2011

INTERNAL
REVENUE
SERVICE

DATA BOOK

October 1, 2010 to September 30, 2011

Department of the Treasury
Internal Revenue Service

Douglas H. Shulman
Commissioner

Rosemary D. Marcuss
Director, Research, Analysis, and Statistics

M. Susan Boehmer
Director, Statistics of Income Division

Barry W. Johnson
Chief, Special Studies Branch

Paul D. Arnsberger
Acting Chief, Communications and Data Dissemination Section

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Internal Revenue Service

Data Book, 2011

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2011 (October 1, 2010, through September 30, 2011). It provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

When using information from this report, cite the *Internal Revenue Service Data Book*, *2011* as follows—

Internal Revenue Service
Data Book, 2011
Publication 55B
Washington, DC
March 2012

For sale by—

Superintendent of Documents
PO Box 371954
Pittsburgh, PA 15250–7954

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Internal Revenue Service Organization ..... *inside back cover*

Acknowledgments

Internal Revenue Service Offices

Principal Coordinators:

Appeals
Lois Mauriello

Chief Counsel
Christina L. Aiken

Chief Financial Officer
Mark Brey
David L. Byers
Charles A. Messing
Kent Rinehart
Diane M. Ross
Weiss Russell
Afzaal H. Shamsie
Todd Tasch
Thuan N. Truong

Criminal Investigation
Dee R. Jackson

Equity, Diversity, and Inclusion
Didier Ascencio

Online Services
Merci del Toro

Research, Analysis, and Statistics
Brett Collins
David J. Ludlum

Small Business/Self-Employed
Catherine A. LaBille
Charles W. Lee
Bob D. Schwaller
Molly M. Smith
Annamarie Ugoletti

Tax Exempt and Government Entities
Robert W. Noonan

Taxpayer Advocate
Sue C. Matthews
Juan M. Rodriguez

Wage and Investment
Reuben A. Bejarano
Bradley N. Birch
Tamiko Bohler Smith
David Tyree

Statistics of Income Division, Communications and Data Dissemination

Managing Editor
Ruth A. Schwartz

Technical Editors
James R. Hobbs
Barry W. Johnson

Senior Writer-Editor
Martha E. Gangi

Layout Designer
Clay R. Moulton

Information Technology Specialist
Paul A. Bastuscheck

Publishing Services Coordinator
Lisa B. Smith

The *Internal Revenue Service Data Book* Online

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Letter from the Commissioner

The 2011 *Internal Revenue Service Data Book* details IRS activities for Fiscal Year 2011 (October 1, 2010, through September 30, 2011). This annual report catalogs the many ways in which our dedicated employees serve the American taxpayer.

During Fiscal Year 2011, the IRS processed more than 234 million returns, including individual income, corporate income, and employment income tax returns. We provided nearly $416 billion in refunds to these taxpayers and collected $2.4 trillion in Federal revenue. We provided taxpayer assistance through 319 million visits to IRS.gov and assisted nearly 83 million taxpayers via our toll-free telephone helpline or at walk-in sites. Of the more than 143 million individual income tax returns processed, 77 percent were filed electronically.

In 2011, the IRS worked to help taxpayers struggling with economic challenges meet their tax obligations while reducing burden. For example, we launched the Fresh Start initiative, which made major improvements to our collection process. We also extended additional help to innocent spouses, allowing more of these taxpayers to qualify to make relief requests.

As part of our efforts to improve taxpayer service, we took the next steps in our Return Preparer Program, which is designed to ensure that high standards of competency and conduct for preparers are maintained across the board. With our preparer registration system in place, we moved on to develop the testing and continuing education components of the initiative.

Also in 2011, the IRS continued to evolve its relationship with corporate taxpayers, focusing on creating forums and venues to resolve issues faster and provide more certainty. To this end, we launched our Uncertain Tax Positions reporting requirement and expanded our Compliance Assurance Program.

In the enforcement area, we have made major strides in breaking through the walls of international bank secrecy with very successful voluntary disclosure programs in 2009 and 2011. Together these generated 34,000 voluntary disclosures of overseas accounts and resulted in collections of about $4.4 billion so far. We have reopened the voluntary disclosure program to allow additional taxpayers to come forward.

Looking ahead, I am confident that in 2012 we will continue to provide balanced examination and collection coverage and improve our efforts to provide excellent customer service to taxpayers. We are delivering the most substantial updates to our core tax processing system in many years. We are also taking additional steps toward my vision of a “Real Time” tax system. The idea behind this vision is to resolve issues much more quickly with individual taxpayers by dealing with them in real time, instead of months or years after they have filed their returns.

We will also keep our focus on our workforce, by continuing efforts to make the IRS the best place to work in government. In 2011, the IRS once again showed improvement in its rankings in the *Best Places To Work in the Federal Government* survey, and we intend to do everything we can to keep the momentum going. On behalf of the women and men of the IRS, I am proud to give you this year’s issue of the *IRS Data Book*.

Commissioner of Internal Revenue

Douglas H. Shulman

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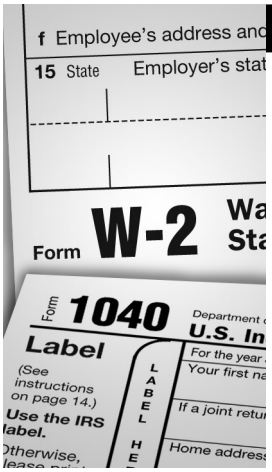


Returns Filed, Taxes Collected, and Refunds Issued

Tables 1 and 2 provide a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. During Fiscal Year (FY) 2011, the IRS processed more than 234 million Federal tax returns and supplemental documents and collected $2.4 trillion in gross taxes. After accounting for more than 122.8 million refunds, totaling almost $416 billion, collections (net of refunds) totaled almost $2 trillion.

During FY 2011, there were more than 143 million individual income tax returns filed, accounting for 61.2 percent of all returns filed. Individual income tax withheld and tax payments, combined, totaled more than $1.3 trillion before refunds. Individual taxpayers received almost $337.8 billion in refunds.

The IRS also processed 2.3 million returns and collected $242.8 billion in taxes, before refunds, from corporations in FY 2011. Partnerships and S corporations filed an additional 8 million returns.

Tables 3 through 6 provide additional detail on returns filed, returns filed electronically, and gross collections. More than 133 million returns, including 77 percent of individual income tax returns, were filed electronically in FY 2011. Almost 75 million electronically filed returns were submitted to the IRS through paid preparers, and more than 3.1 million taxpayers filed using the IRS Free File program.

Tables 7 and 8 provide information on tax refunds by State and type of tax.

Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2010 and 2011

[Money amounts are in thousands of dollars]

Type of tax	Gross collections [1]			Refunds [1, 2]	Net collections [1]	
	2010	2011	Percentage of 2011 total	2011	2011	Percentage of 2011 total
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	**2,345,055,978**	**2,414,952,112**	**100.0**	**415,880,344**	**1,999,071,767**	**100.0**
Business income tax	**277,937,220**	**242,848,122**	**10.1**	**67,777,004**	**175,071,118**	**8.8**
Corporation	277,473,918	242,435,939	10.0	n.a.	n.a.	n.a.
Tax-exempt organization unrelated business income tax	463,302	412,183	[3]	n.a.	n.a.	n.a.
Individual and estate and trust income tax [4, 5]	**1,175,989,528**	**1,346,182,227**	**55.7**	**339,696,496**	**1,006,485,731**	**50.3**
Individual income tax withheld	899,588,661	1,010,108,738	41.8	n.a.	n.a.	n.a.
Individual income tax payments [6]	264,098,927	321,051,731	13.3	n.a.	n.a.	n.a.
Estate and trust income tax	12,301,939	15,021,758	0.6	1,908,797	13,112,961	0.7
Employment taxes	**824,188,337**	**767,504,822**	**31.8**	**4,780,142**	**762,724,680**	**38.2**
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [5]	812,997,371	755,919,267	31.3	4,686,936	751,232,331	37.6
Federal Insurance Contributions Act (FICA)	761,734,808	712,152,243	29.5	n.a.	n.a.	n.a.
Self-Employment Insurance Contributions Act (SECA)	51,262,563	43,767,024	1.8	n.a.	n.a.	n.a.
Unemployment insurance	6,542,861	6,893,225	0.3	90,498	6,802,727	0.3
Railroad retirement	4,648,105	4,692,329	0.2	2,708	4,689,621	0.2
Estate and gift taxes	**19,750,836**	**9,079,375**	**0.4**	**1,778,078**	**7,301,297**	**0.4**
Estate [7]	16,930,741	2,506,991	0.1	1,702,038	804,953	[3]
Gift [8]	2,820,095	6,572,384	0.3	76,040	6,496,344	0.3
Excise taxes	**47,190,057**	**49,337,563**	**2.0**	**1,848,623**	**47,488,940**	**2.4**

n.a.—Not available.

[1] Excludes credits to taxpayer accounts, as well as excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, and, for Fiscal Year 2011, $108.4 billion in refundable tax credits (including $55.7 billion in earned income tax credits and $22.7 billion in child tax credits), and other refunds required by law. Also includes $2.5 billion in interest, of which $1.7 billion were paid to corporations, and $0.8 billion were paid to all others (related to individual, employment, estate, gift, and excise tax returns).

[3] Less than 0.05 percent.

[4] Collections include Presidential Election Campaign Fund contributions of $40.8 million in Fiscal Year 2010 and $39.6 million in Fiscal Year 2011.

[5] Collections of withheld individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). The OASDHI tax collections and refunds shown in this table are based on estimates made by the Secretary of the Treasury pursuant to the provisions of Section 201(a) of the Social Security Act as amended and include all OASDHI taxes. Amounts shown for individual income tax withheld and individual income tax payments were derived by subtracting the FICA and SECA tax estimates from total individual income tax withheld and individual income tax payments. Refund estimates, and, therefore, net collection estimates, were not made for the components of income and OASDHI taxes.

[6] Includes collections of estimated income tax and payments included with individual income tax return filings.

[7] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011.

[8] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. As shown here, gift tax collections increased significantly between Fiscal Years 2010 and 2011, primarily due to fluctuations in the maximum gift tax rate between Calendar Years 2009 and 2011. The maximum gift tax rate fluctuated as follows: for gifts given in 2009, the tax rate was 45 percent; for 2010 gifts, the rate was 35 percent; and for 2011 gifts, the rate was 55 percent. Increased gifting activity in Calendar Year 2010, the result of deferred and accelerated gifts that would otherwise have been given in other years, was reported in Calendar Year 2011, shown here as collections activity in Fiscal Year 2011.

NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners, who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Financial Management.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2010 and 2011

[Numbers are in thousands—for Fiscal Year 2011 details by State, see Table 3]

Type of return	2010	2011	Percentage change
	(1)	(2)	(3)
United States, total [1]	**230,409**	**234,567**	**1.8**
Income taxes, total	**178,347**	**180,752**	**1.3**
C or other corporation [2]	**2,356**	**2,313**	**−1.8**
S corporation, Form 1120–S	**4,508**	**4,545**	**0.8**
Partnership, Form 1065	**3,509**	**3,574**	**1.9**
Individual [3]	**141,167**	**143,608**	**1.7**
Forms 1040, 1040–A, 1040–EZ, 1040EZ–T	140,307	142,782	1.8
Forms 1040–C, 1040–NR, 1040NR–EZ, 1040–PR, 1040–SS	860	826	−4.0
Individual estimated tax, Form 1040–ES	**23,390**	**23,224**	**−0.7**
Estate and trust, Form 1041	**3,074**	**3,106**	**1.0**
Estate and trust estimated tax, Form 1041–ES	**343**	**382**	**11.4**
Employment taxes [4]	**29,787**	**29,446**	**−1.1**
Estate tax [5]	**29**	**11**	**−62.1**
Gift tax, Form 709	**230**	**208**	**−9.6**
Excise taxes [6]	**837**	**522**	**−37.6**
Tax-exempt organizations [7]	**1,343**	**1,385**	**3.1**
Supplemental documents [8]	**19,836**	**22,243**	**12.1**

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W–2, and W–2G, and Schedule K–1); tax-exempt bond returns (Forms 8038, 8038–B, 8038–CP, 8038–G, 8038–GC, 8038–T, 8038–TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500–EZ, and 5500–SF). See Table 14 for the total number of information returns filed.

[2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (cooperative association income tax return); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–FSC (foreign sales corporation income tax return); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (income tax return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–POL (income tax return for certain political associations); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Form 1120–X (amended corporation income tax return) is included with Supplemental documents in this table.

Excludes Form 990–T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040–A (individual income tax return, short form); 1040–C (income tax return for departing aliens); 1040–EZ (individual income tax return for single and joint filers with no dependents); 1040–NR and 1040NR–EZ (nonresident alien income tax return); 1040–PR (self-employment income tax return for Puerto Rico residents); and 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040–X (amended individual income tax return) is included with Supplemental documents in this table.

[4] Includes Forms 940 (employer's Federal unemployment tax return); 940–EZ (employer's Federal unemployment tax return, short form); 940–PR (unemployment tax return for Puerto Rico residents); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941–PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943–PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's tax return); 944–PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT–1 (railroad retirement tax return). Forms 941–X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer's tax return for agricultural employees); 944–X (adjusted employer's tax return); 945–X (adjusted tax return of withheld income tax from nonpayroll distributions); and CT–1X (adjusted railroad retirement tax return) are included in Supplemental documents.

[5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–GS(D) (generation-skipping transfer tax return for distributions); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–NA (estate and generation-skipping transfer tax return for nonresident aliens). The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706, due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced the number of Forms 706 filed in 2011.

[6] Includes Forms 720 (excise tax return); 730 (excise tax return for wagering); 11–C (occupational tax and registration for wagering return); 5330 (excise taxes related to employee retirement benefit plans return); and 2290 (heavy highway vehicle use tax return). The deadline to file Form 2290 was extended from August 31, 2011, to November 30, 2011, resulting in a significant decrease in the number of Forms 2290 filed in Fiscal Year 2011, as these filings were delayed until Fiscal Year 2012. Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990–EZ (tax-exempt organization information return, short form); 990–N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990–EZ); 990–PF (private foundation information return); and 990–T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990–T is combined with Business income taxes in other tables.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2010 and 2011—Continued

Footnotes—Continued

[8] Includes Forms 941–X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer's tax return for agricultural employees); 944–X (adjusted employer's tax return); 945–X (adjusted return of withheld income tax from nonpayroll distributions); 1040–X (amended individual income tax return); 1041–A (information return of charitable contribution deductions by certain trusts); 1120–X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT–1X (adjusted railroad retirement tax return).

NOTES:

The following forms were included in prior editions of the *IRS Data Book* but have been excluded in the Fiscal Year 2011 edition: 990–C (farmer's cooperative return); 1040EZ–T (telephone excise tax refund return); and 1120–A (corporation income tax return short form). Although the IRS continued to receive filings of these forms through Fiscal Year 2010, they have been obsolete for several years, and none were filed in Fiscal Year 2011.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2011

State	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax, employment taxes, and estate and trust income tax		
					Individual income tax [3]	Individual estimated income tax	Estate and trust income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	**234,566,998**	**2,312,909**	**4,545,454**	**3,573,550**	**143,607,800**	**23,224,046**	**3,106,016**
Alabama	3,159,539	19,840	52,638	45,418	2,079,192	262,695	30,292
Alaska	603,871	3,676	8,979	7,104	372,850	49,101	4,296
Arizona	4,372,823	36,396	82,852	82,728	2,693,072	416,287	47,460
Arkansas	1,951,626	14,757	41,236	27,897	1,218,547	174,116	16,637
California	27,830,110	315,277	427,253	404,440	16,572,467	2,960,481	328,962
Colorado	4,202,374	37,968	117,968	93,662	2,353,168	434,454	45,072
Connecticut	2,915,535	25,350	27,123	63,538	1,722,768	376,751	51,470
Delaware	732,636	9,428	14,835	14,662	424,722	74,824	25,821
District of Columbia	560,114	11,408	5,523	9,473	320,305	60,084	7,094
Florida	16,234,368	192,732	601,660	205,471	9,508,519	1,464,702	175,966
Georgia	6,851,209	57,207	172,884	93,576	4,386,168	475,255	48,751
Hawaii	1,087,893	13,503	14,333	11,737	651,371	136,225	14,013
Idaho	1,131,931	8,410	27,324	25,404	660,379	103,841	9,085
Illinois	9,854,955	106,225	235,997	114,584	6,035,398	967,039	214,914
Indiana	4,540,905	23,280	92,318	54,613	2,974,480	471,379	39,238
Iowa	2,332,958	22,942	39,353	33,599	1,394,596	313,460	31,114
Kansas	2,166,725	18,260	34,283	33,724	1,305,935	256,519	27,577
Kentucky	2,821,628	16,716	51,821	40,371	1,851,772	263,485	26,054
Louisiana	3,183,070	30,664	58,638	59,181	1,979,224	263,329	21,633
Maine	1,070,372	8,211	22,751	11,688	621,678	116,407	28,980
Maryland	4,523,338	51,934	76,295	66,924	2,774,762	502,977	53,526
Massachusetts	5,378,141	54,901	88,240	66,881	3,180,907	656,379	150,063
Michigan	7,129,508	66,306	131,337	101,988	4,589,501	672,446	76,175
Minnesota	4,272,511	34,542	96,355	62,329	2,553,974	487,393	51,260
Mississippi	1,903,300	13,352	29,227	26,069	1,270,066	140,691	10,544
Missouri	4,354,149	35,249	67,182	65,897	2,683,757	445,506	76,722
Montana	896,513	9,901	24,283	17,873	472,748	102,973	8,232
Nebraska	1,435,363	13,106	30,875	22,723	854,586	162,948	18,904
Nevada	2,028,431	29,774	43,431	48,693	1,257,756	150,606	17,808
New Hampshire	1,082,159	10,950	12,142	16,134	661,014	129,309	14,735
New Jersey	7,288,459	76,181	119,021	145,573	4,268,414	802,421	142,614
New Mexico	1,429,748	9,764	21,183	19,483	910,968	145,029	11,074
New York	15,569,334	255,685	390,386	248,838	9,243,325	1,415,625	286,125
North Carolina	6,552,469	56,573	138,697	93,017	4,173,493	601,897	55,098
North Dakota	597,184	4,700	10,004	10,591	328,299	91,450	6,366
Ohio	8,333,829	62,378	122,554	115,368	5,431,137	798,227	132,588
Oklahoma	2,638,256	19,909	52,934	42,965	1,580,878	259,142	28,465
Oregon	3,015,254	22,833	55,564	47,337	1,733,500	356,459	36,323
Pennsylvania	9,641,112	62,092	158,604	126,619	6,113,169	1,109,641	170,721
Rhode Island	845,143	6,553	17,895	10,539	505,797	84,506	27,538
South Carolina	3,131,099	25,985	61,182	47,430	2,033,254	278,585	22,730
South Dakota	701,258	4,848	13,791	12,839	392,330	90,879	12,100
Tennessee	4,235,717	32,822	36,499	65,442	2,831,182	385,033	38,169
Texas	17,490,866	176,040	258,042	326,023	10,902,321	1,388,404	219,309
Utah	1,943,946	15,434	56,892	66,521	1,132,471	133,476	15,787
Vermont	563,577	5,117	11,269	6,522	316,281	77,213	7,580
Virginia	5,995,741	55,726	109,402	82,284	3,713,289	669,657	71,963
Washington	5,307,297	40,909	96,431	77,572	3,156,568	580,320	61,852
West Virginia	1,166,441	8,727	12,426	13,245	780,655	122,925	12,454
Wisconsin	4,336,070	35,833	60,047	60,940	2,738,860	502,603	64,206
Wyoming	512,790	4,974	12,585	13,003	275,564	56,554	6,987
Other [9]	2,663,356	37,561	910	13,018	1,620,363	182,338	3,569

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2011—Continued

State	Individual income tax, employment taxes, and estate and trust income tax—continued		Estate tax [5]	Gift tax	Excise taxes [6]	Tax-exempt organizations [7]	Supplemental documents [8]
	Estate and trust estimated income tax	Employment taxes [4]					
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total	**382,413**	**29,445,812**	**11,128**	**207,858**	**522,165**	**1,384,698**	**22,243,149**
Alabama	3,430	359,259	91	2,113	8,789	17,277	278,505
Alaska	682	78,750	19	390	2,904	4,685	70,435
Arizona	4,757	505,876	106	2,837	4,448	20,681	475,323
Arkansas	2,524	248,463	53	1,013	6,538	10,824	189,021
California	46,044	3,472,955	1,713	20,574	36,287	147,849	3,095,808
Colorado	6,656	616,286	148	4,025	7,426	23,664	461,877
Connecticut	7,965	351,899	203	6,254	3,790	18,844	259,580
Delaware	2,656	89,661	86	735	1,071	6,610	67,525
District of Columbia	1,323	69,068	47	658	271	11,248	63,612
Florida	22,054	2,022,746	724	17,530	26,919	61,091	1,934,254
Georgia	7,670	843,965	224	4,510	16,326	30,748	713,925
Hawaii	2,629	121,726	69	1,195	776	6,359	113,957
Idaho	1,119	181,313	24	621	4,620	6,461	103,330
Illinois	20,247	1,287,391	534	8,813	26,371	57,747	779,695
Indiana	4,721	535,923	76	3,405	16,361	29,798	295,313
Iowa	2,600	315,988	49	1,831	13,111	25,122	139,193
Kansas	4,275	293,355	95	1,937	9,224	14,659	166,882
Kentucky	3,221	331,565	85	2,041	9,680	14,943	209,874
Louisiana	3,443	399,765	82	1,715	9,316	15,390	340,690
Maine	1,478	161,092	38	1,021	3,113	8,913	85,002
Maryland	9,186	522,274	203	4,756	5,481	25,980	429,040
Massachusetts	17,723	677,428	424	7,760	5,884	39,155	432,396
Michigan	8,818	870,825	157	4,742	15,903	39,991	551,319
Minnesota	5,192	599,010	263	5,129	21,659	31,707	323,698
Mississippi	1,668	217,517	44	991	6,248	8,801	178,082
Missouri	7,413	598,253	126	3,710	14,423	31,190	324,721
Montana	963	155,188	28	1,016	3,982	8,179	91,147
Nebraska	1,755	209,646	34	1,547	10,267	11,650	97,322
Nevada	2,786	218,197	71	1,305	5,145	9,474	243,385
New Hampshire	2,704	141,898	48	1,313	2,244	7,651	82,017
New Jersey	14,141	962,494	467	8,158	10,744	84,106	654,125
New Mexico	1,627	170,526	60	788	3,507	7,939	127,800
New York	27,192	2,227,746	1,525	17,575	14,300	86,999	1,354,013
North Carolina	6,535	828,861	200	4,903	16,342	36,887	539,966
North Dakota	582	92,774	14	946	10,221	5,087	36,150
Ohio	11,168	939,682	226	6,894	18,451	57,834	637,322
Oklahoma	4,732	351,029	94	1,665	6,255	14,579	275,609
Oregon	3,822	426,881	147	2,441	6,423	20,674	302,850
Pennsylvania	14,403	1,134,514	370	9,268	19,203	66,149	656,359
Rhode Island	1,851	115,029	92	697	1,093	9,208	64,345
South Carolina	2,964	379,993	65	2,344	7,627	15,187	253,753
South Dakota	1,350	107,084	22	842	6,681	5,633	52,859
Tennessee	6,642	462,651	184	3,034	10,533	21,537	341,989
Texas	46,617	1,944,982	676	14,629	40,500	79,569	2,093,754
Utah	1,829	288,793	48	844	3,620	9,106	219,125
Vermont	1,211	88,587	49	528	1,654	5,545	42,021
Virginia	9,143	721,815	233	5,399	9,181	35,574	512,075
Washington	8,644	701,303	201	4,418	14,246	30,010	534,823
West Virginia	1,227	136,700	11	704	3,499	7,747	66,121
Wisconsin	7,171	549,489	118	4,617	13,209	32,147	266,830
Wyoming	1,429	84,245	30	732	2,314	4,034	50,339
Other [9]	431	233,352	432	945	3,985	2,456	563,996

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2011—Continued

Footnotes

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W–2, and W–2G, and Schedule K–1); tax-exempt bond returns (Forms 8038, 8038–B, 8038–CP, 8038–G, 8038–GC, 8038–T, 8038–TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500–EZ, and 5500–SF). See Table 14 for the total number of information returns filed.

