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# SOI Bulletin

Statistics of Income

# 2009

## SPRING

*Volume 28, Number 4*

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# SOI BULLETIN

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**Volume 28 , Number 4**

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# Inside this Issue

## High-Income Tax Returns for 2006

by *Justin Bryan*

For Tax Year 2006, there were 4,064,883 individual income tax returns that reported adjusted gross income (AGI) of \$200,000 or more, and 4,094,953 returns with expanded income of \$200,000 or more (compared to AGI, expanded income is a more comprehensive measure of income, and it is based entirely on items available from individual income tax returns). These high-income returns represented 2.937 percent and 2.959 percent, respectively, of all returns for 2006.

Based on AGI, the number of high-income returns for Tax Year 2006, measured in current-year dollars, was 76.1 times the number for Tax Year 1977. Measured in 1976 constant dollars, the number for 2006 was only 12.4 times the number for 1977. For 2006, the income share of high AGI returns in constant dollars increased to 0.412 percent of all income from 0.386 percent of income in 2005.

Based on expanded income, the number of high-income returns for Tax Year 2006, measured in current-year dollars, was 60.6 times the number for Tax Year 1977. Measured in 1976 constant dollars, the number of high-income returns for 2006 was only 9.9 times the number for 1977. For 2006, the income share of high expanded-income returns in constant dollars reached a new high of 0.420 percent of all income, up from the previous high of 0.392 percent set in Tax Year 2005.

## Individual Foreign-Earned Income and Foreign Tax Credit, 2006

by *Scott Hollenbeck and Maureen Keenan Kahr*

In Tax Year 2006, about 335,000 U.S. taxpayers living abroad reported approximately \$36.7 billion in foreign-earned income. Nearly \$18.4 billion were claimed by U.S. taxpayers as foreign-earned income exclusions on their tax returns. Between Tax Years 2001 and 2006, the inflation-adjusted amount of foreign-earned income exclusion increased by 14.6 percent, while the housing exclusion decreased by 38.7 percent, from approximately \$2.2 billion for 2001 to more than \$1.3 billion for 2006.

In contrast to the relatively moderate growth in the foreign-earned income exclusion, foreign-source gross income and foreign tax credits increased substantially since 2001. Between 2001 and 2006, infla-

tion-adjusted foreign-source gross income reported on Form 1116 increased 86.6 percent, and real foreign tax credits claimed increased 53.9 percent.

For 2006, the total amount of foreign-earned income reported by U.S. taxpayers increased, in real terms, by 17.7 percent, to more than \$36.7 billion. The largest percentage increase (29.1 percent) was realized by taxpayers with foreign-earned income from Asian countries. Foreign-earned income from North American countries increased 21.0 percent, while income from European countries increased substantially (10.2 percent), as well. Foreign-earned income from Latin/South American countries decreased by 16.7 percent.

## International Boycott Reports, 2005 and 2006

by *Melissa Costa*

For Calendar Year 2006, 112 U.S. persons, including corporations, partnerships, and other entities, reported receiving almost 2,300 requests to participate in boycotts unsanctioned by the United States. Most of these (91 percent) were requests from Arab League Countries to participate in some form of a boycott against Israel. While the number of U.S. persons receiving requests decreased by only three persons from Calendar Year 2005, the number of requests dropped by nearly 40 percent. About 30 percent of those entities that received requests agreed to participate in a boycott. Less than 3 percent of all entities that filed Form 5713, *International Boycott Report*, however, reported tax consequences.

Taxpayers filed 1,402 Forms 5713 for 2005, while 1,412 forms were filed for 2006. Corporations filed approximately 90 percent of Forms 5713 for both years, while partnerships accounted for roughly 8 percent of the total. Trusts, estates, and individuals filed most of the remainder. Taxpayers listed Saudi Arabia and the United Arab Emirates as countries of operation more frequently than any other countries.

## U.S. Possessions Corporation Returns, 2005

by *Daniel S. Holik*

For Tax Year 2005, the number of U.S. corporations that claimed the possessions tax credit (102) and the amount of the credit claimed (\$0.9 billion) continued declines that began in the 1990s. Most of the U.S. corporations that claimed a possessions tax credit for 2005 did so for operations in Puerto Rico. These

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94 corporations claimed more than 98 percent of the total credit amount. In order to qualify as a possessions corporation and claim the possessions tax credit, a corporation must derive 80 percent or more of its gross income from sources in a U.S. possession for a required period and 75 percent of its gross income from the active conduct of a trade or business in a U.S. possession, among other requirements.

Manufacturers continued to claim virtually all (more than 98 percent) of the credit. As in prior years, pharmaceuticals and medicines manufacturers accounted for the largest share. For 2005, 15 pharmaceuticals and medicines manufacturers reported credits of nearly \$0.5 billion, approximately 55 percent of the total. Other industries with substantial amounts of claimed credits included food manufacturing, computer and electric equipment, and medical equipment and supplies manufacturing. The Tax Year 2005 Study is the last planned SOI study of returns filed by possessions corporations.

### Qualified Zone Academy Bond Tax Credit Usage in 2005

by Thornton Matheson

The Qualified Zone Academy Bond (QZAB) program was established in 1998 to promote public school rehabilitation and public-private partnership in education in areas with constrained public resources. Total QZAB tax credits claimed by qualified financial institutions increased from \$117 million in 2004 to \$135 million in 2005. The total QZAB principal underlying these credits was roughly \$2.1 billion, or 65 percent of the \$3.2 billion in QZAB principal authorized to have been issued through 2005.

QZAB holdings are highly concentrated. In 2005, 80 percent of QZAB credits were claimed by financial institutions with more than \$100 billion in assets. However, QZABs are a more important source of tax credits for smaller institutions, constituting 80 percent of tax credits for institutions with less than \$500 million in assets. There appears to be a fair amount of entry and exit in the QZAB market, with more than half of investors increasing or decreasing their credit claims between 2004 and 2005.

### Individual Income Tax Returns, Preliminary Data, 2007

by Michael Strudler and Michael Parisi

For Tax Year 2007, taxpayers filed 143.0 million U.S. individual income tax returns, an increase of 3.3 percent from the 138.4 million returns filed for 2006. Adjusted Gross Income (AGI) increased 6.9 percent to \$8.5 trillion. Taxable income increased 6.8 percent to \$5.9 trillion. The alternative minimum tax rose 8.6 percent to \$20.9 billion. Total income tax rose 6.5 percent to \$1.1 trillion, and total tax liability rose 6.4 percent to \$1.1 trillion.

The largest component of AGI, salaries and wages, increased 6.4 percent to \$5,936.4 billion. The next largest income component, net capital gains, rose 9.3 percent to \$749.1 billion. Taxable pensions and annuities, the third largest income item, rose 9.4 percent to \$504.1 billion. Increases in losses associated with business income were reported for Tax Year 2007 by partnership and S corporations (36.9 percent), business sole proprietorships (10.8 percent), and farms (7.1 percent). This led to decreases in net income less losses compared to 2006 of 5.2 percent for partnerships and S corporations and 2.0 percent for business sole proprietorships. Further, for 2007, 7.7 million returns (a 3.7-percent increase from 2006) reported a total of \$29.8 billion in taxable unemployment compensation. This represents an 11.1-percent increase from 2006.

### In the Next Issue

The following topics will be included in the summer 2009 issue of the *Statistics of Income Bulletin*, scheduled to be published in August 2009:

- Foreign-controlled domestic corporations, Tax Year 2006;
- Corporate foreign tax credit, Tax Year 2005;
- S corporation data;
- Individual noncash charitable contributions, Tax Year 2006;
- Sales of capital assets panel data; and
- Partnership and sole proprietorship data, Tax Year 2006.

# High-Income Tax Returns for 2006

by Justin Bryan

**T**he Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting income of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable.<sup>1</sup> This article presents detailed data for the 4.1 million high-income returns for 2006, as well as summary data for the period 1977 to 2005. Detailed data for the years 1974 through 2005 have been published previously (see Reference section for more details).

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of adjusted gross income (AGI) and the expanded income concept.<sup>2</sup> Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI plus tax-exempt interest, nontaxable Social Security benefits, the foreign-earned income exclusion, and items of “tax preference” for “alternative minimum tax” purposes; less unreimbursed employee business expenses, moving expenses, investment interest expense to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor.<sup>3,4,5</sup> Note that, although expanded income is a more comprehensive measure of income than AGI, for some taxpayers, the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

## Number of High-Income Returns

Figure A and Table 1 show that, for 2006, there were 4,064,883 individual income tax returns reporting AGI of \$200,000 or more, and 4,094,953 returns with expanded income of \$200,000 or more. These

returns represented 2.937 percent and 2.959 percent, respectively, of all returns for 2006.

From 1977 to 2000, the numbers of returns reporting incomes of \$200,000 or more increased each year, and, each year, those high-income returns were a larger share of all tax returns. However, for 2001 and 2002, both the number of high-income returns and their percentage of all returns decreased. For 2003, both the numbers of high-income returns and their share of all returns increased, but by all measures were still lower than in 2001. With a slightly larger increase than in 2003, the number of returns and their percentage of all returns for 2004 rose above the previous high set in 2000. This trend continued in 2005 by having large increases in both number of returns and percentage of all returns. With an increase slightly under that of the previous year, 2006 again saw a large increase in both number of returns and percentage of all returns. Both the number of returns and the percentages of all returns are at record levels.

The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. That change in the definition of AGI made AGI and expanded income concepts more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A, the \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold has fallen over time, and some returns are classified as high-income that would not have been classified as high-income for earlier years. To maintain the comparability of the real threshold over time, the nominal \$200,000 threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of

*Justin Bryan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

<sup>1</sup> The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

<sup>2</sup> The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest expense not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (98 Stat. at 815) eliminated the requirement to use the last two income concepts.

<sup>3</sup> The definition of adjustments to AGI to obtain the expanded income given in the text is for the current year. See Appendix A for a discussion of AGI and expanded income and a list of adjustments covering all years since 1977.

<sup>4</sup> See Notes to Appendix A, Note A4.

<sup>5</sup> Tax-exempt interest had to be reported on the individual income tax return starting with Tax Year 1987 and is included in expanded income starting with that year. Beginning with Tax Year 1991, tax-exempt interest was incorporated into the criteria used for sampling returns for Statistics of income, thus increasing the reliability of the estimates of expanded income.

# High-Income Tax Returns for 2006

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**Figure A**

**All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977-2006**

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.145	0.184
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895
2003	130,423,626	2,536,439	2,573,133	1.945	1.973
2004	132,226,042	3,021,435	3,067,602	2.285	2.320
2005	134,372,678	3,566,125	3,584,012	2.654	2.667
2006	138,394,754	4,064,883	4,094,953	2.937	2.959

Footnotes at end of figure.

high-income tax returns has been recomputed in the lower panel of Figure A.<sup>6</sup>

When measured in 1976 constant dollars, under the expanded income concept, the total number of high-income returns for 2006 was only 9.9 times the number for 1977, whereas the number of high-income returns for 2006 measured in current-year dollars was 60.6 times as large as for 1977. For 2006, the share of high-expanded income returns in constant dollars reached a new high of 0.420 percent, an increase from the previous high of 0.392 percent set

in 2005. Figure B shows the difference between the constant and current dollar shares of high expanded-income returns.

Based on AGI, the number of high-income returns for 2006 measured in current-year dollars was 76.1 times as large as for 1977, whereas, measured in 1976 constant dollars, the number of returns for 2006 was only 12.4 times the number for 1977. For Tax Year 2006, the share of high AGI income returns in constant dollars increased to 0.412 percent from 0.386 percent in 2005.

<sup>6</sup> Inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*. The consumer price index approximates buying patterns of typical urban consumers. The annual index is the average of the monthly indices.

**Figure A—Continued**

**All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977-2006**

Tax year	Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars)	\$200,000 income threshold measured in 1976 constant dollars [1]			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420

[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

## Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. income tax," is total Federal income tax liability (including the "alternative minimum tax" (AMT)), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is al-

lowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept even though income taxes had been paid to a foreign government. The second tax concept, "worldwide income tax," addresses this circumstance by adding to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income.<sup>7,8</sup>

<sup>7</sup> See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income-Individual Income Tax Returns* (see Reference Section), the "U.S. income tax" concept was described as "total income tax," and the "worldwide income tax" concept was described as "modified total income tax."

<sup>8</sup> The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the year-to-year comparability of data for worldwide income tax. However, the number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.

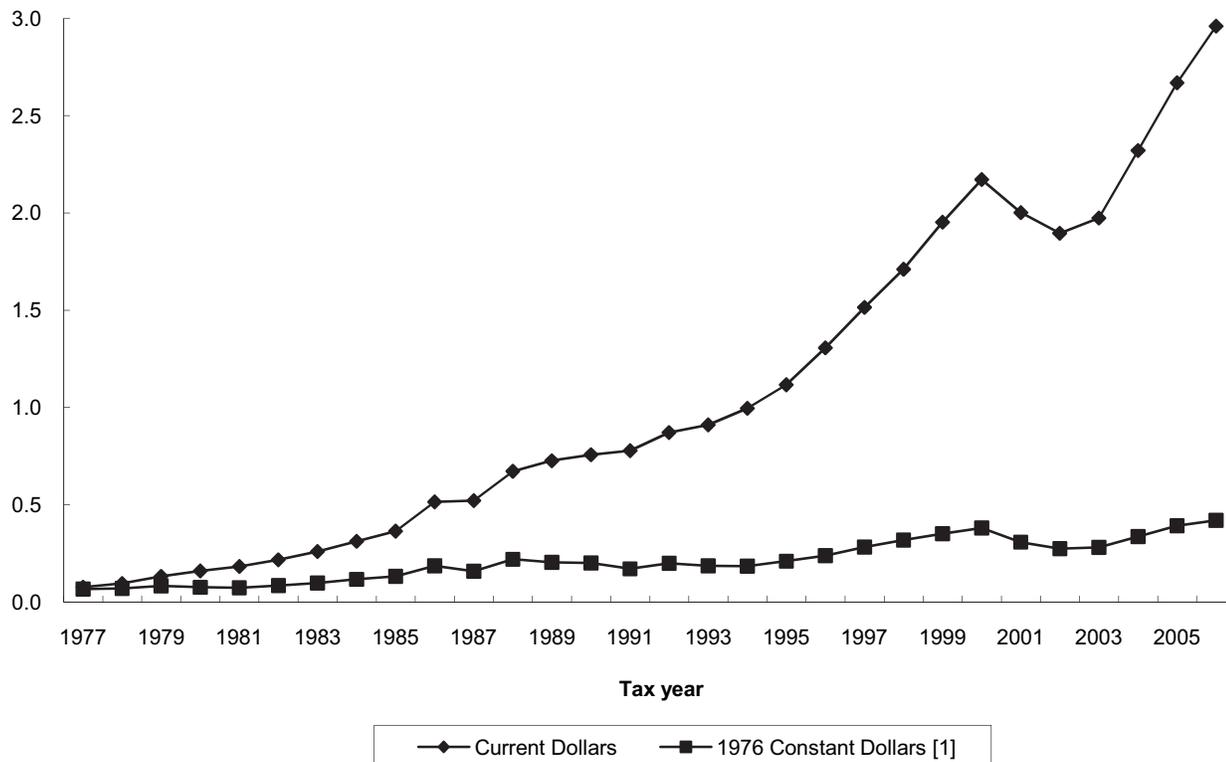
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**Figure B**

## Returns with Expanded Income of \$200,000 or More: Percentage of All Returns Measured in Current and 1976 Constant Dollars, Tax Years 1977-2006

Percentage of returns



[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.

For 2006, of the 4,064,883 income tax returns with AGI of \$200,000 or more, 8,252 (0.203 percent) showed no U.S. income tax liability; and 4,123 (0.101 percent) showed no worldwide income tax liability (the top panel of Figure C). For 2005, of the 3,566,125 returns with AGI of \$200,000 and over, 7,389 returns (0.207 percent) had no U.S. income tax liability; and 4,224 returns (0.118 percent) had no worldwide income tax liability.

For 2006, of the 4,094,953 tax returns with expanded income of \$200,000 or more, 11,014 (0.269 percent) had no U.S. income tax liability; and 4,322 (0.106 percent) had no worldwide income tax liability. For 2005, of the 3,584,012 returns with expanded income of \$200,000 or more, there were 10,680 (0.298 percent) with no U.S. income tax liability and

5,420 (0.151 percent) with no worldwide income tax liability.

Thus, whether measured by the absence of U.S. income tax or worldwide income tax, AGI or expanded income, the proportion of nontaxable, high-income returns decreased between 2005 and 2006. Regardless of the income measure (AGI or expanded income) or the tax concept (U.S. income tax or worldwide income tax) used, the numbers of 2006 nontaxable, high-income returns in 1976 constant dollars were much lower than the numbers in current dollars. The percentages of nontaxable returns, however, are not substantially different regardless of whether measured in constant or current dollars. Of returns with AGI of \$200,000 or more in current dollars, 0.203 percent reported no U.S. income tax for

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2006; and 0.101 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.221; the percentage without worldwide income tax liability was 0.090 (see the lower panel of Figure C).

Of returns with expanded income of \$200,000 or more in current dollars, 0.269 percent reported no U.S. income tax for 2006; and 0.106 percent had no worldwide income tax. When looking at these returns using 1976 constant dollars, the percentage without U.S. income tax liability was 0.191; the percentage without worldwide income tax liability was 0.053.

Figure D shows the number of returns with no worldwide income tax and with expanded income of

\$200,000 or more and their proportion of all high-expanded income returns for 1977 through 2006. These data are shown in both current-year and 1976 constant dollars. In this figure, the spread between the two percentage lines was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but has increased or stayed fairly consistent since 2002.

Note that, because the number of nontaxable returns with expanded income of \$200,000 or more is based on samples, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of \$200,000 or more may represent sampling variability, in addition to actual changes

**Figure C**

**Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977-2006**

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.066	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200
2003	2,824	5,839	2,416	4,934	0.111	0.227	0.095	0.192
2004	2,833	5,028	2,420	4,101	0.094	0.164	0.080	0.134
2005	7,389	10,680	4,224	5,420	0.207	0.298	0.118	0.151
2006	8,252	11,014	4,123	4,322	0.203	0.269	0.101	0.106

Footnotes at end of table.

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in the numbers of such returns. Beginning with Tax Year 1991, nontaxable returns with expanded income of \$200,000 or more were sampled at higher rates for Statistics of Income, which reduced the sampling variability of these returns and therefore provided improved estimates. Thus, the data for returns prior to 1991 are not entirely comparable with data for more recent years.

## Detailed Data for 2006

Tables 1 through 12 present data based on income tax returns for 2006, mainly those with income of \$200,000 or more (measured in current-year dollars)

of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income-size classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax

## Figure C—Continued

**Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977-2006**

Tax year	\$200,000 income threshold measured in 1976 constant dollars [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053

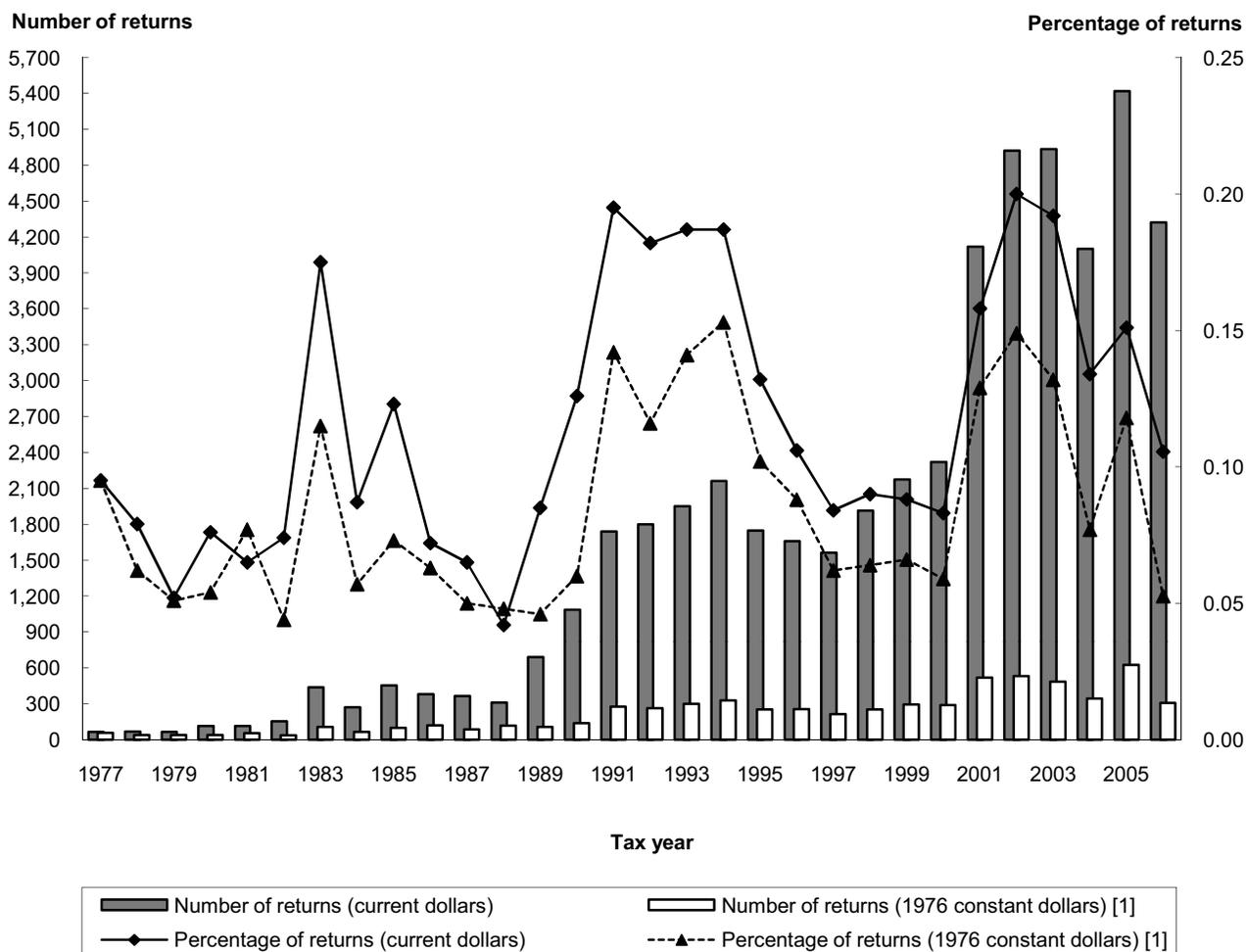
[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers.

See footnote 6 of this article for further details.

NOTE: See Figure H for the derivation of U.S. income tax and worldwide income tax.

**Figure D**

**Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977-2006**



[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers. See footnote 6 of this article for further details.  
NOTE: See Figure H for the derivation of worldwide income tax.

credits, as well as the relationship between the two income concepts (Tables 5 and 6);

- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- The frequencies with which various itemized deductions, tax credits, and tax preference items

occur as certain percentages of income (Tables 9 and 10); and

- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income-size classes (Tables 11 and 12).

Tables 1, 3, 5, 7, 9, and 11 use the U.S. income tax concept to classify returns as taxable or nontax-

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able, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

## Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income-size classes. The tables show that most returns fall in the same broad income-size class under both income concepts, but that the number of nontaxable returns is greater in each income class over \$50,000 when income is measured by economic income rather than by AGI. Table 1 shows that 8,252 returns with no U.S. income tax had an AGI of \$200,000 or more; 11,014 returns with no U.S. income tax had an expanded income of \$200,000 or more; and 5,831 returns with no U.S. income tax had both AGI and expanded income of \$200,000 or more. Table 2 shows that 4,123 with no worldwide income tax had an AGI of \$200,000 or more; 4,322 returns with no worldwide income tax had expanded income of \$200,000 or more; and 1,793 returns with no worldwide income tax had both AGI and expanded income of \$200,000 or more.

## Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of “adjusted” taxable income to AGI or expanded income. Taxable income has been adjusted for these tables by subtracting from taxable income the deduction equivalents of tax credits and other items.<sup>9</sup> Thus, the tables show the extent to which AGI or expanded income, respectively, is reduced before taxes are imposed on the remaining income. The tables also illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the “expanded income” columns in Table 4 for worldwide tax.)

- As already described, only a small portion of high-income taxpayers were able to escape all income taxes (0.1 percent).
- Another group of high-income taxpayers—small, but larger than the nontaxable group—was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a

small share of his or her income. Such taxpayers may be called “nearly nontaxables.” Around 0.6 percent of high expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce taxable income to less than 25 percent of expanded income.

- Overall, most high-income taxpayers were subject to tax on a large share of income and, consequently, reported very substantial amounts of tax. (58.9 percent of high- expanded income taxpayers had taxable income equal to 80 percent or more of expanded income; and 94.5 percent had taxable income equal to 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both size of income and effective tax rate, i.e., income tax as a percentage of either adjusted gross income or expanded income. These tables show that, on average, high-income taxpayers did have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that, while 2.7 percent of returns with adjusted gross income of \$200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of adjusted gross income, 21.0 percent had effective tax rates of 25 percent or more. In addition, 32.3 percent had effective tax rates between 20 percent and 25 percent. In contrast, only 3.4 percent of taxpayers with AGI between \$100,000 and \$200,000 had effective tax rates over 20 percent, including 0.2 percent with effective tax rates over 25 percent.

## Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns under the expanded-income concept, were much more likely to have

<sup>9</sup> See Appendix B for a description of how the deduction equivalent of credits was computed.

tax-exempt interest than were taxable returns, and, when they did have it, the average amount was much higher. Similarly, nontaxable returns were much less likely to have any income from salaries and wages.

## Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, none of which, by itself, would result in nontaxability. Moreover, some items, which singly or in combination may eliminate “regular tax” liability, i.e., income tax excluding the alternative minimum tax (AMT), cannot eliminate an AMT liability, since these items give rise to adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) could, by themselves, produce nontaxability.

Due to the AMT exemption of \$62,550 on joint returns (\$42,500 on single and head-of-household returns and \$31,275 on returns of married taxpayers filing separately), a return could have been nontaxable, even though it included some items that produced AMT adjustments or preferences.<sup>10</sup> Further, since the starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative, due to itemized deductions and personal exemptions exceeding AGI, that the taxpayer’s AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that, because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects.<sup>11</sup> For example, Table 7 shows that, on taxable returns with some U.S. income tax and expanded income of \$200,000 or more, the taxes paid deduction was the most important item 49.3 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 59.1 percent of the time, and the charitable contributions deduction was the second most important item 25.1 percent of the time.

Table 8 shows that, on returns without any worldwide tax and expanded income of \$200,000 or more, the most important item in eliminating tax, on 47.9 percent of returns, was the exclusion for State and local government interest (“tax-exempt interest”). For these returns, the itemized deduction for taxes paid was the second most important item 28.2 percent of the time, and the deduction for medical and dental expenses was the second most important reason 23.8 percent of the time.

Table 8 also shows that the four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (1,474 returns, or 35.8 percent of the 4,123 tabulated returns with AGI of \$200,000 or more and with no worldwide tax liability); investment interest expense deduction (662 returns, or 16.1 percent); net casualty or theft loss deduction (600 returns, or 14.6 percent); and medical and dental expense deduction (420 returns, or 10.2 percent). These effects are also shown graphically in Figure E.

For high expanded-income returns with no worldwide income tax, the four categories that most frequently had the largest effect in reducing taxes were tax-exempt interest (2,071 returns, or 47.9 percent of the 4,322 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); medical and dental expense deduction (684 returns, or 15.8 percent); net casualty or theft loss deduction (587 returns, or 13.6 percent); and

<sup>10</sup> The AMT exclusion phases out above certain levels of “alternative minimum taxable income,” based on filing status, but, since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable, high-income returns.

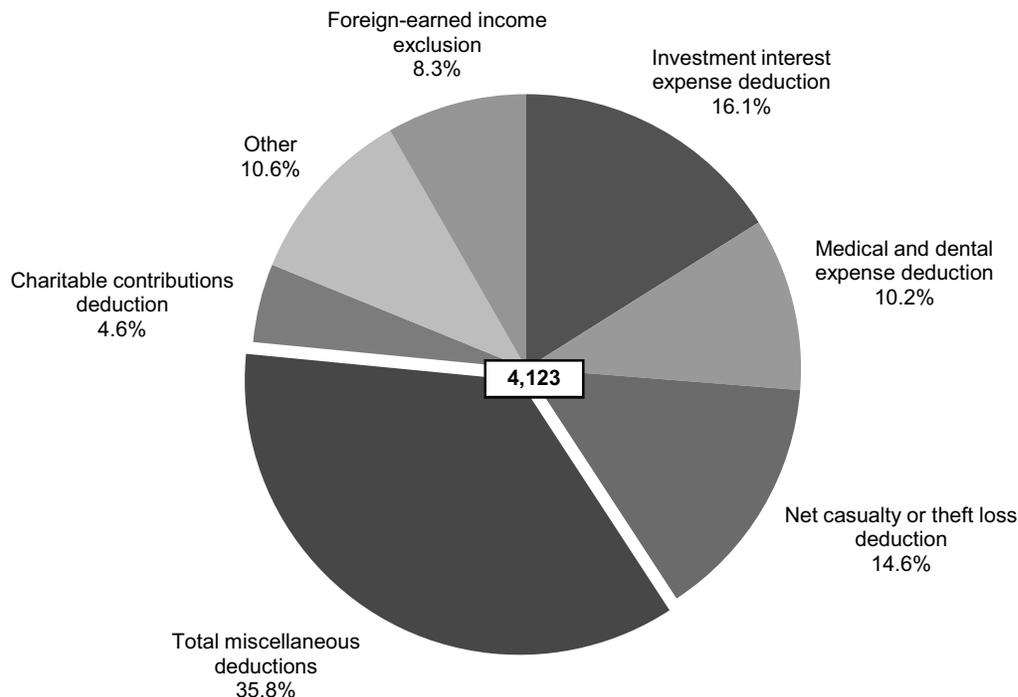
<sup>11</sup> Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

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## Figure E

Returns with No Worldwide Income Tax and with Adjusted Gross Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2006



NOTE: Detail may not add to 100 percent due to rounding.

partnership and S corporation net losses (261 returns, or 6.0 percent). These effects are also shown graphically in Figure F.

Table 8 also shows that the two items that most frequently had the second largest effect in reducing regular tax liability for high expanded-income returns with no worldwide tax were the deduction for taxes paid (1,136 returns, or 26.3 percent) and tax-exempt interest (641 returns, or 14.8 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different percentages of income. The items shown include the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income

tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 427 of the 4,322 returns, but that there was no casualty or theft loss deduction on 3,684 returns.

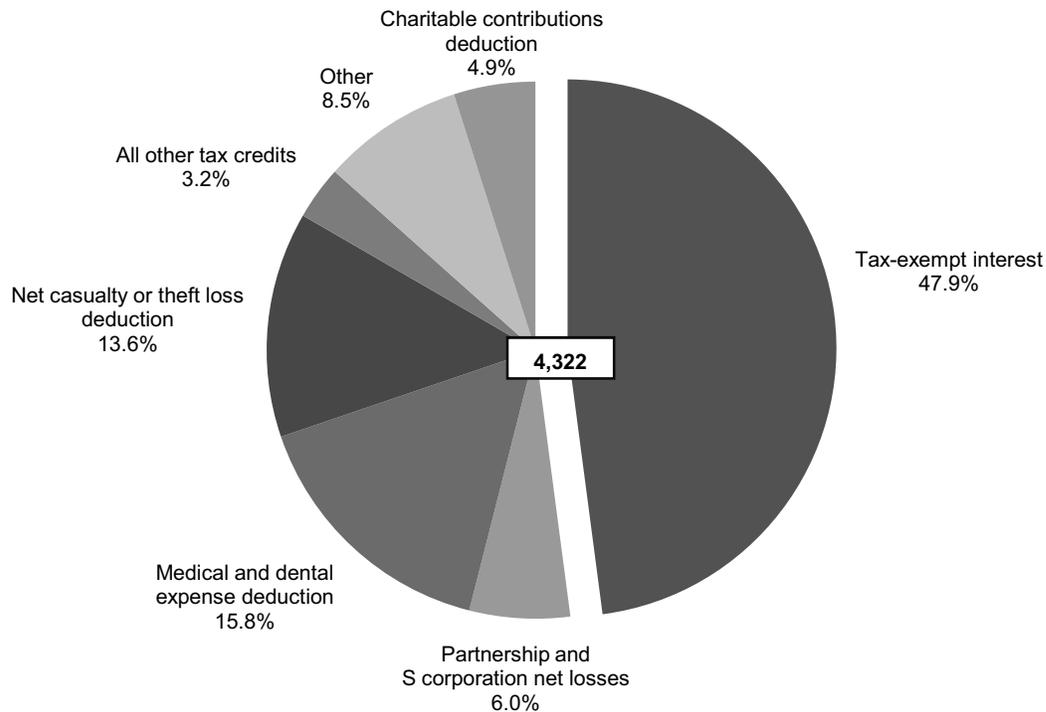
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**Figure F**

**Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2006**



NOTE: Detail may not add to 100 percent due to rounding.

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## Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This appendix begins by defining “Haig-Simons income,” a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts are listed. The final section defines “expanded income,” a more comprehensive income measure than AGI, based entirely on tax return data.

## Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household’s consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed \$25,000 and saved \$2,000 in a year would be \$27,000. Alternatively, the H-S income of a household that consumed \$25,000 and had no additions to savings, but had assets that declined in value by \$1,000 in a year, would be \$24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

*Labor income*—This includes all forms of employee compensation (including wages and salaries), employee fringe benefits (such as employer-provided

health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as Social Security taxes). Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits) would be counted in the year it was earned, rather than in the year it was received.

*Capital income*—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

*Transfer payments*—These include payments in cash (such as Social Security benefits, workers’ compensation, unemployment benefits, Aid to Families with Dependent Children (AFDC), and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pretax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax and so are reported on a pretax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an “implicit tax,” and tax-exempt interest as reported is measured on an after-tax, rather than a pretax, basis. Income from all tax-preferred sources should be “grossed up” by implicit taxes to properly measure H-S income.

## Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and de-

ductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not “grossed up” for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most Social Security benefits, most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes some expenses not related to earning income, such as contributions to self-employed retirement (Keogh) plans, deductible contributions to Individual Retirement Arrangements (IRAs), the portion of Social Security contributions for self-employed workers that is analogous to the employer share of such contributions for employees, and contributions to medical savings accounts.

AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer “itemizes” deductions and then, in some cases, only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on the job but not reimbursed by the employer; and the employee’s travel, meal, and entertainment expenses); and expenses attributable to a taxpayer’s (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3]. Note that there are limits on certain types of deductible expenses. In particular, deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, passive losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but, in computing AGI, they can only be deducted from passive income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains, whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, who include bond owners and owners of bank deposits.

## Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure G shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI was changed by legislation several times since 1977, and certain reporting requirements also changed, the adjustments differ over the years, as indicated for each item [A4]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

## Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income

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## Figure G

### Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977-2006

Adjusted gross income (AGI)

- PLUS:
- o Excluded capital gains (tax years prior to 1987)
  - o Tax-exempt interest (1987 and later tax years)
  - o Nontaxable Social Security benefits (1987 and later tax years)
  - o Tax preferences for alternative minimum tax purposes [A5]
  - o Foreign-earned income exclusion (1990 and later tax years)
- MINUS:
- o Unreimbursed employee business expenses [A4]
  - o Nondeductible rental losses (Tax Year 1987)
  - o Moving expense deduction (Tax Years 1987 through 1993) [A4]
  - o Investment interest expense deduction to the extent it does not exceed investment income
  - o Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)

EQUALS: o Expanded income

NOTE: Footnotes to this figure are included with the footnotes to Appendix A.

items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and nonincome-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits

on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expense. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest expense and thus expanded income. Investment interest expenses that do exceed investment income are not deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses.

### Notes to Appendix A

[A1] Haig, Robert M. (editor) (1921), *The Federal Income Tax*, Columbia University Press, and Simons, Henry C. (1938), *Personal Income Taxation*, University of Chicago Press.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these

payments represent a return of principal to the lender, rather than interest.

[A3] See references and footnote A4.

[A4] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and, thus, this adjustment was not made in computing expanded income for returns for years after 1986.

Beginning in 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report Social Security benefits. Since 1988, nontaxable Social Security benefits have been included in expanded income. However, if none of a particular taxpayer's Social Security benefits are taxable, then gross Social Security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower- and middle-income taxpayers, Social Security benefits are not included in expanded income.

The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987. All current-year moving expenses beginning with Tax Year 1994 were deducted in the calculation of AGI as a statutory adjustment.

Due to subtracting nonlimited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are

available in the reports and publications found under the Reference Section.

[A5] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S corporations, only the net amounts of which are included in adjusted gross income.

## Appendix B: Tax Concepts

This appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in this article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

### U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they physically reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (precredit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer

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er has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes—U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

## Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., returns showing an income tax liability) or nontaxable (i.e., returns showing no income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax plus the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, Foreign Tax Credit). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax, is shown in Figure H.

## Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

## Figure H

### Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2006

Tax at regular rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
PLUS:	Alternative minimum tax (Form 6251)
EQUALS:	Income tax before credits
MINUS:	Tax credits
EQUALS:	U.S. income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign-earned income (Form 1116)
EQUALS:	Worldwide income tax

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income that would yield income tax before credits" and "taxable income that would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive, with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax-rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

## Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been or could be made as a result of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns could be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

## Notes to Appendix B

- [B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.
- [B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset precredit U.S. income tax liability with foreign tax credits.
- [B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

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**Table 1. Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2006**

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>					
<b>Total</b>	<b>138,394,754</b>	<b>92,246,123</b>	<b>29,995,324</b>	<b>12,088,423</b>	<b>4,064,883</b>
Under \$50,000 [1]	91,129,221	90,269,654	845,778	9,000	4,789
\$50,000 under \$100,000	31,233,695	1,937,113	28,839,287	450,302	6,993
\$100,000 under \$200,000	11,936,885	37,027	305,767	11,526,671	67,419
\$200,000 or more	4,094,953	2,329	4,492	102,450	3,985,682
<b>Returns with U.S. income tax</b>					
<b>Total</b>	<b>94,509,891</b>	<b>49,612,807</b>	<b>28,799,070</b>	<b>12,041,382</b>	<b>4,056,631</b>
Under \$50,000 [1]	48,624,203	47,879,826	733,457	7,819	3,102
\$50,000 under \$100,000	29,924,539	1,710,181	27,766,645	441,025	6,688
\$100,000 under \$200,000	11,877,211	21,652	295,458	11,493,110	66,990
\$200,000 or more	4,083,938	1,149	3,510	99,429	3,979,851
<b>Returns without U.S. income tax</b>					
<b>Total</b>	<b>43,884,863</b>	<b>42,633,316</b>	<b>1,196,254</b>	<b>47,040</b>	<b>8,252</b>
Under \$50,000 [1]	42,505,018	42,389,828	112,321	1,181	1,687
\$50,000 under \$100,000	1,309,156	226,932	1,072,642	9,277	305
\$100,000 under \$200,000	59,674	15,375	10,309	33,561	429
\$200,000 or more	11,014	1,180	982	3,021	5,831

[1] Includes returns with adjusted gross deficit or with negative expanded income.

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

**Table 2. Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2006**

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>					
<b>Total</b>	<b>138,394,754</b>	<b>92,246,123</b>	<b>29,995,324</b>	<b>12,088,423</b>	<b>4,064,883</b>
Under \$50,000 [1]	91,129,221	90,269,654	845,778	9,000	4,789
\$50,000 under \$100,000	31,233,695	1,937,113	28,839,287	450,302	6,993
\$100,000 under \$200,000	11,936,885	37,027	305,767	11,526,671	67,419
\$200,000 or more	4,094,953	2,329	4,492	102,450	3,985,682
<b>Returns with worldwide income tax</b>					
<b>Total</b>	<b>94,725,123</b>	<b>49,759,923</b>	<b>28,853,247</b>	<b>12,051,193</b>	<b>4,060,760</b>
Under \$50,000 [1]	48,760,784	48,014,985	734,865	7,819	3,114
\$50,000 under \$100,000	29,980,200	1,717,388	27,814,426	441,676	6,710
\$100,000 under \$200,000	11,893,508	26,334	300,103	11,500,024	67,047
\$200,000 or more	4,090,631	1,215	3,852	101,674	3,983,889
<b>Returns without worldwide income tax</b>					
<b>Total</b>	<b>43,669,631</b>	<b>42,486,200</b>	<b>1,142,077</b>	<b>37,230</b>	<b>4,123</b>
Under \$50,000 [1]	42,368,437	42,254,669	110,912	1,181	1,675
\$50,000 under \$100,000	1,253,494	219,725	1,024,861	8,626	283
\$100,000 under \$200,000	43,377	10,693	5,664	26,648	372
\$200,000 or more	4,322	1,114	640	775	1,793

[1] Includes returns with adjusted gross deficit or with negative expanded income.

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

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**Table 3. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>4,064,883</b>	<b>100.0</b>	<b>100.0</b>	<b>4,094,953</b>	<b>100.0</b>	<b>100.0</b>
<b>Returns without U.S. income tax</b>	<b>8,252</b>	<b>0.2</b>	<b>0.2</b>	<b>11,014</b>	<b>0.3</b>	<b>0.3</b>
<b>Returns with U.S. income tax: Total</b>	<b>4,056,631</b>	<b>99.8</b>	<b>N/A</b>	<b>4,083,938</b>	<b>99.7</b>	<b>N/A</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Over 0 under 5 percent	5,555	0.1	0.1	7,688	0.2	0.2
5 under 10 percent	7,740	0.2	0.3	8,168	0.2	0.4
10 under 15 percent	7,752	0.2	0.5	8,738	0.2	0.6
15 under 20 percent	6,567	0.2	0.7	11,421	0.3	0.9
20 under 25 percent	10,455	0.3	0.9	12,713	0.3	1.2
25 under 30 percent	13,905	0.3	1.3	17,162	0.4	1.6
30 under 35 percent	17,553	0.4	1.7	24,046	0.6	2.2
35 under 40 percent	25,736	0.6	2.3	33,820	0.8	3.0
40 under 45 percent	44,460	1.1	3.4	55,237	1.4	4.4
45 under 50 percent	76,605	1.9	5.3	82,827	2.0	6.4
50 under 60 percent	244,982	6.0	11.3	265,749	6.5	12.9
60 under 70 percent	394,507	9.7	21.1	412,802	10.1	23.0
70 under 80 percent	812,147	20.0	41.0	793,061	19.4	42.3
80 percent or more	2,388,668	58.9	99.8	2,350,507	57.6	99.7

N/A—Not applicable.

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

**Table 4. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>4,064,883</b>	<b>100.0</b>	<b>100.0</b>	<b>4,094,953</b>	<b>100.0</b>	<b>100.0</b>
<b>Returns without worldwide income tax</b>	<b>4,123</b>	<b>0.1</b>	<b>0.1</b>	<b>4,322</b>	<b>0.1</b>	<b>0.1</b>
<b>Returns with worldwide income tax: Total</b>	<b>4,060,760</b>	<b>99.9</b>	<b>N/A</b>	<b>4,090,631</b>	<b>99.9</b>	<b>N/A</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Over 0 under 5 percent	2,515	0.1	0.1	2,321	0.1	0.1
5 under 10 percent	4,690	0.1	0.2	3,264	0.1	0.1
10 under 15 percent	3,881	0.1	0.3	3,531	0.1	0.2
15 under 20 percent	3,614	0.1	0.4	6,906	0.2	0.4
20 under 25 percent	7,491	0.2	0.5	9,821	0.2	0.6
25 under 30 percent	11,264	0.3	0.8	13,179	0.3	1.0
30 under 35 percent	14,874	0.4	1.2	19,796	0.5	1.4
35 under 40 percent	22,219	0.5	1.7	29,170	0.7	2.1
40 under 45 percent	41,231	1.0	2.7	53,106	1.3	3.4
45 under 50 percent	74,104	1.8	4.6	79,639	1.9	5.4
50 under 60 percent	238,399	5.9	10.4	259,457	6.3	11.7
60 under 70 percent	391,140	9.6	20.1	408,903	10.0	21.7
70 under 80 percent	804,096	19.8	39.8	791,261	19.3	41.0
80 percent or more	2,441,243	60.1	99.9	2,410,277	58.9	99.9

N/A—Not applicable.

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

# High-Income Tax Returns for 2006

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**Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006**

[All figures are estimates based on samples —money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted Gross Income Concept</b>						
Salaries and wages	3,474,793	1,046,728,349	3,469,473	1,044,836,931	5,320	1,891,417
Business or profession:						
Net income	818,328	95,001,461	816,900	94,810,197	1,428	191,265
Net loss	266,792	7,445,073	266,027	7,309,438	765	135,635
Farm:						
Net income	26,806	1,383,433	26,763	1,382,529	43	904
Net loss	83,985	3,790,755	83,799	3,762,140	186	28,615
Partnership and S corporation net income after Section 179 property deduction [1]:						
Net income	1,354,428	433,085,636	1,352,939	432,556,900	1,489	528,736
Net loss	422,845	41,276,376	421,167	40,433,608	1,678	842,768
Sales of capital assets:						
Net gain	2,269,196	653,176,896	2,265,639	651,797,715	3,557	1,379,181
Net loss	883,356	2,205,756	881,160	2,199,853	2,196	5,902
Sales of property other than capital assets:						
Net gain	199,411	7,561,484	198,959	7,528,580	452	32,904
Net loss	221,645	3,213,135	221,104	3,125,466	541	87,669
Taxable interest received	3,873,780	102,050,233	3,866,697	101,345,598	7,082	704,635
Tax-exempt interest	1,386,773	44,534,984	1,384,741	44,376,240	2,033	158,744
Dividends	3,167,683	115,224,579	3,162,206	114,613,553	5,477	611,026
Qualified dividends	2,924,785	85,936,864	2,920,246	85,474,616	4,539	462,248
Pensions and annuities in adjusted gross income	829,813	37,223,213	828,653	37,164,610	1,160	58,603
Rent:						
Net income	497,195	22,379,892	496,276	22,324,530	919	55,361
Net loss, total (deductible and nondeductible)	520,872	11,118,782	519,507	11,034,846	1,365	83,936
Nondeductible rental loss	331,901	5,835,621	330,993	5,794,394	908	41,227
Royalty:						
Net income	270,352	10,809,131	269,712	10,775,791	640	33,340
Net loss	8,737	112,919	8,709	112,485	28	435
Estate or trust:						
Net income	117,069	14,002,644	116,820	13,972,273	249	30,371
Net loss	11,535	1,152,312	11,468	1,131,151	67	21,161
State income tax refunds	1,388,853	7,146,489	1,387,480	7,121,660	1,374	24,829
Alimony received	8,225	1,398,492	8,210	1,397,196	15	1,296
Social Security benefits in adjusted gross income	697,003	13,495,077	695,583	13,470,052	1,420	25,025
Social Security benefits (nontaxable)	697,062	2,386,588	695,630	2,381,980	1,433	4,608
Unemployment compensation	73,575	411,393	73,463	410,889	112	504
Other income	561,282	16,599,190	559,915	16,484,214	1,367	114,975
Other loss	39,322	1,447,943	38,496	1,375,864	826	72,079
Foreign-earned income exclusion	35,611	2,650,304	33,111	2,432,039	2,501	218,265
<b>Total income</b>	<b>4,064,883</b>	<b>2,538,265,680</b>	<b>4,056,631</b>	<b>2,533,305,859</b>	<b>8,252</b>	<b>4,959,821</b>
Statutory adjustments, total	1,767,806	32,238,019	1,765,369	32,201,145	2,438	36,874
Payments to Individual Retirement Arrangements	149,277	1,072,501	149,070	1,071,219	207	1,282
Payments to self-employed retirement (Keogh) plans	415,906	12,478,284	415,683	12,471,047	224	7,237
Moving expenses adjustment	45,686	244,213	45,614	243,457	72	756
<b>Adjusted gross income</b>	<b>4,064,883</b>	<b>2,506,027,661</b>	<b>4,056,631</b>	<b>2,501,104,714</b>	<b>8,252</b>	<b>4,922,947</b>
Investment interest expense deduction	734,070	22,065,640	731,605	21,305,520	2,465	760,120
Total tax preferences excluded from adjusted gross income	1,397,943	46,851,726	1,395,909	46,688,734	2,034	162,992
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	25,675	2,324,963	25,638	2,320,365	37	4,598
Passive activity loss (alternative minimum tax adjustment)	630,479	419,883	629,620	420,587	859	-704
<b>Expanded income</b>	<b>4,064,759</b>	<b>2,518,161,390</b>	<b>4,056,631</b>	<b>2,514,632,686</b>	<b>8,128</b>	<b>3,528,704</b>

Footnotes at end of table.

