

High-Income Tax Returns for 2010

by Justin Bryan

The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting incomes of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable.¹ This article presents detailed data for more than 4 million high-income returns for 2010, and summary data for the period 1977 to 2009. Detailed data for the years 1974 through 2009 were published previously (see the References section for more details).

Two income concepts are used in this article to classify tax returns as high income: the statutory concept of adjusted gross income (AGI), and the “expanded income” concept.² The expanded income concept uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable Social Security benefits, foreign-earned income exclusion, and items of “tax preference” for “alternative minimum tax” purposes *less* unreimbursed employee business expenses, moving expenses, investment interest expense to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor.^{3,4,5} Although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, resulting in expanded income that is less than AGI.

Number of High-Income Returns

Figure A and Table 1 show there were 4,296,307 individual income tax returns with an AGI of \$200,000 or more, and 4,347,756 returns with an expanded income of \$200,000 or more in 2010. These returns represent 3.007 percent and 3.043 percent, respectively, of all returns for the year.

Justin Bryan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

In the top panel of Figure A, the \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. Because it is fixed in nominal terms, as time passes, more and more tax returns will have incomes that exceed this threshold simply due to inflation. Therefore, to facilitate comparison of tax returns across time, the nominal threshold is adjusted for inflation in the bottom panel of Figure A. This panel shows what the \$200,000 threshold in 1976 would be each year after adjusting for inflation, and the implications of making that adjustment.⁶

From 1977 to 2010, the number of returns reporting incomes of \$200,000 or more generally increased annually, making up a larger share of all tax returns each year. The exceptions to this reflect the economic downturns in Tax Years 2001, 2002, 2008, and 2009. For these years, both the number of high-income returns and their percentage of all tax returns decreased. The general trend of a rise in the number of returns and share of all tax returns is similar when using the \$200,000 inflation-adjusted income threshold. However, the increases are much smaller and include decreases in Tax Years 1980, 1981, 1989 through 1991, and 1993. Many of these years also coincide with economic downturns.

The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. This change in the definition of AGI made it more comparable to the expanded income concept. In addition, due to the inclusion of tax-exempt interest in expanded income starting in 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

When measured in 1976 constant dollars under the expanded income concept, the total number of high-income returns for 2010 was only 7.4 times the number for 1977. In comparison, when measured in current-year dollars, the number of high-income returns for 2010 was 64.3 times as large as for 1977. For 2010, the share of high expanded-income returns in constant dollars increased to 0.304 percent from 0.273 percent in 2009. Thus, when the threshold for considering a tax return to be high income is adjusted

¹ The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

² The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest expense not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (98 Stat. at 815) eliminated the requirement to use the last two income concepts.

³ The definition of adjustments to AGI to obtain the expanded income given in the text is for the current year. See Appendix A for a discussion of AGI and expanded income and a list of adjustments covering all years since 1977.

⁴ See Notes to Appendix A, note A4.

⁵ Tax-exempt interest had to be reported on the individual income tax return starting with Tax Year 1987 and is included in expanded income starting with that year. Beginning with Tax Year 1991, tax-exempt interest was incorporated into the criteria used for sampling returns for Statistics of Income, thus increasing the reliability of the estimates of expanded income.

⁶ Inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics. The Consumer Price Index approximates buying patterns of typical urban consumers. The annual index is the average of the monthly indices.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure A

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2010

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

Footnotes at end of figure.

for inflation, the percentage of high-income returns in the population of all returns is about 90-percent lower than when the nominal threshold is used. Figure B shows the difference between the constant and current dollar shares of high expanded-income returns.

Based on AGI, the number of high-income returns for 2010 measured in 1976 constant dollars was only 9.2 times the number for 1977. In comparison, when measured in current-year dollars, the number of high-income returns was 80.5 times as large as for 1977. For Tax Year 2010, the

share of high AGI returns in constant dollars increased to 0.295 percent from 0.265 percent in 2009.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, “U.S. income tax,” is total Federal income tax liability, which includes the “alternative minimum tax” (AMT), *less* all credits against income tax. Since this applies to worldwide income and a credit (subject to certain limits) is

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure A—Continued

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2010

Tax year	Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars) [1]	\$200,000 inflation-adjusted income threshold			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420
2007	728,794	606,026	618,154	0.424	0.432
2008	756,777	487,656	498,470	0.342	0.350
2009	754,084	372,665	383,354	0.265	0.273
2010	766,453	421,604	433,924	0.295	0.304

[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers. See footnote 6 of this article for further details.

allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as non-taxable under the U.S. income tax concept even though income taxes had been paid to a foreign government.

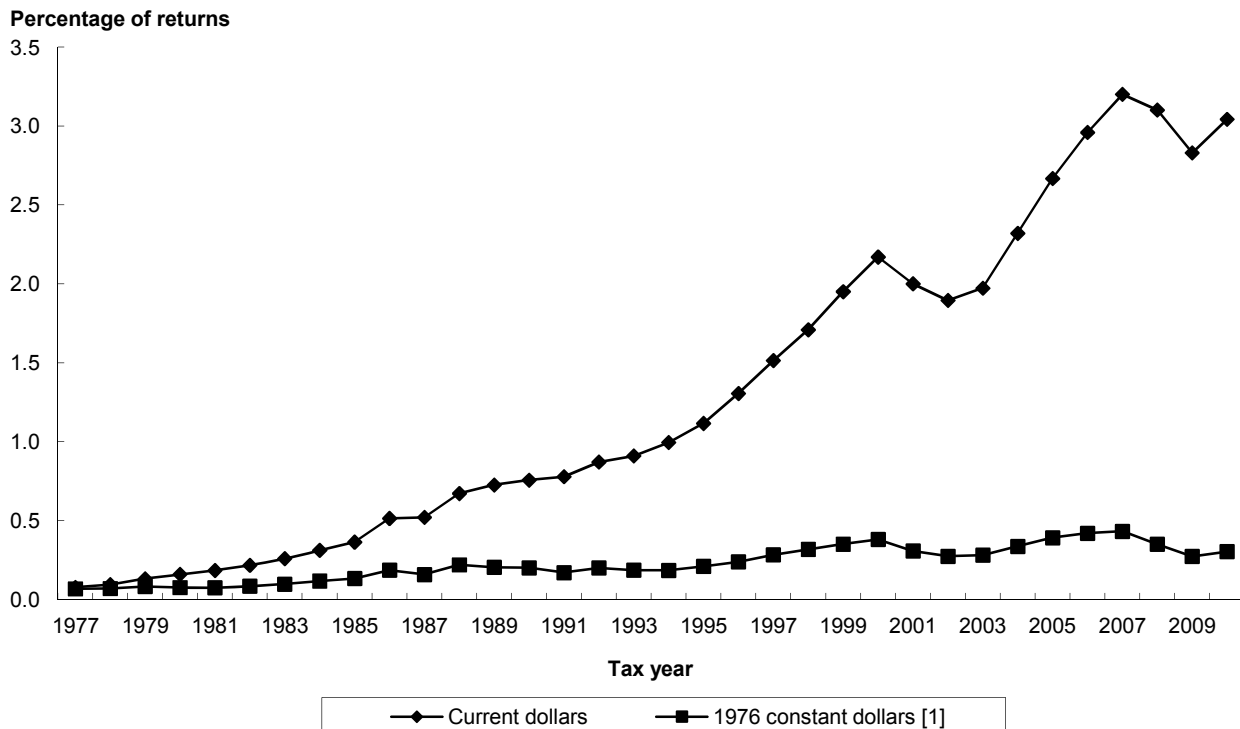
The second tax concept, “worldwide income tax,” addresses this circumstance by adding the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.^{7,8} The sum of these

⁷ See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income—Individual Income Tax Returns* (see Reference section), the “U.S. income tax” concept was described as “total income tax,” and the “worldwide income tax” concept was described as “modified total income tax.”

⁸ The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. However, it does represent a slight break in the year-to-year comparability of data for worldwide income tax. However, the number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.

Figure B

Returns with Expanded Income of \$200,000 or More: Percentage of All Returns, Measured in Current and 1976 Constant Dollars, Tax Years 1977–2010



[1] 1976 constant dollars were calculated using the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics. The CPI-U approximates buying patterns of typical urban consumers.

two items is believed to be a reasonable proxy for foreign taxes actually paid.

The effects of refundable credits were included in “High-Income Tax Returns for 2009,” which was published in *Statistics of Income Bulletin*, Spring 2012. Prior to the 2009 report, the income tax liability of taxpayers was based on the last line of the “Taxes and Credits” section of Form 1040 (Line 55 of the 2010 Form 1040). For years prior to 2007, this worked fine. Two refundable credits, the earned income credit (EIC) and the additional child tax credit, were reported in the “Payments” section of Form 1040 (Lines 64 and 65 of the 2010 Form 1040). However, the EIC did not affect high-income taxpayers and the additional child tax credit was only available to taxpayers with zero income tax liability. In 2007, however, a new refundable Alternative Minimum Tax credit was added. This credit, also known as the refundable prior-year minimum tax credit, was reported in the “Payments” section of Form 1040 (Line 71c of the

2010 Form 1040). However, unlike the other two refundable credits, the refundable AMT credit can reduce a high-income taxpayer’s tax liability to zero. Since 2007, some other refundable credits have been added. For 2010, they consisted of the first-time homebuyer credit, making work pay credit, American opportunity credit, and adoption credit. Like the refundable AMT credit, these new credits are reported in the “Payments” section of Form 1040 and could reduce a high-income taxpayer’s tax liability. Figures C and D reflect the updated concept for 2007 through 2010.

For 2010, of the 4,296,307 income tax returns with an AGI of \$200,000 or more, 19,003 (0.442 percent) showed no U.S. income tax liability; and 8,046 (0.187 percent) showed no worldwide income tax liability as shown in the top panel of Figure C. For 2009, of the 3,924,489 returns with an AGI of \$200,000 or more, 20,752 returns (0.529 percent) had no U.S. income tax liability, and 10,080 returns (0.257 percent) had no worldwide income tax liability.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure C

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2010

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

Footnotes at end of figure.

For 2010, of the 4,347,756 tax returns with expanded income of \$200,000 or more, 32,441 (0.746 percent) had no U.S. income tax liability; and 16,082 (0.370 percent) had no worldwide income tax liability. For 2009, of the 3,975,288 returns with expanded income of \$200,000 or more, 35,061 (0.882 percent) had no U.S. income tax liability, and 19,551 (0.492 percent) had no worldwide income tax liability.

The proportion of nontaxable high-income returns decreased by all four measures between 2009 and 2010. The AGI decreases were possibly due to a decline in the number of returns with total miscellaneous deductions and refundable prior-year minimum tax credit used to offset income tax before credits. Between 2009 and 2010, the number of AGI returns with no U.S. income tax liability claiming these items as their primary reason for

Figure C—Continued

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2010

Tax year	\$200,000 income threshold measured in 1976 constant dollars [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053
2007	1,524	1,369	565	314	0.251	0.221	0.093	0.051
2008	3,001	2,861	1,436	1,116	0.615	0.574	0.294	0.224
2009	2,268	2,841	874	1,252	0.609	0.741	0.235	0.327
2010	2,151	2,520	621	820	0.510	0.581	0.147	0.189

[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers. See footnote 6 of this article for further details.

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

nontaxability decreased from 3,344 and 3,228 to 2,534 and 766, respectively. For AGI returns with no worldwide tax, these items decreased from 3,279 and 913 returns in 2009 to 2,465 and 466 returns in 2010.

The expanded-income decreases were possibly due to the decrease in returns with tax-exempt interest and

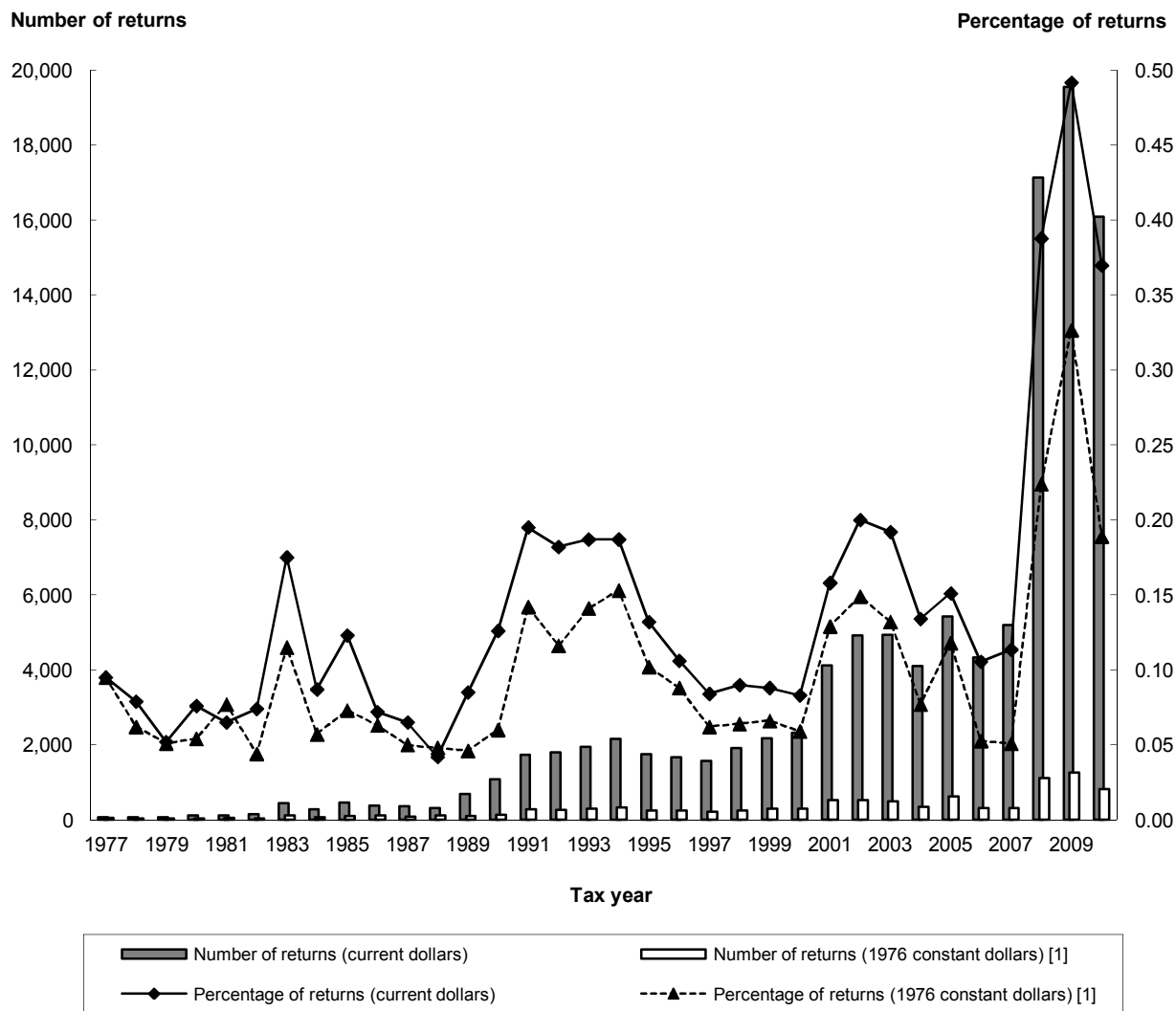
the refundable prior-year minimum tax credit used to offset income tax before credits. Between 2009 and 2010, the number of expanded returns with no U.S. income tax liability claiming these items as their primary reason for nontaxability decreased from 13,011 and 3,012 to 10,344 and 763, respectively. For expanded-income returns with

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure D

Returns with Expanded Income of \$200,000 or More: Number and Percentage of Returns with No Worldwide Income, Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977–2010



[1] 1976 constant dollars were calculated using the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics. The CPI-U approximates buying patterns of typical urban consumers.

NOTES: Starting in 2009, the portion of refundable credits that offset income taxes before credits were factored in to determine tax liability. To maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. However, tables published in 2007 and 2008 do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. Derivation of worldwide income tax is shown in Figure H.

no worldwide tax, these items decreased from 11,943 and 874 returns in 2009 to 9,655 and 463 returns in 2010 (see Tables 7 and 8 for more details).

Regardless of the income measure (AGI or expanded income) or the tax concept (U.S. income tax or worldwide income tax) used, the percentages of 2010

nontaxable high-income returns are generally not substantially different when measured in either constant or current dollars. Of returns with AGI of \$200,000 or more in current dollars, 0.442 percent reported no U.S. income tax for 2010 and 0.187 percent had no worldwide income tax. For returns measured in 1976 constant dollars, the

percentage with no U.S. income tax liability was 0.510; the percentage with no worldwide income tax liability was 0.147 as shown in the lower panel of Figure C.

Of returns with expanded income of \$200,000 or more that were measured in current dollars, 0.746 percent reported no U.S. income tax for 2010, and 0.370 percent had no worldwide income tax. When looking at these returns using 1976 constant dollars, the percentage with no U.S. income tax liability was 0.581, the percentage with no worldwide income tax liability was 0.189.

