Statistics of Income

www.irs.gov/statistics | www.irs.gov/statistics/soi-tax-stats-income-from-estates-and-trusts-statistics

Estates and Trusts, 2019 and 2022

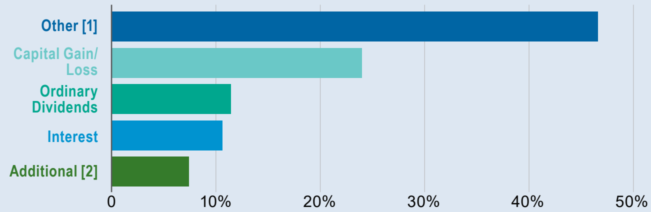
The IRS Statistics of Income (SOI) Division publishes aggregate statistics of the population of Form 1041, U.S. Income Tax Return for Estates and Trusts. Fiduciaries use this form to report income, deductions, gains, and losses of estates and trusts, as well as distributions to beneficiaries and income tax liability.

The Tax Year (TY) 2019 study is based on Forms 1041 filed in TY 2019. The TY 2022 study[1] is based on Forms 1041 filed during Calendar Year 2023 and provides data for six new fields: estimated and applied payments, estimated tax payments allocated to beneficiaries, tax paid with extension, federal income tax withheld, other payments, and total payments.

Highlights of the Data

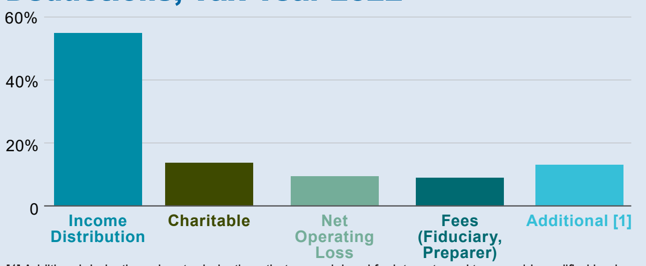
- For 2022:
  - There were 3.2 million returns filed, reporting $542.1 billion in total income, $157.1 billion in tax liability, and $163.7 billion in deductions.
  - Filers with income greater than $10.0 million represented less than 0.1% of all filers but accounted for 68.5% of total income.
  - Other income was the largest source of total income, with $252.5 billion reported. Nonexempt Charitable and Split-Interest Trusts represented just 0.2% of filers but accounted for 45.5% of total income, reporting $246.4 billion, of which 85.2% was other income.
  - Filers with negative or zero taxable income represented 64.0% of all filers, accounting for 56.8% of total deductions and claiming $93.0 billion in deductions.
  - Complex trusts accounted for the largest share of returns, representing more than 47.0% of filings.
  - Electing Small Business Trusts (ESBT, S-type) reported more than $18.4 billion in total income and more than $16.4 billion in tax liability.
  - Income distribution deductions were the largest deduction category, accounting for 54.8% of total deductions, with $89.8 billion claimed. Decedents' estates represented 12.2% of returns and claimed $10.5 billion in income distribution deductions and $22.3 billion in total deductions.
- A comparison of data filed in tax years 2019 (2.6 million returns) and 2022 (2.9 million returns) shows that the aggregate effective tax rate (total tax liability divided by total income) decreased slightly from 21.0% in 2019 to 20.6% in 2022 (3rd figure).

Income Sources as a Percent of Total Income, Tax Year 2022



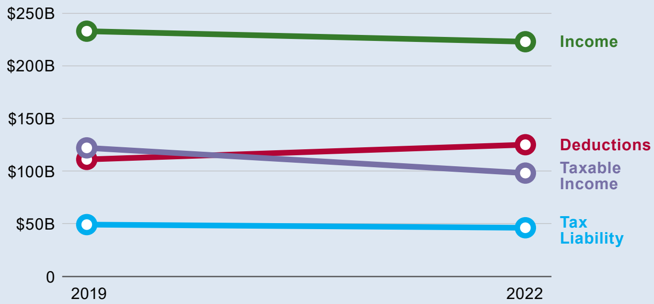
[1] Other income (Line 8) refers to miscellaneous taxable income that was earned by the estate or trust that does not fit into specific categories like interest, dividends, business income, or capital gains.
[2] Additional income denotes income from rents, royalties, income/loss from business, farm and ordinary gain/loss.

Deduction Sources as a Percent of Total Deductions, Tax Year 2022



[1] Additional deductions denote deductions that were claimed for interests and taxes paid, qualified business income, estate tax and other items.

Comparison Across Tax Years 2019 and 2022



Further information about tax statistics is available on the IRS website at: www.irs.gov/statistics

Detailed tax statistics for Estates and Trusts are available at www.irs.gov/statistics/soi-tax-stats-income-from-estates-and-trusts-statistics

[1] This expanded study covers a larger volume of returns and aligns with the methodology used in related SOI studies.