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**Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples —money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted Gross Income Concept —Continued</b>						
Exemption amount	4,018,144	23,744,149	4,010,488	23,705,297	7,656	38,853
Itemized deductions:						
Total per adjusted gross income concept	3,853,796	324,613,690	3,847,242	321,516,341	6,554	3,097,349
Charitable contributions deduction	3,656,494	81,261,386	3,651,522	80,926,576	4,972	334,810
Interest paid deduction:						
Total per adjusted gross income concept	3,241,504	88,856,511	3,236,201	87,893,263	5,303	963,247
Total home mortgage interest	3,069,934	66,540,137	3,065,328	66,337,892	4,606	202,244
Medical and dental expense deduction	91,088	2,579,664	90,321	2,439,311	767	140,352
Net casualty or theft loss deduction	14,801	1,088,639	14,142	762,097	659	326,542
Taxes paid deduction	3,849,602	160,922,924	3,843,554	160,652,577	6,048	270,347
Net limited miscellaneous deductions per adjusted gross income concept	593,499	11,855,581	591,908	11,754,691	1,592	100,890
Non-limited miscellaneous deductions	239,206	11,907,673	237,198	10,894,523	2,008	1,013,149
Excess of exemptions and deductions over adjusted gross income	7,048	2,014,282	3,286	1,309,518	3,762	704,765
Taxable income	4,057,798	2,157,630,895	4,053,342	2,155,153,504	4,456	2,477,392
Tax at regular rates	4,057,831	536,972,078	4,053,375	536,295,442	4,456	676,636
Alternative minimum tax (Form 6251)	2,624,117	18,913,368	2,624,072	18,913,318	46	51
Income tax before credits	4,061,091	555,904,228	4,056,631	555,227,542	4,460	676,687
Tax credits:						
Total	1,910,800	11,589,231	1,906,340	10,912,544	4,460	676,687
Child care credit	271,765	141,603	271,675	141,567	90	36
Minimum tax credit	110,797	781,692	110,254	761,548	543	20,144
Foreign tax credit	1,464,452	9,637,349	1,460,324	8,982,315	4,127	655,035
General business credit	80,033	785,217	79,898	784,492	135	725
U.S. total income tax	4,056,631	544,318,726	4,056,631	544,318,726	0	0
Taxable income which would yield:						
Income tax before credits	4,061,091	1,862,113,035	4,056,631	1,859,909,768	4,460	2,203,266
Income tax after credits	4,056,630	1,827,647,779	4,056,630	1,827,647,779	0	0
U.S. total income tax	4,056,631	1,827,658,776	4,056,631	1,827,658,776	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>4,064,883</b>	<b>2,506,027,661</b>	<b>4,056,631</b>	<b>2,501,104,714</b>	<b>8,252</b>	<b>4,922,947</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,397,943	46,851,726	1,395,909	46,688,734	2,034	162,992
Social Security benefits (nontaxable)	697,062	2,386,588	695,630	2,381,980	1,433	4,608
Foreign-earned income exclusion	35,611	2,650,304	33,111	2,432,039	2,501	218,265
minus: Investment interest expense deduction	734,070	22,065,640	731,605	21,305,520	2,465	760,120
Non-limited miscellaneous deductions	239,206	11,907,673	237,198	10,894,523	2,008	1,013,149
Unreimbursed employee business expenses	728,552	5,781,578	727,981	5,774,739	571	6,839
<b>Equals: Expanded income</b>	<b>4,064,759</b>	<b>2,518,161,390</b>	<b>4,056,631</b>	<b>2,514,632,686</b>	<b>8,128</b>	<b>3,528,704</b>

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples —money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Expanded Income Concept</b>						
Salaries and wages	3,460,794	1,042,902,552	3,453,618	1,040,566,281	7,177	2,336,272
Business or profession:						
Net income	821,485	95,304,206	820,074	95,105,217	1,411	198,989
Net loss	262,930	7,330,597	262,327	7,236,880	603	93,717
Farm:						
Net income	27,636	1,379,235	27,574	1,377,272	62	1,963
Net loss	84,551	3,765,384	84,361	3,744,245	190	21,140
Partnership and S corporation net income after Section 179 property deduction [1]:						
Net income	1,367,967	433,451,716	1,366,352	432,939,861	1,615	511,855
Net loss	424,949	41,076,704	423,251	40,449,700	1,698	627,004
Sales of capital assets:						
Net gain	2,311,804	654,330,900	2,307,353	653,296,834	4,450	1,034,067
Net loss	896,203	2,235,199	892,486	2,225,187	3,717	10,012
Sales of property other than capital assets:						
Net gain	198,874	7,502,136	198,459	7,486,750	415	15,386
Net loss	225,503	3,196,299	224,952	3,112,769	551	83,530
Taxable interest received	3,910,275	102,947,185	3,900,532	102,447,001	9,743	500,184
Tax-exempt interest	1,459,660	51,041,823	1,455,287	50,000,265	4,374	1,041,558
Dividends	3,219,581	117,535,727	3,211,478	116,943,548	8,103	592,179
Qualified dividends	2,977,284	87,642,967	2,970,649	87,202,150	6,636	440,817
Pensions and annuities in adjusted gross income	857,634	38,278,079	856,004	38,209,507	1,630	68,572
Rent:						
Net income	504,673	22,576,021	503,688	22,528,451	985	47,570
Net loss, total (deductible and nondeductible)	519,984	11,029,516	518,429	10,966,044	1,556	63,472
Nondeductible rental loss	330,759	5,786,643	329,761	5,753,313	998	33,330
Royalty:						
Net income	279,094	10,958,052	278,325	10,930,592	769	27,460
Net loss	8,774	114,583	8,749	114,198	25	385
Estate or trust:						
Net income	122,178	14,109,360	121,811	14,078,813	367	30,548
Net loss	12,213	1,162,720	12,133	1,143,006	80	19,714
State income tax refunds	1,390,812	7,164,081	1,389,323	7,137,394	1,489	26,687
Alimony received	8,232	1,400,410	8,215	1,398,989	17	1,422
Social Security benefits in adjusted gross income	753,264	14,667,025	750,848	14,623,029	2,416	43,996
Social Security benefits (nontaxable)	753,357	2,594,186	750,923	2,586,098	2,434	8,088
Unemployment compensation	71,723	404,137	71,632	403,650	91	487
Other income	563,942	16,596,220	562,380	16,509,443	1,563	86,777
Other loss	49,227	1,612,645	47,662	1,562,641	1,565	50,004
Foreign-earned income exclusion	53,602	4,207,326	48,610	3,744,823	4,992	462,504
Total income	4,094,949	2,536,096,504	4,083,938	2,532,036,224	11,010	4,060,280
Statutory adjustments, total	1,767,670	32,372,010	1,765,104	32,330,542	2,567	41,468
Payments to Individual Retirement Arrangements	150,526	1,085,127	150,252	1,083,425	274	1,702
Payments to self-employed retirement (Keogh) plans	418,006	12,583,178	417,767	12,575,841	239	7,337
Moving expenses adjustment	45,739	246,255	45,638	245,511	101	744
<b>Adjusted gross income</b>	<b>4,094,949</b>	<b>2,503,724,494</b>	<b>4,083,938</b>	<b>2,499,705,682</b>	<b>11,010</b>	<b>4,018,811</b>
Investment interest expense deduction	730,246	20,894,773	728,162	20,644,464	2,084	250,309
Total tax preferences excluded from adjusted gross income	1,471,859	53,485,575	1,467,483	52,441,795	4,376	1,043,781
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	28,023	2,451,991	27,976	2,449,414	47	2,577
Passive activity loss (alternative minimum tax adjustment)	641,878	428,190	640,809	426,288	1,070	1,902
<b>Expanded income</b>	<b>4,094,953</b>	<b>2,532,015,256</b>	<b>4,083,938</b>	<b>2,526,767,533</b>	<b>11,014</b>	<b>5,247,723</b>

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples —money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Expanded Income Concept —Continued</b>						
Exemption amount	4,048,361	23,836,840	4,037,815	23,768,031	10,546	68,809
Itemized deductions:						
Total per adjusted gross income concept	3,866,252	317,932,350	3,858,745	316,235,252	7,507	1,697,099
Total per expanded income concept	3,866,021	321,812,204	3,858,537	320,357,273	7,484	1,454,932
Charitable contributions deduction	3,666,483	81,649,167	3,660,602	81,330,504	5,880	318,663
Interest paid deduction:						
Total per adjusted gross income concept	3,217,563	86,989,041	3,212,236	86,556,040	5,327	433,002
Total per expanded income concept	3,048,274	66,094,268	3,043,735	65,911,575	4,539	182,693
Total home mortgage interest	3,040,756	65,849,079	3,036,230	65,667,087	4,526	181,992
Medical and dental expense deduction	108,015	3,008,585	105,697	2,768,104	2,318	240,480
Net casualty or theft loss deduction	14,216	1,039,165	13,553	718,398	663	320,768
Taxes paid deduction	3,861,272	161,386,446	3,854,421	161,095,035	6,850	291,411
Net limited miscellaneous deductions per adjusted gross income concept	579,065	11,599,073	576,294	11,494,804	2,772	104,270
Non-limited miscellaneous deductions	215,876	6,021,635	215,331	5,996,506	545	25,129
Excess of exemptions and deductions over adjusted gross income	8,127	1,987,894	4,154	1,445,511	3,974	542,383
Taxable income	4,086,817	2,161,713,757	4,079,781	2,158,948,358	7,036	2,765,399
Tax at regular rates	4,086,856	537,679,065	4,079,810	536,923,514	7,046	755,551
Alternative minimum tax (Form 6251)	2,626,143	18,931,597	2,626,003	18,931,494	140	103
Income tax before credits	4,091,038	556,629,445	4,083,938	555,873,791	7,100	755,654
Tax credits:						
Total	1,952,147	11,923,698	1,945,048	11,168,044	7,100	755,654
Child care credit	266,669	137,616	266,532	137,565	137	51
Minimum tax credit	112,908	784,387	112,262	764,171	646	20,216
Foreign tax credit	1,514,372	9,972,199	1,507,689	9,238,323	6,683	733,876
General business credit	80,522	785,801	80,412	785,212	110	589
U.S. total income tax	4,083,938	544,709,476	4,083,938	544,709,476	0	0
Taxable income which would yield:						
Income tax before credits	4,091,038	1,865,422,733	4,083,938	1,862,867,179	7,100	2,555,555
Income tax after credits	4,083,937	1,829,587,496	4,083,937	1,829,587,496	0	0
U.S. total income tax	4,083,938	1,829,598,494	4,083,938	1,829,598,494	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>4,094,949</b>	<b>2,503,724,494</b>	<b>4,083,938</b>	<b>2,499,705,682</b>	<b>11,010</b>	<b>4,018,811</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,471,859	53,485,575	1,467,483	52,441,795	4,376	1,043,781
Social Security benefits (nontaxable)	753,357	2,594,186	750,923	2,586,098	2,434	8,088
Foreign-earned income exclusion	53,602	4,207,326	48,610	3,744,823	4,992	462,504
minus: Investment interest expense deduction	730,246	20,894,773	728,162	20,644,464	2,084	250,309
Non-limited miscellaneous deductions	215,876	6,021,635	215,331	5,996,506	545	25,129
Unreimbursed employee business expenses	690,162	5,074,109	689,528	5,069,448	634	4,661
<b>Equals: Expanded income</b>	<b>4,094,953</b>	<b>2,532,015,256</b>	<b>4,083,938</b>	<b>2,526,767,533</b>	<b>11,014</b>	<b>5,247,723</b>

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

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

# High-Income Tax Returns for 2006

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**Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted Gross Income Concept</b>						
Salaries and wages	3,474,793	1,046,728,349	3,472,812	1,046,434,930	1,981	293,419
Business or profession:						
Net income	818,328	95,001,461	817,437	94,927,511	891	73,950
Net loss	266,792	7,445,073	266,238	7,359,699	554	85,374
Farm:						
Net income	26,806	1,383,433	26,774	1,382,564	32	869
Net loss	83,985	3,790,755	83,866	3,768,477	119	22,278
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,354,428	433,085,636	1,353,501	432,955,842	927	129,795
Net loss	422,845	41,276,376	421,626	40,579,415	1,219	696,960
Sales of capital assets:						
Net gain	2,269,196	653,176,896	2,267,303	652,362,585	1,893	814,311
Net loss	883,356	2,205,756	882,338	2,202,925	1,018	2,831
Sales of property other than capital assets:						
Net gain	199,411	7,561,484	199,072	7,532,210	339	29,274
Net loss	221,645	3,213,135	221,231	3,172,384	414	40,751
Taxable interest received	3,873,780	102,050,233	3,870,259	101,507,221	3,521	543,012
Tax-exempt interest	1,386,773	44,534,984	1,385,508	44,422,842	1,265	112,142
Dividends	3,167,683	115,224,579	3,165,069	114,944,951	2,614	279,627
Qualified dividends	2,924,785	85,936,864	2,922,511	85,742,341	2,274	194,524
Pensions and annuities in adjusted gross income	829,813	37,223,213	829,048	37,185,922	765	37,290
Rent:						
Net income	497,195	22,379,892	496,619	22,343,022	576	36,870
Net loss, total (deductible and nondeductible)	520,872	11,118,782	520,101	11,051,975	771	66,807
Nondeductible rental loss	331,901	5,835,621	331,438	5,803,709	463	31,911
Royalty:						
Net income	270,352	10,809,131	269,941	10,792,382	411	16,749
Net loss	8,737	112,919	8,720	112,567	17	352
Estate or trust:						
Net income	117,069	14,002,644	116,897	13,993,564	172	9,079
Net loss	11,535	1,152,312	11,486	1,131,721	49	20,591
State income tax refunds	1,388,853	7,146,489	1,387,933	7,128,789	920	17,699
Alimony received	8,225	1,398,492	8,216	1,398,178	9	315
Social Security benefits in adjusted gross income	697,003	13,495,077	695,861	13,474,831	1,142	20,247
Social Security benefits (nontaxable)	697,062	2,386,588	695,919	2,383,000	1,143	3,589
Unemployment compensation	73,575	411,393	73,487	411,046	88	347
Other income	561,282	16,599,190	560,517	16,536,259	765	62,930
Other loss	39,322	1,447,943	39,269	1,399,822	53	48,121
Foreign-earned income exclusion	35,611	2,650,304	35,606	2,649,910	5	395
<b>Total income</b>	<b>4,064,883</b>	<b>2,538,265,680</b>	<b>4,060,760</b>	<b>2,536,079,058</b>	<b>4,123</b>	<b>2,186,622</b>
Statutory adjustments, total	1,767,806	32,238,019	1,766,232	32,219,870	1,574	18,148
Payments to Individual Retirement Arrangements	149,277	1,072,501	149,182	1,071,929	95	571
Payments to self-employed retirement (Keogh) plans	415,906	12,478,284	415,779	12,474,522	127	3,762
Moving expenses adjustment	45,686	244,213	45,668	243,953	18	260
<b>Adjusted gross income</b>	<b>4,064,883</b>	<b>2,506,027,661</b>	<b>4,060,760</b>	<b>2,503,859,188</b>	<b>4,123</b>	<b>2,168,473</b>
Investment interest expense deduction	734,070	22,065,640	732,372	21,372,019	1,698	693,621
Total tax preferences excluded from adjusted gross income	1,397,943	46,851,726	1,396,674	46,735,614	1,269	116,113
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	25,675	2,324,963	25,651	2,320,793	24	4,170
Passive activity loss (alternative minimum tax adjustment)	630,479	419,883	629,970	423,018	509	-3,135
<b>Expanded income</b>	<b>4,064,759</b>	<b>2,518,161,390</b>	<b>4,060,760</b>	<b>2,517,578,394</b>	<b>3,999</b>	<b>582,996</b>

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted Gross Income Concept—Continued</b>						
Exemption amount	4,018,144	23,744,149	4,014,349	23,724,648	3,795	19,501
Itemized deductions:						
Total per adjusted gross income concept	3,853,796	324,613,690	3,849,677	321,812,972	4,119	2,800,718
Charitable contributions deduction	3,656,494	81,261,386	3,653,309	81,027,852	3,185	233,534
Interest paid deduction:						
Total per adjusted gross income concept	3,241,504	88,856,511	3,238,251	88,011,583	3,253	844,928
Total home mortgage interest	3,069,934	66,540,137	3,067,114	66,389,596	2,820	150,540
Medical and dental expense deduction	91,088	2,579,664	90,413	2,445,185	675	134,478
Net casualty or theft loss deduction	14,801	1,088,639	14,162	766,263	639	322,376
Taxes paid deduction	3,849,602	160,922,924	3,845,600	160,722,272	4,002	200,652
Net limited miscellaneous deductions per adjusted gross income concept	593,499	11,855,581	592,364	11,770,540	1,135	85,041
Non-limited miscellaneous deductions	239,206	11,907,673	237,350	10,900,268	1,856	1,007,405
Excess of exemptions and deductions over adjusted gross income	7,048	2,014,282	3,289	1,309,651	3,759	704,632
Taxable income	4,057,798	2,157,630,895	4,057,468	2,157,578,037	330	52,858
Tax at regular rates	4,057,831	536,972,078	4,057,502	536,962,771	329	9,307
Alternative minimum tax (Form 6251)	2,624,117	18,913,368	2,624,108	18,913,330	9	39
Income tax before credits	4,061,091	555,904,228	4,060,758	555,894,883	333	9,345
Tax credits:						
Total	700,785	1,951,882	700,452	1,942,537	333	9,345
Child care credit	271,765	141,603	271,739	141,589	26	14
Minimum tax credit	110,797	781,692	110,581	773,270	216	8,422
Foreign tax credit	0	0	0	0	0	0
General business credit	80,033	785,217	79,949	784,742	84	475
Worldwide total income tax	4,060,760	554,767,113	4,060,760	554,767,113	0	0
Foreign taxes paid	1,464,643	10,448,387	1,464,643	10,448,387	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	28,683	811,038	28,683	811,038	0	0
Taxable income which would yield:						
Income tax before credits	4,061,091	1,862,113,035	4,060,758	1,862,074,143	333	38,891
Income tax after credits	4,060,760	1,858,691,254	4,060,760	1,858,691,254	0	0
Worldwide total income tax	4,060,760	1,858,701,907	4,060,760	1,858,701,907	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>4,064,883</b>	<b>2,506,027,661</b>	<b>4,060,760</b>	<b>2,503,859,188</b>	<b>4,123</b>	<b>2,168,473</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,397,943	46,851,726	1,396,674	46,735,614	1,269	116,113
Social Security benefits (nontaxable)	697,062	2,386,588	695,919	2,383,000	1,143	3,589
Foreign-earned income exclusion	35,611	2,650,304	35,606	2,649,910	5	395
minus: Investment interest expense deduction	734,070	22,065,640	732,372	21,372,019	1,698	693,621
Non-limited miscellaneous deductions	239,206	11,907,673	237,350	10,900,268	1,856	1,007,405
Unreimbursed employee business expenses	728,552	5,781,578	728,216	5,777,030	336	4,548
<b>Equals: Expanded income</b>	<b>4,064,759</b>	<b>2,518,161,390</b>	<b>4,060,760</b>	<b>2,517,578,394</b>	<b>3,999</b>	<b>582,996</b>

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Expanded Income Concept</b>						
Salaries and wages	3,460,794	1,042,902,552	3,459,321	1,042,692,886	1,473	209,666
Business or profession:						
Net income	821,485	95,304,206	820,903	95,254,352	582	49,853
Net loss	262,930	7,330,597	262,595	7,287,813	335	42,784
Farm:						
Net income	27,636	1,379,235	27,598	1,378,407	38	829
Net loss	84,551	3,765,384	84,439	3,752,731	112	12,653
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,367,967	433,451,716	1,367,015	433,347,922	952	103,794
Net loss	424,949	41,076,704	423,800	40,601,876	1,149	474,828
Sales of capital assets:						
Net gain	2,311,804	654,330,900	2,309,685	653,873,085	2,119	457,816
Net loss	896,203	2,235,199	894,375	2,230,036	1,828	5,163
Sales of property other than capital assets:						
Net gain	198,874	7,502,136	198,591	7,490,646	283	11,490
Net loss	225,503	3,196,299	225,100	3,160,753	403	35,546
Taxable interest received	3,910,275	102,947,185	3,906,097	102,616,637	4,178	330,548
Tax-exempt interest	1,459,660	51,041,823	1,456,351	50,082,537	3,310	959,286
Dividends	3,219,581	117,535,727	3,215,815	117,285,118	3,766	250,609
Qualified dividends	2,977,284	87,642,967	2,973,968	87,475,455	3,317	167,512
Pensions and annuities in adjusted gross income	857,634	38,278,079	856,543	38,233,803	1,091	44,276
Rent:						
Net income	504,673	22,576,021	504,170	22,548,473	503	27,548
Net loss, total (deductible and nondeductible)	519,984	11,029,516	519,408	10,988,669	576	40,847
Nondeductible rental loss	330,759	5,786,643	330,446	5,765,588	313	21,054
Royalty:						
Net income	279,094	10,958,052	278,606	10,947,457	488	10,595
Net loss	8,774	114,583	8,762	114,294	12	289
Estate or trust:						
Net income	122,178	14,109,360	121,903	14,100,345	275	9,016
Net loss	12,213	1,162,720	12,153	1,143,587	60	19,133
State income tax refunds	1,390,812	7,164,081	1,389,912	7,144,736	900	19,346
Alimony received	8,232	1,400,410	8,226	1,400,160	6	251
Social Security benefits in adjusted gross income	753,264	14,667,025	751,196	14,629,004	2,068	38,021
Social Security benefits (nontaxable)	753,357	2,594,186	751,288	2,587,457	2,069	6,729
Unemployment compensation	71,723	404,137	71,671	403,943	52	194
Other income	563,942	16,596,220	563,170	16,570,377	773	25,843
Other loss	49,227	1,612,645	49,160	1,602,004	67	10,641
Foreign-earned income exclusion	53,602	4,207,326	53,566	4,202,768	36	4,559
<b>Total income</b>	<b>4,094,949</b>	<b>2,536,096,504</b>	<b>4,090,631</b>	<b>2,535,153,941</b>	<b>4,318</b>	<b>942,563</b>
Statutory adjustments, total	1,767,670	32,372,010	1,766,358	32,354,558	1,312	17,452
Payments to Individual Retirement Arrangements	150,526	1,085,127	150,447	1,084,624	79	503
Payments to self-employed retirement (Keogh) plans	418,006	12,583,178	417,881	12,579,752	125	3,426
Moving expenses adjustment	45,739	246,255	45,730	246,210	9	45
<b>Adjusted gross income</b>	<b>4,094,949</b>	<b>2,503,724,494</b>	<b>4,090,631</b>	<b>2,502,799,383</b>	<b>4,318</b>	<b>925,110</b>
Investment interest expense deduction	730,246	20,894,773	729,010	20,694,539	1,236	200,235
Total tax preferences excluded from adjusted gross income	1,471,859	53,485,575	1,468,544	52,524,314	3,315	961,261
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	28,023	2,451,991	27,990	2,449,823	33	2,169
Passive activity loss (alternative minimum tax adjustment)	641,878	428,190	641,288	429,066	590	-876
<b>Expanded income</b>	<b>4,094,953</b>	<b>2,532,015,256</b>	<b>4,090,631</b>	<b>2,530,347,053</b>	<b>4,322</b>	<b>1,668,202</b>

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Expanded Income Concept—Continued</b>						
Exemption amount	4,048,361	23,836,840	4,044,229	23,810,405	4,132	26,436
Itemized deductions:						
Total per adjusted gross income concept	3,866,252	317,932,350	3,862,262	316,547,034	3,990	1,385,317
Total per expanded income concept	3,866,021	321,812,204	3,862,031	320,638,184	3,990	1,174,020
Charitable contributions deduction	3,666,483	81,649,167	3,663,035	81,438,058	3,448	211,109
Interest paid deduction:						
Total per adjusted gross income concept	3,217,563	86,989,041	3,215,148	86,673,457	2,415	315,584
Total per expanded income concept	3,048,274	66,094,268	3,046,338	65,978,919	1,936	115,349
Total home mortgage interest	3,040,756	65,849,079	3,038,825	65,734,258	1,931	114,821
Medical and dental expense deduction	108,015	3,008,585	105,939	2,776,615	2,076	231,970
Net casualty or theft loss deduction	14,216	1,039,165	13,578	722,674	638	316,492
Taxes paid deduction	3,861,272	161,386,446	3,857,298	161,172,241	3,973	214,205
Net limited miscellaneous deductions per adjusted gross income concept	579,065	11,599,073	576,964	11,512,861	2,101	86,212
Non-limited miscellaneous deductions	215,876	6,021,635	215,486	5,999,628	390	22,007
Excess of exemptions and deductions over adjusted gross income	8,127	1,987,894	4,167	1,446,601	3,961	541,293
Taxable income	4,086,817	2,161,713,757	4,086,461	2,161,662,165	356	51,592
Tax at regular rates	4,086,856	537,679,065	4,086,493	537,669,970	363	9,095
Alternative minimum tax (Form 6251)	2,626,143	18,931,597	2,626,077	18,931,523	66	74
Income tax before credits	4,091,038	556,629,445	4,090,621	556,620,276	417	9,169
Tax credits:						
Total	696,872	1,951,499	696,455	1,942,330	417	9,169
Child care credit	266,669	137,616	266,651	137,605	18	11
Minimum tax credit	112,908	784,387	112,694	776,107	214	8,280
Foreign tax credit	0	0	0	0	0	0
General business credit	80,522	785,801	80,459	785,433	63	368
Worldwide total income tax	4,090,631	555,771,910	4,090,631	555,771,910	0	0
Foreign taxes paid	1,514,608	11,062,433	1,514,608	11,062,433	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	39,558	1,090,234	39,558	1,090,234	0	0
Taxable income which would yield:						
Income tax before credits	4,091,038	1,865,422,733	4,090,621	1,865,384,631	417	38,103
Income tax after credits	4,090,631	1,862,889,351	4,090,631	1,862,889,351	0	0
Worldwide total income tax	4,090,631	1,862,900,005	4,090,631	1,862,900,005	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>4,094,949</b>	<b>2,503,724,494</b>	<b>4,090,631</b>	<b>2,502,799,383</b>	<b>4,318</b>	<b>925,110</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,471,859	53,485,575	1,468,544	52,524,314	3,315	961,261
Social Security benefits (nontaxable)	753,357	2,594,186	751,288	2,587,457	2,069	6,729
Foreign-earned income exclusion	53,602	4,207,326	53,566	4,202,768	36	4,559
minus: Investment interest expense deduction	730,246	20,894,773	729,010	20,694,539	1,236	200,235
Non-limited miscellaneous deductions	215,876	6,021,635	215,486	5,999,628	390	22,007
Unreimbursed employee business expenses	690,162	5,074,109	689,882	5,072,256	280	1,853
<b>Equals: Expanded income</b>	<b>4,094,953</b>	<b>2,532,015,256</b>	<b>4,090,631</b>	<b>2,530,347,053</b>	<b>4,322</b>	<b>1,668,202</b>

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

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

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns with U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>3,937,370</b>	<b>100.0</b>	<b>1,019,884</b>	<b>25.9</b>	<b>56,804</b>	<b>1.4</b>	<b>2,110,829</b>	<b>53.6</b>
Interest paid deduction	1,343,711	34.1	0	0.0	9,878	17.4	1,203,672	57.0
Investment interest expense deduction [1]	72,465	1.8	12,973	1.3	0	0.0	41,461	2.0
Taxes paid deduction	1,356,975	34.5	912,419	89.5	31,474	55.4	0	0.0
Charitable contributions deduction	736,171	18.7	58,876	5.8	6,452	11.4	641,774	30.4
Medical and dental expense deduction	15,426	0.4	2,050	0.2	127	0.2	9,846	0.5
Net casualty or theft loss deduction	1,827	[2]	825	0.1	45	0.1	592	[2]
Total miscellaneous deductions	142,129	3.6	20,322	2.0	3,097	5.5	98,203	4.7
Foreign tax credit	61,513	1.6	927	0.1	1,231	2.2	39,534	1.9
General business credit	11,370	0.3	1,498	0.1	242	0.4	6,378	0.3
All other tax credits	28,609	0.7	1,608	0.2	777	1.4	15,215	0.7
Partnership and S corporation net losses	59,210	1.5	8,380	0.8	3,477	6.1	33,635	1.6
No second largest item	107,964	2.7	5	[2]	4	[2]	20,520	1.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>4,020,112</b>	<b>100.0</b>	<b>1,007,490</b>	<b>25.1</b>	<b>0</b>	<b>0.0</b>	<b>1,981,242</b>	<b>49.3</b>
Interest paid deduction	1,302,227	32.4	0	0.0	0	0.0	1,171,036	59.1
Tax-exempt interest [3]	225,385	5.6	7,754	0.8	0	0.0	151,932	7.7
Taxes paid deduction	1,418,217	35.3	918,790	91.2	0	0.0	0	0.0
Charitable contributions deduction	607,898	15.1	60,984	6.1	0	0.0	496,587	25.1
Medical and dental expense deduction	15,479	0.4	2,613	0.3	0	0.0	6,579	0.3
Net casualty or theft loss deduction	2,244	0.1	825	0.1	0	0.0	603	[2]
Total miscellaneous deductions	51,998	1.3	2,473	0.2	0	0.0	27,087	1.4
Foreign tax credit	75,689	1.9	1,053	0.1	0	0.0	21,860	1.1
General business credit	11,137	0.3	1,514	0.2	0	0.0	5,356	0.3
All other tax credits	28,225	0.7	1,368	0.1	0	0.0	13,373	0.7
Partnership and S corporation net losses	56,307	1.4	9,085	0.9	0	0.0	27,764	1.4
Foreign-earned income exclusion [3]	27,381	0.7	132	[2]	0	0.0	311	[2]
AMT tax preference [3]	3,140	0.1	177	[2]	0	0.0	1,864	0.1
Nontaxable Social Security benefits [3]	93,294	2.3	722	0.1	0	0.0	39,279	2.0
No second largest item	101,492	2.5	0	0.0	0	0.0	17,610	0.9

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Returns with U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>325,886</b>	<b>8.3</b>	<b>27,900</b>	<b>0.7</b>	<b>4,891</b>	<b>0.1</b>	<b>104,497</b>	<b>2.7</b>
Interest paid deduction	58,960	18.1	5,125	18.4	1,430	29.3	24,436	23.4
Investment interest expense deduction [1]	6,781	2.1	238	0.9	14	0.3	1,641	1.6
Taxes paid deduction	234,123	71.8	15,357	55.0	1,551	31.7	62,328	59.6
Charitable contributions deduction	0	0.0	2,576	9.2	482	9.9	10,903	10.4
Medical and dental expense deduction	1,866	0.6	0	0.0	0	0.0	1,292	1.2
Net casualty or theft loss deduction	171	0.1	0	0.0	0	0.0	14	[2]
Total miscellaneous deductions	12,180	3.7	2,563	9.2	311	6.4	0	0.0
Foreign tax credit	3,076	0.9	1,046	3.7	307	6.3	1,474	1.4
General business credit	991	0.3	139	0.5	427	8.7	53	0.1
All other tax credits	1,592	0.5	345	1.2	14	0.3	94	0.1
Partnership and S corporation net losses	6,100	1.9	373	1.3	353	7.2	2,255	2.2
No second largest item	47	[2]	139	0.5	0	0.0	8	[2]
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>310,890</b>	<b>7.7</b>	<b>28,284</b>	<b>0.7</b>	<b>4,178</b>	<b>0.1</b>	<b>22,059</b>	<b>0.5</b>
Interest paid deduction	60,797	19.6	4,597	16.3	1,434	34.3	2,240	10.2
Tax-exempt interest [3]	25,504	8.2	5,627	19.9	55	1.3	4,855	22.0
Taxes paid deduction	206,916	66.6	10,494	37.1	1,252	30.0	11,240	51.0
Charitable contributions deduction	0	0.0	1,851	6.5	308	7.4	2,443	11.1
Medical and dental expense deduction	1,438	0.5	0	0.0	0	0.0	239	1.1
Net casualty or theft loss deduction	188	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,278	1.4	1,475	5.2	43	1.0	0	0.0
Foreign tax credit	2,015	0.6	549	1.9	307	7.3	567	2.6
General business credit	918	0.3	139	0.5	429	10.3	41	0.2
All other tax credits	1,223	0.4	348	1.2	14	0.3	12	0.1
Partnership and S corporation net losses	5,424	1.7	315	1.1	337	8.1	358	1.6
Foreign-earned income exclusion [3]	98	[2]	27	0.1	0	0.0	23	0.1
AMT tax preference [3]	265	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,822	0.6	2,863	10.1	0	0.0	41	0.2
No second largest item	4	[2]	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		All other tax credits		Partnership and S corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns with U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>118,228</b>	<b>3.0</b>	<b>12,059</b>	<b>0.3</b>	<b>33,886</b>	<b>0.9</b>	<b>122,505</b>	<b>3.1</b>
Interest paid deduction	11,060	9.4	2,170	18.0	3,149	9.3	23,831	19.5
Investment interest expense deduction [1]	1,274	1.1	293	2.4	1,111	3.3	6,678	5.5
Taxes paid deduction	30,489	25.8	4,944	41.0	10,445	30.8	53,845	44.0
Charitable contributions deduction	2,348	2.0	** 1,297	** 10.8	** 1,223	** 3.6	10,259	8.4
Medical and dental expense deduction	152	0.1	0	0.0	0	0.0	93	0.1
Net casualty or theft loss deduction	33	[2]	**	**	**	**	128	0.1
Total miscellaneous deductions	2,306	2.0	31	0.3	71	0.2	3,043	2.5
Foreign tax credit	0	0.0	562	4.7	3,408	10.1	9,947	8.1
General business credit	530	0.4	0	0.0	608	1.8	506	0.4
All other tax credits	5,144	4.4	1,044	8.7	0	0.0	2,777	2.3
Partnership and S corporation net losses	3,214	2.7	559	4.6	865	2.6	0	0.0
No second largest item	61,680	52.2	1,159	9.6	13,005	38.4	11,397	9.3
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>81,623</b>	<b>2.0</b>	<b>11,204</b>	<b>0.3</b>	<b>30,434</b>	<b>0.8</b>	<b>118,670</b>	<b>3.0</b>
Interest paid deduction	5,668	6.9	2,446	21.8	3,792	12.5	25,221	21.3
Tax-exempt interest [3]	4,207	5.2	1,419	12.7	2,109	6.9	10,881	9.2
Taxes paid deduction	20,869	25.6	4,088	36.5	9,771	32.1	50,510	42.6
Charitable contributions deduction	1,372	1.7	** 814	** 7.3	** 1,130	** 3.7	9,699	8.2
Medical and dental expense deduction	3	[2]	0	0.0	0	0.0	74	0.1
Net casualty or theft loss deduction	0	0.0	**	**	**	**	129	0.1
Total miscellaneous deductions	1,272	1.6	9	0.1	47	0.2	1,468	1.2
Foreign tax credit	0	0.0	256	2.3	1,932	6.3	4,460	3.8
General business credit	384	0.5	0	0.0	382	1.3	460	0.4
All other tax credits	1,129	1.4	1,016	9.1	0	0.0	2,357	2.0
Partnership and S corporation net losses	1,654	2.0	414	3.7	844	2.8	0	0.0
Foreign-earned income exclusion [3]	26,594	32.6	3	[2]	22	0.1	38	[2]
AMT tax preference [3]	182	0.2	14	0.1	43	0.1	191	0.2
Nontaxable Social Security benefits [3]	2,339	2.9	264	2.4	1,373	4.5	7,295	6.1
No second largest item	15,951	19.5	461	4.1	8,990	29.5	5,888	5.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>Returns with U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S corporation net losses	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>18,495</b>	<b>0.5</b>	<b>308,949</b>	<b>7.7</b>	<b>10,058</b>	<b>0.3</b>	<b>86,537</b>	<b>2.2</b>
Interest paid deduction	3,152	17.0	15,350	5.0	2,694	26.8	3,802	4.4
Tax-exempt interest [3]	904	4.9	0	0.0	428	4.3	9,710	11.2
Taxes paid deduction	2,660	14.4	160,763	52.0	5,591	55.6	15,275	17.7
Charitable contributions deduction	599	3.2	31,720	10.3	237	2.4	177	0.2
Medical and dental expense deduction	30	0.2	4,462	1.4	0	0.0	40	[2]
Net casualty or theft loss deduction	12	0.1	456	0.1	8	0.1	0	0.0
Total miscellaneous deductions	85	0.5	13,758	4.5	6	0.1	0	0.0
Foreign tax credit	8,255	44.6	21,959	7.1	345	3.4	12,132	14.0
General business credit	30	0.2	1,334	0.4	13	0.1	137	0.2
All other tax credits	294	1.6	3,068	1.0	287	2.9	3,735	4.3
Partnership and S corporation net losses	250	1.4	7,350	2.4	168	1.7	2,344	2.7
Foreign-earned income exclusion [3]	0	0.0	88	[2]	42	0.4	3	[2]
AMT tax preference [3]	68	0.4	184	0.1	0	0.0	151	0.2
Nontaxable Social Security benefits [3]	166	0.9	37,100	12.0	30	0.3	0	0.0
No second largest item	1,992	10.8	11,356	3.7	208	2.1	39,031	45.1

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns without U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>8,252</b>	<b>100.0</b>	<b>228</b>	<b>2.8</b>	<b>742</b>	<b>9.0</b>	<b>115</b>	<b>1.4</b>
Interest paid deduction	2,218	26.9	0	0.0	175	23.6	12	10.4
Investment interest expense deduction [1]	496	6.0	20	8.8	0	0.0	20	17.4
Taxes paid deduction	1,586	19.2	120	52.6	116	15.6	0	0.0
Charitable contributions deduction	902	10.9	48	21.1	162	21.8	26	22.6
Medical and dental expense deduction	92	1.1	6	2.6	** 20	** 2.7	** 6	** 5.2
Net casualty or theft loss deduction	25	0.3	3	1.3	**	**	0	0.0
Total miscellaneous deductions	394	4.8	10	4.4	51	6.9	13	11.3
Foreign tax credit	137	1.7	6	2.6	18	2.4	17	14.8
General business credit	33	0.4	** 3	** 1.3	**	**	**	**
All other tax credits	142	1.7	4	1.8	11	1.5	5	4.3
Partnership and S corporation net losses	572	6.9	8	3.5	189	25.5	16	13.9
No second largest item	1,655	20.1	**	**	**	**	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>11,014</b>	<b>100.0</b>	<b>214</b>	<b>1.9</b>	<b>0</b>	<b>0.0</b>	<b>149</b>	<b>1.4</b>
Interest paid deduction	1,000	9.1	0	0.0	0	0.0	12	8.1
Tax-exempt interest [3]	782	7.1	6	2.8	0	0.0	60	40.3
Taxes paid deduction	1,477	13.4	114	53.3	0	0.0	0	0.0
Charitable contributions deduction	763	6.9	51	23.8	0	0.0	19	12.8
Medical and dental expense deduction	568	5.2	5	2.3	0	0.0	** 6	** 4.0
Net casualty or theft loss deduction	26	0.2	**	**	0	0.0	**	**
Total miscellaneous deductions	307	2.8	** 9	** 4.2	0	0.0	8	5.4
Foreign tax credit	830	7.5	5	2.3	0	0.0	6	4.0
General business credit	29	0.3	**	**	0	0.0	**	**
All other tax credits	105	1.0	4	1.9	0	0.0	5	3.4
Partnership and S corporation net losses	480	4.4	9	4.2	0	0.0	19	12.8
Foreign-earned income exclusion [3]	4,107	37.3	6	2.8	0	0.0	14	9.4
AMT tax preference [3]	9	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	128	1.2	** 5	** 2.3	0	0.0	0	0.0
No second largest item	404	3.7	**	**	0	0.0	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Returns without U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>273</b>	<b>3.3</b>	<b>440</b>	<b>5.3</b>	<b>616</b>	<b>7.5</b>	<b>1,489</b>	<b>18.0</b>
Interest paid deduction	70	25.6	30	6.8	217	35.2	633	42.5
Investment interest expense deduction [1]	56	20.5	15	3.4	15	2.4	32	2.1
Taxes paid deduction	38	13.9	134	30.5	217	35.2	469	31.5
Charitable contributions deduction	0	0.0	123	28.0	62	10.1	77	5.2
Medical and dental expense deduction	24	8.8	0	0.0	9	1.5	10	0.7
Net casualty or theft loss deduction	**	**	**	**	0	0.0	10	0.7
Total miscellaneous deductions	27	9.9	116	26.4	55	8.9	0	0.0
Foreign tax credit	33	12.1	7	1.6	3	0.5	6	0.4
General business credit	** 6	** 2.2	** 4	** 0.9	** 13	** 2.1	6	0.4
All other tax credits	10	3.7	4	0.9	0	0.0	6	0.4
Partnership and S corporation net losses	9	3.3	7	1.6	25	4.1	155	10.4
No second largest item	**	**	**	**	**	**	85	5.7
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>293</b>	<b>2.7</b>	<b>711</b>	<b>6.5</b>	<b>604</b>	<b>5.5</b>	<b>36</b>	<b>0.3</b>
Interest paid deduction	84	28.7	25	3.5	216	35.8	5	13.9
Tax-exempt interest [3]	32	10.9	386	54.3	50	8.3	6	16.7
Taxes paid deduction	57	19.5	86	12.1	211	34.9	10	27.8
Charitable contributions deduction	0	0.0	103	14.5	53	8.8	** 12	** 33.3
Medical and dental expense deduction	21	7.2	0	0.0	10	1.7	**	**
Net casualty or theft loss deduction	3	1.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	20	6.8	79	11.1	12	2.0	0	0.0
Foreign tax credit	31	10.6	4	0.6	3	0.5	3	8.3
General business credit	5	1.7	0	0.0	12	2.0	0	0.0
All other tax credits	11	3.8	0	0.0	0	0.0	**	**
Partnership and S corporation net losses	25	8.5	7	1.0	** 28	** 4.6	**	**
Foreign-earned income exclusion [3]	**	**	** 6	** 0.8	**	**	0	0.0
AMT tax preference [3]	** 4	** 1.4	0	0.0	**	**	0	0.0
Nontaxable Social Security benefits [3]	**	**	15	2.1	9	1.5	0	0.0
No second largest item	0	0.0	**	**	**	**	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		All other tax credits		Partnership and S corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns without U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>3,641</b>	<b>44.1</b>	<b>4</b>	<b>[2]</b>	<b>290</b>	<b>3.5</b>	<b>414</b>	<b>5.0</b>
Interest paid deduction	** 1,400	** 38.4	** 4	** 100.0	98	33.8	18	4.3
Investment interest expense deduction [1]	134	3.7	0	0.0	11	3.8	193	46.6
Taxes paid deduction	347	9.5	0	0.0	110	37.9	35	8.5
Charitable contributions deduction	**	**	**	**	33	11.4	80	19.3
Medical and dental expense deduction	15	0.4	0	0.0	**	**	5	1.2
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	6	1.4
Total miscellaneous deductions	93	2.5	0	0.0	6	2.1	23	5.6
Foreign tax credit	0	0.0	0	0.0	9	3.1	38	9.2
General business credit	4	0.1	0	0.0	** 3	** 1.0	3	0.7
All other tax credits	89	2.4	0	0.0	0	0.0	13	3.1
Partnership and S corporation net losses	**	**	**	**	16	5.5	0	0.0
No second largest item	1,559	42.8	0	0.0	4	1.4	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>5,327</b>	<b>48.4</b>	<b>4</b>	<b>[2]</b>	<b>288</b>	<b>2.6</b>	<b>341</b>	<b>3.1</b>
Interest paid deduction	288	5.4	** 4	** 100.0	95	33.0	14	4.1
Tax-exempt interest [3]	72	1.4	0	0.0	36	12.5	131	38.4
Taxes paid deduction	228	4.3	0	0.0	91	31.6	40	11.7
Charitable contributions deduction	140	2.6	**	**	31	10.8	74	21.7
Medical and dental expense deduction	11	0.2	0	0.0	**	**	6	1.8
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	6	1.8
Total miscellaneous deductions	29	0.5	0	0.0	4	1.4	13	3.8
Foreign tax credit	0	0.0	0	0.0	7	2.4	40	11.7
General business credit	** 4	** 0.1	0	0.0	** 6	** 2.1	**	**
All other tax credits	20	0.4	0	0.0	0	0.0	12	3.5
Partnership and S corporation net losses	92	1.7	**	**	13	4.5	0	0.0
Foreign-earned income exclusion [3]	4,073	76.4	0	0.0	5	1.7	** 5	** 1.5
AMT tax preference [3]	**	**	0	0.0	**	**	**	**
Nontaxable Social Security benefits [3]	44	0.8	0	0.0	**	**	0	0.0
No second largest item	326	6.1	0	0.0	**	**	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>Returns without U.S. income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S corporation net losses	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>800</b>	<b>7.3</b>	<b>** 2,248</b>	<b>** 20.4</b>	<b>**</b>	<b>**</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	** 47	** 5.9	** 219	** 9.7	**	**	0	0.0
Tax-exempt interest [3]	3	0.4	** 0	** 0.0	**	**	0	0.0
Taxes paid deduction	20	2.5	** 620	** 27.6	**	**	0	0.0
Charitable contributions deduction	**	**	** 275	** 12.2	**	**	0	0.0
Medical and dental expense deduction	3	0.4	** 506	** 22.5	**	**	0	0.0
Net casualty or theft loss deduction	**	**	** 10	** 0.4	**	**	0	0.0
Total miscellaneous deductions	** 9	** 1.1	** 134	** 6.0	**	**	0	0.0
Foreign tax credit	718	89.8	** 13	** 0.6	**	**	0	0.0
General business credit	0	0.0	** 5	** 0.2	**	**	0	0.0
All other tax credits	**	**	** 48	** 2.1	**	**	0	0.0
Partnership and S corporation net losses	0	0.0	** 288	** 12.8	**	**	0	0.0
Foreign-earned income exclusion [3]	0	0.0	**	**	**	**	0	0.0
AMT tax preference [3]	0	0.0	** 3	** 0.1	**	**	0	0.0
Nontaxable Social Security benefits [3]	**	**	** 55	** 2.4	**	**	0	0.0
No second largest item	0	0.0	** 72	** 3.2	**	**	0	0.0

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Less than 0.05 percent.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

NOTE: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns with worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>3,878,260</b>	<b>100.0</b>	<b>1,031,928</b>	<b>26.6</b>	<b>58,293</b>	<b>1.5</b>	<b>2,141,695</b>	<b>55.2</b>
Interest paid deduction	1,352,279	34.9	0	0.0	10,152	17.4	1,220,622	57.0
Investment interest expense deduction [1]	74,755	1.9	13,264	1.3	0	0.0	43,881	2.0
Taxes paid deduction	1,348,843	34.8	923,202	89.5	32,813	56.3	0	0.0
Charitable contributions deduction	770,854	19.9	59,811	5.8	6,919	11.9	676,227	31.6
Medical and dental expense deduction	16,137	0.4	2,056	0.2	129	0.2	10,600	0.5
Net casualty or theft loss deduction	1,809	[2]	837	0.1	45	0.1	595	[2]
Total miscellaneous deductions	145,232	3.7	20,545	2.0	3,453	5.9	102,204	4.8
General business credit	11,414	0.3	1,552	0.2	263	0.5	6,715	0.3
All other tax credits	25,079	0.6	1,934	0.2	841	1.4	16,185	0.8
Partnership and S Corporation net losses	57,526	1.5	8,421	0.8	3,594	6.2	34,492	1.6
No second largest item	74,332	1.9	307	[2]	84	0.1	30,173	1.4
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>4,010,527</b>	<b>100.0</b>	<b>1,013,466</b>	<b>25.3</b>	<b>0</b>	<b>0.0</b>	<b>2,002,369</b>	<b>49.9</b>
Interest paid deduction	1,319,103	32.9	0	0.0	0	0.0	1,183,274	59.1
Tax-exempt interest [3]	232,627	5.8	7,787	0.8	0	0.0	156,552	7.8
Taxes paid deduction	1,421,877	35.5	925,188	91.3	0	0.0	0	0.0
Charitable contributions deduction	625,985	15.6	61,251	6.0	0	0.0	** 522,114	** 26.1
Medical and dental expense deduction	16,129	0.4	2,613	0.3	0	0.0	**	**
Net casualty or theft loss deduction	2,280	0.1	825	0.1	0	0.0	**	**
Total miscellaneous deductions	52,802	1.3	2,543	0.3	0	0.0	27,623	1.4
General business credit	11,149	0.3	1,514	0.1	0	0.0	5,597	0.3
All other tax credits	32,399	0.8	1,386	0.1	0	0.0	13,538	0.7
Partnership and S Corporation net losses	57,310	1.4	9,092	0.9	0	0.0	28,222	1.4
Foreign-earned income exclusion [3]	2,369	0.1	354	[2]	0	0.0	**	**
AMT tax preference [3]	3,504	0.1	177	[2]	0	0.0	1,884	0.1
Nontaxable Social Security benefits [3]	95,793	2.4	722	0.1	0	0.0	40,300	2.0
No second largest item	137,200	3.4	13	[2]	0	0.0	23,265	1.2

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Returns with worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>328,606</b>	<b>8.5</b>	<b>28,086</b>	<b>0.7</b>	<b>4,941</b>	<b>0.1</b>	<b>106,913</b>	<b>2.8</b>
Interest paid deduction	59,866	18.2	5,144	18.3	1,446	29.3	24,902	23.3
Investment interest expense deduction [1]	7,103	2.2	239	0.9	14	0.3	1,745	1.6
Taxes paid deduction	237,423	72.3	16,139	57.5	1,877	38.0	64,812	60.6
Charitable contributions deduction	0	0.0	2,585	9.2	** 489	** 9.9	** 11,524	** 10.8
Medical and dental expense deduction	1,913	0.6	0	0.0	**	**	1,345	1.3
Net casualty or theft loss deduction	171	0.1	0	0.0	0	0.0	**	**
Total miscellaneous deductions	12,687	3.9	2,705	9.6	312	6.3	0	0.0
General business credit	1,008	0.3	139	0.5	434	8.8	57	0.1
All other tax credits	1,671	0.5	348	1.2	14	0.3	111	0.1
Partnership and S Corporation net losses	6,217	1.9	512	1.8	353	7.1	2,313	2.2
No second largest item	547	0.2	276	1.0	0	0.0	103	0.1
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>312,483</b>	<b>7.8</b>	<b>28,325</b>	<b>0.7</b>	<b>4,195</b>	<b>0.1</b>	<b>23,367</b>	<b>0.6</b>
Interest paid deduction	61,304	19.6	4,600	16.2	1,438	34.3	2,261	9.7
Tax-exempt interest [3]	25,838	8.3	5,642	19.9	56	1.3	4,977	21.3
Taxes paid deduction	208,803	66.8	10,772	38.0	1,562	37.2	12,709	54.4
Charitable contributions deduction	0	0.0	1,859	6.6	** 310	** 7.4	2,630	11.3
Medical and dental expense deduction	1,442	0.5	0	0.0	**	**	239	1.0
Net casualty or theft loss deduction	188	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,637	1.5	1,614	5.7	43	1.0	0	0.0
General business credit	923	0.3	139	0.5	436	10.4	41	0.2
All other tax credits	1,235	0.4	348	1.2	14	0.3	13	0.1
Partnership and S Corporation net losses	5,480	1.8	454	1.6	337	8.0	383	1.6
Foreign-earned income exclusion [3]	196	0.1	33	0.1	**	**	68	0.3
AMT tax preference [3]	268	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,875	0.6	2,864	10.1	0	0.0	42	0.2
No second largest item	293	0.1	0	0.0	0	0.0	4	[2]