Figure D shows the number of returns with expanded income of \$200,000 or more with no worldwide income tax and their proportion of all high expanded-income returns for 1977 through 2010. These data are shown in both current-year and 1976 constant dollars. In this figure, the spread between the two percentage lines was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but has increased or stayed fairly consistent from 2002 to 2007. From 2007 to 2008, the spread widened considerably and maintained that spread into 2010.

Note that because the number of nontaxable returns with expanded income of \$200,000 or more is based on samples, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of \$200,000 or more may represent sampling variability, in addition to actual changes in the numbers of such returns. Beginning with Tax Year 1991, nontaxable returns with expanded income of \$200,000 or more were sampled at higher rates, which reduced the sampling variability of these returns and, therefore, provided improved estimates. Thus, the data for returns prior to 1991 are not entirely comparable with data for years that are more recent.

Detailed Data for 2010

Tables 1 through 12 present data based on income tax returns for 2010, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- ❑ The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded-income size classes (Tables 1 and 2);
- ❑ The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);

- ❑ The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- ❑ The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- ❑ The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- ❑ The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income-size classes (Tables 11 and 12).
- ❑ The odd-numbered tables use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas the even-numbered tables use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross classified by broad AGI and expanded-income size classes. The tables show that most returns fall in the same broad income-size class under both income concepts, but the number of nontaxable returns is generally greater in each income class over \$50,000 when income is measured by economic income rather than by AGI. Table 1 shows that 19,003 returns with no U.S. income tax had an AGI of \$200,000 or more; 32,441 returns with no U.S. income tax had an expanded income of \$200,000 or more; and 15,588 returns with no U.S. income tax had both AGI and expanded income of \$200,000 or more. Table 2 shows that 8,046 returns with no worldwide income tax had an AGI of \$200,000 or more; 16,082 returns with no worldwide income tax had expanded income of \$200,000 or more; and 4,782 returns with no worldwide income tax had both AGI and expanded income of \$200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of “adjusted” taxable income to AGI or expanded income. Taxable income was adjusted for these tables by subtracting deduction equivalents of tax credits and other items from taxable income.⁹ Thus, the tables show the extent to which AGI or expanded

⁹ See Appendix B for a description of how the deduction equivalent of credits was computed.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

income, respectively, is reduced before taxes are imposed on the remaining income. The tables also illustrate three important facts about high-income tax returns. The following examples are drawn from the “expanded income” columns in Table 4 for worldwide tax:

- ❑ Only a small portion of all high-income taxpayers did not pay any income taxes (0.4 percent).
- ❑ Another group of high-income taxpayers—small, but larger than the nontaxable group—was able to offset a very substantial fraction of income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called “nearly nontaxables.” About 0.8 percent of high expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce their adjustable taxable income to less than 25 percent of their expanded income.
- ❑ Overall, most high-income taxpayers were subject to tax on a large share of their income and, consequently, reported very substantial amounts of tax. (Some 64.0 percent of high expanded-income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 95.6 percent had adjusted taxable income equal to 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns by tax burden. These two tables classify all tax returns by both size of income and effective tax rate, i.e., income tax as a percentage of either adjusted gross income or expanded income. These tables show that, on average, high-income taxpayers did have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that, while 2.4 percent of returns with adjusted gross income of \$200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of adjusted gross income, 19.8 percent had effective tax rates of 25 percent or more. Some 31.3 percent also had effective tax rates between 20 and 25 percent. In contrast, only 2.9 percent of taxpayers with AGI between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including 0.1 percent with effective tax rates of 25 percent or more.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns under the expanded-income concept were much more likely than taxable returns to have tax-exempt interest, and when they did, the average amount was much higher. Similarly, nontaxable returns were much less likely to have any income from salaries and wages.

Reasons for Nontaxability

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

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expenses, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) could, by themselves, produce nontaxability.

Due to the AMT exemption of \$72,450 on joint returns (\$47,450 on single and head-of-household returns and \$36,225 on returns of married taxpayers filing separately), a return could have been nontaxable even though it included some items that produced AMT adjustments or preferences.¹⁰ Further, since the starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative due to itemized deductions and personal exemptions exceeding AGI, such that the taxpayer’s AMT adjustments and preferences are less than

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

the sum of the AMT exclusion and the amount by which regular taxable income is below zero.

Tables 7 and 8 classify tax returns by items having the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects.¹¹ For example, Table 7 shows that on taxable returns with some U.S. income tax and expanded income of \$200,000 or more, the taxes paid deduction was the most important item 53.6 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 60.2 percent of the time, and the charitable contributions deduction was the second most important item 24.4 percent of the time.

Table 8 shows that, on returns without any worldwide tax and expanded income of \$200,000 or more, the most important item in eliminating tax, on 60.0 percent of returns, was the exclusion for State and local Government interest (“tax-exempt interest”). For these returns, the itemized deduction for taxes paid was the second most important item 25.0 percent of the time, and the deduction for medical and dental expenses was the second most important reason 16.9 percent of the time.

This table also shows that the four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (2,465 returns, or 30.6 percent of the 8,043 tabulated returns with AGI of \$200,000 or more and with no worldwide tax liability); charitable contributions deduction (1,193 returns, or 14.8 percent); medical and dental expense deduction (1,103 returns, or 13.7 percent); and partnership and S corporation net losses (943 returns, or 11.7 percent). Figure E also shows these effects.

For high expanded-income returns with no worldwide income tax, four categories that most frequently had the largest effect in reducing taxes were: 1) tax-exempt interest (9,655 returns, or 60.0 percent of the 16,082 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); 2) medical and dental expense deductions (1,738 returns, or 10.8 percent); 3) charitable contributions deduction (1,183 returns, or 7.4 percent); and 4) partnership and S corporation net losses (1,044 returns, or 6.5 percent). Figure F also shows these effects.

Table 8 also shows that the items that most frequently had the second largest effect in reducing regular tax liability for high expanded-income returns with no worldwide tax were the deduction for taxes paid (3,434 returns, or 21.3 percent) and charitable contributions (2,308 returns, or 14.3 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different percentages of income. The items include the various categories of itemized deductions, deduction equivalents of four different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 145 of the 16,082 returns, but there was no casualty or theft loss deduction on 15,749 returns.

References

- Lerman, Allen H., “High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability,” U.S. Department of Treasury, Office of Tax Analysis, March 1977, and “High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns,” U.S. Department of Treasury, Office of Tax Analysis, August 1978.
- U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income—Individual Income Tax Returns* for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns was published.)
- Lerman, Allen H., “High-Income Tax Returns, 1983,” *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31–61; “High-Income Tax Returns, 1984,” *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1–29; “High-Income Tax Returns for 1989,” *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23–50;

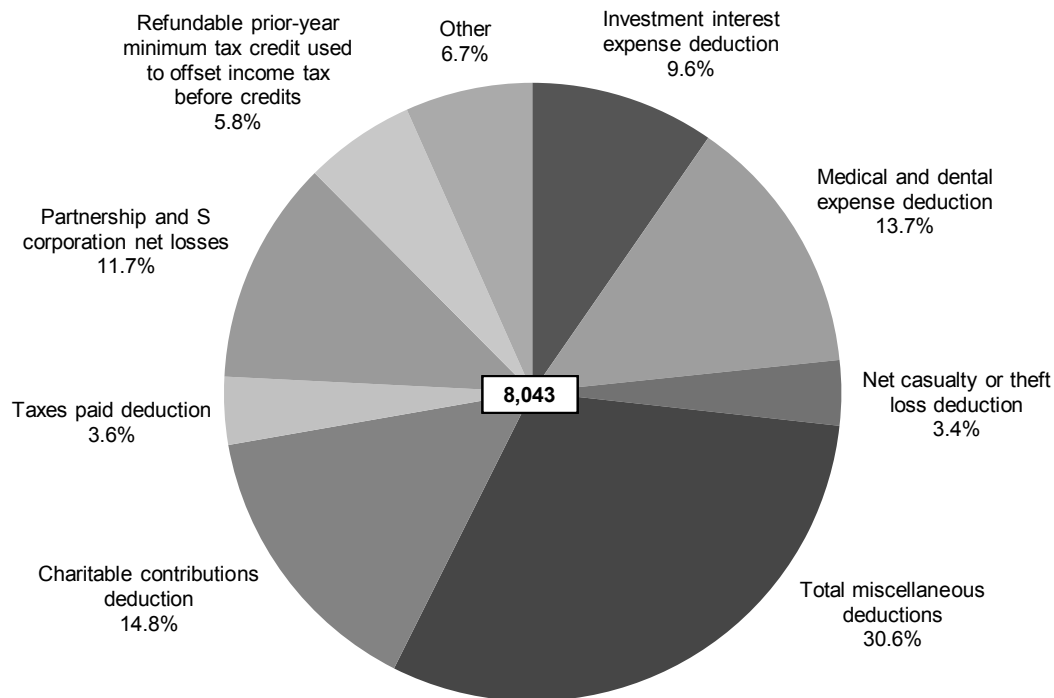
¹¹ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure E

Returns with No Worldwide Income Tax and with Adjusted Gross Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2010 [1]



[1] Does not include 3 returns where primary reason for nontaxability was not identified by the data items selected for this article.

NOTE: Detail may not add to 100 percent because of rounding.

“High-Income Tax Returns for 1990,” *Statistics of Income Bulletin*, Winter 1993–1994, Volume 13, Number 3, pp. 104–132; “High-Income Tax Returns for 1991,” *Statistics of Income Bulletin*, Winter 1994–1995, Volume 14, Number 3, pp. 96–130; and “High-Income Tax Returns for 1992,” *Statistics of Income Bulletin*, Winter 1995–1996, Volume 15, Number 3, pp. 46–82.

Latzy, John, “High-Income Tax Returns for 1993,” *Statistics of Income Bulletin*, Winter 1996–1997, Volume 16, Number 3, pp. 64–101; and “High-Income Tax Returns, 1994,” *Statistics of Income Bulletin*, Winter 1997–1998, Volume 17, Number 3, pp. 31–69.

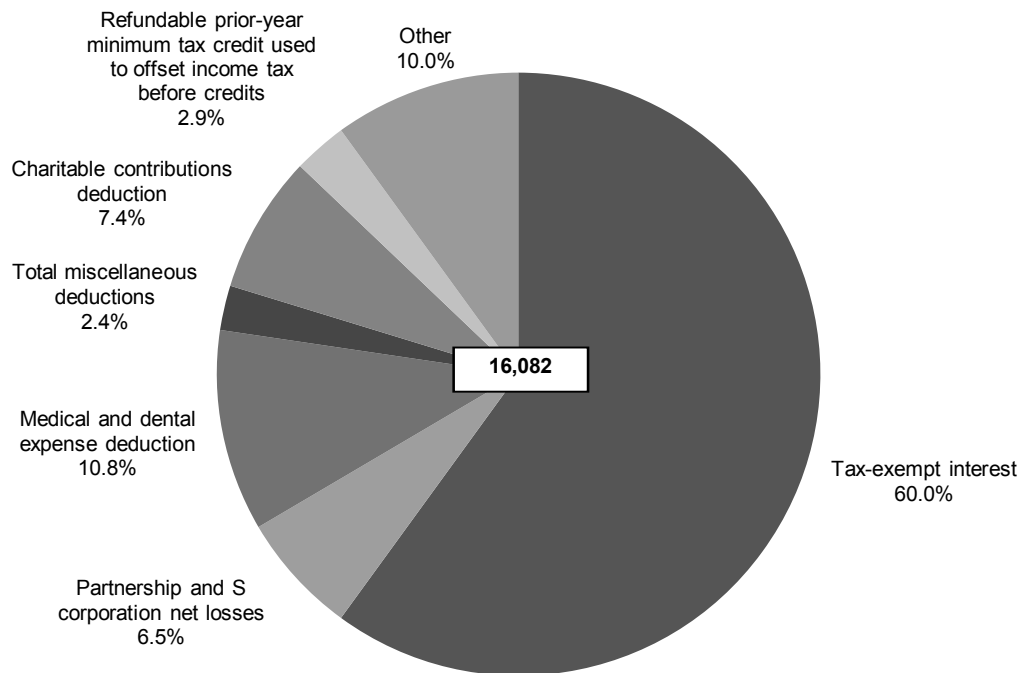
Cruciano, Therese, “High-Income Tax Returns for 1995,” *Statistics of Income Bulletin*, Summer 1998, Volume 18, Number 1, pp. 69–108; “High-Income Tax Returns for 1996,” *Statistics of Income Bulletin*, Winter 1998–1999, Volume 18, Number 3, pp. 7–59.

Parisi, Michael, “High-Income Tax Returns for 1997,” *Statistics of Income Bulletin*, Winter 1999–2000, Volume 19, Number 3, pp. 6–58.

Balkovic, Brian, “High-Income Tax Returns for 1998,” *Statistics of Income Bulletin*, Winter 2000–2001, Volume 20, Number 3, pp. 5–57; “High-Income Tax Returns for 1999,” *Statistics of Income Bulletin*, Spring 2002, Volume 21, Number 4, pp. 7–58;

Figure F

Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2010



NOTE: Detail may not add to 100 percent because of rounding.

“High-Income Tax Returns for 2000,” *Statistics of Income Bulletin*, Spring 2003, Volume 22, Number 4, pp 10–62; “High-Income Tax Returns for 2001,” *Statistics of Income Bulletin*, Summer 2004, Volume 24, Number 1, pp 65–117; “High-Income Tax Returns for 2002,” *Statistics of Income Bulletin*, Spring 2005, Volume 24, Number 4, pp 6–58; “High-Income Tax Returns for 2003,” *Statistics of Income Bulletin*, Spring 2006, Volume 25, Number 4, pp 8–57; “High-Income Tax Returns for 2004,” *Statistics of Income Bulletin*, Spring 2007, Volume 26, Number 4, pp 7–57; “High-Income Tax Returns for 2005,” *Statistics of Income Bulletin*, Spring 2008, Volume 27, Number 4, pp 16–67.

Bryan, Justin, “High-Income Tax Returns for 2006,” *Statistics of Income Bulletin*, Spring 2009, Volume 28, Number 4, pp 5–53; “High-Income Tax Returns for 2007,” *Statistics of Income Bulletin*, Spring 2010, Volume 29, Number 4, pp 3–51; “High-Income Tax

Returns for 2008,” *Statistics of Income Bulletin*, Spring 2011, Volume 30, Number 4, pp 5–54; “High-Income Tax Returns for 2009,” *Statistics of Income Bulletin*, Spring 2012, Volume 31, Number 4, pp 6–61.

Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. To derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This appendix begins by defining “Haig-Simons income,” a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

the two income concepts are listed. The next section defines “expanded income,” a more comprehensive income measure than AGI, based entirely on tax return data, and the final section explains in some detail the adjustment to income for investment interest expense.

Haig-Simons Income

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

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

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

Capital income—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

Transfer payments—These include payments in cash (such as Social Security benefits, workers’ compensation, unemployment benefits, Aid to Families with Dependent Children (AFDC)), and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pre-tax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax and so these are reported on a pre-tax

basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an “implicit tax,” and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be “grossed up” by implicit taxes to measure H-S income properly.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not “grossed up” for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most Social Security benefits, most other cash transfers, all non-cash transfers, and the real income of borrowers due to inflation [A2].

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

AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer “itemizes” deductions and then, in some cases, only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions

include certain expenses of employees (such as union dues; expenditures for items used on the job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3]. Note that there are limits on certain types of deductible expenses. In particular, deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

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

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

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

Expanded Income

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

Investment Interest Expense

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses

Figure G

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977–2010

Adjusted gross income (AGI)

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

EQUALS: o Expanded income

NOTE: Information on unreimbursed employee business expenses, moving expense deduction, and tax preferences for alternative minimum tax purposes are included in Appendix A, footnotes [A4] and [A5].

in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

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

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

what portion of the interest expense should be attributed to taxable income-producing assets, and therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expense. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest expense and thus expanded income. Investment interest expenses that do exceed investment income are not deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest

payments overstate interest costs because part of these payments represent a return of principal to the lender, rather than interest.

[A3] See references and footnote A4.

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

Beginning in 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report Social Security benefits. Since 1988, nontaxable Social Security benefits have been included in expanded income. However, if none of a particular taxpayer's Social Security benefits are taxable, then gross Social Security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower- and middle-income taxpayers, Social Security benefits are not included in expanded income.

The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987. All current-year moving expenses beginning with Tax Year 1994 were deducted in the calculation of AGI as a statutory adjustment.

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications found under the References section.

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

Appendix B: Tax Concepts

This appendix discusses in more detail tax concepts used in this article. The first section provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in this article are then defined in the next section. This section is followed by an explanation of the computation of deduction equivalent of the credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

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

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

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes comparable to the U.S. tax to a foreign government [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate

to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes—U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., returns showing an income tax liability) or nontaxable (i.e., returns showing no income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax, *plus* the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax is shown in Figure H.

