

# IRS News Release

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Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

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## IRS Issues Fall 2005 Statistics of Income Bulletin

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WASHINGTON — The Internal Revenue Service today announced the release of the Fall 2005 issue of the Statistics of Income Bulletin.

The Bulletin contains an in-depth look at the 130.4 million individual income tax returns filed for tax year 2003, a slight increase from the 130.1 million returns filed for tax year 2002. The adjusted gross income (AGI) less deficit reported on these returns totaled just over \$6.2 trillion, while taxable income totaled \$4.2 trillion. The largest component of AGI was salaries and wages totaling just over \$4.6 trillion. A total of \$268.6 billion in business net income was reported on 14.4 million returns.

In addition, the Bulletin contains articles with the following information:

- The total number of partnerships increased 5.9 percent to 2,375,375 for tax year 2003. Since 1994, the number of partnerships has increased at an average annual rate of 4.9 percent. Total partnership net income (less deficit) increased by 11.4 percent to \$301.4 billion. Partnerships classified in finance and insurance accounted for over half of the increase. Total assets of partnerships reporting balance sheets increased 9.1 percent to \$9.7 trillion for 2003. For the second consecutive year, the number of limited liability companies surpassed all other entity types, including the number of general partnerships, which had been the leader for decades, increasing 15.3 percent to 1,091,502, about 46.0 percent of all partnerships.
- Tax years 1993-2002 represented a period of both growth and consistency for private foundations. Between those years, the total number of domestic private foundations filing information returns increased 66.7 percent, from 43,956 returns filed for tax year 1993 to 73,255 filed for 2002. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown by 82.2 percent, reaching \$413.0 billion by tax year 2002. Total disbursements for charitable purposes doubled during this same period.

- In 2004, approximately 3.7 million estates and trusts filed income tax returns. The number of forms 1041 filed decreased by 0.5 percent from the number of returns filed in 2003. Grantor trusts were the most common type of trust for which a Form 1041 was filed in 2003 and 2004. Complex trusts, however, made up the greatest share of aggregate gross income, total deductions and total tax liability in 2003 and 2004. Capital gains made up the largest share of income reported in both years, while income distributions to beneficiaries accounted for the largest portion of deductions claimed.
- The total foreign tax credit claimed by U.S. corporations for tax year 2001 fell by 14.5 percent to \$41.4 billion. As a result of the foreign tax credit benefits, these corporations were able to reduce their U.S. tax liabilities by 31.9 percent, from \$129.3 to \$87.9 billion. Corporations claiming a foreign tax credit in 2001 reported worldwide taxable income of \$368.1 billion, with 44.8 percent of it earned from foreign sources.
- For tax year 2001, some 171 U.S. corporations reported \$1.3 billion of possessions tax credits. The number of U.S. corporations claiming a possessions tax credit and the total amount of the credit reported continued declines that began in the 1990s. Assets and receipts reported for 2001 were \$34.1 billion and \$25.5 billion, respectively.
- Nonprofit charitable organizations exempt from income tax under Internal Revenue Code section 501(c)(3) filed nearly 252,000 information returns for tax year 2002, an increase of 4.6 percent from the previous year. These organizations held over \$1.7 trillion in assets, an increase of 6.3 percent from 2001, and reported \$955 billion in revenue, 72.4 percent of which came from program services and activities.
- The final Bulletin article examines data collected on a select group of large non-financial corporations over a five-year period, tax years 1998 through 2002, representing less than 0.01 percent of all returns filed. These large non-financial corporations, despite representing such a small percentage of corporations, account for an average of 20.5 percent of total assets and an average of 29.0 percent of total receipts of all returns. Most of the large non-financial corporations represented in the analysis are classified in the manufacturing or wholesale and retail trade industrial sectors.

The SOI Bulletin is a quarterly compilation of information on various topics from federal tax returns and other documents. The Bulletin 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, write the Director, Statistics of Income (SOI) Division, RAS: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 your questions to (202) 874-0964.

To access the Fall 2005 Statistics of Income Bulletin, visit the IRS Web site, [www.irs.gov](http://www.irs.gov), and click on "Tax Stats" under "Information About." From the Tax Stats page, select "SOI Bulletins" under "Products, Publications, and Papers." Click on "Fall 2005."