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Partnership and S Corporation net losses		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns with worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>12,595</b>	<b>0.3</b>	<b>39,266</b>	<b>1.0</b>	<b>125,937</b>	<b>3.2</b>
Interest paid deduction	0	0.0	2,175	17.3	3,577	9.1	24,395	19.4
Investment interest expense deduction [1]	0	0.0	307	2.4	1,170	3.0	7,031	5.6
Taxes paid deduction	0	0.0	5,313	42.2	11,166	28.4	56,097	44.5
Charitable contributions deduction	0	0.0	1,345	10.7	** 1,450	** 3.7	** 10,613	** 8.4
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	18	0.1	**	**	128	0.1
Total miscellaneous deductions	0	0.0	34	0.3	80	0.2	3,212	2.6
General business credit	0	0.0	0	0.0	635	1.6	612	0.5
All other tax credits	0	0.0	1,063	8.4	0	0.0	2,912	2.3
Partnership and S Corporation net losses	0	0.0	563	4.5	1,062	2.7	0	0.0
No second largest item	0	0.0	1,777	14.1	20,125	51.3	20,939	16.6
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>11,592</b>	<b>0.3</b>	<b>31,734</b>	<b>0.8</b>	<b>120,496</b>	<b>3.0</b>	<b>49,935</b>	<b>1.2</b>
Interest paid deduction	2,448	21.1	3,906	12.3	25,444	21.1	11,893	23.8
Tax-exempt interest [3]	1,502	13.0	2,270	7.2	11,434	9.5	4,602	9.2
Taxes paid deduction	4,355	37.6	9,920	31.3	52,495	43.6	7,923	15.9
Charitable contributions deduction	847	7.3	** 1,290	** 4.1	9,842	8.2	1,860	3.7
Medical and dental expense deduction	0	0.0	0	0.0	74	0.1	79	0.2
Net casualty or theft loss deduction	22	0.2	**	**	129	0.1	42	0.1
Total miscellaneous deductions	9	0.1	50	0.2	1,597	1.3	512	1.0
General business credit	0	0.0	382	1.2	464	0.4	102	0.2
All other tax credits	1,031	8.9	0	0.0	2,410	2.0	4,538	9.1
Partnership and S Corporation net losses	415	3.6	857	2.7	0	0.0	1,006	2.0
Foreign-earned income exclusion [3]	5	[2]	151	0.5	186	0.2	0	0.0
AMT tax preference [3]	14	0.1	58	0.2	196	0.2	294	0.6
Nontaxable Social Security benefits [3]	265	2.3	1,386	4.4	7,637	6.3	508	1.0
No second largest item	679	5.9	11,463	36.1	8,589	7.1	16,575	33.2

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
<b>Returns with worldwide income tax</b>						
<b>Returns with adjusted gross income of \$200,000 or more</b>						
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>						
<b>Total</b>	<b>313,405</b>	<b>7.8</b>	<b>10,241</b>	<b>0.3</b>	<b>88,920</b>	<b>2.2</b>
Interest paid deduction	16,029	5.1	2,694	26.3	3,813	4.3
Tax-exempt interest [3]	0	0.0	567	5.5	11,400	12.8
Taxes paid deduction	165,215	52.7	5,658	55.2	17,276	19.4
Charitable contributions deduction	32,089	10.2	255	2.5	186	0.2
Medical and dental expense deduction	4,479	1.4	0	0.0	176	0.2
Net casualty or theft loss deduction	462	0.1	8	0.1	0	0.0
Total miscellaneous deductions	14,032	4.5	6	0.1	136	0.2
General business credit	1,391	0.4	16	0.2	144	0.2
All other tax credits	3,569	1.1	300	2.9	4,016	4.5
Partnership and S Corporation net losses	8,028	2.6	168	1.6	2,868	3.2
Foreign-earned income exclusion [3]	279	0.1	176	1.7	4	[2]
AMT tax preference [3]	462	0.1	0	0.0	151	0.2
Nontaxable Social Security benefits [3]	40,162	12.8	31	0.3	0	0.0
No second largest item	27,208	8.7	361	3.5	48,750	54.8

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns without worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>4,123</b>	<b>100.0</b>	<b>207</b>	<b>5.0</b>	<b>662</b>	<b>16.1</b>	<b>85</b>	<b>2.1</b>
Interest paid deduction	1,187	28.8	0	0.0	162	24.5	8	9.4
Investment interest expense deduction [1]	323	7.8	15	7.2	0	0.0	17	20.0
Taxes paid deduction	1,145	27.8	115	55.6	107	16.2	0	0.0
Charitable contributions deduction	553	13.4	45	21.7	147	22.2	25	29.4
Medical and dental expense deduction	69	1.7	5	2.4	15	2.3	4	4.7
Net casualty or theft loss deduction	24	0.6	3	1.4	**	**	0	0.0
Total miscellaneous deductions	271	6.6	10	4.8	41	6.2	12	14.1
General business credit	20	0.5	**	**	0	0.0	**	**
All other tax credits	35	0.8	4	1.9	** 10	** 1.5	** 4	** 4.7
Partnership and S Corporation net losses	400	9.7	7	3.4	180	27.2	15	17.6
No second largest item	96	2.3	** 3	** 1.4	**	**	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>4,322</b>	<b>100.0</b>	<b>194</b>	<b>4.5</b>	<b>0</b>	<b>0.0</b>	<b>118</b>	<b>2.7</b>
Interest paid deduction	602	13.9	0	0.0	0	0.0	7	5.9
Tax-exempt interest [3]	641	14.8	6	3.1	0	0.0	59	50.0
Taxes paid deduction	1,136	26.3	108	55.7	0	0.0	0	0.0
Charitable contributions deduction	528	12.2	46	23.7	0	0.0	19	16.1
Medical and dental expense deduction	538	12.4	5	2.6	0	0.0	3	2.5
Net casualty or theft loss deduction	25	0.6	3	1.5	0	0.0	**	**
Total miscellaneous deductions	254	5.9	6	3.1	0	0.0	7	5.9
General business credit	14	0.3	**	**	0	0.0	**	**
All other tax credits	49	1.1	4	2.1	0	0.0	** 6	** 5.1
Partnership and S Corporation net losses	359	8.3	8	4.1	0	0.0	17	14.4
Foreign-earned income exclusion [3]	9	0.2	**	**	0	0.0	**	**
AMT tax preference [3]	6	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	83	1.9	** 8	** 4.1	0	0.0	0	0.0
No second largest item	78	1.8	**	**	0	0.0	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Returns without worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>191</b>	<b>4.6</b>	<b>420</b>	<b>10.2</b>	<b>600</b>	<b>14.6</b>	<b>** 1,474</b>	<b>** 35.8</b>
Interest paid deduction	63	33.0	29	6.9	215	35.8	** 632	** 42.9
Investment interest expense deduction [1]	42	22.0	14	3.3	15	2.5	** 31	** 2.1
Taxes paid deduction	29	15.2	133	31.7	214	35.7	** 466	** 31.6
Charitable contributions deduction	0	0.0	118	28.1	62	10.3	** 75	** 5.1
Medical and dental expense deduction	20	10.5	0	0.0	9	1.5	** 10	** 0.7
Net casualty or theft loss deduction	** 5	** 2.6	**	**	0	0.0	** 10	** 0.7
Total miscellaneous deductions	19	9.9	115	27.4	54	9.0	** 0	** 0.0
General business credit	**	**	**	**	** 6	** 1.0	** 6	** 0.4
All other tax credits	5	2.6	** 6	** 1.4	0	0.0	** 5	** 0.3
Partnership and S Corporation net losses	8	4.2	5	1.2	25	4.2	** 154	** 10.4
No second largest item	**	**	**	**	**	**	** 85	** 5.8
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>212</b>	<b>4.9</b>	<b>684</b>	<b>15.8</b>	<b>587</b>	<b>13.6</b>	<b>29</b>	<b>0.7</b>
Interest paid deduction	72	34.0	24	3.5	212	36.1	3	10.3
Tax-exempt interest [3]	20	9.4	** 377	** 55.1	49	8.3	** 8	** 27.6
Taxes paid deduction	49	23.1	85	12.4	209	35.6	9	31.0
Charitable contributions deduction	0	0.0	99	14.5	53	9.0	9	31.0
Medical and dental expense deduction	18	8.5	0	0.0	10	1.7	**	**
Net casualty or theft loss deduction	**	**	**	**	0	0.0	0	0.0
Total miscellaneous deductions	17	8.0	79	11.5	12	2.0	0	0.0
General business credit	** 7	** 3.3	0	0.0	5	0.9	0	0.0
All other tax credits	6	2.8	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	23	10.8	5	0.7	** 28	** 4.8	**	**
Foreign-earned income exclusion [3]	0	0.0	0	0.0	**	**	0	0.0
AMT tax preference [3]	**	**	0	0.0	**	**	0	0.0
Nontaxable Social Security benefits [3]	**	**	15	2.2	9	1.5	0	0.0
No second largest item	0	0.0	**	**	**	**	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Partnership and S Corporation net losses		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>Returns without worldwide income tax</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>**</b>	<b>**</b>	<b>143</b>	<b>3.5</b>	<b>341</b>	<b>8.3</b>
Interest paid deduction	0	0.0	**	**	62	43.4	16	4.7
Investment interest expense deduction [1]	0	0.0	**	**	** 3	** 2.1	** 192	** 56.3
Taxes paid deduction	0	0.0	**	**	50	35.0	31	9.1
Charitable contributions deduction	0	0.0	**	**	15	10.5	66	19.4
Medical and dental expense deduction	0	0.0	**	**	**	**	**	**
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	6	1.8
Total miscellaneous deductions	0	0.0	**	**	** 3	** 2.1	** 22	** 6.5
General business credit	0	0.0	**	**	**	**	**	**
All other tax credits	0	0.0	**	**	0	0.0	8	2.3
Partnership and S Corporation net losses	0	0.0	**	**	6	4.2	0	0.0
No second largest item	0	0.0	**	**	4	2.8	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>**</b>	<b>**</b>	<b>** 139</b>	<b>** 3.2</b>	<b>261</b>	<b>6.0</b>	<b>27</b>	<b>0.6</b>
Interest paid deduction	**	**	** 60	** 43.2	12	4.6	6	22.2
Tax-exempt interest [3]	**	**	** 7	** 5.0	118	45.2	**	**
Taxes paid deduction	**	**	** 42	** 30.2	36	13.8	14	51.9
Charitable contributions deduction	**	**	** 16	** 11.5	63	24.1	0	0.0
Medical and dental expense deduction	**	**	**	**	6	2.3	** 4	** 14.8
Net casualty or theft loss deduction	**	**	** 0	** 0.0	6	2.3	**	**
Total miscellaneous deductions	**	**	**	**	9	3.4	** 3	** 11.1
General business credit	**	**	**	**	**	**	0	0.0
All other tax credits	**	**	** 0	** 0.0	8	3.1	**	**
Partnership and S Corporation net losses	**	**	** 5	** 3.6	0	0.0	0	0.0
Foreign-earned income exclusion [3]	**	**	** 3	** 2.2	0	0.0	0	0.0
AMT tax preference [3]	**	**	** 0	** 0.0	** 3	** 1.1	0	0.0
Nontaxable Social Security benefits [3]	**	**	**	**	0	0.0	0	0.0
No second largest item	**	**	** 6	** 4.3	0	0.0	0	0.0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
<b>Returns without worldwide income tax</b>						
<b>Returns with adjusted gross income of \$200,000 or more</b>						
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>						
<b>Total</b>	<b>** 2,071</b>	<b>** 47.9</b>	<b>**</b>	<b>**</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	** 206	** 9.9	**	**	0	0.0
Tax-exempt interest [3]	** 0	** 0.0	**	**	0	0.0
Taxes paid deduction	** 584	** 28.2	**	**	0	0.0
Charitable contributions deduction	** 223	** 10.8	**	**	0	0.0
Medical and dental expense deduction	** 492	** 23.8	**	**	0	0.0
Net casualty or theft loss deduction	** 10	** 0.5	**	**	0	0.0
Total miscellaneous deductions	** 121	** 5.8	**	**	0	0.0
General business credit	** 3	** 0.1	**	**	0	0.0
All other tax credits	** 27	** 1.3	**	**	0	0.0
Partnership and S Corporation net losses	** 275	** 13.3	**	**	0	0.0
Foreign-earned income exclusion [3]	**	**	**	**	0	0.0
AMT tax preference [3]	** 3	** 0.1	**	**	0	0.0
Nontaxable Social Security benefits [3]	** 55	** 2.7	**	**	0	0.0
No second largest item	** 72	** 3.5	**	**	0	0.0

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Less than 0.05 percent.

[3] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

NOTE: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect.

# High-Income Tax Returns for 2006

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**Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2006**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income concept</b>						
Total itemized deductions	8,252	1,698	1,192	652	247	131
Interest paid deduction:						
Total	8,252	2,950	2,771	753	264	164
Investment interest per income concept	8,252	5,787	1,140	134	107	116
Taxes paid deduction	8,252	2,204	4,572	833	284	129
Charitable contributions deduction	8,252	3,280	3,730	312	186	202
Medical and dental expense deduction	8,252	7,485	205	47	28	23
Net casualty or theft loss deduction	8,252	7,593	14	5	** 7	**
Net limited miscellaneous deduction per income concept	8,252	6,661	1,047	264	130	46
Non-limited miscellaneous deduction	8,252	6,244	461	44	28	15
Deduction equivalent of:						
Total credits	8,252	3,792	281	70	76	106
Foreign tax credit	8,252	4,125	335	38	52	63
General business credit	8,252	8,117	96	23	6	4
Tax preferences excluded from adjusted gross income	8,252	6,219	1,473	168	90	59
Nontaxable Social Security benefits	8,252	6,820	** 1,433	**	0	0
<b>Expanded income concept</b>						
Total itemized deductions	11,014	3,618	2,060	1,384	678	418
Interest paid deduction:						
Total	11,014	6,488	2,968	895	313	94
Investment interest per income concept	11,014	9,000	1,540	141	81	43
Taxes paid deduction	11,014	4,219	5,103	1,030	276	133
Charitable contributions deduction	11,014	5,198	4,498	490	266	161
Medical and dental expense deduction	11,014	8,698	1,032	195	130	112
Net casualty or theft loss deduction	11,014	10,351	22	12	5	9
Net limited miscellaneous deduction per income concept	11,014	8,433	1,913	380	142	45
Non-limited miscellaneous deduction	11,014	10,478	455	29	23	7
Deduction equivalent of:						
Total credits	11,014	3,915	495	125	182	260
Foreign tax credit	11,014	4,332	462	90	164	215
General business credit	11,014	10,904	83	18	** 4	**
Tax preferences excluded from adjusted gross income	11,014	6,639	1,236	212	215	202
Nontaxable Social Security benefits	11,014	8,581	2,431	3	0	0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept—continued</b>					
Total itemized deductions	82	60	46	784	3,360
Interest paid deduction:					
Total	146	140	148	534	383
Investment interest per income concept	101	120	130	370	247
Taxes paid deduction	59	44	23	46	58
Charitable contributions deduction	113	404	0	7	18
Medical and dental expense deduction	28	36	25	188	187
Net casualty or theft loss deduction	11	15	24	151	432
Net limited miscellaneous deduction per income concept	40	19	12	20	14
Non-limited miscellaneous deduction	9	19	25	833	574
Deduction equivalent of:					
Total credits	267	321	173	1,721	1,446
Foreign tax credit	168	233	141	1,658	1,440
General business credit	3	** 3	0	**	0
Tax preferences excluded from adjusted gross income	52	38	24	48	82
Nontaxable Social Security benefits	0	0	0	0	0
<b>Expanded income concept—continued</b>					
Total itemized deductions	310	258	218	674	1,397
Interest paid deduction:					
Total	59	35	25	91	47
Investment interest per income concept	37	28	15	41	88
Taxes paid deduction	63	26	35	36	94
Charitable contributions deduction	144	119	32	60	46
Medical and dental expense deduction	148	99	131	301	168
Net casualty or theft loss deduction	10	12	25	141	427
Net limited miscellaneous deduction per income concept	27	24	12	27	11
Non-limited miscellaneous deduction	6	** 5	**	3	8
Deduction equivalent of:					
Total credits	510	814	1,028	3,681	4
Foreign tax credit	412	730	992	3,613	4
General business credit	** 5	0	**	**	0
Tax preferences excluded from adjusted gross income	198	233	306	1,459	315
Nontaxable Social Security benefits	0	0	0	0	0

\*\* Data combined to avoid disclosure of information for specific taxpayers.

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

# High-Income Tax Returns for 2006

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**Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2006**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income concept</b>						
Total itemized deductions	4,123	4	38	54	30	20
Interest paid deduction:						
Total	4,123	870	1,332	385	171	119
Investment interest per income concept	4,123	2,425	555	79	71	96
Taxes paid deduction	4,123	121	2,844	606	238	107
Charitable contributions deduction	4,123	938	2,226	201	136	164
Medical and dental expense deduction	4,123	3,448	149	39	25	20
Net casualty or theft loss deduction	4,123	3,484	13	3	** 6	**
Net limited miscellaneous deduction per income concept	4,123	2,988	672	215	106	40
Non-limited miscellaneous deduction	4,123	2,267	334	33	27	13
Deduction equivalent of:						
Total credits	4,123	3,790	128	23	15	18
Foreign tax credit	4,123	4,123	0	0	0	0
General business credit	4,123	4,039	58	16	** 6	**
Tax preferences excluded from adjusted gross income	4,123	2,854	829	118	69	48
Nontaxable Social Security benefits	4,123	2,980	1,143	0	0	0
<b>Expanded income concept</b>						
Total itemized deductions	4,322	333	287	478	367	273
Interest paid deduction:						
Total	4,322	2,386	974	425	215	78
Investment interest per income concept	4,322	3,086	871	99	58	31
Taxes paid deduction	4,322	350	2,625	780	220	120
Charitable contributions deduction	4,322	874	2,471	327	196	123
Medical and dental expense deduction	4,322	2,246	846	182	119	109
Net casualty or theft loss deduction	4,322	3,684	18	8	5	7
Net limited miscellaneous deduction per income concept	4,322	2,297	1,443	327	116	41
Non-limited miscellaneous deduction	4,322	3,932	328	19	19	6
Deduction equivalent of:						
Total credits	4,322	3,905	228	19	9	16
Foreign tax credit	4,322	4,322	0	0	0	0
General business credit	4,322	4,259	47	10	** 3	**
Tax preferences excluded from adjusted gross income	4,322	1,007	469	156	171	174
Nontaxable Social Security benefits	4,322	2,253	2,069	0	0	0

Footnotes at end of table.

# High-Income Tax Returns for 2006

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**Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2006—Continued**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept—continued</b>					
Total itemized deductions	16	14	8	581	3,358
Interest paid deduction:					
Total	120	119	135	490	382
Investment interest per income concept	88	104	115	343	247
Taxes paid deduction	53	42	21	33	58
Charitable contributions deduction	95	339	0	6	18
Medical and dental expense deduction	23	31	20	181	187
Net casualty or theft loss deduction	8	15	23	139	432
Net limited miscellaneous deduction per income concept	37	19	12	20	14
Non-limited miscellaneous deduction	8	17	25	826	573
Deduction equivalent of:					
Total credits	39	45	20	45	0
Foreign tax credit	0	0	0	0	0
General business credit	** 4	**	0	0	0
Tax preferences excluded from adjusted gross income	45	33	20	33	74
Nontaxable Social Security benefits	0	0	0	0	0
<b>Expanded income concept—continued</b>					
Total itemized deductions	229	213	163	585	1,394
Interest paid deduction:					
Total	51	35	23	88	47
Investment interest per income concept	30	24	12	35	76
Taxes paid deduction	53	24	22	35	93
Charitable contributions deduction	114	92	26	53	46
Medical and dental expense deduction	139	92	123	298	168
Net casualty or theft loss deduction	9	11	24	129	427
Net limited miscellaneous deduction per income concept	25	24	12	26	11
Non-limited miscellaneous deduction	5	3	** 3	**	7
Deduction equivalent of:					
Total credits	37	44	19	45	0
Foreign tax credit	0	0	0	0	0
General business credit	** 3	0	**	0	0
Tax preferences excluded from adjusted gross income	168	209	265	1,388	315
Nontaxable Social Security benefits	0	0	0	0	0

\*\* Data combined to avoid disclosure of information for specific taxpayers.

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

# High-Income Tax Returns for 2006

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**Table 11. Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b>	<b>138,394,754</b>	<b>100.0</b>	<b>92,246,123</b>	<b>100.0</b>	<b>29,995,324</b>	<b>100.0</b>	<b>12,088,423</b>	<b>100.0</b>	<b>4,064,883</b>	<b>100.0</b>
<b>Returns without U.S. income tax</b>	<b>43,884,863</b>	<b>31.7</b>	<b>42,633,316</b>	<b>46.2</b>	<b>1,196,254</b>	<b>4.0</b>	<b>47,040</b>	<b>0.4</b>	<b>8,252</b>	<b>0.2</b>
<b>Returns with U.S. income tax</b>	<b>94,509,891</b>	<b>68.3</b>	<b>49,612,807</b>	<b>53.8</b>	<b>28,799,070</b>	<b>96.0</b>	<b>12,041,382</b>	<b>99.6</b>	<b>4,056,631</b>	<b>99.8</b>
<b>Effective tax rate:</b>										
Under 5 percent	28,462,773	20.6	22,992,599	24.9	5,015,063	16.7	413,310	3.4	41,801	1.0
5 under 10 percent	36,049,153	26.0	20,525,730	22.3	13,213,394	44.1	2,220,694	18.4	89,335	2.2
10 under 15 percent	20,433,144	14.8	6,005,739	6.5	7,935,616	26.5	6,083,516	50.3	408,273	10.0
15 under 20 percent	6,993,525	5.1	43,326	[2]	2,621,191	8.7	2,929,940	24.2	1,399,068	34.4
20 under 25 percent	1,722,300	1.2	22,371	[2]	9,859	[2]	385,070	3.2	1,305,000	32.1
25 under 30 percent	713,494	0.5	9,458	[2]	2,006	[2]	7,384	0.1	694,647	17.1
30 under 35 percent	125,059	0.1	6,755	[2]	1,549	[2]	819	[2]	115,935	2.9
35 under 40 percent	1,075	[2]	15	[2]	8	[2]	10	[2]	1,042	[2]
40 under 45 percent	710	[2]	19	[2]	3	[2]	314	[2]	374	[2]
45 under 50 percent	273	[2]	0	0.0	19	[2]	4	[2]	250	[2]
50 under 60 percent	911	[2]	** 158	** [2]	118	[2]	** 5	** [2]	641	[2]
60 under 70 percent	252	[2]	**	**	143	[2]	**	**	98	[2]
70 under 80 percent	165	[2]	6	[2]	0	0.0	152	[2]	7	[2]
80 percent or more	7,057	[2]	6,631	[2]	100	[2]	165	[2]	161	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b>	<b>138,394,754</b>	<b>100.0</b>	<b>91,129,221</b>	<b>100.0</b>	<b>31,233,695</b>	<b>100.0</b>	<b>11,936,885</b>	<b>100.0</b>	<b>4,094,953</b>	<b>100.0</b>
<b>Returns without U.S. income tax</b>	<b>43,884,863</b>	<b>31.7</b>	<b>42,505,018</b>	<b>46.6</b>	<b>1,309,156</b>	<b>4.2</b>	<b>59,674</b>	<b>0.5</b>	<b>11,014</b>	<b>0.3</b>
<b>Returns with U.S. income tax</b>	<b>94,509,891</b>	<b>68.3</b>	<b>48,624,203</b>	<b>53.4</b>	<b>29,924,539</b>	<b>95.8</b>	<b>11,877,211</b>	<b>99.5</b>	<b>4,083,938</b>	<b>99.7</b>
<b>Effective tax rate:</b>										
Under 5 percent	29,174,772	21.1	22,842,747	25.1	5,886,327	18.8	394,162	3.3	51,535	1.3
5 under 10 percent	35,123,198	25.4	19,419,607	21.3	13,478,960	43.2	2,112,196	17.7	112,436	2.7
10 under 15 percent	20,572,794	14.9	6,262,178	6.9	7,823,973	25.0	6,039,208	50.6	447,436	10.9
15 under 20 percent	7,080,487	5.1	56,103	0.1	2,713,947	8.7	2,930,376	24.5	1,380,062	33.7
20 under 25 percent	1,720,137	1.2	20,475	[2]	15,934	0.1	391,623	3.3	1,292,105	31.6
25 under 30 percent	712,572	0.5	10,712	[2]	3,590	[2]	8,426	0.1	689,844	16.8
30 under 35 percent	116,426	0.1	5,098	[2]	1,588	[2]	688	[2]	109,053	2.7
35 under 40 percent	635	[2]	4	[2]	14	[2]	6	[2]	611	[2]
40 under 45 percent	608	[2]	40	[2]	19	[2]	325	[2]	224	[2]
45 under 50 percent	174	[2]	0	0.0	14	[2]	0	0.0	160	[2]
50 under 60 percent	540	[2]	** 164	** [2]	** 123	** [2]	4	[2]	260	[2]
60 under 70 percent	229	[2]	**	**	**	**	30	[2]	191	[2]
70 under 80 percent	24	[2]	**	**	**	**	10	[2]	11	[2]
80 percent or more	7,294	[2]	7,075	[2]	50	[2]	158	[2]	12	[2]

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

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

# High-Income Tax Returns for 2006

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**Table 12. Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2006**

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b>	<b>138,394,754</b>	<b>100.0</b>	<b>92,246,123</b>	<b>100.0</b>	<b>29,995,324</b>	<b>100.0</b>	<b>12,088,423</b>	<b>100.0</b>	<b>4,064,883</b>	<b>100.0</b>
<b>Returns without worldwide income tax</b>	<b>43,669,631</b>	<b>31.6</b>	<b>42,486,200</b>	<b>46.1</b>	<b>1,142,077</b>	<b>3.8</b>	<b>37,230</b>	<b>0.3</b>	<b>4,123</b>	<b>0.1</b>
<b>Returns with worldwide income tax</b>	<b>94,725,123</b>	<b>68.4</b>	<b>49,759,923</b>	<b>53.9</b>	<b>28,853,247</b>	<b>96.2</b>	<b>12,051,193</b>	<b>99.7</b>	<b>4,060,760</b>	<b>99.9</b>
<b>Effective tax rate:</b>										
Under 5 percent	28,549,435	20.6	23,082,194	25.0	5,034,854	16.8	406,974	3.4	25,413	0.6
5 under 10 percent	36,046,459	26.0	20,559,406	22.3	13,203,329	44.0	2,203,925	18.2	79,799	2.0
10 under 15 percent	20,450,495	14.8	6,015,275	6.5	7,953,195	26.5	6,086,430	50.3	395,595	9.7
15 under 20 percent	7,016,410	5.1	45,211	[2]	2,634,922	8.8	2,942,183	24.3	1,394,094	34.3
20 under 25 percent	1,737,289	1.3	23,074	[2]	13,157	[2]	389,224	3.2	1,311,834	32.3
25 under 30 percent	731,227	0.5	9,857	[2]	2,954	[2]	9,460	0.1	708,956	17.4
30 under 35 percent	141,678	0.1	7,171	[2]	2,885	[2]	3,357	[2]	128,266	3.2
35 under 40 percent	14,305	[2]	523	[2]	1,310	[2]	2,674	[2]	9,798	0.2
40 under 45 percent	8,640	[2]	537	[2]	1,035	[2]	2,729	[2]	4,339	0.1
45 under 50 percent	4,662	[2]	613	[2]	1,179	[2]	1,637	[2]	1,233	[2]
50 under 60 percent	5,856	[2]	1,080	[2]	2,079	[2]	1,677	[2]	1,020	[2]
60 under 70 percent	2,652	[2]	992	[2]	1,117	[2]	351	[2]	192	[2]
70 under 80 percent	1,850	[2]	1,005	[2]	589	[2]	218	[2]	39	[2]
80 percent or more	14,164	[2]	12,985	[2]	644	[2]	354	[2]	181	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b>	<b>138,394,754</b>	<b>100.0</b>	<b>91,129,221</b>	<b>100.0</b>	<b>31,233,695</b>	<b>100.0</b>	<b>11,936,885</b>	<b>100.0</b>	<b>4,094,953</b>	<b>100.0</b>
<b>Returns without worldwide income tax</b>	<b>43,669,631</b>	<b>31.6</b>	<b>42,368,437</b>	<b>46.5</b>	<b>1,253,494</b>	<b>4.0</b>	<b>43,377</b>	<b>0.4</b>	<b>4,322</b>	<b>0.1</b>
<b>Returns with worldwide income tax</b>	<b>94,725,123</b>	<b>68.4</b>	<b>48,760,784</b>	<b>53.5</b>	<b>29,980,200</b>	<b>96.0</b>	<b>11,893,508</b>	<b>99.6</b>	<b>4,090,631</b>	<b>99.9</b>
<b>Effective tax rate:</b>										
Under 5 percent	29,262,525	21.1	22,940,112	25.2	5,909,907	18.9	384,214	3.2	28,292	0.7
5 under 10 percent	35,118,648	25.4	19,446,536	21.3	13,473,595	43.1	2,098,772	17.6	99,745	2.4
10 under 15 percent	20,593,527	14.9	6,272,074	6.9	7,842,915	25.1	6,043,365	50.6	435,174	10.6
15 under 20 percent	7,116,536	5.1	57,908	0.1	2,728,761	8.7	2,949,945	24.7	1,379,923	33.7
20 under 25 percent	1,744,680	1.3	20,717	[2]	18,613	0.1	401,455	3.4	1,303,895	31.8
25 under 30 percent	739,691	0.5	10,723	[2]	4,046	[2]	11,368	0.1	713,554	17.4
30 under 35 percent	135,379	0.1	5,098	[2]	1,984	[2]	2,882	[2]	125,415	3.1
35 under 40 percent	3,876	[2]	4	[2]	111	[2]	458	[2]	3,302	0.1
40 under 45 percent	1,166	[2]	40	[2]	50	[2]	578	[2]	498	[2]
45 under 50 percent	401	[2]	50	[2]	24	[2]	50	[2]	276	[2]
50 under 60 percent	760	[2]	** 174	** [2]	** 144	** [2]	161	[2]	302	[2]
60 under 70 percent	312	[2]	**	**	**	**	81	[2]	214	[2]
70 under 80 percent	39	[2]	**	**	**	**	21	[2]	14	[2]
80 percent or more	7,582	[2]	7,348	[2]	50	[2]	158	[2]	26	[2]

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

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

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

by Scott Hollenbeck and Maureen Keenan Kahr

In 2006, about 335,000 U.S. taxpayers living abroad reported approximately \$36.7 billion in foreign-earned income, an increase in real percentage terms of 17.7 percent from 2001 (the last time this study was done). Nearly \$18.4 billion were claimed by U.S. taxpayers as a foreign-earned income exclusion on their tax returns. Between 2001 and 2006, the inflation-adjusted amount of the foreign-earned income exclusion increased by 14.6 percent, while the housing exclusion decreased by 38.7 percent, falling from approximately \$2.2 billion for 2001 to just over \$1.3 billion for 2006.

In contrast to the relatively moderate growth in the foreign-earned income exclusion, foreign-source gross income and foreign tax credits increased greatly since 2001. Between 2001 and 2006, inflation-adjusted foreign-source gross income reported on Form 1116 grew 86.6 percent, and real foreign tax credits claimed grew 53.9 percent. For 2006, U.S. taxpayers claimed foreign tax credits totaling nearly \$11.0 billion on 6.4 million returns; these credits were based on a reported \$120.0 billion in foreign-source gross income and \$13.9 billion in foreign taxes paid or accrued.

For 2006, the largest amount of total foreign-earned income from any continent was reported on returns from Asia, a change from 2001 when Europe was highest. These U.S. taxpayers reported \$14.7 billion of total foreign-earned income for 2006, a 29.1-percent increase in real growth from the \$11.4 billion reported for 2001. Some of this growth was attributable to returns with a tax home of Iraq with over \$1.8 billion reported in total foreign-earned income for 2006, after no returns were filed for Iraq in 2001. The growth in Asia was also driven by U.S. taxpayers in China reporting a real increase of 110.2 percent, to just over \$1.7 billion; and with taxpayers in the United Arab Emirates reporting an increase of 80.2 percent, to \$0.8 billion.

European-based U.S. taxpayers reported the second largest amount of foreign-earned income with over \$13.3 billion, which was a real increase of just 10.2 percent from 2001. The United Kingdom continued to lead all countries with over \$6.2 billion in foreign-earned income reported and accounted for nearly half of all European-based returns. The

amount reported for the United Kingdom was an actual decrease of 0.6 percent from the 2001 amount of \$6.3 billion, while the overall European-based growth was driven by increases from Switzerland (37.9 percent), Germany (22.8 percent), and France (11.8 percent).

Total foreign-earned income reported for North American-based taxpayers grew by 21.0 percent for 2006, and was driven by a 31.5-percent increase for Canada, to nearly \$2.7 billion. Over 57 percent of all taxpayers reporting foreign-earned income had no U.S. tax liability for 2006. As with foreign-earned income, among individual countries, the United Kingdom had the highest foreign-source gross income and foreign taxes paid, with \$11.9 billion and \$3.0 billion, respectively.

In contrast to their foreign-earned income, European countries, with \$24.8 billion in foreign-source gross income and \$5.4 billion in foreign taxes paid, continued to be the largest source of both of these measures. However, of all the regions, Europe had the lowest growth from 2001 (32.1 percent for foreign-source gross income and 13.4 percent for foreign taxes). In contrast, foreign-source gross income grew 186.6 percent in real percentage terms for Latin/South America, and taxes grew by 36.5 percent in real percentage terms for North America.

## Overview of Foreign-Earned Income Provisions

In an effort to increase U.S. participation in foreign trade, a Federal income tax law was passed in 1926, which allowed for an exclusion of foreign-earned income from taxes. Under the 2006 version of the law, section 911 of the Internal Revenue Code, qualified U.S. citizens or resident aliens living and working abroad could elect to exclude a certain amount of foreign-earned income and an excess foreign housing cost. The election was made separately for each of the exclusions.

To qualify, an individual must have had a foreign tax home and satisfied either the bona fide residence or physical presence test. Only U.S. citizens could use the bona fide residence test. The bona fide residence test was generally satisfied if the individual had established and maintained residence in a foreign country for an uninterrupted period that included an entire taxable year. An individual would not be considered a resident if a statement was submitted to the

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taxing authorities of the foreign country indicating nonresidency and the foreign country did not subject the individual to foreign income taxation. Under the physical presence test, an individual had to be present in a foreign country during at least 330 full days during any period of 12 consecutive months.

In general, earned income was compensation received for personal services. Thus, wages, salaries, and professional fees qualified as earned income for purposes of the exclusion. Taxpayers engaged in a trade or business that used both capital and services to produce income could treat as earned income any reasonable amount that did not exceed 30 percent of the taxpayer's share of the net profits of the trade or business. Earned income also included employer-provided allowances or such reimbursements as cost-of-living allowances, overseas compensation differentials, quarters, education allowances, and the full rental value of property or facilities provided by the employer.

To qualify for the exclusions, the earned income had to be foreign-earned income. In general, it would be foreign-earned income if personal services were performed in a foreign country. The actual location of the employer and employee at the time compensation was received did not affect this determination. Not included in foreign-earned income were pensions, annuities, compensation by the U.S. Government, and income excluded by an employer to compensate for meals and lodging provided for the employer's convenience.

For 2006, the maximum amount of foreign-earned income that could be excluded was \$82,400, prorated on a daily basis for the qualifying period. (For 2001, the maximum amount of foreign-earned income that could be excluded was \$78,000.) If both the foreign-earned income and housing exclusion were elected, the foreign housing exclusion was calculated first. The foreign-earned income exclusion was then limited to the excess of foreign-earned income over the housing exclusion.

Qualified housing expenses were reasonable housing costs paid or incurred during the tax year.

In general, they included such expenses as utilities, insurance, and rent. The excess housing cost amount was equal to the individual's qualified housing expenses for the tax year over a base-level amount (\$13,184 for 2006) prorated on a daily basis.

To the extent these were employer-provided amounts, the excess housing cost amount was allowed as a foreign housing exclusion. Housing costs related to self-employment were allowed as a foreign housing deduction in computing adjusted gross income. The foreign housing deduction was limited to the excess of foreign-earned income over the sum of foreign-earned income and housing exclusions. Any excess housing amount that was not deductible could be carried over to the following tax year.

In addition to the exclusions (foreign-earned income and housing) and the housing deduction, individuals could also claim a foreign tax credit (discussed in more detail in the *Foreign Tax Credit Overview* section) for foreign income taxes paid or accrued on two types of foreign-source income: (1) foreign-earned income for which the foreign-earned income exclusion was not claimed, and (2) foreign-source income that did not qualify for the exclusions or deduction.

U.S. taxpayers filed Form 2555, *Foreign Earned Income*, with Form 1040, *U.S. Individual Income Tax Return*, to claim the exclusions and the housing deduction. For 2006, of the 138.4 million individual income tax returns filed with the Internal Revenue Service, an estimated 334,851 had a Form 2555 attached, slightly more than 0.2 percent of the total.<sup>1</sup> Tables 1 and 2 present statistics for individual income tax returns reporting the foreign-earned income exclusion, foreign housing exclusion, and foreign housing deduction.

## Total Foreign-Earned Income

For 2006, the total amount of foreign-earned income reported by U.S. individuals was over \$36.7 billion, a real increase of 17.7 percent from the 2001 inflation-adjusted amount of \$31.2 billion. This represents a real annual growth rate of 3.3 percent from 2001.<sup>2,3</sup>

<sup>1</sup> Data for all taxpayers who filed a Form 1040 for 2006 cited in this article are from *Statistics of Income, Individual Income Tax Returns 2006*, Publication 1304.

<sup>2</sup> Data in this article are compared to 2001 data because this is the last year for which comparable statistics are available.

<sup>3</sup> For comparability, 2001 amounts presented in this article are adjusted for U.S. inflation to 2006 constant dollars. However, these adjustments do not necessarily adjust for country-specific inflation in the various foreign countries for which income was reported. The inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) computed and reported by the U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. The consumer price index represents annual averages of monthly indices and approximates buying patterns of typical urban consumers.

Year	CPI-U
2006	201.6
2001	177.1

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This increase can be attributed to an increase in the number of returns filing for the exclusion, along with an increase in the average amount of foreign-earned income reported per return. From 2001 to 2006, approximately forty thousand more returns were filed by taxpayers for the exclusion, resulting in a 13.6-percent increase. Also, during this same period, the average amount of total foreign-earned income per return increased approximately 3.6 percent in real terms, from an average of \$105,890 for 2001 to \$109,716 for 2006.

Of the nearly 335,000 returns filed with a Form 2555 attached for 2006, returns with a tax home of Canada, the United Kingdom, Japan, Germany, and Iraq represented about 36.4 percent of the total number of returns filed. About 9.0 percent reported Canada; 8.5 percent, the United Kingdom; 7.0 percent, Japan; 6.4 percent, Germany; and 5.5 percent, Iraq as tax homes.

In 2006, slightly over twenty-four thousand taxpayers reported a tax home of Iraq or Afghanistan, compared to zero for 2001. For 2001, taxpayers were not allowed to declare Iraq as a tax home for the purpose of filing a Form 2555, as it was listed as one of the countries falling under travel restrictions.

The number of returns reporting China as a tax home increased by 143.6 percent from 2001. The introduction of returns with foreign-earned income from Iraq and Afghanistan plus this huge growth in China, along with more modest increases in the number of returns from other Asian tax homes, led to an overall increase in Asian-based returns of 41.6 percent (Figure A). Thus, for 2006, more returns with foreign-earned income were reported for Asia (about 139,000) than were for Europe (slightly less than 100,000). This represents a reversal from 2001 when most returns were from Europe.

Along with number of returns, the largest increases in total earned income were seen in Asian-based countries, which reported just under \$14.7 billion in foreign-earned income for 2006, an increase of 29.1 percent from 2001. Also showing significant real increases from 2001 to 2006 were income from North American-based countries, which grew by 21.0 percent, and income from European-based countries, which grew by 10.2 percent. The latter occurred de-

spite the number of returns from Europe declining by 5.5 percent from 2001. The only areas where total foreign-earned income decreased from 2001 to 2006 (by 16.7 percent) were Latin/South American-based countries. This is in sharp contrast to the 2001 data for Latin/South American-based countries, at which time foreign-earned income for these countries had grown by 18.3 percent from the 1996 study.<sup>4</sup>

Remarkable growth was seen in total foreign-earned income reported by China-based individuals for 2006, with the total amount of foreign-earned income growing by 110.2 percent in real terms, from approximately \$0.8 billion for 2001 to over \$1.7 billion for 2006. United Kingdom-based individuals still reported the largest amount of foreign-earned income in 2006, with just over \$6.2 billion claimed. The slight decrease of 0.6 percent in foreign-earned income reported by United Kingdom-based individuals, along with the rapid growth in several other countries, saw their percentage share of total foreign-earned income decrease from 20.1 percent for 2001 to 17.0 percent for 2006. The difference in total foreign-earned income reported between United Kingdom-based returns and returns with the second largest source of foreign-earned income, in this case Canada, was \$3.6 billion. For 2001, the gap in total foreign-earned income reported between the two tax homes reporting the largest source of foreign income (then United Kingdom-based returns and Japan-based returns) was approximately \$3.7 billion.

Figure B shows the countries with the largest amounts of foreign-earned income reported on individual tax returns for 2006. Approximately 52.0 percent of the total foreign-earned income reported on individual tax returns for 2006 was reported by individuals with tax homes in the United Kingdom (17.0 percent), Canada (7.3 percent), Japan (5.7 percent), Hong Kong (5.0 percent), Iraq (5.0 percent), Germany (4.7 percent), China (4.7 percent), and Switzerland (2.7 percent). Five of the eight countries shown in the figure were listed among the eight countries with the largest amounts of income for the 2001 study, with Iraq, China, and Switzerland replacing Singapore, Saudi Arabia, and France. As for the order of countries, the only movement among the top four countries was Canada moving ahead of Japan.

<sup>4</sup> See Curry, Jeff, and Maureen Keenan Kahr, "Individual Foreign-Earned Income and Foreign Tax Credit, 2001," *Statistics of Income Bulletin*, Spring 2004, Volume 23, Number 4.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Figure A**

## Foreign-Earned Income, Exclusion, and Housing Deduction, by Selected Country or Region, Tax Years 2001 [1] and 2006

[Money amounts are in thousands of dollars]

Selected country or region	Number of returns [2]			Total foreign-earned income			Foreign-earned income exclusion before deductions		
	2001	2006	Percentage change	2001	2006	Percentage change	2001	2006	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All geographic areas</b>	<b>294,763</b>	<b>334,851</b>	<b>13.6</b>	<b>31,212,403</b>	<b>36,738,574</b>	<b>17.7</b>	<b>16,020,249</b>	<b>18,357,200</b>	<b>14.6</b>
<b>North America</b>	<b>30,493</b>	<b>36,179</b>	<b>18.6</b>	<b>2,684,826</b>	<b>3,248,559</b>	<b>21.0</b>	<b>1,498,677</b>	<b>1,778,374</b>	<b>18.7</b>
Canada	24,790	30,067	21.3	2,032,392	2,671,963	31.5	1,156,688	1,459,721	26.2
Other North America	5,703	6,112	7.2	652,435	576,596	-11.6	341,990	318,653	-6.8
<b>Asia</b>	<b>98,037</b>	<b>138,795</b>	<b>41.6</b>	<b>11,362,109</b>	<b>14,672,274</b>	<b>29.1</b>	<b>5,796,812</b>	<b>7,922,615</b>	<b>36.7</b>
China	5,103	12,430	143.6	814,666	1,712,601	110.2	317,672	742,633	133.8
Hong Kong	12,476	10,792	-13.5	1,974,007	1,844,813	-6.5	815,191	689,045	-15.5
Iraq	0	18,325	[3]	0	1,827,813	[3]	0	1,187,886	[3]
Israel	8,491	8,986	5.8	589,960	506,127	-14.2	459,810	401,871	-12.6
Japan	24,578	23,529	-4.3	2,605,814	2,106,707	-19.2	1,254,999	1,115,473	-11.1
Saudi Arabia	7,449	5,109	-31.4	953,731	617,179	-35.3	557,431	365,144	-34.5
Singapore	4,624	3,636	-21.4	973,843	747,901	-23.2	373,045	261,410	-29.9
South Korea	4,885	6,668	36.5	515,117	694,003	34.7	262,378	349,846	33.3
UAE	4,100	7,423	81.0	421,592	759,629	80.2	261,369	505,403	93.4
Other Asia	26,331	41,900	59.1	2,513,379	3,855,499	53.4	1,494,917	2,303,901	54.1
<b>Europe</b>	<b>105,590</b>	<b>99,732</b>	<b>-5.5</b>	<b>12,078,032</b>	<b>13,306,949</b>	<b>10.2</b>	<b>5,669,833</b>	<b>5,483,891</b>	<b>-3.3</b>
France	8,975	9,653	7.6	845,026	944,881	11.8	461,367	494,997	7.3
Germany	23,432	21,513	-8.2	1,399,274	1,718,890	22.8	934,915	1,050,100	12.3
Switzerland	6,370	7,093	11.4	723,505	997,485	37.9	403,793	459,225	13.7
United Kingdom	33,344	28,409	-14.8	6,279,710	6,238,909	-0.6	2,122,894	1,725,794	-18.7
Other Europe	33,469	33,067	-1.2	2,830,518	3,406,783	20.4	1,746,864	1,753,774	0.4
<b>Latin/South America</b>	<b>15,307</b>	<b>13,911</b>	<b>-9.1</b>	<b>1,397,818</b>	<b>1,164,998</b>	<b>-16.7</b>	<b>790,362</b>	<b>677,079</b>	<b>-14.3</b>
<b>Oceania</b>	<b>11,521</b>	<b>9,724</b>	<b>-15.6</b>	<b>847,406</b>	<b>851,543</b>	<b>0.5</b>	<b>563,327</b>	<b>536,464</b>	<b>-4.8</b>
Australia	7,864	6,420	-18.4	671,787	661,928	-1.5	400,726	387,338	-3.3
Other Oceania	3,657	3,305	-9.6	175,619	189,615	8.0	162,601	149,126	-8.3
<b>Other</b>	<b>33,815</b>	<b>36,510</b>	<b>8.0</b>	<b>2,842,212</b>	<b>3,494,251</b>	<b>22.9</b>	<b>1,701,238</b>	<b>1,958,777</b>	<b>15.1</b>

Selected country or region	Housing exclusion			Housing deduction		
	2001	2006	Percentage change	2001	2006	Percentage change
	(10)	(11)	(12)	(13)	(14)	(15)
<b>All geographic areas</b>	<b>2,180,244</b>	<b>1,336,430</b>	<b>-38.7</b>	<b>104,808</b>	<b>83,632</b>	<b>-20.2</b>
<b>North America</b>	<b>71,389</b>	<b>27,640</b>	<b>-61.3</b>	<b>379</b>	<b>475</b>	<b>25.3</b>
Canada	18,364	11,865	-35.4	165	* 158	-4.2
Other North America	53,024	15,775	-70.2	214	* 318	48.6
<b>Asia</b>	<b>1,155,233</b>	<b>644,989</b>	<b>-44.2</b>	<b>53,178</b>	<b>38,665</b>	<b>-27.3</b>
China	88,171	112,418	27.5	4,410	2,788	-36.8
Hong Kong	338,752	194,828	-42.5	18,607	13,395	-28.0
Iraq	0	* 2,290	[3]	0	* 829	[3]
Israel	4,674	650	-86.1	191	145	-24.1
Japan	354,873	133,821	-62.3	19,404	10,139	-47.7
Saudi Arabia	16,872	6,352	-62.4	484	* 4	-99.2
Singapore	148,097	52,724	-64.4	3,077	683	-77.8
South Korea	54,841	38,858	-29.1	* 466	2,976	539.2
UAE	34,755	27,230	-21.7	* 2,518	3,240	28.7
Other Asia	114,198	75,817	-33.6	4,022	4,469	11.1
<b>Europe</b>	<b>721,207</b>	<b>544,843</b>	<b>-24.5</b>	<b>43,085</b>	<b>37,640</b>	<b>-12.6</b>
France	40,260	38,712	-3.8	3,485	3,793	8.8
Germany	35,427	51,291	44.8	1,443	3,460	139.8
Switzerland	41,871	49,381	17.9	2,723	1,467	-46.1
United Kingdom	482,708	296,566	-38.6	27,260	22,323	-18.1
Other Europe	120,940	108,894	-10.0	8,173	6,598	-19.3
<b>Latin/South America</b>	<b>108,091</b>	<b>30,066</b>	<b>-72.2</b>	<b>2,509</b>	<b>868</b>	<b>-65.4</b>
<b>Oceania</b>	<b>27,101</b>	<b>11,943</b>	<b>-55.9</b>	<b>370</b>	<b>* 49</b>	<b>-86.8</b>
Australia	26,751	11,479	-57.1	370	* 48	-87.0
Other Oceania	349	* 465	33.2	0	* 1	[4]
<b>Other</b>	<b>97,224</b>	<b>76,949</b>	<b>-20.9</b>	<b>5,287</b>	<b>5,934</b>	<b>12.2</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] Forms 2555.

[3] Percentage not computed.

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

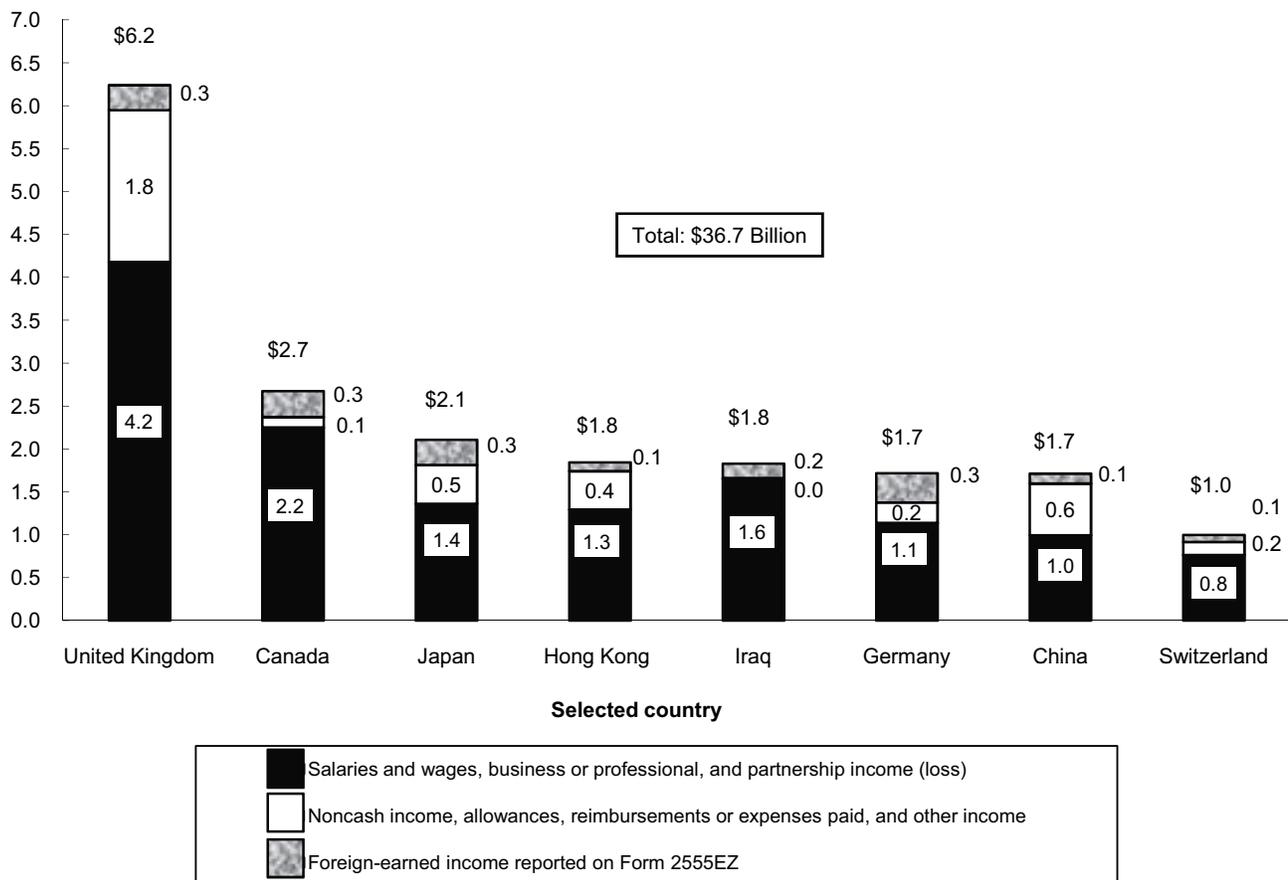
# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Figure B**

## Foreign-Earned Income by Selected Country, Tax Year 2006

Billions of dollars



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

While foreign-earned income decreased in Japan (19.2 percent), Hong Kong (6.5 percent), and the United Kingdom (0.6 percent), it increased in all five other countries.