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

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

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

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Figure H

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2010

Tax at regular rates (tax generated)

PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
PLUS:	Alternative minimum tax (Form 6251)
EQUALS:	Income tax before credits
MINUS:	Tax credits
EQUALS:	U.S. income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign-earned income (Form 1116)
EQUALS:	Worldwide income tax

deduction equivalents. Because the tax rate schedules are progressive, with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax-rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In

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

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns could be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

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

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 1. Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,892,051	94,065,541	30,532,552	13,997,651	4,296,307
Under \$50,000 [1]	91,885,355	91,176,800	695,859	8,600	4,096
\$50,000 under \$100,000	32,647,401	2,813,634	29,413,493	417,740	2,534
\$100,000 under \$200,000	14,011,538	69,468	414,325	13,443,839	83,906
\$200,000 or more	4,347,756	5,639	8,875	127,471	4,205,770
Returns with U.S. income tax					
Total	84,475,933	38,177,270	28,151,152	13,870,207	4,277,304
Under \$50,000 [1]	36,581,589	36,057,953	517,947	3,677	2,011
\$50,000 under \$100,000	29,746,049	2,089,662	27,245,288	408,974	2,125
\$100,000 under \$200,000	13,832,981	27,650	382,749	13,339,597	82,985
\$200,000 or more	4,315,315	2,005	5,168	117,959	4,190,182
Returns without U.S. income tax					
Total	58,416,118	55,888,271	2,381,400	127,444	19,003
Under \$50,000 [1]	55,303,767	55,118,847	177,912	4,923	2,085
\$50,000 under \$100,000	2,901,352	723,972	2,168,205	8,766	409
\$100,000 under \$200,000	178,558	41,818	31,576	104,242	921
\$200,000 or more	32,441	3,634	3,707	9,512	15,588

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 2. Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,892,051	94,065,541	30,532,552	13,997,651	4,296,307
Under \$50,000 [1]	91,885,355	91,176,800	695,859	8,600	4,096
\$50,000 under \$100,000	32,647,401	2,813,634	29,413,493	417,740	2,534
\$100,000 under \$200,000	14,011,538	69,468	414,325	13,443,839	83,906
\$200,000 or more	4,347,756	5,639	8,875	127,471	4,205,770
Returns with worldwide income tax					
Total	84,897,232	38,439,301	28,274,343	13,895,326	4,288,261
Under \$50,000 [1]	36,813,682	36,288,983	519,002	3,677	2,020
\$50,000 under \$100,000	29,878,188	2,111,239	27,355,782	409,020	2,146
\$100,000 under \$200,000	13,873,688	36,849	393,705	13,360,028	83,106
\$200,000 or more	4,331,674	2,230	5,854	122,601	4,200,989
Returns without worldwide income tax					
Total	57,994,819	55,626,241	2,258,209	102,324	8,046
Under \$50,000 [1]	55,071,673	54,887,817	176,857	4,923	2,076
\$50,000 under \$100,000	2,769,214	702,395	2,057,711	8,720	388
\$100,000 under \$200,000	137,850	32,619	20,620	83,812	800
\$200,000 or more	16,082	3,409	3,021	4,870	4,782

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 3. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2010

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,296,307	100.0	100.0	4,347,756	100.0	100.0
Returns without U.S. income tax	19,003	0.4	0.4	32,441	0.7	0.7
Returns with U.S. income tax: Total	4,277,304	99.6	N/A	4,315,315	99.3	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	10,036	0.2	0.2	12,817	0.3	0.3
5 under 10 percent	6,831	0.2	0.4	12,076	0.3	0.6
10 under 15 percent	7,842	0.2	0.6	10,499	0.2	0.8
15 under 20 percent	6,964	0.2	0.7	10,727	0.2	1.1
20 under 25 percent	9,090	0.2	0.9	14,063	0.3	1.4
25 under 30 percent	11,988	0.3	1.2	20,072	0.5	1.8
30 under 35 percent	16,385	0.4	1.6	21,843	0.5	2.3
35 under 40 percent	17,976	0.4	2.0	27,408	0.6	3.0
40 under 45 percent	31,074	0.7	2.8	41,772	1.0	3.9
45 under 50 percent	47,555	1.1	3.9	55,575	1.3	5.2
50 under 60 percent	144,874	3.4	7.2	161,837	3.7	8.9
60 under 70 percent	295,248	6.9	14.1	308,143	7.1	16.0
70 under 80 percent	919,700	21.4	35.5	926,282	21.3	37.3
80 percent or more	2,751,742	64.0	99.6	2,692,201	61.9	99.3

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 4. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2010

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,296,307	100.0	100.0	4,347,756	100.0	100.0
Returns without worldwide income tax	8,046	0.2	0.2	16,082	0.4	0.4
Returns with worldwide income tax: Total	4,288,261	99.8	N/A	4,331,674	99.6	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	4,921	0.1	0.1	5,729	0.1	0.1
5 under 10 percent	3,027	0.1	0.2	6,194	0.1	0.3
10 under 15 percent	3,897	0.1	0.3	5,976	0.1	0.4
15 under 20 percent	2,595	0.1	0.3	6,229	0.1	0.6
20 under 25 percent	6,889	0.2	0.5	11,115	0.3	0.8
25 under 30 percent	8,768	0.2	0.7	14,109	0.3	1.1
30 under 35 percent	11,070	0.3	1.0	17,168	0.4	1.5
35 under 40 percent	15,207	0.4	1.3	22,589	0.5	2.0
40 under 45 percent	27,583	0.6	2.0	37,204	0.9	2.9
45 under 50 percent	43,979	1.0	3.0	50,441	1.2	4.1
50 under 60 percent	137,541	3.2	6.2	152,313	3.5	7.6
60 under 70 percent	283,734	6.6	12.8	300,043	6.9	14.5
70 under 80 percent	911,021	21.2	34.0	919,675	21.2	35.6
80 percent or more	2,828,031	65.8	99.8	2,782,888	64.0	99.6

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,816,233	1,170,805,368	3,803,333	1,165,906,915	12,900	4,898,453
Business or profession:						
Net income	796,239	88,353,671	793,707	87,959,166	2,533	394,505
Net loss	268,008	6,673,914	266,596	6,502,159	1,412	171,755
Farm:						
Net income	30,225	2,374,630	30,107	2,367,427	118	7,204
Net loss	77,898	3,519,064	77,432	3,469,755	466	49,309
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,288,293	424,513,116	1,285,022	421,800,843	3,271	2,712,273
Net loss	400,777	37,393,609	396,430	35,657,315	4,347	1,736,294
Sales of capital assets:						
Net gain	1,181,184	326,258,280	1,175,267	324,091,319	5,916	2,166,961
Net loss	1,633,206	4,235,535	1,626,025	4,215,961	7,181	19,573
Sales of property other than capital assets:						
Net gain	169,292	9,155,100	167,665	9,082,493	1,627	72,607
Net loss	262,329	5,083,591	260,345	4,910,614	1,984	172,977
Taxable interest received	3,854,642	62,826,594	3,838,572	61,595,250	16,070	1,231,343
Tax-exempt interest	1,245,455	39,233,510	1,239,301	38,645,316	6,154	588,194
Dividends	3,019,584	106,787,486	3,006,220	105,153,089	13,363	1,634,397
Qualified dividends	2,852,582	85,993,946	2,840,588	84,801,869	11,995	1,192,077
Pensions and annuities in adjusted gross income	945,595	48,320,205	942,530	48,143,722	3,065	176,483
Rent:						
Net income	444,538	22,998,637	442,537	22,875,024	2,001	123,612
Net loss, total (deductible and nondeductible)	611,244	12,714,863	607,791	12,549,775	3,452	165,088
Nondeductible rental loss	481,078	8,855,683	478,374	8,768,411	2,704	87,272
Royalty:						
Net income	275,704	11,252,361	273,335	11,103,856	2,370	148,506
Net loss	11,674	118,805	11,545	117,816	130	989
Estate or trust:						
Net income	106,545	15,899,449	105,842	15,753,788	703	145,661
Net loss	14,191	1,113,203	13,972	1,043,777	219	69,426
State income tax refunds	1,508,460	8,784,248	1,504,912	8,667,505	3,548	116,743
Alimony received	6,375	1,061,542	6,353	1,058,060	22	3,482
Social Security benefits in adjusted gross income	672,637	15,635,131	668,898	15,552,667	3,739	82,464
Social Security benefits (nontaxable)	672,821	2,786,397	669,037	2,771,173	3,784	15,224
Unemployment compensation	159,372	1,539,617	159,173	1,537,520	199	2,097
Other income	607,501	20,746,772	603,623	20,391,611	3,878	355,161
Other loss	41,704	1,776,141	39,952	1,700,361	1,752	75,780
Foreign-earned income exclusion	40,598	3,449,286	35,442	2,957,313	5,155	491,973
Total income	4,296,307	2,317,745,635	4,277,304	2,305,307,668	19,003	12,437,967
Statutory adjustments, total	1,784,965	38,503,407	1,779,422	38,244,490	5,543	258,917
Payments to Individual Retirement Arrangements	110,402	969,877	110,039	967,050	362	2,827
Payments to self-employed retirement (Keogh) plans	378,317	12,505,198	377,838	12,485,095	479	20,103
Moving expenses adjustment	43,105	303,364	42,969	302,206	136	1,158
Adjusted gross income	4,296,307	2,279,242,228	4,277,304	2,267,063,178	19,003	12,179,050

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	591,856	11,857,709	586,724	11,101,791	5,132	755,919
Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,249,589	39,929,818	6,228	572,989
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,404	1,376,038	24,201	1,369,507	203	6,531
Passive activity loss (alternative minimum tax adjustment)	519,369	308,394	516,818	319,836	2,550	-11,442
Expanded income	4,296,170	2,296,945,102	4,277,304	2,286,374,744	18,866	10,570,358
Exemption amount	4,293,912	46,001,645	4,274,931	45,828,372	18,981	173,274
Itemized deductions:						
Total per adjusted gross income concept	4,120,053	339,631,406	4,105,997	333,430,703	14,057	6,200,703
Charitable contributions deduction	3,855,638	69,072,446	3,844,562	67,583,037	11,076	1,489,410
Interest paid deduction:						
Total per adjusted gross income concept	3,434,601	78,372,304	3,423,775	77,344,311	10,825	1,027,993
Total home mortgage interest	3,281,014	66,216,552	3,271,843	65,945,646	9,170	270,905
Medical and dental expense deduction	115,031	3,168,185	112,886	2,868,722	2,145	299,463
Net casualty or theft loss deduction	4,034	427,238	3,727	203,140	307	224,098
Taxes paid deduction	4,116,651	162,703,744	4,103,544	161,891,713	13,107	812,031
Net limited miscellaneous deductions per adjusted gross income concept	616,594	14,782,347	611,779	14,350,084	4,814	432,263
Non-limited miscellaneous deductions	237,212	11,419,375	233,077	9,499,496	4,135	1,919,879
Excess of exemptions and deductions over adjusted gross income	8,305	2,123,650	3,367	746,786	4,938	1,376,864
Taxable income	4,287,991	1,893,796,764	4,273,937	1,886,662,166	14,054	7,134,598
Tax at regular rates	4,283,645	488,165,607	4,271,420	486,162,592	12,225	2,003,015
Alternative minimum tax (Form 6251)	3,031,079	25,210,054	3,029,749	25,197,590	1,329	12,464
Income tax before credits	4,289,686	513,375,894	4,277,304	511,360,414	12,382	2,015,480
Tax credits, total	2,249,773	16,807,821	2,237,391	14,792,341	12,382	2,015,480
Child care credit	361,406	191,394	361,229	191,321	177	73
Minimum tax credit	81,766	439,309	80,557	421,601	1,209	17,708
Foreign tax credit	1,502,448	13,225,364	1,491,490	11,303,209	10,958	1,922,155
General business credit	183,163	1,626,852	182,406	1,614,472	757	12,380
Refundable prior-year minimum tax credit used to offset income tax before credits	172,076	453,411	170,535	398,104	1,541	55,307
All other refundable credits used to offset income tax before credits	9,509	57,085	** 9,509	** 57,085	**	**
U.S. total income tax	4,277,304	496,571,091	4,277,304	496,571,091	0	0
Taxable income which would yield:						
Income tax before credits	4,289,686	1,781,278,075	4,277,304	1,774,696,909	12,382	6,581,166
Income tax after credits	4,277,304	1,730,306,891	4,277,304	1,730,306,891	0	0
U.S. total income tax	4,277,304	1,730,315,514	4,277,304	1,730,315,514	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,296,307	2,279,242,228	4,277,304	2,267,063,178	19,003	12,179,050
plus: Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,249,589	39,929,818	6,228	572,989
Social Security benefits (nontaxable)	672,821	2,786,397	669,037	2,771,173	3,784	15,224
Foreign-earned income exclusion	40,598	3,449,286	35,442	2,957,313	5,155	491,973
minus: Investment interest expense deduction	591,856	11,857,709	586,724	11,101,791	5,132	755,919
Non-limited miscellaneous deductions	237,212	11,419,375	233,077	9,499,496	4,135	1,919,879
Unreimbursed employee business expenses	805,302	5,758,532	804,309	5,745,451	993	13,081
Equals: Expanded income	4,296,170	2,296,945,102	4,277,304	2,286,374,744	18,866	10,570,358

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,813,518	1,168,199,762	3,794,702	1,162,206,458	18,816	5,993,303
Business or profession:						
Net income	799,869	88,741,315	796,348	88,288,676	3,520	452,640
Net loss	268,307	6,684,297	266,308	6,488,845	1,999	195,452
Farm:						
Net income	30,509	2,390,942	30,354	2,383,626	155	7,317
Net loss	78,364	3,540,505	77,735	3,473,916	629	66,589
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,305,239	425,114,748	1,300,231	422,452,107	5,008	2,662,640
Net loss	413,454	37,726,026	406,174	35,932,018	7,280	1,794,008
Sales of capital assets:						
Net gain	1,201,614	326,160,340	1,192,972	324,327,333	8,641	1,833,007
Net loss	1,684,246	4,387,620	1,668,424	4,343,474	15,822	44,146
Sales of property other than capital assets:						
Net gain	173,297	9,136,665	170,836	9,061,183	2,461	75,481
Net loss	267,061	5,117,982	263,812	4,958,043	3,249	159,939
Taxable interest received	3,917,567	63,688,884	3,889,063	62,510,031	28,504	1,178,853
Tax-exempt interest	1,336,353	49,295,563	1,319,071	45,447,030	17,282	3,848,533
Dividends	3,095,236	109,917,045	3,069,733	107,725,401	25,502	2,191,644
Qualified dividends	2,926,199	88,362,879	2,903,236	86,753,319	22,962	1,609,560
Pensions and annuities in adjusted gross income	983,897	50,372,369	977,933	50,138,874	5,965	233,495
Rent:						
Net income	456,708	23,277,684	453,720	23,148,117	2,988	129,567
Net loss, total (deductible and nondeductible)	610,378	12,682,068	605,300	12,483,968	5,078	198,100
Nondeductible rental loss	478,857	8,815,828	475,367	8,711,615	3,490	104,213
Royalty:						
Net income	288,565	11,405,666	284,434	11,249,909	4,131	155,756
Net loss	12,511	120,478	12,238	118,463	273	2,015
Estate or trust:						
Net income	111,892	16,110,867	110,455	15,963,776	1,437	147,091
Net loss	14,741	1,081,774	14,360	1,039,454	381	42,320
State income tax refunds	1,519,014	8,849,146	1,513,200	8,721,317	5,814	127,829
Alimony received	6,087	1,011,838	6,050	1,007,622	37	4,216
Social Security benefits in adjusted gross income	740,203	17,302,502	730,603	17,095,021	9,600	207,481
Social Security benefits (nontaxable)	740,408	3,081,416	730,743	3,043,381	9,665	38,035
Unemployment compensation	155,085	1,496,895	154,845	1,494,044	240	2,850
Other income	617,744	20,675,222	611,633	20,356,061	6,112	319,161
Other loss	51,241	2,055,079	48,194	1,951,622	3,048	103,457
Foreign-earned income exclusion	70,154	6,306,537	59,953	5,256,107	10,200	1,050,431
Total income	4,346,774	2,317,977,418	4,314,333	2,305,829,771	32,440	12,147,647
Statutory adjustments, total	1,793,531	38,743,479	1,785,622	38,458,897	7,909	284,582
Payments to Individual Retirement Arrangements	112,956	989,004	112,346	984,360	610	4,644
Payments to self-employed retirement (Keogh) plans	382,138	12,605,873	381,545	12,583,020	593	22,853
Moving expenses adjustment	42,849	291,443	42,656	289,945	193	1,497
Adjusted gross income	4,346,774	2,279,233,939	4,314,333	2,267,370,874	32,440	11,863,065
Investment interest expense deduction	594,754	11,012,872	588,114	10,730,682	6,639	282,190
Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,330,598	47,254,227	17,339	3,850,285
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,275	1,864,957	25,968	1,856,123	307	8,834

