## Tax Gap Estimates for Tax Years 2011–2013

(Money amounts are in billions of dollars; estimates are annual average amounts.)

### Estimated Total True Tax Liability*

$2,683B

- **Tax Paid Voluntarily & Timely**: $2,242B (83.6% Voluntary Compliance Rate (VCR))

### Gross Tax Gap

- **Nonfiling**: $39B
- **Underreporting**: $352B
- **Underpayment**: $50B

Total Gross Tax Gap: $441B (85.8% Net Compliance Rate (NCR))

### Enforced & Other Late Payments

- **$60B**

### Net Tax Gap (Tax Not Collected)

- **$381B**

### By Type of Tax

#### Individual Income Tax

- **Total**: $1,398B
  - **Nonfiling**: $39
  - **Underreporting**: $352
  - **Underpayment**: $50
  - **Enforced & Other Late Payments**: $60
  - **Net Tax Gap (Tax Not Collected)**: $381B

#### Corporation Income Tax

- **Total**: $294B
  - **Nonfiling**: $37
  - **Underreporting**: $5
  - **Enforced & Other Late Payments**: $10
  - **Net Tax Gap (Tax Not Collected)**: $32B

#### Employment Tax

- **Total**: $920B
  - **Self-Employment Tax**: $45
  - **FICA Tax**: $24
  - **Unemployment**: $1
  - **Net Tax Gap (Tax Not Collected)**: $77B

#### Estate Tax

- **Total**: $16B
  - **Net Tax Gap (Tax Not Collected)**: $1B

### Calculating the Net Tax Gap

1. **Gross Tax Gap**: $441B
2. **Enforced & Other Late Payments**: $60B
3. **Net Tax Gap (Not Collected)**: $381B

### Notes:

- * Totals include Excise Tax.
- #—No estimate.
- Detail may not add to totals due to rounding.
- [1] Includes adjustments, deductions, and exemptions.
- [2] Includes the Alternative Minimum Tax and taxes reported in the “Other Taxes” section of the Form 1040 except for self-employment tax and unreported social security and Medicare tax (which are included in the employment tax gap estimates).
- [3] Is the difference between (1) the estimate of the individual income tax underreporting tax gap where underreported tax is calculated based on all misreporting combined and (2) the estimate of the individual income tax underreporting tax gap based on the sum of the tax gaps associated with each line item where the line item tax gap is calculated based on the misreporting of that item only. There may be differences if the marginal tax rates are different in these two situations.

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