

IRS



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IRS ISSUES WINTER 2001-2002 STATISTICS OF INCOME BULLETIN

WASHINGTON—The Internal Revenue Service today announced the release of the Winter 2001-2002 issue of the *Statistics of Income Bulletin*. It includes an in-depth analysis of individual income tax returns, details on domestic private foundations and charitable trusts, an examination of information returns by gender and age, and a close look at the impact of the foreign tax credit used by U.S. corporations.

The *Bulletin* contains an in-depth analysis of the 127.1 million individual income tax returns filed for Tax Year 1999. More than 94.5 million returns, or 74.4 percent, showed some income tax liability. The average tax rate increased approximately 0.4 percent from 1998 to 15.7 percent in 1999. The average adjusted gross income (less deficit) (AGI) rose 6.4 percent to \$59,028, while average total income tax increased to \$9,280, a 9.5-percent increase. Total AGI reported on taxable returns increased 8.2 percent to \$5,581 billion, while total income tax increased 11.3 percent to \$877 billion. In addition, the percent of AGI reported by the top 1 percent of taxpayers for 1999 increased for the sixth consecutive year to 19.5 percent. The same group accounted for 36.2 percent of the total income tax, up from 34.8 percent of the total income tax they accounted for in 1998.

In addition, the *Bulletin* contains the following articles:

- Domestic private foundations and charitable trusts provided \$19.4 billion in contributions, gifts and grants for Reporting Year 1998, an 18-percent increase over the previous year. They also held \$397.1 billion in fair market value of total assets, with investment assets representing the majority of that amount. The 56,658 returns filed for 1998 by domestic private foundations represented an increase of nearly 3 percent from 1997. Nonexempt charitable trusts decreased by 10 percent from Reporting Year 1997, to 2,667. Nonexempt charitable trusts reported fair market value of total assets of \$5.1 billion, revenue totaling \$0.6 billion and distributions of \$0.3 billion in contributions, gifts and grants.
- An examination of information returns -- in particular, Forms W-2, 1099-R, and SSA-1099 by gender and age reveals that men received 65 percent of the salaries and wages and 66 percent of the pensions paid in Tax Year 1998. Taxpayers between the ages of 30 and 60 accounted for 58.5 percent of all taxpayers, but received 78.6 percent of all salaries and wages.

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- A review of U.S. corporations using the foreign tax credit for 1997 found that these firms reduced their tax liability nearly 30.0 percent, claiming a record high of \$42.2 billion. U.S. manufacturers continued to account for the majority of foreign-source taxable income, current-year taxes and foreign tax credits. U.S. corporations in finance, insurance and real-estate businesses, the fastest growing industry segment during the 1990's, accounted for the second largest portion of foreign-source taxable income. The United Kingdom, Canada, Japan, Germany and the Netherlands again had the highest foreign income for U.S. corporations claiming foreign tax credit.

In addition, the *Bulletin* reports that taxpayers filed 129.3 million individual income tax returns for Tax Year 2000, an increase of 1.7 percent from the 127.1 million returns filed in 1999. Adjusted gross income less deficit increased 8.2 percent to over \$6.3 trillion for 2000. Taxable income increased 9.2 percent to \$4.5 trillion. Total income tax increased 11.0 percent to \$976.3 billion, and the alternative minimum tax rose 49.2 percent to \$8.9 billion for 2000. At the same time, statutory adjustments to total income increased 2.9 percent, from \$55.0 billion to \$56.6 billion; total deductions increased 7.0 percent to \$1,270.0 billion; and total tax credits used to offset income tax liabilities increased 4.0 percent to \$36.7 billion.

Finally, recent projections show that the grand total of all tax returns expected in calendar year 2002 will be 232.0 million. This number should increase by 1.5 percent annually, reaching 254.5 million by 2008. The *Bulletin* also includes historical data on income, deductions and tax reported on returns filed by individuals, corporations and unincorporated businesses, with selected data presented for estates. Statistics are also presented on refunds and tax collections, including excise taxes by type.

The *Statistics of Income Bulletin* is available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$41 (\$51.25 foreign), single issues cost \$34 (\$42.50 foreign). For more information about these data, write the Director, Statistics of Income (SOI) Division, N:ADC:R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608; call the SOI Statistical Information Services office at (202) 874-0410; or fax, (202) 874-0964. To access the Winter 2001-2002 Statistics of Income Bulletin, visit the IRS Web site www.irs.gov and click on "Tax Stats" in the upper left-hand corner. From the Tax Stats page, select "SOI Bulletins" under "Statistical Publications."

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