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Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.IRS.gov/newsroom

Public Contact: 800.829.1040

IRS Spring Statistics of Income Bulletin Features IRAs, Individual Tax Rates and Shares

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WASHINGTON — The Internal Revenue Service today announced the release of the Spring 2004 issue of the *Statistics of Income Bulletin*, a quarterly compilation of information on selected topics from tax returns and other sources.

For the first time, the *Bulletin* takes a detailed look at individual retirement arrangements.

At the end of 2000, 46.3 million taxpayers held IRA accounts worth a total of \$2.6 trillion in fair market value. The bulk — \$2.4 trillion, or 91.5 percent — was invested in traditional IRA plans, which have been available for the longest amount of time. Of the remaining amount, \$134 billion was invested in Simplified Employee Pension (SEP) plans, \$77.6 billion in Roth IRAs, \$10.4 billion in Savings Incentive Match Plans for Employees (SIMPLE) and \$0.3 billion in Education IRAs.

In addition, 15.1 million taxpayers, or 9.5 percent of those eligible, contributed to an IRA in 2000. The amount of their contributions totaled \$36.5 billion (an average of \$2,412 per taxpayer), of which \$12.3 billion was tax-deductible.

The *Bulletin* also features information on individual income tax rates and shares for tax year 2001. There were 130.3 million individual tax returns, of which almost 94.8 million, or 72.8 percent, were classified as taxable returns. Adjusted gross income (AGI) on taxable returns fell 4 percent to \$5,847 billion. Total income tax fell 10.4 percent.

Other topics featured include selected income and tax items from inflation-indexed individual tax returns from 1990-2001, S corporations, unrelated business income returns and foreign-earned income and tax credits. They cover the following information:

- Inflation-adjusted individual income tax data are presented by 11 income classes, including income classes of \$10 million or more (which had previously been published for Tax Years 2000 and 2001 only). For Tax Year 2001, about 130.3 million returns were filed, a 14.5 percent increase from the 113.7 million returns filed for 1990. This growth in the number of returns has not been uniform among the various income classes. For example, while the number of returns with real AGI between \$1 to under \$20,000 increased 9 percent and the number with AGI between \$20,000 and \$50,000 increased

11.3 percent, the number of returns for all groups above \$100,000 increased by at least 69 percent.

- A total of nearly 3 million S corporation returns were filed for Tax Year 2001, an increase of over 4.4 percent from Tax Year 2000. S corporations continue to be the single most frequent corporate entity choice, representing 58.2 percent of all corporate entities. The number of shareholders for S corporations increased to nearly 5.4 million, up 3.1 percent from the previous year.
- Nonprofit organizations filed an estimated 38,567 Forms 990-T, Exempt Organization Business Income Tax Returns, for Tax Year 2000. Overall, organizations reporting unrelated business income (UBI) filed 8.5 percent fewer returns for 2000, the second consecutive tax year that the number of filings fell. Returns with gross UBI of \$10,000 or less, the threshold for being exempted from filing return schedules and reporting detailed information on deductions, decreased by 15.3 percent; those with higher amounts of gross UBI decreased by 3.6 percent.
- U.S. taxpayers living abroad reported \$27.4 billion in foreign-earned income for 2001. They filed 294,763 individual income tax returns, an increase in real percentage terms of 15.1 percent from 1996 (the last year for which similar statistics were collected). Along with this, the foreign-earned income exclusion increased by 3.1 percent to \$14.1 billion, while the exclusion for certain employer-provided housing expenses fell from over \$2.1 billion for 1996 to just over \$1.9 billion for 2001, a decrease of 9.8 percent.

The Spring *Bulletin* also features articles on the Federal Empowerment Zone Employment credit and interest-charge domestic international sales corporations. It 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 tax collections, including excise taxes by type, and refunds for recent years.

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 \$53 (\$74.20 foreign). Single issues cost \$39 (\$48.75 foreign). For more information about these data, call the SOI Statistical Information Services office at (202) 874-0410. To access the Spring 2004 *Statistics of Income Bulletin*, visit the IRS Website at www.irs.gov and click on Tax Stats in the upper left-hand corner. From the Tax Stats page, select SOI Bulletins, located under Statistical Publications.