[2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (cooperative association income tax return); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–FSC (foreign sales corporation income tax return); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (income tax return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–POL (income tax return for certain political associations); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Form 1120–X (amended corporation income tax return) is included with Supplemental documents in this table.

Excludes Form 990–T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040–A (individual income tax return, short form); 1040–EZ (individual income tax return for single and joint filers with no dependents); 1040–NR and 1040NR–EZ (nonresident alien income tax return); 1040–PR (self-employment income tax return for Puerto Rico residents); 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 1040–C (income tax return for departing aliens).

Form 1040–X (amended individual income tax return) is included with Supplemental documents in this table.

[4] Includes Forms 940 (employer's Federal unemployment tax return); 940–EZ (employer's Federal unemployment tax return, short form); 940–PR (unemployment tax return for Puerto Rico residents); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941–PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943–PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's tax return); 944–PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons) and CT–1 (railroad retirement tax return).

Forms 941–X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer's tax return for agricultural employees); 944–X (adjusted employer's tax return); 945–X (adjusted tax return of withheld income tax from nonpayroll distributions); and CT–1X (adjusted railroad retirement tax return) are included in Supplemental documents.

[5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–GS(D) (generation-skipping transfer tax return for distributions); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–NA (estate and generation-skipping transfer tax return for nonresident aliens). The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706, due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced the number of Forms 706 filed in 2011.

[6] Includes Forms 720 (excise tax return); 730 (excise tax return for wagering); 11–C (occupational tax and registration for wagering return); 5330 (excise taxes related to employee retirement plans return); and 2290 (heavy highway vehicle use tax return). The deadline to file Form 2290 was extended from August 31, 2011, to November 30, 2011, resulting in a significant decrease in the number of Forms 2290 filed in Fiscal Year 2011, as these filings were delayed until Fiscal Year 2012. Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990–EZ (tax-exempt organization information return, short form); 990–N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990–EZ); 990–PF (private foundation information return); and 990–T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990–T is combined with Business income taxes in other tables.

[8] Includes Forms 941–X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer's tax return for agricultural employees); 944–X (adjusted employer's tax return); 945–X (adjusted return of withheld income tax from nonpayroll distributions); 1040–X (amended individual income tax return); 1041–A (information return of charitable contribution deductions by certain trusts); 1120–X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT–1X (adjusted railroad retirement tax return).

[9] Includes U.S. Territories, U.S. Armed Service members overseas, and international.

NOTES:

The following forms were included in prior editions of the *IRS Data Book* but have been excluded in the Fiscal Year 2011 edition: 990–C (farmer's cooperative return); 1040EZ–T (telephone excise tax refund return); and 1120–A (corporation income tax return short form). Although the IRS continued to receive filings of these forms through Fiscal Year 2010, they have been obsolete for several years, and none were filed in Fiscal Year 2011.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2011

State	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax	
					Total individual returns [3]	Online
						Total filed [4]
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	**133,457,468**	**756,786**	**2,303,333**	**1,772,762**	**111,004,358**	**36,023,091**
Alabama	1,912,112	7,928	31,598	27,703	1,674,910	495,374
Alaska	336,801	1,201	5,429	3,721	284,544	116,500
Arizona	2,447,690	6,884	29,692	27,951	2,029,845	759,754
Arkansas	1,135,084	4,503	18,974	11,364	996,013	275,390
California	15,509,431	108,006	224,271	183,113	12,397,415	2,920,560
Colorado	2,208,689	10,168	56,737	43,090	1,765,953	683,678
Connecticut	1,638,507	6,532	11,066	23,907	1,341,684	430,466
Delaware	412,662	2,560	5,583	6,205	328,724	126,660
District of Columbia	296,360	1,399	2,128	3,502	227,582	99,202
Florida	9,113,332	49,024	278,884	99,245	7,341,127	2,749,757
Georgia	4,202,208	18,359	91,646	49,198	3,520,329	1,273,340
Hawaii	514,183	2,439	4,481	3,441	444,090	151,453
Idaho	631,797	2,550	15,778	14,284	538,886	187,000
Illinois	5,472,868	23,072	83,750	41,072	4,624,416	1,458,032
Indiana	2,742,569	6,236	36,068	22,474	2,448,633	842,511
Iowa	1,349,521	8,209	20,088	14,785	1,210,375	317,098
Kansas	1,288,337	9,201	22,037	21,219	1,099,426	346,813
Kentucky	1,690,532	3,929	18,183	14,398	1,522,453	436,464
Louisiana	1,797,363	9,075	26,066	27,753	1,542,753	498,136
Maine	562,398	1,955	9,234	4,815	463,216	176,794
Maryland	2,419,497	11,018	32,566	28,484	2,009,870	761,066
Massachusetts	3,294,243	30,124	74,616	53,463	2,486,939	792,618
Michigan	4,396,526	35,508	90,607	71,444	3,740,625	1,151,376
Minnesota	2,534,651	12,112	59,809	37,715	2,097,568	663,045
Mississippi	1,141,881	4,498	14,839	13,295	1,027,458	303,604
Missouri	2,491,540	11,209	32,534	30,348	2,158,467	704,733
Montana	473,540	3,672	14,559	10,759	385,282	116,359
Nebraska	845,298	5,821	17,930	12,489	728,390	230,598
Nevada	1,177,131	9,816	22,678	24,946	957,914	316,279
New Hampshire	608,457	3,777	6,506	7,894	508,595	208,885
New Jersey	4,104,207	20,981	49,309	73,495	3,217,604	799,401
New Mexico	793,851	2,911	9,223	8,753	699,951	253,730
New York	9,324,945	111,755	269,740	173,697	7,212,848	1,685,960
North Carolina	3,746,656	11,938	47,624	32,136	3,299,495	1,137,816
North Dakota	312,791	2,145	6,475	6,637	273,285	79,099
Ohio	5,018,407	22,658	59,010	58,543	4,314,078	1,621,242
Oklahoma	1,493,707	6,110	23,680	18,447	1,274,982	407,406
Oregon	1,660,350	7,879	29,635	23,251	1,336,691	483,373
Pennsylvania	5,438,467	16,804	61,975	52,658	4,654,573	1,649,022
Rhode Island	523,289	2,277	9,926	5,867	402,739	107,809
South Carolina	1,904,198	9,592	36,984	23,291	1,664,171	516,107
South Dakota	385,888	2,329	9,664	8,550	327,553	102,100
Tennessee	2,529,974	9,979	16,263	29,391	2,265,150	770,572
Texas	9,804,700	58,108	121,293	151,324	8,212,767	2,941,654
Utah	1,144,853	5,266	34,726	38,786	911,742	356,721
Vermont	286,512	1,474	5,220	2,924	241,847	93,123
Virginia	3,351,905	13,333	45,848	33,799	2,860,016	1,245,672
Washington	2,918,759	13,494	53,304	39,900	2,424,803	998,998
West Virginia	663,822	1,797	3,991	4,159	614,043	225,197
Wisconsin	2,604,149	17,849	42,877	41,690	2,237,208	745,339
Wyoming	272,622	2,045	8,027	7,905	221,774	74,243
Other [10]	528,208	5,277	202	3,482	433,556	134,962

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2011—Continued

State	Individual income tax—continued		Estate and trust income tax	Employment taxes [7]	Tax-exempt organizations [8]	Supplemental documents [9]
	Online—continued	Practitioner filed [6]				
	Free File [5]					
	(7)	(8)	(9)	(10)	(11)	(12)
United States, total	**3,173,842**	**74,981,267**	**1,725,281**	**7,397,952**	**607,738**	**7,889,258**
Alabama	47,011	1,179,536	18,817	46,671	9,079	95,406
Alaska	7,893	168,044	1,868	7,012	2,334	30,692
Arizona	56,323	1,270,091	25,638	152,335	9,806	165,539
Arkansas	29,677	720,623	9,117	19,681	5,655	69,777
California	234,424	9,476,855	127,037	1,326,320	51,334	1,091,935
Colorado	51,477	1,082,275	21,134	127,223	10,910	173,474
Connecticut	31,408	911,218	23,179	137,911	8,002	86,226
Delaware	10,476	202,064	15,890	27,436	2,391	23,873
District of Columbia	7,388	128,380	2,607	36,036	4,623	18,483
Florida	188,001	4,591,370	99,409	498,880	26,888	719,875
Georgia	110,751	2,246,989	23,653	201,552	14,309	283,162
Hawaii	12,072	292,637	6,712	23,904	2,811	26,305
Idaho	18,935	351,886	4,312	11,564	3,429	40,994
Illinois	133,223	3,166,384	139,699	296,749	24,311	239,799
Indiana	70,404	1,606,122	17,659	98,306	12,923	100,270
Iowa	25,660	893,277	12,429	18,834	15,982	48,819
Kansas	33,055	752,613	14,923	44,907	8,270	68,354
Kentucky	46,039	1,085,989	13,794	45,056	7,244	65,475
Louisiana	42,281	1,044,617	11,123	58,153	7,608	114,832
Maine	15,362	286,422	5,211	42,200	4,531	31,236
Maryland	53,777	1,248,804	22,617	166,781	11,950	136,211
Massachusetts	63,969	1,694,321	107,096	323,616	15,943	202,446
Michigan	117,316	2,589,249	43,842	179,215	20,845	214,440
Minnesota	67,902	1,434,523	28,469	157,007	14,873	127,098
Mississippi	32,238	723,854	6,358	14,444	4,679	56,310
Missouri	70,970	1,453,734	33,338	94,248	15,531	115,865
Montana	10,905	268,923	4,386	7,936	4,983	41,963
Nebraska	20,802	497,792	11,362	22,444	6,297	40,565
Nevada	22,487	641,635	8,703	62,452	5,853	84,769
New Hampshire	14,976	299,710	6,719	42,543	3,382	29,041
New Jersey	53,869	2,418,203	92,051	416,047	13,990	220,730
New Mexico	22,003	446,221	5,582	17,625	3,941	45,865
New York	168,998	5,526,888	200,476	724,670	36,200	595,559
North Carolina	101,382	2,161,679	26,816	146,891	15,851	165,905
North Dakota	10,319	194,186	3,214	4,541	2,981	13,513
Ohio	167,053	2,692,836	82,301	233,953	28,837	219,027
Oklahoma	48,405	867,576	14,152	41,654	7,123	107,559
Oregon	51,270	853,318	19,020	108,088	9,963	125,823
Pennsylvania	148,781	3,005,551	100,591	322,560	25,138	204,168
Rhode Island	10,399	294,930	19,700	57,101	2,410	23,269
South Carolina	55,366	1,148,064	11,467	55,902	7,628	95,163
South Dakota	9,804	225,453	8,075	4,422	3,498	21,797
Tennessee	77,771	1,494,578	19,817	72,755	10,366	106,253
Texas	231,070	5,271,113	120,602	406,147	38,832	695,627
Utah	24,373	555,021	7,739	49,539	4,312	92,743
Vermont	9,750	148,724	3,468	16,915	2,739	11,925
Virginia	120,360	1,614,344	40,369	170,133	17,200	171,207
Washington	81,179	1,425,805	33,594	134,643	15,424	203,597
West Virginia	25,221	388,846	7,967	9,000	3,737	19,128
Wisconsin	76,684	1,491,869	36,199	99,742	17,917	110,667
Wyoming	5,764	147,531	4,236	4,442	2,212	21,981
Other [10]	26,819	298,594	744	9,766	663	74,518

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2011—Continued

Footnotes

[1] Excludes returns that do not have the option of filing electronically; information returns (e.g., Forms 1098, 1099, 5498, W–2, and W–2G, and Schedule K–1); tax-exempt bond returns (Forms 8038, 8038–B, 8038–CP, 8038–G, 8038–GC, 8038–T, 8038–TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500–EZ, and 5500–SF). Also excludes excise tax returns (Forms 720 and 2290), which together totaled 39,915.

[2] Includes Forms 1120 (corporation income tax return); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); and 1120–POL (income tax return for certain political associations).

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040–A (individual income tax return, short form); 1040–EZ (individual income tax return for single and joint filers with no dependents); and 1040–NR (nonresident alien income tax return).

[4] Online e-filing is an option that allows taxpayers to prepare and file tax returns using a personal computer. Online returns can be filed through one of two processes: taxpayers either complete a tax return on a Web site without downloading any software, or taxpayers purchase and load software onto their personal computers, prepare their returns, and transmit them to the IRS through an online filing company.

[5] Includes two Free File income tax preparation and electronic filing options: (1) All taxpayers could use Free File Fillable Forms, an electronic version of paper returns that performs simple mathematical calculations; and (2) Taxpayers with adjusted gross incomes of $58,000 or less could prepare and file their taxes using commercial online software provided though a partnership between the Internal Revenue Service and Free File Alliance, LLC, a group of private sector tax software companies. The Free File Fillable Forms and Free File commercial online software were both available through IRS.gov.

[6] Includes cases in which a taxpayer transmitted the return via an authorized e-file provider, who was, in most cases, also the preparer of the return.

[7] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941–PR/SS (employer's tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 944 (employer's tax return).

[8] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990–EZ (tax-exempt organization information return, short form); 990–N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990–EZ); 990–PF (private foundation information return); and Form 8872 (political organization report of contributions and expenditures). Tax collected on Form 990–T is combined with Business income taxes in other tables.

[9] Includes Forms 4868 (automatic filing extension for individuals); 7004 (automatic filing extension for corporations); and 8868 (automatic filing extension for tax-exempt organizations).

[10] Includes U.S. Territories, U.S. Armed Service members overseas, and international.

NOTES:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

E-file mandates on tax return preparers expanded under the Worker, Homeowner, and Business Assistance Act of 2009. Beginning with Calendar Year 2011, the act requires preparers who expected to file more than 100 individual and estate and trust income tax returns to file them electronically. This includes Forms 1040 (individual income tax return); 1040–A (individual income tax return, short form); and 1040–EZ (individual income tax return for single and joint filers with no dependents) along with Form 1041 (estate and trust income tax return).

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2011

[Money amounts are in thousands of dollars]

State	Total Internal Revenue collections [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax		
			Total	Individual income tax withheld and FICA tax [3]	Individual income tax payments and SECA tax [3]
	(1)	(2)	(3)	(4)	(5)
United States, total [6]	**2,414,952,112**	**242,848,122**	**2,113,687,051**	**1,722,260,982**	**364,818,756**
Alabama	20,394,671	979,201	19,221,725	15,527,971	3,554,591
Alaska	4,860,572	219,033	4,583,557	3,566,740	947,038
Arizona	32,920,415	1,836,127	29,812,625	24,514,496	5,063,120
Arkansas	26,326,077	5,259,228	19,553,291	17,171,493	2,131,052
California	281,227,298	35,086,915	241,301,492	186,549,105	52,787,590
Colorado	40,328,519	3,625,590	35,433,010	28,441,355	6,780,908
Connecticut	45,561,956	4,471,855	40,117,676	30,716,783	8,396,693
Delaware	21,088,276	7,577,762	13,246,722	11,256,537	793,748
District of Columbia	19,619,128	442,343	19,133,638	16,913,518	1,793,437
Florida	116,758,697	5,638,216	109,627,416	82,775,515	25,146,506
Georgia	60,601,096	6,030,220	51,916,589	44,019,139	7,506,175
Hawaii	6,127,725	365,380	5,610,788	4,305,223	1,240,301
Idaho	6,345,865	286,609	6,004,060	4,717,916	1,223,668
Illinois	119,116,442	15,106,615	100,881,276	82,459,483	16,723,892
Indiana	43,886,554	2,793,470	40,389,485	35,274,373	4,867,542
Iowa	17,805,295	1,325,364	16,314,416	13,404,560	2,813,928
Kansas	19,758,229	1,438,465	17,166,592	13,626,306	3,124,498
Kentucky	24,451,664	1,849,020	22,350,286	19,285,204	2,873,279
Louisiana	35,888,004	1,541,069	33,967,154	28,829,166	4,948,627
Maine	6,153,147	408,867	5,590,148	4,473,460	1,054,335
Maryland	49,083,255	3,128,766	45,659,933	37,887,162	7,303,873
Massachusetts	77,218,196	6,006,072	70,215,693	56,987,035	12,526,392
Michigan	55,625,833	3,485,347	51,901,912	43,828,098	7,486,292
Minnesota	72,676,800	11,386,276	60,641,041	54,056,050	6,153,890
Mississippi	9,183,541	538,662	8,406,669	6,565,453	1,778,053
Missouri	46,794,981	5,214,958	40,433,278	34,842,178	5,104,358
Montana	4,197,002	159,792	3,978,688	2,872,641	1,054,754
Nebraska	15,664,192	2,697,893	12,899,190	9,782,314	2,052,485
Nevada	13,032,725	559,943	12,137,660	8,661,135	3,158,205
New Hampshire	8,702,370	335,589	8,221,439	6,550,617	1,595,058
New Jersey	112,103,329	16,657,494	93,468,097	79,445,339	13,215,670
New Mexico	8,039,313	143,804	7,751,692	5,864,434	1,575,214
New York	202,149,306	21,463,187	178,286,613	140,226,446	35,949,363
North Carolina	56,809,844	4,983,577	51,530,201	44,262,512	6,924,650
North Dakota	4,917,384	243,707	4,594,906	3,291,220	1,276,009
Ohio	112,069,407	9,548,173	99,581,044	89,911,545	8,865,148
Oklahoma	24,400,086	3,118,775	18,441,981	14,069,311	3,822,869
Oregon	22,366,343	1,347,161	20,788,228	17,240,179	3,408,755
Pennsylvania	103,134,437	9,179,966	91,351,732	77,288,281	13,160,343
Rhode Island	10,428,091	2,212,331	8,179,575	7,007,168	1,059,922
South Carolina	17,465,006	884,984	16,385,581	13,191,106	3,065,804
South Dakota	4,624,947	189,462	4,367,571	2,952,640	1,127,485
Tennessee	45,189,610	3,350,941	40,872,114	35,476,117	5,051,279
Texas	198,295,817	21,880,905	160,086,749	124,891,467	32,213,420
Utah	14,700,936	1,602,887	12,618,879	10,383,127	2,127,865
Vermont	3,333,342	200,691	3,107,109	2,473,706	604,664
Virginia	60,074,032	6,532,774	53,214,256	42,802,309	9,482,943
Washington	52,531,569	4,793,734	46,928,717	37,172,392	9,389,390
West Virginia	6,386,378	297,252	6,001,033	4,753,560	1,205,703
Wisconsin	38,866,764	3,463,905	34,958,511	29,459,677	5,148,307
Wyoming	3,516,453	106,111	3,325,267	2,075,646	1,185,262
U.S. Armed Service members overseas and Territories other than Puerto Rico	595,864	2,219	583,148	453,519	126,881
Puerto Rico	3,313,199	177,178	3,134,536	2,780,153	320,304
International	8,611,086	1,296,039	6,946,801	3,686,019	3,234,400
Undistributed [8]	−368,956	−623,782	465,263	1,242,083	−707,176

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2011—Continued

[Money amounts are in thousands of dollars]

State	Individual income tax, employment taxes, and estate and trust income tax—continued			Estate tax [4]	Gift tax [5]	Excise taxes [1]
	Unemployment insurance tax	Railroad retirement tax	Estate and trust income tax			
	(6)	(7)	(8)	(9)	(10)	(11)
United States, total [6]	**6,893,226**	**4,692,329**	**15,021,758**	**2,506,991**	**[7] 6,572,384**	**49,337,564**
Alabama	74,360	2,335	62,468	12,879	43,530	137,335
Alaska	15,142	1,633	53,004	3,589	1,686	52,707
Arizona	123,351	1,337	110,322	20,346	31,913	1,219,403
Arkansas	145,215	2,155	103,376	13,802	514,019	526,937
California	743,432	7,821	1,213,544	715,888	1,142,626	2,980,378
Colorado	104,464	11,346	94,937	31,305	59,022	1,179,593
Connecticut	83,992	4,528	915,680	26,990	170,255	775,181
Delaware	30,968	76	1,165,393	5,541	17,036	241,213
District of Columbia	16,106	383,365	27,212	22,457	9,084	11,607
Florida	380,804	671,478	653,113	104,931	499,479	888,656
Georgia	226,963	1,964	162,348	64,824	80,312	2,509,152
Hawaii	19,625	0	45,639	16,004	5,159	130,395
Idaho	27,627	850	33,999	4,952	7,941	42,304
Illinois	319,051	173,556	1,205,294	80,318	198,076	2,850,157
Indiana	148,507	15,373	83,690	15,739	40,387	647,473
Iowa	57,750	4,880	33,298	9,711	52,420	103,384
Kansas	65,643	268,590	81,556	28,451	33,033	1,091,687
Kentucky	77,189	9,569	105,046	14,288	76,176	161,893
Louisiana	80,679	3,345	105,337	20,338	69,279	290,164
Maine	22,625	2,177	37,550	3,811	5,037	145,284
Maryland	119,406	13,445	336,047	80,447	93,023	121,086
Massachusetts	176,459	61,927	463,881	53,548	184,591	758,291
Michigan	299,565	81,308	206,649	73,479	61,829	103,265
Minnesota	195,171	86,490	149,441	38,792	69,652	541,039
Mississippi	36,892	950	25,321	18,091	4,032	216,087
Missouri	143,324	65,586	277,833	38,424	84,889	1,023,432
Montana	15,730	18,560	17,003	3,196	12,876	42,450
Nebraska	40,450	984,417	39,525	3,395	6,525	57,188
Nevada	47,098	93	271,129	18,414	188,177	128,531
New Hampshire	23,969	111	51,684	2,054	9,627	133,661
New Jersey	234,789	129,094	443,206	44,331	179,925	1,753,482
New Mexico	27,615	235	284,194	8,002	49,153	86,662
New York	384,887	319,407	1,406,510	220,570	736,609	1,442,327
North Carolina	217,958	5,489	119,592	20,418	74,015	201,631
North Dakota	14,575	4,656	8,447	1,430	2,665	74,676
Ohio	295,710	20,538	488,103	68,175	126,533	2,745,483
Oklahoma	73,025	1,996	474,780	29,552	43,088	2,766,690
Oregon	74,010	666	64,618	15,515	27,971	187,468
Pennsylvania	294,878	56,105	552,125	39,865	183,433	2,379,441
Rhode Island	31,275	9	81,201	3,643	21,977	10,565
South Carolina	83,347	1,238	44,086	14,660	17,201	162,580
South Dakota	14,136	356	272,955	8,383	37,505	22,026
Tennessee	182,347	2,292	160,080	29,565	24,278	912,714
Texas	558,895	657,764	1,765,203	117,936	359,987	15,850,240
Utah	55,094	3,704	49,089	4,193	10,368	464,608
Vermont	10,478	2,048	16,214	2,976	2,369	20,196
Virginia	164,735	597,464	166,805	82,532	71,879	172,590
Washington	164,734	7,125	195,076	68,150	107,095	633,874
West Virginia	20,726	385	20,660	11,618	2,181	74,295
Wisconsin	141,329	5,209	203,989	18,449	60,924	364,974
Wyoming	9,757	554	54,047	1,955	28,075	55,046
U.S. Armed Service members overseas and Territories other than Puerto Rico	2,223	0	525	1,192	166	9,139
Puerto Rico	33,897	2	179	998	14	473
International	6,548	1,076	18,758	83,569	10,558	274,119
Undistributed [8]	−65,297	−4,347	0	63,308	163,925	−437,669

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2011—Continued

Footnotes

[1] Excludes excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990–T).

[3] Collections of individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). Thus, while aggregate figures that show these amounts separately are presented in Table 1, separate amounts are not available by State.

[4] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011.

[5] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. As shown here, gift tax collections increased significantly between Fiscal Years 2010 and 2011, primarily due to fluctuations in the maximum gift tax rate between Calendar Years 2009 and 2011. The maximum gift tax rate fluctuated as follows: for gifts given in 2009, the tax rate was 45 percent; for 2010 gifts, the rate was 35 percent; and for 2011 gifts, the rate was 55 percent. Increased gifting activity in Calendar Year 2010, the result of deferred and accelerated gifts that would otherwise have been given in other years, was reported in Calendar Year 2011, shown here as collections activity in Fiscal Year 2011.

[6] Excludes credits to taxpayer accounts.

[7] Selected data suppressed to prevent the disclosure of taxpayer information. However, the data are included in the total.