### Composition of Foreign-Earned Income

For 2006, of the \$36.7 billion in foreign-earned income (cited above), over \$32.8 billion were reported on Form 2555. The remaining \$3.9 billion were reported on Form 2555-EZ. Data related to the composition of foreign-earned income are not available on Form 2555-EZ; therefore, the analysis in the ensuing discussion includes only those amounts reported on Form 2555.

Salaries and wages comprised 72.9 percent of the total foreign-earned income reported for 2006 (Table 1). Along with this, allowances, reimbursements, or expenses paid by employers made up 14.6 percent, and business or professional plus partnership, non-cash, and other income accounted for the remaining 12.5 percent. The average foreign-source salary for a taxpayer filing Form 2555 with wages was approximately \$103,938.

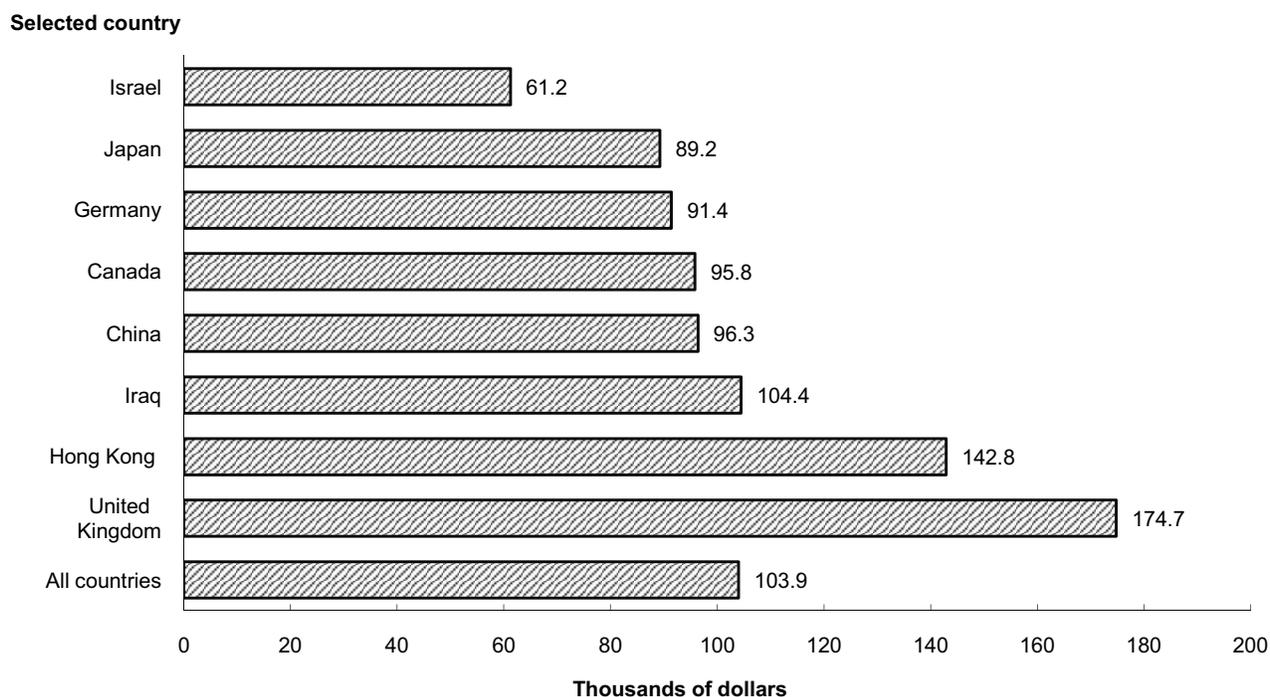
This average, however, varied greatly among the various countries. Figure C shows that, of the top eight countries (those with the largest number of Forms 2555 attached), returns from the United Kingdom reported the highest average salary at \$174,700,

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Figure C

### Average Foreign Salaries and Wages Earned by U.S. Taxpayers Reporting Wages on Form 2555, by Selected Country, Tax Year 2006



while Israel reported the lowest with an average salary of \$61,189. The average salary reported for United Kingdom returns increased by nearly \$29,000 (in real dollars) from 2001. Also, for 2006, the difference in average salary between the United Kingdom and Hong Kong (which had the second highest average salary) was just under \$32,000. The United Kingdom and Hong Kong were also the top two countries based on average salary for the 2001 study, where the difference was just over \$29,500.

### Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction

For 2006, the amount of exclusion for foreign-earned income grew from 2001 by 14.6 percent (in real terms), to \$18.4 billion. This growth in the foreign-earned income exclusion occurred while the amount of foreign-earned income that could be excluded per taxpayer increased from \$78,000 to \$82,400 during this same period.

The amount of housing exclusion reported fell by approximately 38.7 percent, from an inflation-adjusted \$2.2 billion for 2001 to \$1.3 billion for 2006. The housing deduction also declined in real terms (20.2 percent), to a total of \$83.6 million reported for 2006.

A portion of the declines in both the housing exclusion and housing deduction can be attributed to new limits placed on the amount of housing expenses that were eligible for the exclusion or deduction, beginning in Tax Year 2006. In general a limit of \$24,720 was placed on eligible housing expenses. However, taxpayers could take a higher expense amount if they resided in specific countries or cities which were listed by the IRS in the instructions for Form 2555, *Foreign Earned Income*.

For 2006, individuals with a tax home of the United Kingdom reported the highest amount of exclusions for foreign-earned income at over \$1.7 billion. However, this was a decline of 18.7 percent

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from the inflation-adjusted \$2.1 billion excluded in 2001 (Figure A). Canada-based taxpayers reported the second largest amount at nearly \$1.5 billion in exclusions for foreign-earned income, up 26.2 percent from 2001.

The tax home with the third highest amount reported was Iraq, with nearly \$1.2 billion, after having no exclusions reported in 2001. Iraq was one of three countries listed by the U.S. as falling under travel restrictions in 2001.<sup>5</sup> Income earned in any country on the list was not considered foreign-earned income. Housing expenses were not considered qualified if they were incurred while in one of the listed countries. The restriction on income and housing expenses for Iraq lasted from August 1990 until July 2004, with exceptions starting in 2003. Much of the overall growth in Asia-based countries, 36.7 percent, can be attributed to the 133.8-percent growth in China to \$0.7 billion, along with the previously mentioned new reporting from Iraq and Afghanistan.

As cited above, approximately \$1.3 billion in housing exclusions were reported by individual taxpayers for 2006, down about 38.7 percent from the \$2.2 billion reported for 2001. Of this \$1.3 billion reported for 2006, 22.2 percent was reported by individuals with a tax home of United Kingdom; 14.6 percent, Hong Kong; 10.0 percent, Japan; and 8.4 percent, China. Of all the countries represented in Figure A, only Germany (44.8 percent), China (27.5 percent), and Switzerland (17.9 percent) showed increases in the amount of housing exclusion claimed for 2006.

The housing deduction is used by taxpayers with foreign-earned income to increase their total statutory adjustments, thus decreasing adjusted gross income. For 2006, just over \$83.6 million were reported by all taxpayers for the housing deduction, down from the inflation-adjusted \$104.8 million claimed for 2001, a decrease of 20.2 percent. The average housing deduction for those taxpayers claiming the deduction was \$21,178 for 2006.

Individual taxpayers claiming both the foreign-earned income and housing exclusions, along with the housing deduction, reported worldwide income of over \$57.0 billion for 2006. These taxpayers used the aforementioned exclusions and deduction to reduce their worldwide incomes by nearly \$19.8

billion, or almost 35 percent. Approximately 57.4 percent of all taxpayers with foreign-earned income, after claiming the foreign-earned income and housing exclusion, housing deduction, and any foreign tax credit to which they were entitled, had no U.S. income tax liability. This is up from 54.6 percent for 2001.

Starting in 2006, individual taxpayers reporting foreign-earned income on their tax returns were instructed to use a new foreign-earned income tax worksheet to figure out their tax. This worksheet calculated tax on nonexcluded income using tax rates that would have applied had they not claimed the exclusion. The change in the calculation affected nearly 139,000 returns and resulted in an additional \$806 million in tax.

## Overview of Foreign Tax Credit Provisions

For 2006, U.S. taxpayers with income from sources outside the United States, regardless of their residency, could claim a credit against their U.S. income tax liabilities for most foreign taxes they paid or accrued (except for taxes paid on income excluded under the foreign-earned income provisions). The purpose of the credit, originally created in 1918, is to avoid double taxation on foreign-source income, since the United States taxes its citizens and resident aliens based on their worldwide incomes.

The foreign tax credit is subject to a limitation based on the taxpayer's total U.S. income tax liability. These limitations prevent taxpayers from using foreign taxes paid in relatively high tax rate countries to offset taxes paid on their U.S.-source incomes. The limitation is computed separately for the following categories of foreign-source income: passive income, high withholding tax interest, financial services income, shipping income, dividends from an Interest-Charge Domestic International Sales Corporation (IC-DISC), distributions from a Foreign Sales Corporation (FSC), lump-sum distributions from certain retirement plans, Section 901(j) income, certain income resourced by a treaty, and other (general limitation) income.<sup>6</sup> The allowable credits for each type of foreign-source income are then added together.

Passive income generally includes dividends, interest, rents, royalties, and annuities. High withholding tax interest is foreign interest income that

<sup>5</sup> Cuba and Libya were also listed.

<sup>6</sup> Foreign income reported in the IC-DISC (Interest-Charge Domestic International Sales Corporation) category may include dividends from a former DISC (Domestic International Sales Corporation). The IC-DISC entity was created by the Deficit Reduction Act of 1984 and replaced the DISC.

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is subject to a gross withholding tax of at least 5 percent. Financial services income includes income derived by a financial service entity engaged in banking, financing, or insurance. Shipping income is income from the use of any aircraft or vessel in foreign commerce or income derived from space and ocean activities. IC-DISC dividends are dividend income from domestic international sales corporations dealing with exports, to the extent these dividends are treated as foreign. FSC distributions are derived from earnings and profits attributable to foreign trade income. Lump-sum distributions are distributions from a retirement plan that are subject to U.S. tax using income averaging. Section 901(j) income is income earned from activities conducted in a sanctioned country; no credit is allowed for taxes paid or accrued to sanctioned countries.<sup>7</sup> Certain income re-sourced by treaty allows specific types of income to be treated as foreign-source income if there is a tax treaty that treats it as such and the treaty is applied. General limitation income is all other foreign income from sources outside the United States.

In general, for taxpayers who file Form 1116, *Foreign Tax Credit*, with Form 1040, the limitation on the foreign tax credit for each type of income is calculated by multiplying the total U.S. income tax liability before credits by the ratio of the foreign-source taxable income for that type of income to total U.S. taxable income.<sup>8</sup> However, not all taxpayers who claim the foreign tax credit file Form 1116 (see Data Sources and Limitations). Foreign taxes paid in excess of the limitation can be carried back 1 year and then forward up to 10 years. Taxes carried to another year are added to taxes available for credit for that year for the same limitation income. Tables 3 through 5 present statistics on the foreign tax credit and related foreign-source income reported on individual income tax returns.

## Foreign-Source Gross Income

Foreign-source gross income is all income earned outside the United States, except for income used to

claim the foreign-earned income exclusion. Taxpayers reported \$120.0 billion in foreign-source gross income for 2006. This represents approximately 10.1 percent of total worldwide income for those taxpayers who reported foreign-source gross income and about 1.5 percent of total worldwide income for all U.S. taxpayers. These statistics include only foreign-source gross income reported on Form 1116, because some taxpayers with foreign-source gross income do not file Form 1116.<sup>9</sup> Between 2001 and 2006, foreign-source gross income grew 86.6 percent

**Figure D**

### Selected Income, Exclusion, Deduction, and Credit Items, Tax Years 2001 and 2006

[Money amounts are in thousands of dollars]

Item	2001 [1]	2006	Percentage change
	(1)	(2)	(3)
<b>Worldwide income [2]</b>	<b>7,111,026,545</b>	<b>8,164,179,385</b>	<b>14.8</b>
<b>Form 2555</b>			
Total foreign-earned income	31,212,403	36,738,574	17.7
Foreign-earned income exclusion before deductions	16,020,249	18,357,200	14.6
Housing exclusion	2,180,244	1,336,430	-38.7
Housing deduction	104,808	83,632	-20.2
<b>Form 1116</b>			
Foreign-source gross income	64,272,272	119,963,255	86.6
Foreign tax credit	7,119,589	10,958,470	53.9

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

in real percentage terms, whereas worldwide income reported on all individual U.S. tax returns grew only 14.8 percent during that period (Figure D).

Of the \$120.0 billion in foreign-source gross income, nearly \$63.1 billion, representing 52.6 percent, were reported without a specific country being stated, while \$56.9 billion were reported for a specific country.<sup>10</sup> The top five countries with the most in

<sup>7</sup> A foreign tax credit is not allowed for foreign taxes paid or accrued to countries sanctioned by the U.S. Government. Nevertheless, a foreign tax credit limitation is computed for each sanctioned country. For 2006, the countries are Cuba, Iran, North Korea, Sudan, and Syria.

<sup>8</sup> For income from the certain income re-sourced by treaty category, a separate foreign tax credit limitation has to be computed for each amount re-sourced from a treaty country.

<sup>9</sup> Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes that also met certain other conditions, mainly that the foreign-source gross income was from the passive income category and all of the income and any foreign taxes paid on it were reported on a qualified payee statement, did not have to file Form 1116 to claim the foreign tax credit on Form 1040. Also, some taxpayers deduct their foreign taxes on Schedule A rather than taking a credit by filing Form 1116. Therefore, foreign-source income for these taxpayers would not be reported.

<sup>10</sup> The \$63.1 billion of total foreign-source gross income reported without a specific country being stated include \$62.5 billion where the country is not stated, as well as \$0.4 billion for IC-DISC dividends and slightly over \$0.1 billion for FSC dividends.

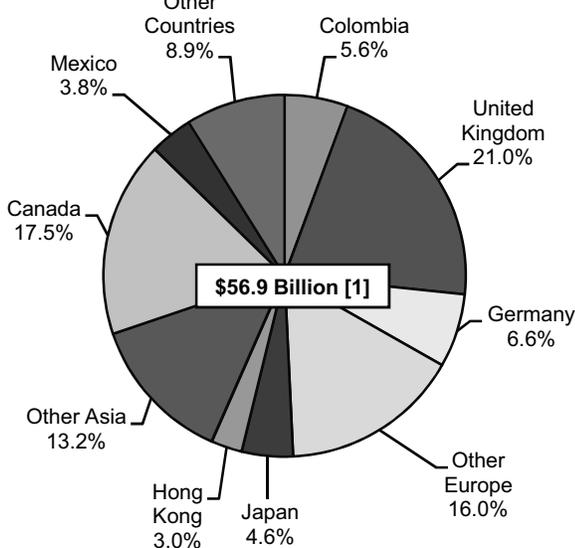
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foreign-source gross income are the United Kingdom with \$11.9 billion, followed by Canada with \$10.0 billion, Germany with \$3.7 billion, Colombia with \$3.2 billion, and Japan with \$2.6 billion. Together, these five countries accounted for 55.3 percent of total foreign-source gross income with a stated country. Separately, 21.0 percent was earned in the United Kingdom, 17.5 percent in Canada, 6.6 percent in Germany, 5.6 percent in Colombia, and 4.6 percent in Japan (Figure E).

**Figure E**

### Foreign-Source Gross Income, by Selected Country or Region, Tax Year 2006



[1] Foreign-source gross income reported on the Form 1116 with stated country or region. Total foreign-source income (including that reported without a country or region) was \$120.0 billion.

NOTE: Percentages may not add to 100 due to rounding.

The overall average foreign-source gross income reported by U.S. taxpayers on Form 1116 was \$40,777. For the top five leading countries mentioned above, the average foreign-source gross income reported was \$93,596, \$41,493, \$88,157, \$2,583,418, and \$53,790, respectively. The high average foreign-source gross income of \$2,583,418 for Colombia was largely the result of a few returns reporting a sizeable foreign-source gross income from

Colombia, while the total number of returns with income from Colombia was a little over 1,200. In contrast, over 125,000 returns reported foreign-source gross income from the United Kingdom.

Among the geographic regions with the most significant foreign-source gross income (see Figure F), the region with the highest growth between 2001 and 2006 was Latin/South America. Foreign-source gross income reported for Latin/South American countries grew 186.6 percent for that period, rising to just over \$4.3 billion for 2006 from an inflation-adjusted \$1.5 billion for 2001. Much of this increase is due to the growth in foreign-source gross income earned in Colombia. Foreign-source gross income reported for Colombia grew 405.1 percent from 2001 to 2006, from \$0.6 billion to \$3.2 billion, and, for 2006, Colombia accounted for 74.2 percent of total foreign-source gross income earned in Latin/South American countries.

Despite the large growth for Latin/South American countries, the amount of foreign-source gross income (\$4.3 billion) for this region was still much smaller than for other regions. Europe had the largest foreign-source gross income at \$24.8 billion (more than double the amount of the next largest region), representing 43.6 percent of all income with a stated country. North America followed with \$12.1 billion and Asia with \$11.7 billion. For additional data on foreign-source gross income by region or country, see Table 4.

### Foreign Taxes and Foreign Tax Credit

For 2006, U.S. taxpayers paid (or accrued) nearly \$13.9 billion in foreign taxes as reported on Form 1116. This was before carrybacks, carryovers, and reductions. Of the top five countries in terms of foreign taxes paid or accrued, the first four, the United Kingdom, Canada, Germany, and Japan, were also the top four countries in both 1996 and 2001.<sup>11, 12</sup> However, the fifth country for 2006 was China, with nearly \$0.5 billion in foreign taxes paid, while the fifth country for 2001 was Australia. Combined, foreign taxes paid or accrued to the top five countries for 2006 accounted for 48.3 percent of the total.

As with foreign-source gross income, the United Kingdom accounted for more of the foreign taxes

<sup>11</sup> See Curry, Jeff and Maureen Keenan Kahr, "Individual Foreign-Earned Income and Foreign Tax Credit, 2001," *Statistics of Income Bulletin*, Spring 2004, Volume 23, Number 4.

<sup>12</sup> See Curry, Jeff; and Maureen Keenan Kahr; and Sarah E. Nutter, "Individual Foreign-Earned Income and Foreign Tax Credit, 1996," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1.

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**Figure F**

## Foreign-Source Gross Income and Foreign Taxes, by Selected Country or Region, Tax Years 2001 and 2006

[Money amounts are in thousands of dollars]

Item, selected country or region	2001 [1]	2006	Percentage change
	(1)	(2)	(3)
<b>Foreign-source gross income, total</b>	<b>64,272,272</b>	<b>119,963,255</b>	<b>86.6</b>
<b>North America</b>	<b>8,166,125</b>	<b>12,133,130</b>	<b>48.6</b>
Canada	6,559,127	9,966,174	51.9
Other North America [2]	1,606,999	2,166,955	34.8
<b>Asia</b>	<b>8,513,439</b>	<b>11,696,581</b>	<b>37.4</b>
China	471,295	1,578,847	235.0
Hong Kong	1,418,253	1,583,595	11.7
Japan	3,263,158	2,596,680	-20.4
Other Asia	3,360,733	5,937,459	76.7
<b>Europe</b>	<b>18,786,658</b>	<b>24,809,573</b>	<b>32.1</b>
Germany	3,372,626	3,742,259	11.0
United Kingdom	9,762,470	11,940,245	22.3
Other Europe	5,651,562	9,127,069	61.5
<b>Latin/South America</b>	<b>1,510,838</b>	<b>4,330,765</b>	<b>186.6</b>
Colombia	636,321	3,213,772	405.1
Other Latin/South America	874,517	1,116,993	27.7
<b>Oceania</b>	<b>1,224,879</b>	<b>1,196,689</b>	<b>-2.3</b>
Australia	1,126,147	1,004,632	-10.8
Other Oceania	98,731	192,056	94.5
<b>Other</b>	<b>26,070,333</b>	<b>65,796,517</b>	<b>152.4</b>
<b>Foreign taxes paid or accrued, total</b>	<b>10,418,903</b>	<b>13,885,215</b>	<b>33.3</b>
<b>North America</b>	<b>1,490,616</b>	<b>2,034,525</b>	<b>36.5</b>
Canada	1,169,267	1,773,465	51.7
Other North America [2]	321,349	261,060	-18.8
<b>Asia</b>	<b>2,055,097</b>	<b>2,348,346</b>	<b>14.3</b>
China	138,629	469,638	238.8
Hong Kong	225,409	270,900	20.2
Japan	789,618	658,674	-16.6
Other Asia	901,441	949,134	5.3
<b>Europe</b>	<b>4,784,855</b>	<b>5,424,521</b>	<b>13.4</b>
Germany	568,211	760,185	33.8
United Kingdom	2,970,532	3,046,948	2.6
Other Europe	1,246,113	1,617,388	29.8
<b>Latin/South America</b>	<b>220,999</b>	<b>286,178</b>	<b>29.5</b>
Colombia	21,281	82,923	289.7
Other Latin/South America	199,718	203,255	1.8
<b>Oceania</b>	<b>372,184</b>	<b>255,492</b>	<b>-31.4</b>
Australia	356,334	232,008	-34.9
Other Oceania	15,851	23,483	48.1
<b>Other</b>	<b>1,495,152</b>	<b>3,536,153</b>	<b>136.5</b>

[1] For comparability, 2001 amounts have been adjusted for inflation to 2006 constant dollars.

[2] For 2001, all the data for Other North America are from Mexico.

NOTES: Detail may not add to totals because of rounding. Data are from Forms 1116.

paid than any other country. Just over \$3.0 billion in foreign taxes were paid or accrued to the United Kingdom (Figure G). This represents 28.5 percent of total foreign taxes paid (excluding foreign taxes paid not attributable to any country). The next largest recipient of foreign taxes paid or accrued was

Canada with \$1.8 billion (16.6 percent), followed by Germany with \$0.8 billion (7.1 percent), and Japan with \$0.7 billion (6.2 percent). Of the \$13.9 billion in foreign taxes paid or accrued, nearly \$3.2 billion, representing approximately 22.9 percent of the total amount, were reported without a stated country.<sup>13</sup>

<sup>13</sup> The \$3.2 billion of total foreign taxes paid or accrued without a specific country being stated include amounts from the IC-DISC dividends and FSC dividends income categories.

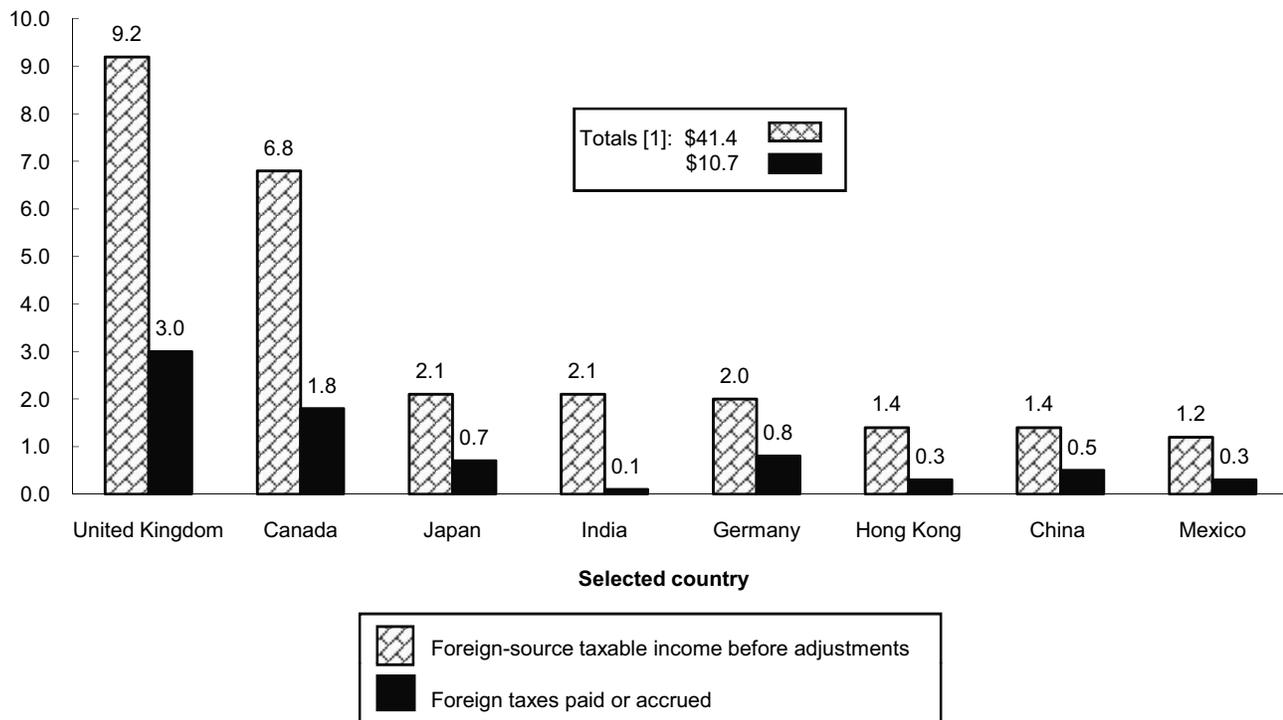
# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Figure G**

## Foreign-Source Taxable Income and Foreign Taxes, by Selected Country, Tax Year 2006

Billions of dollars



[1] Totals represent amounts reported on Form 1116 with stated country or region.  
NOTE: Detail may not add to totals because of rounding. Data are from Forms 1116.

As shown in Figure F, total foreign taxes paid or accrued grew 33.3 percent between 2001 and 2006. Among the most significant regions, North America had the highest growth, 36.5 percent. This was primarily due to the 51.7-percent real growth in foreign taxes paid or accrued to Canada.

Latin/South America showed the next highest growth, 29.5 percent. As for countries in this region, there was substantial growth, 289.7 percent, in foreign taxes paid or accrued to Colombia. However, the amount of foreign taxes paid or accrued to Latin/South American countries, just \$0.3 billion, was still small in comparison to other regions.

As for Asia and Europe, the growth in these areas was more modest. Asia grew 14.3 percent, while Europe grew 13.4 percent. Even with the modest growth, European countries were the largest recipient of foreign taxes paid or accrued at \$5.4 billion. As

the United Kingdom continues to maintain its position as the largest country in terms of foreign taxes paid, the growth has slowed. From 1996 to 2001, foreign taxes paid or accrued to the United Kingdom grew 85.4 percent, but the growth from 2001 to 2006 was only 2.6 percent.

The income type for which most of the nearly \$13.9 billion in foreign taxes reported on Form 1116 were paid or accrued was general limitation income. Slightly over \$11.3 billion in foreign taxes, representing 81.5 percent of the total, were reported for general limitation income. Passive income was the next largest income type, with just over \$2.3 billion (16.7 percent of the total) in foreign taxes. Total foreign taxes available for credit after carrybacks, carryover, and reductions were \$18.1 billion, and the foreign tax credit before adjustments was approximately \$10.7 billion. (See Explanation of Selected

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Terms.) Table 5 presents additional data on foreign taxes, by income type.

For 2006, a foreign tax credit was reported on 6.4 million individual tax returns, an increase of 62.8 percent from the 3.9 million returns for 2001. The foreign tax credit grew in real terms by 53.9 percent between 2001 and 2006, and reached an all-time high of \$11.0 billion for 2006, up \$3.9 billion from the inflation-adjusted \$7.1 billion reported for 2001 (Figure D).

Though the foreign tax credit grew between 2001 and 2006, it did not grow for each of the years in between. For 2002 and 2003, total inflation-adjusted foreign tax credits claimed fell, 6.6 percent and 4.3 percent, respectively, and then increased for the remaining years. The growth for 2004 was 13.4 percent, followed by 34.0-percent growth for 2005, and 13.4-percent growth for 2006 (Figure H). The average foreign tax credit for 2006 was \$1,707, down slightly from \$1,806 (in 2006 constant dollars) for 2001.

## Summary

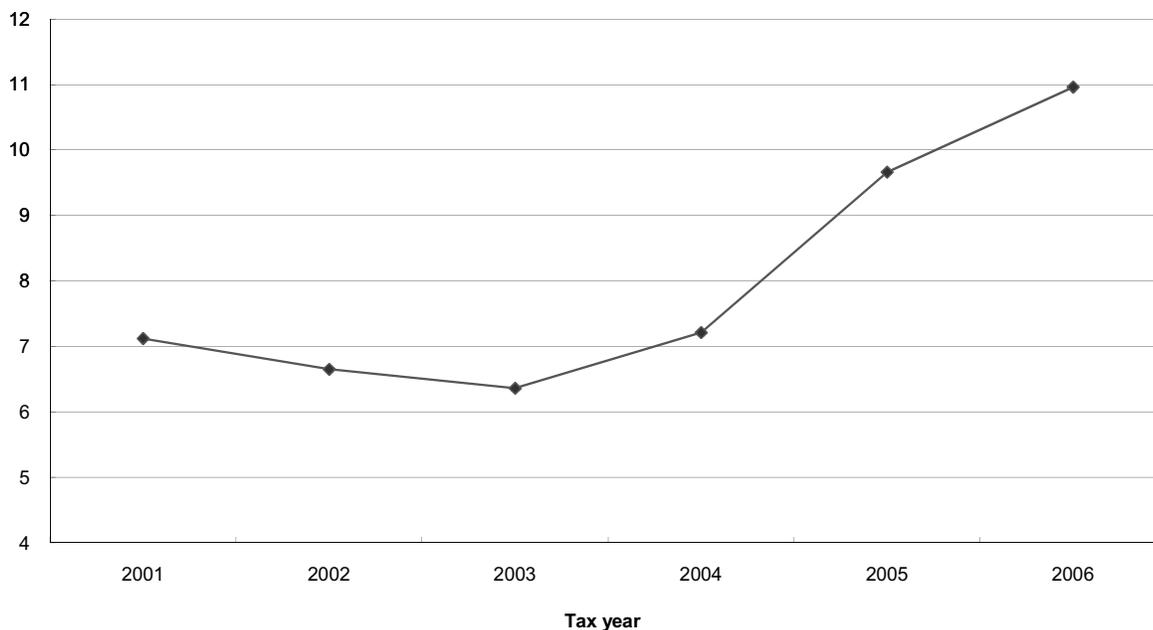
For 2006, the total amount of foreign-earned income reported by U.S. taxpayers grew in real terms by 17.7 percent, to over \$36.7 billion. The largest percentage increase was realized by returns from Asian-based countries, which grew by 29.1 percent, while North American-based countries (21.0 percent) and European-based countries (10.2 percent) grew substantially as well. Latin/South American-based countries saw a decline of 16.7 percent, after showing an increase of 18.3 percent during the 2001 study.

Taxpayers with a tax home in the United Kingdom reported, by far, the most foreign earned income at just over \$6.2 billion. The largest overall growth by an individual country was from China-based taxpayers, which increased 110.2 percent to just over \$1.7 billion. Also showing substantial growth were Switzerland (37.9 percent), South Korea (34.7 percent), Canada (31.5 percent), and Germany (22.8 percent).

### Figure H

#### Foreign Tax Credit, Tax Years 2001-2006

Billions of dollars



NOTE: For comparability, all amounts have been adjusted for inflation to 2006 constant dollars.

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Iraq-based taxpayers reported the fifth highest amount of foreign-earned income, with more than \$1.8 billion, after having no returns in the 2001 study. In contrast with the growth of foreign-earned income for 2006, the total amount of housing exclusion claimed declined by 38.7 percent, from \$2.2 billion reported for 2001 to \$1.3 billion for 2006. The housing deduction also declined in 2006, by 20.2 percent to \$83.6 million.

Foreign-source gross income reported by U.S. taxpayers reached nearly \$120.0 billion for 2006, and the total foreign tax credit claimed was \$11.0 billion for the same period. These amounts represented notable growth in foreign-source gross income and the foreign tax credit from 2001, the last time a study was prepared on these data. For 2006, foreign-source gross income grew, in real terms, 86.6 percent, and the foreign tax credit grew 53.9 percent. As the source of \$24.8 billion in foreign-source gross income and the recipient of \$5.4 billion in foreign taxes paid, European countries were the largest component of these measures. Additionally, a foreign tax credit was claimed on 6.4 million returns, an increase of 62.8 percent from 2001, while the size of the credit grew in real terms by 53.9 percent over this period.

## Data Sources and Limitations

The 2006 data presented in this article are based on a sample of individual income tax returns, Forms 1040, processed during Calendar Year 2007, that have one or more of the following: a foreign tax credit, an attached Form 1116, a foreign-earned income exclusion, housing exclusion or housing deduction, or an attached Form 2555 or Form 2555-EZ. Foreign-source income and taxes are understated in this article to the extent that they either were not nor did not have to be reported on Form 1116 to support the foreign tax credit claimed on Form 1040. Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes who also met certain other conditions were not required to file Form 1116 to claim the foreign tax credit. Therefore, about 61.7 percent of Forms 1040 (as originally filed) with a foreign tax credit did not include the supporting Form 1116. The average foreign tax credit reported on these returns was \$70. Foreign-source income and losses are also understated to the extent that taxpayers who were not eligible for a credit did not

file Form 1116. Taxpayers who had foreign-source income but paid no taxes or had no U.S. tax liability before credits could not claim a foreign tax credit.

About 1.7 percent of the sampled returns with a foreign tax credit or an attached Form 1116 and 13.2 percent of the sampled returns with an attached Form 2555 or Form 2555-EZ were for tax years prior to 2006, reported on delinquent returns processed during the 2006 filing period. These prior-year returns were included as a representation of 2006 returns filed after December 31, 2007. The sampled returns used for the statistics do not reflect adjustments made during audit examination, which determines the acceptability of the reported data.

The sample was stratified based on: (1) the presence or absence of Form 2555, *Foreign Earned Income*, Form 2555-EZ, *Foreign Earned Income Exclusion*, and Form 1116, *Foreign Tax Credit*; (2) presence or absence of other specific forms or schedules; (3) the larger of positive income or negative income; (4) the size of business and farm receipts; and (5) the usefulness of returns for tax policy modeling purposes. The data from Form 2555, *Foreign Earned Income*, and Form 1116, *Foreign Tax Credit*, for 2006 are based on a sample of 104,849 returns and a population of 7,129,627 returns. For a general description of the sampling procedures and data limitations of Statistics of Income tabulations, see *Statistics of Income, Individual Income Tax Returns 2006* and SOI Sampling Methodology and Data Limitations in the back of this issue.

## Explanation of Selected Terms

*Foreign tax credit adjustments*—These include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

*Statutory adjustments*—Certain adjustments to total income were allowed as deductions in the calculation of adjusted gross income. These mainly included Archer MSA deductions, educator expenses, certain business expenses of certain reservists, performing artists, and fee-based government officials, health savings account deduction, moving expenses, the deduction for one-half of self-employment tax, payments to a self-employed Keogh retirement plan or a simplified employee pension (SEP), the self-em-

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ployed health insurance deduction, forfeited interest penalty, alimony paid, payments to an IRA, student loan interest deductions, jury duty pay given to an employer, deduction for certain domestic production activities, tuition and fees deductions, and the foreign housing deduction.

*Foreign-source taxable income*—This is foreign-source gross income less deductions and losses. The deductions include any expenses directly related to foreign-source income, a prorated share of the taxpayer's itemized or standard deductions, and a prorated share of interest expenses.

*Worldwide income*—This is the total income or loss reported on Form 1040 before the foreign-earned income and foreign housing exclusions have been taken. It includes salaries and wages; taxable interest; dividends; taxable refunds of State and local income taxes; alimony received; business income or loss; capital gains or losses, and taxable distributions from an IRA; taxable pensions and annuities; income or loss from rents, royalties, partnerships, S corporations, and estates and trusts; farm income or loss; unemployment compensation; taxable Social Security benefits; and other income or losses.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total number of returns [1]	Selected income, exclusion, deduction, and credit items reported on Form 1040					
		Adjusted gross income or deficit	Worldwide income [2]	Salaries and wages		Foreign-earned income exclusion [3]	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b>	<b>334,851</b>	<b>37,033,327</b>	<b>57,022,480</b>	<b>318,987</b>	<b>43,989,267</b>	<b>329,264</b>	<b>18,154,653</b>
No adjusted gross income	69,986	-279,210	2,789,969	65,201	2,927,578	68,781	3,002,210
\$1 under \$10,000	76,680	254,629	3,802,492	73,193	3,494,941	75,005	3,484,089
\$10,000 under \$25,000	41,416	703,336	3,043,184	39,501	2,663,830	40,162	2,253,692
\$25,000 under \$50,000	39,348	1,435,074	3,791,781	37,924	3,198,543	38,859	2,229,633
\$50,000 under \$75,000	24,327	1,503,491	3,070,108	23,187	2,542,719	24,226	1,443,808
\$75,000 under \$100,000	16,150	1,404,428	2,534,860	15,562	2,159,071	16,089	1,034,390
\$100,000 under \$200,000	30,702	4,316,245	6,700,650	29,864	5,676,931	30,530	2,056,528
\$200,000 under \$500,000	24,326	7,423,446	9,656,697	23,436	8,110,280	24,006	1,755,019
\$500,000 under \$1,000,000	7,180	4,932,644	5,710,809	6,805	4,471,017	6,975	540,579
\$1,000,000 under \$1,500,000	2,034	2,480,648	2,721,199	1,831	1,921,420	2,005	153,207
\$1,500,000 under \$2,000,000	843	1,448,715	1,545,672	774	1,115,838	824	61,706
\$2,000,000 under \$5,000,000	1,341	3,949,063	4,120,596	1,224	2,633,610	1,308	101,266
\$5,000,000 under \$10,000,000	309	2,095,008	2,137,653	293	1,258,473	293	22,930
\$10,000,000 or more	209	5,365,809	5,396,809	192	1,815,016	200	15,598

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Selected income, exclusion, deduction, and credit items reported on Form 1040									
	Total adjustments		Taxable income		Foreign tax credit		Total income tax		Number of Forms 2555 filed by primary taxpayer	Number of Forms 2555 filed by secondary taxpayer
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>All returns</b>	<b>76,339</b>	<b>498,071</b>	<b>168,292</b>	<b>32,622,379</b>	<b>90,242</b>	<b>4,907,376</b>	<b>142,524</b>	<b>4,269,286</b>	<b>328,981</b>	<b>37,097</b>
No adjusted gross income	12,221	39,390	0	0	* 10	* 5	**	**	69,757	5,098
\$1 under \$10,000	14,409	37,711	2,643	2,658	588	94	** 1,331	** 246	76,439	6,898
\$10,000 under \$25,000	10,844	34,323	21,792	148,881	5,297	6,174	17,069	21,262	40,899	4,461
\$25,000 under \$50,000	11,413	48,801	36,837	702,969	12,100	30,559	27,929	97,531	37,057	6,626
\$50,000 under \$75,000	7,651	41,856	24,033	974,282	10,448	64,777	20,646	136,614	23,260	3,443
\$75,000 under \$100,000	4,332	26,216	16,097	1,038,630	7,875	80,022	14,327	161,971	15,480	2,108
\$100,000 under \$200,000	7,363	65,111	30,653	3,510,980	21,329	406,441	27,499	484,765	30,060	3,934
\$200,000 under \$500,000	5,104	75,536	24,324	6,743,197	21,253	1,131,148	22,456	808,816	24,165	3,116
\$500,000 under \$1,000,000	1,706	56,845	7,176	4,686,360	6,795	880,053	6,770	573,289	7,146	945
\$1,000,000 under \$1,500,000	518	29,867	2,034	2,382,233	1,928	444,618	1,923	305,299	2,024	192
\$1,500,000 under \$2,000,000	200	9,505	843	1,399,856	823	255,714	791	183,944	843	74
\$2,000,000 under \$5,000,000	406	21,561	1,340	3,793,493	1,294	657,451	1,291	515,259	1,334	146
\$5,000,000 under \$10,000,000	99	6,039	309	2,029,870	301	339,177	294	265,340	307	34
\$10,000,000 or more	71	5,311	209	5,208,969	201	611,143	197	714,948	209	20

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Total foreign-earned income		Foreign-earned income reported on Form 2555 only		Salaries and wages		Business or professional income (less loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
<b>All returns</b>	<b>333,944</b>	<b>36,738,574</b>	<b>246,558</b>	<b>32,835,529</b>	<b>230,363</b>	<b>23,943,539</b>	<b>20,660</b>	<b>1,323,788</b>
No adjusted gross income	70,021	3,165,545	34,829	1,654,137	31,554	1,444,343	4,054	139,271
\$1 under \$10,000	76,647	3,640,862	44,877	2,272,889	41,573	2,014,224	4,653	159,466
\$10,000 under \$25,000	40,400	2,628,379	32,645	2,220,237	30,561	2,043,428	2,608	83,370
\$25,000 under \$50,000	39,493	2,971,763	32,077	2,629,479	30,414	2,365,456	2,434	132,111
\$50,000 under \$75,000	24,338	2,253,217	21,581	2,121,070	20,452	1,843,055	1,765	97,394
\$75,000 under \$100,000	16,104	1,889,616	15,124	1,842,837	14,365	1,574,850	1,168	90,218
\$100,000 under \$200,000	30,786	4,777,242	29,649	4,710,327	27,969	3,614,137	2,119	188,949
\$200,000 under \$500,000	24,222	6,438,466	23,959	6,420,417	22,733	4,040,131	1,229	213,844
\$500,000 under \$1,000,000	7,210	3,386,055	7,134	3,378,947	6,613	1,962,453	360	77,914
\$1,000,000 under \$1,500,000	2,037	1,386,376	2,019	1,385,299	1,755	710,245	109	29,213
\$1,500,000 under \$2,000,000	843	704,479	836	704,159	747	423,559	39	14,414
\$2,000,000 under \$5,000,000	1,336	1,624,397	1,329	1,624,029	1,172	904,338	92	59,575
\$5,000,000 under \$10,000,000	304	653,510	302	653,386	277	339,431	18	18,437
\$10,000,000 or more	204	1,218,667	199	1,218,315	179	663,890	12	19,611

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Partnership income (less loss)		Noncash income		Allowances, reimbursements, or expenses paid by employers		Less: meals and lodging excluded	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>All returns</b>	<b>2,229</b>	<b>960,616</b>	<b>10,680</b>	<b>146,172</b>	<b>46,284</b>	<b>4,792,710</b>	<b>1,761</b>	<b>18,257</b>
No adjusted gross income	* 333	* 18,032	2,109	18,198	1,629	18,457	* 215	* 1,177
\$1 under \$10,000	* 208	* 11,024	1,619	12,177	3,392	39,750	* 201	* 2,618
\$10,000 under \$25,000	* 159	* 11,018	1,285	12,268	2,748	56,859	606	3,357
\$25,000 under \$50,000	* 180	* 5,656	1,959	18,023	3,428	86,805	* 306	* 2,070
\$50,000 under \$75,000	* 14	* 1,939	685	11,935	3,372	139,512	* 114	* 1,601
\$75,000 under \$100,000	* 59	* 1,304	514	9,425	3,039	137,581	* 52	* 703
\$100,000 under \$200,000	133	22,705	1,044	24,009	10,188	676,241	177	3,675
\$200,000 under \$500,000	374	97,485	983	21,634	12,466	1,582,397	79	1,653
\$500,000 under \$1,000,000	341	173,933	303	11,651	3,853	865,986	* 5	* 181
\$1,000,000 under \$1,500,000	207	189,202	90	2,592	958	312,832	* 3	* 1
\$1,500,000 under \$2,000,000	55	48,830	** 74	** 2,731	404	134,160	** 4	** 1,221
\$2,000,000 under \$5,000,000	125	147,936	**	**	589	341,487	**	**
\$5,000,000 under \$10,000,000	25	43,262	11	895	137	168,845	0	0
\$10,000,000 or more	15	188,291	* 4	* 634	81	231,796	0	0

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 1. Individual Income Tax Returns With Form 2555: Source of Income, Deduction, Tax Items, and Foreign-Earned Income and Exclusions, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Selected income, exclusions, and deductions reported on Form 2555							
	Other foreign-earned income (less loss)		Foreign-earned income exclusion before deductions		Housing exclusion		Housing deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
<b>All returns</b>	<b>19,837</b>	<b>1,686,961</b>	<b>330,471</b>	<b>18,357,200</b>	<b>57,009</b>	<b>1,336,430</b>	<b>3,949</b>	<b>83,632</b>
No adjusted gross income	1,509	17,014	68,991	3,042,573	1,856	27,579	* 150	* 1,139
\$1 under \$10,000	2,293	38,865	75,168	3,516,734	2,209	26,064	* 228	* 3,408
\$10,000 under \$25,000	1,090	16,653	40,352	2,277,452	3,463	51,833	401	3,366
\$25,000 under \$50,000	1,152	23,498	39,099	2,258,338	5,834	78,273	597	6,991
\$50,000 under \$75,000	1,086	28,835	24,338	1,457,527	5,072	80,954	494	5,130
\$75,000 under \$100,000	907	30,160	16,104	1,047,706	4,126	69,827	298	4,313
\$100,000 under \$200,000	3,804	187,962	30,650	2,076,320	12,624	262,765	588	8,943
\$200,000 under \$500,000	5,031	466,580	24,113	1,772,062	14,384	402,696	477	12,631
\$500,000 under \$1,000,000	1,834	287,191	7,013	546,996	4,667	180,742	341	12,157
\$1,000,000 under \$1,500,000	515	141,215	2,011	156,275	1,242	57,477	155	8,962
\$1,500,000 under \$2,000,000	219	83,016	825	62,804	495	25,746	51	3,095
\$2,000,000 under \$5,000,000	291	169,363	1,314	103,307	751	48,706	126	7,548
\$5,000,000 under \$10,000,000	76	82,517	294	23,305	179	13,676	23	2,155
\$10,000,000 or more	31	114,094	200	15,802	105	10,091	19	3,795

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data combined to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.

[1] Includes returns with no foreign-earned income, but filed to claim an exclusion for a prior year or for reporting purposes.

[2] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

[3] Amount reported on Form 1040 is the total amount of foreign-earned income exclusion after subtracting deductions allocable to excluded income.

