

High-Income Tax Returns, Tax Year 2019



The Tax Reform Act of 1976 requires the Statistics of Income (SOI) Division to publish statistics annually on the tax liability of individual taxpayers with total incomes of \$200,000 or more. The study includes the number of such returns reporting no income tax liability and the tax provisions making these returns nontaxable. Data presented here are based on SOI's individual income tax return sample (Forms 1040) with high-income nontaxable returns sampled at 96 percent. Two income concepts are used to classify returns as high income: adjusted gross income (AGI) and "expanded income," which includes items such as tax-exempt interest. Two tax concepts are used to classify returns as taxable or nontaxable: U.S. income tax and "worldwide income tax."

Measures of income were statutorily set in 1976 at \$200,000 and have not been indexed over the years. An income of \$200,000 in 1976 was equal to \$898,619 in 2019.

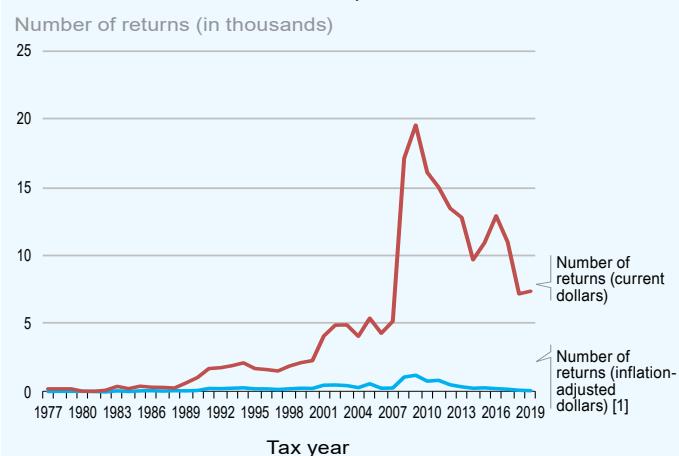
Highlights of the Data

- For Tax Year 2019, there were just under 9.2 million returns with an expanded income of \$200,000 or more. Of these, 7,391 returns had no U.S. or worldwide income tax, which was a 2.6-percent increase from 2018.
- The number of returns with an AGI above the \$200,000 threshold increased 5.4 percent from 2018 and accounted for slightly over 5.7 percent of all returns for 2019.
- Returns with expanded incomes above the \$200,000 threshold increased 5.6 percent from 2018 and accounted for slightly more than 5.8 percent of all returns for 2019.
- For expanded income returns without worldwide income tax the most important item in eliminating tax remained tax-exempt interest.
- The next three categories that most frequently had the largest effect on taxes were: medical and dental expense deduction; foreign-earned income exclusion; and charitable contributions deduction.
- The item that was most frequently the secondary reason in reducing regular tax liability on

high-expanded-income returns with no worldwide income tax was capital gains taxed at 0 percent.

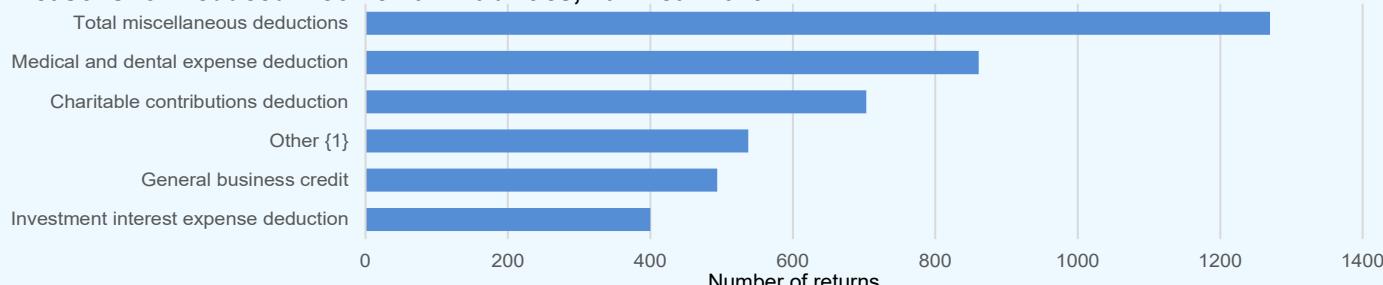
- The next three categories that most frequently had the largest secondary effect in eliminating taxes were: charitable contributions deduction; tax-exempt interest; and the medical and dental expense deduction.

Number of High-Income Returns Reporting No U.S. or Worldwide Income Tax Measured in Current and 1976 Constant Dollars, Tax Years 1977–2019



[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index for urban consumers with 1976 as the base year.

Returns Without Any Worldwide Income Tax and With Adjusted Gross Income of \$200,000 or More: Primary Reasons for Reduced Income Tax Liabilities, Tax Year 2019



[1] To see a full definition of "Other," please see the full article.

NOTE: A high-income return is one with an adjusted gross income of \$200,000 or more.