[8] Includes tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

Collection and refund data may not be comparable for a given fiscal year, because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year refunds made in Fiscal Year 2011 may result in negative amounts when such adjustments exceed current-year collections. See Table 8 for refund data.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2011

[Money amounts are in thousands of dollars]

Fiscal year	Total Internal Revenue collections [1]	Income taxes				Employment taxes [4]	Estate tax	Gift tax	Excise taxes [5]
		Total	Business income taxes [2]	Individual income tax [3]	Estate and trust income tax [3]				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1960	91,774,803	67,125,126	22,179,414	44,945,711	n.a.	11,158,589	1,439,259	187,089	11,864,741
1961	94,401,086	67,917,941	21,764,940	46,153,001	n.a.	12,502,451	1,745,480	170,912	12,064,302
1962	99,440,839	71,945,305	21,295,711	50,649,594	n.a.	12,708,171	1,796,227	238,960	12,752,176
1963	105,925,395	75,323,714	22,336,134	52,987,581	n.a.	15,004,486	1,971,614	215,843	13,409,737
1964	112,260,257	78,891,218	24,300,863	54,590,354	n.a.	17,002,504	2,110,992	305,312	13,950,232
1965	114,434,634	79,792,016	26,131,334	53,660,683	n.a.	17,104,306	2,454,332	291,201	14,792,779
1966	128,879,961	92,131,794	30,834,243	61,297,552	n.a.	20,256,133	2,646,968	446,954	13,398,112
1967	148,374,815	104,288,420	34,917,825	69,370,595	n.a.	26,958,241	2,728,580	285,826	14,113,748
1968	153,636,838	108,148,565	29,896,520	78,252,045	n.a.	28,085,898	2,710,254	371,725	14,320,396
1969	187,919,560	135,778,052	38,337,646	97,440,406	n.a.	33,068,657	3,136,691	393,373	15,542,787
1970	195,722,096	138,688,568	35,036,983	103,651,585	n.a.	37,449,188	3,241,321	438,755	15,904,264
1971	191,647,198	131,072,374	30,319,953	100,752,421	n.a.	39,918,690	3,352,641	431,642	16,871,851
1972	209,855,737	143,804,732	34,925,546	108,879,186	n.a.	43,714,001	5,126,522	363,447	16,847,036
1973	237,787,204	164,157,315	39,045,309	125,112,006	n.a.	52,081,709	4,338,924	636,938	16,572,318
1974	268,952,254	184,648,094	41,744,444	142,903,650	n.a.	62,093,632	4,659,825	440,849	17,109,853
1975	293,822,726	202,146,097	45,746,660	156,399,437	n.a.	70,140,809	4,312,657	375,421	16,847,741
1976	302,519,792	205,751,753	46,782,956	158,968,797	n.a.	74,202,853	4,875,735	431,730	17,257,720
1976 [6]	75,462,780	49,567,484	9,808,905	39,758,579	n.a.	19,892,041	1,367,935	117,312	4,518,008
1977	358,139,417	246,805,067	60,049,804	186,755,263	n.a.	86,076,316	5,649,460	1,775,866	17,832,707
1978	399,776,389	278,438,289	65,380,145	213,058,144	n.a.	97,291,653	5,242,080	139,419	18,664,949
1979	460,412,185	322,993,733	71,447,876	251,545,857	n.a.	112,849,874	5,344,176	174,899	19,049,504
1980	519,375,273	359,927,392	72,379,610	287,547,782	n.a.	128,330,480	6,282,247	216,134	24,619,021
1981	606,799,103	406,583,302	73,733,156	332,850,146	n.a.	152,885,816	6,694,641	215,745	40,419,598
1982	632,240,506	418,599,768	65,990,832	352,608,936	n.a.	168,717,936	8,035,335	108,038	36,779,428
1983	627,246,793	411,407,523	61,779,556	349,627,967	n.a.	173,847,854	6,077,202	148,675	35,765,538
1984	680,475,229	437,071,049	74,179,370	362,891,679	n.a.	199,210,028	6,024,985	151,682	38,017,486
1985	742,871,541	474,072,327	77,412,769	396,659,558	n.a.	225,214,568	6,303,418	276,284	37,004,944
1986	782,251,812	497,406,391	80,441,620	416,964,771	n.a.	243,978,380	6,814,417	380,538	33,672,086
1987	886,290,590	568,311,471	102,858,985	465,452,486	n.a.	277,000,469	7,164,681	502,989	33,310,980
1988	935,106,594	583,349,120	109,682,554	473,666,566	n.a.	318,038,990	7,348,679	435,766	25,934,040
1989	1,013,322,133	632,746,069	117,014,564	515,731,504	n.a.	345,625,586	8,143,689	829,457	25,977,333
1990	1,056,365,652	650,244,947	110,016,539	540,228,408	n.a.	367,219,321	9,633,736	2,128,202	27,139,445
1991	1,086,851,401	660,475,445	113,598,569	546,876,876	n.a.	384,451,220	10,237,247	1,235,894	30,451,596
1992	1,120,799,558	675,673,952	117,950,796	557,723,156	n.a.	400,080,904	10,411,450	1,067,666	33,565,587
1993	1,176,685,625	717,321,668	131,547,509	585,774,159	n.a.	411,510,516	11,433,495	1,457,470	34,962,476
1994	1,276,466,776	774,023,837	154,204,684	619,819,153	n.a.	443,831,352	13,500,126	2,106,667	43,004,794
1995	1,375,731,835	850,201,510	174,422,173	675,779,337	n.a.	465,405,305	13,326,051	1,818,343	44,980,627
1996	1,486,546,674	934,368,068	189,054,791	745,313,276	n.a.	492,365,178	15,350,591	2,241,226	42,221,611
1997	1,623,272,071	1,029,513,216	204,492,336	825,020,880	n.a.	528,596,833	17,595,484	2,760,917	44,805,621
1998	1,769,408,739	1,141,335,868	213,270,011	928,065,857	n.a.	557,799,193	21,314,933	3,316,029	45,642,716
1999	1,904,151,888	1,218,510,654	216,324,889	1,002,185,765	n.a.	598,669,865	23,627,320	4,758,287	58,585,763
2000	2,096,916,925	1,372,732,596	235,654,894	1,137,077,702	n.a.	639,651,814	25,618,377	4,103,243	54,810,895
2001	2,128,831,182	1,364,941,523	186,731,643	1,178,209,880	n.a.	682,222,895	25,289,663	3,958,253	52,418,848
2002	2,016,627,269	1,249,171,681	211,437,773	1,037,733,908	n.a.	688,077,238	25,532,186	1,709,329	52,136,835
2003	1,952,929,045	1,181,355,176	194,146,298	987,208,878	n.a.	695,975,801	20,887,883	1,939,025	52,771,160
2004	2,018,502,103	1,220,868,119	230,619,359	990,248,760	n.a.	717,247,296	24,130,143	1,449,319	54,807,225
2005	2,268,895,122	1,414,595,831	307,094,837	1,107,500,994	n.a.	771,441,662	23,565,164	2,040,367	57,252,098
2006	2,518,680,230	1,617,183,944	380,924,573	1,236,259,371	n.a.	814,819,218	26,717,493	1,970,032	57,989,543
2007	2,691,537,557	1,761,777,263	395,535,825	1,366,241,437	n.a.	849,732,729	24,557,815	2,420,138	53,049,612
2008	2,745,035,410	1,780,306,008	354,315,825	1,400,405,178	25,585,005	883,197,626	26,543,433	3,280,502	51,707,840
2009	2,345,337,177	1,415,864,347	225,481,588	1,175,421,788	14,960,969	858,163,864	21,583,131	3,094,191	46,631,646
2010	2,345,055,978	1,453,926,748	277,937,220	1,163,687,589	12,301,939	824,188,337	16,930,741	2,820,095	47,190,057
2011	2,414,952,112	1,589,030,349	242,848,122	1,331,160,469	15,021,758	767,504,822	[7] 2,506,991	[8] 6,572,384	49,337,563

Footnotes on next page.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2011—Continued

Footnotes

n.a.—Not available.

[1] Beginning with Fiscal Year 2009, credits to taxpayer accounts are excluded.

[2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990–T).

[3] Income tax reported for estates and trusts is included in individual income tax in Fiscal Years 1960–2007. Beginning with Fiscal Year 2008, estate and trust income tax is reported separately.

[4] Includes taxes for Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI); unemployment insurance under the Federal Unemployment Tax Act (FUTA); and railroad retirement under the Railroad Retirement Tax Act (RRTA).

[5] Excludes excise taxes collected by the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. The Internal Revenue Service collected taxes on alcohol and tobacco until Fiscal Year 1988, and taxes on firearms until Fiscal Year 1991.

[6] Represents fiscal-year transitional period, July 1976 through September 1976, resulting from redefinition of the term "fiscal year." Fiscal Year 1976 covered July 1975 through June 1976 (earlier years were similarly defined). Fiscal Year 1977 covered October 1976 through September 1977 (subsequent years are similarly defined).

[7] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011.

[8] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. As shown here, gift tax collections increased significantly between Fiscal Years 2010 and 2011, primarily due to fluctuations in the maximum gift tax rate between Calendar Years 2009 and 2011. The maximum gift tax rate fluctuated as follows: for gifts given in 2009, the tax rate was 45 percent; for 2010 gifts, the rate was 35 percent; and for 2011 gifts, the rate was 55 percent. Increased gifting activity in Calendar Year 2010, the result of deferred and accelerated gifts that would otherwise have been given in other years, was reported in Calendar Year 2011, shown here as collections activity in Fiscal Year 2011.

NOTES:

Detail may not add to totals because of rounding.

All money amounts are in current dollars.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Financial Management.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2011

State	Total Internal Revenue refunds [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax			Estate tax [4]	Gift tax	Excise taxes
			Individual income tax	Estate and trust income tax	Employment taxes [3]			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total	**122,869,465**	**508,671**	**119,870,799**	**218,999**	**2,167,275**	**5,511**	**3,654**	**94,556**
Alabama	1,817,334	5,474	1,777,096	2,102	31,100	53	35	1,474
Alaska	308,094	1,141	297,562	459	8,577	7	4	344
Arizona	2,277,012	7,977	2,228,582	3,274	35,737	68	41	1,333
Arkansas	1,058,161	3,904	1,030,286	1,085	21,966	42	21	857
California	13,859,009	64,003	13,540,352	24,144	219,464	962	499	9,585
Colorado	1,953,963	9,219	1,900,738	3,360	39,258	86	50	1,252
Connecticut	1,455,338	5,278	1,419,287	4,388	25,242	95	99	949
Delaware	370,905	2,061	359,647	2,711	5,945	13	23	505
District of Columbia	276,552	1,371	268,766	771	5,346	35	8	255
Florida	8,485,549	34,697	8,285,487	12,920	146,339	416	415	5,275
Georgia	3,890,871	15,221	3,810,041	3,831	59,269	135	58	2,316
Hawaii	543,583	3,266	528,922	1,207	9,847	32	15	294
Idaho	561,931	2,495	543,936	552	14,389	10	12	537
Illinois	5,257,813	21,972	5,128,075	15,008	88,068	260	118	4,312
Indiana	2,608,201	7,580	2,556,169	2,436	40,153	63	34	1,766
Iowa	1,167,935	7,467	1,135,210	1,096	22,476	28	17	1,641
Kansas	1,083,258	6,233	1,052,521	1,743	21,644	30	42	1,045
Kentucky	1,630,410	4,657	1,597,417	1,754	25,222	50	21	1,289
Louisiana	1,736,177	7,277	1,686,157	1,892	39,374	69	26	1,382
Maine	530,450	2,429	517,490	855	9,198	10	8	460
Maryland	2,365,658	9,107	2,313,280	4,807	36,961	121	77	1,305
Massachusetts	2,655,171	10,069	2,592,557	10,262	40,039	168	116	1,960
Michigan	3,904,456	16,826	3,810,809	5,814	68,288	92	71	2,556
Minnesota	2,107,160	10,639	2,050,934	3,083	39,796	70	65	2,573
Mississippi	1,117,279	3,927	1,090,765	761	20,733	24	15	1,054
Missouri	2,289,926	9,831	2,230,687	4,043	42,871	73	22	2,399
Montana	387,598	3,548	371,028	488	11,904	16	6	608
Nebraska	715,777	4,303	693,922	913	15,467	22	6	1,144
Nevada	1,108,057	5,300	1,083,065	1,581	17,278	35	37	761
New Hampshire	564,802	2,392	549,952	1,234	10,725	25	19	455
New Jersey	3,613,474	14,138	3,526,260	8,455	61,905	208	112	2,396
New Mexico	774,687	2,728	756,313	817	14,350	27	19	433
New York	7,954,755	33,288	7,753,092	17,438	145,119	513	550	4,755
North Carolina	3,562,442	12,952	3,483,018	4,359	58,909	121	68	3,015
North Dakota	264,174	1,791	253,895	252	7,615	6	3	612
Ohio	4,709,397	16,405	4,613,444	8,423	67,124	148	70	3,783
Oklahoma	1,345,601	6,037	1,308,324	2,146	27,894	53	27	1,120
Oregon	1,424,640	7,399	1,383,519	2,438	29,976	64	38	1,206
Pennsylvania	5,287,224	16,984	5,174,301	11,488	79,577	178	121	4,575
Rhode Island	444,980	1,406	435,332	2,120	5,425	19	17	661
South Carolina	1,750,060	5,661	1,712,531	1,566	28,933	56	22	1,291
South Dakota	326,411	2,374	313,507	934	9,042	15	8	531
Tennessee	2,518,953	7,652	2,460,429	3,169	46,044	56	49	1,554
Texas	9,670,096	39,317	9,414,795	20,169	187,308	343	274	7,890
Utah	1,001,632	3,965	975,580	1,020	20,398	21	9	639
Vermont	267,250	1,448	258,790	565	6,113	18	12	304
Virginia	3,192,940	12,742	3,119,070	4,942	54,133	136	68	1,849
Washington	2,711,798	11,464	2,633,331	4,869	59,890	135	107	2,002
West Virginia	691,676	2,101	676,279	642	12,006	6	6	636
Wisconsin	2,300,719	11,072	2,240,878	3,608	42,754	58	30	2,319
Wyoming	239,195	1,822	228,954	493	7,565	9	33	319
U.S. Armed Service members overseas and Territories other than Puerto Rico	192,407	61	189,631	31	2,651	d	3	d
Puerto Rico	199,700	476	181,887	28	17,264	7	0	38
International	330,161	5,721	320,309	453	2,536	200	28	914
Undistributed [5]	6,663	3	6,590	0	68	d	0	d
Child Tax Credit [6]	**17,633,203**	**N/A**	**17,633,203**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Earned Income Tax Credit [6]	**24,868,122**	**N/A**	**24,868,122**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Footnotes on next page.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Includes overpayment refunds, refunds resulting from examination activity, refundable earned income tax credits, refundable child tax credits, and other refunds required by law. Excludes credits to taxpayer accounts.

[2] Includes refunds of taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990–T).

[3] Includes refunds on self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[4] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a $5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. These tax law changes significantly reduced the number of estate tax refunds issued in Fiscal Year 2011.

[5] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.

[6] Reflects refundable portions of credits only. Shown separately for information purposes. Counts are included in the State figures and U.S. totals.

NOTE:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2011

[Money amounts are in thousands of dollars]

State	Total Internal Revenue refunds [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax			Estate tax	Gift tax	Excise taxes
			Individual income tax [3]	Estate and trust income tax	Employment taxes [4]			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [5]	**415,880,344**	**67,777,004**	**337,787,699**	**1,908,797**	**4,780,142**	**[6] 1,702,038**	**76,040**	**1,848,623**
Alabama	5,722,549	558,877	5,102,922	11,176	39,207	3,019	70	7,278
Alaska	879,811	45,898	814,607	6,380	10,206	145	30	2,544
Arizona	7,088,462	757,993	6,225,903	18,258	52,136	3,779	183	30,210
Arkansas	4,057,831	156,164	2,791,665	6,663	36,495	62,543	68	3,651
California	47,052,974	6,856,364	39,391,301	143,650	481,252	101,153	7,712	71,542
Colorado	6,044,736	679,712	5,215,023	25,856	77,805	4,327	1,205	40,808
Connecticut	6,628,176	1,772,108	4,566,857	131,127	128,259	10,641	1,565	17,618
Delaware	1,891,704	763,987	966,114	96,087	62,011	862	110	2,533
District of Columbia	2,145,205	1,347,651	766,905	7,253	18,609	3,133	104	1,549
Florida	26,447,429	1,826,078	24,171,516	106,843	241,272	50,992	17,188	33,540
Georgia	12,767,564	1,668,590	10,887,475	22,975	136,256	13,261	3,093	35,915
Hawaii	1,599,606	238,435	1,338,269	7,708	10,546	3,717	40	891
Idaho	1,552,991	136,752	1,396,696	7,213	8,029	1,761	373	2,167
Illinois	19,408,510	3,735,317	15,168,174	169,967	250,277	26,368	11,311	47,096
Indiana	7,741,562	830,581	6,770,852	12,929	101,647	3,036	316	22,200
Iowa	3,406,723	471,014	2,887,415	3,954	33,611	3,021	16	7,692
Kansas	3,332,510	536,895	2,735,544	8,527	30,600	6,391	188	14,364
Kentucky	4,646,668	321,878	4,261,893	8,660	42,392	8,192	170	3,482
Louisiana	5,595,459	408,757	5,068,035	13,327	58,865	43,354	534	2,587
Maine	1,421,416	205,467	1,202,504	3,158	8,960	120	45	1,161
Maryland	7,758,874	911,338	6,693,504	38,521	98,148	12,283	1,624	3,456
Massachusetts	9,124,684	1,587,633	7,301,617	71,948	136,985	15,659	1,288	9,553
Michigan	11,673,596	1,707,427	9,792,568	34,017	122,123	5,695	934	10,832
Minnesota	6,843,781	1,442,629	5,189,983	20,135	153,008	2,971	398	34,658
Mississippi	3,376,484	146,878	3,196,967	4,266	20,046	6,195	222	1,911
Missouri	7,236,646	1,290,953	5,826,748	17,848	79,416	8,774	99	12,807
Montana	904,646	28,071	861,552	2,455	9,267	630	[7]	2,671
Nebraska	2,242,867	453,292	1,740,243	4,523	26,246	2,136	3	16,423
Nevada	4,209,777	664,756	3,457,612	39,749	35,346	5,363	231	6,719
New Hampshire	1,517,863	64,003	1,431,314	5,314	15,114	985	122	1,010
New Jersey	15,256,460	3,932,295	10,928,233	45,254	316,878	20,359	1,242	12,198
New Mexico	2,093,472	68,696	1,998,489	2,773	18,590	1,758	54	3,113
New York	30,808,538	6,220,008	23,807,424	148,165	463,315	75,698	7,022	86,906
North Carolina	11,625,587	2,177,831	9,288,733	18,400	128,374	6,750	751	4,747
North Dakota	757,794	133,598	610,581	743	9,602	89	73	3,108
Ohio	14,060,738	2,094,523	11,722,192	57,336	131,411	10,672	116	44,489
Oklahoma	4,337,634	541,405	3,656,954	33,116	38,494	5,784	142	61,740
Oregon	3,843,169	391,155	3,376,311	9,345	48,131	5,339	1,600	11,288
Pennsylvania	16,426,897	2,556,575	13,545,885	81,264	203,722	23,071	1,015	15,365
Rhode Island	1,479,319	308,215	1,148,674	7,126	13,914	769	68	555
South Carolina	4,776,713	262,071	4,458,037	8,319	40,513	3,849	281	3,642
South Dakota	998,170	62,556	799,313	115,815	16,429	1,038	21	2,999
Tennessee	9,002,820	1,884,823	6,876,410	20,686	202,899	4,813	882	12,307
Texas	35,842,416	5,816,155	29,301,928	210,231	336,968	103,877	7,824	65,433
Utah	3,219,738	317,209	2,833,672	6,696	27,634	1,849	547	32,132
Vermont	662,849	49,705	603,275	1,984	5,804	1,200	248	633
Virginia	10,542,703	1,629,489	8,768,042	26,100	98,472	10,644	2,184	7,771
Washington	13,646,453	6,132,441	7,343,081	37,173	114,250	9,839	2,111	7,558
West Virginia	1,785,139	39,205	1,725,046	1,909	17,133	198	48	1,599
Wisconsin	6,760,001	1,115,633	5,519,025	19,124	92,849	3,216	164	9,991
Wyoming	705,104	24,173	660,175	5,418	6,679	1,383	213	7,062
U.S. Armed Services members overseas and Territories other than Puerto Rico	628,974	334	620,246	196	7,789	d	3	d
Puerto Rico	657,292	298,657	344,470	6	14,038	21	0	99
International	1,758,192	688,081	1,005,653	1,132	36,956	6,547	551	19,272
Undistributed [8]	−116,928	−583,328	−375,933	0	−134,834	d	−364	d
Child Tax Credit [9]	**22,690,731**	**N/A**	**22,690,731**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Earned Income Tax Credit [9]	**55,651,930**	**N/A**	**55,651,930**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Footnotes on next page.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Includes overpayment refunds, refunds resulting from examination activity, $108.4 billion in refundable tax credits (including $55.7 billion in earned income tax credits and $22.7 billion in child tax credits), and other refunds required by law. Also includes $2.5 billion in interest, of which $1.7 billion were paid to corporations and $0.8 billion were paid to all others (related to individual, employment, estate, gift, and excise tax returns).

[2] Includes refunds of taxes on corporation income (Form 1120) and unrelated business income from tax-exempt organizations (Form 990–T).

[3] The average individual income tax refund (based on Forms 1040, 1040–A, and 1040–EZ) was $2,883.

[4] Includes refunds of self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[5] Excludes credits to taxpayer accounts.

[6] Selected data suppressed to prevent the disclosure of taxpayer information. However, the data are included in the total.

[7] Less than $500.

[8] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

[9] Reflects refundable portions of credits only. Shown separately for information purposes. Refund amounts are included in the State figures and U.S. totals.

NOTES:

Detail may not add to totals because of rounding.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year returns made in Fiscal Year 2011 may result in negative amounts when such adjustments exceed current-year refunds. See Table 5 for collections data.

Classification by State is based on the individual's address (or in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Enforcement:

Examinations

Enforcement of the tax laws is an integral component of the IRS's mission. IRS enforcement activities, such as examination and collection, target elements of the tax gap and are a high priority for the IRS.

The IRS accepts most Federal tax returns as filed. However, the IRS examines (or audits) some returns to determine if income, expenses, and credits are being reported accurately. Some examinations are handled entirely by mail, while others are conducted in a taxpayer's home, place of business, an Internal Revenue office, or the office of an attorney, accountant, or enrolled agent**.** The IRS enforces the tax law in a number of ways. For individual taxpayers, some of the more common methods may include:

- sending a notice to a taxpayer because the IRS has an information return that indicates a taxpayer has income, but has not filed a tax return;
- correcting a mistake made by the taxpayer, using its authority to correct math errors and related problems on a return as filed;
- informing a taxpayer that it has a record of income that does not appear on a tax return;
- conducting an examination by mail (correspondence examination); or
- conducting a face-to-face audit (field examination).

Tables 9a through 12 provide information about examinations of most types of tax returns. Table 9a provides an overview of all examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. During Fiscal Year (FY) 2011, the IRS examined almost 1 percent of all returns filed in Calendar Year (CY) 2010, 1.1 percent of all individual income tax returns filed in CY 2010, and 1.5 percent of corporation income tax returns (excluding S corporation returns). Table 9b shows examinations of individual income tax returns by size of adjusted gross income (AGI). Overall, in FY 2011, individual income tax returns in higher AGI classes were more likely to be examined compared to returns in lower AGI classes.