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Passive activity loss (alternative minimum tax adjustment)	530,495	344,439	526,328	355,310	4,167	-10,871
Expanded income	4,347,756	2,317,916,754	4,315,315	2,301,484,428	32,441	16,432,326
Exemption amount	4,345,341	46,164,840	4,312,942	45,880,760	32,399	284,080
Itemized deductions:						
Total per adjusted gross income concept	4,147,804	334,615,375	4,124,434	329,850,702	23,371	4,764,673
Total per expanded income concept	4,147,585	315,317,087	4,124,270	310,906,507	23,315	4,410,580
Charitable contributions deduction	3,884,366	69,605,036	3,865,008	67,971,860	19,358	1,633,177
Interest paid deduction:						
Total per adjusted gross income concept	3,418,998	76,934,961	3,403,968	76,331,777	15,030	603,183
Total per expanded income concept	3,265,149	65,922,088	3,253,058	65,601,095	12,090	320,993
Total home mortgage interest	3,256,835	65,626,163	3,244,810	65,306,575	12,025	319,588
Medical and dental expense deduction	144,320	3,918,910	135,387	3,330,174	8,933	588,736
Net casualty or theft loss deduction	4,071	425,737	3,725	200,132	346	225,605
Taxes paid deduction	4,142,575	163,434,641	4,120,775	162,387,381	21,800	1,047,260
Net limited miscellaneous deductions per adjusted gross income concept	601,949	14,681,727	589,519	14,078,526	12,429	603,201
Non-limited miscellaneous deductions	216,804	5,925,425	213,716	5,858,139	3,088	67,286
Excess of exemptions and deductions over adjusted gross income	14,826	1,915,410	5,289	874,187	9,537	1,041,223
Taxable income	4,332,924	1,898,192,238	4,310,026	1,890,423,890	22,898	7,768,349
Tax at regular rates	4,325,081	489,080,208	4,307,336	486,926,169	17,745	2,154,039
Alternative minimum tax (Form 6251)	3,019,295	25,311,247	3,017,631	25,298,887	1,664	12,360
Income tax before credits	4,333,505	514,391,688	4,315,315	512,225,289	18,190	2,166,399
Tax credits, total	2,305,349	17,281,269	2,287,159	15,114,870	18,190	2,166,399
Child care credit	355,651	187,560	355,375	187,459	276	100
Minimum tax credit	87,476	445,889	86,067	429,884	1,409	16,005
Foreign tax credit	1,563,513	13,688,731	1,547,167	11,614,640	16,346	2,074,092
General business credit	184,761	1,623,897	183,968	1,612,112	793	11,786
Refundable prior-year minimum tax credit used to offset income tax before credits	173,318	455,146	171,801	399,965	1,517	55,181
All other refundable credits used to offset income tax before credits	27,189	61,828	27,044	61,778	* 145	* 50
U.S. total income tax	4,315,315	497,113,437	4,315,315	497,113,437	0	0
Taxable income which would yield:						
Income tax before credits	4,333,505	1,785,891,214	4,315,315	1,778,622,070	18,190	7,269,144
Income tax after credits	4,315,315	1,732,939,084	4,315,315	1,732,939,084	0	0
U.S. total income tax	4,315,315	1,732,947,707	4,315,315	1,732,947,707	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,346,774	2,279,233,939	4,314,333	2,267,370,874	32,440	11,863,065
plus: Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,330,598	47,254,227	17,339	3,850,285
Social Security benefits (nontaxable)	740,408	3,081,416	730,743	3,043,381	9,665	38,035
Foreign-earned income exclusion	70,154	6,306,537	59,953	5,256,107	10,200	1,050,431
minus: Investment interest expense deduction	594,754	11,012,872	588,114	10,730,682	6,639	282,190
Non-limited miscellaneous deductions	216,804	5,925,425	213,716	5,858,139	3,088	67,286
Unreimbursed employee business expenses	753,300	4,854,869	751,742	4,844,463	1,558	10,406
Equals: Expanded income	4,347,756	2,317,916,754	4,315,315	2,301,484,428	32,441	16,432,326

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

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

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

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,816,233	1,170,805,368	3,812,437	1,170,277,809	3,796	527,559
Business or profession:						
Net income	796,239	88,353,671	794,986	88,248,277	1,254	105,394
Net loss	268,008	6,673,914	267,092	6,539,211	916	134,703
Farm:						
Net income	30,225	2,374,630	30,132	2,368,096	93	6,534
Net loss	77,898	3,519,064	77,599	3,483,181	299	35,883
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,288,293	424,513,116	1,286,275	424,196,070	2,018	317,047
Net loss	400,777	37,393,609	397,591	35,957,165	3,186	1,436,445
Sales of capital assets:						
Net gain	1,181,184	326,258,280	1,177,925	325,102,910	3,259	1,155,370
Net loss	1,633,206	4,235,535	1,629,913	4,226,082	3,293	9,453
Sales of property other than capital assets:						
Net gain	169,292	9,155,100	168,155	9,095,094	1,136	60,006
Net loss	262,329	5,083,591	260,940	4,935,116	1,389	148,475
Taxable interest received	3,854,642	62,826,594	3,847,417	61,947,161	7,226	879,433
Tax-exempt interest	1,245,455	39,233,510	1,241,497	38,738,615	3,958	494,895
Dividends	3,019,584	106,787,486	3,013,488	106,034,674	6,096	752,813
Qualified dividends	2,852,582	85,993,946	2,846,758	85,441,637	5,824	552,308
Pensions and annuities in adjusted gross income	945,595	48,320,205	943,649	48,234,108	1,946	86,097
Rent:						
Net income	444,538	22,998,637	443,432	22,926,300	1,105	72,336
Net loss, total (deductible and nondeductible)	611,244	12,714,863	609,784	12,608,941	1,460	105,922
Nondeductible rental loss	481,078	8,855,683	480,073	8,808,558	1,006	47,125
Royalty:						
Net income	275,704	11,252,361	273,948	11,149,973	1,756	102,388
Net loss	11,674	118,805	11,588	118,065	86	739
Estate or trust:						
Net income	106,545	15,899,449	105,999	15,814,625	546	84,823
Net loss	14,191	1,113,203	14,014	1,057,115	177	56,088
State income tax refunds	1,508,460	8,784,248	1,506,326	8,731,351	2,134	52,897
Alimony received	6,375	1,061,542	6,363	1,059,470	12	2,072
Social Security benefits in adjusted gross income	672,637	15,635,131	669,591	15,567,563	3,046	67,568
Social Security benefits (nontaxable)	672,821	2,786,397	669,775	2,774,473	3,046	11,924
Unemployment compensation	159,372	1,539,617	159,230	1,538,119	142	1,499
Other income	607,501	20,746,772	605,190	20,600,082	2,311	146,690
Other loss	41,704	1,776,141	41,558	1,761,367	146	14,775
Foreign-earned income exclusion	40,598	3,449,286	40,589	3,448,624	9	662
Total income	4,296,307	2,317,745,635	4,288,261	2,314,171,792	8,046	3,573,843
Statutory adjustments, total	1,784,965	38,503,407	1,781,456	38,441,582	3,510	61,824
Payments to Individual Retirement Arrangements	110,402	969,877	110,289	968,953	113	924
Payments to self-employed retirement (Keogh) plans	378,317	12,505,198	378,014	12,491,669	303	13,530
Moving expenses adjustment	43,105	303,364	43,092	303,233	13	131
Adjusted gross income	4,296,307	2,279,242,228	4,288,261	2,275,730,210	8,046	3,512,019

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	591,856	11,857,709	588,187	11,168,064	3,670	689,645
Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,251,812	40,007,925	4,006	494,881
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,404	1,376,038	24,259	1,369,926	145	6,112
Passive activity loss (alternative minimum tax adjustment)	519,369	308,394	517,684	316,805	1,684	-8,411
Expanded income	4,296,170	2,296,945,102	4,288,261	2,295,511,672	7,909	1,433,430
Exemption amount	4,293,912	46,001,645	4,285,874	45,931,949	8,039	69,696
Itemized deductions:						
Total per adjusted gross income concept	4,120,053	339,631,406	4,112,028	335,096,670	8,025	4,534,736
Charitable contributions deduction	3,855,638	69,072,446	3,848,882	68,573,895	6,756	498,551
Interest paid deduction:						
Total per adjusted gross income concept	3,434,601	78,372,304	3,428,741	77,514,768	5,859	857,536
Total home mortgage interest	3,281,014	66,216,552	3,276,254	66,049,327	4,759	167,225
Medical and dental expense deduction	115,031	3,168,185	113,115	2,878,948	1,916	289,237
Net casualty or theft loss deduction	4,034	427,238	3,737	204,926	297	222,312
Taxes paid deduction	4,116,651	162,703,744	4,108,726	162,303,518	7,926	400,226
Net limited miscellaneous deductions per adjusted gross income concept	616,594	14,782,347	612,988	14,402,710	3,605	379,637
Non-limited miscellaneous deductions	237,212	11,419,375	233,646	9,531,080	3,566	1,888,295
Excess of exemptions and deductions over adjusted gross income	8,305	2,123,650	3,371	746,923	4,934	1,376,727
Taxable income	4,287,991	1,893,796,764	4,284,891	1,893,514,105	3,100	282,659
Tax at regular rates	4,283,645	488,165,607	4,282,377	488,120,573	1,267	45,034
Alternative minimum tax (Form 6251)	3,031,079	25,210,054	3,030,322	25,201,736	757	8,318
Income tax before credits	4,289,686	513,375,894	4,288,261	513,322,541	1,424	53,353
Tax credits, total	2,249,773	16,807,821	2,248,348	16,754,468	1,424	53,353
Child care credit	361,406	191,394	361,371	191,375	35	19
Minimum tax credit	81,766	439,309	81,468	430,353	298	8,956
Foreign tax credit	0	0	0	0	0	0
General business credit	183,163	1,626,852	182,730	1,620,513	433	6,339
Refundable prior-year minimum tax credit used to offset income tax before credits	172,076	453,411	171,501	419,346	574	34,065
All other refundable credits used to offset income tax before credits	9,509	57,085	** 9,509	** 57,085	**	**
Worldwide total income tax	4,288,261	510,649,030	4,288,261	510,649,030	0	0
Foreign taxes paid	1,502,488	14,077,939	1,502,488	14,077,939	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	28,593	852,575	28,593	852,575	0	0
Taxable income which would yield:						
Income tax before credits	4,289,686	1,781,278,075	4,288,261	1,781,053,576	1,424	224,500
Income tax after credits	4,288,261	1,772,705,631	4,288,261	1,772,705,631	0	0
Worldwide total income tax	4,288,261	1,772,714,255	4,288,261	1,772,714,255	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,296,307	2,279,242,228	4,288,261	2,275,730,210	8,046	3,512,019
plus: Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,251,812	40,007,925	4,006	494,881
Social Security benefits (nontaxable)	672,821	2,786,397	669,775	2,774,473	3,046	11,924
Foreign-earned income exclusion	40,598	3,449,286	40,589	3,448,624	9	662
minus: Investment interest expense deduction	591,856	11,857,709	588,187	11,168,064	3,670	689,645
Non-limited miscellaneous deductions	237,212	11,419,375	233,646	9,531,080	3,566	1,888,295
Unreimbursed employee business expenses	805,302	5,758,532	804,830	5,750,417	473	8,116
Equals: Expanded income	4,296,170	2,296,945,102	4,288,261	2,295,511,672	7,909	1,433,430

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,813,518	1,168,199,762	3,808,603	1,167,655,149	4,915	544,613
Business or profession:						
Net income	799,869	88,741,315	798,166	88,634,406	1,703	106,910
Net loss	268,307	6,684,297	266,975	6,529,256	1,332	155,041
Farm:						
Net income	30,509	2,390,942	30,386	2,385,013	123	5,929
Net loss	78,364	3,540,505	77,936	3,488,011	428	52,494
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,305,239	425,114,748	1,301,810	424,856,330	3,430	258,418
Net loss	413,454	37,726,026	407,662	36,245,088	5,792	1,480,938
Sales of capital assets:						
Net gain	1,201,614	326,160,340	1,196,394	325,341,616	5,220	818,724
Net loss	1,684,246	4,387,620	1,674,167	4,358,371	10,079	29,249
Sales of property other than capital assets:						
Net gain	173,297	9,136,665	171,401	9,074,107	1,896	62,558
Net loss	267,061	5,117,982	264,538	4,985,356	2,523	132,625
Taxable interest received	3,917,567	63,688,884	3,901,935	62,878,290	15,632	810,594
Tax-exempt interest	1,336,353	49,295,563	1,322,239	45,655,563	14,114	3,640,000
Dividends	3,095,236	109,917,045	3,080,311	108,661,101	14,924	1,255,944
Qualified dividends	2,926,199	88,362,879	2,911,909	87,429,701	14,289	933,179
Pensions and annuities in adjusted gross income	983,897	50,372,369	979,507	50,242,336	4,390	130,033
Rent:						
Net income	456,708	23,277,684	454,957	23,203,327	1,751	74,357
Net loss, total (deductible and nondeductible)	610,378	12,682,068	608,168	12,558,078	2,210	123,990
Nondeductible rental loss	478,857	8,815,828	477,603	8,760,292	1,254	55,536
Royalty:						
Net income	288,565	11,405,666	285,234	11,297,526	3,331	108,139
Net loss	12,511	120,478	12,286	118,723	225	1,755
Estate or trust:						
Net income	111,892	16,110,867	110,691	16,025,930	1,200	84,938
Net loss	14,741	1,081,774	14,413	1,052,691	328	29,083
State income tax refunds	1,519,014	8,849,146	1,515,031	8,786,984	3,982	62,162
Alimony received	6,087	1,011,838	6,062	1,009,244	25	2,594
Social Security benefits in adjusted gross income	740,203	17,302,502	731,659	17,117,511	8,544	184,991
Social Security benefits (nontaxable)	740,408	3,081,416	731,860	3,048,381	8,547	33,035
Unemployment compensation	155,085	1,496,895	154,942	1,495,060	143	1,835
Other income	617,744	20,675,222	613,730	20,584,175	4,014	91,047
Other loss	51,241	2,055,079	50,889	2,035,530	352	19,549
Foreign-earned income exclusion	70,154	6,306,537	69,893	6,262,739	261	43,799
Total income	4,346,774	2,317,977,418	4,330,693	2,315,376,060	16,081	2,601,357
Statutory adjustments, total	1,793,531	38,743,479	1,788,428	38,665,571	5,104	77,908
Payments to Individual Retirement Arrangements	112,956	989,004	112,737	987,316	219	1,688
Payments to self-employed retirement (Keogh) plans	382,138	12,605,873	381,765	12,590,561	373	15,312
Moving expenses adjustment	42,849	291,443	42,835	291,324	14	118
Adjusted gross income	4,346,774	2,279,233,939	4,330,693	2,276,710,489	16,081	2,523,450
Investment interest expense deduction	594,754	11,012,872	589,868	10,790,039	4,886	222,833
Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,333,794	47,461,747	14,143	3,642,765
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,275	1,864,957	26,039	1,856,956	236	8,001