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

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Number of returns [1]	Total foreign-earned income	Foreign-earned income			
			Salaries and wages	Business or professional income (less loss)	Partnership income (less loss)	Noncash income
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All geographic areas</b>	<b>334,851</b>	<b>36,738,574</b>	<b>23,943,539</b>	<b>1,323,788</b>	<b>960,616</b>	<b>146,172</b>
<b>North America, total</b>	<b>36,179</b>	<b>3,248,559</b>	<b>2,414,177</b>	<b>215,932</b>	<b>33,603</b>	<b>4,918</b>
Canada	30,067	2,671,963	2,035,925	184,705	29,253	1,120
Greenland	0	0	0	0	0	0
Mexico	6,112	576,596	378,251	31,226	* 4,350	3,798
<b>Latin/South America, total</b>	<b>13,911</b>	<b>1,164,998</b>	<b>756,403</b>	<b>60,693</b>	<b>* 6,796</b>	<b>3,484</b>
Argentina	751	85,013	45,690	* 3,574	0	* 54
Brazil	2,696	276,110	181,038	12,867	* 23	* 734
Chile	902	107,074	68,291	* 6,840	0	* 579
Colombia	1,870	136,197	71,470	* 2,352	* 524	* 334
Costa Rica	1,662	107,935	59,808	* 5,603	0	0
Panama	1,032	81,134	63,834	* 1,203	0	0
Peru	419	48,359	25,328	* 10,764	0	0
Venezuela	705	108,725	75,691	* 901	* 796	0
Other Latin and South American countries	3,876	214,451	165,254	16,587	* 5,453	* 1,784
<b>Caribbean, total</b>	<b>7,323</b>	<b>784,459</b>	<b>531,365</b>	<b>26,797</b>	<b>* 4,101</b>	<b>4,759</b>
Bahamas	1,089	91,211	69,717	* 595	* 394	* 890
Bermuda	1,758	350,693	238,162	* 13,647	0	1,387
Cayman Islands	970	73,013	42,836	* 8,540	0	* 113
Dominican Republic	1,093	61,041	52,303	0	* 459	* 891
Other Caribbean countries	2,414	208,502	128,347	* 4,016	* 3,249	* 1,479
<b>Europe, total</b>	<b>99,732</b>	<b>13,306,949</b>	<b>7,910,345</b>	<b>506,528</b>	<b>618,712</b>	<b>31,911</b>
Austria	1,361	97,384	59,897	* 1,986	* 1,740	0
Belgium	1,881	312,965	187,312	* 8,011	* 8,223	1,152
Czech Republic	1,091	86,297	63,749	0	* 7,805	0
Denmark	1,754	124,420	69,544	* 252	0	* 84
Finland	354	46,540	29,761	0	* 126	0
France	9,653	944,881	583,390	61,897	53,505	3,032
Germany	21,513	1,718,890	1,026,484	89,101	* 21,857	6,821
Greece	1,484	85,668	43,099	* 4,536	* 5,138	* 52
Hungary	604	58,764	33,748	* 146	* 992	* 34
Ireland	1,896	151,446	88,322	4,493	* 2,592	* 436
Italy	5,199	444,533	261,322	37,166	* 10,010	* 894
Luxembourg	219	36,438	27,884	* 2	0	* 32
Netherlands	3,263	438,193	246,738	12,175	* 6,975	2,804
Norway	1,215	146,445	72,112	* 232	0	* 265
Poland	735	49,419	29,855	* 6,757	* 1,142	* 371
Portugal	387	23,444	18,512	* 1,155	0	* 17
Russia	2,495	575,457	341,506	36,158	17,739	* 1,821
Spain	2,453	203,428	129,593	8,880	* 5,047	* 359
Sweden	1,399	123,032	75,918	* 8	0	* 38
Switzerland	7,093	997,485	722,166	21,971	20,343	3,095
Turkey	1,199	87,828	54,471	* 1,379	0	* 34
United Kingdom	28,409	6,238,909	3,541,001	186,424	452,639	9,145
Other European countries	4,078	315,082	203,960	23,798	* 2,839	* 1,424

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Number of returns [1]	Total foreign-earned income	Foreign-earned income			
			Salaries and wages	Business or professional income (less loss)	Partnership income (less loss)	Noncash income
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Africa, total</b>	<b>9,697</b>	<b>879,229</b>	<b>556,150</b>	<b>41,995</b>	<b>* 11,835</b>	<b>7,191</b>
Algeria	* 241	* 20,112	* 9,631	0	0	0
Angola	398	75,970	33,735	* 268	0	0
Egypt	1,658	156,933	100,150	* 10,518	* 7,106	* 1,878
Kenya	992	57,015	39,868	* 2,877	0	* 3
Nigeria	906	137,051	88,403	* 3,755	* 206	* 2,442
South Africa	923	100,682	57,310	* 4,170	* 1,728	* 45
Other African countries	4,576	331,466	227,051	20,407	* 2,795	2,823
<b>Asia, total</b>	<b>138,795</b>	<b>14,672,274</b>	<b>9,965,299</b>	<b>341,021</b>	<b>210,346</b>	<b>84,897</b>
Afghanistan	5,912	444,723	331,428	* 20,899	0	* 874
China	12,430	1,712,601	929,581	26,440	38,075	14,554
Hong Kong	10,792	1,844,813	1,213,904	22,529	57,508	11,183
India	4,214	416,429	281,010	9,992	* 3,404	* 1,875
Indonesia	1,786	253,086	158,881	* 2,219	* 783	863
Iraq	18,325	1,827,813	1,593,028	55,671	0	* 1,013
Israel	8,986	506,127	344,434	36,061	* 8,016	* 2,084
Japan	23,529	2,106,707	1,257,739	44,218	60,979	3,749
Malaysia	1,160	150,353	99,224	* 2,016	0	* 3,279
Philippines	2,313	168,185	109,948	* 10,056	* 3,987	* 993
Saudi Arabia	5,109	617,179	528,462	* 410	0	8,895
Singapore	3,636	747,901	486,981	7,244	14,538	6,776
South Korea	6,668	694,003	463,162	26,481	* 2,922	4,166
Taiwan	6,588	563,075	380,034	* 9,211	* 3,178	* 3,844
Thailand	3,643	409,197	236,908	* 2,742	* 3,396	* 1,426
United Arab Emirates	7,423	759,629	566,746	17,482	* 1,843	9,228
Other Asian countries	16,284	1,450,451	983,831	47,349	* 11,717	10,093
<b>Oceania, total</b>	<b>9,724</b>	<b>851,543</b>	<b>494,684</b>	<b>6,045</b>	<b>* 1,495</b>	<b>3,765</b>
Australia	6,420	661,928	391,963	5,825	* 1,264	3,559
New Zealand	2,518	143,043	71,139	0	* 231	0
Other Oceania countries	787	46,572	31,582	* 220	0	* 206
<b>All other countries</b>	<b>19,490</b>	<b>1,830,563</b>	<b>1,315,115</b>	<b>124,778</b>	<b>73,728</b>	<b>5,248</b>

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Foreign-earned income			Foreign-earned income exclusion before deductions	Housing exclusion	Housing deduction
	Allowances, reimbursements, or expenses paid by employers	Less: meals and lodging excluded	Other foreign-earned income (less loss)			
	(7)	(8)	(9)	(10)	(11)	(12)
<b>All geographic areas</b>	<b>4,792,710</b>	<b>18,257</b>	<b>1,686,961</b>	<b>18,357,200</b>	<b>1,336,430</b>	<b>83,632</b>
<b>North America, total</b>	<b>139,898</b>	<b>* 2,484</b>	<b>82,739</b>	<b>1,778,374</b>	<b>27,640</b>	<b>475</b>
Canada	62,931	* 2,451	58,899	1,459,721	11,865	* 158
Greenland	0	0	0	0	0	0
Mexico	76,968	* 33	23,839	318,653	15,775	* 318
<b>Latin/South America, total</b>	<b>141,420</b>	<b>* 819</b>	<b>53,935</b>	<b>677,079</b>	<b>30,066</b>	<b>868</b>
Argentina	18,252	0	10,096	34,606	4,504	0
Brazil	52,192	* 21	11,322	122,346	8,534	* 383
Chile	14,060	* 22	13,034	55,454	4,307	0
Colombia	* 1,676	0	* 8,025	110,574	1,891	* 157
Costa Rica	* 3,921	0	* 2,343	81,316	1,927	0
Panama	* 5,411	0	* 379	59,768	* 993	0
Peru	7,797	0	* 3,962	26,375	* 753	* 8
Venezuela	27,950	0	1,795	52,826	5,528	0
Other Latin and South American countries	10,162	* 776	2,978	133,815	1,629	* 320
<b>Caribbean, total</b>	<b>78,176</b>	<b>* 578</b>	<b>32,527</b>	<b>423,938</b>	<b>38,447</b>	<b>554</b>
Bahamas	* 1,071	* 387	0	62,947	* 1,163	* 115
Bermuda	59,390	0	10,906	120,943	33,069	* 295
Cayman Islands	* 1,421	0	* 179	55,050	* 774	* 68
Dominican Republic	* 2,673	0	* -105	52,625	* 968	* 6
Other Caribbean countries	13,620	* 191	21,547	132,374	2,473	70
<b>Europe, total</b>	<b>2,145,238</b>	<b>2,174</b>	<b>801,923</b>	<b>5,483,891</b>	<b>544,843</b>	<b>37,640</b>
Austria	* 4,249	0	* 2,442	64,698	1,346	0
Belgium	65,488	* 30	33,609	122,311	16,381	717
Czech Republic	10,179	0	* 600	53,570	1,423	* 115
Denmark	* 2,080	0	* 10,892	92,083	1,021	0
Finland	* 7,425	0	* 1,066	25,830	766	0
France	70,409	0	30,396	494,997	38,712	3,793
Germany	161,110	* 65	72,324	1,050,100	51,291	3,460
Greece	* 4,220	* 102	* 949	65,060	* 887	* 1,155
Hungary	* 4,272	0	* 5,245	34,488	1,318	* 51
Ireland	21,045	0	3,383	92,771	2,733	* 36
Italy	58,150	* 18	15,382	280,790	18,756	972
Luxembourg	* 2,110	* 31	* 3,773	13,826	1,461	0
Netherlands	105,371	0	33,002	172,551	16,703	* 642
Norway	40,600	0	* 4,710	71,149	2,711	0
Poland	5,823	0	* 951	22,580	796	* 142
Portugal	* 1,045	0	* 378	10,121	* 220	* 111
Russia	108,209	* 368	58,807	163,857	32,785	1,826
Spain	21,651	0	5,090	117,301	3,119	* 219
Sweden	12,855	0	* 872	91,305	1,111	* 133
Switzerland	114,343	0	35,562	459,225	49,381	1,467
Turkey	7,510	0	* 4,765	55,664	1,650	* 174
United Kingdom	1,294,549	* 1,561	465,957	1,725,794	296,566	22,323
Other European countries	22,544	0	11,767	203,819	3,707	305

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 2. Individual Income Tax Returns With Form 2555: Foreign-Earned Income Exclusion, Housing Exclusion, and Housing Deduction, by Country or Region, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Foreign-earned income			Foreign-earned income exclusion before deductions	Housing exclusion	Housing deduction
	Allowances, reimbursements, or expenses paid by employers	Less: meals and lodging excluded	Other foreign-earned income (less loss)			
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Africa, total</b>	<b>144,261</b>	<b>* 2,138</b>	<b>34,017</b>	<b>504,562</b>	<b>17,841</b>	<b>* 1,220</b>
Algeria	* 3,665	0	0	* 11,672	* 1,028	0
Angola	34,460	0	* 3,728	25,009	1,405	* 22
Egypt	19,255	* 657	* 4,888	89,756	2,917	* 479
Kenya	* 3,812	* 3	* 508	41,746	* 571	* 124
Nigeria	25,923	* 1,143	* 7,072	61,578	2,102	* 413
South Africa	19,198	0	9,621	50,200	2,556	* 29
Other African countries	37,947	* 334	8,199	224,602	7,260	* 152
<b>Asia, total</b>	<b>1,996,684</b>	<b>9,746</b>	<b>596,728</b>	<b>7,922,615</b>	<b>644,989</b>	<b>38,665</b>
Afghanistan	* 3,742	* 494	0	329,893	0	* 112
China	462,495	* 11	126,800	742,633	112,418	2,788
Hong Kong	329,877	* 252	106,695	689,045	194,828	13,395
India	60,154	0	26,653	198,982	5,985	* 18
Indonesia	68,155	* 39	6,857	111,620	5,566	* 472
Iraq	7,711	* 1,668	* 3,521	1,187,886	* 2,290	* 829
Israel	* 4,189	0	5,723	401,871	650	* 145
Japan	327,858	* 2	118,823	1,115,473	133,821	10,139
Malaysia	32,086	0	9,630	67,154	6,109	* 348
Philippines	21,104	* 441	* 6,270	103,738	3,148	* 568
Saudi Arabia	27,233	* 2,117	10,237	365,144	6,352	* 4
Singapore	165,623	0	58,253	261,410	52,724	683
South Korea	91,430	0	31,944	349,846	38,858	2,976
Taiwan	64,113	* 579	14,935	348,466	14,028	* 156
Thailand	102,744	0	26,454	196,233	14,481	* 378
United Arab Emirates	70,949	* 2,836	12,732	505,403	27,230	3,240
Other Asian countries	157,220	* 1,306	31,201	947,815	26,500	2,417
<b>Oceania, total</b>	<b>80,709</b>	<b>* 206</b>	<b>53,840</b>	<b>536,464</b>	<b>11,943</b>	<b>* 49</b>
Australia	74,386	0	50,324	387,338	11,479	* 48
New Zealand	5,086	0	* 3,024	109,537	* 174	* 1
Other Oceania countries	* 1,237	* 206	* 491	39,589	* 291	0
<b>All other countries</b>	<b>66,323</b>	<b>* 113</b>	<b>31,252</b>	<b>1,030,277</b>	<b>20,661</b>	<b>4,160</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns with no foreign-earned income, but filed to claim an exclusion for a prior year or for reporting purposes.

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

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Selected income, exclusion, deduction, and credit items reported on Form 1040						
		Adjusted gross income or deficit	Salaries and wages		Foreign-earned income exclusion [2]		Foreign housing deduction	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns</b>	<b>6,900,020</b>	<b>1,787,685,547</b>	<b>4,667,733</b>	<b>704,086,824</b>	<b>104,195</b>	<b>7,104,408</b>	<b>2,491</b>	<b>66,604</b>
No adjusted gross income	64,433	-17,910,819	21,861	1,219,751	3,091	146,315	* 10	* [6]
\$1 under \$10,000	305,026	1,415,014	112,708	741,642	4,549	278,876	* 13	* 208
\$10,000 under \$25,000	469,098	8,214,577	202,318	2,855,578	8,291	499,642	* 109	* 771
\$25,000 under \$50,000	887,538	33,638,913	516,051	14,654,289	13,759	843,784	390	4,039
\$50,000 under \$75,000	1,002,359	62,595,444	625,190	27,818,961	11,142	732,107	258	3,308
\$75,000 under \$100,000	895,792	77,908,768	620,969	39,392,615	8,307	587,165	161	2,312
\$100,000 under \$200,000	1,757,545	247,122,513	1,339,397	138,148,155	22,388	1,550,282	442	7,453
\$200,000 under \$500,000	996,360	299,504,537	809,313	162,509,345	21,475	1,597,902	420	11,115
\$500,000 under \$1,000,000	298,313	204,152,569	242,262	95,025,933	6,710	523,948	322	12,083
\$1,000,000 under \$1,500,000	87,955	106,678,881	69,862	42,219,463	1,922	147,349	150	8,831
\$1,500,000 under \$2,000,000	39,777	68,564,737	31,154	23,599,877	808	60,725	51	3,095
\$2,000,000 under \$5,000,000	65,028	196,108,884	51,771	62,338,082	1,273	98,601	124	7,507
\$5,000,000 under \$10,000,000	18,078	124,606,787	14,619	33,520,283	285	22,385	23	2,155
\$10,000,000 or more	12,720	375,084,741	10,258	60,042,849	194	15,328	18	3,729

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Selected income, exclusion, deduction, and credit items reported on Form 1040—continued							
	Taxable income		Foreign tax credit		Total income tax		Worldwide income [3]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All returns</b>	<b>6,664,735</b>	<b>1,504,490,773</b>	<b>6,418,317</b>	<b>10,958,470</b>	<b>6,446,287</b>	<b>343,723,194</b>	<b>2,940,944</b>	<b>1,192,814,878</b>
No adjusted gross income	0	0	151	13	1,135	56,343	63,287	-17,580,894
\$1 under \$10,000	232,313	598,185	221,732	5,057	212,376	50,214	156,224	1,037,181
\$10,000 under \$25,000	404,828	3,176,839	388,427	30,711	357,928	246,715	204,430	4,138,026
\$25,000 under \$50,000	869,671	19,336,673	829,113	110,154	784,409	1,951,575	311,461	12,803,734
\$50,000 under \$75,000	996,588	41,982,697	952,000	206,183	953,597	5,191,736	366,616	24,143,472
\$75,000 under \$100,000	893,582	55,884,993	854,194	214,073	878,551	7,545,229	310,722	28,071,183
\$100,000 under \$200,000	1,752,344	187,647,618	1,708,249	754,929	1,745,080	32,738,495	648,483	97,039,753
\$200,000 under \$500,000	994,364	248,266,474	960,785	1,920,006	992,694	58,429,790	521,622	166,033,152
\$500,000 under \$1,000,000	297,860	177,446,971	288,317	1,432,537	297,481	47,037,359	188,730	133,026,493
\$1,000,000 under \$1,500,000	87,844	94,282,869	84,665	739,541	87,732	25,238,084	61,627	76,223,706
\$1,500,000 under \$2,000,000	39,693	60,609,961	38,493	494,282	39,672	16,223,256	29,548	51,690,843
\$2,000,000 under \$5,000,000	64,899	174,928,438	62,732	1,471,381	64,896	46,366,765	51,299	157,189,837
\$5,000,000 under \$10,000,000	18,041	111,369,003	17,310	839,138	18,040	28,287,245	15,348	106,738,639
\$10,000,000 or more	12,706	328,960,054	12,151	2,740,464	12,697	74,360,388	11,547	352,259,751

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with a Form 1116							
	Foreign income, taxes and credit reported on Form 1116							
	Foreign-source gross income		Foreign-source deductions and losses		Foreign-source taxable income before adjustments [4]		Foreign taxes paid or accrued on:	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns</b>	<b>2,789,002</b>	<b>119,963,255</b>	<b>2,565,086</b>	<b>41,280,524</b>	<b>2,789,903</b>	<b>78,682,731</b>	<b>2,648,572</b>	<b>13,885,215</b>
No adjusted gross income	50,256	1,487,183	48,707	1,094,018	51,021	393,166	44,632	61,892
\$1 under \$10,000	138,876	341,414	131,637	125,296	138,506	216,119	132,213	50,195
\$10,000 under \$25,000	186,820	962,566	168,279	300,728	187,036	661,838	178,670	118,868
\$25,000 under \$50,000	286,059	2,083,552	262,469	418,079	285,255	1,665,473	268,877	283,434
\$50,000 under \$75,000	346,881	2,583,293	306,680	406,916	346,941	2,176,377	324,199	392,396
\$75,000 under \$100,000	293,390	2,344,171	266,818	326,416	293,417	2,017,755	275,346	367,075
\$100,000 under \$200,000	627,487	6,787,157	571,391	943,424	627,643	5,843,733	591,566	1,200,539
\$200,000 under \$500,000	507,887	15,785,533	474,311	2,789,667	508,186	12,995,866	487,636	2,693,275
\$500,000 under \$1,000,000	184,891	11,210,382	175,424	2,950,049	185,236	8,260,333	181,148	1,735,311
\$1,000,000 under \$1,500,000	60,401	7,480,404	57,535	2,513,146	60,482	4,967,257	59,087	902,335
\$1,500,000 under \$2,000,000	29,020	4,500,201	27,710	1,569,667	29,052	2,930,534	28,740	547,894
\$2,000,000 under \$5,000,000	50,522	14,218,711	48,479	5,359,749	50,571	8,858,962	50,107	1,637,698
\$5,000,000 under \$10,000,000	15,111	9,175,396	14,573	3,383,657	15,133	5,791,739	15,002	950,241
\$10,000,000 or more	11,402	41,003,292	11,073	19,099,712	11,422	21,903,580	11,349	2,944,063

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with a Form 1116—continued							
	Foreign income, taxes and credit reported on Form 1116—continued							
	Foreign taxes paid or accrued on—continued:							
	Dividends		Rents and royalties		Interest		Other income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All returns</b>	<b>2,178,672</b>	<b>1,483,281</b>	<b>22,503</b>	<b>151,912</b>	<b>63,824</b>	<b>72,968</b>	<b>596,446</b>	<b>12,177,054</b>
No adjusted gross income	37,113	14,666	249	370	950	1,354	9,003	45,502
\$1 under \$10,000	110,316	6,543	* 48	* 90	1,367	629	22,192	42,933
\$10,000 under \$25,000	143,246	13,652	* 2,780	* 1,546	7,306	4,291	33,142	99,379
\$25,000 under \$50,000	204,570	29,566	* 1,346	* 80	4,748	2,637	71,722	251,151
\$50,000 under \$75,000	267,381	46,013	* 800	* 1,431	7,851	4,646	62,400	340,306
\$75,000 under \$100,000	233,401	62,694	2,462	436	4,701	2,316	48,281	301,629
\$100,000 under \$200,000	492,461	176,245	4,821	23,575	12,264	4,370	116,900	996,349
\$200,000 under \$500,000	406,993	259,707	6,686	46,531	14,291	18,307	113,492	2,368,731
\$500,000 under \$1,000,000	148,117	172,278	1,596	13,203	5,147	9,741	53,209	1,540,088
\$1,000,000 under \$1,500,000	49,491	94,783	388	3,011	1,532	3,069	19,802	801,471
\$1,500,000 under \$2,000,000	23,605	67,777	311	6,391	891	1,626	11,026	472,099
\$2,000,000 under \$5,000,000	41,192	186,014	664	19,092	1,778	9,718	21,025	1,422,873
\$5,000,000 under \$10,000,000	12,109	112,428	194	10,680	521	3,290	7,514	823,842
\$10,000,000 or more	8,679	240,914	157	25,475	476	6,975	6,739	2,670,700

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 3. Individual Income Tax Returns With a Foreign Tax Credit or a Form 1116 [1]: Sources of Income, Deductions and Tax Items and Foreign Income, Taxes, and Credit, by Size of Adjusted Gross Income, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with a Form 1116—continued									
	Foreign income, taxes and credit reported on Form 1116—continued									
	Foreign taxes available for credit		Foreign tax carryover or carryback		Reduction in foreign taxes		Gross foreign tax credit		Foreign tax credit after adjustments [5]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>All returns</b>	<b>2,812,276</b>	<b>18,134,570</b>	<b>826,175</b>	<b>5,819,789</b>	<b>71,418</b>	<b>1,573,261</b>	<b>2,457,685</b>	<b>10,681,401</b>	<b>2,460,248</b>	<b>10,682,923</b>
No adjusted gross income	58,234	172,737	36,664	121,254	975	10,827	* 14	* 1	* 14	* 1
\$1 under \$10,000	147,789	64,308	64,316	47,512	3,396	34,462	72,930	2,018	72,930	2,018
\$10,000 under \$25,000	194,685	149,703	82,023	83,319	3,942	53,194	122,118	20,626	123,759	20,660
\$25,000 under \$50,000	294,501	484,739	114,151	299,010	6,467	97,705	253,036	83,166	253,036	83,106
\$50,000 under \$75,000	344,412	524,319	104,574	248,945	6,948	117,022	315,625	175,611	316,257	175,377
\$75,000 under \$100,000	293,601	490,475	90,312	226,594	5,374	103,366	269,124	179,931	269,124	179,691
\$100,000 under \$200,000	625,545	1,643,005	159,168	787,976	15,624	345,509	599,061	678,481	599,187	678,387
\$200,000 under \$500,000	502,581	3,599,801	108,710	1,372,033	18,376	465,521	486,012	1,871,273	486,046	1,873,287
\$500,000 under \$1,000,000	184,245	2,297,885	34,817	747,825	5,937	185,256	178,691	1,409,576	178,734	1,409,655
\$1,000,000 under \$1,500,000	60,170	1,228,982	11,298	387,943	1,837	61,295	58,278	734,497	58,337	734,501
\$1,500,000 under \$2,000,000	29,150	703,420	5,398	179,794	815	24,305	28,256	491,405	28,264	491,682
\$2,000,000 under \$5,000,000	50,724	2,124,602	9,439	532,376	1,210	45,573	48,994	1,461,534	49,003	1,461,184
\$5,000,000 under \$10,000,000	15,173	1,198,934	2,794	262,810	292	14,263	14,571	838,374	14,579	837,491
\$10,000,000 or more	11,464	3,451,661	2,511	522,397	225	14,961	10,975	2,734,908	10,978	2,735,884

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Not all taxpayers with a foreign tax credit file the Form 1116. Taxpayers with \$300 (\$600 if married filing a joint return) or less in creditable foreign taxes who also meet certain other conditions are not required to file Form 1116 to claim the foreign tax credit.

[2] Amount reported on Form 1040 is the total amount of foreign-earned income exclusion after subtracting deductions allocable to excluded income.

[3] Worldwide income is total income or loss reported on Form 1040 before the foreign-earned income and housing exclusions have been taken.

[4] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[5] Adjustments include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

[6] Less than \$500.

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

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 4. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Country or Region, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Number of returns	Foreign-source gross income	Foreign-source deductions and losses	Foreign-source taxable income before adjustments [1]	Foreign taxes paid or accrued on:				
					Total	Dividends	Rents and royalties	Interest	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All geographic areas</b>	<b>2,941,952</b>	<b>119,963,255</b>	<b>41,280,524</b>	<b>78,682,731</b>	<b>13,885,215</b>	<b>1,483,281</b>	<b>151,912</b>	<b>72,968</b>	<b>12,177,054</b>
<b>North America, total</b>	<b>257,726</b>	<b>12,133,130</b>	<b>4,152,170</b>	<b>7,980,960</b>	<b>2,034,525</b>	<b>161,536</b>	<b>47,129</b>	<b>19,809</b>	<b>1,806,052</b>
Canada	240,191	9,966,174	3,187,674	6,778,501	1,773,465	153,926	40,780	19,454	1,559,306
Greenland	* 4	* 7	* [2]	* 7	* 1	* 1	0	0	* [2]
Mexico	17,531	2,166,948	964,496	1,202,452	261,059	7,609	6,349	355	246,746
<b>Latin/South America, total</b>	<b>17,359</b>	<b>4,330,765</b>	<b>2,360,572</b>	<b>1,970,193</b>	<b>286,178</b>	<b>26,061</b>	<b>6,566</b>	<b>1,021</b>	<b>252,530</b>
Argentina	2,897	130,006	20,372	109,634	32,942	2,139	* 5,689	* 227	24,887
Brazil	7,262	453,292	130,975	322,318	77,618	766	273	714	75,865
Chile	1,268	60,326	9,818	50,509	16,843	346	* 114	0	16,383
Colombia	1,244	3,213,772	2,065,379	1,148,393	82,923	448	* 133	* 24	82,317
Costa Rica	294	41,981	16,850	25,131	4,546	* 552	0	* 29	3,965
Panama	353	72,329	42,920	29,409	6,347	* 296	* 150	0	5,901
Peru	530	59,002	4,260	54,742	11,901	* 1308	* 19	* 26	10,548
Venezuela	831	173,743	17,611	156,132	44,825	19,365	* 73	0	25,387
Other Latin/South American countries	2,679	126,311	52,389	73,924	8,233	842	115	0	7,276
<b>Caribbean, total</b>	<b>6,816</b>	<b>612,320</b>	<b>164,730</b>	<b>447,589</b>	<b>84,644</b>	<b>2,075</b>	<b>* 189</b>	<b>* 6</b>	<b>82,375</b>
Bahamas	42	4,725	58	4,667	* 2	* 2	0	0	* [2]
Bermuda	2,346	117,443	13,896	103,546	3,554	* 444	0	0	3,110
Cayman Islands	354	21,546	8,468	13,078	39	* 17	0	0	* 22
Dominican Republic	622	94,704	30,108	64,596	5,656	* 1,101	0	0	4,555
Other Caribbean countries	3,452	373,903	112,201	261,703	75,393	510	* 189	* 5	74,686
<b>Europe, total</b>	<b>357,218</b>	<b>24,809,573</b>	<b>6,420,816</b>	<b>18,388,757</b>	<b>5,424,521</b>	<b>268,650</b>	<b>54,105</b>	<b>29,449</b>	<b>5,072,316</b>
Austria	1,514	108,676	53,620	55,056	21,713	3,166	* 103	* 69	18,374
Belgium	7,636	609,213	216,637	392,576	129,562	2,238	* 46	21	127,257
Czech Republic	378	35,310	9,665	25,645	10,410	* 1	* 194	* 7	10,208
Denmark	1,314	60,257	11,592	48,665	19,831	2,922	* 46	* [2]	16,863
Finland	22,310	79,394	16,257	63,137	16,561	3,245	* 61	* 1	13,252
France	40,449	1,380,999	320,524	1,060,474	238,016	26,492	2,780	1,140	207,603
Germany	42,450	3,742,259	1,706,669	2,035,590	760,185	22,543	9,460	2,745	725,437
Greece	2,212	78,457	19,286	59,171	13,074	* 21	* 172	* 295	12,586
Hungary	297	73,176	40,074	33,102	12,976	* 2,086	0	* 3	10,887
Ireland	1,256	322,871	132,808	190,064	56,474	172	* 266	233	55,802
Italy	4,864	498,431	149,486	348,945	137,846	15,939	21,167	443	100,297
Luxembourg	2,201	125,069	8,533	116,535	21,240	8,645	0	* 11	12,583
Netherlands	34,067	1,195,084	140,691	1,054,393	169,864	25,513	* 11	521	143,819
Norway	4,771	166,109	10,539	155,570	55,153	634	* 60	* 82	54,377
Poland	578	61,172	18,534	42,638	12,682	1,753	* 21	* 19	10,888
Portugal	1,859	80,430	6,345	74,085	17,001	117	* 30	* 4	16,850
Russia	3,276	910,743	96,114	814,629	118,708	8,223	* 590	* 160	109,735
Spain	3,890	222,260	40,634	181,626	50,566	996	* 1,875	119	47,575
Sweden	8,630	199,304	48,497	150,807	53,008	3,486	* 154	206	49,162
Switzerland	23,503	1,368,880	181,461	1,187,419	389,267	72,768	* 1,846	4,357	310,296
Turkey	897	155,930	17,359	138,572	36,121	2,021	* 10,065	* 8	24,028
United Kingdom	127,572	11,940,245	2,707,693	9,232,552	3,046,948	58,048	5,115	16,411	2,967,373
Other European countries	21,295	1,395,304	467,798	927,509	37,316	7,620	41	2,594	27,065
<b>Africa, total</b>	<b>5,272</b>	<b>680,565</b>	<b>175,845</b>	<b>504,720</b>	<b>113,606</b>	<b>1,019</b>	<b>* 2</b>	<b>* 538</b>	<b>112,046</b>
Algeria	159	14,379	1,608	12,771	2,310	* 12	0	0	2,299
Angola	789	185,554	62,530	123,024	20,997	* 1	0	0	20,996
Egypt	288	47,575	2,297	45,278	8,069	* 3	0	0	8,066
Kenya	75	* 11,991	864	11,127	* 2,744	0	0	0	2,744
Nigeria	811	158,975	45,573	113,401	18,918	* 7	0	0	18,910
South Africa	719	114,653	33,916	80,736	27,491	* 799	* 2	* 499	26,191
Other African countries	2,431	147,437	29,058	118,380	33,074	196	* [2]	* 39	32,839

Footnotes at end of table.

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 4. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Country or Region, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Country or region	Number of returns	Foreign-source gross income	Foreign-source deductions and losses	Foreign-source taxable income before adjustments [1]	Foreign taxes paid or accrued on:				
					Total	Dividends	Rents and royalties	Interest	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Asia, total</b>	<b>135,617</b>	<b>11,696,581</b>	<b>1,497,691</b>	<b>10,198,890</b>	<b>2,348,346</b>	<b>66,575</b>	<b>10,239</b>	<b>5,667</b>	<b>2,265,865</b>
Afghanistan	205	10,554	1,927	8,627	* 168	* 2	0	0	* 167
China	15,217	1,578,847	228,612	1,350,235	469,638	5,812	* 408	58	463,361
Hong Kong	8,344	1,583,595	173,280	1,410,315	270,900	2,489	285	* 3	268,123
India	17,422	2,153,847	56,207	2,097,640	126,843	1,078	845	960	123,959
Indonesia	1,787	306,379	16,988	289,391	93,560	83	* 82	* 1	93,394
Iraq	230	19,780	2,859	16,920	* 244	* [2]	0	0	* 244
Israel	11,497	461,682	49,935	411,747	158,240	9,459	1,390	1,243	146,148
Japan	48,274	2,596,680	449,071	2,147,609	658,674	21,476	5,885	2,221	629,092
Malaysia	1,172	129,392	24,794	104,598	33,033	* 52	* 51	0	32,930
Philippines	2,090	140,880	30,080	110,799	23,308	3,274	0	* 21	20,013
Saudi Arabia	1,050	99,136	8,058	91,077	369	* 140	0	* [2]	* 229
Singapore	4,762	804,773	90,497	714,275	144,495	2,124	207	* 16	142,148
South Korea	6,117	552,378	83,628	468,750	107,891	4,327	* 327	974	102,263
Taiwan	7,436	465,537	166,766	298,771	100,259	13,575	508	138	86,037
Thailand	2,679	258,187	26,121	232,066	88,502	1,461	0	28	87,013
United Arab Emirates	497	54,488	4,869	49,619	841	* 12	0	0	* 829
Other Asian countries	6,837	480,446	83,998	396,450	71,384	1,210	250	4	69,918
<b>Oceania, total</b>	<b>17,145</b>	<b>1,196,689</b>	<b>303,656</b>	<b>893,032</b>	<b>255,492</b>	<b>21,960</b>	<b>5,005</b>	<b>6,602</b>	<b>221,926</b>
Australia	12,492	1,004,632	271,017	733,615	232,008	20,530	4,684	3,044	203,749
New Zealand	3,427	166,115	30,540	135,575	20,794	1,262	* 320	3,555	15,656
Other Oceania countries	1,225	25,941	2,099	23,841	2,689	167	0	* 2	2,520
<b>U.S. Possessions, total</b>	<b>34,964</b>	<b>1,442,788</b>	<b>397,177</b>	<b>1,045,612</b>	<b>157,900</b>	<b>9,844</b>	<b>* 1,707</b>	<b>* 818</b>	<b>145,532</b>
Puerto Rico	32,565	1,321,106	320,292	1,000,814	146,568	9,801	* 1,707	* 818	134,243
Other U.S. Possessions	2,399	121,681	76,885	44,797	11,331	* 43	0	0	11,288
<b>Country not stated</b>	<b>2,624,121</b>	<b>62,512,967</b>	<b>25,739,129</b>	<b>36,773,838</b>	<b>3,167,196</b>	<b>916,528</b>	<b>26,351</b>	<b>9,058</b>	<b>2,215,260</b>
<b>FSC distributions [3]</b>	<b>2,708</b>	<b>139,035</b>	<b>2,458</b>	<b>136,577</b>	<b>1,757</b>	<b>271</b>	<b>0</b>	<b>0</b>	<b>* 1,486</b>
<b>IC-DISC dividends [4]</b>	<b>57,725</b>	<b>406,183</b>	<b>65,100</b>	<b>341,083</b>	<b>11,049</b>	<b>8,763</b>	<b>* 620</b>	<b>* [2]</b>	<b>1,667</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[2] Less than \$500.

[3] FSCs are Foreign Sales Corporations.

[4] IC-DISCs are Interest-Charge Domestic International Sales Corporations.

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

# Individual Foreign-Earned Income and Foreign Tax Credit, 2006

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**Table 5. Individual Income Tax Returns With Form 1116: Foreign-Source Income, Deductions, and Taxes, by Type of Income, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of income	Number of returns [1]	Foreign-source gross income		Foreign-source deductions and losses		Foreign-source taxable income before adjustments [2]	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns</b>	<b>2,941,952</b>	<b>2,789,011</b>	<b>119,963,255</b>	<b>2,565,086</b>	<b>41,280,524</b>	<b>2,789,903</b>	<b>78,682,731</b>
Passive income	1,967,274	1,858,376	36,504,530	1,696,255	9,395,073	1,857,093	27,109,457
High withholding tax interest	42,601	40,767	563,758	37,189	177,919	40,929	385,840
Financial services income	38,146	34,906	1,871,501	30,227	1,063,251	34,906	808,251
Shipping income	191	180	99,787	179	75,642	180	24,146
Dividends from an IC-DISC [3]	57,725	51,283	406,183	39,349	65,100	51,283	341,083
Distributions from a FSC [4]	2,708	2,658	139,035	589	2,458	2,658	136,577
Lump-sum distributions	899	* 77	* 2,119	* 75	* 251	* 77	* 1,868
Section 901(j) income	* 953	* 953	* 6,898	* 950	* 1,019	* 953	* 5,880
Certain income re-sourced by treaty	4,297	4,192	253,009	4,059	39,542	4,195	213,467
General limitation income	968,652	910,072	80,116,433	864,415	30,460,270	914,007	49,656,163

Type of income	Foreign taxes paid or accrued on:							
	Total		Dividends		Rents and royalties		Interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>All returns</b>	<b>2,648,572</b>	<b>13,885,215</b>	<b>2,178,672</b>	<b>1,483,281</b>	<b>22,503</b>	<b>151,912</b>	<b>63,824</b>	<b>72,968</b>
Passive income	1,756,665	2,320,505	1,587,459	1,057,729	16,387	80,605	47,114	47,378
High withholding tax interest	34,433	30,069	21,391	5,828	* 33	* 44	6,654	3,953
Financial services income	34,424	150,173	27,949	7,068	* 9	* 753	* 55	* 107
Shipping income	177	1,771	* 14	* 61	0	0	0	0
Dividends from an IC-DISC [3]	48,945	11,049	42,681	8,763	* 699	* 620	* 3	* [6]
Distributions from a FSC [4]	1,586	1,757	1,539	271	0	0	0	0
Lump-sum distributions	739	3,108	* 699	* 90	0	0	0	0
Section 901(j) income	* 940	* 241	* 937	* 28	0	0	0	0
Certain income re-sourced by treaty	3,422	55,441	948	2,727	0	0	51	128
General limitation income	855,001	11,311,101	508,719	400,717	5,383	69,890	10,182	21,401

Type of income	Foreign taxes paid or accrued on:		Foreign taxes available for credit		Gross foreign tax credit [5]	
	Other income					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)
<b>All returns</b>	<b>596,446</b>	<b>12,177,054</b>	<b>2,812,276</b>	<b>18,134,570</b>	<b>2,457,685</b>	<b>10,681,401</b>
Passive income	227,296	1,134,794	1,864,361	3,487,919	1,608,212	1,969,076
High withholding tax interest	6,944	20,245	36,954	38,102	32,709	24,504
Financial services income	7,232	142,245	36,494	164,541	31,492	134,957
Shipping income	163	1,710	189	10,195	156	1,127
Dividends from an IC-DISC [3]	5,680	1,667	52,380	12,621	46,088	6,907
Distributions from a FSC [4]	* 50	* 1,486	1,596	1,917	1,503	1,101
Lump-sum distributions	* 40	* 3,018	753	3,241	* 360	* 909
Section 901(j) income	* 3	* 213	* 940	* 231	0	0
Certain income re-sourced by treaty	2,471	52,586	4,132	85,648	3,281	39,574
General limitation income	369,593	10,819,092	923,728	14,330,155	819,683	8,503,246

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Taxpayers may report more than one type of foreign-source income on a return. Consequently, the number of returns by type of income do not add to total.

[2] Adjustments include allocation of foreign losses, recapture of prior-year foreign losses, and recharacterization of income.

[3] IC-DISCs are Interest-Charge Domestic International Sales Corporations.

[4] FSCs are Foreign Sales Corporations.

[5] This is before adjustments. Adjustments include reductions for participation in unsanctioned international boycotts and increases permitted by tax treaties between the United States and certain foreign countries.

[6] Less than \$500.

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

# International Boycott Reports, 2005 and 2006

by Melissa Costa

**F**or Calendar Year 2006, 112 “U.S. persons” reported receiving almost 2,300 requests to participate in boycotts unsanctioned by the United States.<sup>1</sup> Most of these (91 percent) were requests from Arab League Countries to participate in some form of a boycott against Israel. While the number of U.S. persons receiving requests decreased by only three persons from 2005, the number of requests dropped by nearly 40 percent. About 30 percent of those receiving requests agreed to participate in a boycott. Less than 3 percent of all taxpayers filing Form 5713, however, reported tax consequences.

## The Antiboycott Laws

The Arab League organization was founded in 1944 and currently contains 23 countries and entities. After Israel became independent in 1948, the Arab League instituted a formalized boycott of the state of Israel and anyone who does business with Israel.

In the 1970s, the United States Congress enacted laws to combat this boycott.<sup>2</sup> One law, the 1977 amendments to the Export Administration Act of 1969, requires U.S. persons to report quarterly to the Commerce Department the requests they have received to participate in, support, or further a prohibited boycott. Those U.S. persons who agree to participate in such boycotts are subject to criminal and civil penalties.

The other antiboycott law is the Ribicoff Amendment to the Tax Reform Act of 1976 (TRA76). It requires all U.S. taxpayers and their related persons to report operations in, with, or related to, boycotting countries or their nationals to the Internal Revenue Service. Operations include any business or commercial transactions, even if they do not generate income. Per Internal Revenue Code section 999(a), taxpayers report these operations on Form 5713, *International Boycott Report*, filed annually with

their Federal income tax returns. Although Congress intended these laws to dissuade boycotts of Israel, they cover any boycott not sanctioned by the United States.

## Operations

For Calendar Year 2005, taxpayers filed 1,402 Forms 5713, while 1,412 forms were filed for 2006. Corporations filed approximately 90 percent of Forms 5713 for both years, while partnerships accounted for roughly 8 percent of the total. Trusts, estates, and individuals filed most of the remainder. The majority of Forms 5713 were filed to report the taxpayer’s operations in boycotting countries. For both years, 99 percent of taxpayers reported operations in Arab League nations known to participate in the boycott of Israel. Taxpayers listed Saudi Arabia and the United Arab Emirates more frequently than any other countries. Less than 3 percent of filers reported operations in countries known to participate in an unsanctioned boycott of a country other than Israel. Of the latter, the most frequently listed boycotting country for both years was Pakistan.<sup>3</sup>

## Types of Boycotts

There are three tiers to the Arab League’s boycott of Israel. The primary boycott bans the importation of goods and services originating in Israel into member countries. Because the United States does not wish to infringe on the right of any country to choose its own trading partners, the antiboycott laws do not target such boycotts. They are directed instead against the secondary and tertiary boycotts. The secondary boycott bans entities in member states from doing any business with any entity that does business with Israel. A tertiary boycott bans entities in member countries from doing business with companies or individuals who have business with firms on the Arab League blacklist.

Specifically, Internal Revenue Code section 999(b)(3) classifies disallowed boycotts into the five types below:

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<sup>1</sup> As defined in IR Code section 7701(a)(30), U.S. persons are U.S. citizens or residents, domestic partnerships, domestic corporations, and estates or trusts. This excludes foreign trusts or estates whose income from sources outside the United States is not includible in the income of its beneficiaries.

<sup>2</sup> Doernberg, Richard L. (1999), *International Taxation*, West Group, St. Paul, MN, p. 413.

<sup>3</sup> Taxpayers do not report the country that their countries of operation were boycotting when it is not Israel.

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1) A person agrees, as a condition of doing business directly or indirectly within a country or with the government, a company, or a national of the country:

a) to refrain from doing business with or in a country which is the object of the boycott or with the government, companies, or nationals of that country [Type 1 request, as shown in Figure A]; or

b) to refrain from doing business with any U.S. person engaged in trade in a country which is the object of the boycott or with the government, companies, or nationals of that country [Type 2]; or

c) to refrain from doing business with any company whose ownership or management is made up, all or in part, of individuals of a particular nationality, race, or religion [Type 3]; or

d) to refrain from employing individuals of a particular nationality, race, or religion [Type 4]; or

2) A person agrees, as a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring the product(s) on a carrier owned, leased, or operated by a person who does not participate in or cooperate with a boycott [Type 5].<sup>4</sup>

For both years, around 8 percent of filers reported receiving requests. Figure A includes the number of persons receiving requests and the number of requests received, by type. Most of the boycott requests for both 2005 and 2006 were either type 1 or type 5 requests.

## Participation of Listed and Nonlisted Countries

Actual participation with the Arab League boycott has always varied greatly among its member states and with the ups and downs of the Israeli/Palestinian conflict.<sup>5</sup> Over time, the number of persons receiving requests has remained relatively constant, but the number of requests received has fluctuated considerably. See Figure B.

**Figure A**

**Number of Persons Receiving Boycott Requests and Number of Requests Received, by Type of Request, 2005-2006**

Type of boycott request	Number of persons receiving boycott requests [1]		Number of boycott requests received [2]	
	2005 (1)	2006 (2)	2005 (3)	2006 (4)
<b>Total</b>	<b>115</b>	<b>112</b>	<b>3,703</b>	<b>2,270</b>
Type 1	64	67	1,513	1,143
Type 2	15	7	556	41
Type 3	18	13	240	47
Type 4	12	5	222	53
Type 5	74	59	1,172	986

[1] A person could receive more than one type of request.

[2] Many persons fail to report the total number of requests.

NOTE: This figure counts an unknown number of requests as one request.

Some nations, including Algeria, Egypt, Jordan, Mauritania, Morocco, the Palestinian Authority, and Tunisia, either formally ended the boycott long ago or never enforced it.<sup>6</sup> Some, like Kuwait and Qatar, support only primary boycotts, and others continue to enforce all three levels of boycott activity. The U.S. Department of Treasury maintains a list, published quarterly, of those countries known to participate in unsanctioned boycotts.

For 2005, that list included Bahrain, Iraq, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, the United Arab Emirates, and Yemen. Bahrain and Oman stated they would not comply with the boycott of Israel during negotiations for their respective Free Trade Agreements with the United States and were removed from the Treasury List in 2006. Listed countries were responsible for 89 percent of the total requests for 2005 and 82 percent for 2006.

Figure C provides a comparison of the number of requests received, by selected country, for 2005 and 2006. Requests received from Lebanon experienced the most noticeable decline, with a fall of 69 percent, followed by the United Arab Emirates, with a fall of 62 percent. (The United Arab Emirates began negotiating for a free trade agreement with the

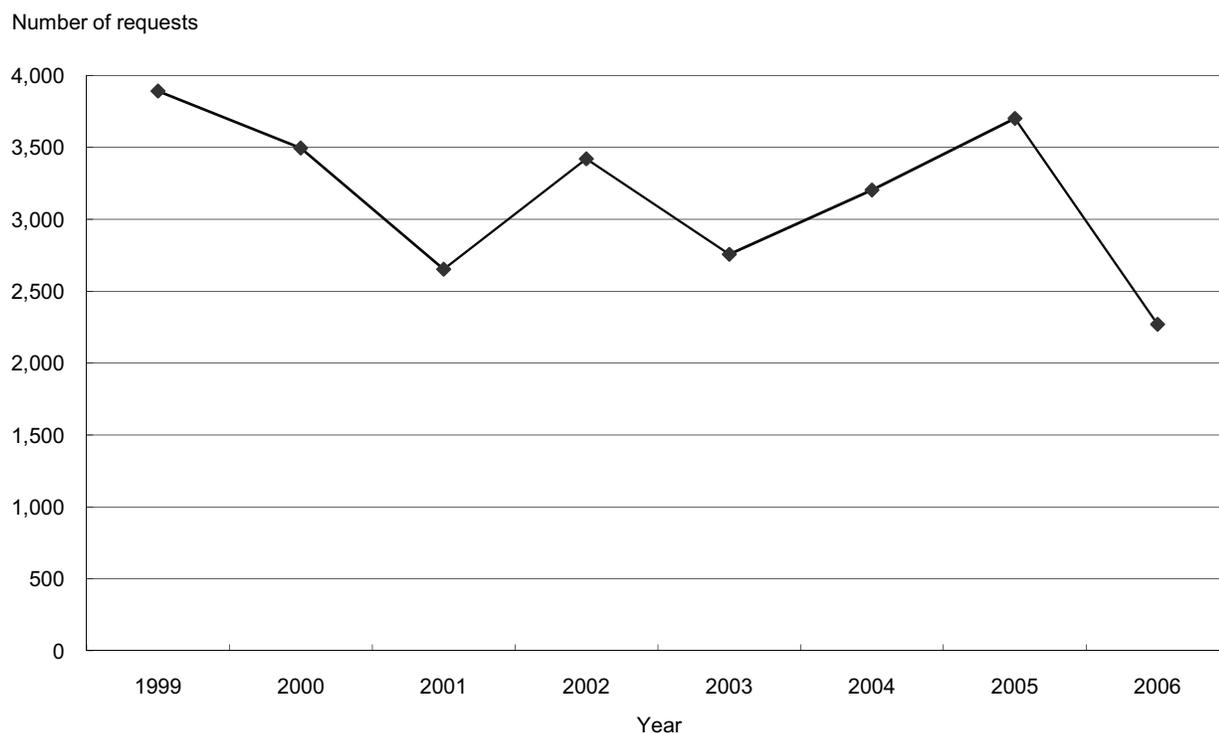
<sup>4</sup> For a more detailed discussion of activities not permitted under the boycott provisions, see Doenberg, pp. 414-420.

<sup>5</sup> Weiss, Michael, "Arab League Boycott of Israel," CRS Report for Congress, August 27, 2008, <http://www.usembassy.it/pdf/other/RL33961.pdf>.

<sup>6</sup> Ibid.

**Figure B**

## Number of Boycott Requests Received, 1999-2006



United States in 2005). Despite the dramatic drop in requests, the United Arab Emirates still accounted for the largest percentage of requests for both years, comprising 37 percent of the total for 2005 and 20 percent for 2006.

Approximately 18 percent of requests for 2006 originated from nonlisted countries, up from 11 percent for 2005. Requests from Pakistan comprised about one-quarter of the nonlisted requests for both 2005 and 2006. In 2006, another quarter of the nonlisted requests came from Oman. Nevertheless, overall requests from Oman fell by two-thirds, from 304 for 2005 to 104 for 2006. Non-Arab League countries accounted for approximately 6 percent of the total requests for 2005 and 9 percent for 2006.

### Boycott Agreements

Approximately 2 percent of the filers in both study years agreed to participate in an unsanctioned boycott, 31 in 2005 and 32 in 2006. Table 1 provides the

number of persons receiving requests, the number of persons agreeing to participate, and the number of requests and agreements, by Treasury-listed country. Overall, boycott agreements fell almost 15 percent, from 494 in 2005 to 421 in 2006. In 2005, taxpayers agreed to participate with about 13 percent of the requests they received, while they agreed to about 19 percent of the requests received in 2006. They were most likely to comply with requests from Saudi Arabia, agreeing to 30 percent of its requests in 2005 and 55 percent in 2006.

### Tax Penalties

U.S. taxpayers who participated in the boycotts listed may lose their right to claim certain tax benefits provided by U.S. tax law. For 2005 and 2006, taxpayers lost portions of the foreign tax credit, the exclusion of extraterritorial income, and the tax deferral available to U.S. shareholders of controlled foreign corporations (CFCs).<sup>7, 8</sup> Not all taxpayers, of course, were

<sup>7</sup> This exclusion allowed businesses to deduct qualifying foreign trade income from their U.S. gross incomes. Qualifying foreign trade income was defined as the greatest of the following income, that when excluded would reduce taxable income by (1) 1.2 percent of foreign trading gross receipts, or (2) 15 percent of foreign trade income, or (3) 30 percent of foreign sales and leasing income.