Table 10 provides additional information about those examinations in which the taxpayer did not agree with the IRS examiner's determination. Table 11 provides information on examinations that prevented the erroneous payment of refunds. Table 12 shows the number of examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. More than 66,000 examinations of individual income tax returns resulted in additional refunds of $1 billion.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, employee retirement plans, Government entities, and tax-exempt bonds. These organizations generally do not owe Federal income tax. However, tax-exempt organizations may owe additional payroll taxes, unrelated business income tax, or excise taxes. In addition, changes to exempt organization returns may lead to adjustments on related taxable returns. Examinations of related returns are also included in Table 13 (and excluded from Tables 9a through 12). The IRS processed 858,865 returns of tax-exempt organizations in CY 2010 and examined 11,699 tax-exempt organization and related returns in FY 2011.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011

Type and size of return	Returns filed in Calendar Year 2010 [1, 2]	Returns examined in Fiscal Year 2011 [1]			
	All returns	Total	Percentage covered	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)
United States, total	**184,596,616**	**1,724,728**	**0.9**	**525,389**	**1,199,339**
Taxable returns:					
►Individual income tax returns, total	140,837,499	[5] 1,564,690	1.1	391,621	1,173,069
▷Returns with total positive income under $200,000 [7]:					
►Nonbusiness returns without Earned Income Tax Credit:					
Without Schedules C, E, F, or Form 2106 [8]	77,165,357	364,337	0.5	43,940	320,397
With Schedule E or Form 2106 [9]	15,908,592	151,323	1.0	64,342	86,981
►Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [10]:					
Under $25,000	10,450,843	134,873	1.3	51,015	83,858
$25,000 under $100,000	2,989,259	85,390	2.9	50,775	34,615
$100,000 under $200,000	812,024	34,541	4.3	27,993	6,548
$200,000 or more	615,438	23,288	3.8	21,250	2,038
Farm returns	1,346,243	8,724	0.6	3,114	5,610
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:					
Under $25,000	25,158,455	[12] 545,157	2.2	21,043	524,114
$25,000 or more	1,703,104	[12] 29,215	1.7	17,155	12,060
▷Returns with total positive income of at least $200,000 and under $1,000,000 [7]:					
Nonbusiness returns	2,863,446	92,109	3.2	32,218	59,891
Business returns	1,294,675	46,323	3.6	25,699	20,624
▷Returns with total positive income of $1,000,000 or more [7]	291,831	36,422	12.5	20,475	15,947
▷International returns [13]	238,232	12,988	5.5	12,602	386
►Corporation income tax returns, except Form 1120–S, total [14]	2,031,436	30,661	1.5	29,958	703
▷Returns other than Forms 1120–C and 1120–F [15]:					
►Small corporations [16]	1,931,008	19,697	1.0	19,243	454
No balance sheet returns	417,571	1,930	0.5	1,836	94
Balance sheet returns by size of total assets:					
Under $250,000	986,343	8,460	0.9	8,239	221
$250,000 under $1,000,000	331,503	5,371	1.6	5,315	56
$1,000,000 under $5,000,000	166,653	3,174	1.9	3,123	51
$5,000,000 under $10,000,000	28,938	762	2.6	730	32
►Large corporations [17]	59,291	10,459	17.6	10,286	173
Balance sheet returns by size of total assets:					
$10,000,000 under $50,000,000	30,601	4,059	13.3	4,009	50
$50,000,000 under $100,000,000	7,641	1,442	18.9	1,422	20
$100,000,000 under $250,000,000	7,760	1,289	16.6	1,271	18
$250,000,000 under $500,000,000	4,578	796	17.4	778	18
$500,000,000 under $1,000,000,000	3,298	681	20.6	663	18
$1,000,000,000 under $5,000,000,000	3,835	1,192	31.1	1,160	32
$5,000,000,000 under $20,000,000,000	1,128	570	50.5	562	8
$20,000,000,000 or more	450	430	95.6	421	9
▷Form 1120–C returns [15]	8,625	73	0.8	d	d
▷Form 1120–F returns [15]	32,512	432	1.3	d	d
►Estate and trust income tax returns	3,051,389	2,909	0.1	645	2,264
►Estate tax returns, total	23,014	4,195	18.2	4,195	0
▷Size of gross estate:					
Under $5,000,000	15,685	1,968	12.5	1,968	0
$5,000,000 under $10,000,000	4,738	1,182	24.9	1,182	0
$10,000,000 or more	2,591	1,045	40.3	1,045	0
►Gift tax returns	226,241	2,623	1.2	2,623	0
►Employment tax returns	29,730,957	66,234	0.2	49,067	17,167
►Excise tax returns	817,021	19,571	2.4	17,500	2,071
►Other taxable returns [18]	[4]	560	[4]	239	321
Nontaxable returns [19]:					
►Partnership returns	3,434,905	13,770	0.4	11,721	2,049
►S corporation returns [20]	4,444,154	18,519	0.4	17,635	884
►Estate and trust returns	[4]	996	[4]	185	811
Income, estate, and gift tax, and nontaxable returns, total	**154,048,638**	**1,638,363**	**1.1**	**458,583**	**1,179,780**

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011—Continued

Type and size of return	Percentage of returns examined with no change		Recommended additional tax (thousands of dollars)	
	Field [3]	Correspondence	Total	Field [3]
	(6)	(7)	(8)	(9)
United States, total	**[4]**	**[4]**	**43,643,780**	**34,858,231**
Taxable returns:				
►Individual income tax returns, total	9	21	[6] 14,652,239	5,947,426
▷Returns with total positive income under $200,000 [7]:				
►Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [8]	9	28	1,202,475	354,898
With Schedule E or Form 2106 [9]	9	31	717,988	482,583
►Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under $25,000	6	24	549,962	325,228
$25,000 under $100,000	9	16	661,544	360,622
$100,000 under $200,000	8	23	552,457	408,504
$200,000 or more	11	46	497,666	492,326
Farm returns	11	48	28,607	21,246
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under $25,000	10	10	2,451,260	100,763
$25,000 or more	9	34	294,793	261,528
▷Returns with total positive income of at least $200,000 and under $1,000,000 [7]:				
Nonbusiness returns	13	39	1,573,864	690,214
Business returns	11	28	938,681	612,257
▷Returns with total positive income of $1,000,000 or more [7]	18	36	5,147,263	1,802,038
▷International returns [13]	2	4	35,679	35,219
►Corporation income tax returns, except Form 1120–S, total [14]	29	36	25,602,521	25,578,555
▷Returns other than Forms 1120–C and 1120–F [15]:				
►Small corporations [16]	30	35	530,738	527,644
No balance sheet returns	15	21	160,841	160,246
Balance sheet returns by size of total assets:				
Under $250,000	30	36	130,394	129,544
$250,000 under $1,000,000	32	39	98,215	98,095
$1,000,000 under $5,000,000	37	43	103,630	103,518
$5,000,000 under $10,000,000	34	47	37,658	36,241
►Large corporations [17]	27	35	24,843,737	24,823,376
Balance sheet returns by size of total assets:				
$10,000,000 under $50,000,000	33	42	420,993	420,041
$50,000,000 under $100,000,000	36	50	308,511	308,468
$100,000,000 under $250,000,000	29	28	259,809	250,029
$250,000,000 under $500,000,000	28	39	163,225	162,875
$500,000,000 under $1,000,000,000	24	22	270,614	270,405
$1,000,000,000 under $5,000,000,000	15	31	2,746,358	2,737,602
$5,000,000,000 under $20,000,000,000	9	13	6,477,002	6,476,822
$20,000,000,000 or more	5	33	14,197,225	14,197,134
▷Form 1120–C returns [15]	13	0	2,239	d
▷Form 1120–F returns [15]	45	41	225,807	d
►Estate and trust income tax returns	8	50	49,530	37,282
►Estate tax returns, total	18	N/A	1,539,617	1,539,617
▷Size of gross estate:				
Under $5,000,000	20	N/A	217,541	217,541
$5,000,000 under $10,000,000	17	N/A	722,298	722,298
$10,000,000 or more	17	N/A	599,778	599,778
►Gift tax returns	38	N/A	301,423	301,423
►Employment tax returns	17	12	789,480	747,831
►Excise tax returns	38	50	644,186	643,281
►Other taxable returns [18]	12	15	64,784	62,816
Nontaxable returns [19]:				
►Partnership returns	48	35	N/A	N/A
►S corporation returns [20]	39	47	N/A	N/A
►Estate and trust returns	18	32	N/A	N/A
Income, estate, and gift tax, and nontaxable returns, total	**13**	**21**	**42,145,330**	**33,404,303**

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011—Continued

Type and size of return	Recommended additional tax (thousands of dollars)—continued	Average recommended additional tax per return (dollars)	
	Correspondence	Field [3]	Correspondence
	(10)	(11)	(12)
United States, total	**8,785,549**	**[4]**	**[4]**
Taxable returns:			
►Individual income tax returns, total	8,704,813	15,187	7,421
▷Returns with total positive income under $200,000 [7]:			
►Nonbusiness returns without Earned Income Tax Credit:			
Without Schedules C, E, F, or Form 2106 [8]	847,577	8,077	2,645
With Schedule E or Form 2106 [9]	235,405	7,500	2,706
►Business returns without Earned Income Tax Credit:			
Nonfarm business returns by size of total gross receipts [10]:			
Under $25,000	224,734	6,375	2,680
$25,000 under $100,000	300,922	7,102	8,693
$100,000 under $200,000	143,953	14,593	21,984
$200,000 or more	5,340	23,168	2,620
Farm returns	7,361	6,823	1,312
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:			
Under $25,000	2,350,497	4,788	4,485
$25,000 or more	33,265	15,245	2,758
▷Returns with total positive income of at least $200,000 and under $1,000,000 [7]:			
Nonbusiness returns	883,650	21,423	14,754
Business returns	326,424	23,824	15,827
▷Returns with total positive income of $1,000,000 or more [7]	3,345,225	88,012	209,771
▷International returns [13]	460	2,795	1,192
►Corporation income tax returns, except Form 1120–S, total [14]	23,966	853,814	34,091
▷Returns other than Forms 1120–C and 1120–F [15]:			
►Small corporations [16]	3,094	27,420	6,815
No balance sheet returns	595	87,280	6,330
Balance sheet returns by size of total assets:			
Under $250,000	850	15,723	3,846
$250,000 under $1,000,000	120	18,456	2,143
$1,000,000 under $5,000,000	112	33,147	2,196
$5,000,000 under $10,000,000	1,417	49,645	44,281
►Large corporations [17]	20,361	2,413,317	117,694
Balance sheet returns by size of total assets:			
$10,000,000 under $50,000,000	952	104,775	19,040
$50,000,000 under $100,000,000	43	216,925	2,150
$100,000,000 under $250,000,000	9,780	196,718	543,333
$250,000,000 under $500,000,000	350	209,351	19,444
$500,000,000 under $1,000,000,000	209	407,851	11,611
$1,000,000,000 under $5,000,000,000	8,756	2,360,002	273,625
$5,000,000,000 under $20,000,000,000	180	11,524,594	22,500
$20,000,000,000 or more	91	33,722,409	10,111
▷Form 1120–C returns [15]	d	d	d
▷Form 1120–F returns [15]	d	d	d
►Estate and trust income tax returns	12,248	57,802	5,410
►Estate tax returns, total	N/A	367,012	N/A
▷Size of gross estate:			
Under $5,000,000	N/A	110,539	N/A
$5,000,000 under $10,000,000	N/A	611,081	N/A
$10,000,000 or more	N/A	573,950	N/A
►Gift tax returns	N/A	114,915	N/A
►Employment tax returns	41,649	15,241	2,426
►Excise tax returns	905	36,759	437
►Other taxable returns [18]	1,968	262,828	6,131
Nontaxable returns [19]:			
►Partnership returns	N/A	N/A	N/A
►S corporation returns [20]	N/A	N/A	N/A
►Estate and trust returns	N/A	N/A	N/A
Income, estate, and gift tax, and nontaxable returns, total	**8,741,027**	**[4]**	**[4]**

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

N/A—Not applicable.

[1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee retirement plans.

[2] Calendar Year 2010 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners in person. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.

[4] Not tabulated.

[5] Includes a total of 483,574 returns with an Earned Income Tax Credit (EITC) claim.

[6] Includes a total of $2,039,902 thousand in recommended additional tax (including an Earned Income Tax Credit) on returns selected for examination on the basis of an EITC claim or other selection criteria.

[7] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under $200,000; at least $200,000 and under $1,000,000; and $1,000,000 or more.

[8] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).

[9] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[10] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.

[11] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under $25,000" classification.

[12] Includes returns selected for examination on the basis of an Earned Income Tax Credit (EITC) claim.

[13] Includes Forms 1040–PR (self-employment income tax return for Puerto Rico residents) and 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).

[14] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–A (corporation income tax return, short form); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 18.

[15] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC). Forms 1120–C are filed by cooperative associations.

[16] Includes returns with assets of less than $10 million.

[17] Includes returns with assets of $10 million or more.

[18] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax (see footnote 20); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

[19] Nontaxable returns are filed for entities that generally do not have a tax liability, but pass through any profits and losses to the underlying owners who include these profits or losses on their income tax returns. The examination of partnership, S corporation, and estate and trust returns affects the amount of recommended additional tax for these associated income tax returns.

[20] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, S corporations are subject to tax and are included in "other taxable returns" in this table. See footnote 18.

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations of all individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation, and other taxable returns as well as nontaxable returns.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2011

Size of adjusted gross income [1]	Returns filed in Calendar Year 2010 (percent of total) [2]	Examination coverage in Fiscal Year 2011 (percent) [3]
All returns [4]	**100.00**	**1.11**
No adjusted gross income [5]	2.16	3.42
$1 under $25,000	40.23	1.22
$25,000 under $50,000	23.95	0.73
$50,000 under $75,000	13.26	0.83
$75,000 under $100,000	8.07	0.82
$100,000 under $200,000	9.56	1.00
$200,000 under $500,000	2.26	2.66
$500,000 under $1,000,000	0.35	5.38
$1,000,000 under $5,000,000	0.15	11.80
$5,000,000 under $10,000,000	0.01	20.75
$10,000,000 or more	0.01	29.93

[1] Adjusted gross income is total income, as defined by the Tax Code, less statutory adjustments—primarily business, investment, and certain other deductions.

[2] Calendar Year 2010 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2011 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2010 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 134,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program (ASFR). In the ASFR Program, the IRS uses information returns (such as Forms W–2 and 1099) to identify persons who failed to file a return and constructs tax returns for certain nonfilers based on that third-party information. These nonfiler cases are excluded from the examination data in this table.

[5] Includes returns with adjusted gross income (AGI) of less than zero. AGI may be less than zero when a taxpayer reports losses or statutory adjustments that exceed total income.

NOTES:

Detail may not add to totals because of rounding.

This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined with unagreed recommended additional tax [1]			Amount unagreed		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	**45,862**	**37,336**	**8,526**	**23,488,542**	**23,240,131**	**248,411**
►Individual income tax returns, total	37,643	29,165	8,478	2,439,728	2,193,208	246,520
▷Returns with total positive income under $200,000 [3]:						
►Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	4,529	2,369	2,160	104,067	86,034	18,033
With Schedule E or Form 2106 [5]	5,057	3,886	1,171	149,270	143,387	5,883
►Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under $25,000	5,256	4,353	903	80,033	75,621	4,412
$25,000 under $100,000	4,553	4,291	262	87,267	85,162	2,105
$100,000 under $200,000	2,664	2,580	84	80,648	79,558	1,090
$200,000 or more	2,108	2,074	34	134,549	134,158	391
Farm returns	250	185	65	4,765	4,652	113
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under $25,000	2,516	916	1,600	20,123	13,703	6,420
$25,000 or more	1,796	1,712	84	68,659	68,378	281
▷Returns with total positive income of at least $200,000 and under $1,000,000 [3]:						
Nonbusiness returns	3,384	2,292	1,092	237,208	208,931	28,277
Business returns	3,262	2,715	547	246,067	239,319	6,748
▷Returns with total positive income of $1,000,000 or more [3]	2,232	1,756	476	1,223,738	1,050,971	172,767
▷International returns [8]	36	36	0	3,334	3,334	0
►Corporation income tax returns, except Form 1120–S, total [9]	2,683	2,661	22	19,455,351	19,454,993	358
▷Returns other than Forms 1120–C and 1120–F [10]:						
►Small corporations [11]	1,602	1,584	18	202,652	202,471	181
No balance sheet returns	173	167	6	64,148	64,078	70
Balance sheet returns by size of total assets:						
Under $250,000	728	716	12	49,018	48,907	111
$250,000 under $1,000,000	391	391	0	26,763	26,763	0
$1,000,000 under $5,000,000	251	251	0	51,886	51,886	0
$5,000,000 under $10,000,000	59	59	0	10,837	10,837	0
►Large corporations [12]	1,027	1,023	4	19,100,045	19,099,868	177
Balance sheet returns by size of total assets:						
$10,000,000 under $50,000,000	292	292	0	218,149	218,149	0
$50,000,000 under $100,000,000	76	76	0	168,345	168,345	0
$100,000,000 under $250,000,000	71	d	d	104,342	d	d
$250,000,000 under $500,000,000	59	59	0	82,760	82,760	0
$500,000,000 under $1,000,000,000	45	45	0	175,029	175,029	0
$1,000,000,000 under $5,000,000,000	171	171	0	2,087,014	2,087,014	0
$5,000,000,000 under $20,000,000,000	160	d	d	5,232,715	d	d
$20,000,000,000 or more	153	153	0	11,031,691	11,031,691	0
▷Form 1120–C returns [10]	33	33	0	0	0	0
▷Form 1120–F returns [10]	21	21	0	152,654	152,654	0
►Estate and trust income tax returns	148	131	17	29,768	28,517	1,251
►Estate tax returns, total	240	240	0	524,030	524,030	0
▷Size of gross estate:						
Under $5,000,000	106	106	0	127,070	127,070	0
$5,000,000 under $10,000,000	70	70	0	83,327	83,327	0
$10,000,000 or more	64	64	0	313,633	313,633	0
►Gift tax returns	235	235	0	226,670	226,670	0
►Employment tax returns	3,595	3,595	0	281,076	281,076	0
►Excise tax returns	1,279	1,279	0	473,784	473,784	0
►Other taxable returns [13]	39	30	9	58,135	57,853	282

Footnotes on next page.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee retirement plans.

[2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners in person. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.

[3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under $200,000; at least $200,000 and under $1,000,000; and $1,000,000 or more.

[4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).

[5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.

[7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under $25,000" classification.

[8] Includes Forms 1040–PR (self-employment income tax return for Puerto Rico residents) and 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).

[9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–A (corporation income tax return, short form); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 13.

[10] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC). Forms 1120–C are filed by cooperative associations.

[11] Includes returns with assets of less than $10 million.

[12] Includes returns with assets of $10 million or more.

[13] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations in which the taxpayer did not agree with the IRS examiner's determination. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation and other taxable returns as well as nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2011 [1]

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined involving protection of the revenue base [2]			Amount protected		
	Total	Field [3]	Correspondence	Total	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	**101,212**	**16,131**	**85,081**	**5,073,532**	**4,794,820**	**278,712**
►Individual income tax returns, total	97,117	12,043	85,074	545,040	273,139	271,901
▷Returns with total positive income under $200,000 [4]:						
►Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [5]	40,497	2,220	38,277	120,214	12,777	107,437
With Schedule E or Form 2106 [6]	8,783	1,594	7,189	33,768	10,906	22,862
►Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [7]:						
Under $25,000	7,875	1,015	6,860	37,576	18,467	19,109
$25,000 under $100,000	2,901	948	1,953	15,066	8,578	6,488
$100,000 under $200,000	1,071	637	434	6,618	5,322	1,296
$200,000 or more	920	658	262	8,250	6,604	1,646
Farm returns	811	97	714	2,192	356	1,836
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [7, 8]:						
Under $25,000	27,079	322	26,757	95,016	1,910	93,106
$25,000 or more	1,851	232	1,619	8,325	2,372	5,953
▷Returns with total positive income of at least $200,000 and under $1,000,000 [4]:						
Nonbusiness returns	2,108	1,620	488	27,430	24,822	2,608
Business returns	1,595	1,371	224	25,377	23,970	1,407
▷Returns with total positive income of $1,000,000 or more [4]	1,404	1,317	87	164,759	157,021	7,738
▷International returns [9]	222	12	210	449	34	415
►Corporation income tax returns, except Form 1120–S, total [10]	1,722	1,715	7	4,207,139	4,200,328	6,811
▷Returns other than Forms 1120–C and 1120–F [11]:						
►Small corporations [12]	535	d	d	35,689	d	d
No balance sheet returns	83	83	0	19,526	19,526	0
Balance sheet returns by size of total assets:						
Under $250,000	88	88	0	4,129	4,129	0
$250,000 under $1,000,000	99	d	d	3,038	d	d
$1,000,000 under $5,000,000	176	176	0	6,489	6,489	0
$5,000,000 under $10,000,000	89	89	0	2,507	2,507	0
►Large corporations [13]	1,118	d	d	4,121,604	d	d
Balance sheet returns by size of total assets:						
$10,000,000 under $50,000,000	187	187	0	25,467	25,467	0
$50,000,000 under $100,000,000	101	101	0	19,363	19,363	0
$100,000,000 under $250,000,000	108	108	0	58,626	58,626	0
$250,000,000 under $500,000,000	83	d	d	28,007	d	d
$500,000,000 under $1,000,000,000	104	d	d	59,999	d	d
$1,000,000,000 under $5,000,000,000	247	243	4	611,778	605,145	6,633
$5,000,000,000 under $20,000,000,000	147	147	0	955,133	955,133	0
$20,000,000,000 or more	141	141	0	2,363,231	2,363,231	0
▷Form 1120–C returns [11]	46	46	0	18,235	18,235	0
▷Form 1120–F returns [11]	23	23	0	31,611	31,611	0
►Estate and trust income tax returns	84	84	0	9,987	9,987	0
►Estate tax returns, total	347	347	0	88,408	88,408	0
▷Size of gross estate:						
Under $5,000,000	185	185	0	15,902	15,902	0
$5,000,000 under $10,000,000	93	93	0	27,504	27,504	0
$10,000,000 or more	69	69	0	45,002	45,002	0
►Gift tax returns	35	35	0	1,495	1,495	0
►Employment tax returns	606	606	0	173,071	173,071	0
►Excise tax returns	1,227	1,227	0	21,400	21,400	0
►Other taxable returns [14]	74	74	0	26,992	26,992	0

Footnotes on next page.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2011 [1]—Continued

Footnotes

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

[1] Protection of the revenue base comprises any action taken by the IRS to prevent the release of funds from the U.S. Treasury in response to taxpayer efforts to recoup all, or part, of previously assessed and paid tax.

[2] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee retirement plans.

[3] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners in person. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.

[4] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under $200,000; at least $200,000 and under $1,000,000; and $1,000,000 or more.

[5] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).

[6] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[7] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.

[8] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under $25,000" classification.

[9] Includes Forms 1040–PR (self-employment income tax return for Puerto Rico residents) and 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–A (corporation income tax return, short form); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 14.

[11] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC). Forms 1120–C are filed by cooperative associations.

[12] Includes returns with assets of less than $10 million.

[13] Includes returns with assets of $10 million or more.

[14] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations that prevented the erroneous payment of refunds. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation and other taxable returns along with nontaxable returns, see Table 9a.