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Passive activity loss (alternative minimum tax adjustment)	530,495	344,439	527,484	352,327	3,010	-7,888
Expanded income	4,347,756	2,317,916,754	4,331,674	2,311,969,191	16,082	5,947,563
Exemption amount	4,345,341	46,164,840	4,329,286	46,033,990	16,055	130,850
Itemized deductions:						
Total per adjusted gross income concept	4,147,804	334,615,375	4,132,873	331,568,465	14,931	3,046,909
Total per expanded income concept	4,147,585	315,317,087	4,132,654	312,555,313	14,931	2,761,774
Charitable contributions deduction	3,884,366	69,605,036	3,870,690	68,980,338	13,675	624,699
Interest paid deduction:						
Total per adjusted gross income concept	3,418,998	76,934,961	3,410,771	76,523,580	8,227	411,380
Total per expanded income concept	3,265,149	65,922,088	3,259,168	65,733,541	5,980	188,548
Total home mortgage interest	3,256,835	65,626,163	3,250,893	65,438,454	5,942	187,709
Medical and dental expense deduction	144,320	3,918,910	136,076	3,347,732	8,244	571,178
Net casualty or theft loss deduction	4,071	425,737	3,738	202,003	333	223,734
Taxes paid deduction	4,142,575	163,434,641	4,127,704	162,817,238	14,871	617,402
Net limited miscellaneous deductions per adjusted gross income concept	601,949	14,681,727	591,478	14,141,400	10,471	540,327
Non-limited miscellaneous deductions	216,804	5,925,425	214,306	5,866,864	2,498	58,561
Excess of exemptions and deductions over adjusted gross income	14,826	1,915,410	5,308	874,468	9,518	1,040,942
Taxable income	4,332,924	1,898,192,238	4,326,366	1,897,819,034	6,558	373,204
Tax at regular rates	4,325,081	489,080,208	4,323,682	489,035,465	1,398	44,743
Alternative minimum tax (Form 6251)	3,019,295	25,311,247	3,018,240	25,303,068	1,055	8,179
Income tax before credits	4,333,505	514,391,688	4,331,661	514,338,766	1,844	52,922
Tax credits, total	2,305,349	17,281,269	2,303,505	17,228,347	1,844	52,922
Child care credit	355,651	187,560	355,617	187,539	34	21
Minimum tax credit	87,476	445,889	87,146	437,087	330	8,802
Foreign tax credit	0	0	0	0	0	0
General business credit	184,761	1,623,897	184,388	1,618,486	373	5,411
Refundable prior-year minimum tax credit used to offset income tax before credits	173,318	455,146	172,738	421,094	581	34,052
All other refundable credits used to offset income tax before credits	27,189	61,828	27,047	61,780	* 142	* 48
Worldwide total income tax	4,331,674	512,001,123	4,331,674	512,001,123	0	0
Foreign taxes paid	1,563,566	14,887,686	1,563,566	14,887,686	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	42,665	1,198,955	42,665	1,198,955	0	0
Taxable income which would yield:						
Income tax before credits	4,333,505	1,785,891,214	4,331,661	1,785,666,152	1,844	225,062
Income tax after credits	4,331,674	1,778,365,834	4,331,674	1,778,365,834	0	0
Worldwide total income tax	4,331,674	1,778,374,457	4,331,674	1,778,374,457	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,346,774	2,279,233,939	4,330,693	2,276,710,489	16,081	2,523,450
plus: Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,333,794	47,461,747	14,143	3,642,765
Social Security benefits (nontaxable)	740,408	3,081,416	731,860	3,048,381	8,547	33,035
Foreign-earned income exclusion	70,154	6,306,537	69,893	6,262,739	261	43,799
minus: Investment interest expense deduction	594,754	11,012,872	589,868	10,790,039	4,886	222,833
Non-limited miscellaneous deductions	216,804	5,925,425	214,306	5,866,864	2,498	58,561
Unreimbursed employee business expenses	753,300	4,854,869	752,507	4,850,385	793	4,483
Equals: Expanded income	4,347,756	2,317,916,754	4,331,674	2,311,969,191	16,082	5,947,563

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

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

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

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	4,184,154	100.0	996,356	23.8	24,279	0.6	2,380,316	56.9
Interest paid deduction	1,545,075	36.9	0	0.0	4,547	18.7	1,397,652	58.7
Investment interest expense deduction [1]	36,300	0.9	3,745	0.4	0	0.0	22,295	0.9
Taxes paid deduction	1,348,970	32.2	913,875	91.7	13,219	54.4	0	0.0
Charitable contributions deduction	752,725	18.0	47,632	4.8	2,415	9.9	668,166	28.1
Medical and dental expense deduction	23,967	0.6	** 3,212	** 0.3	4	[2]	13,814	0.6
Net casualty or theft loss deduction	1,216	[2]	**	**	0	0.0	309	[2]
Total miscellaneous deductions	138,812	3.3	13,839	1.4	1,501	6.2	99,567	4.2
Foreign tax credit	56,523	1.4	506	0.1	288	1.2	37,966	1.6
General business credit	22,451	0.5	1,735	0.2	63	0.3	17,308	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	11,630	0.3	43	[2]	27	0.1	9,043	0.4
All other refundable tax credits used to offset income tax before credits	2,748	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	48,314	1.2	2,702	0.3	43	0.2	35,828	1.5
Partnership and S Corporation net losses	58,750	1.4	5,824	0.6	1,662	6.8	35,031	1.5
Capital gains taxed at 0 percent	39,884	1.0	2,466	0.2	** 512	** 2.1	12,074	0.5
No second largest item	96,789	2.3	0	0.0	**	**	30,223	1.3
Returns with expanded income of \$200,000 or more								
Total	4,256,713	100.0	984,929	23.1	0	0.0	2,283,344	53.6
Interest paid deduction	1,510,499	35.5	0	0.0	0	0.0	1,374,474	60.2
Tax-exempt interest [3]	177,972	4.2	2,914	0.3	0	0.0	127,493	5.6
Taxes paid deduction	1,385,714	32.6	913,270	92.7	0	0.0	0	0.0
Charitable contributions deduction	658,517	15.5	48,159	4.9	0	0.0	556,414	24.4
Medical and dental expense deduction	27,005	0.6	** 2,994	** 0.3	0	0.0	12,822	0.6
Net casualty or theft loss deduction	1,093	[2]	**	**	0	0.0	309	[2]
Total miscellaneous deductions	52,268	1.2	948	0.1	0	0.0	24,861	1.1
Foreign tax credit	57,908	1.4	511	0.1	0	0.0	24,841	1.1
General business credit	20,725	0.5	1,744	0.2	0	0.0	14,524	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	9,213	0.2	43	[2]	0	0.0	6,758	0.3
All other refundable tax credits used to offset income tax before credits	2,451	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	48,072	1.1	2,678	0.3	0	0.0	31,286	1.4
Partnership and S Corporation net losses	55,348	1.3	6,453	0.7	0	0.0	31,640	1.4
Foreign-earned income exclusion [3]	27,974	0.7	0	0.0	0	0.0	312	[2]
AMT tax preference [3]	2,723	0.1	451	[2]	0	0.0	1,367	0.1
Nontaxable Social Security benefits [3]	86,940	2.0	1,663	0.2	0	0.0	41,270	1.8
Capital gains taxed at 0 percent	45,913	1.1	2,321	0.2	0	0.0	8,613	0.4
No second largest item	86,377	2.0	0	0.0	0	0.0	25,320	1.1

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	323,762	7.7	29,660	0.7	1,820	[2]	103,456	2.5
Interest paid deduction	59,162	18.3	5,777	19.5	560	30.8	21,907	21.2
Investment interest expense deduction [1]	3,982	1.2	23	0.1	51	2.8	1,319	1.3
Taxes paid deduction	222,611	68.8	14,714	49.6	1,104	60.7	58,534	56.6
Charitable contributions deduction	0	0.0	4,178	14.1	82	4.5	10,746	10.4
Medical and dental expense deduction	1,686	0.5	0	0.0	0	0.0	1,480	1.4
Net casualty or theft loss deduction	758	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	12,788	3.9	1,827	6.2	0	0.0	0	0.0
Foreign tax credit	1,711	0.5	485	1.6	0	0.0	1,631	1.6
General business credit	1,792	0.6	191	0.6	8	0.4	99	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	680	0.2	176	0.6	0	0.0	112	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	300	0.3
All other tax credits	2,518	0.8	3	[2]	0	0.0	115	0.1
Partnership and S Corporation net losses	6,624	2.0	427	1.4	8	0.5	4,081	3.9
Capital gains taxed at 0 percent	9,442	2.9	** 1,857	** 6.3	6	0.3	3,094	3.0
No second largest item	0	0.0	**	**	0	0.0	40	[2]
Returns with expanded income of \$200,000 or more								
Total	306,370	7.2	29,848	0.7	1,674	[2]	22,778	0.5
Interest paid deduction	59,707	19.5	5,482	18.4	** 570	** 34.1	1,603	7.0
Tax-exempt interest [3]	16,941	5.5	3,776	12.6	**	**	3,721	16.3
Taxes paid deduction	204,448	66.7	12,502	41.9	967	57.8	10,116	44.4
Charitable contributions deduction	0	0.0	3,768	12.6	82	4.9	2,731	12.0
Medical and dental expense deduction	1,326	0.4	0	0.0	0	0.0	506	2.2
Net casualty or theft loss deduction	449	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,208	1.4	906	3.0	0	0.0	0	0.0
Foreign tax credit	851	0.3	41	0.1	0	0.0	784	3.4
General business credit	1,823	0.6	183	0.6	8	0.5	55	0.2
Refundable prior-year minimum tax credit used to offset income tax before credits	351	0.1	176	0.6	0	0.0	34	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	2,458	0.8	0	0.0	0	0.0	51	0.2
Partnership and S Corporation net losses	** 5,757	** 1.9	285	1.0	0	0.0	** 1,936	** 8.5
Foreign-earned income exclusion [3]	**	**	0	0.0	0	0.0	**	**
AMT tax preference [3]	435	0.1	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,064	0.3	** 302	** 1.0	0	0.0	552	2.4
Capital gains taxed at 0 percent	6,542	2.1	2,423	8.1	47	2.8	689	3.0
No second largest item	3	[2]	3	[2]	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	102,278	2.4	23,826	0.6	8,090	0.2	5,584	0.1
Interest paid deduction	14,834	14.5	5,000	21.0	1,216	15.0	1,934	34.6
Investment interest expense deduction [1]	787	0.8	200	0.8	19	0.2	0	0.0
Taxes paid deduction	34,619	33.8	13,073	54.9	5,370	66.4	3,314	59.3
Charitable contributions deduction	3,982	3.9	1,702	7.1	118	1.5	41	0.7
Medical and dental expense deduction	57	0.1	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	136	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	1,791	1.8	81	0.3	219	2.7	0	0.0
Foreign tax credit	0	0.0	1,293	5.4	84	1.0	0	0.0
General business credit	468	0.5	0	0.0	6	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	617	0.6	4	[2]	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	618	0.6	0	0.0	0	0.0	0	0.0
All other tax credits	2,201	2.2	1,147	4.8	574	7.1	0	0.0
Partnership and S Corporation net losses	1,783	1.7	434	1.8	90	1.1	0	0.0
Capital gains taxed at 0 percent	1,104	1.1	148	0.6	12	0.2	0	0.0
No second largest item	39,280	38.4	743	3.1	381	4.7	295	5.3
Returns with expanded income of \$200,000 or more								
Total	85,291	2.0	22,971	0.5	7,470	0.2	5,584	0.1
Interest paid deduction	8,842	10.4	4,808	20.9	** 1,196	** 16.0	1,934	34.6
Tax-exempt interest [3]	3,026	3.5	1,229	5.3	**	**	0	0.0
Taxes paid deduction	26,207	30.7	11,223	48.9	5,159	69.1	3,314	59.3
Charitable contributions deduction	2,761	3.2	1,704	7.4	71	0.9	41	0.7
Medical and dental expense deduction	49	0.1	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	136	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	627	0.7	18	0.1	179	2.4	0	0.0
Foreign tax credit	0	0.0	738	3.2	40	0.5	0	0.0
General business credit	235	0.3	0	0.0	6	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	307	0.4	4	[2]	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	618	0.7	0	0.0	0	0.0	0	0.0
All other tax credits	946	1.1	969	4.2	574	7.7	0	0.0
Partnership and S Corporation net losses	811	1.0	417	1.8	91	1.2	0	0.0
Foreign-earned income exclusion [3]	26,232	30.8	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	24	[2]	**	**	43	0.6	0	0.0
Nontaxable Social Security benefits [3]	1,289	1.5	** 1,060	** 4.6	16	0.2	0	0.0
Capital gains taxed at 0 percent	1,009	1.2	148	0.6	13	0.2	0	0.0
No second largest item	12,171	14.3	653	2.8	81	1.1	295	5.3

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	45,711	1.1	83,360	2.0	55,656	1.3	0	0.0
Interest paid deduction	7,482	16.4	16,282	19.5	8,721	15.7	0	0.0
Investment interest expense deduction [1]	191	0.4	2,946	3.5	741	1.3	0	0.0
Taxes paid deduction	16,522	36.1	32,627	39.1	19,389	34.8	0	0.0
Charitable contributions deduction	1,525	3.3	8,238	9.9	3,901	7.0	0	0.0
Medical and dental expense deduction	0	0.0	** 407	** 0.5	3,321	6.0	0	0.0
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	728	1.6	4,187	5.0	2,285	4.1	0	0.0
Foreign tax credit	3,897	8.5	3,628	4.4	5,032	9.0	0	0.0
General business credit	61	0.1	653	0.8	67	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	753	1.6	156	0.2	20	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	3	[2]	0	0.0	0	0.0
All other tax credits	0	0.0	1,814	2.2	1,370	2.5	0	0.0
Partnership and S Corporation net losses	265	0.6	0	0.0	2,519	4.5	0	0.0
Capital gains taxed at 0 percent	825	1.8	8,348	10.0	0	0.0	0	0.0
No second largest item	13,460	29.4	4,071	4.9	8,290	14.9	0	0.0
Returns with expanded income of \$200,000 or more								
Total	41,524	1.0	81,859	1.9	50,967	1.2	29,588	0.7
Interest paid deduction	7,406	17.8	16,818	20.5	8,381	16.4	6,946	23.5
Tax-exempt interest [3]	2,030	4.9	4,198	5.1	3,954	7.8	1,078	3.6
Taxes paid deduction	13,512	32.5	31,992	39.1	15,850	31.1	5,456	18.4
Charitable contributions deduction	1,630	3.9	8,528	10.4	3,897	7.6	631	2.1
Medical and dental expense deduction	0	0.0	** 392	** 0.5	2,570	5.0	136	0.5
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	7	[2]	2,385	2.9	991	1.9	6	[2]
Foreign tax credit	1,539	3.7	1,740	2.1	1,520	3.0	10,160	34.3
General business credit	24	0.1	692	0.8	67	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	604	1.5	149	0.2	11	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	3	[2]	0	0.0	0	0.0
All other tax credits	0	0.0	1,571	1.9	788	1.5	85	0.3
Partnership and S Corporation net losses	249	0.6	0	0.0	2,278	4.5	350	1.2
Foreign-earned income exclusion [3]	144	0.3	49	0.1	136	0.3	0	0.0
AMT tax preference [3]	17	[2]	61	0.1	**	**	0	0.0
Nontaxable Social Security benefits [3]	2,713	6.5	1,804	2.2	** 8,605	** 16.9	928	3.1
Capital gains taxed at 0 percent	514	1.2	8,470	10.3	0	0.0	677	2.3
No second largest item	11,134	26.8	3,008	3.7	1,919	3.8	3,135	10.6

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)
RETURNS WITH U.S. INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	242,223	5.7	5,520	0.1	54,775	1.3
Interest paid deduction	7,743	3.2	968	17.5	3,737	6.8
Tax-exempt interest [3]	0	0.0	177	3.2	7,321	13.4
Taxes paid deduction	119,256	49.2	2,527	45.8	9,917	18.1
Charitable contributions deduction	28,022	11.6	76	1.4	3	[2]
Medical and dental expense deduction	6,120	2.5	8	0.1	136	0.2
Net casualty or theft loss deduction	146	0.1	0	0.0	0	0.0
Total miscellaneous deductions	17,122	7.1	9	0.2	0	0.0
Foreign tax credit	9,314	3.8	23	0.4	5,806	10.6
General business credit	842	0.3	0	0.0	521	1.0
Refundable prior-year minimum tax credit used to offset income tax before credits	431	0.2	44	0.8	300	0.5
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	3,750	1.5	174	3.1	2,742	5.0
Partnership and S Corporation net losses	4,399	1.8	91	1.6	607	1.1
Foreign-earned income exclusion [3]	104	[2]	981	17.8	0	0.0
AMT tax preference [3]	319	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	25,674	10.6	3	0.1	0	0.0
Capital gains taxed at 0 percent	14,167	5.8	140	2.5	141	0.3
No second largest item	4,812	2.0	300	5.4	23,544	43.0

