

Individual Income Tax Return Data, Form 1040, Schedule E, Partnerships and S Corporations Net Income (Less Loss), Tax Years 2000–2020



Partnerships and S Corporations (formerly Subchapter S Corporations) are not taxable entities; therefore, tax on their net profit or loss was levied, in general, directly on the members of the partnership or shareholders of the S Corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise, and certain payments made to the taxpayer for the use of capital or, for partnerships, as salary. Net long-term capital gains received from partnerships and S Corporations were reported on Schedule D.

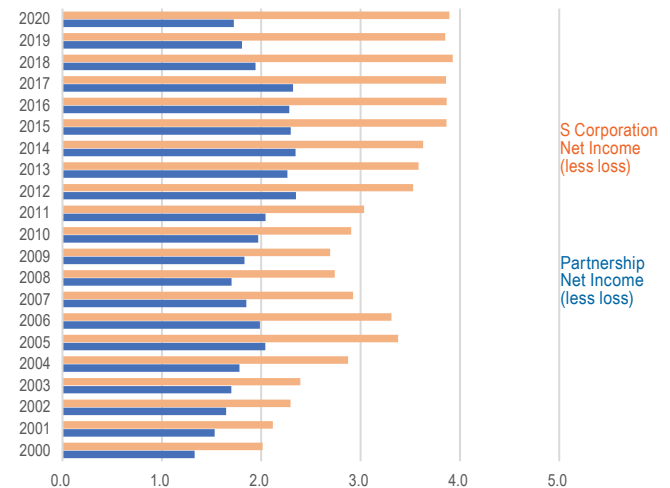
If a return showed net income from one partnership or S Corporation and a net loss from another, the two were added together, and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and nonpassive partnership and S Corporation activities. Passive losses were limited to the amount that could offset passive income.

Highlights of the Data

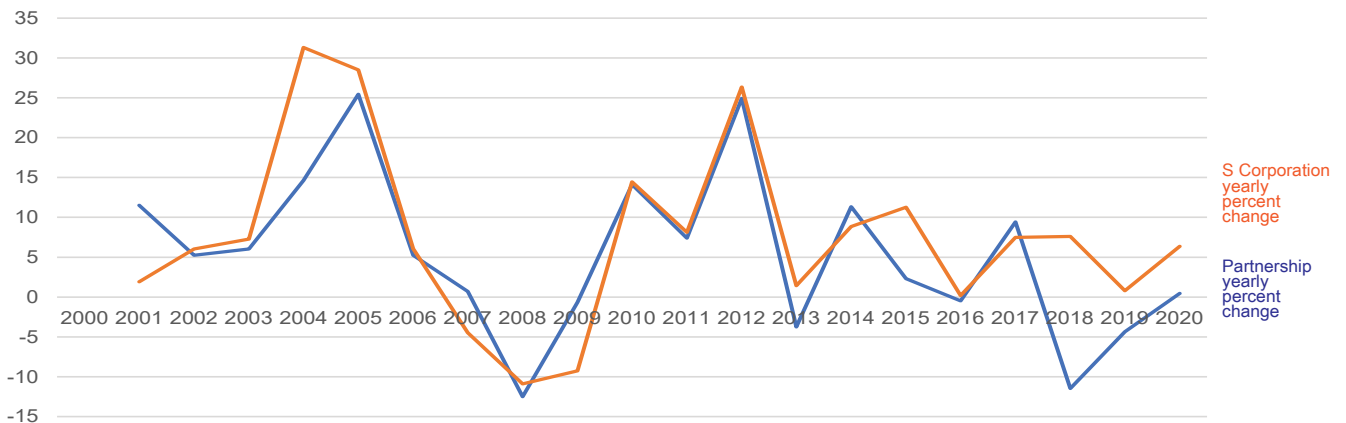
- The percentage of AGI partnership net income less loss accounted for ranged from 1.3 percent in 2000 to a high of 2.3 percent for the years 2012 through 2017. S corporation net income less loss accounted for 2.0 percent of AGI in 2000, to a high of 3.9 in every year since 2015.
- A major law change for taxpayers with Partnership or S corporation net income was enacted for tax years after December 31, 2017. A taxpayer was able to deduct up to 20 percent of qualified business income from a qualified trade or business, plus 20 percent of qualified REIT (real estate investment trust) dividends and qualified PTP (publicly traded partnership) income. The deduction could have been taken in addition to a standard deduction or itemized deductions.
- S corporations showed a significantly larger increase in net income less loss compared to Partnerships over the past 20 years. S Corporation net income less loss increased from \$128.2 billion in Tax Year 2000 to \$490.2 billion in Tax Year 2020, a 282.3 percent increase. Partnerships only showed a 156.5 percent increase in the same time period, from \$84.7 billion to \$217.3 billion.

- Partnerships since 2017 showed a 14.9 percent decrease in net income less loss, in contrast, S Corporation net income less loss increased 15.4 percent.

Partnership and S Corporation Net Income (Less Loss) as Percentage of Adjusted Gross Income, Tax Years 2000–2020



Yearly Percent Change in Partnership and S Corporation Net Income (less loss), Tax Years 2000–2020



Individual Tax Statistics