The number of taxable returns examined including protection of the revenue base has been significantly affected by claims for the First-Time Homebuyer Credit. This credit was enacted as part of the American Recovery and Reinvestment Act of 2009 and the Worker, Homeowner, and Business Assistance Act of 2009. In Fiscal Year 2010, of the 220,084 returns examined involving protection of the revenue base, 179,058 were related to the First-Time Homebuyer Credit and in Fiscal Year 2011, of the 101,212 returns examined involving protection of the revenue base, 56,428 were related to the First-Time Homebuyer Credit.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2011

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined resulting in refunds [1]			Recommended refunds		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	**73,705**	**33,870**	**39,835**	**6,085,576**	**5,708,069**	**377,507**
►Individual income tax returns, total	66,381	26,760	39,621	1,075,241	723,321	351,920
▷Returns with total positive income under $200,000 [3]:						
►Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	21,290	3,413	17,877	116,368	28,184	88,184
With Schedule E or Form 2106 [5]	7,095	3,748	3,347	59,456	39,926	19,530
►Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under $25,000	6,373	2,591	3,782	36,205	16,548	19,657
$25,000 under $100,000	4,019	2,819	1,200	16,887	11,565	5,322
$100,000 under $200,000	1,950	1,683	267	14,560	13,149	1,411
$200,000 or more	1,619	1,480	139	22,910	21,961	949
Farm returns	662	318	344	3,573	1,654	1,919
►Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under $25,000	9,201	930	8,271	60,299	4,694	55,605
$25,000 or more	1,573	979	594	10,164	5,569	4,595
▷Returns with total positive income of at least $200,000 and under $1,000,000 [3]:						
Nonbusiness returns	5,243	3,293	1,950	88,293	75,826	12,467
Business returns	3,433	2,652	781	63,913	59,451	4,462
▷Returns with total positive income of $1,000,000 or more [3]	3,906	2,844	1,062	582,550	444,750	137,800
▷International returns [8]	17	10	7	63	44	19
►Corporation income tax returns, except Form 1120–S, total [9]	3,009	2,973	36	4,548,491	4,524,698	23,793
▷Returns other than Forms 1120–C and 1120–F [10]:						
►Small corporations [11]	1,138	1,126	12	44,400	44,344	56
No balance sheet returns	73	d	d	6,953	d	d
Balance sheet returns by size of total assets:						
Under $250,000	376	371	5	6,669	6,661	8
$250,000 under $1,000,000	326	d	d	8,281	d	d
$1,000,000 under $5,000,000	258	255	3	8,158	8,129	29
$5,000,000 under $10,000,000	105	d	d	14,339	d	d
►Large corporations [12]	1,829	1,809	20	4,423,529	4,401,201	22,328
Balance sheet returns by size of total assets:						
$10,000,000 under $50,000,000	471	d	d	71,203	d	d
$50,000,000 under $100,000,000	191	191	0	63,129	63,129	0
$100,000,000 under $250,000,000	223	d	d	170,795	d	d
$250,000,000 under $500,000,000	160	157	3	324,892	323,708	1,184
$500,000,000 under $1,000,000,000	192	189	3	306,451	305,304	1,147
$1,000,000,000 under $5,000,000,000	335	327	8	1,032,141	1,015,699	16,442
$5,000,000,000 under $20,000,000,000	150	d	d	1,027,955	d	d
$20,000,000,000 or more	107	d	d	1,426,963	d	d
▷Form 1120–C returns [10]	8	d	d	26,856	d	d
▷Form 1120–F returns [10]	34	d	d	53,706	d	d
►Estate and trust income tax returns	271	120	151	22,389	20,789	1,600
►Estate tax returns, total	922	922	0	245,015	245,015	0
▷Size of gross estate:						
Under $5,000,000	399	399	0	41,314	41,314	0
$5,000,000 under $10,000,000	285	285	0	51,284	51,284	0
$10,000,000 or more	238	238	0	152,417	152,417	0
►Gift tax returns	37	37	0	15,507	15,507	0
►Employment tax returns	1,029	1,029	0	61,098	61,098	0
►Excise tax returns	1,965	1,959	6	95,148	95,145	3
►Other taxable returns [13]	91	70	21	22,687	22,496	191

Footnotes on next page.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

[1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee retirement plans.

[2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners in person. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.

[3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under $200,000; at least $200,000 and under $1,000,000; and $1,000,000 or more.

[4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).

[5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.

[7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under $25,000" classification.

[8] Includes Forms 1040–PR (self-employment income tax return for Puerto Rico residents) and 1040–SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).

[9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–A (corporation income tax return, short form); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); and 1120–SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 13.

[10] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC). Forms 1120–C are filed by cooperative associations.

[11] Includes returns with assets of less than $10 million.

[12] Includes returns with assets of $10 million or more.

[13] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table provides information on examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, partnership, S corporation, and other taxable returns along with nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2011

Type of return	Number of returns
Tax-exempt organization, employee retirement plan, government entity, and tax-exempt bond returns examined in Fiscal Year 2011, total	**26,497**
Tax-exempt organizations:	
Tax-exempt organization returns processed in Calendar Year 2010 [1]	**858,865**
Tax-exempt organizations and related taxable returns examined in Fiscal Year 2011, total	**11,699**
Tax-exempt organization returns, total	**3,210**
Forms 990 and 990–EZ	2,962
Forms 990–PF, 1041–A, 1120, and 5227 [2]	240
Form 1120–POL	8
Related taxable returns, total	**8,489**
Employment tax returns [3]	6,419
Form 990–T [4]	1,050
Form 4720 [5]	299
Forms 1040, 1065, and 1120 adjusted [6]	294
Forms 11–C and 730 [7]	427
Employee retirement plans:	
Employee retirement plan returns processed in Calendar Year 2010 [8]	**1,325,638**
Employee retirement plan and related taxable returns examined in Fiscal Year 2011, total [9]	**10,002**
Employee retirement plan returns, total	**7,957**
Form 5500	7,039
Defined benefit	722
Defined contribution	6,317
Form 5500–EZ	393
Defined benefit	176
Defined contribution	217
Form 5500–SF	525
Defined benefit	33
Defined contribution	492
Related taxable returns, total	**1,295**
Form 5330 [10]	1,034
Form 990–T [4]	7
Forms 1040, 1065, and 1120 adjusted [6]	254
Government entity and tax-exempt bonds:	
Government entity and tax-exempt bond returns examined in Fiscal Year 2011, total	**4,796**
Tax-exempt bond returns, total [11]	**1,481**
Government entity returns, total [12]	**3,315**
Employment tax returns [3]	2,529
Forms 1040, 1065, and 1120 adjusted [6]	699
Forms 11–C and 730 [7]	87

[1] Includes Forms 990 (tax-exempt organization except private foundation return); 990–EZ (tax-exempt organization except private foundation return, short form); 990–PF (private foundation return); 1041–A (return of charitable contribution deductions by certain trusts); 1120–POL (income tax return for certain political organizations); and 5227 (split-interest trust information return). Excludes related tax returns and 441,724 Forms 990–N (electronic notice (e-postcard)).

[2] Includes Form 1120 (corporation income tax return) of revoked private foundations.

[3] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return of withheld income tax from nonpayroll distributions); and 1042 (tax return of withheld income tax on U.S.-source income of foreign persons).

[4] Form 990–T is the tax-exempt organization unrelated business income tax return.

[5] Form 4720 is used to report excise taxes on exempt organizations and related individuals.

[6] Related individual (Form 1040 series), partnership (Form 1065), or corporation (Form 1120 series) returns adjusted as a result of examination of a tax-exempt organization, employee retirement plan, or government entity.

[7] Form 11–C reports the occupational tax for wagering and Form 730 reports the excise tax on wagering.

[8] Includes Forms 5500 (employee benefit plan return); 5500–EZ (one-participant retirement plan return); and 5500–SF (short form return of small employee benefit plan). The number of employee retirement plan returns processed increased from Calendar Year (CY) 2009. This was attributable to the following factors: (1) a change requiring employee retirement plan administrators to file employee retirement plan returns electronically, which were processed more quickly, resulting in an increase in the number of returns processed in CY 2010; and (2) a significant number of amended returns (184,970) were filed in CY 2010. Excludes related taxable returns and welfare benefit and fringe benefit plans, which are not subject to examination by the IRS.

[9] Includes 750 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.

[10] Form 5330 is used to report initial excise taxes related to employee retirement plans.

[11] Includes Forms 8038 (information return of tax-exempt private activity bond issues); 8038–B (Build America Bonds and Recovery Zone Economic Development Bonds information return); 8038–G (information return of government-purpose tax-exempt bond issues); 8038–GC (information return for consolidated small tax-exempt government bond issues); 8038–T (arbitrage rebate return); and 8038–TC (tax credit and specified tax credit bonds as a result of the new Hire bill return).

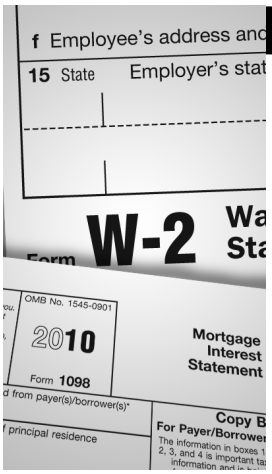
Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2011—Continued

Footnotes—Continued

[12] Includes returns of Federal, State, local, and Indian Tribal governments. Although these entities do not have an income tax return filing requirement, they are subject to excise and employment taxes.

NOTE: In general, examination activity is associated with returns filed in the previous calendar year.

SOURCE: Tax Exempt and Government Entities.



Enforcement:

Information Reporting and Verification

The IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving information about taxpayers' self-reported income and tax on returns filed by taxpayers, the IRS gathers independent information about income received and taxes withheld from third-party information returns, such as Forms W–2 and 1099 from employers and other third parties. With its Automated Underreporter Program, the IRS matches these information returns to tax returns and contacts taxpayers to resolve discrepancies. In the Automated Substitute for Return Program, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers); constructs tax returns for certain nonfilers based on that third-party information; and assesses tax, interest, and penalties based on the substitute returns.

Table 14 provides information about both the Automated Underreporter Program and the Automated Substitute for Return Program. During Fiscal Year (FY) 2011, the IRS received 1.8 billion third-party information returns, 86 percent of which were filed electronically. Under its Automated Underreporter Program, the IRS closed 4.7 million cases in which a discrepancy was identified between the taxpayer return and third-party information, resulting in more than $6.4 billion in additional assessments. In FY 2011, under its Automated Substitute for Return Program, the IRS closed almost 1.4 million cases in which a tax return delinquency was identified for nonfilers, resulting in almost $14.4 billion in additional assessments.

During the routine processing of tax returns, the IRS also checks for mathematical and clerical errors before refunds are paid. Table 15 shows the types of errors made on returns processed. For Tax Year (TY) 2010 individual income tax returns processed during Calendar Year 2011, IRS sent almost 5 million notices to taxpayers for 6.6 million math errors identified on their returns. Errors related to reporting the Making Work Pay Tax Credit (MWPTC) made up the largest portion of total errors for TY 2010 returns. For nearly 2.6 million MWPTC cases, the IRS computed the credit for eligible taxpayers who failed to claim it.

Table 14. Information Reporting Program, Fiscal Years 2009–2011

Item	Number or amount		
	2009	2010	2011
Number of information returns received (thousands) [1]:			
Total	**[r] 2,064,549**	**[r] 1,833,878**	**1,801,098**
Paper	51,533	47,416	43,748
Electronic	1,774,402	1,570,043	1,547,769
Other [2]	238,614	216,419	209,581
Automated Underreporter Program [3]:			
Number of contacts (closed cases, thousands) [4]	3,621	4,336	4,703
Amount of additional assessments (thousands of dollars) [5]	6,279,958	7,238,239	6,436,993
Number of full-time equivalent positions [6]	1,900	2,255	2,343
Automated Substitute for Return Program [7]:			
Number of contacts (closed cases, thousands) [4]	1,385	1,175	1,395
Amount of additional assessments (thousands of dollars) [8]	16,649,501	13,441,283	14,373,430
Number of full-time equivalent positions [6]	331	326	290

r—Revised. Fiscal Year (FY) 2009 and 2010 data for "Number of information returns received," originally published in the 2009 and 2010 issues of the *IRS Data Book*, included all returns received, including returns that were ultimately rejected during IRS processing. FY 2009 and 2010 data are revised here to include only those returns that the IRS accepted as valid filings. FY 2011 data include only valid filings, as well.

[1] Includes Forms 1042–S (foreign person's U.S. source income subject to withholding); the Form 1098 series (including mortgage interest, student loan interest, and tuition payments); the Form 1099 series (including interest and dividend distributions); the Form 5498 series (including individual retirement arrangement and medical savings account information); Forms W–2 (wage and tax statements); Forms W–2G (certain gambling winnings); and Schedules K–1 (partnership, S corporation, and estate or trust distributions). Information from these forms and schedules is matched to that reported on income tax returns.

[2] Includes Forms 1099–SSA; RRB–1099; and W–2 processed by the Social Security Administration.

[3] Under the Automated Underreporter Program, the IRS uses information returns from third parties to identify unreported income on returns filed by taxpayers.

[4] Reflects the number of closed cases for which a notice was issued to a taxpayer.

[5] Excludes interest and penalties.

[6] Reflects the total staff hours expended, converted to the number of full-time positions.

[7] Under the Automated Substitute for Return Program, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers), constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns.

[8] Includes tax and interest and penalties assessed.

SOURCES:

Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching.

Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Calendar Year 2011

Math error	Tax Year 2010 returns		Tax Year 2009 and prior-year returns	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
Math error notices, total [1]	**4,998,266**	**N/A**	**952,241**	**N/A**
Math errors, total [1]:	**6,612,115**	**100.0**	**1,350,297**	**100.0**
Making Work Pay Tax Credit [2]	3,275,961	49.5	320,366	23.7
Tax calculation/other taxes [3]	935,130	14.1	125,393	9.3
Exemption number/amount	478,255	7.2	228,781	16.9
Standard/itemized deduction	407,440	6.2	54,019	4.0
Earned Income Tax Credit	405,208	6.1	106,409	7.9
Adjusted gross/taxable income amount	203,440	3.1	29,583	2.2
Child Tax Credit	145,175	2.2	36,267	2.7
Refund/amount owed	134,988	2.0	26,372	2.0
Other credits [4]	125,152	1.9	19,276	1.4
Withholding or excess Social Security payments	120,577	1.8	44,541	3.3
First-Time Homebuyer Credit	91,324	1.4	6,445	0.5
Adjustments to income	70,871	1.1	10,451	0.8
Filing status	66,737	1.0	48,373	3.6
Hope and American Opportunity Education Credits	61,313	0.9	5,069	0.4
Rebate Recovery Credit [5]	231	[6]	271,525	20.1
Other [7]	90,313	1.4	17,427	1.3

N/A—Not applicable.

[1] A math error notice to the taxpayer may address more than one type of math error. Therefore, the total number of errors exceeds the total number of notices.

[2] The Making Work Pay Tax Credit (MWPTC) was a refundable tax credit based on earned income and was available to taxpayers in Tax Years 2009 and 2010. A majority of the cases reported are those for which MWPTC was not initially claimed on tax returns, but the IRS subsequently computed the credit for eligible taxpayers. There were 2,563,540 of these cases for Tax Year 2010 returns and 163,489 for Tax Year 2009 returns.

[3] Includes all errors associated with the calculation and assessment of income taxes, as well as other taxes, such as self-employment tax, alternative minimum tax, and household employment tax.

[4] Encompasses all credits other than the following credits which are shown separately: Making Work Pay Tax Credit, Earned Income Tax Credit, Child Tax Credit, First-Time Homebuyer Credit, Hope and American Opportunity Education Credits, and Rebate Recovery Credit.

[5] Eligible taxpayers whose circumstances changed may have claimed a Rebate Recovery Credit (RRC) to receive some or all of the unpaid portion of an economic stimulus payment. Economic stimulus payments were special payments to taxpayers associated with the Economic Stimulus Act of 2008. Includes cases where RRC was not claimed on tax returns, but the IRS computed the credit for eligible taxpayers. There were 18 of these cases for Tax Year 2010 returns and 150,941 for Tax Year 2009 returns.

[6] Less than 0.05 percent.

[7] Includes miscellaneous errors and unique error types not included in any other math error definitions.

NOTES:

Detail may not add to totals because of rounding.

Math errors include a variety of conditions such as computational errors, incorrectly transcribed values, and omitted entries identified during the processing of tax returns.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.

Enforcement:

Collections, Penalties, and Criminal Investigation

The mission of the IRS's Collection function is to collect Federal taxes that are reported or assessed but not paid, and to secure tax returns that have not been filed. Table 16 provides information on these activities. During Fiscal Year (FY) 2011, the IRS collected, net of credit transfers, $31 billion in unpaid assessments on returns filed with additional tax due.

The failure to comply with Federal tax laws may result in civil penalties. Table 17 provides information on penalties assessed and abated during FY 2011, by type of tax and type of penalty. Individuals who deliberately fail to comply with Federal tax laws may also be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. During FY 2011, the IRS assessed almost $31 billion in civil penalties. Half of that amount, almost $15.6 billion, was assessed in civil penalties on individual and estate and trust income tax returns. The IRS also abated $11 billion in civil penalties during the year, including $5.2 billion in abatements for individual and estate and trust income tax returns.

Table 18 summarizes criminal investigation activity related to legal source tax crimes, illegal source financial crimes, and narcotics-related financial crimes. In FY 2011, IRS initiated 4,720 criminal investigations in these three areas.

Legal source tax investigations involve activities, industries, and occupations that generate legitimate income. The Legal Source Tax Crimes Program also includes cases that may threaten the tax system, such as frivolous challenges to the legitimacy of the tax laws; unscrupulous tax return preparers; and fraudulent refund schemes. During FY 2011, the IRS referred more than 1,100 legal source tax crimes cases for prosecution.

Illegal source financial crimes relate to proceeds derived from illegal sources, other than narcotics, and involve tax and tax-related violations, as well as money laundering. During FY 2011, the IRS referred more than 1,400 illegal source financial crimes cases for prosecution.

The Narcotics Program investigates narcotics-related tax and money-laundering crimes. The IRS often cooperates with the Justice Department and other law enforcement agencies to accomplish its mission. During FY 2011, the IRS referred almost 800 narcotics-related financial crimes cases for prosecution.

Table 16. Delinquent Collection Activities, Fiscal Years 2010 and 2011

[Money amounts are in thousands of dollars]

Activity	2010	2011
Returns filed with additional tax due:		
Total yield from unpaid assessments [1]	44,173,492	45,270,987
Less: Credit transfers [1]	14,343,418	14,261,645
Equals: Net total amount collected [1]	29,830,074	31,009,342
Taxpayer delinquent accounts (thousands):		
Number in beginning inventory	9,667	10,391
Number of new accounts	7,994	8,011
Number of accounts closed	7,269	7,593
Ending inventory:		
Number	10,391	10,809
Balance of assessed tax, penalties, and interest [2]	114,235,064	116,262,380
Returns not filed timely:		
Delinquent return activity:		
Net amount assessed [3]	29,108,690	28,404,660
Amount collected with delinquent returns	2,353,832	1,933,279
Taxpayer delinquency investigations (thousands) [4]:		
Number in beginning inventory	3,530	3,700
Number of new investigations	2,273	2,404
Number of investigations closed	2,103	2,243
Number in ending inventory	3,700	3,862
Offers in compromise (thousands) [5]:		
Number of offers received	57	59
Number of offers accepted	14	20
Amount of offers accepted	129,668	154,092
Enforcement activity:		
Number of notices of Federal tax liens filed [6]	1,096,376	1,042,230
Number of notices of levy served on third parties	3,606,818	3,748,884
Number of seizures	605	776

[1] Includes amounts collected through collection activity on previously unpaid assessed taxes plus assessed and accrued penalties and interest. Prior to Fiscal Year 2010, this item was shown as “Total yield from taxpayer delinquent accounts.” Assessed tax may result from voluntarily filed returns, examinations of taxpayers’ returns, or a combination of both.

[2] Includes assessed penalties and interest but excludes any accrued penalties and interest. Assessed penalties and interest—usually determined simultaneously with the unpaid balance of tax—are computed on the unpaid balance of tax from the due date of the return to the date of assessment. Penalties and interest continue to accrue after the date of assessment until the taxpayer's balance is paid in full.

[3] Includes net assessment of tax, penalty, and interest amounts (less prepaid credits, withholding, and estimated tax payments) on delinquent tax returns secured by Collection activity.

[4] A delinquency investigation is opened when a taxpayer does not respond to an IRS notice of a delinquent return.

[5] An offer in compromise (OIC) is an agreement between a taxpayer and the Federal Government that settles a tax liability for payment of less than the full amount owed. Absent special circumstances, an offer will not be accepted if the IRS believes the liability can be paid in full as a lump sum or through a payment agreement.

[6] Represents the number of lien requests entered into the IRS Automated Lien System.

NOTES:

Detail may not add to totals because of rounding.

All amounts are in current dollars.

This table reflects delinquent collection activities for all return types.

SOURCE: Small Business/Self-Employed, Enterprise Collection Strategy, Collection Planning and Governance, Enterprise Collection Plans.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2011 [1]

[Money amounts are in thousands of dollars]

Type of tax and type of penalty	Civil penalties assessed		Civil penalties abated [2]	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
Civil penalties, total	**38,646,963**	**30,921,558**	**4,871,988**	**11,008,638**
Individual income tax:				
Civil penalties, total [3]	**28,749,882**	**15,580,904**	**3,067,370**	**5,241,771**
Accuracy [4]	500,472	1,112,671	51,461	252,004
Bad check	296,559	24,795	11,959	5,088
Delinquency	3,736,987	6,344,147	790,190	2,718,565
Estimated tax	7,366,907	1,569,824	263,442	450,376
Failure to pay	16,841,952	6,291,624	1,944,535	1,697,104
Fraud	2,391	186,116	167	107,263
Other [5]	4,614	51,727	5,616	11,371
Business income tax:				
Civil penalties, total	**1,080,027**	**1,496,418**	**250,325**	**611,457**
Accuracy [4, 6]	4,204	191,564	d	d
Bad check [6]	4,679	14,551	210	250
Delinquency [6]	594,265	651,050	170,685	295,428
Estimated tax [6]	198,697	203,923	8,465	99,486
Failure to pay [6]	259,245	304,238	64,793	149,844
Fraud [6]	192	9,383	d	d
S corporation/partnership information [7]	18,662	117,262	1,758	10,547
Other [6]	83	4,447	4,318	38,618
Employment taxes:				
Civil penalties, total [8]	**7,745,830**	**5,298,944**	**1,364,041**	**2,424,513**
Accuracy [4]	2,590	13,638	238	962
Bad check	192,135	25,154	3,610	2,632
Delinquency	1,669,240	1,340,470	291,429	655,989
Estimated tax	3,595	14,182	648	10,878
Failure to pay	4,162,673	1,100,324	673,166	383,485
Federal tax deposits	1,715,095	2,795,325	394,938	1,370,523
Fraud	256	3,404	12	44
Other	246	6,447	0	0
Excise taxes:				
Civil penalties, total [9]	**506,429**	**420,070**	**121,831**	**335,802**
Accuracy [4]	d	d	67	18
Bad check	3,831	872	207	78
Daily delinquency [10]	72,325	289,857	53,231	250,356
Delinquency	179,365	34,998	11,644	6,737
Estimated tax	6,705	884	234	105
Failure to pay	223,610	21,134	43,306	8,309
Federal tax deposits	2,985	17,516	1,008	10,722
Fraud	d	d	0	0
Other	16,488	54,132	12,134	59,477
Estate and gift tax:				
Civil penalties, total [11]	**8,432**	**163,305**	**4,486**	**124,976**
Accuracy [4]	79	10,746	d	d
Bad check	80	154	21	241
Delinquency	2,849	85,875	1,757	67,417
Failure to pay	5,141	60,880	2,545	48,399
Fraud	0	0	d	d
Other	283	5,650	155	4,384
Nonreturn penalties [12]	**556,363**	**7,961,917**	**63,935**	**2,270,119**

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

[1] Assessments and abatements of penalties included here were recorded in Fiscal Year 2011 regardless of the tax year to which the penalty may apply.

[2] An abatement is a reduction of assessed penalties. The IRS may approve an abatement of a penalty for: IRS error; reasonable cause; administrative and collection costs not warranting collection of penalty; discharge of penalty in bankruptcy; and the IRS's acceptance of partial payment of assessed penalty.

[3] Represents penalties associated with the Form 1040 series (individual income tax series) and Form 1041 (estate and trust income tax return).

[4] Represents penalties for negligence; substantial understatement of income tax; substantial valuation misstatement; substantial overstatement of pension liabilities; substantial estate or gift tax valuation understatement (under Internal Revenue Code section 6662); understatement of reportable transactions (under Internal Revenue Code section 6662A); and underpayment of stamp tax (under Internal Revenue Code section 6653).

[5] Represents penalties related to failure to supply taxpayer identification number and failure to report tip income.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2011—Continued

Footnotes—Continued

[6] Represents penalties associated with the Form 1120 series (corporation income tax return series) and Form 990–T (tax-exempt organization unrelated business income tax return).

[7] Represents penalties associated with failure to provide information on Forms 1065 (partnership return) or 8752 (required payment or refund for an S corporation or partnership under Internal Revenue Code section 7519), or failure to file electronically Form 1065–B (large partnership return).

[8] Represents penalties associated with Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return for withheld income tax from nonpayroll distributions); 1040, Schedule H (household employment taxes); 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT–1 (railroad retirement tax return).

[9] Represents penalties associated with Forms 11–C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (excise tax return for wagering); 990 (tax-exempt organization information return); 990–PF (private foundation return); 1041–A (return of charitable contribution deductions by certain trusts); 2290 (heavy highway vehicle use tax return); 4720 (excise tax return of charities and other persons); and 5227 (split-interest trust information return).