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	19,000	100.0	227	1.2	844	4.4	323	1.7
Interest paid deduction	3,533	18.6	0	0.0	128	15.2	40	12.4
Investment interest expense deduction [1]	851	4.5	16	7.0	0	0.0	33	10.2
Taxes paid deduction	3,699	19.5	63	27.7	163	19.3	0	0.0
Charitable contributions deduction	2,054	10.8	41	18.0	151	17.9	88	27.2
Medical and dental expense deduction	228	1.2	8	3.5	9	1.1	13	4.0
Net casualty or theft loss deduction	23	0.1	**	**	**	**	**	**
Total miscellaneous deductions	1,188	6.3	** 26	** 11.4	** 75	** 8.9	** 48	** 14.9
Foreign tax credit	176	0.9	7	3.1	12	1.4	14	4.3
General business credit	160	0.8	** 21	** 9.2	8	0.9	11	3.4
Refundable prior-year minimum tax credit used to offset income tax before credits	467	2.5	**	**	0	0.0	29	9.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	249	1.3	7	3.1	3	0.4	3	0.9
Partnership and S Corporation net losses	1,110	5.8	7	3.1	240	28.4	33	10.2
Capital gains taxed at 0 percent	1,000	5.3	31	13.6	55	6.5	11	3.4
No second largest item	4,263	22.4	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	32,441	100.0	244	0.8	0	0.0	401	1.2
Interest paid deduction	2,427	7.5	0	0.0	0	0.0	50	12.4
Tax-exempt interest [3]	2,192	6.8	36	14.7	0	0.0	109	27.2
Taxes paid deduction	4,575	14.1	57	23.3	0	0.0	0	0.0
Charitable contributions deduction	2,934	9.0	40	16.4	0	0.0	77	19.2
Medical and dental expense deduction	1,864	5.7	** 12	** 4.9	0	0.0	** 19	** 4.7
Net casualty or theft loss deduction	32	0.1	**	**	0	0.0	**	**
Total miscellaneous deductions	1,991	6.1	** 27	** 11.1	0	0.0	32	8.0
Foreign tax credit	1,738	5.4	**	**	0	0.0	11	2.7
General business credit	162	0.5	14	5.7	0	0.0	13	3.2
Refundable prior-year minimum tax credit used to offset income tax before credits	191	0.6	6	2.6	0	0.0	29	7.3
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	248	0.8	7	2.9	0	0.0	3	0.7
Partnership and S Corporation net losses	1,745	5.4	8	3.3	0	0.0	30	7.5
Foreign-earned income exclusion [3]	8,065	24.9	5	2.0	0	0.0	4	1.0
AMT tax preference [3]	11	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	445	1.4	5	2.0	0	0.0	3	0.7
Capital gains taxed at 0 percent	1,844	5.7	27	11.1	0	0.0	21	5.2
No second largest item	1,978	6.1	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,494	7.9	1,151	6.1	277	1.5	2,534	13.3
Interest paid deduction	177	11.8	81	7.0	102	36.8	600	23.7
Investment interest expense deduction [1]	259	17.3	16	1.4	7	2.5	76	3.0
Taxes paid deduction	232	15.5	337	29.3	98	35.4	980	38.7
Charitable contributions deduction	0	0.0	248	21.5	23	8.3	294	11.6
Medical and dental expense deduction	101	6.8	0	0.0	5	1.8	39	1.5
Net casualty or theft loss deduction	**	**	4	0.3	0	0.0	6	0.2
Total miscellaneous deductions	** 231	** 15.5	** 269	** 23.4	22	7.9	0	0.0
Foreign tax credit	54	3.6	**	**	0	0.0	17	0.7
General business credit	46	3.1	5	0.4	0	0.0	** 29	** 1.1
Refundable prior-year minimum tax credit used to offset income tax before credits	13	0.9	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	43	2.9	3	0.3	**	**	27	1.1
Partnership and S Corporation net losses	** 95	** 6	23	2.0	** 14	** 5.1	332	13.1
Capital gains taxed at 0 percent	242	16.2	161	14.0	6	2.2	66	2.6
No second largest item	**	**	4	0.3	**	**	68	2.7
Returns with expanded income of \$200,000 or more								
Total	1,494	4.6	1,798	5.5	281	0.9	415	1.3
Interest paid deduction	151	10.1	66	3.7	101	35.9	29	7.0
Tax-exempt interest [3]	247	16.5	818	45.5	28	10.0	121	29.2
Taxes paid deduction	214	14.3	240	13.3	87	31.0	64	15.4
Charitable contributions deduction	0	0.0	200	11.1	18	6.4	87	21.0
Medical and dental expense deduction	** 79	** 5.3	0	0.0	7	2.5	23	5.5
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	156	10.5	** 223	** 12.4	8	2.8	0	0.0
Foreign tax credit	47	3.1	**	**	0	0.0	7	1.7
General business credit	47	3.2	6	0.3	0	0.0	3	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	13	0.9	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	39	2.6	4	0.2	3	1.1	**	**
Partnership and S Corporation net losses	234	15.7	19	1.1	** 16	** 5.7	** 56	** 13.5
Foreign-earned income exclusion [3]	6	0.4	0	0.0	**	**	** 3	** 0.7
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	31	2.1	55	3.1	6	2.1	**	**
Capital gains taxed at 0 percent	229	15.3	160	8.9	** 7	** 2.5	** 22	** 5.3
No second largest item	0	0.0	4	0.2	**	**	**	**

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	9,613	50.6	134	0.7	766	4.0	**	**
Interest paid deduction	2,180	22.7	58	43.3	3	0.4	**	**
Investment interest expense deduction [1]	127	1.3	**	**	0	0.0	**	**
Taxes paid deduction	939	9.8	20	14.9	579	75.6	**	**
Charitable contributions deduction	727	7.6	15	11.2	143	18.7	**	**
Medical and dental expense deduction	21	0.2	** 7	** 5.2	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 274	** 2.9	5	3.7	** 41	** 5.4	**	**
Foreign tax credit	0	0.0	0	0.0	**	**	**	**
General business credit	6	0.1	0	0.0	0	0.0	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	407	4.2	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	118	1.2	**	**	0	0.0	**	**
Partnership and S Corporation net losses	336	3.5	** 9	** 6.7	0	0.0	**	**
Capital gains taxed at 0 percent	297	3.1	20	14.9	0	0.0	**	**
No second largest item	4,180	43.5	0	0.0	0	0.0	**	**
Returns with expanded income of \$200,000 or more								
Total	12,693	39.1	137	0.4	763	2.4	**	**
Interest paid deduction	992	7.8	55	40.1	0	0.0	**	**
Tax-exempt interest [3]	129	1.0	8	5.8	143	18.8	**	**
Taxes paid deduction	624	4.9	17	12.4	439	57.5	**	**
Charitable contributions deduction	425	3.3	16	11.7	140	18.4	**	**
Medical and dental expense deduction	** 15	** 0.1	6	4.4	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 107	** 0.8	** 3	** 2.2	** 41	** 5.4	**	**
Foreign tax credit	0	0.0	**	**	**	**	**	**
General business credit	**	**	0	0.0	0	0.0	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	138	1.1	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	51	0.4	**	**	0	0.0	**	**
Partnership and S Corporation net losses	211	1.7	** 12	** 8.8	0	0.0	**	**
Foreign-earned income exclusion [3]	** 8,033	** 63.3	**	**	0	0.0	**	**
AMT tax preference [3]	**	**	**	**	0	0.0	**	**
Nontaxable Social Security benefits [3]	51	0.4	0	0.0	0	0.0	**	**
Capital gains taxed at 0 percent	236	1.9	20	14.6	0	0.0	**	**
No second largest item	1,681	13.2	0	0.0	0	0.0	**	**

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	** 302	** 1.6	1,187	6.2	148	0.8	0	0.0
Interest paid deduction	** 86	** 28.5	47	4.0	31	20.9	0	0.0
Investment interest expense deduction [1]	**	**	300	25.3	12	8.1	0	0.0
Taxes paid deduction	** 85	** 28.1	184	15.5	18	12.2	0	0.0
Charitable contributions deduction	** 31	** 10.3	266	22.4	26	17.6	0	0.0
Medical and dental expense deduction	** 5	** 1.7	16	1.3	8	5.4	0	0.0
Net casualty or theft loss deduction	** 0	** 0.0	**	**	3	2.0	0	0.0
Total miscellaneous deductions	** 13	** 4.3	** 184	** 15.5	13	8.8	0	0.0
Foreign tax credit	** 4	** 1.3	57	4.8	8	5.4	0	0.0
General business credit	** 3	** 1.0	30	2.5	8	5.4	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	** 0	** 0.0	10	0.9	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	** 0	** 0.0	0	0.0	0	0.0	0	0.0
All other tax credits	** 0	** 0.0	27	2.3	14	9.5	0	0.0
Partnership and S Corporation net losses	** 22	** 7.3	0	0.0	** 7	** 4.7	0	0.0
Capital gains taxed at 0 percent	** 46	** 15.2	65	5.5	0	0.0	0	0.0
No second largest item	** 7	** 2.3	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	** 286	** 0.9	** 1,316	** 4.1	345	1.1	1,912	5.9
Interest paid deduction	** 81	** 28.3	** 39	** 3.0	177	51.3	105	5.5
Tax-exempt interest [3]	** 21	** 7.3	** 484	** 36.8	41	11.9	7	0.4
Taxes paid deduction	** 75	** 26.2	** 180	** 13.7	20	5.8	56	2.9
Charitable contributions deduction	** 29	** 10.1	** 262	** 19.9	35	10.1	20	1.0
Medical and dental expense deduction	**	**	** 16	** 1.2	** 15	** 4.3	15	0.8
Net casualty or theft loss deduction	** 0	** 0.0	**	**	**	**	0	0.0
Total miscellaneous deductions	** 12	** 4.2	** 120	** 9.1	17	4.9	4	0.2
Foreign tax credit	**	**	** 64	** 4.9	7	2.0	1,573	82.3
General business credit	**	**	** 43	** 3.3	9	2.6	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	** 0	** 0.0	**	**	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	** 0	** 0.0	** 0	** 0.0	0	0.0	0	0.0
All other tax credits	** 0	** 0.0	** 29	** 2.2	16	4.6	9	0.5
Partnership and S Corporation net losses	** 21	** 7.3	** 0	** 0.0	3	0.9	6	0.3
Foreign-earned income exclusion [3]	** 0	** 0.0	** 10	** 0.8	0	0.0	0	0.0
AMT tax preference [3]	** 0	** 0.0	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 4	** 1.4	**	**	** 5	** 1.4	**	**
Capital gains taxed at 0 percent	** 38	** 13.3	** 69	** 5.2	0	0.0	** 26	** 1.4
No second largest item	** 5	** 1.7	** 0	** 0.0	**	**	91	4.8

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)
RETURNS WITHOUT U.S. INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	10,344	31.9	**	**	11	[2]
Interest paid deduction	578	5.6	**	**	3	27.3
Tax-exempt interest [3]	0	0.0	**	**	0	0.0
Taxes paid deduction	2,502	24.2	**	**	0	0.0
Charitable contributions deduction	1,584	15.3	**	**	0	0.0
Medical and dental expense deduction	1,662	16.1	**	**	**	**
Net casualty or theft loss deduction	20	0.2	**	**	0	0.0
Total miscellaneous deductions	1,257	12.2	**	**	** 4	** 36.4
Foreign tax credit	19	0.2	**	**	**	**
General business credit	** 24	** 0.2	**	**	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	**	**	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	**	**	0	0.0
All other tax credits	84	0.8	**	**	0	0.0
Partnership and S Corporation net losses	1,135	11.0	**	**	**	**
Foreign-earned income exclusion [3]	** 10	** 0.1	**	**	0	0.0
AMT tax preference [3]	**	**	**	**	0	0.0
Nontaxable Social Security benefits [3]	282	2.7	**	**	0	0.0
Capital gains taxed at 0 percent	995	9.6	**	**	** 4	** 27.3
No second largest item	192	1.9	**	**	**	**

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

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

[2] Less than 0.05 percent.

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

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	4,151,650	100.0	1,013,415	24.4	25,263	0.6	2,415,911	58.2
Interest paid deduction	1,554,463	37.4	0	0.0	4,786	18.9	1,418,986	58.7
Investment interest expense deduction [1]	38,398	0.9	4,106	0.4	0	0.0	23,986	1.0
Taxes paid deduction	1,339,135	32.3	928,428	91.6	13,707	54.3	0	0.0
Charitable contributions deduction	780,173	18.8	49,003	4.8	** 2,576	** 10.2	696,713	28.8
Medical and dental expense deduction	24,139	0.6	** 3,223	** 0.3	**	**	14,004	0.6
Net casualty or theft loss deduction	1,082	[2]	**	**	0	0.0	310	[2]
Total miscellaneous deductions	143,327	3.5	14,318	1.4	1,735	6.9	104,057	4.3
General business credit	22,574	0.5	1,742	0.2	69	0.3	17,749	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	11,802	0.3	345	[2]	30	0.1	9,226	0.4
All other refundable tax credits used to offset income tax before credits	2,129	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	49,282	1.2	2,739	0.3	46	0.2	38,262	1.6
Partnership and S Corporation net losses	58,788	1.4	5,854	0.6	1,753	6.9	35,946	1.5
Capital gains taxed at 0 percent	40,338	1.0	2,486	0.2	530	2.1	12,433	0.5
No second largest item	86,019	2.1	392	[2]	31	0.1	43,199	1.8
Returns with expanded income of \$200,000 or more								
Total	4,259,221	100.0	994,812	23.4	0	0.0	2,310,216	54.2
Interest paid deduction	1,531,510	36.0	0	0.0	0	0.0	1,391,452	60.2
Tax-exempt interest [3]	184,857	4.3	2,976	0.3	0	0.0	131,800	5.7
Taxes paid deduction	1,383,492	32.5	922,161	92.7	0	0.0	0	0.0
Charitable contributions deduction	676,299	15.9	49,236	4.9	0	0.0	571,968	24.8
Medical and dental expense deduction	27,065	0.6	** 2,998	** 0.3	0	0.0	12,830	0.6
Net casualty or theft loss deduction	961	[2]	**	**	0	0.0	310	[2]
Total miscellaneous deductions	54,103	1.3	972	0.1	0	0.0	26,559	1.1
General business credit	21,208	0.5	1,750	0.2	0	0.0	14,882	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	9,481	0.2	50	[2]	0	0.0	6,773	0.3
All other refundable tax credits used to offset income tax before credits	1,833	[2]	778	0.1	0	0.0	1,040	[2]
All other tax credits	50,321	1.2	2,697	0.3	0	0.0	32,420	1.4
Partnership and S Corporation net losses	56,784	1.3	6,471	0.7	0	0.0	32,020	1.4
Foreign-earned income exclusion [3]	3,322	0.1	47	[2]	0	0.0	1,132	[2]
AMT tax preference [3]	2,824	0.1	452	[2]	0	0.0	1,371	0.1
Nontaxable Social Security benefits [3]	89,147	2.1	1,799	0.2	0	0.0	42,646	1.8
Capital gains taxed at 0 percent	46,832	1.1	2,336	0.2	0	0.0	8,900	0.4
No second largest item	119,181	2.8	89	[2]	0	0.0	34,113	1.5

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	328,773	7.9	29,786	0.7	1,960	[2]	105,588	2.5
Interest paid deduction	59,971	18.2	5,793	19.5	561	28.6	22,553	21.4
Investment interest expense deduction [1]	4,264	1.3	24	0.1	51	2.6	1,628	1.5
Taxes paid deduction	226,310	68.8	14,804	49.7	1,240	63.3	59,750	56.6
Charitable contributions deduction	0	0.0	4,185	14.1	84	4.3	11,632	11.0
Medical and dental expense deduction	1,701	0.5	0	0.0	0	0.0	1,485	1.4
Net casualty or theft loss deduction	758	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	13,452	4.1	2,148	7.2	0	0.0	0	0.0
General business credit	1,857	0.6	194	0.7	8	0.4	111	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	691	0.2	176	0.6	0	0.0	127	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	300	0.3
All other tax credits	2,554	0.8	4	[2]	0	0.0	125	0.1
Partnership and S Corporation net losses	6,778	2.1	428	1.4	8	0.4	4,258	4.0
Capital gains taxed at 0 percent	9,974	3.0	2,022	6.8	7	0.4	3,360	3.2
No second largest item	455	0.1	6	[2]	0	0.0	260	0.2
Returns with expanded income of \$200,000 or more								
Total	309,867	7.3	29,969	0.7	1,813	[2]	23,536	0.6
Interest paid deduction	60,305	19.5	5,493	18.3	569	31.4	1,794	7.6
Tax-exempt interest [3]	17,139	5.5	3,840	12.8	138	7.6	3,857	16.4
Taxes paid deduction	206,759	66.7	12,546	41.9	967	53.3	10,636	45.2
Charitable contributions deduction	0	0.0	3,776	12.6	83	4.6	3,143	13.4
Medical and dental expense deduction	1,339	0.4	0	0.0	0	0.0	506	2.1
Net casualty or theft loss deduction	449	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,392	1.4	907	3.0	0	0.0	0	0.0
General business credit	1,884	0.6	187	0.6	8	0.4	63	0.3
Refundable prior-year minimum tax credit used to offset income tax before credits	362	0.1	** 178	** 0.6	0	0.0	** 101	** 0.4
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	2,491	0.8	**	**	0	0.0	**	**
Partnership and S Corporation net losses	5,865	1.9	** 287	** 1.0	0	0.0	1,967	8.4
Foreign-earned income exclusion [3]	158	0.1	**	**	**	**	38	0.2
AMT tax preference [3]	436	0.1	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,216	0.4	** 303	** 1.0	0	0.0	553	2.4
Capital gains taxed at 0 percent	6,989	2.3	2,448	8.2	** 49	** 2.7	852	3.6
No second largest item	75	[2]	4	[2]	0	0.0	26	0.1