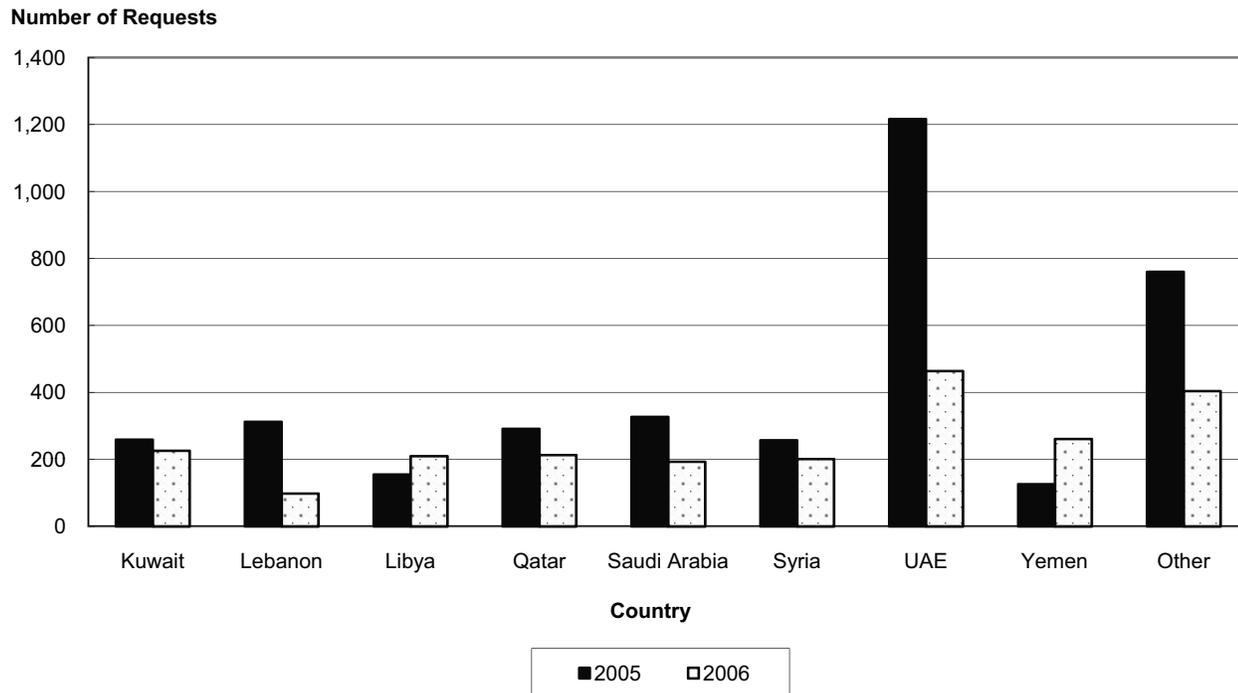
<sup>8</sup> No taxpayer has reported a loss of tax deferral of Interest Charge Domestic International Sales Corporation or Foreign Sales Corporation benefits in recent years. Congress repealed the FSC provisions in November 2000. Exceptions that permitted certain FSCs to continue were repealed in May 2006.

# International Boycott Reports, 2005 and 2006

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**Figure C**

## Number of Boycott Requests Received, by Requesting Country, 2005-2006



eligible for the tax benefits subject to consequences. Of those taxpayers agreeing to participate, 19 lost tax benefits in 2005, and 9 lost tax benefits in 2006.

Taxpayers who had operations in a boycotting country were required to reduce foreign trade income qualifying for extraterritorial income exclusion, even if they did not receive any requests to participate in a boycott. There were 28 taxpayers for 2005 who lost part of their extraterritorial income exclusion although they did not participate in a boycott and 24 for 2006.

Taxpayers compute the loss of extraterritorial income exclusion using the international boycott factor method. Under this method, the loss of tax benefit is determined by the taxpayer's ratio of purchases, sales, and payroll in boycotting countries to the taxpayer's total foreign purchases, sales, and payroll. The amount of foreign trade income qualifying for exclusion is reduced by the same proportion as the international boycott factor. In all, taxpayers reduced the exclusion by \$1,551,456 in 2005 (in constant 2006 dollars) and \$550,936 in 2006. (Table 2 shows

the amount of tax consequences reported for the past 11 years, in constant 2006 dollars, by method of computation.)<sup>9</sup>

For the denial of other tax benefits, taxpayers may use either the international boycott factor method or the specifically attributable method. Under the specifically attributable method, taxpayers reduce each benefit by foreign taxes paid or foreign income earned that is associated with the operation in the boycotting countries with whom the agreement was made and that would otherwise be eligible for tax benefits.

Taxpayers who use the international boycott factor reduce their foreign tax credit by the same proportion as the boycott factor. Those who use the specifically attributable method subtract foreign taxes paid to boycotting countries with whom they established agreements from the amount of taxes eligible for credit.

Regardless of the method selected, taxpayers may still deduct taxes ineligible for the credit under

<sup>9</sup> In the American Jobs Act of 2004, Congress enacted a gradual repeal of the extraterritorial income exclusion. Taxpayers could claim 80 percent of their eligible exclusion for 2005 and 60 percent for 2006. No exclusion can be claimed for tax years after 2006.

## International Boycott Reports, 2005 and 2006

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boycott provisions from their U.S. gross incomes. For 2005, taxpayers reduced their foreign tax credit by a total of \$7,805 (in constant 2006 dollars) using the first method and reduced their eligible foreign taxes by \$842,864 using the second method. For 2006, taxpayers lowered their total foreign tax credit by \$5,680,239 and decreased their total eligible foreign taxes by \$733,077.

Although the reduction in foreign tax credit due to boycott participation rose substantially for 2006, the boycott reduction remains a very small amount of the total foreign tax credit claimed by all U.S. persons. For comparison, the foreign tax credit for corporations filing for 2006 was over \$82 billion.

A CFC is any foreign corporation in which U.S. shareholders own directly, indirectly, or constructively more than 50 percent of either the total combined voting power or total value of all stock on any day of the taxable year of the corporation. Generally, earn-

ings from a CFC are not subject to tax in the United States until they are distributed to the U.S. parent.

Under both the international boycott factor and specifically attributable methods, shareholders of CFCs must convert some of their CFCs' undistributed incomes into a "deemed distribution," thereby subjecting the distribution to U.S. tax. Taxpayers who participated in a boycott reported a total increase of \$3,269,868 (in constant 2006 dollars) to their taxable incomes from CFCs for 2005 and \$14,644,844 for 2006.) As with the reduction of the foreign tax credit, the overall increase in taxable income from CFCs due to boycott participation is very small compared to total CFC income for all taxpayers.

### Data Sources and Limitations

Data for the 2005 and 2006 studies were based on the population of Forms 5713, *International Boycott Report*, attached to U.S. income tax returns with accounting periods ending in those years.

# International Boycott Reports, 2005 and 2006

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**Table 1. International Boycott Reports: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country, 2005-2006**

Country	Number of persons receiving requests [1]		Number of boycott requests received [2]		Number of persons with agreements [1]		Number of boycott agreements		Boycott agreements as a percentage of requests received	
	2005 (1)	2006 (2)	2005 (3)	2006 (4)	2005 (5)	2006 (6)	2005 (7)	2006 (8)	2005 (9)	2006 (10)
<b>All countries</b>	<b>115</b>	<b>112</b>	<b>3,703</b>	<b>2,270</b>	<b>31</b>	<b>32</b>	<b>494</b>	<b>421</b>	<b>13.3</b>	<b>18.5</b>
<b>Treasury-listed countries</b>	<b>106</b>	<b>90</b>	<b>3,290</b>	<b>1,866</b>	<b>24</b>	<b>27</b>	<b>480</b>	<b>381</b>	<b>14.6</b>	<b>20.4</b>
Bahrain	20	N/A	43	N/A	6	N/A	9	N/A	20.9	N/A
Kuwait	30	31	259	226	10	15	36	48	13.9	21.2
Lebanon	29	29	312	98	11	10	91	31	29.2	31.6
Libya	36	30	155	210	5	9	6	25	3.9	11.9
Oman	22	N/A	304	N/A	3	N/A	5	N/A	1.6	N/A
Qatar	34	22	291	213	3	**	11	4	3.8	1.9
Saudi Arabia	28	23	327	193	10	8	99	107	30.3	55.4
Syria	26	19	257	201	10	7	39	65	15.2	32.3
United Arab Emirates	64	58	1,216	464	17	18	174	81	14.3	17.5
Yemen, Republic of	9	14	126	261	4	3	10	20	7.9	7.7
<b>Nonlisted countries</b>	<b>38</b>	<b>54</b>	<b>413</b>	<b>404</b>	<b>6</b>	<b>12</b>	<b>14</b>	<b>40</b>	<b>3.4</b>	<b>9.9</b>

N/A—not applicable. Bahrain and Oman were not on the Treasury List for 2006.

\*\*Data deleted to avoid disclosure of information about specific taxpayers. However, data are included in the appropriate totals.

[1] Data in these columns do not add to totals because persons could have received requests from, or made agreements with, more than one country.

[2] The number of requests are undercounted to the extent that many taxpayers do not specify the number of requests they received. This table counts an unknown number of requests as one request.

# International Boycott Reports, 2005 and 2006

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**Table 2. International Boycott Reports: Lost Tax Benefits, by Method of Computation, 1997-2006**

[Money amounts are in whole dollars]

Method and calendar year	Reduction of foreign taxes or foreign tax credit [1]	Increase of Subpart F income [1]	Denial of Foreign Sales Corporation benefits [1]	Reduction of extraterritorial income exclusion [1, 2]
	(1)	(2)	(3)	(4)
<b>Boycott factor method</b>				
1997	29,208	282,026	0	0
1998	0	0	5,495	0
1999	0	0	0	0
2000	0	6,979	0	0
2001	0	0	0	0
2002	6,324	373,970	0	291,824
2003	4,407	38,857	0	318,170
2004	10,681	203,117	0	565,146
2005	7,805	235,945	0	1,551,456
2006	5,680,239	229,039	0	550,936
<b>Specifically attributable taxes and income method</b>				
1997	146	1,868,514	368,133	0
1998	0	875,226	534,784	0
1999	36,474	949,725	0	0
2000	23,974	1,820,590	0	0
2001	**	2,205,431	0	0
2002	774,690	5,751,347	0	0
2003	583,129	1,942,162	0	0
2004	692,435	3,207,772	0	0
2005	842,864	3,033,923	0	0
2006	733,077	11,705,731	0	0

\*\*Data deleted to avoid disclosure of information about specific taxpayers.

[1] Money amounts have been adjusted for inflation to constant 2006 dollars using the Consumer Price Index.

[2] The reduction of the extraterritorial income exclusion was added to the November 2001 Form 5713 revision.

# U.S. Possessions Corporation Returns, 2005

by Daniel S. Holik

In general, to qualify for the possessions tax credit, a corporation must be a domestic corporation (organized under the laws of one of the 50 states), and have filed Form 5712, *Election To Be Treated as a Possessions Corporation Under Section 936*. Once filed, this election remains in effect for 10 years, unless the taxpayer obtains permission for a revocation from the Internal Revenue Service.

Two gross income tests must also be satisfied. First, the possessions corporation must have derived 80 percent or more of its gross income from sources in a U.S. possession for the corporation's applicable period, which is generally the shorter of 36 months or the period when the corporation actively conducted a trade or business in a U.S. possession. The second test requires the corporation to derive at least 75 percent of its gross income from the active conduct of a trade or business in a U.S. possession. If these gross income tests are satisfied, a U.S. possessions corporation may claim the possessions tax credit for that portion of income earned from qualified sources in U.S. possessions. For Tax Year 2005, U.S. possessions included Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

The United States taxes its citizens, residents, and corporations on their worldwide incomes. Because possessions corporations are domestic corporations, they are subject to U.S. taxation on income earned in U.S. possessions and other foreign tax jurisdictions. For U.S. tax purposes, however, income earned in U.S. possessions is generally considered foreign-source income. Unlike the foreign tax credit, the possessions tax credit reduces and, in some cases, eliminates the U.S. tax liability on qualified possessions income whether or not the possessions tax that income.<sup>1</sup> U.S. possessions typically employ a

combination of modest statutory rates and tax holidays, which together translate to fairly low effective tax rates.<sup>2</sup> Thus, the income earned by possessions corporations from possessions sources tends to be subject to low total effective tax rates.

The Tax Year 2005 Statistics of Income (SOI) possessions tax credit study is the last planned SOI study of possessions corporation returns. Generally, the possessions credit was repealed for taxable years beginning after December 31, 2005.<sup>3</sup> For Tax Year 2005, the number of U.S. corporations claiming the possessions tax credit (102) and the amount of the credit claimed (\$0.9 billion) continued declines that began in the 1990s. These declines coincide with increased legislative restrictions on the use of the possessions tax credit.

Most of the U.S. corporations claiming a possessions tax credit for 2005 did so with respect to their operations in Puerto Rico. These 94 corporations claimed more than 98 percent of the total possessions tax credit.

Manufacturers continued to claim virtually all (over 98 percent) of the possessions tax credit. As in prior years, pharmaceuticals and medicines manufacturers accounted for the largest share of the credit. For 2005, 15 pharmaceuticals and medicines manufacturers reported possessions tax credits of nearly \$0.5 billion, approximately 55 percent of the total. Other industries with substantial amounts of possessions tax credits claimed included food manufacturing, computer and electric equipment, and medical equipment and supplies manufacturing.<sup>4</sup>

## Background

Since 1921, Federal income tax laws have provided an incentive for U.S. corporations to conduct business in U.S. possessions. The original legislation provided an exemption from taxation for all income derived from sources outside the United States if certain conditions were met. Specifically, the corporation had to derive 80 percent or more of its gross income from U.S. possessions and 50 percent or

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<sup>1</sup> Subject to numerous limitations, the foreign tax credit is available only for actual taxes paid or accrued, or deemed paid. For more information on the foreign tax credit, see "Foreign Tax Credit, 2004," published in the *Statistics of Income Bulletin*, Summer 2008, Washington, D.C. 2008.

<sup>2</sup> For example, the Puerto Rican tax system is separate and independent from the U.S. tax system. Although it is modeled after the U.S. system, there are differences in law and tax rates. Puerto Rico provides various tax incentives for industries under the Tax Incentives Acts of 1987 and 1998 (see Note 13).

<sup>3</sup> The Small Business Job Protection Act of 1996 generally repealed the credit for tax years beginning after December 31, 2005. See the Background section of this article for a more complete discussion of the legislative history of the U.S. Possessions Tax Credit.

<sup>4</sup> Throughout this article, the North American Industry Classification System (NAICS) is used to categorize business activity of possessions corporations. See *North American Industry Classification System, United States, 2002*, Executive Office of the President, Office of Management and Budget for additional information about specific industrial groups. For example, the food manufacturing industrial group includes beverages and distilled spirits.

## U.S. Possessions Corporation Returns, 2005

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more of its gross income from the active conduct of a trade or business in the possessions. These tax provisions were enacted to help U.S. corporations compete with foreign companies operating in the Philippines, which was then a U.S. possession.

The Tax Reform Act of 1976 significantly changed the taxation of U.S. corporations operating in U.S. possessions, creating a new section 936 of the Internal Revenue Code. Rather than exempting all income derived from sources outside the United States for qualifying corporations, the new legislation allowed only a credit against taxes paid on income derived from the active conduct of a trade or business in a possession and “qualified possessions source investment income” (see the Explanation of Selected Terms section). The intent of this legislation was to encourage employment-producing investments by U.S. corporations in U.S. possessions.

The Tax Equity and Fiscal Responsibility Act of 1982 and the Tax Reform Act of 1986 further restricted tax benefits available under section 936 by modifying the tax treatment of income derived from intangible assets and passive investments. In general, the 1982 Act provided that a possessions corporation’s income from intangible assets, such as patents and copyrights, would be taxable to the U.S. shareholders (usually the U.S. parent corporation) of the possessions corporation.<sup>5</sup> A possessions corporation could elect out of this general rule if it demonstrated that it had a significant business presence in the possession in which it operated, by meeting either a direct labor test or a value added test with respect to a specific product or type of service.<sup>6</sup> Electing corporations could then choose to allocate income attributable to that product or service between the U.S.

shareholders and the possessions corporation using either the cost-sharing or profit split method.<sup>7</sup> The 1982 Act also increased the percentage of gross income that a possessions corporation must earn from the active conduct of a trade or business in U.S. possessions to 65 percent. The 1986 Act increased this percentage to 75 percent.

Legislation introduced in the 1990s continued to restrict, and finally generally repeal, the possessions tax credit provisions. Congress, in the Omnibus Budget Reconciliation Act of 1993, required corporations to separate their possessions income and credit computations into active and passive components. While qualified passive income (i.e., “qualified possessions source investment income”) continued to receive unrestricted credit treatment, the possessions credit derived from active income was subject to a limitation computed under either the percentage limitation or economic-activity limitation methods (these methods are explained in the Highlights section).

The Small Business Job Protection Act of 1996 generally repealed the credit for tax years beginning after December 31, 1995. However, transition rules allowed an existing possessions corporation to claim credits, with certain restrictions, through taxable years beginning before January 1, 2006. The Act eliminated the credit for qualified possessions source investment income received or accrued after June 31, 1996.<sup>8</sup> Existing credit claimants could, however, continue to claim reduced credit amounts for active income using the percentage or economic-activity limitations.<sup>9</sup> The Act also implemented a base period constraint that limits the taxable income eligible for the credit for claimants using the percent-

<sup>5</sup> Prior to the passage of the Tax Equity and Fiscal Responsibility Act of 1982, U.S. parent corporations could deduct research and development costs relative to an intangible asset (for example, a patent) and transfer the intangible to a related possessions corporation where the resulting income would qualify for the possessions tax credit under section 936. For further information, see General Accounting Office, “Report to the Chairman, Committee on Finance, U.S. Senate: Tax Policy, Puerto Rico Economic Trends,” May 1997.

<sup>6</sup> U.S. possessions corporations file Form 5712-A, *Election and Verification of the Cost Sharing or Profit Split Method Under Section 936(h)(5)* to show under the direct labor or value added test that they have a significant business presence in a possession.

<sup>7</sup> Generally, the cost-sharing method allows a possessions corporation to earn income from intangible processes (that may have been developed by a parent and/or members of the affiliated group) in the production of a product provided that the possessions corporation makes a cost-sharing payment (for use of the intangible processes) to the affiliate(s). Generally, the profit split method allows a possessions corporation to report income equal to 50 percent of the combined taxable income of the affiliated group from the production and sale of a product (while the remaining 50 percent of combined taxable income is allocated to the affiliated group).

<sup>8</sup> For tax years beginning before January 1, 2006, the Act’s amendments with regard to both active and qualified possessions source investment income do not apply to existing credit claimants with respect to Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. These claimants figure the credit under rules in effect prior to the 1996 Act.

<sup>9</sup> With the passage of the Small Business Job Protection Act of 1996, credit claimants operating in Puerto Rico that use the economic activity limitation figure their credit under the new section 30A. Generally, the provisions of section 936 apply when computing the credit under section 30A. See the Explanation of Selected Terms section for a definition of the term “existing credit claimant.”

# U.S. Possessions Corporation Returns, 2005

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age limitation method.<sup>10</sup> This base period constraint is effective for tax years beginning after December 31, 1997.<sup>11</sup>

## Highlights

As shown in Figure A, the statistics for 2005 reflect a continuing trend of fewer U.S. possessions corporations reporting smaller amounts of possessions tax

credits. For 2005, there were 157 active possessions corporations, a 22-percent decrease from the 201 active corporations for 2003.<sup>12</sup> During this same period, the total possessions tax credit decreased from \$1.1 billion to \$0.9 billion.

U.S. possessions corporations with operations in Puerto Rico continued to report virtually all of the possessions tax credits (Figure B). For 2005, 94 Puerto Rico-based possessions corporations claimed \$0.85 billion of possessions tax credits. These corporations also accounted for nearly all of the assets, receipts, and net income of corporations claiming the credit.

As shown in Figure C, manufacturing corporations claimed approximately 69 percent of the possessions tax credit.<sup>13</sup> For 2005, manufacturers of food, textiles and apparel, pharmaceuticals and medicines, computers and electric equipment, and medical equipment and supplies, combined, claimed more than 40 percent of the \$0.9-billion total credit.

Figure D, which provides statistics for credit claimants for 1997, 1999, 2001, 2003, and 2005 highlights the extent of the decline in the use of the possessions tax credit provisions. The number of credit claimants in 2005 fell 25 percent to 102 from 2003. Assets reported for 2005 declined to \$32.7 billion (a 6-percent decrease from 2003) and receipts dropped to \$14.3 billion (a 26-percent decrease). For 2005, U.S. income tax before credits fell 9 percent to \$2.2 billion, and the total amount of possessions sales fell 7 percent to \$32.6 billion.

For 2005, possessions corporations were subject to a limitation on the possessions tax credit derived from their active business incomes. With certain restrictions, corporations could elect to determine the possessions credit using either a percentage or economic-activity limitation computation. The percentage limitation method required taxpayers to compute the possessions tax credit for active income as a percentage of the credit that would have been allowed prior to Tax Year 1994. For 2005, the applicable percentage was 40 percent.

**Figure A**

### Corporations Claiming the U.S. Possessions Tax Credit, Tax Years, 1983-2005

[Money amounts are in billions of dollars]

Tax year	Number of active possessions corporations [1]	Corporations claiming credit	
		Number	U.S. possessions tax credit
	(1)	(2)	(3)
1983	625	553	2.0
1984 [2]	n/a	536	2.0
1985	594	510	2.4
1986 [2]	n/a	520	2.9
1987	516	452	2.8
1988 [2]	n/a	458	2.3
1989	513	434	2.8
1990 [2]	n/a	400	3.2
1991 [2]	n/a	402	3.5
1992 [2]	n/a	414	3.7
1993	474	395	4.6
1994 [2]	n/a	390	3.8
1995	440	353	3.1
1996 [2]	n/a	335	3.1
1997	378	310	2.8
1998 [2]	n/a	260	2.4
1999	300	206	1.6
2000 [2]	n/a	197	1.4
2001	246	171	1.3
2002 [2]	n/a	147	1.2
2003	201	136	1.1
2004 [2]	n/a	105	0.9
2005	157	102	0.9

n/a—Not available.

[1] An active corporation is a corporation that has current income and/or deductions. A possessions corporation is a domestic corporation that has filed Form 5712, *Election to be Treated as a Possessions Corporation under Section 936*.

[2] No U.S. Possessions study was conducted for these tax years. The number of credit claimants and possessions tax credits for these tax years were published in the *Statistics of Income, Corporation Income Tax Returns, Publication 16*.

<sup>10</sup> A similar cap is effective for credit claimants using the economic-activity limitation for taxable years beginning after December 31, 2001.

<sup>11</sup> For more information on the legislative history, see Miller, Randy, "U.S. Possessions Corporations, 1995," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1.

<sup>12</sup> For more information on the possessions tax credit for Tax Years 1997, 1999, 2001, and 2003, see: Nutter, Sarah E., "U.S. Possessions Corporation Returns, 1997 and 1999," *Statistics of Income Bulletin*, Summer 2003, Volume 23, Number 1; Holik, Daniel S., "U.S. Possessions Corporations Returns, 2001," *Statistics of Income Bulletin*, Fall 2005, Volume 25, Number 2; and Holik, Daniel S., "U.S. Possessions Corporations Returns, 2003," *Statistics of Income Bulletin*, Summer 2006, Volume 26, Number 1.

<sup>13</sup> Puerto Rico has tax incentives that are primarily for companies in the manufacturing or export business. Nonmanufacturing companies generally pay the full Puerto Rican income tax and then claim the U.S. foreign tax credit. Thus, nonmanufacturing companies receive little reduction in U.S. income tax liabilities through use of the possessions tax credit. For additional information, see General Accounting Office, "Report to the Chairman, Committee on Finance, U.S. Senate: Tax Policy, Puerto Rican Economic Trends," May 1997.

# U.S. Possessions Corporation Returns, 2005

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**Figure B**

## Selected Information for U.S. Possessions Tax Credit Claimants, by U.S. Possession in Which Income Was Earned, Tax Year 2005

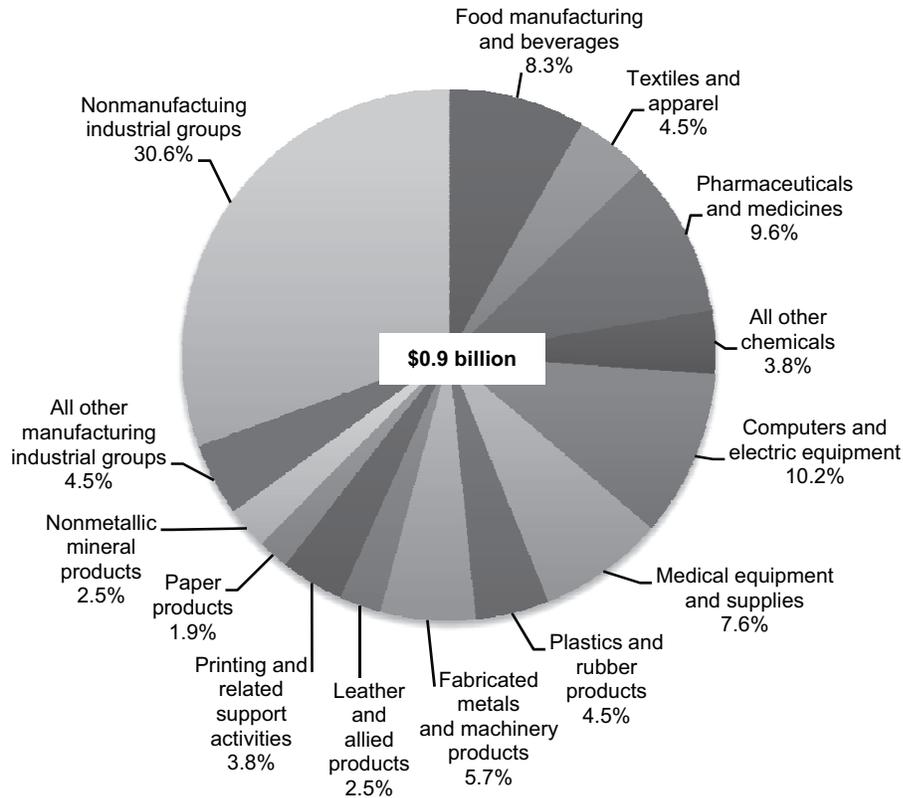
[Money amounts are in thousands of dollars]

U.S. Possession	Number of corporations claiming credit	Total assets	Total receipts	Net income (less deficit)	Income subject to tax	U.S. income tax before credits	U.S. possessions tax credit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All U.S. possessions</b>	<b>102</b>	<b>32,650,476</b>	<b>14,342,281</b>	<b>7,122,797</b>	<b>6,233,330</b>	<b>2,177,909</b>	<b>865,406</b>
Puerto Rico	94	32,422,983	13,891,880	7,080,816	6,191,349	2,163,280	854,634
U.S. Virgin Islands	4	77,081	62,984	18,797	18,797	6,529	3,113
Other U.S. possessions	4	150,413	387,418	23,185	23,185	8,101	7,659

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

**Figure C**

## U.S. Possessions Tax Credit, by Industrial Group, Tax Year 2005



# U.S. Possessions Corporation Returns, 2005

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**Figure D**

## Selected Information for U.S. Possessions Tax Credit Claimants, Selected Tax Years, 1997-2005

[Money amounts are in thousands of dollars]

Item	1997	1999	2001	2003	2005
	(1)	(2)	(3)	(4)	(5)
Number of returns	310	206	171	136	102
Total assets	47,835,816	39,859,398	34,100,189	34,634,123	32,650,476
Total receipts	39,583,991	31,847,430	25,538,141	19,259,749	14,342,281
Income subject to tax	14,903,440	11,500,269	8,728,987	6,872,859	6,233,330
U.S. income tax before credits	5,213,057	4,023,543	3,053,651	2,404,421	2,177,909
U.S. possessions tax credit, by method:					
Total	2,795,176	1,605,735	1,299,803	1,107,000	865,406
Percent limitation method	1,954,034	955,332	777,816	722,730	527,809
Economic activity method	841,120	650,404	492,682	383,837	337,596
Unspecified method	21	0	29,304	432	0
Deduction for possessions taxes, by method:					
Total	298,031	179,686	98,947	84,048	55,720
Percent limitation method	294,474	177,343	98,133	83,192	53,895
Economic activity method	3,557	2,343	814	856	1,825
Possessions sales reported on Schedule P, by method:					
Total	59,748,281	48,086,748	40,264,206	34,873,014	32,605,327
Cost-sharing method	10,135,631	7,797,313	4,838,528	4,710,002	5,168,948
Profit-split method	49,612,650	40,289,435	35,425,679	30,163,012	27,436,379

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

Generally, corporations with large profits relative to labor and depreciation expenses elected the percentage limitation method. The economic-activity limitation was based on a formula that depended on the qualified compensation and depreciation deductions that a possession corporation incurred during the tax year.<sup>14</sup> Generally, corporations that had substantial labor and depreciation expenses relative to profits elected the economic-activity method.

Of the \$0.9 billion possessions tax credit claimed for 2005, nearly 61 percent (\$0.5 billion) was computed using the percentage limitation method, and approximately 39 percent (\$0.3 billion) was computed using the economic-activity limitation method. Almost all (over 99 percent) of the possessions tax credit computed using the percentage limitation method was attributable to corporations in the food manufacturing and pharmaceuticals and medicines industrial groups. Use of the economic-activity method was spread throughout almost all industries.

However, over 58 percent of possessions credit computed using the economic-activity method was attributable to the computers and electric equipment, and medical equipment and supplies manufacturing industrial groups.

In general, possessions corporations were also allowed to deduct the portion of actual income taxes paid to U.S. possessions that related to possessions income not sheltered by the possessions tax credit. For 2005, the total deduction for possessions taxes paid was less than \$0.1 billion.

### Summary

For Tax Year 2005, 102 U.S. corporations reported \$0.9 billion of possessions tax credits. The number of U.S. corporations claiming a possessions tax credit and the total amount of the credit reported continued declines that began in the 1990s. These declines coincide with increased legislative restrictions on

<sup>14</sup> The labor component of the economic activity limit generally consists of 60 percent of the corporation's qualified wages and employee fringe benefits for the tax year, subject to certain limitations (see Internal Revenue Code sections 936(i)(1) and 936(i)(2) for more detailed information). The amount of depreciation expense taken into account when computing the economic activity limit depends on the useful life of each asset. Taxpayers compute 15 percent of the depreciation deduction for short-life property, 40 percent for medium-life property, and 65 percent for long-life property. Short-life property refers to property with a useful life of 3 years to 5 years. Medium-life property is 7-year or 10-year property. Long-life property generally refers to property that is neither short-life nor medium-life.

the use of the possessions tax credit. The U.S. Possessions Tax Credit was repealed for taxable years beginning after December 31, 2005.

As in prior years, pharmaceuticals and medicines manufacturers located in Puerto Rico reported the bulk of the possessions tax credit. The food manufacturing, medical equipment and supplies, computers and electric equipment, and textiles and apparel industries also claimed substantial amounts of possessions tax credits.

## Data Sources and Limitations

The 2005 statistics are based on data compiled from all returns filed by U.S. possessions corporations with accounting periods ending between July 2005 and June 2006. Consequently, the data are not subject to sampling error.

The data may, however, contain nonsampling errors. Where possible, inconsistencies in the data were resolved to conform with provisions of the Internal Revenue Code. In cases where information reported was not logical, other data on the return were used to resolve errors.

Data were collected from Form 1120, *U.S. Corporation Income Tax Return*, for possessions corporations and supplemented by information collected from Form 5712, *Election To Be Treated as a Possessions Corporation Under Section 936*, Form 5735, *Possessions Corporation Tax Credit (Under Sections 936 and 30A)*, and Schedule P (Form 5735), *Allocation of Income and Expenses Under Section 936(h)(5)*. Due to processing differences, slight variations exist between the data in this article and the more limited statistics published in Internal Revenue Service, *Statistics of Income—2005, Corporation Income Tax Returns*, Washington, DC 2008.

## Explanation of Selected Terms

*Business receipts*—Business receipts were the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Generally, they represented all of a corporation's receipts except investment and incidental income.

*Distributions to stockholders*—Distributions to stockholders represent cash and property (other than company stock) distributions to stockholders during the current year.

*Existing credit claimant*—A corporation was an existing credit claimant with respect to a possession if the corporation: 1) was engaged in the active conduct of a trade or business within the possession on October 13, 1995; and 2) elected the benefits of the possessions credit effective for its taxable year that included October 13, 1995. A corporation that acquired all of the assets of a trade or business of an existing credit claimant qualified as an existing credit claimant.

*Income subject to tax*—This was generally the amount of income subject to tax at the corporate level. For most corporations, income subject to tax consisted of net income minus statutory special deductions (i.e., the net operating loss deduction and special deductions for dividends).

*Intangible assets*—Intangible assets represented the total gross value of goodwill, contracts, copyrights, formulas, licenses, patents, registered trademarks, franchises, covenants not to compete, and similar assets that were amortizable for tax purposes.

*Passive activity*—Passive activity generally included trade or business activity in which the corporation did not materially participate for the tax year, and with exceptions, rental activities regardless of the corporation's participation.

# U.S. Possessions Corporation Returns, 2005

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**Table 1. U.S. Possessions Corporations: Balance Sheet Items, by Selected Industry, Tax Year 2005**

[Money amounts are in thousands of dollars]

Items	All industries	Agriculture, forestry, fishing, hunting and construction	Manufacturing				
			Total	Food manufacturing	Textiles and apparel	Leather and allied products	Paper products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>157</b>	<b>3</b>	<b>109</b>	<b>13</b>	<b>7</b>	<b>4</b>	<b>3</b>
<b>Total assets</b>	<b>43,181,537</b>	<b>22,240</b>	<b>38,477,495</b>	<b>9,648,921</b>	<b>1,117,280</b>	<b>246,720</b>	<b>67,769</b>
Cash	746,407	395	718,903	367,404	694	24	5,384
Notes and accounts receivable	10,477,861	18,540	9,409,609	1,236,908	443	240,290	9,683
Less: Allowance for bad debts	19,989	0	11,029	1,386	0	0	233
Inventories	1,356,977	0	1,218,023	200,056	21,762	3,367	8,376
Investment in Government obligations	599	0	599	0	599	0	0
Tax-exempt securities	4,912	0	4,912	0	0	0	0
Other current assets	1,152,332	1,338	1,070,847	82,544	24,997	231	603
Loans to stockholders	3,226	0	222	0	0	0	0
Mortgage and real estate loans	18,352	0	0	0	0	0	0
Other investments	16,284,034	268	13,984,764	7,488,160	48,069	[1]	0
Depreciable assets	4,992,435	9,024	4,521,448	549,439	115,377	18,550	51,547
Less: Accumulated depreciation	2,764,723	7,331	2,534,019	302,953	74,642	15,584	38,441
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	94,641	0	71,818	8,462	0	0	2,321
Intangible assets	619,836	0	416,402	26,952	0	0	23,052
Less: Accumulated amortization	93,751	0	91,635	14,322	0	0	597
Other assets	10,647,159	6	9,716,162	16,350	979,981	0	6,073
Assets balancing adjustment [2]	-338,771	0	-19,531	-8,693	0	-157	0
<b>Total liabilities and stockholder's equity</b>	<b>43,181,537</b>	<b>22,240</b>	<b>38,477,495</b>	<b>9,648,921</b>	<b>1,117,280</b>	<b>246,720</b>	<b>67,769</b>
Accounts payable	2,751,057	411	2,077,889	185,778	3,235	31,027	1,427
Current mortgages, notes, and bonds payable	68,431	0	56,243	399	0	0	206
Other current liabilities	813,814	371	646,592	37,182	16,656	2,583	5,631
Loans from stockholders	14,282	1,439	12,517	0	0	0	0
Long-term mortgages, notes, and bonds payable	715,798	0	270,755	217,264	0	0	1,277
Other liabilities	3,635,388	120	2,252,842	39,298	21,917	264	3,527
Preferred stock [3]	680,614	0	680,613	600,167	0	0	0
Common stock	1,680,821	11	1,573,314	2,924	147	127	252
Paid-in or capital surplus [3]	5,628,404	55	5,378,181	91,082	11,121	1,537	46,049
Retained earnings, appropriated	0	0	0	0	0	0	0
Retained earnings, unappropriated	27,504,626	24,314	25,803,471	8,493,225	1,064,298	211,181	14,593
Adjustments to stockholders' equity	-236	0	-631	-652	0	0	0
Less: Cost of treasury stock	31,705	0	1,860	0	0	0	0
Liabilities balancing adjustment [2]	-279,756	-4,481	-272,429	-17,746	-94	0	-5,192

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 1. U.S. Possessions Corporations: Balance Sheet Items, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Items	Manufacturing—continued					
	Printing and related support activities	Pharmaceuticals and medicines	All other chemicals	Plastics and rubber products	Nonmetallic mineral products	Primary and fabricated metals
	(8)	(9)	(10)	(11)	(12)	(13)
<b>Number of returns</b>	<b>6</b>	<b>15</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>5</b>
<b>Total assets</b>	<b>433,886</b>	<b>20,364,746</b>	<b>358,584</b>	<b>171,411</b>	<b>99,326</b>	<b>88,083</b>
Cash	13,997	14,606	15,130	3,330	7,188	1,988
Notes and accounts receivable	63,130	5,872,619	74,454	52,096	17,431	65,139
Less: Allowance for bad debts	3,013	188	196	221	1,089	43
Inventories	31,794	508,308	42,492	11,070	5,250	7,912
Investment in Government obligations	0	0	0	0	0	0
Tax-exempt securities	0	0	0	0	0	0
Other current assets	1,425	287,327	32,753	2,317	39,749	625
Loans to stockholders	0	0	0	0	0	0
Mortgage and real estate loans	0	0	0	0	0	0
Other investments	31,495	5,250,104	29,600	48,619	1,367	2,282
Depreciable assets	347,885	1,360,862	378,955	103,308	56,358	44,567
Less: Accumulated depreciation	177,869	646,154	231,719	53,015	41,412	36,263
Depletable assets	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0
Land	4,793	28,186	3,393	4,091	28	1,234
Intangible assets	161,234	36,132	1,576	0	0	0
Less: Accumulated amortization	40,389	9,132	1,058	0	0	0
Other assets	250	7,662,077	13,383	0	14,457	651
Assets balancing adjustment [2]	-847	0	-180	-184	0	-7
<b>Total liabilities and stockholder's equity</b>	<b>433,886</b>	<b>20,364,746</b>	<b>358,584</b>	<b>171,411</b>	<b>99,326</b>	<b>88,083</b>
Accounts payable	42,267	868,906	35,890	35,155	2,937	2,911
Current mortgages, notes, and bonds payable	35,857	2,759	105	38	7,821	3,507
Other current liabilities	44,189	196,317	14,885	3,476	7,007	862
Loans from stockholders	0	0	426	12,091	0	0
Long-term mortgages, notes, and bonds payable	30,837	1,523	181	0	120	574
Other liabilities	55,575	1,848,094	159,230	260	1,909	0
Preferred stock [3]	18	250	160	18	0	0
Common stock	185,262	1,376,152	280	585	220	134
Paid-in or capital surplus [3]	8,200	4,226,272	6,173	24,400	17,035	5,544
Retained earnings, appropriated	0	0	0	0	0	0
Retained earnings, unappropriated	31,682	11,844,473	283,634	95,553	62,278	74,551
Adjustments to stockholders' equity	0	0	0	0	0	0
Less: Cost of treasury stock	0	0	0	0	0	0
Liabilities balancing adjustment [2]	0	0	-142,378	-166	0	0

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 1. U.S. Possessions Corporations: Balance Sheet Items, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Items	Manufacturing—continued				Wholesale trade		Retail trade
	Machinery manufacturing	Computers and electric equipment	Medical equipment and supplies	Miscellaneous manufacturing	Durable goods wholesalers	Nondurable goods wholesalers	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Number of returns</b>	<b>4</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>3</b>
<b>Total assets</b>	<b>988,313</b>	<b>2,666,398</b>	<b>1,660,767</b>	<b>565,291</b>	<b>71,458</b>	<b>602,529</b>	<b>616,827</b>
Cash	1,198	63,659	209,841	14,461	1,256	6,502	5,767
Notes and accounts receivable	104,502	1,364,529	279,446	28,939	28,299	565,896	5,510
Less: Allowance for bad debts	340	99	348	3,873	1,264	1,830	15
Inventories	20,065	100,843	138,869	117,860	16,662	13,507	82,287
Investment in Government obligations	0	0	0	0	0	0	0
Tax-exempt securities	0	4,912	0	0	0	0	0
Other current assets	6,821	240,705	35,591	315,160	961	5,822	43
Loans to stockholders	0	222	0	0	417	0	0
Mortgage and real estate loans	0	0	0	0	0	0	0
Other investments	507,000	554,216	2,488	21,364	0	0	0
Depreciable assets	98,381	408,218	826,204	161,798	16,063	15,843	165,457
Less: Accumulated depreciation	50,782	267,369	498,101	99,715	11,201	8,859	98,193
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	2,479	9,201	5,591	2,040	923	0	4,406
Intangible assets	0	153,810	10,013	3,633	283	0	0
Less: Accumulated amortization	0	19,824	5,512	802	150	0	0
Other assets	299,062	58,988	660,463	4,427	19,209	5,648	451,567
Assets balancing adjustment [2]	-72	-5,613	-3,777	0	0	0	0
<b>Total liabilities and stockholder's equity</b>	<b>988,313</b>	<b>2,666,398</b>	<b>1,660,767</b>	<b>565,291</b>	<b>71,458</b>	<b>602,529</b>	<b>616,827</b>
Accounts payable	26,858	520,289	64,611	256,597	10,151	476,599	42,734
Current mortgages, notes, and bonds payable	0	3,085	1,252	1,214	79	5,674	0
Other current liabilities	26,220	203,665	64,415	23,504	22,219	16,082	45,489
Loans from stockholders	0	0	0	0	0	0	0
Long-term mortgages, notes, and bonds payable	0	907	18,026	46	2,693	0	0
Other liabilities	61,275	47,339	11,221	2,933	4,713	1,175	0
Preferred stock [3]	0	0	0	80,000	0	0	0
Common stock	203	6,758	27	243	95	513	10,237
Paid-in or capital surplus [3]	519,063	196,803	201,897	23,006	10,836	41,381	85
Retained earnings, appropriated	0	0	0	0	0	0	0
Retained earnings, unappropriated	354,693	1,782,229	1,303,488	187,590	23,027	61,106	518,282
Adjustments to stockholders' equity	0	21	0	0	0	0	0
Less: Cost of treasury stock	0	610	0	1,250	0	0	0
Liabilities balancing adjustment [2]	0	-94,089	-4,171	-8,591	-2,355	0	0

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 1. U.S. Possessions Corporations: Balance Sheet Items, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Items	Publishing and information services	Finance and insurance	Real estate and rental and leasing	Professional services	Administrative support services	Accommodation and food services	All other services
	(21)	(22)	(23)	(24)	(25)	(26)	(27)
<b>Number of returns</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>3</b>
<b>Total assets</b>	<b>6,539</b>	<b>2,427,765</b>	<b>28,241</b>	<b>469,260</b>	<b>1,740</b>	<b>438,805</b>	<b>18,637</b>
Cash	1	27	1,383	2,364	146	9,320	344
Notes and accounts receivable	6,343	75,472	466	354,537	0	4,901	8,287
Less: Allowance for bad debts	0	59	0	4,172	0	106	1,516
Inventories	0	0	0	21,662	0	4,838	0
Investment in Government obligations	0	0	0	0	0	0	0
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	19	44,036	5,469	18,359	72	3,987	1,379
Loans to stockholders	0	0	0	0	1,475	1,112	0
Mortgage and real estate loans	0	14,922	3,430	0	0	0	0
Other investments	0	2,290,406	0	0	0	8,597	0
Depreciable assets	137	2,125	30,364	108,037	82	104,857	18,997
Less: Accumulated depreciation	118	1,643	16,081	52,936	36	24,665	9,642
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	0	0	3,356	11,013	0	2,356	770
Intangible assets	0	0	0	202,634	0	517	0
Less: Accumulated amortization	0	0	0	1,745	0	221	0
Other assets	156	2,479	18	118,162	0	333,735	17
Assets balancing adjustment [2]	0	0	-165	-308,654	0	-10,421	0
<b>Total liabilities and stockholder's equity</b>	<b>6,539</b>	<b>2,427,765</b>	<b>28,241</b>	<b>469,260</b>	<b>1,740</b>	<b>438,805</b>	<b>18,637</b>
Accounts payable	509	110,702	2,473	21,892	50	7,215	432
Current mortgages, notes, and bonds payable	27	0	5,800	64	205	250	89
Other current liabilities	546	3,093	2,671	53,402	13	21,824	1,513
Loans from stockholders	0	0	0	0	0	326	0
Long-term mortgages, notes, and bonds payable	0	39,813	0	168,915	0	233,622	0
Other liabilities	74	1,308,044	6,517	475	0	61,162	266
Preferred stock [3]	0	0	0	0	0	1	0
Common stock	2	941	5,441	90	2	90,075	100
Paid-in or capital surplus [3]	0	80,105	2,444	115,612	325	-619	0
Retained earnings, appropriated	0	0	0	0	0	0	0
Retained earnings, unappropriated	5,381	885,068	4,381	137,265	1,144	24,949	16,238
Adjustments to stockholders' equity	0	0	395	0	0	0	0
Less: Cost of treasury stock	0	0	1,882	27,963	0	0	0
Liabilities balancing adjustment [2]	0	-1	0	-491	0	0	0

[1] Absolute value is less than \$500.

[2] For statistical purposes, negative balance sheet asset and liability accounts have been moved to, and included in, asset and liability balancing adjustment categories, respectively. This procedure was adopted to address the increased usage of negative items being reported on corporate balance sheets.

[3] This item may be negative.

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

# U.S. Possessions Corporation Returns, 2005

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**Table 2. U.S. Possessions Corporations: Income Statement Items and Distributions to Stockholders, by Selected Industry, Tax Year 2005**

[Money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, hunting, and construction	Manufacturing				
			Total	Food manufacturing	Textiles and apparel	Leather and allied products	Paper products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>157</b>	<b>3</b>	<b>109</b>	<b>13</b>	<b>7</b>	<b>4</b>	<b>3</b>
<b>Total receipts [1]</b>	<b>18,110,829</b>	<b>17,549</b>	<b>16,248,291</b>	<b>1,687,210</b>	<b>309,786</b>	<b>113,373</b>	<b>76,296</b>
Business receipts	15,328,554	16,357	13,590,833	1,770,055	308,915	111,764	75,176
Interest, except State and local government obligations	462,735	5	407,955	12,404	801	749	1,121
Interest on State and local government obligations	1,683	0	188	0	0	0	0
Rents	5,488	0	4,609	797	0	12	0
Royalties	18,001	0	18,001	0	0	0	0
Net short-term capital gain (loss)	-12	0	-12	0	0	0	0
Net long-term capital gain (loss)	-12,634	228	-19,632	620	0	0	0
Net gain, noncapital assets	9,490	0	9,103	936	0	6	0
Dividends	1,446,021	0	1,422,818	51,379	0	0	0
Other receipts	987,966	959	927,749	512	70	841	0
<b>Total deductions [1]</b>	<b>11,099,985</b>	<b>15,205</b>	<b>9,213,472</b>	<b>1,086,719</b>	<b>250,022</b>	<b>98,299</b>	<b>72,211</b>
Cost of sales and operations	6,959,969	11,079	6,097,495	886,762	203,195	84,803	53,251
Compensation of officers	12,993	0	10,933	3,127	98	0	0
Salaries and wages	408,877	1,685	142,411	27,081	3,286	317	3,830
Repairs	50,541	14	23,294	6,522	0	9	1,496
Bad debts	9,126	0	4,165	1,021	0	0	18
Rents paid	68,713	510	29,653	1,192	2,614	1,143	435
Taxes paid	170,029	37	114,599	12,964	3,175	1,198	1,707
Interest paid	82,634	13	37,710	10,073	449	2	87
Contributions	1,951	3	1,178	325	12	2	8
Amortization	25,217	0	22,634	113	0	0	1,584
Depreciation	255,093	416	206,041	24,605	7,053	1,414	2,167
Depletion	398	0	398	0	0	0	0
Advertising	57,348	0	10,389	3,796	[2]	5	22
Pension, profit-sharing, stock bonus, and annuity plans	28,805	0	24,860	5,218	622	10	583
Employee benefit programs	292,062	26	113,182	4,503	4,180	1,271	1,453
Net loss, noncapital assets	-80,469	0	-72,629	-1,397	-3,162	0	-74
Other deductions	2,636,358	1,422	2,338,702	98,239	22,175	8,138	7,249
Total receipts less total deductions [1]	7,080,469	2,344	7,081,300	649,620	59,764	15,074	4,085
Net income (less deficit)	7,078,786	2,344	7,081,112	649,620	59,764	15,074	4,085
Net income	7,207,117	2,344	7,106,429	649,850	60,476	16,221	4,329
Deficit	-128,331	0	-25,317	-230	-711	-1,147	-244
Net income (less deficit) per books	2,199,399	2,261	2,227,340	304,636	-404	-1,258	0
Income subject to tax	6,299,512	2,167	6,207,361	645,772	59,932	16,221	4,329
U.S. income tax before credits [3]:							
Total	2,200,983	748	2,169,136	225,965	21,023	5,639	1,515
Regular tax	2,200,981	748	2,169,134	225,965	21,023	5,639	1,515
U.S. possessions tax credit	865,406	727	850,427	90,431	21,023	4,790	1,405
Foreign tax credit	24,220	1	16,560	459	0	24	0
General business credit	113	0	113	0	0	0	0
Other credits	264	0	215	0	0	0	0
Total U.S. income tax after credits	1,311,224	19	1,302,036	135,074	0	825	110
Distributions to stockholders	6,087,975	0	6,071,655	1,682,340	41,233	600	21,000

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 2. U.S. Possessions Corporations: Income Statement Items and Distributions to Stockholders, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Printing and related support activities	Pharmaceuticals and medicines	All other chemicals	Plastics and rubber products	Nonmetallic mineral products	Primary and fabricated metals	Machinery manufacturing
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Number of returns</b>	<b>6</b>	<b>15</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>4</b>
<b>Total receipts [1]</b>	<b>608,812</b>	<b>9,043,406</b>	<b>451,861</b>	<b>156,517</b>	<b>73,881</b>	<b>50,904</b>	<b>355,543</b>
Business receipts	582,173	6,484,936	427,832	154,798	70,356	50,377	327,714
Interest, except State and local government obligations	2,092	338,996	2,955	1,227	172	11	26,552
Interest on State and local government obligations	0	0	0	0	0	0	0
Rents	195	0	0	0	0	50	0
Royalties	0	17,159	0	0	0	0	825
Net short-term capital gain (loss)	0	0	0	0	0	0	0
Net long-term capital gain (loss)	19,657	1,166	0	11	0	0	0
Net gain, noncapital assets	0	0	0	19	3,239	0	0
Dividends	0	1,304,738	801	0	13	0	0
Other receipts	4,695	896,039	20,272	461	100	466	452
<b>Total deductions [1]</b>	<b>548,092</b>	<b>3,801,987</b>	<b>313,142</b>	<b>147,878</b>	<b>64,714</b>	<b>46,717</b>	<b>309,165</b>
Cost of sales and operations	425,919	1,960,371	191,367	114,707	53,940	42,216	278,600
Compensation of officers	6,399	108	0	0	677	0	0
Salaries and wages	24,242	7,592	9,360	4,973	3,476	980	13,901
Repairs	803	2,002	1,774	3,954	117	26	2,528
Bad debts	1,928	0	242	85	619	8	31
Rents paid	5,709	984	739	2,068	5	169	312
Taxes paid	3,499	61,532	494	2,063	1,229	716	2,522
Interest paid	5,216	3,014	-108	237	341	44	66
Contributions	49	492	[2]	10	43	[2]	16
Amortization	5,961	2,194	52	0	0	0	0
Depreciation	38,212	50,287	13,630	7,116	2,478	695	4,763
Depletion	0	0	0	0	398	0	0
Advertising	717	0	4,985	14	12	48	[2]
Pension, profit-sharing, stock bonus, and annuity plans	2,323	115	307	1,554	83	92	481
Employee benefit programs	7,510	5,220	5,991	3,674	499	368	2,162
Net loss, noncapital assets	-2	-54,941	0	-373	0	0	-303
Other deductions	24,288	1,656,242	84,147	7,051	816	1,357	15,539
Total receipts less total deductions [1]	60,720	5,241,046	138,719	8,639	9,166	4,187	46,378
Net income (less deficit)	60,720	5,241,046	138,719	8,639	9,166	4,187	46,378
Net income	61,065	5,241,046	138,719	9,374	9,166	4,188	46,378
Deficit	-345	0	0	-735	0	-1	0
Net income (less deficit) per books	5,000	1,827,716	60,989	538	553	1,318	0
Income subject to tax	60,316	4,399,679	137,918	9,374	9,166	4,082	46,378
U.S. income tax before credits [3]:							
Total	21,082	1,536,939	48,075	3,178	3,143	1,429	16,136
Regular tax	21,080	1,536,939	48,075	3,178	3,143	1,429	16,136
U.S. possessions tax credit	2,187	472,174	30,632	3,173	2,701	1,428	15,173
Foreign tax credit	31	15,114	96	2	0	0	0
General business credit	72	0	0	0	0	0	0
Other credits	0	0	0	215	0	0	0
Total U.S. income tax after credits	18,792	1,049,651	17,347	3	442	[2]	963
Distributions to stockholders	8,306	3,102,022	73,637	6,108	0	4,600	1,218

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 2. U.S. Possessions Corporations: Income Statement Items and Distributions to Stockholders, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing—continued			Wholesale trade		Retail trade	Publishing and information services
	Computers and electric equipment	Medical equipment and supplies	Miscellaneous manufacturing	Durable goods wholesalers	Nondurable goods wholesalers		
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Number of returns</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>4</b>
<b>Total receipts [1]</b>	<b>1,236,204</b>	<b>1,423,912</b>	<b>660,585</b>	<b>123,314</b>	<b>279,315</b>	<b>514,094</b>	<b>98,145</b>
Business receipts	1,163,434	1,413,430	649,872	122,565	278,074	479,551	96,168
Interest, except State and local government obligations	10,320	8,392	2,164	416	33	8,529	285
Interest on State and local government obligations	188	0	0	0	0	0	1,496
Rents	0	0	3,554	80	0	0	95
Royalties	17	0	0	0	0	0	0
Net short-term capital gain (loss)	-27	0	15	0	0	0	0
Net long-term capital gain (loss)	-42,760	1,673	0	0	0	0	0
Net gain, noncapital assets	62	1	4,839	0	0	12	0
Dividends	65,886	0	0	0	0	0	0
Other receipts	2,134	1,566	143	253	1,209	26,002	102
<b>Total deductions [1]</b>	<b>869,180</b>	<b>978,486</b>	<b>626,859</b>	<b>113,970</b>	<b>273,762</b>	<b>488,571</b>	<b>81,861</b>
Cost of sales and operations	628,033	613,294	561,037	89,117	165,034	312,539	1,776
Compensation of officers	10	245	269	73	0	0	0
Salaries and wages	14,285	24,442	4,645	6,683	10,415	63,868	9,440
Repairs	2,651	893	520	529	244	5,988	2,873
Bad debts	12	90	112	2,521	635	0	838
Rents paid	6,226	5,165	2,892	1,131	2,032	8,118	527
Taxes paid	13,011	3,819	6,670	2,403	2,021	15,267	2,401
Interest paid	484	1,058	16,747	340	1,116	0	0
Contributions	85	127	9	16	0	21	54
Amortization	11,424	1,306	0	21	0	1,119	1
Depreciation	21,415	26,269	5,937	1,375	1,844	8,317	14,291
Depletion	0	0	0	0	0	0	0
Advertising	17	94	679	70	18,829	14,351	476
Pension, profit-sharing, stock bonus, and annuity plans	5,277	7,452	745	206	206	2,547	0
Employee benefit programs	16,242	46,122	13,986	2,399	1,174	7,734	1,100
Net loss, noncapital assets	-6,671	-5,706	0	-1,111	-20	0	0
Other deductions	139,213	261,257	12,990	6,945	70,194	49,821	48,087
Total receipts less total deductions [1]	364,749	445,426	33,728	9,344	5,553	25,523	16,284
Net income (less deficit)	364,561	445,426	33,728	9,344	5,553	25,523	14,789
Net income	368,991	445,426	51,202	10,219	5,796	25,564	14,789
Deficit	-4,430	0	-17,474	-875	-243	-41	0
Net income (less deficit) per books	24,899	3,355	-1	17	2,707	102	11,767
Income subject to tax	314,550	448,444	51,202	10,186	5,783	25,564	14,789
U.S. income tax before credits [3]:							
Total	111,369	155,791	17,852	3,565	1,997	8,935	5,071
Regular tax	111,369	155,791	17,852	3,565	1,997	8,935	5,071
U.S. possessions tax credit	74,217	123,231	7,862	3,426	1,808	3,335	0
Foreign tax credit	240	62	530	0	0	2,615	5,011
General business credit	0	0	41	0	0	0	0
Other credits	0	0	0	0	0	29	0
Total U.S. income tax after credits	36,912	32,499	9,418	139	190	2,985	59
Distributions to stockholders	192,705	810,579	127,307	[2]	0	0	0

Footnotes at end of table.