[10] Represents penalties under Internal Revenue Code sections 6652(c)(2)(A) and (B) related to tax-exempt organizations or trusts. Penalties are assessed on a daily basis for failure to file Forms 990 (tax-exempt organization information return); 1041–A (trust accumulation of charitable amounts information return); 1120–POL (income tax return for certain political associations); 5227 (split-interest trust information return); or 8886–T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).

[11] Represents penalties associated with Forms 706 (estate tax return) and 709 (gift tax return).

[12] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to tax return preparers and to information returns (e.g., Forms 1099, W–2, 3520–A, 8027, and 8300).

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

SOURCE: Chief Financial Officer, Financial Management.

Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2011

Status or disposition	Total	Legal source tax crimes [1]	Illegal source financial crimes [2]	Narcotics-related financial crimes [3]
	(1)	(2)	(3)	(4)
Investigations initiated	**4,720**	**1,922**	**1,810**	**988**
Investigations completed	**4,697**	**1,842**	**1,866**	**989**
Referrals for prosecution	3,410	1,160	1,451	799
Investigations completed without prosecution	1,287	682	415	190
Indictments and informations [4]	2,998	905	1,313	780
Convictions	2,350	787	1,095	468
Sentenced	2,206	771	989	446
Incarcerated [5]	1,802	609	790	403
Percentage of those sentenced who were incarcerated [5]	81.7	79.0	79.9	90.4

[1] Under the Legal Source Tax Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving legal industries, legal occupations, and, more specifically, legally earned income associated with the violation of Title 26 (tax violations) and Title 18 (tax-related violations) of the U.S. Code. The Legal Source Tax Crimes Program also includes those cases that threaten the tax system, such as Questionable Refund Program (QRP) cases, unscrupulous return preparers, and frivolous filers/nonfilers who challenge the legality of the filing requirements. Excise tax and employment tax cases are also important elements of the Legal Source Tax Crimes Program.

[2] Under the Illegal Source Financial Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving proceeds derived from illegal sources other than narcotics. These encompass all tax and tax-related violations, as well as money-laundering and currency violations under the following statutes: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. The utilization of forfeiture statutes to deprive individuals and organizations of illegally obtained assets is also linked to the investigation of criminal charges within this program.

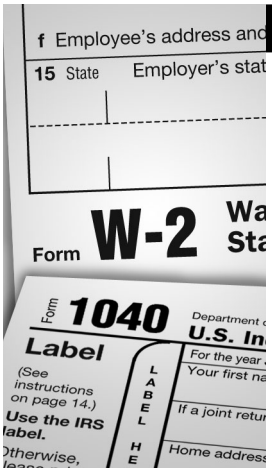
[3] Under the Narcotics-Related Financial Crimes Program, IRS Criminal Investigation seeks to identify, investigate, and assist in the prosecution of the most significant narcotics-related tax and money-laundering offenders. The IRS derives authority for this program from the statutes for which it has jurisdiction: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. IRS Criminal Investigation also devotes resources to high-level multiagency narcotics investigations warranting Organized Crime Drug Enforcement Task Force (OCDETF) designation in accordance with OCDETF Program reimbursable funding.

[4] Both “indictments” and “informations” are accusations of criminal charges. An “indictment” is an accusation made by a Federal prosecutor and issued by a Federal grand jury. An “information” is an accusation brought by a Federal prosecutor without the requirement of a grand jury.

[5] The term “incarcerated” may include prison time, home confinement, electronic monitoring, or a combination thereof.

NOTE: Investigations may cross fiscal years. Therefore, the disposition of investigations shown in this table may be related to investigations initiated in prior years.

SOURCE: Criminal Investigation, Communications and Education Division.



Taxpayer Assistance

The IRS assists taxpayers in meeting their Federal tax return filing and payment obligations in a variety of ways, such as through its telephone helpline, via the Internet, at IRS walk-in sites, and through volunteer income tax return preparers. Table 19 provides information about some of the programs and services designed to help taxpayers. In Fiscal Year (FY) 2011, the IRS provided taxpayer assistance through 319 million visits to IRS.gov and assisted nearly 83 million taxpayers through its toll-free telephone helpline or at walk-in sites.

Table 20 provides information about the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent those problems in the future. Taxpayers may submit an application for assistance to TAS. In FY 2011, TAS received 295,904 applications for assistance and closed 295,410 applications.

Table 21 provides information on the workload of IRS's Appeals Office. The Appeals mission is to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the taxpayer and the Federal Government. The Appeals Office considers cases that involve examination, collection, and penalty issues. Taxpayers who disagree with the IRS findings in their cases may request an Appeals hearing. The local Appeals Office is separate and independent of the IRS office that proposed the tax adjustment, collection action, or penalty. During FY 2011, the IRS Appeals Office received 148,327 taxpayer cases and closed 142,553 cases.

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2011

Type of assistance or program	Number or percentage
Call and walk-in assistance, total	**82,918,192**
Toll-free assistance calls [1]:	
Automated	42,294,405
Live	34,236,751
Taxpayer Assistance Center contacts [2]	6,387,036
Accuracy of toll-free telephone assistance:	
Tax law questions (percentage accurate)	93.4
Account questions (percentage accurate)	96.0
Forms and publications (paper products):	
Orders for forms, publications, and paper products	3,615,736
Number of libraries, banks, postal service distribution sites, grocery stores, copy centers, and office supply outlets stocking paper products [3]	18,662
Assistance provided through the Internet (IRS.gov):	
IRS Web site usage [4]:	
Number of visits	319,343,884
Number of visits to IRS Video Portal [5]	5,115,392
Number of page views	1,593,163,288
Number of downloads	229,163,315
Individual electronic transactions, total	98,067,177
"Where's My Refund" inquiries	77,997,331
Transcript Delivery System [6]	4,277,805
Online Employer Identification Number applications	5,557,415
Disclosure authorizations [7]	282,987
Electronic Filing Personal Identification Number [8]	9,951,639
Disaster and emergency assistance:	
Disaster incidents [9]:	
State incidents	36
County/city incidents	561
Taxpayers assisted:	
Number of toll-free disaster hot line calls	49,611
Number of Taxpayers Assisted at Disaster Recovery Centers	3,212
Taxpayer education and tax return preparation for individual taxpayers:	
Returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	3,188,524
Volunteers assisting in taxpayer education and return preparation programs	88,527
Volunteer Tax Preparation Assistance sites	12,486
Taxpayer outreach for small business and self-employed taxpayers:	
Number of events [10]	4,692
Number of participants	180,071
Number of electronic newsletter subscriptions [11]	616,070

[1] Includes calls answered by Customer Account Services and automated calls (including TeleTax and Tax Exempt and Government Entities Division), but excludes calls answered by Automated Collection Services.

[2] Includes contacts at 401 IRS Taxpayer Assistance Centers and alternative IRS sites (libraries and post offices). Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites, which are shown separately in this table.

[3] Represents the number of organizations that distribute paper forms and publications or make reproducible forms and publications available. Each organization may have multiple branches.

[4] An increasing number of taxpayers receive assistance via IRS.gov. This online assistance is reported as visits, page views, and downloads. A Web site visit is a session that begins when a user views his or her first Web page and ends when the user leaves the IRS.gov Web site. Users may access multiple Web pages during a single visit to the IRS Web site; these are counted as page views. A download is the process of copying a file, such as Form 1040, from the IRS.gov Web site to the user's personal computer.

[5] The IRS Video Portal provides information through audio and video presentations, as well as webinars (electronic seminars) on a variety of tax-related topics.

[6] The Transcript Delivery System enables authorized tax practitioners to order tax account, tax return transcript, and other tax information for their business and individual clients. These documents are returned to the practitioner's computer through a secure online connection within minutes of the request.

[7] Eligible tax practitioners may electronically request authorization to receive a client's tax account information or to represent the client before the IRS. This e-service expedites processing and issues a real-time acknowledgment of accepted submissions.

[8] An Electronic Filing Personal Identification Number can be used in lieu of the prior-year adjusted gross income to verify a taxpayer's identify for electronic filing.

[9] Reflects events for which the Federal Emergency Management Agency designated major disaster areas and the IRS granted administrative tax relief. The number of these incidents increased in Fiscal Year 2011, due to increased hurricane and tropical storm activity.

[10] Includes Tax Practitioner Institutes, Small Business Forums, National Tax Forums, Small Business Tax Workshops, tax practitioner and payroll provider meetings, governmental contacts, and miscellaneous stakeholder meetings and events.

[11] Includes electronic newsletter subscriptions targeted to small business owners, to tax professionals, and to payroll providers.

SOURCES:

Wage and Investment, Strategy and Finance, Operations Planning and Analysis; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications and Stakeholder Outreach.

Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2011

Type of issue and relief	Number	Percentage of total
Applications for taxpayer assistance received, by type of issue [1]:		
Total	**295,904**	**100.0**
Stolen identity	34,006	11.5
Processing amended returns	22,743	7.7
Open examination	21,397	7.2
Pre-refund wage verification hold	21,286	7.2
Levies	15,466	5.2
Unpostable and rejected returns	13,288	4.5
Examination reconsideration	11,902	4.0
Processing original returns	11,578	3.9
Expediting refund requests	9,386	3.2
Earned Income Tax Credit	8,729	2.9
Injured spouse claims	8,295	2.8
IRS offset to IRS tax liabilities	6,995	2.4
Returned and stopped refunds	6,489	2.2
Other refund inquiries/issues	6,135	2.1
Installment agreements	5,899	2.0
All others	92,310	31.2
Applications for taxpayer assistance closed, by type of resolution [1]:		
Total	**295,410**	**100.0**
Relief provided to taxpayer, total	**223,635**	**75.7**
Taxpayer Assistance Order issued [2, 3]	310	0.1
No Taxpayer Assistance Order issued [2]	223,325	75.6
Full relief	209,429	70.9
Individual taxpayer issue [4]	186,041	63.0
Systemic issue [5]	23,388	7.9
Partial relief	13,896	4.7
Individual taxpayer issue [4]	12,605	4.3
Systemic issue [5]	1,291	0.4
No relief provided to taxpayer, total	**71,775**	**24.3**
Taxpayer Assistance Order rescinded [2, 3]	5	[6]
No Taxpayer Assistance Order issued [2]	71,770	24.3
No response from taxpayer	35,810	12.1
Relief provided prior to Taxpayer Advocate Service intervention	16,582	5.6
Taxpayer withdrew application for assistance	3,775	1.3
Tax law precluded relief	1,800	0.6
Hardship not related to revenue laws	1,079	0.4
Hardship not validated	757	0.3
All others	11,967	4.1
Congressional inquiries [7]	**14,761**	**N/A**

N/A—Not applicable.

[1] Taxpayers may submit an application for assistance to the Taxpayer Advocate Service (TAS). These applications for taxpayer assistance may be received in one fiscal year and closed in another. In Fiscal Year 2011, 295,904 applications for assistance were received, and 295,410 were closed. Of the applications for taxpayer assistance received in Fiscal Year 2011, 29,728 (10.0 percent) were related to the First-Time Homebuyer Credit. These applications are included in the issues and resolutions presented below.

[2] The Taxpayer Advocate Service issues Taxpayer Assistance Orders (TAOs) on behalf of taxpayers. A TAO directs an IRS organizational unit to take a specific action or to review, expedite consideration of, or reconsider a taxpayer's case. However, in the majority of cases, the Taxpayer Advocate Service can resolve taxpayers' issues without issuing TAOs.

[3] Taxpayer Assistance Orders (TAOs) may be issued in one fiscal year and closed in another. In Fiscal Year 2011, 422 TAOs were issued, and 315 TAOs were closed (310 were closed with relief provided to the taxpayer, and 5 were rescinded).

[4] A single issue (applicable to an individual, corporation, or other entity) that requires a change or modification to an account.

[5] Requires a change or modification to an established procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.

[6] Less than 0.05 percent.

[7] In this table, "Congressional inquiries" (related to constituents' tax accounts) refers to those applications for taxpayer assistance received from Congressional offices during the fiscal year. This item is shown separately for information purposes, but counts are included in the data above.

NOTES:

Detail may not add to totals because of rounding.

The Taxpayer Advocate Service is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent these problems.

SOURCE: Taxpayer Advocate Service, Business Assessment.

Table 21. Appeals Workload, by Type of Case, Fiscal Year 2011

Type of case	Cases received	Cases closed	Cases pending September 30, 2011
	(1)	(2)	(3)
Total cases [1]	**148,327**	**142,553**	**76,633**
Collection Due Process [2]	59,312	51,832	32,947
Examination [3]	43,807	44,185	26,237
Penalty Appeals [4]	10,418	12,162	3,197
Offers in Compromise [5]	10,302	10,401	5,115
Innocent Spouse [6]	4,992	5,154	2,856
Industry Cases [7]	1,764	1,575	2,131
Coordinated Industry Cases [8]	167	326	543
Other [9]	17,565	16,918	3,607

[1] A case represents a taxpayer with one type of tax and one or more tax periods under consideration in Appeals.

[2] Cases where a taxpayer requested a hearing with an independent Collection Due Process (CDP) officer in response to a notice of Federal tax lien or notice of intent to levy. The CDP hearing provides the taxpayer an opportunity, early in the collection process, to work with an independent hearing officer to resolve the collection of the taxpayer's liability.

[3] An Examination case in Appeals involves issues in dispute by the taxpayer relating to income tax, employment tax, excise tax, estate tax, gift tax, or tax-exempt status.

[4] A Penalty Appeals case is one in which the taxpayer requests abatement of a civil penalty that was assessed before the taxpayer was given an opportunity to dispute the penalty. The taxpayer may submit a written request for abatement of the penalty, and if the request is denied, the taxpayer may appeal.

[5] An Offer in Compromise is an agreement between a taxpayer and the Federal Government that settles a tax liability for payment of less than the full amount owed. The IRS may reject a taxpayer's offer, and the taxpayer may request that Appeals review and decide whether the offer is acceptable.

[6] Cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements. An Innocent Spouse case in Appeals is one in which the taxpayer requested and was denied innocent spouse relief by the IRS.

[7] An Industry Case is any type of case that is not designated as a Coordinated Industry Case (CIC). An industry case taxpayer may appeal the findings of an examination conducted by the IRS. See footnote 8.

[8] A Coordinated Industry Case (CIC) designation may be assigned to a large corporate taxpayer based on factors such as the taxpayer's gross assets, gross receipts, operating entities, industries, and/or foreign assets. A CIC taxpayer may appeal the findings of an examination conducted by the IRS.

[9] Cases considered by Appeals involving issues related to Abatement of interest, Collection Appeals Program, Director of Practice, Freedom of Information Act, Trust Fund Recovery Penalty, Collection Due Process Timeliness Determination, and other miscellaneous penalties are grouped into the "Other" category and are defined below:

Abatement of interest—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

Collection Appeals Program—Provides the taxpayer, or a third party whose property is subject to a collection action, an administrative appeal for certain collection actions including levy or seizure action that was or will be taken, notice of Federal tax lien that was or will be filed, and rejected or terminated installment agreements.

Director of Practice—A tax professional may appeal the findings of the IRS Office of Professional Responsibility (OPR) (formerly the IRS Office of the Director of Practice). OPR has oversight responsibility for tax professionals and investigates allegations of misconduct and negligence against attorneys, certified public accountants, enrolled agents, and other practitioners representing taxpayers before the IRS. In addition, IRS e-file applicants and providers may request an administrative review when the applicant is denied participation in IRS e-file or the provider is sanctioned while participating in IRS e-file.

Freedom of Information Act—A taxpayer may appeal the denial of a request for records made under the Freedom of Information Act.

Trust Fund Recovery Penalty—An employer is required to pay trust fund taxes to the U.S. Treasury through Federal Tax Deposits. Trust fund taxes are the taxes withheld from employees' paychecks for income tax and the employees' share of Social Security and Medicare taxes. A Trust Fund Recovery Penalty applies to the responsible person(s) for the total amount of trust fund taxes evaded, not collected, or not accounted for and not paid to the U.S. Treasury. The taxpayer may appeal Collection's determination.

Collection Due Process Timeliness Determination—When a taxpayer's request for a Collection Due Process hearing or an equivalent hearing is not received timely or the request cannot be processed, Appeals may review the request and make a separate timeliness determination.

Other Penalties—This subcategory includes a variety of different types of penalties that may be appealed. Tax return preparers may appeal penalties imposed under Internal Revenue Code (IRC) Sections 6694 and 6695 for understatement of a taxpayer's tax liability or with respect to preparation of a tax return. Tax shelter promoters may appeal penalties imposed under IRC Sections 6700 or 6701 for aiding and abetting an understatement of tax liability. A penalty imposed under IRC Section 6715 for Dyed Diesel Fuel may be appealed. A taxpayer may appeal the denial of an application for an extension of time to pay estate tax under the provisions of IRC Section 6161. Also includes penalties imposed under other code sections not specified in this note.

SOURCE: Appeals, Strategic Planning, Measures Analysis.

Tax-Exempt Activities

The IRS devotes significant resources to meeting the special needs of tax-exempt organizations, qualified retirement benefit plans, and Government entities in complying with tax laws. While these entities are not subject to Federal income tax, they nonetheless represent a significant aspect of tax administration.

Table 22 summarizes IRS activities, such as issuing technical guidance, to assist tax-exempt entities and facilitate their compliance with Federal tax laws. Table 23 provides information about applications for determination of tax-exempt status for employee retirement plans. Table 24 provides information about applications for tax-exempt status that were closed during Fiscal Year (FY) 2011. Table 25 shows the total number of approved tax-exempt organizations for Fiscal Years 2010 and 2011.

In FY 2011, the IRS closed about 61,000 applications for tax-exempt status and other determinations. Of those, the IRS approved tax-exempt status for almost 55,000 organizations. In FY 2011, the IRS recognized more than 1.6 million tax-exempt organizations and nonexempt charitable trusts.

Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2011

Activity	Total [1]	Employee retirement plans [1]	Tax-exempt organizations	Tax-exempt bonds
	(1)	(2)	(3)	(4)
Total	**8,380**	**7,209**	**1,042**	**129**
Guidance [2]	54	36	18	N/A
Technical activities	2,224	1,200	1,024	N/A
Requests for rulings	822	432	390	N/A
Technical assistance	68	50	18	N/A
Technical advice	38	29	9	N/A
Opinion letters on prototype plans [3]	112	112	N/A	N/A
Correspondence [4]	916	309	607	N/A
Other	268	268	N/A	N/A
Voluntary compliance agreements	6,102	5,973	N/A	129

N/A—Not applicable.

[1] Employee retirement plan data are reported in the table but were not available for the Fiscal Year 2010 *IRS Data Book*, therefore totals in this table are not comparable with the Fiscal Year 2010 totals. The employee retirement plans data reflect changes to methodology/case load for correspondence technical activities. In addition, employee retirement plan data for voluntary compliance agreements reflect both processing improvements and the allocation of additional resources to process these agreements.

[2] Includes published revenue rulings, revenue procedures, regulations, notices, announcements, and information/news releases.

[3] Includes opinion letters issued to IRAs (Individual Retirement Arrangements), SEPs (Simplified Employee Pensions), and SIMPLEs (Savings Incentive Match Plans for Employees).

[4] Includes both Congressional and general correspondence.

SOURCE: Tax Exempt and Government Entities.

Table 23. Determination Letters Issued on Employee Retirement Plans, by Type and Disposition of Plan, Fiscal Year 2011

Letters issued, disposition of plan	Total determination letters	Defined benefit plans [2]	Defined contribution plans [1]								
			Total [3]	Profit sharing [4]	Stock bonus [5]	Money purchases [6]	Target benefit [7]	Leveraged employee stock ownership plan [8]	Non-leveraged employee stock ownership plan [9]	Other	Section 401(k) [10]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total:											
Number of qualified plans [11]	28,544	5,216	23,328	21,063	22	1,341	30	73	325	474	14,584
Initial qualifications:											
Number of qualified plans	8,141	1,036	7,105	6,768	5	175	5	13	37	102	4,867
Number of participating employees [12]	994,305	168,194	826,111	761,100	541	38,494	317	701	15,489	9,469	590,697
Amendments:											
Number of qualified plans	18,083	3,321	14,762	13,073	12	1,048	21	25	221	362	8,954
Number of participating employees [12]	14,661,921	6,242,816	8,419,105	6,172,548	2,751	809,119	23,995	4,385	919,008	487,299	4,675,185
Terminations:											
Number of qualified plans	2,320	859	1,461	1,222	5	118	4	35	67	10	763
Number of participating employees [12]	301,890	40,036	261,854	127,230	10,205	108,881	127	4,164	9,345	1,902	106,439

[1] A defined contribution plan is a retirement plan that provides an individual account for each participant. Benefits are based solely on amounts contributed to the participant's account and any earnings on these contributions.

[2] A defined benefit plan is a retirement plan that does not maintain individual account balances that reflect the accrued benefits of each plan participant. Instead, the accrued benefit is determined by a formula stated in the plan.

[3] The total of defined contribution plans is the sum of columns 4–10, which include associated section 401(k) arrangements and participants. See footnote 10.

[4] A profit sharing plan is a retirement plan that gives employees a share in the profits of the company. Contributions to employee retirement accounts are determined as a percentage of annual company profits.

[5] A stock bonus retirement plan is funded by an employer's contributions of corporate stock to the retirement plan.

[6] A money purchase retirement plan is a retirement plan under which employer contributions are based on a fixed percentage of compensation. Contributions are required every year, regardless of earnings and profits.

[7] A target benefit retirement plan is similar to a defined benefit plan since employer contributions, which are mandatory, are based on projected retirement benefits. However, unlike a defined benefit plan, the benefits provided to participants at retirement are based on the performance of the investments, and are therefore not guaranteed.

[8] A leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company leverages its credit to borrow money to fund the retirement plan. The company uses the borrowed funds to purchase shares from the company's treasury for the retirement plan and makes annual contributions to repay the original loan.

[9] A non-leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company contributes either cash to purchase outstanding shares of company stock or contributes a certain amount of shares from the company's treasury to employee accounts.

[10] Section 401(k) arrangements and participants are reported and counted under the types of retirement plans to which they are attached (e.g., profit-sharing or stock bonus plans) and, thus, are also included in columns 4–10.

[11] Reflects retirement plans that satisfy the qualification requirements of Federal pension law. For Fiscal Year 2011, all retirement plans met these requirements.

[12] Totals may be overstated to the extent that employees participate in more than one retirement plan.

NOTE:

Some determination letter data reported in this table are not comparable to data reported in prior issues of the *IRS Data Book*. The staggered determination letter application process causes wide differences in the data from year to year.

SOURCE: Tax Exempt and Government Entities, Employee Plans.

Table 24. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2011

Type of organization, Internal Revenue Code section	Closures of applications for tax-exempt status [1]			
	Total	Approved [2]	Disapproved	Other [2, 3]
	(1)	(2)	(3)	(4)
Tax-exempt organizations and other entities, total [4]	**61,004**	**54,713**	**217**	**6,074**
Section 501 (c) by subsection, total	**60,980**	**54,701**	**217**	**6,062**
(1) Corporations organized under an act of Congress	d	d	0	0
(2) Title-holding corporations	92	81	0	11
(3) Religious, charitable, and similar organizations [5]	55,319	49,677	205	5,437
(4) Social welfare organizations	1,777	1,559	6	212
(5) Labor and agriculture organizations	294	268	0	26
(6) Business leagues	1,655	1,542	4	109
(7) Social and recreation clubs	1,012	855	0	157
(8) Fraternal beneficiary societies	39	32	0	7
(9) Voluntary employees' beneficiary associations	153	123	0	30
(10) Domestic fraternal beneficiary societies	49	41	0	8
(12) Benevolent life insurance associations	91	81	0	10
(13) Cemetery companies	282	267	0	15
(14) State-chartered credit unions	5	d	0	d
(15) Mutual insurance companies	13	d	d	d
(17) Supplemental unemployment benefit trusts	d	d	0	0
(19) War veterans' organizations	177	153	0	24
(25) Holding companies for pensions and other entities	17	14	d	d
(27) State-sponsored workers' compensation reinsurance organizations	d	0	0	d
Section 501 (d) Religious and apostolic associations	**13**	**6**	**0**	**7**
Section 521 Farmers' cooperatives	**5**	**d**	**0**	**d**
Nonexempt charitable trusts	**6**	**d**	**0**	**d**

d—Not shown to avoid disclosure of specific taxpayer data. However, data are included in the appropriate totals, when possible.