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	24,338	0.6	9,413	0.2	6,202	0.1	48,150	1.2
Interest paid deduction	5,019	20.6	1,268	13.5	1,934	31.2	7,838	16.3
Investment interest expense deduction [1]	208	0.9	20	0.2	0	0.0	195	0.4
Taxes paid deduction	13,189	54.2	6,020	63.9	3,932	63.4	16,851	35.0
Charitable contributions deduction	1,753	7.2	122	1.3	41	0.7	** 1,541	** 3.2
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	85	0.3	219	2.3	0	0.0	739	1.5
General business credit	0	0.0	6	0.1	0	0.0	64	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	140	0.6	0	0.0	0	0.0	889	1.8
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	1,284	5.3	906	9.6	0	0.0	0	0.0
Partnership and S Corporation net losses	446	1.8	90	1.0	0	0.0	414	0.9
Capital gains taxed at 0 percent	151	0.6	15	0.2	0	0.0	856	1.8
No second largest item	2,062	8.5	748	7.9	295	4.8	18,763	39.0
Returns with expanded income of \$200,000 or more								
Total	23,253	0.5	8,215	0.2	6,202	0.1	42,628	1.0
Interest paid deduction	4,824	20.7	1,092	13.3	1,934	31.2	7,428	17.4
Tax-exempt interest [3]	1,267	5.4	547	6.7	0	0.0	2,499	5.9
Taxes paid deduction	11,322	48.7	5,496	66.9	3,623	58.4	13,699	32.1
Charitable contributions deduction	1,746	7.5	74	0.9	41	0.7	** 1,643	** 3.9
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	21	0.1	179	2.2	0	0.0	**	**
General business credit	0	0.0	6	0.1	0	0.0	** 39	** 0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	4	[2]	0	0.0	0	0.0	604	1.4
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	971	4.2	574	7.0	0	0.0	0	0.0
Partnership and S Corporation net losses	** 432	** 1.9	91	1.1	0	0.0	260	0.6
Foreign-earned income exclusion [3]	**	**	**	**	309	5.0	152	0.4
AMT tax preference [3]	**	**	43	0.5	0	0.0	17	[2]
Nontaxable Social Security benefits [3]	** 1,196	** 5.1	16	0.2	0	0.0	2,716	6.4
Capital gains taxed at 0 percent	149	0.6	** 15	** 0.2	0	0.0	539	1.3
No second largest item	1,322	5.7	81	1.0	295	4.8	13,030	30.6

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITH WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	85,723	2.1	57,127	1.4	0	0.0
Interest paid deduction	16,812	19.6	8,941	15.7	0	0.0
Investment interest expense deduction [1]	3,164	3.7	751	1.3	0	0.0
Taxes paid deduction	33,668	39.3	21,234	37.2	0	0.0
Charitable contributions deduction	8,406	9.8	4,124	7.2	0	0.0
Medical and dental expense deduction	** 408	** 0.5	** 3,326	** 5.8	0	0.0
Net casualty or theft loss deduction	**	**	**	**	0	0.0
Total miscellaneous deductions	4,270	5.0	2,306	4.0	0	0.0
General business credit	702	0.8	72	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	159	0.2	20	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	1,981	2.3	1,382	2.4	0	0.0
Partnership and S Corporation net losses	0	0.0	2,811	4.9	0	0.0
Capital gains taxed at 0 percent	8,504	9.9	0	0.0	0	0.0
No second largest item	7,647	8.9	12,161	21.3	0	0.0
Returns with expanded income of \$200,000 or more						
Total	83,150	2.0	52,308	1.2	65,520	1.5
Interest paid deduction	17,211	20.7	8,574	16.4	18,072	27.6
Tax-exempt interest [3]	4,356	5.2	4,301	8.2	3,870	5.9
Taxes paid deduction	32,693	39.3	16,682	31.9	12,412	18.9
Charitable contributions deduction	8,713	10.5	4,070	7.8	3,014	4.6
Medical and dental expense deduction	** 393	** 0.5	** 2,576	** 4.9	** 181	** 0.3
Net casualty or theft loss deduction	**	**	**	**	**	**
Total miscellaneous deductions	2,446	2.9	1,007	1.9	113	0.2
General business credit	745	0.9	72	0.1	194	0.3
Refundable prior-year minimum tax credit used to offset income tax before credits	153	0.2	11	[2]	481	0.7
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	1,733	2.1	802	1.5	1,631	2.5
Partnership and S Corporation net losses	0	0.0	2,431	4.6	1,219	1.9
Foreign-earned income exclusion [3]	170	0.2	160	0.3	0	0.0
AMT tax preference [3]	62	0.1	**	**	110	0.2
Nontaxable Social Security benefits [3]	1,941	2.3	** 8,951	** 17.1	1,330	2.0
Capital gains taxed at 0 percent	8,569	10.3	0	0.0	1,129	1.7
No second largest item	3,962	4.8	2,672	5.1	21,764	33.2

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(31)	(32)	(33)	(34)	(35)	(36)
RETURNS WITH WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	246,067	5.8	5,547	0.1	56,117	1.3
Interest paid deduction	8,050	3.3	968	17.4	3,745	6.7
Tax-exempt interest [3]	0	0.0	189	3.4	8,079	14.4
Taxes paid deduction	121,993	49.6	2,537	45.7	9,966	17.8
Charitable contributions deduction	28,700	11.7	** 88	** 1.6	14	[2]
Medical and dental expense deduction	6,152	2.5	**	**	136	0.2
Net casualty or theft loss deduction	147	0.1	0	0.0	0	0.0
Total miscellaneous deductions	17,482	7.1	10	0.2	**	**
General business credit	863	0.4	0	0.0	** 529	** 0.9
Refundable prior-year minimum tax credit used to offset income tax before credits	474	0.2	45	0.8	300	0.5
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	3,984	1.6	174	3.1	2,789	5.0
Partnership and S Corporation net losses	4,672	1.9	94	1.7	977	1.7
Foreign-earned income exclusion [3]	165	0.1	984	17.7	0	0.0
AMT tax preference [3]	327	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	26,483	10.8	3	0.1	0	0.0
Capital gains taxed at 0 percent	14,579	5.9	140	2.5	142	0.3
No second largest item	11,993	4.9	315	5.7	29,440	52.5

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	8,043	100.0	181	2.3	774	9.6	286	3.6
Interest paid deduction	1,264	15.7	0	0.0	123	15.9	36	12.6
Investment interest expense deduction [1]	668	8.3	13	7.2	0	0.0	33	11.5
Taxes paid deduction	2,329	29.0	61	33.7	158	20.4	0	0.0
Charitable contributions deduction	1,218	15.1	37	20.4	140	18.1	85	29.7
Medical and dental expense deduction	199	2.5	8	4.4	8	1.0	13	4.5
Net casualty or theft loss deduction	20	0.2	**	**	**	**	**	**
Total miscellaneous deductions	851	10.6	** 25	** 13.8	** 67	** 8.7	** 45	** 15.7
General business credit	92	1.1	8	4.4	6	0.8	7	2.4
Refundable prior-year minimum tax credit used to offset income tax before credits	41	0.5	0	0.0	0	0.0	29	10.2
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	67	0.8	**	**	**	**	**	**
Partnership and S Corporation net losses	715	8.9	** 8	** 4.4	** 229	** 29.6	** 30	** 10.5
Capital gains taxed at 0 percent	495	6.2	21	11.6	43	5.6	8	2.8
No second largest item	83	1.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	16,082	100.0	195	1.2	0	0.0	360	2.2
Interest paid deduction	1,302	8.1	0	0.0	0	0.0	46	12.8
Tax-exempt interest [3]	1,902	11.8	31	15.9	0	0.0	107	29.7
Taxes paid deduction	3,434	21.3	53	27.2	0	0.0	0	0.0
Charitable contributions deduction	2,308	14.3	36	18.5	0	0.0	75	20.8
Medical and dental expense deduction	1,806	11.2	** 12	** 6.2	0	0.0	** 19	** 5.3
Net casualty or theft loss deduction	28	0.2	**	**	0	0.0	**	**
Total miscellaneous deductions	1,811	11.3	21	10.8	0	0.0	30	8.3
General business credit	85	0.5	8	4.1	0	0.0	9	2.5
Refundable prior-year minimum tax credit used to offset income tax before credits	35	0.2	0	0.0	0	0.0	29	8.1
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	99	0.6	**	**	0	0.0	**	**
Partnership and S Corporation net losses	1,454	9.0	** 12	** 6.2	0	0.0	** 27	** 7.5
Foreign-earned income exclusion [3]	14	0.1	**	**	0	0.0	0	0.0
AMT tax preference [3]	8	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	393	2.4	5	2.6	0	0.0	3	0.8
Capital gains taxed at 0 percent	1,109	6.9	17	8.7	0	0.0	15	4.2
No second largest item	294	1.8	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,193	14.8	1,103	13.7	275	3.4	2,465	30.6
Interest paid deduction	154	12.9	80	7.3	101	36.7	593	24.1
Investment interest expense deduction [1]	242	20.3	15	1.4	7	2.5	75	3.0
Taxes paid deduction	205	17.2	335	30.4	98	35.6	973	39.5
Charitable contributions deduction	0	0.0	243	22.0	23	8.4	285	11.6
Medical and dental expense deduction	100	8.4	0	0.0	5	1.8	39	1.6
Net casualty or theft loss deduction	**	**	4	0.4	0	0.0	6	0.2
Total miscellaneous deductions	** 210	** 17.6	** 268	** 24.3	22	8.0	0	0.0
General business credit	** 24	** 2.0	**	**	0	0.0	25	1.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	20	1.7	**	**	**	**	22	0.9
Partnership and S Corporation net losses	** 73	** 6.1	** 24	** 2.2	** 14	** 5.1	327	13.3
Capital gains taxed at 0 percent	165	13.8	130	11.8	5	1.8	52	2.1
No second largest item	**	**	4	0.4	**	**	68	2.8
Returns with expanded income of \$200,000 or more								
Total	1,183	7.4	1,738	10.8	279	1.7	387	2.4
Interest paid deduction	131	11.1	65	3.7	100	35.8	27	7.0
Tax-exempt interest [3]	200	16.9	797	45.9	28	10.0	117	30.2
Taxes paid deduction	184	15.6	240	13.8	87	31.2	60	15.5
Charitable contributions deduction	0	0.0	194	11.2	18	6.5	85	22.0
Medical and dental expense deduction	** 77	** 6.5	0	0.0	7	2.5	23	5.9
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	136	11.5	** 224	** 12.9	8	2.9	0	0.0
General business credit	** 28	** 2.4	**	**	0	0.0	3	0.8
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	19	1.6	**	**	3	1.1	0	0.0
Partnership and S Corporation net losses	** 217	** 18.3	** 20	** 1.2	13	4.7	** 56	** 14.5
Foreign-earned income exclusion [3]	**	**	0	0.0	3	1.1	**	**
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	30	2.5	55	3.2	6	2.2	**	**
Capital gains taxed at 0 percent	161	13.6	** 140	** 8.1	** 6	** 2.2	** 16	** 4.1
No second largest item	0	0.0	**	**	**	**	**	**

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	96	1.2	466	5.8	**	**	** 182	** 2.3
Interest paid deduction	** 45	** 46.9	0	0.0	**	**	** 71	** 39.0
Investment interest expense deduction [1]	**	**	0	0.0	**	**	**	**
Taxes paid deduction	12	12.5	283	60.8	**	**	** 50	** 27.5
Charitable contributions deduction	6	6.3	143	30.7	**	**	** 20	** 11.0
Medical and dental expense deduction	6	6.3	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	** 0	** 0.0
Total miscellaneous deductions	4	4.2	40	8.5	**	**	** 5	** 2.7
General business credit	0	0.0	0	0.0	**	**	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other tax credits	**	**	0	0.0	**	**	** 0	** 0.0
Partnership and S Corporation net losses	** 5	** 5.2	0	0.0	**	**	** 13	** 7.1
Capital gains taxed at 0 percent	18	18.8	0	0.0	**	**	** 16	** 8.8
No second largest item	0	0.0	0	0.0	**	**	** 7	** 3.8
Returns with expanded income of \$200,000 or more								
Total	94	0.6	463	2.9	**	**	** 179	** 1.1
Interest paid deduction	** 45	** 47.9	0	0.0	**	**	** 70	** 39.1
Tax-exempt interest [3]	**	**	140	30.3	**	**	**	**
Taxes paid deduction	10	10.6	143	30.9	**	**	** 49	** 27.4
Charitable contributions deduction	8	8.5	140	30.3	**	**	** 19	** 10.6
Medical and dental expense deduction	6	6.4	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	** 0	** 0.0
Total miscellaneous deductions	0	0.0	40	8.6	**	**	** 5	** 2.8
General business credit	0	0.0	0	0.0	**	**	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other tax credits	**	**	0	0.0	**	**	** 0	** 0.0
Partnership and S Corporation net losses	** 5	** 5.3	0	0.0	**	**	** 13	** 7.3
Foreign-earned income exclusion [3]	0	0.0	0	0.0	**	**	** 0	** 0.0
AMT tax preference [3]	**	**	0	0.0	**	**	** 0	** 0.0
Nontaxable Social Security benefits [3]	0	0.0	0	0.0	**	**	** 4	** 2.2
Capital gains taxed at 0 percent	** 20	** 21.3	0	0.0	**	**	** 14	** 7.8
No second largest item	0	0.0	0	0.0	**	**	** 5	** 2.8

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITHOUT WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	943	11.7	78	1.0	0	0.0
Interest paid deduction	43	4.6	22	28.2	0	0.0
Investment interest expense deduction [1]	271	28.7	8	10.3	0	0.0
Taxes paid deduction	143	15.2	11	14.1	0	0.0
Charitable contributions deduction	221	23.4	** 20	** 25.6	0	0.0
Medical and dental expense deduction	15	1.6	**	**	0	0.0
Net casualty or theft loss deduction	**	**	**	**	0	0.0
Total miscellaneous deductions	** 175	** 18.6	** 4	** 5.1	0	0.0
General business credit	16	1.7	4	5.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	10	1.1	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	12	1.3	4	5.1	0	0.0
Partnership and S Corporation net losses	0	0.0	** 5	** 6.4	0	0.0
Capital gains taxed at 0 percent	37	3.9	0	0.0	0	0.0
No second largest item	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more						
Total	1,044	6.5	249	1.5	** 245	** 1.5
Interest paid deduction	36	3.4	164	65.9	** 71	** 29.0
Tax-exempt interest [3]	452	43.3	17	6.8	** 6	** 2.4
Taxes paid deduction	133	12.7	13	5.2	** 46	** 18.8
Charitable contributions deduction	218	20.9	22	8.8	** 9	** 3.7
Medical and dental expense deduction	** 15	** 1.4	9	3.6	** 10	** 4.1
Net casualty or theft loss deduction	**	**	0	0.0	** 0	** 0.0
Total miscellaneous deductions	114	10.9	8	3.2	** 3	** 1.2
General business credit	** 19	** 1.8	5	2.0	** 0	** 0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	** 0	** 0.0
All other tax credits	13	1.2	3	1.2	** 5	** 2.0
Partnership and S Corporation net losses	0	0.0	**	**	** 4	** 1.6
Foreign-earned income exclusion [3]	0	0.0	0	0.0	** 0	** 0.0
AMT tax preference [3]	**	**	0	0.0	** 0	** 0.0
Nontaxable Social Security benefits [3]	**	**	**	**	**	**
Capital gains taxed at 0 percent	** 44	** 4.2	0	0.0	**	**
No second largest item	0	0.0	** 8	** 3.2	** 91	** 37.1

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(31)	(32)	(33)	(34)	(35)	(36)
RETURNS WITHOUT WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	9,655	60.0	**	**	10	0.1
Interest paid deduction	551	5.7	**	**	3	30.0
Tax-exempt interest [3]	0	0.0	**	**	0	0.0
Taxes paid deduction	2,416	25.0	**	**	0	0.0
Charitable contributions deduction	1,483	15.4	**	**	0	0.0
Medical and dental expense deduction	1,631	16.9	**	**	**	**
Net casualty or theft loss deduction	19	0.2	**	**	0	0.0
Total miscellaneous deductions	1,225	12.7	**	**	** 3	** 30.0
General business credit	13	0.1	**	**	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	3	[2]	**	**	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	**	**	0	0.0
All other tax credits	50	0.5	**	**	0	0.0
Partnership and S Corporation net losses	1,092	11.3	**	**	**	**
Foreign-earned income exclusion [3]	7	0.1	**	**	0	0.0
AMT tax preference [3]	**	**	**	**	0	0.0
Nontaxable Social Security benefits [3]	282	2.9	**	**	0	0.0
Capital gains taxed at 0 percent	** 691	** 7.2	**	**	**	**
No second largest item	192	2.0	**	**	** 4	** 40.0

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

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

[2] Less than 0.05 percent.