# U.S. Possessions Corporation Returns, 2005

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**Table 2. U.S. Possessions Corporations: Income Statement Items and Distributions to Stockholders, by Selected Industry, Tax Year 2005—Continued**

[Money amounts are in thousands of dollars]

Item	Finance and insurance	Real estate and rental and leasing	Professional services	Administrative support services	Accommodation and food services	All other services
	(22)	(23)	(24)	(25)	(26)	(27)
<b>Number of returns</b>	<b>4</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>3</b>
<b>Total receipts [1]</b>	<b>47,652</b>	<b>6,354</b>	<b>436,440</b>	<b>441</b>	<b>310,049</b>	<b>29,183</b>
Business receipts	4,508	5,741	413,107	408	292,250	28,994
Interest, except State and local government obligations	43,041	186	1,689	17	578	0
Interest on State and local government obligations	0	0	0	0	0	0
Rents	0	0	510	0	195	0
Royalties	0	0	0	0	0	0
Net short-term capital gain (loss)	0	0	0	0	0	0
Net long-term capital gain (loss)	0	0	6,770	0	0	0
Net gain, noncapital assets	0	372	0	0	0	3
Dividends	22,594	0	549	16	43	0
Other receipts	103	55	14,365	0	16,983	186
<b>Total deductions [1]</b>	<b>169,898</b>	<b>5,195</b>	<b>413,305</b>	<b>473</b>	<b>295,188</b>	<b>29,083</b>
Cost of sales and operations	0	66	195,869	314	86,681	0
Compensation of officers	0	115	1,873	0	0	0
Salaries and wages	7,955	0	79,751	0	77,002	9,668
Repairs	[2]	48	9,146	6	7,881	518
Bad debts	0	4	305	1	32	626
Rents paid	0	10	11,208	55	14,632	835
Taxes paid	149	165	19,445	60	12,021	1,462
Interest paid	11,102	241	8,478	11	20,308	3,315
Contributions	0	0	409	0	270	1
Amortization	2	0	1,363	0	77	0
Depreciation	105	4,077	10,082	12	7,964	569
Depletion	0	0	0	0	0	0
Advertising	19	0	906	0	12,123	185
Pension, profit-sharing, stock bonus, and annuity plans	0	0	276	0	497	214
Employee benefit programs	143,926	0	19,671	0	1,809	1,042
Net loss, noncapital assets	-10	-16	-6,681	-1	-1	0
Other deductions	6,648	453	49,456	14	53,968	10,647
Total receipts less total deductions [1]	-99,651	1,159	23,685	-32	14,860	101
Net income (less deficit)	-99,651	1,159	23,685	-32	14,860	101
Net income	1,591	1,340	23,954	0	14,963	128
Deficit	-101,243	-180	-269	-32	-102	-27
Net income (less deficit) per books	-49,137	1,015	772	-36	2,593	-3
Income subject to tax	1,108	1,340	16,124	0	14,963	128
U.S. income tax before credits [3]:						
Total	427	441	5,502	0	5,127	33
Regular tax	427	441	5,502	0	5,127	33
U.S. possessions tax credit	425	438	253	0	4,534	33
Foreign tax credit	0	3	0	0	30	0
General business credit	0	0	0	0	0	0
Other credits	0	0	0	0	20	0
Total U.S. income tax after credits	2	1	5,249	0	543	0
Distributions to stockholders	12,120	2,000	0	0	2,200	0

[1] Total receipts, total deductions, and total receipts less total deductions do not balance to the components in Table 2. In general, this is because specifications for these items have remained consistent over the history of the U.S. Possessions study.

[2] Absolute value is less than \$500.

[3] Total income tax before credits minus the sum of all tax credits does not equal Total U.S. income tax after credits because certain minor tax credits have not been shown in Table 2.

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

# Qualified Zone Academy Bond Tax Credit Usage in 2005

by Thornton Matheson

**T**he Qualified Zone Academy Bond (QZAB) program was established in 1998 in order to promote public school rehabilitation and public-private partnership in education in areas with constrained public resources. In contrast to existing Federal subsidies for State and local debt issuance, which exempt subnational government bond interest from Federal income taxation, the QZAB program is structured as a tax credit bond: Instead of yielding cash coupons exempt from Federal income tax, QZABs entitle investors to Federal income tax credits. The QZAB program was the prototype for six additional tax credit bond programs: Clean Renewable Energy Bonds (CREBs) and Gulf Opportunity Zone bonds, authorized in 2005; Qualified Forestry Conservation Bonds and Qualified Energy Conservation Bonds, authorized in 2008, and Qualified School Construction Bonds and Build America Bonds, authorized in 2009.<sup>1</sup>

This article, which evaluates data from Form 8860, Qualified Zone Academy Bond Credit, filed by financial institutions in Tax Year 2005, updates some of the 2004 Form 8860 data presented in Matheson (2007). Its goal is to provide a description of QZAB issuance and investment activity that will be of use in evaluating the performance of the QZAB program and other tax credit bond programs.

## The QZAB Program

The Qualified Zone Academy Bond (QZAB) program was established by the Taxpayer Relief Act of 1997 to promote investment in primary and secondary public education in areas with scarce public resources. The program has authorized the issuance in each year from 1998 through 2009 of \$400 million in principal amount of tax credit bonds by the United States and its territories.

In contrast to tax-exempt bonds, whose interest is exempt from Federal income taxation, tax credit bonds pay “interest” in the form of Federal income tax credits. Investors in QZABs include the amount

of the tax credit in their taxable incomes and deduct the same amount from their income tax liabilities. Their income tax is thus reduced by the amount of the credit multiplied by one minus their marginal tax rate, so that the after-tax yield on a tax credit bond is identical to that of a taxable bond.

Investment in QZABs is restricted to qualified financial institutions, including banks, insurance companies, and corporations actively engaged in the business of lending money. In addition to their value as tax credits, QZABs are also used to meet depository institutions’ obligations to serve low-income areas under the Community Reinvestment Act of 1977.

Maximum QZAB maturities and credit rates are set daily by the Treasury Department and published on the Bureau of Public Debt’s Web site.<sup>2</sup> The maximum QZAB maturity is set to equate the present value of total principal repayment with one-half of bond principal, with the applicable discount rate equal to the current long-term adjusted applicable Federal rate (AAFR). The QZAB credit rate is currently based on market single-A and triple-B corporate bond interest rates.<sup>3</sup>

The \$400 million in annual QZAB credits are allocated among the United States and territories according to the percentage of the total U.S. population in poverty living in that State or territory. Unused QZAB allocations could originally be carried forward by issuers for 3 years; this carryover period was shortened to 2 years for bonds issued after 1999.

QZAB credits may be used to offset both corporate income tax and corporate alternative minimum tax (AMT) liability. QZABs are legally transferable, so that a financial institution anticipating having insufficient taxable income to benefit from a tax credit can sell them. Alternatively, unused QZAB tax credits may be carried forward (but not backward) by investors for 1 year without interest.

There have been several legislative changes in the QZAB program since its inception. Initially authorized to run for 2 years, 1998 and 1999, the program has since been extended every 2 years through 2007. Delayed reauthorization in 2004 and 2006 resulted in retroactive QZAB allocations for those 2 years, such that allocations from those years could

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<sup>1</sup> Different categories of tax-credit bonds vary in terms of the allowable tax credit rate, maturity, and other features.

<sup>2</sup> See <https://www.treasurydirect.gov/SZ/SPESQZABRate>.

<sup>3</sup> Until 1999, the QZAB credit rate was based on 110 percent of the long-term applicable Federal rate. From 1999 and to 2009, the credit rate will be based on market double-A corporate bond interest rates.

# Qualified Zone Academy Bond Tax Credit Usage in 2005

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only be issued in subsequent years due to the carryover provision. The Tax Relief and Health Care Act of 2006 subjected QZABs to the same arbitrage regulations as tax-exempt bonds and required issuers to file Form 8038 information returns.

For a more complete description of the QZAB program and Federal tax credit bonds in general, see Matheson (2007), Zimmerman (2004), and Davie (1998).

## Data Analysis

Figure A presents summary data from all Forms 8860 filed by firms in the 2005 Corporate Database, a stratified sample of the universe of corporate filers. A total of 123 financial institutions included in the 2005 Corporate Database filed Form 8860, up from 115 in the 2004 Corporate Database. Total QZAB tax credit claims rose from \$117 million in 2004 to \$135 million in 2005. The total QZAB principal underlying these credits was roughly \$2.1 billion, or 65 percent of the \$3.2 billion in QZAB principal authorized to have been issued through 2005.

All but three of the financial institutions that filed Form 8860 had either more than \$50 million in total assets or more than \$10 million in net income, and were therefore sampled in the Corporate Database with a probability of one.<sup>4</sup> The remaining three firms had assets of at least \$24 million and were therefore sampled with a probability of at least 0.27. By contrast, in Tax Year 2004, all Form 8860 filers in the Corporate Database were sampled with a probability

of one. In 2005, the lower bound for certain inclusion in the sample was raised from \$10 million in total assets to \$50 million in total assets, so that some QZAB investors with less than \$50 million in assets may have dropped out of the sample. Nonetheless, since most Form 8860 filers were still sampled with a probability of one, the 2005 data drawn likely represent nearly all QZAB tax credit claims for that year.

The 123 Form 8860 filers represented in the 2005 Corporate Database held at least 786 individual QZAB issues. Some firms did not provide detail on their specific QZAB holdings: \$134.5 million in QZAB credits were associated with detailed information, whereas a total of \$135 million in credits was claimed.<sup>5</sup> Where no detail was provided, filers were assumed to hold a single QZAB issue. The difference between the total credits owned and the total credits claimed, or \$74,000, indicates the amount of QZAB credits that exceeded taxable income.

As in 2004, QZAB holdings were highly concentrated among the largest financial institutions: Whereas most financial institutions with less than \$500 million in assets held a single QZAB issue, the eight financial institutions with more than \$100 billion in assets held an average of 65 QZAB issues. In terms of value, the former group claimed an average of \$621,000 in QZAB credits each, while the latter claimed an average of \$13.7 million each.

Figure B shows financial information on 2005 Form 8860 filers drawn from their Forms 1120, broken out by firm asset size. As in 2004, QZAB credits

**Figure A**

### QZAB Holdings Data from 2005 Form 8860, by Financial Institution Asset Class

[Money amounts in thousands of dollars]

Item	All 2005 Form 8860 Filers	Less than \$100 million	\$100 million under \$500 million	\$500 million under \$1 billion	\$1 billion under \$10 billion	\$10 billion under \$100 billion	More than \$100 billion
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of corporations</b>	<b>123</b>	<b>14</b>	<b>37</b>	<b>15</b>	<b>31</b>	<b>18</b>	<b>8</b>
Total QZAB issues	786	19	48	43	73	87	516
Total QZAB principal	2,055,970	7,156	24,492	36,430	107,586	197,389	1,682,917
Total QZAB credits - 8860 part 1	134,521	466	1,590	2,270	7,391	13,546	109,257
Total QZAB credits - 8860 line 3	135,031	524	1,670	2,270	7,523	13,587	109,457
Total QZAB credits - 8860 line 9	134,957	507	1,670	2,270	7,467	13,587	109,457

<sup>4</sup> Some 103 of Form 8860 filers filed consolidated 1120 returns; six filed nonconsolidated returns. Fourteen filers were mutual savings banks or insurance companies.

<sup>5</sup> The total of itemized QZAB credits is taken from Form 8860, Part 1, whereas the total of nonitemized QZAB credits is taken from Form 8860, line 3. The total QZAB credits claimed is taken from Form 8860, line 9; this amount is also entered on Form 1120, Schedule J, line 6f.

# Qualified Zone Academy Bond Tax Credit Usage in 2005

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## Figure B

### Selected Form 1120 Data for Form 8860 Filers, 2005

[Money amounts in thousands of dollars]

Item	All 2005 Form 8860 filers	Less than \$100 million	\$100 million under \$500 million	\$500 million under \$1 billion	\$1 billion under \$10 billion	\$10 billion under \$100 billion	More than \$100 billion
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of corporations</b>	<b>123</b>	<b>14</b>	<b>37</b>	<b>15</b>	<b>31</b>	<b>18</b>	<b>8</b>
Total assets	6,872,788,537	914,416	9,850,063	10,735,695	112,228,113	763,150,950	5,975,909,300
Total receipts	430,057,114	153,687	610,916	656,269	7,331,377	62,707,533	358,597,332
Net income	63,273,732	40,111	118,207	111,266	1,714,229	11,874,945	49,414,975
Total income subject to tax	59,380,487	34,808	117,422	108,036	1,692,952	11,683,962	45,743,307
Total income tax before credits	20,780,087	12,004	39,913	36,808	591,817	4,089,387	16,010,157
AMT [1]	141	13	129	0	0	0	0
Schedule J credits	4,380,899	687	2,019	3,633	22,879	464,236	3,887,445
QZAB credits (line 9) [2]	134,957	507	1,670	2,270	7,467	13,587	109,457
General business credits	1,723,726	8	223	1,217	14,932	207,899	1,499,448
Foreign tax credits	2,367,548	0	1	0	16	135,005	2,232,526
Total income tax after credits	16,430,743	11,330	38,023	33,175	568,941	3,640,216	12,139,058

[1] Alternative Minimum Tax (AMT).

[2] Qualified Zone Academy Bond (QZAB).

constituted a much larger share of total Schedule J tax credits for smaller firms than for larger ones. For financial institutions with less than \$500 million in assets, QZABs accounted for more than 80 percent of all tax credits; conversely, for firms with more than \$10 billion in assets, QZAB credits accounted for less than 3 percent of total tax credits.

Figure C describes entry, exit, and holding variation among Form 8860 filers in 2004 and 2005. Some 14 firms filed in 2004 only, and 22 firms filed

in 2005 only; based on their asset and income size, almost all of these firms would have been captured with a probability of one in either year. Firms filing in 2004 only may have sold their QZAB position or had insufficient taxable income in 2005 to claim the credit in that year. Firms filing only in 2005 may have had insufficient taxable income in 2004 to file Form 8860 or may have been new investors in 2005. Of the 101 firms filing in both years, 59 claimed the same amount of credits in 2004 as 2005, indicating no change in their QZAB holdings. Some 24 firms decreased their QZAB credits by an average of \$300,000 each, while 18 firms increased their credits by an average of \$1.4 million each.

Figure D breaks out QZAB credits claimed in 2005 by the year of their issuance, where disclosed by the claimant. Data for Issuance Years 1998 and 1999 are consolidated to comply with confidentiality restrictions preventing the publication of data aggregated for fewer than three taxpayers. Of the total 786 QZAB issues for which credits were claimed in 2005, data on the year of issuance, credit rate, and credit were available for 776 issues. Comparing these 2005 data to the 2004 data reported in Matheson (2007), the total value of credits claimed in 2005 rose for QZABs issued in 1998-9 and 2002-2004, but fell for QZABs issued in 2000 and 2001. Specifically, between 2004 and 2005, the value of QZAB credits claimed rose from \$6.6 million to \$6.8 mil-

## Figure C

### Corporations' Form 8860 Filing Status, 2004-2005

[Money amounts in thousands of dollars]

Filing status	Number of corporations	Average 2005 QZAB credits
Firms filing Form 8860 in 2004 and/or 2005	137	937
Firms filing Form 8860 in 2004 only	* 14	0
Firms filing Form 8860 in 2005 only	** 22	141
Firms filing Form 8860 in both 2004 and 2005	101	1,383
Firms with no change in credits	59	230
Firms with fewer credits in 2005	24	1,254
Firms with greater credits in 2005	18	5,604

\*All sampled with probability of 1 in 2004; all but 1 would have been sampled with probability of 1 in 2005.

\*\*All but 1 sampled with probability of 1 in 2005; all would have been sampled with probability of 1 in 2004.

# Qualified Zone Academy Bond Tax Credit Usage in 2005

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**Figure D**

## QZAB Principal and Credits from 2005 Form 8860 by Year of Issue, 1998-2005

[Money amounts in thousands of dollars]

item	Total	1998-1999	2000	2001 [1]	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of issues</b>	<b>776</b>	<b>35</b>	<b>71</b>	<b>206</b>	<b>170</b>	<b>166</b>	<b>124</b>	<b>4</b>
Total principal	2,048,128	99,791	272,534	717,199	306,733	351,825	297,454	2,592
Total credits	133,360	6,858	20,937	49,716	19,335	19,797	16,594	123
Average credit rate (percentage) [2]	6.35	6.95	7.67	7.00	6.31	5.58	5.50	5.59

[1] The amount of QZABs issued in 2001 exceed \$400 million due to the use of carryforwards.

[2] The average credit rate is an unweighted average of the credit rate per QZAB issue, calculated by summing the individual issue credit rates and dividing by the number of issues. Using the ratio of the chart data, Total Credits/Total Principal, produces a weighted average credit rate, weighted by principal size of issue.

NOTE: This figure excludes data for 10 bond issues in which sufficient data did not exist on year of issuance, credit rate, and credit.

lion for QZABs issued in 1998 and 1999 (aggregate); it fell from \$22.6 million to \$20.9 million for QZABs issued in 2000 and from \$51.7 million to \$49.7 million for QZABs issued in 2001. The value of credit claims for QZABs issued in 2002 rose sharply from \$17.6 million to \$49.7 million between 2004 and 2005, and, similarly, it rose from \$4.9 million to \$19.3 million for QZABs issued in 2003 and from \$59,000 to \$16.6 million for QZABs issued in 2004.

These data suggest that credits from QZABs issued in a particular year are likely to be utilized with a lag, since credits for many QZABs issued in 2002-2004 were apparently not claimed until 2005, although they would have been available to offset taxes in 2004. Since QZAB year of issue is not part of the tax credit calculation, it may not be reported with great accuracy. However, the patterns described by the 2004 and 2005 Form 8860 data are strong enough to suggest that QZAB issuance and credits are less than fully utilized.

### Conclusion

Like the 2004 Form 8860 data analyzed in Matheson (2007), the 2005 Form 8860 data suggest that QZAB issuance and tax credits are not fully utilized: Total QZAB principal reported in 2005 was roughly 65 percent of the total authorized to have been issued through that year, and QZAB credits claimed in 2005 for tax-credit bonds issued in 2002 and 2003 were

substantially higher than credits claimed for such bonds in 2004, although those bonds were presumably already outstanding. QZAB holdings are concentrated among very large financial institutions: 80 percent of credits are claimed by eight institutions with more than \$100 billion in assets. However, QZABs are a more important source of tax credits for financial institutions with less than \$500 million in assets, for whom they constitute more than 80 percent of tax credits. There appears to be a fair amount of entry and exit in the QZAB market, with more than half of investors increasing or decreasing their credit claims between 2004 and 2005.

### Sources

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# Individual Income Tax Returns, Preliminary Data, 2007

by Michael Strudler and Michael Parisi

**F**or Tax Year 2007, taxpayers filed 143.0 million U.S. individual income tax returns, an increase of 3.3 percent from the 138.4 million returns filed for 2006.<sup>1</sup> Adjusted Gross Income (AGI) increased from the previous year by 6.9 percent to \$8.5 trillion for 2007. Taxable income increased 6.8 percent to \$5.9 trillion; the alternative minimum tax rose 8.6 percent to \$20.9 billion; total income tax increased by 6.5 percent to \$1.1 trillion; and total tax liability rose by 6.4 percent to \$1.1 trillion.

Figure A shows that the largest component of AGI, salaries and wages, increased 6.4 percent to \$5,936.4 billion for Tax Year 2007, while the next largest component of AGI, net capital gains, rose by 9.3 percent to \$749.1 billion. Other income items with notable percentage changes included capital gain distributions (part of net capital gains), which increased 38.6 percent from \$62.3 billion for 2006 to \$86.4 billion for 2007; taxable interest, which increased 20.1 percent to \$231.5 billion; and ordinary dividends, which increased 15.4 percent to \$214.6 billion. Of this dividend total, 66.6 percent were reported as qualified dividends. Qualified dividends, which receive preferential tax rates, were reported on 27.3 million returns and totaled \$143.0 billion, an increase of 9.9 percent from 2006.

For 2007, taxable pensions and annuities, the third largest income item, increased 9.4 percent to \$504.1 billion. The other items related to retirement, taxable Social Security benefits and IRA distributions also rose for 2007, by 15.2 percent and 18.8 percent, respectively. Increases in losses associated with business income were reported for Tax Year 2007 by partnership and S corporations (36.9 percent), business sole proprietorships (10.8 percent), and farms (7.1 percent). For the first two, this led to decreases in net income less losses compared to 2006 of 5.2 percent for partnerships and S corporations and 2.0 percent for business sole proprietorships. Further, for 2007, 7.7 million returns (a 3.7-percent increase from 2006) reported a total of \$29.8 billion in taxable

unemployment compensation. This represents an 11.1-percent increase from 2006.

Statutory adjustments to total income increased 7.3 percent to \$118.2 billion for Tax Year 2007. The largest statutory adjustment was the deduction for one-half of self-employment tax, representing 19.5 percent of the total. This adjustment to income increased 2.4 percent to \$23.0 billion.

The self-employment health insurance deduction increased 4.8 percent to \$19.4 billion. Payments to self-employed retirement (Keogh) plans fell 0.5 percent to \$20.1 billion, while deductible contributions to Individual Retirement Arrangements (IRAs) increased 3.3 percent to \$13.2 billion. The deduction for student loan interest increased 21.4 percent to \$7.5 billion, and the deduction for tuition and fees rose 10.5 percent to \$10.6 billion for Tax Year 2007. Over 581,000 taxpayers who made contributions to qualified health savings accounts took an adjustment totaling over \$1.4 billion (a 71.3-percent increase from 2006).

With the law change in 2007 increasing the amount of qualified domestic production activities income that could have been deducted from 3 percent to 6 percent, the domestic production activities deduction showed a substantial increase. For Tax Year 2007, over 448,000 taxpayers took the domestic production activities deduction for a total deduction of \$6.6 billion (a 102.6-percent increase from 2006). Altogether, the amount deducted for total exemptions increased by 6.6 percent, from \$895.7 billion for 2006 to \$954.8 billion for 2007.

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation) equaled \$1,941.3 billion, an increase of 8.2 percent from Tax Year 2006. The number of returns claiming the standard deductions increased 6.3 percent, accounting for 63.8 percent of all returns filed and 34.6 percent of the total deductions amount. Mostly due to inflation indexing, the average standard deduction (comprised of the basic and additional standard deductions for age and blindness) increased 3.3 percent, from \$7,043 for 2006 to \$7,278 for 2007.

Itemized deductions were claimed on 34.9 percent of all returns filed for 2007 and represented 65.4 percent of the total deductions amount.<sup>2</sup> The

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<sup>1</sup> For Tax Year 2007, the total number of returns count does not include individual income tax returns filed by individuals only to receive the economic stimulus payment and who had no other reason to file.

<sup>2</sup> The remaining 1.3 percent of the returns did not need to claim either a standard deduction or itemized deductions because no AGI was reported.

# Individual Income Tax Returns, Preliminary Data, 2007

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**Figure A**

## Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2006 and 2007

[Money amounts are in thousands of dollars]

Item	Number of returns			Amount		
	2006	2007	Percentage change	2006	2007	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total [1]</b>	<b>138,420,499</b>	<b>143,030,461</b>	<b>3.3</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Form 1040 returns	83,518,153	85,745,233	2.7	N/A	N/A	N/A
Form 1040A returns	32,250,392	34,025,192	5.5	N/A	N/A	N/A
Form 1040EZ returns [2]	22,651,954	23,260,036	2.7	N/A	N/A	N/A
Electronically-filed returns [3]	81,536,629	89,319,350	9.5	N/A	N/A	N/A
<b>Adjusted gross income (less deficit)</b>	<b>138,420,499</b>	<b>143,030,461</b>	<b>3.3</b>	<b>7,982,660,690</b>	<b>8,531,396,107</b>	<b>6.9</b>
Salaries and wages	116,832,397	121,575,652	4.1	5,578,112,649	5,936,291,341	6.4
Taxable interest	62,500,172	65,539,247	4.9	192,779,487	231,533,659	20.1
Tax-exempt interest [4]	6,036,087	6,291,259	4.2	69,505,527	76,071,765	9.4
Ordinary dividends	31,538,899	32,200,676	2.1	185,974,188	214,602,175	15.4
Qualified dividends	26,527,893	27,272,187	2.8	130,083,446	142,968,704	9.9
State income tax refunds	23,117,093	23,767,816	2.8	22,670,071	25,102,093	10.7
Alimony received	437,222	464,900	6.3	7,854,640	8,330,494	6.1
Business or profession net income	16,171,389	16,832,343	4.1	316,776,424	316,576,566	-0.1
Business or profession net loss	5,464,904	5,744,898	5.1	47,456,970	52,570,799	10.8
Business or profession net income less loss	21,636,293	22,577,241	4.3	269,319,454	264,005,767	-2.0
Net capital gain [5]	17,884,072	19,600,390	9.6	685,331,194	749,142,977	9.3
Capital gain distributions [5]	14,581,370	15,858,031	8.8	62,333,008	86,375,840	38.6
Net capital loss	8,612,023	7,571,865	-12.1	18,691,022	16,550,418	-11.5
Sales of property other than capital assets, net gain	848,344	858,728	1.2	12,220,069	11,750,123	-3.8
Sales of property other than capital assets, net loss	828,441	790,247	-4.6	9,275,159	9,205,398	-0.8
Sales of property other than capital assets net income less loss	1,676,785	1,648,976	-1.7	2,944,910	2,544,726	-13.6
Taxable Individual Retirement Arrangement distributions	10,064,480	11,146,808	10.8	125,057,748	148,543,305	18.8
Taxable pensions and annuities	24,467,625	26,555,679	8.5	460,647,534	504,106,952	9.4
Rent and royalty net income	5,607,719	5,854,329	4.4	77,337,722	79,631,034	3.0
Rent and royalty net loss	5,203,752	5,458,342	4.9	55,133,308	60,896,603	10.5
Rent and royalty net income less loss	9,380,683	9,802,694	4.5	22,204,414	18,734,431	-15.6
Partnership and S corporation net income	4,516,531	4,647,554	2.9	468,113,804	471,414,946	0.7
Partnership and S corporation net loss	2,305,876	2,488,614	7.9	65,866,290	90,200,748	36.9
Partnership and S corporation net income less loss	6,822,407	7,136,168	4.6	402,247,514	381,214,198	-5.2
Estate and trust net income	503,385	498,106	-1.0	17,404,639	16,254,546	-6.6
Estate and trust net loss	33,932	41,114	21.2	738,487	1,290,666	74.8
Estate and trust net income less loss	537,317	539,220	0.4	16,666,152	14,963,881	-10.2
Farm net income	564,085	571,142	1.3	8,395,511	10,862,108	29.4
Farm net loss	1,400,682	1,423,349	1.6	22,519,021	24,116,600	7.1
Unemployment compensation	7,457,645	7,735,444	3.7	26,777,624	29,752,241	11.1
Taxable Social Security benefits	13,946,403	15,194,849	9.0	146,855,542	169,112,251	15.2
<b>Total statutory adjustments</b>	<b>33,832,756</b>	<b>35,904,216</b>	<b>6.1</b>	<b>110,079,073</b>	<b>118,152,497</b>	<b>7.3</b>
Educator expenses	3,205,761	3,692,983	15.2	816,224	936,226	14.7
Certain business expenses of reservists, performing artists, and fee-basis government officials	120,005	137,353	14.5	368,850	428,090	16.1
Payments to an Individual Retirement Arrangement	3,286,760	3,370,132	2.5	12,768,170	13,191,054	3.3
Student loan interest deduction	8,605,148	9,163,092	6.5	6,187,425	7,513,854	21.4
Tuition and fees deduction	4,028,959	4,570,841	13.4	9,632,076	10,647,111	10.5
Health savings account deduction	351,170	581,438	65.6	845,431	1,447,829	71.3
Medical savings account deduction	17,011	8,584	-49.5	29,908	15,771	-47.3
Moving expenses adjustment	1,087,129	1,117,958	2.8	3,157,994	2,872,755	-9.0
Self-employment tax deduction	16,892,682	17,577,880	4.1	22,451,883	23,000,491	2.4
Self-employed health insurance deduction	3,537,194	3,568,995	0.9	18,469,428	19,360,871	4.8
Payments to a self-employed retirement (Keogh) plan	1,176,905	1,136,764	-3.4	20,243,044	20,143,628	-0.5

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2007

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## Figure A—Continued

### Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2006 and 2007—Continued

[Money amounts are in thousands of dollars]

Item	Number of returns			Amount		
	2006	2007	Percentage change	2006	2007	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Penalty on early withdrawal of savings	1,172,267	1,215,946	3.7	433,716	1,582,390	264.8
Alimony paid	578,779	590,120	2.0	8,701,183	9,024,966	3.7
Domestic production activities deduction	402,710	448,113	11.3	3,277,003	6,639,450	102.6
Other adjustments	136,308	140,482	3.1	1,066,677	1,255,655	17.7
<b>Total exemptions [6]</b>	<b>276,280,206</b>	<b>285,893,543</b>	<b>3.5</b>	<b>895,678,748</b>	<b>954,799,390</b>	<b>6.6</b>
<b>Total deductions</b>	<b>135,806,268</b>	<b>144,650,750</b>	<b>6.5</b>	<b>1,793,667,050</b>	<b>1,941,302,670</b>	<b>8.2</b>
Total standard deduction	86,788,384	92,273,823	6.3	611,274,926	671,612,131	9.9
Basic standard deduction	86,788,384	92,273,823	6.3	594,041,953	650,995,128	9.6
Additional standard deduction	11,419,381	13,107,816	14.8	17,232,969	20,617,003	19.6
<b>Total itemized deductions (after limitation)</b>	<b>49,017,884</b>	<b>50,513,149</b>	<b>3.1</b>	<b>1,182,392,125</b>	<b>1,269,690,539</b>	<b>7.4</b>
Itemized deductions in excess of limitation	6,827,652	7,094,563	3.9	33,562,088	35,146,670	4.7
Medical and dental expenses deduction	10,121,720	10,564,676	4.4	69,090,147	75,428,123	9.2
Taxes paid deduction	48,565,862	50,087,819	3.1	423,257,838	446,395,960	5.5
State and local income taxes [7]	46,847,080	48,607,452	3.8	258,058,659	271,539,747	5.2
Income taxes	35,846,674	36,797,963	2.7	239,126,293	253,235,796	5.9
General sales taxes	11,000,405	11,809,490	7.4	18,932,366	18,303,951	-3.3
Interest paid deduction	40,110,187	41,167,372	2.6	450,398,602	502,340,630	11.5
Charitable contributions deduction	41,427,765	41,138,108	-0.7	173,018,464	174,504,204	0.9
<b>Taxable income</b>	<b>106,803,674</b>	<b>110,808,532</b>	<b>3.7</b>	<b>5,553,096,928</b>	<b>5,932,306,076</b>	<b>6.8</b>
Alternative minimum tax	4,037,074	4,111,154	1.8	19,252,710	20,915,080	8.6
<b>Income tax before credits</b>	<b>106,823,754</b>	<b>110,819,668</b>	<b>3.7</b>	<b>1,083,780,725</b>	<b>1,155,078,777</b>	<b>6.6</b>
<b>Total tax credits [8]</b>	<b>46,331,299</b>	<b>48,374,530</b>	<b>4.4</b>	<b>57,450,072</b>	<b>62,170,319</b>	<b>8.2</b>
Child care credit	6,524,616	6,556,918	0.5	3,519,410	3,524,008	0.1
Credit for the elderly or disabled	99,044	90,569	-8.6	14,847	12,296	-17.2
Child tax credit	25,818,992	26,068,263	1.0	31,836,114	31,753,697	-0.3
Education tax credits	7,819,470	7,516,607	-3.9	7,128,447	6,988,853	-2.0
Retirement savings contributions credit	5,261,485	5,970,293	13.5	908,521	997,343	9.8
Adoption credit	90,684	93,325	2.9	334,705	384,523	14.9
Residential energy credits	4,452,576	4,411,698	-0.9	1,023,719	1,026,245	0.2
Foreign tax credit	6,392,372	7,602,568	18.9	9,430,601	13,991,686	48.4
General business credit	362,918	208,411	-42.6	1,114,077	718,864	-35.5
Prior year minimum tax credit	334,017	370,848	11.0	1,012,865	1,020,767	0.8
Self-employment tax	16,892,682	17,577,880	4.1	44,895,363	45,992,187	2.4
<b>Total earned income credit (EIC)</b>	<b>23,392,886</b>	<b>24,970,376</b>	<b>6.7</b>	<b>45,364,048</b>	<b>49,696,835</b>	<b>9.6</b>
EIC used to offset income tax before credits	2,983,077	3,452,286	15.7	808,517	948,515	17.3
EIC used to offset other taxes	4,972,285	5,384,564	8.3	4,645,878	5,189,831	11.7
Excess EIC, refundable portion	20,639,026	22,024,740	6.7	39,909,653	43,558,489	9.1
Additional child tax credit	15,723,997	16,088,595	2.3	16,354,979	16,828,692	2.9
Credit for Federal telephone excise tax paid	N/A	144,692	N/A	N/A	432,169	N/A
<b>Total income tax</b>	<b>92,762,414</b>	<b>96,374,701</b>	<b>3.9</b>	<b>1,026,331,685</b>	<b>1,092,909,361</b>	<b>6.5</b>
<b>Total tax liability</b>	<b>96,671,006</b>	<b>100,352,051</b>	<b>3.8</b>	<b>1,071,236,902</b>	<b>1,139,266,194</b>	<b>6.4</b>

N/A—Not applicable.

[1] For 2007, the total number of returns does not include the returns filed by individuals only to receive the stimulus payment and who had no other reason to file.

[2] For 2006, the total number of returns includes Form 1040EZ -T returns.

[3] Included in data for Forms 1040, 1040A, and 1040EZ.

[4] Not included in adjusted gross income.

[5] Includes capital gain distributions reported on Form 1040 and Schedule D.

[6] Data shown in columns 1 and 2 are the number of exemptions claimed on returns, rather than the number of returns with exemptions.

[7] State and local income taxes is the total of both income taxes and general sales taxes.

[8] Includes EIC used to offset income tax before credits, shown separately later in this figure.

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

average total for itemized deductions (after limitation) was \$25,136, a 4.2-percent increase from the 2006 average of \$24,122. Due to the AGI limitation on itemized deductions, 7.1 million higher-income taxpayers were unable to deduct \$35.1 billion in itemized deductions, an increase of 4.7 percent from 2006.

The interest paid deduction was the largest deduction, comprising 38.5 percent of total itemized deductions (before limitation). For 2007, it increased 11.5 percent to \$502.3 billion. The Tax Relief and Health Care Act of 2006 extended the election to deduct State and local general sales taxes instead of State and local income taxes. For 2007, an estimated 11.8 million taxpayers took advantage of this, deducting \$18.3 billion. Including taxpayers who deducted State and local sales taxes, 3.8 percent more taxpayers took a deduction for State and local income and sales taxes, and the total amount of this deduction increased 5.2 percent from 2006 levels.

The total taxes paid deduction accounted for 35.2 percent of all itemized deductions and increased 5.5 percent to \$446.4 billion. The deduction for medical and dental expenses went up by 9.2 percent to \$75.4 billion, while the charitable contributions deduction increased slightly, 0.9 percent, to \$174.5 billion for 2007.

Total tax credits used to offset income tax liabilities increased 8.2 percent to \$62.2 billion. About 26.1 million taxpayers claimed \$31.8 billion in child tax credits, down 0.3 percent from 2006. However, the additional child tax credit (a refundable separate credit) increased by 2.9 percent to \$16.8 billion in 2007. The combined \$48.6 billion of the child tax credit and the additional child tax credit represented a slight, 0.8-percent, increase from 2006.

Other notable percentage increases for major tax credits included a 48.4-percent rise in foreign credits to \$14.0 billion, and a 9.8-percent rise in the retirement savings contributions credit to \$1.0 billion. The adoption credit, which is a smaller credit, also had a significant increase from 2006 of 14.9 percent. The largest percentage decrease was in the general business credit, which decreased 35.5 percent from 2006 to \$0.7 billion. Tax Year 2007 introduced the refundable prior-year minimum tax credit (see Changes in Law Section for details). Taxpayers on

nearly 145,000 returns took advantage of the refundable prior-year minimum tax credit for \$0.4 billion.

The total earned income credit (EIC) increased 9.6 percent to \$49.7 billion for Tax Year 2007. The portion of the EIC used to offset income tax before credits increased 17.3 percent to \$0.9 billion, and the portion of the EIC used to offset other taxes (such as the self-employment tax) rose 11.7 percent to \$5.2 billion. The largest part of the EIC, the refundable portion, was treated as a refund and paid directly to taxpayers who had no tax liability against which to apply the credit. The refundable portion of the EIC increased 9.1 percent to \$43.6 billion for 2007.

The comparisons of data for Tax Years 2006 and 2007 in this article are based on the preliminary estimates for both years. A few income and tax items tend to be understated in preliminary estimates; therefore, comparisons based on preliminary estimates for one year and final estimates for the previous year could be misleading. Comparisons based entirely on preliminary estimates reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year changes. Final statistics for Tax Year 2006 are available in the fall 2007 issue of the *Bulletin*.

## Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income—2006, Individual Income Tax Returns*. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2007 preliminary data presented in this article.

*Additional child tax credits*—Modifications were made to the additional child tax credit for 2007. In Tax Year 2006, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$11,300. For 2007, the limit was 15 percent of a taxpayer's earned income that exceeded \$11,750.

*Alternative Minimum Tax (AMT)*—For Tax Year 2007, the minimum exemption increased to \$66,250 for a married couple filing a joint return, up from \$62,550 in 2006, and to \$44,350 for singles and heads of household, up from \$42,500, and \$33,125 from \$31,275 for a married person filing separately.

*Domestic production activities deduction*—For Tax Year 2007, the amount of qualified domestic

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production activities income that could have been deducted increased to 6 percent from 3 percent in 2006.

*Earned income credit*—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased to \$2,900 from \$2,800. The maximum credit for taxpayers with no qualifying children increased to \$428 from \$412. For these taxpayers, earned income and AGI had to be less than \$12,590 (\$14,590 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$106 to \$2,853, and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,716 from \$4,536. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$33,241 (\$35,241 for married filing jointly) for one qualifying child, or less than \$37,783 (\$39,783 for married filing jointly) for two or more qualifying children.

*Exemption amount*—For Tax Year 2007, the exemption amount increased by \$100 to \$3,400. Taxpayers could have lost a portion of their exemption benefits if their adjusted gross incomes were above certain amounts (\$117,300 for married persons filing separately, \$156,400 for single individuals, \$195,500 for heads of household, and \$234,600 for married persons filing jointly or qualifying widow(er)s). For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of his or her exemption, so that the amount of each exemption could not be reduced to less than \$1,133. For 2005 and previous years, exemption amounts could be limited to zero. The exemption for housing a person displaced by Hurricane Katrina did not apply for Tax Year 2007.

*Health savings account deduction*—For Tax Year 2007, contributions were not limited to the taxpayer's annual health plan deductible. The maximum HSA deduction increased by \$150 to \$2,850 (\$5,650, if family coverage, up from \$5,450). These limits were \$800 higher if the taxpayer was age 55 or older. There were also changes that allowed qualified HSA distributions for Tax Year 2007 from flexible spending accounts and individual retirement accounts.

*Indexing*—The following items increased due to indexing for inflation: personal exemption amounts, basic standard deduction amounts, tax bracket boundaries, and beginning income amounts for limiting certain itemized deductions, and for the reduction of personal exemption deductions. The maximum amount of earnings subject to self-employment tax increased based on the percentage change in average covered earnings.

*Individual retirement arrangement deduction*—The phaseout range for IRA deductions for those covered by a retirement plan began at income of \$83,000 if married filing jointly or a qualifying window(er), up from \$75,000 in 2006. The phaseout was \$52,000 for a single person or head of household, up from \$50,000 in 2006, and \$0 for a married person filing a separate return. Taxpayers may have been able to deduct an additional \$3,000 if they were participants in a 401(k) plan and their employers were in bankruptcy in an earlier year.

*Limit on itemized deductions increased*—Taxpayers who had adjusted gross incomes above \$156,400 (\$78,200 if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2006 amounts of \$150,500 (\$75,250 if married filing separately). For Tax Year 2007 and 2006, the amount by which the deduction was reduced was only two-thirds of the amount of the reduction that would have otherwise applied (for 2005 and previous years).

*Refundable prior-year minimum tax credit*—New for 2007, a refundable credit was available to a taxpayer who had any unused minimum tax credit carryforward from 2004 or earlier years. The taxpayer could have qualified for the refundable credit for part or the entire unused amount, even if the total amount of the 2007 credit exceeded the tax liability amount. This credit was only available for individual taxpayers.

*Standard deduction amount increased*—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2007 than it was in 2006. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2007, the standard deduction increased to \$10,700 for joint filers, up from \$10,300 in 2006. For single filers

and married filing separately, the deduction amount increased to \$5,350. For heads of households the deduction was \$7,850. Also, the additional standard deduction for being 65 or older or blind was increased by \$50 per taxpayer.

## Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ including electronically filed returns) filed during Calendar Year 2008. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax modeling purposes.<sup>3</sup> Returns were then selected at rates ranging from 0.1 percent to 100 percent. The preliminary Tax Year 2007 data are based on a sample of 262,319 returns and an estimated final population of 153,673,511 returns. The corresponding sample and population for the pre-

liminary 2006 data were 243,548 and 138,503,310 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 2007 returns, between January and late September of 2008. In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include, for example, disproportionately large amounts of investment income, passive losses, and alternative minimum tax.