[1] Reflects all case closures for the Exempt Organizations Determinations function. These include not only initial applications for tax-exempt status, but also other determinations, such as public charity and private foundation status determinations, advance approval of scholarship grant procedures, and group determinations of tax-exempt status.

[2] Beginning with Fiscal Year 2010, IRS initiated a revised application procedure that allows additional time for application closures. Therefore, fewer applications are reported in the "Other" category and more applications are reported in the "Approved" category.

[3] Includes applications withdrawn by the organization; applications that did not provide the required information; incomplete applications; IRS refusals to rule on applications; applications forwarded to other than the Washington, DC, office; IRS correction disposals; and others.

[4] No applications were filed for teachers' retirement funds (section 501 (c)(11)); corporations to finance crop operations (section 501 (c)(16)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); and the National Railroad Retirement Investment Trust (section 501 (c)(28)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.

[5] Includes private foundations. Not all Internal Revenue Code section 501 (c)(3) organizations are required to apply for recognition of tax exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Table 25. Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2010 and 2011

Type of organization, Internal Revenue Code section	2010	2011 [1]
Tax-exempt organizations and nonexempt charitable trusts, total [1]	**1,960,203**	**1,629,149**
Section 501 (c) by subsection, total [1]	**1,821,824**	**1,494,882**
(1) Corporations organized under an act of Congress	168	216
(2) Title-holding corporations	7,239	5,176
(3) Religious, charitable, and similar organizations [2]	1,280,739	1,080,130
(4) Social welfare organizations	139,129	97,382
(5) Labor and agriculture organizations	63,012	51,586
(6) Business leagues	92,331	70,330
(7) Social and recreation clubs	79,718	57,793
(8) Fraternal beneficiary societies	63,391	53,245
(9) Voluntary employees' beneficiary associations	11,749	7,810
(10) Domestic fraternal beneficiary societies	18,310	16,678
(12) Benevolent life insurance associations	6,996	5,666
(13) Cemetery companies	12,266	9,842
(14) State-chartered credit unions	3,570	3,080
(15) Mutual insurance companies	1,812	1,104
(17) Supplemental unemployment benefit trusts	423	158
(19) War veterans' organizations	39,709	33,654
(25) Holding companies for pensions and other entities	1,125	922
Other 501 (c) subsections [3]	137	110
Section 501 (d) Religious and apostolic associations	**218**	**222**
Section 501 (e) Cooperative hospital service organizations	**34**	**12**
Section 501 (f) Cooperative service organizations of operating educational organizations	**1**	**1**
Section 501 (k) Child care organizations	**14**	**2**
Section 501 (n) Charitable risk pools	**1**	**1**
Nonexempt charitable trusts	**138,111**	**134,029**

[1] The number of tax-exempt organizations decreased in Fiscal Year 2011. The tax-exempt status of over 385,000 organizations was revoked for failing to satisfy their filing requirement for three consecutive years as required by the Pension Protection Act of 2006.

[2] Includes private foundations. Not all Internal Revenue Code section 501 (c)(3) organizations are required to apply for recognition of tax exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

[3] Includes teachers' retirement funds (section 501 (c)(11)); corporations to finance crop operations (section 501 (c)(16)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); State-sponsored workers' compensation reinsurance organizations (section 501 (c)(27)); and the National Railroad Retirement Investment Trust (section 501 (c)(28)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.

NOTE: Information from tax-exempt organization returns is available to the public. Therefore, data in this table are not subject to IRS disclosure regulations.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Chief Counsel

The IRS Chief Counsel is appointed by the President of the United States, with the advice and consent of the U.S. Senate, and serves as the chief legal advisor to the IRS Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code, as well as all other legal matters. Under the IRS Restructuring and Reform Act of 1998, the Chief Counsel reports to both the IRS Commissioner and the Treasury General Counsel.

Attorneys in the Chief Counsel's Office serve as lawyers for the IRS. They provide guidance to the IRS and to taxpayers on the correct legal interpretation of Federal tax laws, represent the IRS in litigation, and provide all other legal support the IRS needs to carry out its mission.

Tables 26 and 27 provide information about Chief Counsel's workload and case activity in several major categories including criminal tax, international issues, and general legal services in Fiscal Year 2011. Chief Counsel received 93,170 cases and closed 93,281 cases during the fiscal year. Of cases received, as well as cases closed, the majority were related to tax law enforcement and litigation, including Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance.

Almost 30,000 Tax Court cases involved a taxpayer contesting an IRS determination that he or she owed additional tax. By the end of Fiscal Year 2011, the total amount of tax and penalty in dispute was almost $9 billion.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2011

Office and type of case or activity	Cases received	Cases closed	Cases pending September 30, 2011
	(1)	(2)	(3)
Chief Counsel (All Offices):			
Total	**93,170**	**93,281**	**60,771**
Guidance and assistance [1]	**12,387**	**12,456**	**7,657**
Tax law enforcement and litigation [2]	**75,074**	**74,942**	**50,524**
Other legal services to the IRS [3]	**5,709**	**5,883**	**2,590**
Corporate:			
Total	**981**	**1,006**	**426**
Guidance and assistance	535	541	295
Tax law enforcement and litigation	337	352	124
Other legal services to the IRS	109	113	7
Criminal Tax:			
Total	**7,892**	**8,070**	**957**
Guidance and assistance	93	80	d
Tax law enforcement and litigation	7,767	7,955	930
Other legal services to the IRS	32	35	d
Financial Institutions and Products:			
Total	**1,225**	**1,030**	**708**
Guidance and assistance	942	753	609
Tax law enforcement and litigation	195	181	96
Other legal services to the IRS	88	96	3
General Legal Services:			
Total	**3,203**	**3,316**	**2,161**
Guidance and assistance	28	30	9
Tax law enforcement and litigation	13	5	23
Other legal services to the IRS	3,162	3,281	2,129
Income Tax and Accounting:			
Total	**5,462**	**6,443**	**1,801**
Guidance and assistance	4,307	5,335	1,495
Tax law enforcement and litigation	945	904	285
Other legal services to the IRS	210	204	21
International:			
Total	**1,951**	**1,840**	**2,279**
Guidance and assistance	1,336	1,231	1,819
Tax law enforcement and litigation	441	441	418
Other legal services to the IRS	174	168	42
Large Business and International:			
Total	**4,672**	**5,035**	**5,519**
Guidance and assistance	658	589	1,073
Tax law enforcement and litigation	3,726	4,161	4,401
Other legal services to the IRS	288	285	45
Passthroughs and Special Industries [4]:			
Total	**1,932**	**1,867**	**773**
Guidance and assistance	1,146	1,112	629
Tax law enforcement and litigation	522	511	118
Other legal services to the IRS	264	244	26
Procedure and Administration:			
Total	**5,180**	**4,499**	**2,049**
Guidance and assistance	1,318	847	628
Tax law enforcement and litigation	3,192	2,905	1,220
Other legal services to the IRS	670	747	201
Small Business/Self-Employed:			
Total	**56,139**	**55,699**	**41,734**
Guidance and assistance	371	373	237
Tax law enforcement and litigation	55,659	55,198	41,469
Other legal services to the IRS	109	128	28
Tax Exempt and Government Entities:			
Total	**3,607**	**3,534**	**2,225**
Guidance and assistance	1,115	999	776
Tax law enforcement and litigation	2,089	2,152	1,391
Other legal services to the IRS	403	383	58
Wage and Investment:			
Total	**331**	**344**	**63**
Guidance and assistance	117	131	16
Tax law enforcement and litigation	37	37	19
Other legal services to the IRS	177	176	28
Other [5]:			
Total	**595**	**598**	**76**
Guidance and assistance	421	435	d
Tax law enforcement and litigation	151	140	30
Other legal services to the IRS	23	23	d

Footnotes on next page.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2011—Continued

Footnotes

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Includes published guidance; advanced case resolution; treaties; legislation; Congressional and executive correspondence; training and public outreach; and prefiling legal advice to the IRS.

[2] Includes Tax Court litigation; collection, bankruptcy and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance. See Table 27 for tax litigation case information.

[3] Includes electronic and other tax filing legal advice; disclosure advice and litigation; and general legal services advice and litigation.

[4] The Passthroughs and Special Industries Division (PSI) handles cases that involve passthrough organizations, such as S corporations and partnerships. These passthrough organizations do not pay tax on their incomes, but pass income or losses to shareholders or partners, who include the income or losses on their income tax returns. The PSI Division also handles cases on natural resources taxation (oil, mining, gas, coal, etc.); business credits (low-income housing, energy credits, wind energy, alternative fuels, etc.); excise taxes (transportation, telephones, tires, fuels, etc.); and estate and gift taxes.

[5] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel (Finance and Management).

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division.

Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2011

[Money amounts are in millions of dollars]

Type of case	Number or amount
Total cases:	
Received	32,934
Closed	32,717
Pending September 30, 2011	31,790
Tax Court cases [1]:	
Cases received:	
Number	29,720
Amount of tax and penalty in dispute [2]	8,923
Cases closed:	
Number	29,442
Amount of tax and penalty in dispute [2]	10,947
Amount of tax and penalty on decision [3]:	
Total	2,169
Default or dismissed	547
Settled	1,433
Tried and decided	189
Cases pending September 30, 2011:	
Number	29,941
Amount of tax and penalty in dispute [2]	18,998
Tax Court cases on appeal [1]:	
Number of cases pending September 30, 2011	417
Amount of tax and penalty pending September 30, 2011 [2]	8,869
Refund cases [4]:	
Cases received:	
Number	237
Amount of tax and penalty in dispute [2]	707
Cases closed:	
Number	397
Amount of tax and penalty in dispute [2]	3,184
Amount of tax and penalty protected [5]:	
Total	2,226
District Court	819
Court of Federal Claims	1,407
Cases pending September 30, 2011:	
Number	1,013
Amount of tax and penalty in dispute [2]	9,611
Refund cases on appeal [4]:	
Number of cases pending September 30, 2011	70
Amount of tax and penalty pending September 30, 2011 [2]	810
Number of nondocketed cases [6]:	
Received	2,977
Closed	2,878
Pending September 30, 2011	349

[1] Tax Court cases involve a taxpayer contesting the Internal Revenue Service's determination that the taxpayer owes additional tax. The Tax Court provides a forum for a taxpayer to request a determination of the deficiency prior to paying the tax allegedly owed.

Other cases that may be considered by the Tax Court include:

Collection Due Process (*CDP*)—cases where a taxpayer requested a hearing with an independent CDP officer in response to a notice of Federal tax lien or notice of intent to levy.

Innocent Spouse Program—cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements.

Abatement of interest—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

Tax-exempt status—cases where an organization disputes IRS's revocation or denial of tax-exempt status.

[2] The amount of tax and penalties in dispute excludes interest.

[3] Reflects the amount a taxpayer owes as determined by the Tax Court, excluding offsetting overpayments and interest.

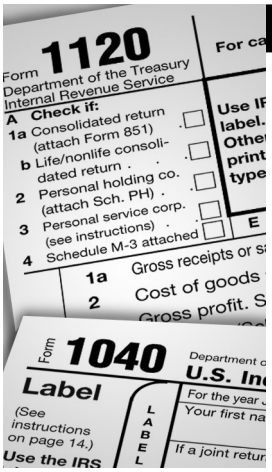
[4] Refund cases involve taxpayers seeking refunds of claimed overpayments after taxes have been fully paid.

[5] Tax protected is the amount claimed by the taxpayer in a suit for a refund of previously paid taxes that is not awarded to the taxpayer in the court's judgment.

[6] Nondocketed cases are cases in which a court petition was not filed and Chief Counsel reviewed and advised on a statutory notice of deficiency.

NOTE: Amounts in dispute can vary widely from year to year.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division.



IRS Budget and Workforce

Tables 28 through 31 provide information about the size and composition of the IRS workforce and the resources that the IRS spends to collect taxes and assist taxpayers.

In Fiscal Year (FY) 2011, the IRS collected $2.4 trillion, incurring 51 cents, on average, to collect $100.

IRS's actual expenditures for FY 2011 totaled nearly $12.4 billion. IRS's three core operating appropriations are taxpayer services, enforcement, and operations support. Taxpayer services funds processing tax returns and related documents, and assistance for taxpayers in filing returns and paying taxes due. In FY 2011, the IRS spent $2.4 billion on taxpayer services. Enforcement funds examination of tax returns, collection of balances, the administrative and judicial settlement of taxpayer appeals of examination findings, and provides resources for strengthened enforcement to reduce invalid claims and erroneous filings associated with the Earned Income Tax Credit (EITC) program. The IRS spent $5.5 billion on enforcement in FY 2011. Operations support funds administrative services, policy management, and IRS-wide support. The appropriation also funds staffing, equipment, and related costs to manage, maintain, and operate critical information systems that support tax administration. In FY 2011, the IRS spent almost $4.1 billion on operations support.

During the fiscal year, the IRS continued to focus on attracting, retaining, and developing a quality workforce to support workforce management activities that contribute to making the IRS one of the best places to work in the Federal government. In FY 2011, the IRS employed a total workforce of 104,403, including seasonal and part-time employees.

Table 28. Costs Incurred by Budget Activity, Fiscal Years 2010 and 2011

[Money amounts are in thousands of dollars]

Budget activity	Total		Personnel compensation and benefits [1]		Other [2]	
	2010	2011	2010	2011	2010	2011
	(1)	(2)	(3)	(4)	(5)	(6)
Total obligations against appropriated funds	**12,353,344**	**12,358,877**	**8,846,297**	**9,006,934**	**3,507,047**	**3,351,943**
Taxpayer Services [3]:						
Total	**2,408,387**	**2,415,557**	**2,195,956**	**2,227,971**	**212,431**	**187,586**
Prefiling Taxpayer Assistance and Education	681,355	682,249	584,735	601,196	96,620	81,053
Filing and Account Services	1,727,032	1,733,308	1,611,221	1,626,775	115,811	106,533
Enforcement [4]:						
Total	**5,497,476**	**5,510,732**	**5,056,154**	**5,141,462**	**441,322**	**369,270**
Investigations	645,004	654,993	598,851	595,620	46,153	59,373
Examinations and Collections	4,686,748	4,683,439	4,300,502	4,386,421	386,246	297,018
Regulatory	165,724	172,300	156,801	159,421	8,923	12,879
Operations Support [5]:						
Total	**4,121,056**	**4,081,816**	**1,544,731**	**1,560,524**	**2,576,325**	**2,521,292**
Infrastructure	894,289	967,347	1,243	1,127	893,046	966,220
Shared Services and Support	1,324,801	1,263,410	747,377	760,996	577,424	502,414
Information Services	1,901,966	1,851,059	796,111	798,401	1,105,855	1,052,658
Business Systems Modernization [6]	**284,403**	**335,292**	**47,811**	**75,221**	**236,592**	**260,071**
Health Insurance Tax Credit Administration [7]	**42,022**	**15,480**	**1,645**	**1,756**	**40,377**	**13,724**

[1] Includes salaries, terminal leave payments, availability pay, pay differential, overtime and holiday pay, cash awards, incentive awards, obligation for uncashed payroll checks, expert and witness fees, rewards to informants, employer's share of personnel benefits costs, reimbursements for professional liability insurance, recruitment bonuses, commuting subsidies, retention bonuses, student loan repayments, relocation bonuses, gainsharing awards, cost of living allowances, overseas allowance grants, domestic and foreign income tax reimbursement allowances, worker's compensation benefits, moving expenses/relocation allowances, severance pay, and unemployment compensation payments.

[2] Fiscal Year 2011 includes $175,888 thousand for travel expenses and $3,176,055 thousand for other expenses (including data processing, rental payments, communication costs, contractual services, and other miscellaneous expenses).

[3] The Taxpayer Services appropriation funds prefiling assistance and education, filing and account services, and taxpayer advocacy services.

[4] The Enforcement appropriation funds activities to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws, and to purchase and hire passenger motor vehicles.

[5] The Operations Support appropriation funds activities to support taxpayer services and enforcement programs, including rent, facilities services, maintenance, printing, postage, security, and other IRS-wide administration activities; research and statistics of income; telecommunications; and information technology development.

[6] The Business Systems Modernization appropriation funds the capital asset acquisition of information technology systems.

[7] The Health Insurance Tax Credit Administration appropriation funds the administration of the health insurance tax credit. For Fiscal Year 2010, includes additional funds from the American Recovery and Reinvestment Act of 2009.

NOTES:

Detail may not add to totals because of rounding.

All amounts are in current dollars.

Data represent dollars obligated, expended, and disbursed against direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1980–2011

Fiscal year	Gross collections (thousands of dollars) [1]	Operating costs (thousands of dollars) [2]	Cost of collecting $100 (dollars)	U.S. population (thousands) [3]	Average tax per capita (dollars) [3]	Average positions realized [4]
	(1)	(2)	(3)	(4)	(5)	(6)
1980	519,375,273	2,280,839	0.44	228,231	2,276	87,464
1981	606,799,103	2,465,469	0.41	230,613	2,631	86,156
1982	632,240,506	2,626,338	0.42	232,962	2,714	82,857
1983	627,246,793	2,968,526	0.47	235,225	2,667	83,603
1984	680,475,229	3,279,067	0.48	237,454	2,866	87,635
1985	742,871,541	3,600,953	0.48	239,714	3,099	92,259
1986	782,251,812	3,841,983	0.49	241,995	3,233	95,880
1987	886,290,590	4,365,816	0.49	244,344	3,627	102,189
1988	935,106,594	5,035,543	0.54	246,329	3,796	114,875
1989	1,013,322,133	5,198,546	0.51	249,412	4,063	114,758
1990	1,056,365,652	5,440,418	0.52	251,057	4,208	111,962
1991	1,086,851,401	6,097,627	0.56	254,435	4,272	114,628
1992	1,120,799,558	6,536,336	0.58	257,861	4,347	116,673
1993	1,176,685,625	7,077,985	0.60	261,163	4,506	113,460
1994	1,276,466,776	7,245,344	0.57	264,301	4,830	110,748
1995	1,375,731,836	7,389,692	0.54	267,456	5,144	112,024
1996	1,486,546,674	7,240,221	0.49	270,581	5,494	106,642
1997	1,623,272,071	7,163,541	0.44	273,852	5,928	101,703
1998	1,769,408,739	7,564,661	0.43	277,003	6,388	98,037
1999	1,904,151,888	8,269,387	0.43	280,203	6,796	98,730
2000	2,096,916,925	8,258,423	0.39	283,201	7,404	97,074
2001	2,128,831,182	8,771,510	0.41	286,098	7,441	97,707
2002	2,016,627,269	9,063,471	0.45	288,870	6,981	99,181
2003	1,952,929,045	9,401,407	0.48	291,574	6,698	98,819
2004	2,018,502,103	9,756,344	0.48	294,230	6,860	97,597
2005	2,268,895,122	10,397,837	0.46	296,972	7,640	94,282
2006	2,518,680,230	10,605,845	0.42	299,835	8,400	91,717
2007	2,691,537,557	10,764,736	0.40	302,807	8,889	92,017
2008	2,745,035,410	11,307,223	0.41	305,554	8,984	90,647
2009	2,345,337,177	11,708,604	0.50	308,189	7,610	92,577
2010	2,345,055,978	12,353,344	0.53	[r] 310,390	[r] 7,555	94,711
2011	2,414,952,112	12,358,877	0.51	312,649	7,724	94,709

[r]—Revised based on revised estimates from the U.S. Department of Commerce, Bureau of the Census.

[1] Gross collections exclude alcohol and tobacco excise taxes starting with 1988. Also excluded are taxes on firearms starting with the second quarter of Fiscal Year 1991. Responsibility for these excise taxes was transferred from the IRS to the Alcohol and Tobacco Tax and Trade Bureau and to the U.S. Customs and Border Protection, respectively. See Table 6 for gross collections data by type of tax.

[2] Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Beginning with Fiscal Year 2005, includes costs for Business Systems Modernization and the Health Insurance Tax Credit Administration. See Table 28 for these costs.

[3] U.S. population and tax per capita are based on resident population plus armed forces overseas as of October 1 of each year. This information is provided by the U.S. Department of Commerce, Bureau of the Census.

[4] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the number of persons, including part-time and seasonal workers, employed at any time during the fiscal year.

NOTE: All amounts are in current dollars.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 30. Personnel Summary, by Employment Status, Budget Activity, and Selected Type of Personnel, Fiscal Years 2010 and 2011

Employment status, budget activity, and selected personnel type	Average positions realized [1]		Number of employees at close of fiscal year	
	2010	2011	2010	2011
	(1)	(2)	(3)	(4)
Internal Revenue Service, total	**94,711**	**94,709**	**94,346**	**91,380**
Employment status:				
Full-time permanent	93,027	92,452	92,148	88,308
Other	1,684	2,257	2,198	3,072
Budget activity:				
Examinations and Collections	44,802	44,685	46,667	44,161
Filing and Account Services	25,592	25,423	22,877	22,088
Information Services	6,432	6,628	6,774	7,344
Prefiling Taxpayer Assistance and Education	6,076	6,180	6,361	6,194
Shared Services and Support	5,862	5,811	6,018	5,871
Investigations	4,364	4,197	4,270	4,362
Regulatory	1,234	1,260	1,295	1,280
Business Systems Modernization	337	512	70	69
Health Insurance Tax Credit Administration	12	13	14	11
Selected personnel type:				
Customer Service Representatives/Tax Examiners [2]	18,582	19,778	21,057	19,984
Revenue Agents	13,879	13,969	14,588	13,761
Seasonal employees	11,158	10,479	6,943	7,201
Revenue Officers	6,042	5,621	5,922	5,447
Special Agents	2,739	2,618	2,751	2,730
Tax Technicians	1,720	1,808	1,909	1,766
Attorneys	1,571	1,573	1,610	1,586
Appeals Officers	847	859	902	865

[1] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the number of persons, including part-time and seasonal workers, employed at any time during the fiscal year.

[2] In prior issues of the *Internal Revenue Service Data Book*, this personnel type was reported as "Customer Service Representatives," but it included both "Customer Service Representatives" and "Tax Examiners."

SOURCE: Chief Financial Officer, Corporate Budget.

Table 31. Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability, Fiscal Year 2011

Gender, race/ethnicity, and disability	Internal Revenue Service, total [1]	Internal Revenue Service labor force [1]	Federal civilian labor force [2]	Civilian labor force [3]
		Percentage of total		
	(1)	(2)	(3)	(4)
Total	**104,403**	**100.0**	**100.0**	**100.0**
Gender:				
Male	35,786	34.3	56.3	53.2
Female	68,617	65.7	43.7	46.8
Race/ethnicity and gender:				
White, not of Hispanic origin	60,624	58.1	66.4	72.7
Male	24,574	23.5	40.3	39.0
Female	36,050	34.5	26.1	33.7
Black, not of Hispanic origin	25,514	24.4	17.3	10.5
Male	5,244	5.0	7.0	4.8
Female	20,270	19.4	10.3	5.7
Hispanic [4]	11,563	11.1	7.8	10.7
Male	3,410	3.3	4.6	6.2
Female	8,153	7.8	3.2	4.5
Asian, Native Hawaiian, or other Pacific Islander	5,386	5.2	5.7	3.8
Male	2,144	2.1	3.1	2.0
Female	3,242	3.1	2.6	1.8
American Indian or Alaska Native	776	0.7	1.8	0.6
Male	220	0.2	0.8	0.3
Female	556	0.5	1.0	0.3
Two or more races [5]	540	0.5	0.9	1.6
Male	194	0.2	0.5	0.8
Female	346	0.3	0.4	0.8
Disabilities:				
Persons with disabilities	11,478	11.0	7.2	n.a.
Persons with targeted disabilities [6]	1,943	1.9	0.9	n.a.

n.a.—Not available.

[1] Includes permanent full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, including Chief Counsel, at any time during Fiscal Year 2011, i.e., September 26, 2010, through September 24, 2011.

[2] Reflects Executive Branch employees as of September 2011, as reported by U.S. Office of Personnel Management. These data include the Internal Revenue Service labor force.

[3] Data from U.S. Department of Commerce, Bureau of the Census (2000 Census Statistics).

[4] Hispanic or Latino persons of any race are included in the Hispanic category.

[5] Data for IRS and other Federal workers of two or more races may be incomplete, as data for this category have been routinely collected only for employees hired after January 1, 2006. The data also reflect information for employees in this category who were hired prior to January 1, 2006, who subsequently updated their official information.

