductions and net income reported on Schedule C (for nonfarm proprietors), by industry group. Similar data from Schedule F (for farmers) are available on an occasional basis.
<b>State Data:</b> 1985 Program 1988 Program	Mario Fernandez	Special tabulations of selected individual income, deduction, and tax data by State are produced on a reimbursable basis. (The data file for 1988 is the most recent.)
<b>Statistical Subscription Services:</b> Corporation Source Book	Sandy Byberg	Annual data by more detailed industry groups than are used for the regular corporation statistics are produced by asset size.
<b>Tax-exempt Bond Issues:</b> 1992-1994 Program	Marvin Schwartz	This annual study provides information on private activity and governmental bond issues by type of property financed, size of face amount, and State.
<b>Taxpayer Usage Study:</b> 1995 Program	Mike Weber	Basic data, produced annually, provide weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population for returns received during the primary filing season (January through April).
<b>U.S. Possessions Corporations:</b> 1993 Program 1995 Program	Randy Miller	This periodic study, planned for every 2 years, provides data on income statements, balance sheets, tax, and "possessions tax credit" for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

# Publications & Tapes

## Statistical Information Services

For questions about the availability of SOI data, other statistical services, or release dates for new publications, please contact the Statistical Information Services Office on:

Voice #: (202) 874-0410  
Fax #: (202) 874-0964  
e-mail: [soi.sis@wpgate.irs.gov](mailto:soi.sis@wpgate.irs.gov)

As its name implies, this office is best able to answer questions about data. It is not the place to call to obtain tax forms or information about the status of an individual's tax refund or audit examination. Also, all requests from the media should be directed to the IRS Media Relations Branch, Communications Division on (202) 622-4000.

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

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

## Compendiums

### Studies of Tax-Exempt Organizations, 1974-1987

Publication 1416 – Price \$26.00

This publication presents 22 articles from Statistics of Income studies on tax-exempt organizations. The articles emphasize important issues within the nonprofit sector, and also include several other articles previously unpublished in the *SOI Bulletin*, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational, and health organizations);
- private foundations and charitable trusts; and
- unrelated business income of exempt organizations.

### Studies of Tax-Exempt Organizations, 1986-1992

Publication 1416 – Price \$26.00

This is the second volume in a series of Statistics of Income (SOI) publications on tax-exempt, nonprofit organizations. The volume includes data covering 1986-1992 and contains 12 previously-published articles from SOI studies, including articles from the *SOI Bulletin*, as well as papers prepared for the *Journal of Nonprofit Management and Leadership*, *Trusts and Estates*, the Independent Sector Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association.

### Studies of International Income and Taxes, 1984-1988

Publication 1267 – Price \$26.00

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

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

### Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773 – \$26.00

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting the sample data for the estate studies and also statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years, 1962-1989, as well as a discussion of the relationship among realized income, wealth, and well-being.

## Publications & Tapes

### Reimbursable Services

#### **Corporation Source Book, 1993**

*Publication 1053 – Price \$175*

This 511-page document presents detailed income statement, balance sheet, tax, and selected other items, by major and minor industrial groups and size of total assets, for all returns and separately for returns with net income. The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. (The Source Book is also available on 35mm microfilm for \$175. Issues prior to 1982 are for sale at \$150 per year.) A magnetic tape or diskette containing the tabular statistics for 1993 can be purchased for \$1,500.

#### **Public-Use Magnetic Tape Microdata Files**

*(Price depends on the request.)*

This includes individual income tax returns for 1979-1992. A limited number of files for 1989 are also available on CD-ROM. (Individual income tax returns for 1966-1978 are available for sale by writing to the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408.) Files containing more limited data for each State are also available for 1985 and 1988. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1991 and nonprofit charitable organizations for 1982-1983 and 1985-1990 are also available from *Statistics of Income*. The individual, private foundation, and charitable organization files are the only microdata files that can be released to the public.

#### **Migration Data**

*(Price depends on the request.)*

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the individual income tax return address. Data are also available for selected time periods (according to the years in which the returns were filed) between 1978 and 1994 and include counts of the number of returns and the number of personal exemptions (which can be used to approximate population). Tabulations are available as hard copy for all years, on magnetic tape for all years except 1983, and diskette starting with 1989.

(Compilations showing State-to-State migration flows only are also accessible through the SOI electronic bulletin board starting with 1988; see next page.)

#### **County Income Data**

*(Price depends on the request.)*

Tables present adjusted gross income by source and number of personal exemptions (which can be used to approximate population) reported on individual income tax returns for Income Years 1982 and 1984 through 1993. Data are available as hard copy or on magnetic tape for each year, or on diskette starting with 1988. (County income data starting with 1990 are available on the SOI electronic bulletin board; see next page.)

#### **ZIP Code Area Data**

*(Price depends on the request.)*

Recent statistics are available for Income Year 1991 only, either on computer tape or diskette, showing the number of individual income tax returns, the number of personal exemptions (which can be used to approximate population), adjusted gross income, and income tax, by 5-digit ZIP Code.