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

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income		
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	19,003	4,947	2,968	2,016	487
Interest paid deduction:					
Total	19,003	8,178	6,332	1,533	1,013
Investment interest expense deduction per income concept	19,003	13,871	2,940	444	407
Taxes paid deduction	19,003	5,896	8,991	2,408	804
Charitable contributions deduction	19,003	7,928	7,327	771	439
Medical and dental expense deduction	19,003	16,858	614	166	98
Net casualty or theft loss deduction	19,003	18,696	10	8	3
Net limited miscellaneous deduction per income concept	19,003	14,189	2,379	1,068	481
Non-limited miscellaneous deduction	19,003	14,868	1,751	76	73
Deduction equivalent of:					
Total credits	19,003	6,621	539	372	255
Foreign tax credit	19,003	8,046	1,056	87	73
General business credit	19,003	18,247	281	134	85
Refundable prior-year minimum tax credit used to offset income tax before credits	19,003	17,463	677	39	13
All other refundable credits used to offset income tax before credits	19,003	** 19,003	0	0	0
Tax preferences excluded from adjusted gross income	19,003	12,880	3,774	693	350
Nontaxable Social Security benefits	19,003	15,220	3,778	6	0
Capital gains taxed at 0 percent	19,003	15,582	1,463	1,035	735
Expanded income concept					
Total itemized deductions	32,441	9,335	5,253	4,638	2,531
Interest paid deduction:					
Total	32,441	20,393	8,400	2,349	979
Investment interest expense deduction per income concept	32,441	25,909	5,352	452	177
Taxes paid deduction	32,441	10,761	14,868	4,513	1,271
Charitable contributions deduction	32,441	13,215	13,539	2,154	1,258
Medical and dental expense deduction	32,441	23,514	5,105	950	501
Net casualty or theft loss deduction	32,441	32,095	34	12	5
Net limited miscellaneous deduction per income concept	32,441	20,400	7,253	2,557	1,155
Non-limited miscellaneous deduction	32,441	29,395	2,827	87	27
Deduction equivalent of:					
Total credits	32,441	14,251	1,601	563	440
Foreign tax credit	32,441	16,095	1,759	231	244
General business credit	32,441	31,648	341	111	78
Refundable prior-year minimum tax credit used to offset income tax before credits	32,441	30,925	656	44	17
All other refundable credits used to offset income tax before credits	32,441	32,296	** 145	0	0
Tax preferences excluded from adjusted gross income	32,441	15,170	3,522	1,075	1,099
Nontaxable Social Security benefits	32,441	22,777	9,651	** 14	**
Capital gains taxed at 0 percent	32,441	24,424	4,296	2,219	1,144

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued					
	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	264	267	315	490	3,110	4,140
Interest paid deduction:						
Total	461	279	219	236	453	298
Investment interest expense deduction per income concept	231	190	214	129	346	231
Taxes paid deduction	351	166	127	63	92	104
Charitable contributions deduction	537	382	** 1,560	**	10	48
Medical and dental expense deduction	115	88	128	146	527	263
Net casualty or theft loss deduction	9	6	8	20	88	155
Net limited miscellaneous deduction per income concept	298	169	101	86	113	119
Non-limited miscellaneous deduction	43	48	61	76	1,165	841
Deduction equivalent of:						
Total credits	282	512	550	359	5,730	3,782
Foreign tax credit	132	325	355	281	4,884	3,764
General business credit	71	77	71	24	10	3
Refundable prior-year minimum tax credit used to offset income tax before credits	15	40	33	3	** 720	**
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	275	181	134	120	208	389
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0 percent	188	0	0	0	0	0
Expanded income concept						
Total itemized deductions	2,150	1,649	1,460	1,195	2,592	1,638
Interest paid deduction:						
Total	207	37	17	18	28	13
Investment interest expense deduction per income concept	238	83	52	44	49	85
Taxes paid deduction	428	183	145	71	116	84
Charitable contributions deduction	836	739	350	205	95	51
Medical and dental expense deduction	418	379	321	306	687	261
Net casualty or theft loss deduction	8	11	15	20	96	145
Net limited miscellaneous deduction per income concept	471	223	120	66	104	93
Non-limited miscellaneous deduction	25	10	13	8	15	34
Deduction equivalent of:						
Total credits	607	1,001	1,222	2,599	10,141	15
Foreign tax credit	413	778	1,107	2,380	9,421	13
General business credit	65	86	76	23	** 13	**
Refundable prior-year minimum tax credit used to offset income tax before credits	36	40	4	140	579	0
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	1,115	1,272	1,460	1,655	5,118	954
Nontaxable Social Security benefits	**	**	0	0	**	0
Capital gains taxed at 0 percent	358	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income		
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	8,046	21	32	490	60
Interest paid deduction:					
Total	8,046	2,186	2,450	863	786
Investment interest expense deduction per income concept	8,046	4,376	1,720	341	365
Taxes paid deduction	8,046	120	4,926	1,525	661
Charitable contributions deduction	8,046	1,290	3,774	499	325
Medical and dental expense deduction	8,046	6,130	469	141	89
Net casualty or theft loss deduction	8,046	7,749	7	** 7	**
Net limited miscellaneous deduction per income concept	8,046	4,440	1,473	877	412
Non-limited miscellaneous deduction	8,046	4,480	1,280	54	35
Deduction equivalent of:					
Total credits	8,046	6,621	268	180	88
Foreign tax credit	8,046	8,046	0	0	0
General business credit	8,046	7,613	132	93	41
Refundable prior-year minimum tax credit used to offset income tax before credits	8,046	7,471	61	** 8	**
All other refundable credits used to offset income tax before credits	8,046	** 8,046	0	0	0
Tax preferences excluded from adjusted gross income	8,046	4,095	1,955	560	287
Nontaxable Social Security benefits	8,046	5,000	3,046	0	0
Capital gains taxed at 0 percent	8,046	5,811	943	680	515
Expanded income concept					
Total itemized deductions	16,082	1,164	951	2,587	1,852
Interest paid deduction:					
Total	16,082	10,103	3,446	1,491	761
Investment interest expense deduction per income concept	16,082	11,204	3,880	369	149
Taxes paid deduction	16,082	1,223	9,266	3,506	1,156
Charitable contributions deduction	16,082	2,414	8,943	1,750	1,057
Medical and dental expense deduction	16,082	7,839	4,570	883	479
Net casualty or theft loss deduction	16,082	15,749	30	7	3
Net limited miscellaneous deduction per income concept	16,082	5,715	5,966	2,274	1,076
Non-limited miscellaneous deduction	16,082	13,589	2,307	74	20
Deduction equivalent of:					
Total credits	16,082	14,238	733	147	92
Foreign tax credit	16,082	16,082	0	0	0
General business credit	16,082	15,709	124	52	33
Refundable prior-year minimum tax credit used to offset income tax before credits	16,082	15,501	70	11	6
All other refundable credits used to offset income tax before credits	16,082	15,940	** 142	0	0
Tax preferences excluded from adjusted gross income	16,082	1,968	1,433	877	936
Nontaxable Social Security benefits	16,082	7,535	** 8,547	**	**
Capital gains taxed at 0 percent	16,082	10,342	3,114	1,567	789

Footnotes at end of table.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued					
	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	65	86	115	263	2,777	4,137
Interest paid deduction:						
Total	367	237	198	220	440	298
Investment interest expense deduction per income concept	189	167	201	121	335	231
Taxes paid deduction	326	147	87	58	91	104
Charitable contributions deduction	404	320	1,375	0	10	48
Medical and dental expense deduction	105	74	118	141	516	263
Net casualty or theft loss deduction	8	6	8	20	86	155
Net limited miscellaneous deduction per income concept	269	160	99	83	113	119
Non-limited miscellaneous deduction	41	42	54	70	1,149	841
Deduction equivalent of:						
Total credits	82	133	104	47	520	3
Foreign tax credit	0	0	0	0	0	0
General business credit	45	58	38	16	** 10	**
Refundable prior-year minimum tax credit used to offset income tax before credits	9	40	32	0	** 425	**
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	232	150	116	110	185	355
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0 percent	97	0	0	0	0	0
Expanded income concept						
Total itemized deductions	1,787	1,387	1,243	1,044	2,431	1,636
Interest paid deduction:						
Total	175	32	16	18	28	13
Investment interest expense deduction per income concept	221	66	38	34	42	78
Taxes paid deduction	392	166	105	69	115	84
Charitable contributions deduction	678	606	299	194	91	51
Medical and dental expense deduction	402	360	309	297	682	261
Net casualty or theft loss deduction	8	11	15	19	95	145
Net limited miscellaneous deduction per income concept	456	217	117	64	104	93
Non-limited miscellaneous deduction	21	9	11	8	13	30
Deduction equivalent of:						
Total credits	103	140	58	189	** 381	**
Foreign tax credit	0	0	0	0	0	0
General business credit	43	61	33	17	** 10	**
Refundable prior-year minimum tax credit used to offset income tax before credits	30	40	0	140	283	0
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	975	1,132	1,317	1,518	4,971	954
Nontaxable Social Security benefits	0	**	0	0	**	0
Capital gains taxed at 0 percent	270	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 11. Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,892,051	100.0	94,065,541	100.0	30,532,552	100.0	13,997,651	100.0	4,296,307	100.0
Returns without U.S. income tax	58,416,118	40.9	55,888,271	59.4	2,381,400	7.8	127,444	0.9	19,003	0.4
Returns with U.S. income tax	84,475,933	59.1	38,177,270	40.6	28,151,152	92.2	13,870,207	99.1	4,277,304	99.6
Effective tax rate:										
Under 5 percent	26,926,998	18.8	19,510,140	20.7	6,586,343	21.6	784,386	5.6	46,129	1.1
5 under 10 percent	33,358,806	23.3	16,607,937	17.7	13,047,553	42.7	3,619,796	25.9	83,520	1.9
10 under 15 percent	15,583,218	10.9	2,010,757	2.1	6,566,630	21.5	6,594,434	47.1	411,397	9.6
15 under 20 percent	6,069,623	4.2	22,310	[2]	1,944,164	6.4	2,501,794	17.9	1,601,355	37.3
20 under 25 percent	1,719,917	1.2	11,164	[2]	4,056	[2]	365,474	2.6	1,339,223	31.2
25 under 30 percent	736,416	0.5	3,366	[2]	1,882	[2]	3,550	[2]	727,618	16.9
30 under 35 percent	70,584	[2]	3,364	[2]	299	[2]	361	[2]	66,561	1.5
35 under 40 percent	1,173	[2]	146	[2]	112	[2]	0	0.0	916	[2]
40 under 45 percent	346	[2]	182	[2]	31	[2]	3	[2]	130	[2]
45 under 50 percent	99	[2]	6	[2]	11	[2]	6	[2]	76	[2]
50 under 60 percent	984	[2]	403	[2]	4	[2]	298	[2]	279	[2]
60 under 70 percent	80	[2]	6	[2]	9	[2]	** 53	** [2]	12	[2]
70 under 80 percent	90	[2]	45	[2]	0	0.0	**	**	44	[2]
80 percent or more	7,597	[2]	7,443	[2]	56	[2]	53	[2]	45	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,892,051	100.0	91,885,355	100.0	32,647,401	100.0	14,011,538	100.0	4,347,756	100.0
Returns without U.S. income tax	58,416,118	40.9	55,303,767	60.2	2,901,352	8.9	178,558	1.3	32,441	0.7
Returns with U.S. income tax	84,475,933	59.1	36,581,589	39.8	29,746,049	91.1	13,832,981	98.7	4,315,315	99.3
Effective tax rate:										
Under 5 percent	27,724,284	19.4	18,752,580	20.4	8,152,271	25.0	751,297	5.4	68,135	1.6
5 under 10 percent	32,645,765	22.8	15,770,327	17.2	13,186,917	40.4	3,575,065	25.5	113,455	2.6
10 under 15 percent	15,502,063	10.8	2,015,724	2.2	6,414,988	19.6	6,640,491	47.4	430,860	9.9
15 under 20 percent	6,103,911	4.3	21,714	[2]	1,985,223	6.1	2,499,588	17.8	1,597,386	36.7
20 under 25 percent	1,709,794	1.2	9,336	[2]	4,854	[2]	361,776	2.6	1,333,829	30.7
25 under 30 percent	714,670	0.5	3,358	[2]	296	[2]	3,350	[2]	707,667	16.3
30 under 35 percent	67,708	[2]	3,000	[2]	1,007	[2]	936	[2]	62,765	1.4
35 under 40 percent	1,250	[2]	3	[2]	398	[2]	** 49	** [2]	801	[2]
40 under 45 percent	134	[2]	35	[2]	29	[2]	**	**	68	[2]
45 under 50 percent	1,045	[2]	1,003	[2]	** 13	** [2]	0	0.0	30	[2]
50 under 60 percent	444	[2]	138	[2]	0	0.0	12	[2]	293	[2]
60 under 70 percent	311	[2]	6	[2]	0	0.0	** 296	** [2]	** 12	** [2]
70 under 80 percent	12	[2]	8	[2]	**	**	**	**	**	**
80 percent or more	4,541	[2]	4,354	[2]	53	[2]	121	[2]	13	[2]

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

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

[2] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

Statistics of Income Bulletin | Spring 2013

Table 12. Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,892,051	100.0	94,065,541	100.0	30,532,552	100.0	13,997,651	100.0	4,296,307	100.0
Returns without worldwide income tax	57,994,819	40.6	55,626,241	59.1	2,258,209	7.4	102,324	0.7	8,046	0.2
Returns with worldwide income tax	84,897,232	59.4	38,439,301	40.9	28,274,343	92.6	13,895,326	99.3	4,288,261	99.8
Effective tax rate:										
Under 5 percent	27,174,492	19.0	19,715,491	21.0	6,656,934	21.8	776,080	5.5	25,987	0.6
5 under 10 percent	33,373,884	23.4	16,638,920	17.7	13,058,553	42.8	3,606,965	25.8	69,446	1.6
10 under 15 percent	15,590,583	10.9	2,021,602	2.1	6,580,879	21.6	6,591,936	47.1	396,166	9.2
15 under 20 percent	6,100,923	4.3	22,839	[2]	1,961,174	6.4	2,517,266	18.0	1,599,644	37.2
20 under 25 percent	1,746,236	1.2	11,714	[2]	5,443	[2]	383,036	2.7	1,346,042	31.3
25 under 30 percent	766,480	0.5	4,747	[2]	2,213	[2]	7,260	0.1	752,259	17.5
30 under 35 percent	88,228	0.1	3,368	[2]	1,140	[2]	2,131	[2]	81,589	1.9
35 under 40 percent	14,517	[2]	149	[2]	1,069	[2]	2,188	[2]	11,111	0.3
40 under 45 percent	7,940	[2]	1,184	[2]	160	[2]	3,298	[2]	3,298	0.1
45 under 50 percent	4,014	[2]	10	[2]	354	[2]	1,800	[2]	1,850	[2]
50 under 60 percent	9,693	[2]	3,407	[2]	2,843	[2]	2,718	[2]	724	[2]
60 under 70 percent	2,958	[2]	1,018	[2]	1,705	[2]	205	[2]	29	[2]
70 under 80 percent	831	[2]	58	[2]	372	[2]	353	[2]	47	[2]
80 percent or more	16,453	[2]	14,793	[2]	1,502	[2]	88	[2]	69	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,892,051	100.0	91,885,355	100.0	32,647,401	100.0	14,011,538	100.0	4,347,756	100.0
Returns without worldwide income tax	57,994,819	40.6	55,071,673	59.9	2,769,214	8.5	137,850	1.0	16,082	0.4
Returns with worldwide income tax	84,897,232	59.4	36,813,682	40.1	29,878,188	91.5	13,873,688	99.0	4,331,674	99.6
Effective tax rate:										
Under 5 percent	27,973,400	19.6	18,953,096	20.6	8,236,880	25.2	741,163	5.3	42,261	1.0
5 under 10 percent	32,654,487	22.9	15,790,491	17.2	13,199,036	40.4	3,571,045	25.5	93,915	2.2
10 under 15 percent	15,515,171	10.9	2,024,586	2.2	6,432,875	19.7	6,641,463	47.4	416,246	9.6
15 under 20 percent	6,146,933	4.3	23,222	[2]	1,999,757	6.1	2,525,257	18.0	1,598,697	36.8
20 under 25 percent	1,753,286	1.2	9,886	[2]	6,847	[2]	384,201	2.7	1,352,351	31.1
25 under 30 percent	754,256	0.5	3,740	[2]	296	[2]	6,820	[2]	743,400	17.1
30 under 35 percent	88,614	0.1	3,000	[2]	2,004	[2]	3,229	[2]	80,380	1.8
35 under 40 percent	4,158	[2]	3	[2]	398	[2]	66	[2]	3,691	0.1
40 under 45 percent	337	[2]	35	[2]	29	[2]	** 12	** [2]	261	[2]
45 under 50 percent	1,108	[2]	1,003	[2]	** 13	** [2]	**	**	91	[2]
50 under 60 percent	478	[2]	138	[2]	0	0.0	14	[2]	326	[2]
60 under 70 percent	321	[2]	6	[2]	0	0.0	** 296	** [2]	** 22	** [2]
70 under 80 percent	12	[2]	8	[2]	**	**	**	**	**	**
80 percent or more	4,673	[2]	4,466	[2]	53	[2]	122	[2]	31	[2]

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

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

[2] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.