[6] The term “targeted disability” was originally enacted by the Equal Employment Opportunity Commission (EEOC) in 1979 and refers to certain disabilities that have been identified for emphasis in Federal affirmative employment planning. For targeted disabilities, the EEOC established a 2.0 percent goal for all Federal agencies.

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

SOURCE: Office of Equity, Diversity, and Inclusion.

Data Sources, by Subject Area and Table Number

Subject Area	Table Number	Data Sources (by IRS Branch, Division, or Office)
Returns Filed, Taxes Collected, and Refunds Issued	**1**	Chief Financial Officer, Financial Management
	2	Research, Analysis, and Statistics, Office of Research
	3	Research, Analysis, and Statistics, Office of Research
	4	Research, Analysis, and Statistics, Office of Research
	5	Chief Financial Officer, Financial Management
	6	Chief Financial Officer, Financial Management
	7	Chief Financial Officer, Financial Management
	8	Chief Financial Officer, Financial Management
Enforcement: Examinations	**9a**	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	9b	Research, Analysis, and Statistics, Office of Research
	10	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	11	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	12	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	13	Tax Exempt and Government Entities
Enforcement: Information Reporting and Verification	**14**	Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching
	15	Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files
Enforcement: Collections, Penalties, and Criminal Investigation	**16**	Small Business/Self-Employed, Enterprise Collection Strategy, Collection Planning and Governance, Enterprise Collection Plans
	17	Chief Financial Officer, Financial Management
	18	Criminal Investigation, Communications and Education Division
Taxpayer Assistance	**19**	Wage and Investment, Strategy and Finance, Operations Planning and Analysis; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications and Stakeholder Outreach.
	20	Taxpayer Advocate Service, Business Assessment
	21	Appeals, Strategic Planning, Measures Analysis
Tax-Exempt Activities	**22**	Tax Exempt and Government Entities
	23	Tax Exempt and Government Entities, Employee Plans
	24	Tax Exempt and Government Entities, Exempt Organizations
	25	Tax Exempt and Government Entities, Exempt Organizations
Chief Counsel	**26**	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division
	27	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division
IRS Budget and Workforce	**28**	Chief Financial Officer, Corporate Budget
	29	Chief Financial Officer, Corporate Budget
	30	Chief Financial Officer, Corporate Budget
	31	Office of Equity, Diversity and Inclusion

Principal Officers of the Internal Revenue Service

as of September 30, 2011

Commissioner

Douglas H. Shulman

Deputy Commissioner for Services and Enforcement
Steven T. Miller

Deputy Commissioner for Operations Support
Beth Tucker

Chief of Staff
Jonathan M. Davis

Deputy Chief of Staff
Carol A. Campbell

Senior Advisor for Compliance Analytics
Dean R. Silverman

Appeals

Chief, Appeals
Christopher Wagner

Deputy Chief, Appeals
Sheldon M. Kay

Taxpayer Advocate Service

National Taxpayer Advocate
Nina E. Olson

Deputy National Taxpayer Advocate
Melissa R. Snell

Executive Director, Systemic Advocacy Systems
Rena C. Girinakis (Acting)

Executive Director, Case Advocacy
Matthew A. Weir

Equity, Diversity and Inclusion

Executive Director, Equity, Diversity and Inclusion
Monica H. Davy

Deputy Executive Director, Equity, Diversity and Inclusion
Chris Mollett (Acting)

Office of Research, Analysis, and Statistics

Director, Office of Research, Analysis, and Statistics
Rosemary D. Marcuss

Deputy Director, Office of Research, Analysis, and Statistics
Patricia H. McGuire

Director, National Research Program
William W. Hannon

Director, Office of Program Evaluation and Risk Analysis
Kevin Cecco (Acting)

Director, Office of Research
Janice M. Hedemann

Director, Servicewide Policy, Directives, and Electronic Research
Kathryn A. Green

Director, Statistics of Income
M. Susan Boehmer

Communications and Liaison

Chief, Communications and Liaison
Frank M. Keith

Deputy Chief, Communications and Liaison
Jan S. Deneroff

Director, Office of Legislative Affairs
Floyd L. Williams

Director, Office of Communications
Terry L. Lemons

Director, Office of National Public Liaison
Candice V. Cromling

Small Business/Self-Employed Division

Commissioner, Small Business/Self-Employed
Faris R. Fink

Deputy Commissioner, Small Business/Self-Employed
Ruth Perez

Director, Communications, Liaison, and Disclosure
Rob C. Wilkerson

Director, Collections-Field
Bobby L. Hunt

Director, Enterprise Collection Strategy
Michael D. Julianelle

Director, Examination
Shenita L. Hicks

Director, Fraud/BSA
Kevin F. McCarthy (Acting)

Director, Specialty Programs
John H. Imhoff, Jr.

Director, Campus Compliance Services
Denice D. Vaughan

Large Business and International Division

Commissioner, Large Business and International
Heather C. Maloy

Deputy Commissioner, Operations
Paul D. DeNard

Deputy Commissioner, International U.S. Competent Authority
Michael Danilack

Director, U.S. Competent Authority and International Coordination
Michael Danilack

Director, Competent Authority and International Compliance
Douglas W. O'Donnell

Director, Financial Services Industry
Walter L. Harris

Director, Retailers, Food, Pharmaceuticals, and Healthcare Industry
Sergio E. Arellano

Director, Communications, Technology, and Media Industry
Patricia C. Chaback

Director, Heavy Manufacturing and Transportation Industry
Laura M. Prendergast

Director, Natural Resources and Construction Industry
Keith M. Jones

Director, Global High Wealth Industry
Donna C. Hansberry

Director, Field Specialists
David W. Horton

Director, International Individual Compliance
Rosemary J. Sereti

Director, International Business Compliance
Kathy J. Robbins

Director, Pre-Filing and Technical Guidance
Cheryl P. Claybough

Principal Officers of the Internal Revenue Service

as of September 30, 2011

Wage and Investment Division

Commissioner, Wage and Investment
Richard E. Byrd, Jr.

Deputy Commissioner, Operations
Peggy A. Bogadi

Deputy Commissioner, Support
Debra S. Holland

Director, Customer Account Services
Peter J. Stipek

Director, CARE (Customer Assistance, Relationships, and Education)
Julie Garcia

Director, Compliance
David P. Alito

Tax Exempt and Government Entities Division

Commissioner, Tax Exempt and Government Entities
Joseph H. Grant (Acting)

Deputy Commissioner, Tax Exempt and Government Entities
Moises C. Medina (Acting)

Director, Employee Plans
Robert S. Choi

Director, Exempt Organizations
Lois G. Lerner

Director, Government Entities
Clifford J. Gannett (Acting)

Criminal Investigation

Chief, Criminal Investigation
Victor S.O. Song

Deputy Chief, Criminal Investigation
Rick A. Raven

Office of Professional Responsibility

Director, Office of Professional Responsibility
Karen L. Hawkins

Deputy Director, Office of Professional Responsibility
Denise S. Fayne

Office of Online Services

Director, Office of Online Services
Rajive K. Mathur

Return Preparer Office

Director, Return Preparer Office
David R. Williams

Office of Chief Financial Officer

Chief Financial Officer
Pamela J. LaRue

Deputy Chief Financial Officer
Gregory E. Kane

Agency-Wide Shared Services

Chief, Agency-Wide Shared Services
David A. Grant

Director, Procurement
Jacob B. Hansen

Director, Real Estate and Facilities Management
Stuart Burns

Modernization and Information Technology Services

Chief Technology Officer
Terry V. Milholland

Deputy Chief Information Officer for Operations
Julie A. Rushin

Deputy Chief Information Officer for Strategy/Modernization
James M. McGrane

Associate Chief Information Officer, Applications Development
Kate M. Miller

Associate Chief Information Officer, Modernization Program Management
Gretchen R. McCoy

Associate Chief Information Officer, Enterprise Operations
Lauren Buschor

Associate Chief Information Officer, Enterprise Networks
Stephen L. Manning

Associate Chief Information Officer, Enterprise Services
Robert N. Crawford

Associate Chief Information Officer, End User Equipment and Services
Carl T. Froehlich

Associate Chief Information Officer, Cybersecurity
David W. Stender

Associate Chief Information Officer, Strategy and Planning
Mike Parker

Associate Chief Information Officer, Affordable Care Act Program
S. Gina Garza

Human Capital Office

Chief Human Capital Officer
James P. Falcone

Deputy Chief Human Capital Officer
Debra C. Chew

Privacy, Governmental Liaison and Disclosure

Director, Privacy, Governmental Liaison, and Disclosure
Rebecca A. Chiaramida

Whistleblower Office

Director, Whistleblower Office
Stephen A. Whitlock

Principal Officers of the Internal Revenue Service

as of September 30, 2011

Office of Chief Counsel

Chief Counsel
William J. Wilkins

Deputy Chief Counsel
(Operations)
Christopher B. Sterner

Deputy Chief Counsel
(Technical)
Erik H. Corwin (Acting)

Health Care Counsel
Catherine E. Livingston

Special Counsel
(National Taxpayer Advocate Service)
Judith M. Wall

Division Counsel/Associate Chief Counsel
(Criminal Tax)
Edward F. Cronin

Division Counsel
(Large Business and International)
Linda M. Kroening

Division Counsel
(Small Business/Self-Employed)
Thomas R. Thomas

Division Counsel/Associate Chief Counsel
(Tax Exempt and Government Entities)
Victoria A. Judson

Division Counsel
(Wage and Investment)
Joanne B. Minsky

Associate Chief Counsel
(Corporate)
William D. Alexander

Associate Chief Counsel
(Finance and Management)
Dennis M. Ferrara

Associate Chief Counsel
(Financial Institutions and Products)
Stephen R. Larson

Associate Chief Counsel
(General Legal Services)
Mark S. Kaizen

Associate Chief Counsel
(Income Tax and Accounting)
George J. Blaine

Associate Chief Counsel
(International)
Steven A. Musher

Associate Chief Counsel
(Passthroughs and Special Industries)
Curtis G. Wilson

Associate Chief Counsel
(Procedure and Administration)
Deborah A. Butler

Commissioners of Internal Revenue

Office of Commissioner of Internal Revenue Created by Act of Congress, July 1, 1862

George S. Boutwell
Massachusetts
July 17, 1862 to March 4, 1863

Joseph J. Lewis
(Acting)
Pennsylvania
Mar. 5, 1863 to Mar. 17, 1863

Joseph J. Lewis
Pennsylvania
March 18, 1863 to June 30, 1865

William Orton
New York
July 1, 1865 to Oct. 31, 1865

Edward A. Rollins
New Hampshire
Nov. 1, 1865 to Mar. 10, 1869

Columbus Delano
Ohio
March 11, 1869 to Oct. 31, 1870

John W. Douglass
(Acting)
Pennsylvania
Nov. 1, 1870 to Jan. 2, 1871

Alfred Pleasonton
New York
Jan. 3, 1871 to Aug. 8, 1871

John W. Douglass
Pennsylvania
Aug. 9, 1871 to May 14, 1875

Daniel D. Pratt
Indiana
May 15, 1875 to Aug. 1, 1876

Green B. Raum
Illinois
Aug. 2, 1876 to April 30, 1883

Henry C. Rogers
(Acting)
Pennsylvania
May 1, 1883 to May 10, 1883

John J. Knox
(Acting)
Minnesota
May 11, 1883 to May 20, 1883

Walter Evans
Kentucky
May 21, 1883
to March 19, 1885

Joseph S. Miller
West Virginia
March 20, 1885 to March 20, 1889

John W. Mason
West Virginia
March 21, 1889 to April 18, 1893

Joseph S. Miller
West Virginia
April 19, 1893 to Nov. 26, 1896

W. St. John Forman
Illinois
Nov. 27, 1896 to Dec. 31, 1897

Nathan B. Scott
West Virginia
Jan. 1, 1898 to Feb. 28, 1899

George W. Wilson
Ohio
Mar. 1, 1899 to Nov. 27, 1900

Robert Williams, Jr.
(Acting)
Ohio
Nov. 28, 1900 to Dec. 19, 1900

John W. Yerkes
Kentucky
Dec. 20, 1900 to April 30, 1907

Henry C. Rogers
(Acting)
Pennsylvania
May 1, 1907 to June 4, 1907

John G. Capers
South Carolina
June 5, 1907 to Aug. 31, 1909

Royal E. Cabell
Virginia
Sept. 1, 1909 to April 27, 1913

William H. Osborn
North Carolina
April 28, 1913 to Sept. 25, 1917

Daniel C. Roper
South Carolina
Sept. 26, 1917 to Mar. 31, 1920

William M. Williams
Alabama
April 1, 1920 to April 11, 1921

Millard F. West
(Acting)
Kentucky
April 12, 1921 to May 26, 1921

David H. Blair
North Carolina
May 27, 1921 to May 31, 1929

Robert H. Lucas
Kentucky
June 1, 1929 to Aug. 15, 1930

H. F. Mires
(Acting)
Washington
Aug. 16, 1930 to Aug. 19, 1930

David Burnet
Ohio
Aug. 20, 1930 to May 15, 1933

Pressly R. Baldridge
(Acting)
Iowa
May 16, 1933 to June 5, 1933

Guy T. Helvering
Kansas
June 6, 1933 to Oct. 8, 1943

Robert E. Hannegan
Missouri
Oct. 9, 1943 to Jan. 22, 1944

Harold N. Graves
(Acting)
Illinois
Jan. 23, 1944 to Feb. 29, 1944

Joseph D. Nunan, Jr.
New York
March 1, 1944 to June 30, 1947

George J. Schoeneman
Rhode Island
July 1, 1947 to July 31, 1951

John B. Dunlap
Texas
Aug. 1, 1951 to Nov. 18, 1952

John S. Graham
(Acting)
North Carolina
Nov. 19, 1952 to Jan. 19, 1953

Justin F. Winkle
(Acting)
New York
Jan. 20, 1953 to Feb. 3, 1953

T. Coleman Andrews
Virginia
Feb. 4, 1953 to Oct. 31, 1955

O. Gordon Delk
(Acting)
Virginia
Nov. 1, 1955 to Dec. 4, 1955

Russell C. Harrington
Rhode Island
Dec. 5, 1955 to Sept. 30, 1958

O. Gordon Delk
(Acting)
Virginia
Oct. 1, 1958 to Nov. 4, 1958

Dana Latham
California
Nov. 5, 1958 to Jan. 20, 1961

Charles I. Fox
(Acting)
Utah
Jan. 21, 1961 to Feb. 6, 1961

Mortimer M. Caplin
Virginia
Feb. 7, 1961 to July 10, 1964

Bertrand M. Harding
(Acting)
Texas
July 11, 1964 to Jan. 24, 1965

Sheldon S. Cohen
Maryland
Jan. 25, 1965 to Jan. 20, 1969

William H. Smith
(Acting)
Virginia
Jan. 21, 1969 to Mar. 31, 1969

Randolph W. Thrower
Georgia
April 1, 1969 to June 22, 1971

Harold T. Swartz
(Acting)
Indiana
June 23, 1971 to Aug. 5, 1971

Johnnie M. Walters
South Carolina
Aug. 6, 1971 to April 30, 1973

Raymond F. Harless
(Acting)
California
May 1, 1973 to May 25, 1973

Donald C. Alexander
Ohio
May 26, 1973 to Feb. 26, 1977

William E. Williams
(Acting)
Illinois
Feb. 27, 1977 to May 4, 1977

Jerome Kurtz
Pennsylvania
May 5, 1977 to Oct. 31, 1980

William E. Williams
(Acting)
Illinois
Nov. 1, 1980 to March 13, 1981

Roscoe L. Egger, Jr.
Indiana
March 14, 1981 to April 30, 1986

James I. Owens
(Acting)
Alabama
May 1, 1986 to Aug. 3, 1986

Lawrence B. Gibbs
Texas
Aug. 4, 1986 to March 4, 1989

Michael J. Murphy
(Acting)
Wisconsin
March 5, 1989 to July 4, 1989

Fred Goldberg, Jr.
Missouri
July 5, 1989 to Feb. 2, 1992

Shirley D. Peterson
Colorado
Feb. 3, 1992 to Jan. 20, 1993

Michael P. Dolan
(Acting)
Iowa
Jan. 21, 1993 to May 26, 1993

Margaret Milner Richardson
Texas
May 27, 1993 to May 31, 1997

Michael P. Dolan
(Acting)
Iowa
June 1, 1997 to Nov. 12, 1997

Charles O. Rossotti
New York
Nov. 13, 1997 to Nov. 6, 2002

Bob Wenzel
(Acting)
Illinois
Nov. 7, 2002 to April 30, 2003

Mark W. Everson
New York
May 1, 2003 to May 28, 2007

Kevin M. Brown
(Acting)
Virginia
May 29, 2007 to Sept. 8, 2007

Linda E. Stiff
(Acting)
Germany
Sept. 9, 2007 to Mar. 23, 2008

Douglas H. Shulman
Ohio
March 24, 2008 to present

Chief Counsels for the Internal Revenue Service

Walter H. Smith 1866
William McMichael 1871
Charles Chesley 1871
Thomas J. Smith 1888
Alphonso Hart 1890
Robert T. Hough 1893
George M. Thomas 1897
Albert W. Wishard 1901
A.B. Hayes 1903
Fletcher Maddox 1908
Ellis C. Johnson 1913
A.A. Ballantine 1918
D.M. Kelleher 1919
Robert N. Miller 1919
Wayne Johnson 1920
Carl A. Mapes 1920
Nelson T. Hartson 1923
Alexander W. Gregg 1925
Clarance M. Charest 1927
E. Barrett Prettyman 1933
Robert H. Jackson 1934
Morrison Shaforth 1936
John P. Wenchel 1937
Charles Oliphant 1947
Charles W. Davis 1952
Daniel A. Taylor 1953
John Potts Barnes 1955
Nelson P. Rose 1957
Arch M. Cantrall 1958
Hart H. Spiegel 1959
Crane C. Hauser 1961
Sheldon S. Cohen 1964
Mitchell Rogovin 1965
Lester R. Uretz 1966
K. Martin Worthy 1969
Lee H. Henkel, Jr. 1972
Meade Whitaker 1973
Stuart E. Seigel 1977
N. Jerold Cohen 1979
Kenneth W. Gideon 1981
Fred Goldberg, Jr. 1984
William F. Nelson 1986
Abraham N. M. Shashy, Jr. 1990
Stuart L. Brown 1994
B. John Williams, Jr. 2002
Donald L. Korb 2004
William J. Wilkins 2009

The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

John W. Burrus
March 2, 1936 to Nov. 30, 1936

Mason B. Leming
Dec. 6, 1951 to May 15, 1952

Kenneth W. Gemmill
June 11, 1953 to Nov. 8, 1953

Rudy P. Hertzog
Dec. 1, 1954 to May 8, 1955
Jan. 20, 1961 to Aug. 16, 1961
Sept. 1, 1963 to Jan. 5, 1964

Herman T. Reiling
Jan. 19, 1957 to March 13, 1957
Aug. 31, 1959 to Sept. 20, 1959

Richard M. Hahn
Jan. 20, 1969 to June 25, 1969

Lee H. Henkel, Jr.
Jan. 16, 1972 to June 11, 1972

Lawrence B. Gibbs
April 17, 1973 to Oct. 19, 1973

Charles L. Saunders, Jr.
Jan. 20, 1977 to April 15, 1977

Leon G. Wigrizer
April 16, 1977 to June 23, 1977

Lester Stein
June 1, 1979 to Nov. 16, 1979

Jerome D. Sebastian
Jan. 21, 1981 to Feb. 2, 1981
March 30, 1981 to Aug. 14, 1981

Emory L. Langdon
Feb. 3, 1981 to March 29, 1981

Joel Gerber
May 28, 1983 to March 17, 1984

V. Jean Owens
March 14, 1986 to July 27, 1986

Peter K. Scott
Nov. 1, 1988 to Feb. 6, 1990

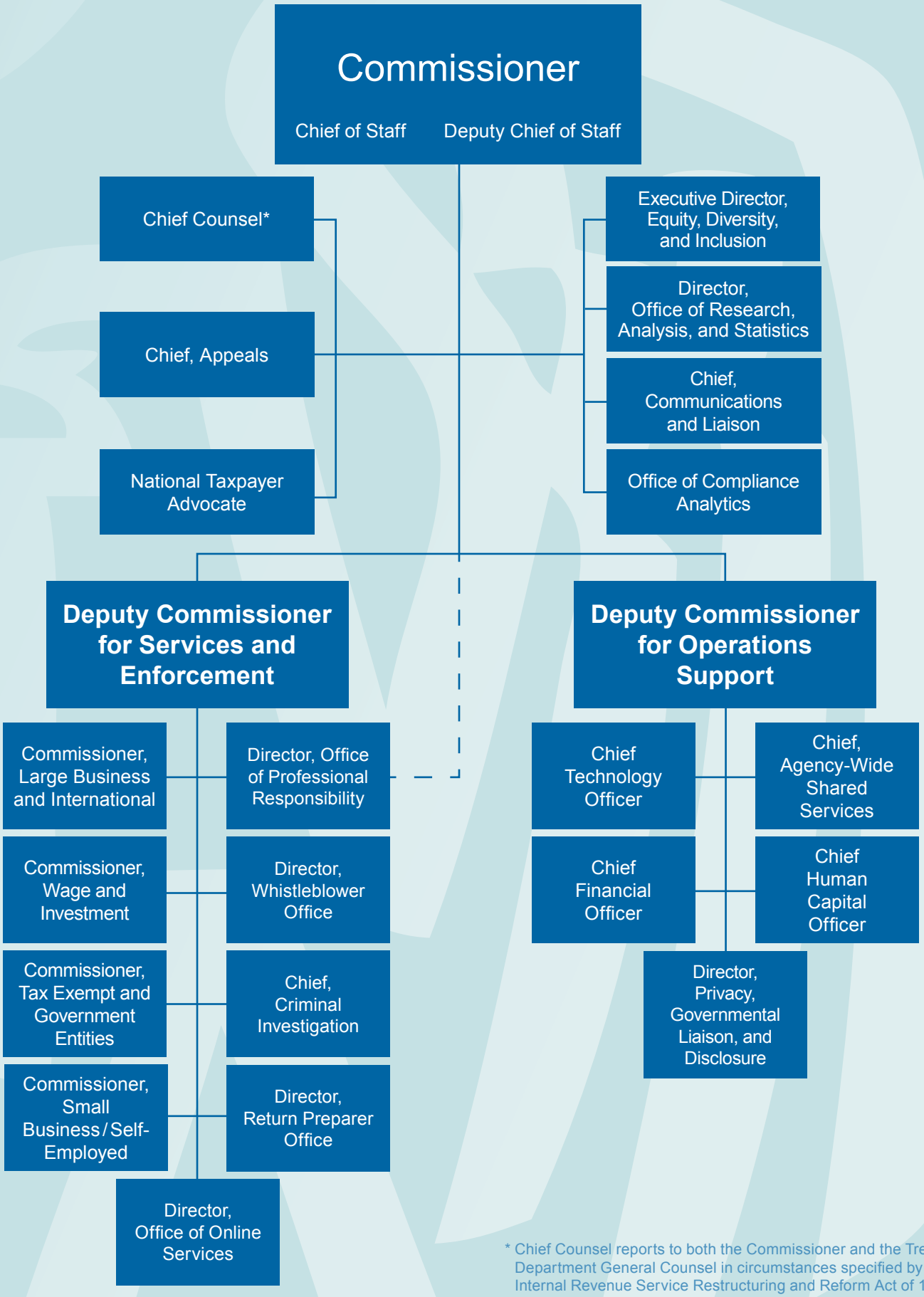
David L. Jordan
Jan. 20, 1993 to Oct. 4, 1994

Richard Skillman
Jan. 20, 2001 to Feb. 6, 2002

Emily A. Parker
Aug. 1, 2003 to April 14, 2004

Clarissa C. Potter
Dec. 19, 2008 to July 24, 2009

NOTE: From 1866 to 1926, the chief legal officer for the Bureau of Internal Revenue was known as the Solicitor. For the next eight years, 1926 to 1934, the chief legal officer had the title of General Counsel. Since 1934, the chief legal officer has operated under the title of Chief Counsel, now for the Internal Revenue Service.



* Chief Counsel reports to both the Commissioner and the Treasury Department General Counsel in circumstances specified by the Internal Revenue Service Restructuring and Reform Act of 1998.

Publication 55B (Rev. 3–2012) Catalog Number 215671 Department of the Treasury **Internal Revenue Service** www.irs.gov