### Other Unpublished Tabulations

*(Price depends on the request.)*

Unpublished tabulations are also available, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of resources.

### Other Publications

The following *Statistics of Income* publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, by calling (202) 512-1800. The reports may also be obtained by using the order form following this section or write:

Superintendent of Documents  
P. O. Box 371954  
Pittsburgh, PA 15250-7954.

If you determine from the Government Printing Office that any of the next three items is out-of-print, please telephone the Statistical Information Services Office on (202) 874-0410, for assistance.

## Publications & Tapes

### **Statistics of Income (SOI) Bulletin**

*Quarterly, Publication 1136, Stock No. 748-005-00000-5  
Subscription price, \$30.00; Single copy price, \$15.00*

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

### **Statistics of Income – 1992, Corporation Income Tax Returns**

*Publication 16, Stock No. 048-004-02337-7  
Price \$20.00*

This report presents data on corporation income tax returns with accounting periods that ended July 1992 through June 1993, that are more comprehensive than those published earlier in the *SOI Bulletin*.

Presents information on:

- receipts;
- deductions;
- net income;
- taxable income;
- income tax;
- tax credits;
- assets; and
- liabilities.

Data are classified by:

- industry;
- accounting period;
- size of total assets; and
- size of business receipts.

### **Statistics of Income – 1993, Individual Income Tax Returns**

*Publication 1304, Stock No. 048-004-02339-3  
Price \$14.00*

This report presents more comprehensive and complete data on individual income tax returns for 1993 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income;
- exemptions;
- itemized deductions; and
- tax computations.

Data are presented by:

- size of adjusted gross income; and
- marital status.

The following Statistics of Income publication is available from the Statistics of Income Division by writing to the Director at the address shown at the beginning of this section.

### **Turning Administrative Systems Into Information Systems – 1995**

*Publication 1299 – Free of Charge*

This report is the fourth edition of the IRS' methodology reports series, which documents technological and methodological changes in Statistics of Income programs and other related statistical uses of administrative records. Previous volumes in the series were called *Statistics of Income and Related Administrative Record Research*.

This year's compilation has been divided into five major sections, each focusing on a somewhat different area of research:

- description of SOI's migration data;
- sample designs and redesigns;
- weighting and estimation research;
- analytical approaches to quality improvement;
- and
- record linkage applications for health care policy.

### **SOI Electronic Bulletin Board**

Since June 1992, over 1,150 files have been added to the SOI electronic bulletin board system (BBS) and are available for access. They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships and estates. The BBS also contains files on personal wealth and international topics, such as foreign tax credits and Controlled Foreign Corporations, as well as tax collections and refunds from the IRS administrative system.

#### **Electronic Bulletin Board Numbers:**

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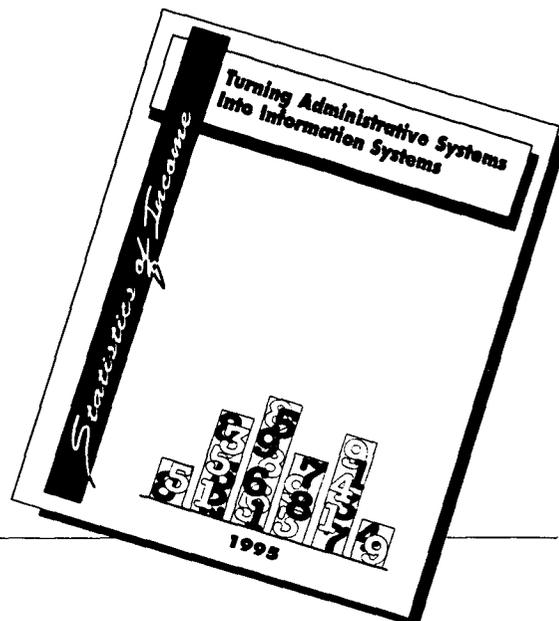
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# *Announcing New IRS Methodology Report*



## *Statistics of Income: Turning Administrative Systems Into Information Systems -- 1995*

This report is the latest volume in a continuation of the IRS' methodology reports series which documents technological and methodological changes in Statistics of Income programs and other related statistical uses of records. It is part of a long-time effort to document methodological changes in Statistics of Income programs, in an attempt to better meet user needs. Topics featured are:

- ◇ description of SOI's migration data;
- ◇ sample designs and redesigns;
- ◇ weighting and estimation research;
- ◇ analytical approaches to quality improvement; and
- ◇ record linkage application for health care policy.

The report is available free of charge. To obtain a copy write to:

**Statistics of Income Division CP:R:S:S:P  
Internal Revenue Service  
P.O. Box 2608  
Washington, DC 20013-2608  
Phone: (202) 874-0410; Fax: (202) 874-0964  
E-mail: wendy.alvey.@wpgate.irs.gov .**

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