<sup>3</sup> Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, Foreign Earned Income; Form 1116, Foreign Tax Credit (Individual)

# Individual Income Tax Returns, Preliminary Data, 2007

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**Table 1. Individual Income Tax Returns, Tax Year 2007 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of returns, total</b>	<b>143,030,461</b>	<b>37,597,390</b>	<b>30,228,531</b>	<b>25,978,228</b>	<b>31,260,254</b>	<b>13,463,233</b>	<b>1,501,211</b>	<b>3,001,611</b>
Form 1040 returns	85,745,233	14,278,377	12,279,529	15,359,408	26,081,688	13,243,410	1,501,211	3,001,611
Form 1040A returns	34,025,192	10,130,354	12,412,871	7,300,132	3,981,483	200,352	0	0
Form 1040EZ returns [2]	23,260,036	13,188,661	5,536,131	3,318,689	1,197,082	19,471	0	0
Electronically-filed returns [3]	89,319,350	21,290,147	20,299,805	17,111,835	19,711,509	8,032,317	802,046	1,441,689
<b>Adjusted gross income (less deficit)</b>	<b>8,531,396,107</b>	<b>185,999,607</b>	<b>669,933,484</b>	<b>1,015,282,794</b>	<b>2,216,020,664</b>	<b>1,793,835,174</b>	<b>333,308,875</b>	<b>2,317,015,508</b>
Salaries and wages:								
Number of returns	121,575,652	28,883,914	25,827,782	23,157,253	27,770,791	12,076,906	1,312,439	2,546,564
Amount	5,936,291,341	225,352,711	545,178,075	837,113,679	1,730,169,688	1,340,461,580	222,442,335	1,035,573,272
Taxable interest:								
Number of returns	65,539,247	10,218,792	8,564,563	10,767,062	20,276,706	11,427,817	1,383,404	2,900,903
Amount	231,533,659	15,084,935	15,053,417	19,040,331	48,314,090	41,321,489	10,403,447	82,315,948
Tax-exempt interest [4]:								
Number of returns	6,291,259	428,067	377,843	591,799	1,651,176	1,658,913	357,540	1,225,923
Amount	76,071,765	1,838,981	1,549,677	2,904,833	8,455,752	14,987,174	4,029,971	42,305,375
Ordinary dividends:								
Number of returns	32,200,676	4,400,895	3,398,691	4,273,688	9,572,278	7,030,528	1,057,019	2,467,579
Amount	214,602,175	6,459,287	6,777,745	9,289,087	30,542,623	39,096,219	10,322,226	112,114,989
Qualified dividends:								
Number of returns	27,272,187	3,585,242	2,744,284	3,509,366	8,006,273	6,148,375	968,959	2,309,687
Amount	142,968,704	3,283,632	3,438,395	4,795,850	17,438,643	24,278,563	6,600,017	83,133,604
State income tax refunds:								
Number of returns	23,767,816	561,692	1,416,197	3,823,174	10,274,651	6,126,222	603,459	962,421
Amount	25,102,093	495,848	723,351	2,233,323	8,074,193	6,896,470	999,731	5,679,178
Alimony received:								
Number of returns	464,900	74,670	114,813	120,125	117,406	28,565	4,577	4,746
Amount	8,330,494	507,452	1,051,811	1,642,062	2,632,749	1,561,222	275,410	659,793
Business or profession net income:								
Number of returns	16,832,343	5,318,293	2,718,499	2,316,779	3,627,202	1,987,360	274,677	589,527
Amount	316,576,566	37,204,394	32,575,604	31,601,392	61,740,384	62,370,608	17,443,862	73,640,321
Business or profession net loss:								
Number of returns	5,744,898	1,027,425	948,562	1,029,949	1,641,486	821,180	87,389	188,909
Amount	52,570,799	17,754,651	7,131,390	6,621,648	9,391,231	5,920,040	883,104	4,868,739
Net capital gain [5]:								
Number of returns	19,600,390	2,484,182	1,877,886	2,436,051	5,667,048	4,530,743	730,856	1,873,620
Amount	749,142,977	14,228,165	7,768,293	10,960,210	42,829,439	74,536,068	25,322,106	573,498,697
Capital gain distributions [5]:								
Number of returns	15,858,031	2,087,079	1,443,903	1,895,511	4,481,194	3,688,087	618,464	1,643,791
Amount	86,375,840	3,250,395	3,373,630	5,051,638	16,040,041	20,602,323	5,448,800	32,609,012
Net capital loss:								
Number of returns	7,571,865	1,381,796	797,265	964,614	2,039,223	1,543,079	259,010	586,878
Amount	16,550,418	2,986,326	1,719,865	2,044,403	4,379,074	3,370,967	588,486	1,461,295
Sales of property other than capital assets, net gain:								
Number of returns	858,728	107,598	91,969	110,629	220,556	148,758	31,262	147,954
Amount	11,750,123	1,154,509	472,582	687,497	1,699,033	1,937,856	332,746	5,465,900
Sales of property other than capital assets, net loss:								
Number of returns	790,247	139,979	61,685	82,530	153,651	147,606	39,344	165,455
Amount	9,205,398	4,713,969	329,730	393,297	651,155	781,128	266,448	2,069,670
Taxable Individual Retirement Arrangement distributions:								
Number of returns	11,146,808	1,614,320	1,815,034	1,880,377	3,512,929	1,753,437	198,705	372,007
Amount	148,543,305	6,928,605	11,416,490	15,480,965	46,525,201	42,948,702	6,649,859	18,593,482

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2007

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**Table 1. Individual Income Tax Returns, Tax Year 2007 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Taxable pensions and annuities:</b>								
Number of returns	26,555,679	4,607,440	4,756,957	4,710,662	7,839,986	3,625,266	390,097	625,274
Amount	504,106,952	28,220,032	55,047,430	75,189,047	176,122,324	122,299,870	17,231,588	29,996,659
<b>Rent and royalty net income:</b>								
Number of returns	5,854,329	761,304	720,631	804,817	1,605,396	1,183,618	190,266	588,297
Amount	79,631,034	5,047,927	4,194,307	5,289,670	13,306,774	15,516,387	4,315,018	31,960,951
<b>Rent and royalty net loss:</b>								
Number of returns	5,458,342	773,929	627,671	896,820	1,743,222	1,002,681	100,398	313,619
Amount	60,896,603	12,556,557	5,487,916	7,954,283	16,640,520	9,404,388	1,300,835	7,552,105
<b>Partnership and S corporation net income:</b>								
Number of returns	4,647,554	293,394	327,328	470,476	1,135,690	1,121,722	273,272	1,025,670
Amount	471,414,946	3,841,431	3,572,424	7,177,063	23,400,367	43,596,112	19,649,241	370,178,305
<b>Partnership and S corporation net loss:</b>								
Number of returns	2,488,614	432,491	217,565	296,808	629,816	509,409	95,649	306,876
Amount	90,200,748	41,342,308	2,531,076	3,597,687	6,843,908	7,046,819	1,961,028	26,877,920
<b>Estate and trust net income:</b>								
Number of returns	498,106	40,499	39,368	44,011	125,425	136,747	27,980	84,080
Amount	16,254,546	207,529	271,992	354,241	1,674,796	2,487,441	656,912	10,601,635
<b>Estate and trust net loss:</b>								
Number of returns	41,114	7,413	3,459	717	9,377	9,595	2,002	8,552
Amount	1,290,666	449,895	1,417	6,660	51,610	20,984	6,769	753,331
<b>Farm net income:</b>								
Number of returns	571,142	104,131	78,616	111,077	172,203	73,122	9,514	22,477
Amount	10,862,108	774,936	847,458	1,392,743	3,015,979	2,308,703	495,033	2,027,255
<b>Farm net loss:</b>								
Number of returns	1,423,349	256,605	200,881	242,779	441,930	196,742	23,210	61,202
Amount	24,116,600	6,382,578	2,558,815	2,797,067	5,539,692	3,197,466	711,689	2,929,294
<b>Unemployment compensation:</b>								
Number of returns	7,735,444	1,440,149	2,132,506	1,630,041	1,890,553	561,459	40,568	40,167
Amount	29,752,241	4,239,491	8,307,994	6,628,226	7,748,516	2,424,811	207,882	195,319
<b>Taxable Social Security benefits:</b>								
Number of returns	15,194,849	93,144	2,594,571	3,766,633	5,663,206	2,237,563	274,321	565,410
Amount	169,112,251	309,982	5,139,562	24,720,488	80,888,908	40,744,459	5,550,477	11,758,376
<b>Total statutory adjustments:</b>								
Number of returns	35,904,216	7,043,748	5,374,474	6,220,661	9,981,821	5,463,220	526,455	1,293,836
Amount	118,152,497	9,270,956	9,165,594	12,784,655	27,054,108	25,096,263	5,861,252	28,919,669
<b>Educator expenses:</b>								
Number of returns	3,692,983	92,507	280,602	705,752	1,545,365	940,858	60,402	67,497
Amount	936,226	20,342	65,122	169,553	390,709	257,662	16,361	16,478
<b>Certain business expenses of reservists, performing artists, and fee-basis government officials:</b>								
Number of returns	137,353	19,187	18,412	22,515	46,353	24,953	4,109	1,823
Amount	428,090	71,789	35,124	90,073	158,309	57,152	8,024	7,618
<b>Payments to an Individual Retirement Arrangement:</b>								
Number of returns	3,370,132	160,580	475,450	737,245	1,250,702	599,641	43,731	102,784
Amount	13,191,054	394,602	1,326,757	2,445,724	4,957,187	2,946,555	331,301	788,929
<b>Student loan interest deduction:</b>								
Number of returns	9,163,092	795,647	1,584,940	2,358,095	3,378,869	1,045,541	0	0
Amount	7,513,854	567,732	1,200,962	2,001,472	2,965,568	778,120	0	0
<b>Tuition and fees deduction:</b>								
Number of returns	4,570,841	981,901	461,580	471,826	1,133,456	1,522,077	0	0
Amount	10,647,111	2,694,985	1,023,214	959,540	2,349,686	3,619,689	0	0
<b>Health savings account deduction:</b>								
Number of returns	581,438	24,376	46,990	82,724	179,052	139,981	26,208	82,107
Amount	1,447,829	40,832	74,827	124,551	374,734	398,611	93,522	340,754

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2007

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**Table 1. Individual Income Tax Returns, Tax Year 2007 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Medical savings account deduction:</b>								
Number of returns	8,584	**	0	** 1,028	4,214	1,205	912	1,224
Amount	15,771	**	0	** 1,145	6,720	1,945	2,427	3,535
<b>Moving expenses adjustment:</b>								
Number of returns	1,117,958	96,070	205,412	276,155	313,240	175,469	23,753	27,858
Amount	2,872,755	177,352	397,579	553,461	784,534	654,109	134,574	171,146
<b>Self-employment tax deduction:</b>								
Number of returns	17,577,880	5,154,322	2,768,154	2,393,913	3,829,116	2,200,374	339,173	892,829
Amount	23,000,491	2,734,026	2,508,721	2,601,998	5,149,880	4,626,775	1,081,081	4,298,006
<b>Self-employed health insurance deduction:</b>								
Number of returns	3,568,995	498,868	500,132	531,269	830,844	623,083	140,579	444,223
Amount	19,360,871	1,742,998	1,887,872	2,321,920	4,188,000	3,963,650	1,092,907	4,163,521
<b>Payments to a self-employed retirement (Keogh) plan:</b>								
Number of returns	1,136,764	26,898	37,152	62,598	237,965	361,205	100,186	310,759
Amount	20,143,628	126,525	185,009	493,818	2,021,631	5,304,201	2,095,249	9,917,196
<b>Penalty on early withdrawal of savings:</b>								
Number of returns	1,215,946	246,823	180,446	211,890	360,375	165,436	18,483	32,494
Amount	1,582,390	61,819	52,735	46,645	1,333,466	45,300	7,160	35,265
<b>Alimony paid:</b>								
Number of returns	590,120	38,454	38,465	92,486	199,965	135,975	23,436	61,339
Amount	9,024,966	484,572	297,058	787,412	1,898,363	1,893,008	644,631	3,019,922
<b>Domestic production activities deduction:</b>								
Number of returns	448,113	10,530	15,113	37,691	89,918	108,804	30,417	155,641
Amount	6,639,450	4,484	16,403	43,505	193,501	355,355	182,728	5,843,470
<b>Other adjustments:</b>								
Number of returns	140,482	13,312	22,763	33,947	42,227	17,369	3,411	7,451
Amount	1,255,655	115,485	89,807	143,616	258,746	192,661	168,738	286,601
<b>Total exemptions:</b>								
Number of exemptions	285,893,543	48,871,735	57,268,320	52,482,310	76,564,460	37,838,759	4,281,436	8,586,523
Amount	954,799,390	165,789,847	194,425,399	178,238,563	260,113,169	128,363,352	14,086,301	13,782,760
<b>Total deductions:</b>								
Number of returns	144,650,750	39,137,233	30,308,301	25,978,903	31,260,254	13,463,233	1,501,204	3,001,622
Amount	1,941,302,670	243,701,678	256,351,757	275,861,539	498,547,346	350,211,893	56,740,825	259,887,635
<b>Total standard deduction:</b>								
Number of returns	92,273,823	35,310,218	25,830,520	17,148,935	11,946,483	1,782,016	89,997	165,655
Amount	671,612,131	213,300,305	188,975,680	134,487,779	113,515,894	18,700,979	938,423	1,693,072
<b>Basic standard deduction:</b>								
Number of returns	92,273,823	35,310,218	25,830,520	17,148,935	11,946,483	1,782,016	89,997	165,655
Amount	650,995,128	206,202,471	183,948,465	131,143,793	109,532,493	17,710,342	872,198	1,585,367
<b>Additional standard deduction:</b>								
Number of returns	13,107,816	4,751,831	3,170,610	2,104,100	2,416,156	565,168	37,061	62,891
Amount	20,617,003	7,097,836	5,027,216	3,343,984	3,983,401	990,637	66,225	107,705
<b>Total itemized deductions (after limitation):</b>								
Number of returns	50,513,149	1,970,164	4,473,364	8,828,946	19,312,391	11,681,195	1,411,207	2,835,883
Amount	1,269,690,539	30,401,370	67,376,079	141,373,760	385,031,452	331,510,914	55,802,402	258,194,563
<b>Itemized deductions in excess of limitation:</b>								
Number of returns	7,094,563	0	0	0	117,259	2,730,575	1,411,169	2,835,560
Amount	35,146,670	0	0	0	21,363	1,121,933	1,877,678	32,125,696
<b>Medical and dental expenses deduction:</b>								
Number of returns	10,564,676	1,259,106	2,007,345	2,643,894	3,592,647	959,723	51,376	50,584
Amount	75,428,123	9,319,599	13,748,805	15,969,644	24,036,340	9,522,066	1,171,876	1,659,796
<b>Taxes paid deduction:</b>								
Number of returns	50,087,819	1,874,892	4,357,673	8,720,758	19,229,322	11,663,738	1,409,775	2,831,664
Amount	446,395,960	5,206,973	12,895,504	31,598,131	111,960,618	120,949,989	23,985,098	139,799,648
<b>State and local income taxes [6]:</b>								
Number of returns	48,607,452	1,642,235	4,083,864	8,370,985	18,789,929	11,514,108	1,393,962	2,812,369
Amount	271,539,747	1,248,383	4,108,976	13,441,162	57,373,681	69,257,500	15,150,098	110,959,948

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2007

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**Table 1. Individual Income Tax Returns, Tax Year 2007 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Income taxes:</b>								
Number of returns	36,797,963	598,238	2,303,443	5,923,410	14,870,536	9,548,470	1,184,367	2,369,500
Amount	253,235,796	720,035	2,789,329	10,874,211	50,980,004	64,546,562	14,458,965	108,866,692
<b>General sales taxes:</b>								
Number of returns	11,809,490	1,043,998	1,780,422	2,447,577	3,919,395	1,965,637	209,595	442,869
Amount	18,303,951	528,351	1,319,647	2,566,950	6,393,677	4,710,939	691,134	2,093,256
<b>Interest paid deduction:</b>								
Number of returns	41,167,372	1,277,144	3,039,968	6,790,020	16,393,951	10,187,196	1,181,207	2,297,883
Amount	502,340,630	12,580,242	27,668,939	62,887,393	173,079,256	140,234,824	21,296,719	64,593,255
<b>Charitable contributions deduction:</b>								
Number of returns	41,138,108	1,148,037	2,996,713	6,443,470	15,934,997	10,614,126	1,311,569	2,689,195
Amount	174,504,204	1,591,775	5,786,999	13,703,115	41,624,595	40,229,180	7,519,217	64,049,322
<b>Taxable income:</b>								
Number of returns	110,808,532	11,368,412	25,191,400	25,263,646	31,049,865	13,437,898	1,499,298	2,998,012
Amount	5,932,306,076	33,397,769	247,612,443	567,829,911	1,460,537,373	1,316,146,957	262,657,425	2,044,124,196
<b>Alternative minimum tax:</b>								
Number of returns	4,111,154	10,637	9,186	11,090	207,188	976,767	878,227	2,018,061
Amount	20,915,080	94,368	11,101	21,806	261,043	1,929,444	2,377,081	16,220,238
<b>Income tax before credits:</b>								
Number of returns	110,819,668	11,373,122	25,186,249	25,265,038	31,056,293	13,439,872	1,499,742	2,999,355
Amount	1,155,078,777	3,412,792	28,267,028	72,736,619	213,925,132	236,720,524	57,609,716	542,406,967
<b>Total tax credits [7]:</b>								
Number of returns	48,374,530	2,727,013	11,210,730	10,958,958	14,752,663	6,454,395	636,279	1,634,487
Amount	62,170,319	390,965	6,056,543	11,340,336	22,632,100	7,305,171	807,524	13,637,681
<b>Child care credit:</b>								
Number of returns	6,556,918	26,553	1,081,872	1,320,976	2,400,655	1,413,018	133,125	180,720
Amount	3,524,008	3,757	532,119	780,981	1,267,946	781,371	62,967	94,867
<b>Credit for the elderly or disabled:</b>								
Number of returns	90,569	51,862	38,709	0	0	0	0	0
Amount	12,296	8,188	4,108	0	0	0	0	0
<b>Child tax credit:</b>								
Number of returns	26,068,263	172,596	5,600,901	6,845,280	10,171,405	3,277,739	** 339	**
Amount	31,753,697	20,455	2,897,146	7,525,135	16,711,872	4,598,686	** 406	**
<b>Education tax credits:</b>								
Number of returns	7,516,607	551,408	1,857,977	2,077,052	2,797,448	232,722	0	0
Amount	6,988,853	168,293	1,415,773	2,020,967	3,227,604	156,219	0	0
<b>Retirement savings contributions credit:</b>								
Number of returns	5,970,293	288,449	2,782,750	2,602,334	296,762	0	0	0
Amount	997,343	60,558	457,937	428,116	50,737	0	0	0
<b>Adoption credit:</b>								
Number of returns	93,325	4	1,697	19,789	52,979	18,590	27	238
Amount	384,523	3	992	37,542	184,637	157,998	234	3,118
<b>Residential energy credits:</b>								
Number of returns	4,411,698	50,423	270,972	770,281	1,947,657	1,078,231	110,675	183,461
Amount	1,026,245	6,372	55,930	169,842	429,934	275,377	31,365	57,424
<b>Foreign tax credit:</b>								
Number of returns	7,602,568	380,729	484,613	729,992	2,105,361	2,112,882	429,228	1,359,764
Amount	13,991,686	11,757	41,052	90,149	470,992	904,514	619,005	11,854,217
<b>General business credit:</b>								
Number of returns	208,411	3,514	12,489	17,051	58,353	59,620	13,143	44,241
Amount	718,864	625	6,974	22,328	83,793	94,769	14,089	496,286
<b>Prior year minimum tax credit:</b>								
Number of returns	370,848	2,306	3,351	11,518	61,884	171,417	32,196	88,176
Amount	1,020,767	169	1,249	15,678	60,313	173,826	45,809	723,722
<b>Self-employment tax:</b>								
Number of returns	17,577,880	5,154,322	2,768,154	2,393,913	3,829,116	2,200,374	339,173	892,829
Amount	45,992,187	5,465,489	5,016,064	5,202,798	10,297,829	9,252,459	2,161,990	8,595,555

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2007

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**Table 1. Individual Income Tax Returns, Tax Year 2007 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total earned income credit (EIC):</b>								
Number of returns	24,970,376	13,245,931	9,167,118	2,557,328	0	0	0	0
Amount	49,696,835	24,038,544	23,725,706	1,932,582	0	0	0	0
EIC used to offset income tax before credits:								
Number of returns	3,452,286	1,281,284	1,399,615	771,388	0	0	0	0
Amount	948,515	109,246	637,178	202,091	0	0	0	0
EIC used to offset other taxes:								
Number of returns	5,384,564	3,565,452	1,462,279	356,831	0	0	0	0
Amount	5,189,831	3,105,112	1,882,635	202,085	0	0	0	0
Excess EIC, refundable portion:								
Number of returns	22,024,740	11,514,154	8,663,371	1,847,216	0	0	0	0
Amount	43,558,489	20,824,189	21,205,895	1,528,406	0	0	0	0
Additional child tax credit:								
Number of returns	16,088,595	2,546,843	8,579,699	3,840,090	1,084,962	36,994	6	0
Amount	16,828,692	1,033,518	8,815,374	5,441,333	1,471,699	66,764	3	0
Refundable prior year minimum tax credit								
Number of returns	144,692	9,084	1,464	5,071	8,993	43,324	30,771	45,985
Amount	432,169	74,764	60,071	14,242	14,570	150,013	77,711	40,796
<b>Total income tax:</b>								
Number of returns	96,374,701	9,884,182	17,359,038	21,269,157	29,969,223	13,399,948	1,497,973	2,995,176
Amount	1,092,909,361	3,021,828	22,210,486	61,396,283	191,293,043	229,415,353	56,802,192	528,770,179
<b>Total tax liability:</b>								
Number of returns	100,352,051	12,480,776	18,056,732	21,735,817	30,169,669	13,413,869	1,498,828	2,996,359
Amount	1,139,266,194	5,546,835	25,340,474	66,507,325	203,220,841	240,415,940	59,258,810	538,975,969

\*\* Data combined to prevent disclosure of specific taxpayer information.

[1] Includes returns with adjusted gross deficit.

[2] The total number of returns does not include the returns filed to receive the stimulus payment only update.

[3] Included in data for Forms 1040, 1040A, and 1040EZ.

[4] Not included in adjusted gross income.

[5] Includes capital gain distributions reported on Form 1040 and Schedule D.

[6] State and local income taxes is the total of both income taxes and general sales taxes.

[7] Includes EIC used to offset income tax before credits, shown separately later in this table.

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

# Selected Historical and Other Data

**Notice:** The data on the following pages represent the most recent and most accurate information available at time of publication. However, they are subject to continuous revision as more information becomes available. Historical data tables are only published in print format on an annual basis and appear in the spring issue. Electronic versions of historical data tables will be maintained and available on SOI's pages of the IRS Web site, [www.irs.gov/taxstats](http://www.irs.gov/taxstats).

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## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns [1]</b>	<b>129,373,500</b>	<b>130,255,237</b>	<b>130,076,443</b>	<b>130,423,626</b>	<b>132,226,042</b>	<b>134,372,678</b>	<b>138,394,754</b>
Form 1040 returns [1]	78,846,102	80,500,011	80,748,948	80,420,043	80,603,689	81,497,559	83,805,545
Form 1040A returns [1]	28,826,589	28,293,817	28,714,328	29,631,494	30,572,631	31,326,141	32,018,556
Form 1040EZ returns [1]	21,700,809	21,461,409	20,613,167	20,372,089	21,049,722	21,548,977	22,570,653
Electronically filed returns [1]	40,078,595	46,861,486	52,798,823	61,154,815	68,380,152	73,471,852	80,095,643
Returns by filing status:							
Joint returns	50,268,249	51,034,384	51,302,089	51,510,779	51,975,649	52,505,729	53,294,930
Returns of married persons filing separately	2,486,719	2,441,481	2,330,723	2,320,275	2,453,292	2,462,804	2,524,941
Returns of heads of households	18,208,359	18,493,710	19,170,266	19,506,611	19,647,748	19,985,059	20,669,369
Returns of surviving spouses	63,800	74,242	73,577	83,179	82,188	71,111	74,771
Returns of single persons	58,346,372	58,211,420	57,199,788	57,002,781	58,067,165	59,347,974	61,830,743
Returns with Presidential Election Campaign Fund checkoff [2]:							
Number of returns	13,958,259	14,240,945	13,143,595	12,198,321	11,613,401	10,860,522	10,887,080
Amount	60,685	60,801	56,567	52,361	50,202	48,753	46,922
Number of boxes checked	19,741,877	20,266,894	18,857,672	17,453,770	16,733,962	15,711,327	15,640,828
<b>Adjusted gross income (AGI) [3]</b>	<b>6,365,376,648</b>	<b>6,170,603,942</b>	<b>6,033,585,532</b>	<b>6,207,108,793</b>	<b>6,788,805,130</b>	<b>7,422,495,663</b>	<b>8,030,842,945</b>
Salaries and wages:							
Number of returns	110,168,714	111,227,450	110,938,441	110,890,993	112,369,812	114,070,880	116,379,376
Amount	4,456,167,438	4,565,229,218	4,559,690,903	4,649,900,493	4,921,806,344	5,155,407,373	5,469,370,119
Taxable interest received [4]:							
Number of returns	68,046,458	67,479,816	63,584,806	59,459,344	57,605,888	59,249,357	62,401,235
Amount	199,321,670	198,177,814	149,024,899	127,159,692	125,474,158	162,432,720	222,707,445
Tax-exempt interest [5]:							
Number of returns	4,658,345	4,557,381	4,453,829	4,524,955	4,416,851	4,497,973	6,038,822
Amount	53,951,877	55,582,376	54,564,465	53,750,230	52,031,763	57,693,924	72,970,971
Dividends in AGI [4,6]:							
Number of returns	34,140,605	32,621,151	31,409,759	30,475,097	30,687,178	31,175,376	31,619,775
Amount	146,987,679	119,533,324	103,241,332	115,141,232	146,838,808	166,482,004	199,359,146
Qualified dividends in AGI [6]:							
Number of returns	N/A	N/A	N/A	22,449,379	24,549,867	25,853,686	26,584,184
Amount	N/A	N/A	N/A	80,994,736	110,500,411	118,980,474	137,195,800
Business or profession net income [7]:							
Number of returns	13,312,586	13,611,559	13,750,982	14,442,334	15,057,938	15,748,896	16,209,687
Amount	244,598,112	249,507,231	256,878,740	268,581,833	290,224,776	314,717,429	330,265,386
Business or profession net loss [7,8]:							
Number of returns	4,287,423	4,406,790	4,846,323	4,973,314	5,194,140	5,308,433	5,446,722
Amount	30,732,759	32,734,734	36,095,167	38,926,548	43,007,488	45,016,373	48,738,126
Net capital gain in AGI [6,9]:							
Number of returns	22,645,728	12,630,577	9,969,731	9,081,384	10,875,231	12,017,926	13,427,079
Amount	644,284,795	348,132,997	268,202,336	322,973,738	497,227,695	685,194,041	789,797,297
Net capital loss in AGI [6,10]:							
Number of returns	6,875,037	10,839,824	13,279,894	12,808,303	11,513,428	10,022,532	8,641,990
Amount	13,742,364	22,964,034	29,833,878	28,952,022	25,492,046	22,136,901	18,751,674
Sales of property other than capital assets, net gain [11]:							
Number of returns	827,490	772,632	789,392	798,662	857,903	900,568	894,821
Amount	7,445,007	7,208,365	7,291,728	8,138,821	10,473,327	12,843,235	14,020,711
Sales of property other than capital assets, net loss [11]:							
Number of returns	872,562	843,253	938,985	955,198	892,031	876,635	883,982
Amount	8,364,141	9,105,361	9,678,258	8,469,180	7,970,811	9,180,303	9,819,064
Pensions and annuities in AGI [12]:							
Number of returns	21,765,211	22,262,774	22,794,417	22,822,842	23,123,390	23,247,374	24,098,220
Amount	325,827,702	338,745,409	357,840,960	372,931,442	394,285,849	420,144,855	450,454,465
Unemployment compensation [13]:							
Number of returns	6,478,292	8,799,886	10,334,639	10,065,230	9,094,911	7,887,700	7,378,438
Amount	16,913,305	26,890,925	43,129,155	44,007,879	32,740,272	27,857,367	26,523,665

Footnotes at end of table.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Social Security benefits in AGI [14]:</b>							
Number of returns	10,608,572	10,779,280	10,702,502	10,975,002	11,691,859	12,660,754	13,749,185
Amount	89,964,021	93,559,363	93,459,494	97,768,201	110,462,387	124,829,069	144,403,839
<b>Rent net income [7]:</b>							
Number of returns	4,200,588	4,226,121	4,228,529	4,086,160	4,078,981	4,109,952	3,945,510
Amount	45,099,159	47,307,618	49,265,943	49,236,378	50,640,786	53,536,785	53,607,878
<b>Rent net loss [7]:</b>							
Number of returns	4,520,263	4,504,545	4,500,788	4,529,086	4,731,529	4,951,857	5,200,270
Amount	30,309,122	31,057,269	34,253,712	37,558,496	44,672,209	51,914,832	64,256,741
<b>Royalty net income [15]:</b>							
Number of returns	1,103,851	1,133,409	1,118,018	1,242,840	1,296,467	1,342,691	1,463,190
Amount	7,997,803	10,630,523	8,013,942	10,729,655	12,421,989	16,121,113	17,360,823
<b>Royalty net loss [15]:</b>							
Number of returns	36,033	46,313	38,389	32,790	31,654	33,393	40,159
Amount	100,895	89,482	140,775	123,569	186,747	197,030	320,028
<b>Partnership and S corporation net income [16]:</b>							
Number of returns	4,179,537	4,356,933	4,329,316	4,453,988	4,738,228	4,992,108	5,022,308
Amount	285,424,865	301,558,966	314,665,137	333,029,137	398,690,527	492,020,754	528,224,522
<b>Partnership and S corporation net loss [8,16]:</b>							
Number of returns	2,120,784	2,139,574	2,394,105	2,552,592	2,498,144	2,539,384	2,596,993
Amount	72,511,266	76,448,871	76,697,948	78,972,015	82,697,364	89,694,035	102,747,208
<b>Estate or trust net income:</b>							
Number of returns	556,534	493,247	539,946	499,416	507,008	493,504	550,919
Amount	12,134,000	12,378,332	12,459,427	13,498,758	15,436,171	18,138,463	19,125,097
<b>Estate or trust net loss:</b>							
Number of returns	39,026	44,096	41,508	33,117	35,710	35,713	44,685
Amount	1,127,838	2,158,566	1,219,102	1,083,966	1,435,566	1,654,404	1,941,673
<b>Farm net income:</b>							
Number of returns	703,083	649,173	556,331	592,019	588,823	610,647	551,965
Amount	8,270,319	7,656,704	6,324,051	7,472,503	7,371,027	8,484,072	7,683,980
<b>Farm net loss [8]:</b>							
Number of returns	1,358,701	1,357,698	1,438,741	1,405,097	1,416,076	1,370,603	1,406,308
Amount	17,305,037	18,661,484	20,743,770	19,843,995	20,610,232	20,652,859	23,015,298
<b>Total statutory adjustments:</b>							
Number of returns [17]	23,197,425	23,497,092	28,911,078	30,382,069	32,153,965	33,591,124	33,980,524
Amount [17]	58,609,518	60,572,768	77,161,432	87,575,677	98,046,679	109,396,547	113,845,357
<b>Educator expenses:</b>							
Number of returns	N/A	N/A	2,884,403	3,240,673	3,402,468	3,503,719	3,166,931
Amount	N/A	N/A	712,505	805,734	858,457	877,796	805,568
<b>Certain business expenses of reservists, performing artists, and fee-basis government officials:</b>							
Number of returns	N/A	N/A	N/A	N/A	105,135	100,111	120,468
Amount	N/A	N/A	N/A	N/A	252,597	285,073	368,258
<b>Individual Retirement Arrangements [18]:</b>							
Number of returns	3,505,032	3,448,457	3,277,671	3,418,494	3,330,763	3,256,066	3,230,531
Amount	7,477,074	7,406,866	9,462,404	10,006,814	10,028,607	12,003,037	12,533,506
<b>Student loan interest deduction:</b>							
Number of returns	4,477,986	4,405,667	6,640,784	6,953,370	7,527,249	8,072,896	8,540,900
Amount	2,639,472	2,711,733	4,469,546	4,409,816	4,398,734	5,052,720	6,156,865
<b>Tuition and fees deduction:</b>							
Number of returns	N/A	N/A	3,444,941	3,571,154	4,710,253	4,696,013	4,015,828
Amount	N/A	N/A	6,154,145	6,683,631	10,589,279	10,846,990	9,620,615
<b>Health savings account deduction [19]:</b>							
Number of returns	N/A	N/A	N/A	N/A	90,857	215,781	358,968
Amount	N/A	N/A	N/A	N/A	190,732	510,690	868,560
<b>Medical savings account deduction:</b>							
Number of returns	65,415	69,957	61,118	67,347	32,334	18,808	18,668
Amount	120,330	123,296	121,282	129,214	66,602	41,341	35,106

Footnotes at end of table.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Keogh and self-employed retirement plans:</b>							
Number of returns	1,287,706	1,290,496	1,186,947	1,208,801	1,201,332	1,256,900	1,228,299
Amount	12,475,396	13,114,412	16,349,738	17,795,957	19,295,952	21,268,404	22,011,551
<b>Deduction for self-employment tax:</b>							
Number of returns	14,300,141	14,574,036	14,664,473	15,373,279	15,920,203	16,694,655	17,074,708
Amount	17,392,967	18,134,959	18,687,162	19,791,285	21,109,366	22,733,881	23,925,376
<b>Self-employed health insurance:</b>							
Number of returns	3,564,624	3,559,792	3,571,152	3,802,277	3,883,687	3,901,082	3,804,190
Amount	7,569,198	8,177,397	10,494,247	16,454,211	18,457,063	19,645,889	20,302,533
<b>Domestic production activities deduction:</b>							
Number of returns	N/A	N/A	N/A	N/A	N/A	336,959	421,128
Amount	N/A	N/A	N/A	N/A	N/A	2,360,983	3,303,121
<b>Exemptions:</b>							
Number of exemptions, total	252,332,427	256,186,046	258,716,374	261,126,373	263,896,304	269,043,070	275,256,944
Amount [20]	690,109,474	727,554,990	761,440,430	781,305,067	800,690,043	839,904,186	891,911,609
Number of boxes checked for taxpayer's age 65 or over [20]	22,475,999	22,825,923	22,948,745	23,178,832	23,790,587	24,246,402	25,322,424
Primary taxpayer	16,159,749	16,443,262	16,444,649	16,626,808	16,961,345	17,381,797	18,118,613
Spouse	6,316,250	6,382,661	6,504,096	6,552,024	6,829,242	6,864,605	7,203,811
<b>Total deductions:</b>							
Number of returns [21]	128,204,824	128,800,540	128,302,742	128,592,872	130,351,990	132,596,649	135,707,287
Amount [21]	1,293,181,391	1,366,435,851	1,390,114,852	1,457,644,886	1,559,171,075	1,702,558,646	1,836,701,474
<b>Standard deductions [22]</b>							
Number of returns	85,670,504	84,238,233	82,655,191	84,643,281	84,016,753	84,841,222	86,583,732
Amount	470,820,881	481,907,591	492,067,532	555,780,052	560,932,618	580,747,711	607,464,185
<b>Returns with additional standard deductions for age 65 or over or blindness:</b>							
Number of returns	11,330,554	11,116,629	10,857,098	11,200,647	10,985,079	10,996,440	11,261,327
Amount	14,735,998	14,936,559	14,897,487	15,858,963	15,850,401	16,561,658	16,976,422
<b>Itemized deductions:</b>							
Number of returns [23]	42,534,320	44,562,308	45,647,551	43,949,591	46,335,237	47,755,427	49,123,555
Amount [23]	822,360,510	884,528,260	898,047,320	901,864,834	998,238,457	1,121,810,935	1,229,237,288
<b>Medical and dental expense [24]:</b>							
Number of returns	6,513,104	7,571,522	8,547,481	8,678,320	9,530,675	9,917,189	10,208,792
Amount	39,251,004	47,071,726	52,276,395	56,007,076	61,503,014	67,353,932	70,704,272
<b>Taxes paid [25]:</b>							
Number of returns	41,823,555	43,797,188	44,793,590	43,061,888	46,009,291	47,353,480	48,660,923
Amount	294,711,547	307,974,817	302,653,989	310,896,704	362,608,853	400,390,045	432,774,100
<b>Interest paid [26]:</b>							
Number of returns	35,405,336	36,800,610	37,637,017	36,211,578	38,110,298	39,015,536	40,284,927
Amount	322,931,506	349,900,751	351,495,773	340,319,125	356,355,994	405,718,259	470,474,844
<b>Home mortgage interest paid:</b>							
Number of returns	34,914,116	36,331,190	37,216,044	35,797,375	37,691,995	38,574,509	39,831,381
Amount	299,963,368	330,692,376	336,570,649	325,191,983	340,476,440	383,733,110	443,151,695
<b>Charitable contributions:</b>							
Number of returns	37,524,825	39,386,782	40,399,695	38,626,902	40,623,426	41,381,465	41,437,749
Amount	140,681,631	139,241,476	140,571,365	145,702,137	165,564,388	183,390,686	186,646,644
<b>Taxable income:</b>							
Number of returns	105,259,292	104,174,654	102,275,969	101,392,812	102,737,959	104,330,653	106,667,402
Amount	4,544,242,424	4,268,506,425	4,096,127,651	4,200,218,439	4,670,165,637	5,137,165,874	5,579,145,443
<b>Income tax before credits [27,28]:</b>							
Number of returns	105,277,966	104,195,834	102,293,722	101,412,777	102,740,921	104,345,964	106,688,255
Amount	1,018,218,948	933,567,474	836,842,718	790,005,881	884,342,703	990,151,766	1,082,855,370
<b>Tax credits:</b>							
Number of returns [29,30]	37,736,095	49,792,710	40,614,049	41,091,029	41,694,252	42,246,181	46,091,502
Total amount [29,30]	37,722,293	45,631,198	39,862,411	41,995,756	52,366,870	55,316,421	58,938,971
<b>Child care credit:</b>							
Number of returns	6,368,101	6,184,507	6,185,855	6,313,297	6,316,649	6,500,596	6,466,792
Amount	2,793,860	2,721,061	2,706,539	3,206,890	3,337,984	3,462,104	3,486,637
<b>Credit for the elderly or disabled:</b>							
Number of returns	155,796	139,097	133,538	123,147	107,914	101,627	98,261
Amount	32,608	30,496	21,119	20,257	18,740	14,127	14,571

Footnotes at end of table.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Child tax credit:							
Number of returns	26,404,521	26,452,875	25,939,801	25,672,254	25,988,711	25,950,568	25,741,511
Amount	19,689,359	22,427,229	21,520,271	22,788,025	32,300,455	32,047,620	31,741,551
Education credits:							
Number of returns	6,815,316	7,212,554	6,475,134	7,298,227	7,180,884	7,057,251	7,725,138
Amount	4,851,178	5,156,254	4,882,853	5,843,029	6,016,805	6,119,631	7,022,420
Retirement savings contributions credit:							
Number of returns	N/A	N/A	5,307,176	5,296,688	5,288,732	5,293,605	5,192,133
Amount	N/A	N/A	1,058,219	1,034,394	1,011,506	944,531	893,957
Residential energy credit:							
Number of returns	N/A	N/A	N/A	N/A	N/A	N/A	4,344,189
Amount	N/A	N/A	N/A	N/A	N/A	N/A	1,000,149
Foreign tax credit:							
Number of returns	3,935,699	3,942,604	3,748,974	4,145,174	4,700,259	5,398,046	6,418,317
Amount	5,990,360	6,254,559	5,933,600	5,805,555	6,757,994	9,361,989	10,958,470
General business credit:							
Number of returns	275,116	269,648	284,720	262,738	248,506	251,386	386,681
Amount	764,253	713,974	750,855	612,744	635,391	877,850	1,302,464
<b>Income tax after credits [25]:</b>							
Number of returns	96,815,794	94,763,163	90,963,775	88,921,898	89,101,934	90,593,079	92,740,926
Amount	980,496,655	887,936,276	796,980,307	748,010,125	831,975,834	934,835,345	1,023,916,399
<b>Total income tax [31]:</b>							
Number of returns	96,817,602	94,763,530	90,963,896	88,921,904	89,101,934	90,593,081	92,740,927
Amount	980,645,201	887,973,968	796,986,268	748,017,488	831,976,333	934,835,769	1,023,920,139
Alternative minimum tax [32]:							
Number of returns	1,304,198	1,120,047	1,910,789	2,357,975	3,096,299	4,004,756	3,966,540
Amount	9,600,840	6,756,705	6,853,901	9,469,803	13,029,239	17,421,071	21,564,586
<b>Earned income credit [33]:</b>							
Number of returns	19,277,225	19,593,122	21,703,187	22,024,227	22,269,577	22,751,904	23,042,200
Amount	32,296,341	33,375,971	38,198,572	38,657,067	40,024,050	42,410,290	44,387,566
Used to offset income tax before credits:							
Number of returns	5,416,246	4,412,721	4,168,977	3,606,251	2,975,197	2,896,347	2,960,172
Amount	1,968,680	1,470,200	1,114,948	926,381	767,524	745,322	797,162
Used to offset other taxes:							
Number of returns	3,147,876	3,506,426	4,106,193	4,401,160	4,630,477	4,756,198	4,874,407
Amount	2,523,703	2,862,938	3,346,682	3,718,355	3,957,021	4,199,530	4,518,182
Excess earned income credit (refundable):							
Number of returns	16,125,542	16,631,224	18,780,033	19,162,460	19,448,355	20,087,050	20,268,821
Amount	27,803,959	29,042,833	33,736,942	34,012,332	35,299,505	37,465,440	39,072,222
<b>Tax payments, total:</b>							
Number of returns [34]	122,243,874	123,451,339	120,083,021	123,461,513	124,989,700	122,684,049	133,577,700
Amount [34]	1,084,868,447	1,076,500,696	953,697,397	974,543,079	1,036,118,363	1,083,700,046	1,189,243,053
Income tax withheld [35]:							
Number of returns	113,733,442	114,798,386	114,861,744	114,861,706	116,312,978	118,161,380	120,500,889
Amount	763,901,388	773,325,891	717,492,263	703,758,484	731,734,362	782,659,594	843,094,979
Excess Social Security tax withheld:							
Number of returns	1,640,582	1,436,746	1,145,352	1,121,141	1,242,604	1,383,240	1,443,437
Amount	2,184,849	1,915,349	1,564,478	1,566,411	1,727,641	2,023,314	2,288,806
Estimated tax payments [36]:							
Number of returns	13,326,669	13,167,855	12,434,579	11,576,213	10,996,504	11,053,213	11,128,072
Amount	221,621,893	220,195,712	198,177,595	182,906,911	188,770,357	221,001,524	252,998,613
Payments with requests for extension of filing time [37]:							
Number of returns	1,610,937	1,448,214	1,235,156	1,333,579	1,518,779	1,627,572	1,758,125
Amount	63,396,711	42,495,018	36,321,934	38,303,188	59,268,206	77,833,848	86,530,919
<b>Tax due at time of filing:</b>							
Number of returns	30,624,423	24,581,130	22,818,761	21,072,333	24,452,350	25,659,937	26,694,105
Amount	134,944,362	91,822,703	82,287,723	73,741,408	99,683,799	118,232,296	126,289,889
<b>Tax overpayments, total [38]:</b>							
Number of returns	95,921,082	102,310,896	103,462,884	105,361,848	103,706,648	104,778,359	109,915,823
Amount	196,198,780	236,982,082	239,784,002	254,553,541	255,064,839	272,110,056	295,796,995
Overpayment refunds:							
Number of returns	93,000,030	99,011,975	100,143,606	102,004,984	100,674,244	101,870,385	107,001,071
Amount	167,577,365	202,274,032	205,987,348	219,751,889	221,371,474	232,975,616	250,941,390

Footnotes at end of table.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

### Footnotes

N/A—Not applicable.

- [1] Year-to-year comparability of the "all returns" total is affected by changes in dollar income filing thresholds, while year-to-year comparability of the number of returns by type of tax form used is affected by changes in the specific filing requirements, including adjustments for inflation, for each form. In general, the filing of "short forms" (mostly Forms 1040A and 1040EZ) has been encouraged by IRS to simplify both taxpayer filing requirements and IRS processing. Filing requirements for each of the short forms have, therefore, been gradually liberalized to facilitate their use. Increases in the number of short forms have mostly been at the expense of "long form" 1040 usage (although increases in the number of each of the short forms have often been at the expense of one short form over another). While the number of 1040 (paper) returns has, therefore, increased over the time period shown, the rate of increase has been reduced by the use of the short forms, and, later, by electronic filing options (see below). For additional information about the return filing requirements, see the annual reports, *Statistics of Income—Individual Income Tax Returns*. Forms 1040, 1040A, and 1040EZ include "standard" electronically filed ("ELF" or "e-file") returns, and Form 1040EZ returns filed electronically by telephone ("TeleFile" 2000-2004 only). For 2006, the total number of Form 1040EZ returns includes 742,859 Form 1040EZ-T returns.
- [2] Taxpayers could elect to assign \$3 of the income tax reported on their returns (\$6 on a joint return, if both spouses contributed) to help pay for the cost of Presidential election campaigns. To do so, a taxpayer had to check a box on the tax return. The relationship between (a) the number of returns and boxes checked and (b) the dollar amounts shown is only approximate because the frequencies and the amounts were obtained from different sources, the frequencies from Statistics of Income tax return data and the dollar amounts from IRS monthly tax collections, aggregated by calendar year. It should be noted that the frequencies and amounts are related to the tax year for which statistics are shown, even though the designation by the taxpayer occurred in the following year, when the income tax return was filed and processed.
- [3] Less deficit.
- [4] Taxable interest includes "dividends" on deposits and withdrawable shares in mutual savings banks, savings and loan associations, and credit unions, but excludes interest from Regulated Investment Companies on money market mutual funds, which is included in "dividends" in "adjusted gross income" (AGI).
- [5] Not included in AGI. Represents interest on State and local government obligations, including tax-exempt interest dividends from Regulated Investment Companies.
- [6] Dividends in AGI exclude capital gains and liquidating dividends, reflected in the statistics for net capital gain or loss in AGI, but include interest from Regulated Investment Companies on money market mutual funds. Qualified dividends are the ordinary dividends received after May 5, 2003, that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a "qualified" foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was a part of an employee stock ownership plan (ESOP).
- [7] Rent net income (or loss) excludes sole proprietorship (including farm) rental income or loss; these are included in business or profession net income or loss. Rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.
- [8] Losses are after "passive loss" limitation.
- [9] Includes capital gains from the sale of assets held for personal use or investment, and also net gains from the sale of certain business property treated as net capital gains and from "involuntary conversions" of property, such as by casualty or theft. Also includes capital gains received from partnerships and S corporations. See also footnote 15. Data represent total capital gains. Total includes capital gain distributions from Regulated Investment Companies. For other changes affecting capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years. See also footnote 6.
- [10] Includes capital losses (after limitation) from the sale of assets held for personal use or investment, including losses in excess of net gains from the sale of certain business property treated as net capital losses and "involuntary conversions" of property, such as by casualty or theft. Also includes capital losses received from partnerships and S corporations. See also footnotes 6, 15, and 16.
- [11] Net gain or loss, not includable in capital gain or loss, from the sale of business property (excluding inventories and certain other assets) and "involuntary conversions" of property, such as by casualty or theft. See also footnote 15.
- [12] Excludes Individual Retirement Arrangement (IRA) distributions.
- [13] Represents total unemployment compensation.
- [14] Up to 85 percent of Social Security benefits were taxable.
- [15] Excludes certain royalties included in the computations of capital gain or loss and of ordinary gain or loss in sales of noncapital assets.
- [16] Excludes capital gains and losses.
- [17] Includes adjustments not shown separately in this table. Total excludes certain business-related expenses, deduction for two-earner married couples, and certain alimony payments, but includes the self-employment health insurance deductions.
- [18] Deductible Individual Retirement Arrangement (IRA) contributions were limited, then liberalized somewhat. Contributions to education and Roth IRAs were nondeductible and are, therefore, not included in the statistics.
- [19] Beginning in Tax Year 2004, a taxpayer could have taken a deduction for contributions to a Health Savings Account. The deduction was limited to the annual deductible on the qualifying high deductible health plan and other criteria.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

**Footnotes—Continued**

- [20] Exemption amounts were indexed for inflation. Amounts were also limited for taxpayers with high incomes. A check box on the return was used for taxpayer's age 65 or over, in general, for use in establishing claims for the additional standard deductions, but many taxpayers not claiming the additional deductions also used the check box. The amount shown for exemptions excludes amounts in excess of AGI, which were reported but could not be used by the taxpayer. The number of exemptions and amounts also excludes the number and amounts reported on returns with no AGI, which did not figure into the computation of tax as a result.
- [21] In general, represents the sum of standard and itemized deductions from AGI to compute "taxable income" (the tax base for the regular income tax), but also includes deductions in excess of AGI that could not be used in the computation. Deductions erroneously reported on returns with no AGI were excluded from the deduction statistics. Includes revised itemized deductions (see also footnotes 23-24), "basic" standard deduction, and "additional" standard deductions for age 65 or over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax Returns*, for appropriate years). Total itemized deductions are after statutory limitation (see footnote 25).
- [22] Standard deductions were indexed for inflation. Statistics for taxpayers with the additional standard deduction for age 65 or over exclude those who checked the box on tax returns indicating age 65 or over, but then itemized their deductions instead of claiming standard deductions (see footnote 20). For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns*.
- [23] Includes itemized deductions not shown separately in this table, including revised deductions, for "miscellaneous expenses" after limitation and for employee moving expenses. In general, total itemized deductions were limited for certain high-income taxpayers. This limitation was indexed for inflation.
- [24] Deductible medical and dental expenses were limited, based on a revised percentage of AGI. The definition of expenses includes payments for certain long-term care insurance premiums and for the unreimbursed cost of certain long-term care of a chronically ill individual.
- [25] Starting with 2004, a taxpayer could have elected to deduct State and local general sales taxes instead of State and local income taxes as itemized deductions on Schedule A.
- [26] Deductions for mortgage real estate loan interest were limited. Personal interest was not deductible.
- [27] Includes "alternative minimum tax" (AMT), starting with 2000.
- [28] Different tax rate structures for the regular income tax applied to Tax Years 2000-2002, 2003, 2004, 2005, and 2006. Indexing of tax rate boundaries for inflation existed. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished, but a maximum capital gain tax rate less than the maximum regular tax rate continued to apply under certain conditions. For additional information on changes affecting tax computations, see Table 23 of the appendix to the historical section of this report and *Statistics of Income—Individual Income Tax Returns*.
- [29] Includes that portion of the "earned income credit" used to offset income tax before credits. Earned income credit is shown below in Table 1. See also footnote 33.
- [30] Includes credits such as the low-income housing credit, child adoption credit, and "empowerment zone employment" (EZE) credit not shown separately.
- [31] The statistics for all years shown are comparable. Starting with Tax Year 2000, total income tax is, in general, the same as income tax after credits, which was redefined to include AMT. (The small difference between the two amounts for 2000 is due mainly to the inclusion in the statistics for Tax Year 2000 of prior-year returns filed in Calendar Year 2001 that were used as proxies for Tax Year 2000 returns filed after 2001; the AMT on these returns was included in total income tax, but not in income tax before or after credits, consistent with the reporting sequence on the tax return forms for these years. The same is true for Tax Year 2002 for prior returns filed in Calendar Year 2003 for Tax Year 2000 and earlier. To a far lesser extent, the difference between total income tax and income tax after credits represents the tax on accumulation distributions of trusts, which was included in total income tax only.) Total income tax reflects the amount reported on the tax return and is, therefore, before any examination or enforcement activities by the Internal Revenue Service. It represents the income tax liability that was payable to the U. S. Department of the Treasury.
- [32] Under "alternative minimum tax" (AMT), generally high-income taxpayers to whom the tax applied were required to pay the larger of the regular income tax or the AMT. As of 2006, examples of preferences or adjustments subject to recapture through the AMT were accelerated depreciation, incentive stock options, certain itemized deductions, personal exemptions, certain tax-exempt interest, and income loss from tax-shelter farm or "passive" investment activities. AMT is shown separately in the statistics for all years. However, AMT is also included in "income tax before credits," as well as in "income tax after credits" and "total income tax."
- [33] In Table 1, the amounts "used to offset income tax before credits" and "used to offset other taxes" (that are income-related) are reflected in the statistics for "total tax credits"; however, "excess earned income credit (refundable)" is reflected in the statistics for tax "overpayments." The refundable portion of the credit is the amount (in excess of the taxes) that could not be credited, including any "advance earned income credit payments" on those returns that had such an excess. ("Advance earned income credit payments" were made to employees electing to receive such payments currently through their paychecks. Such "payments" are included in the statistics only if the employees also met the tax return filing requirements; advance payments received by those not required to file are, therefore, excluded.)
- [34] Represents payments reflecting the sum of "total income tax" (see footnote 31), tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRAs), and Social Security taxes on "self-employment income" and on certain employee tip income, as well as on other income-related taxes applicable to the years shown (see *Statistics of Income—Individual Income Tax Returns*). The total also includes the following not shown separately below in Table 1: "advance earned income credit payments" and credits for (a) capital gain tax paid by a Regulated Investment Company, but considered paid by shareholders, and (b) part of the purchase price of a diesel-powered highway vehicle.

## Selected Historical and Other Data

**Table 1. Individual Income Tax Returns: Selected Income and Tax Items for Tax Years 2000-2006—Continued**

**Footnotes—Continued**

[35] Represents tax withheld on (a) salaries and wages; (b) certain tip income; (c) pensions and annuities; (d) certain gambling winnings; and (e) distributions from profit-sharing plans, retirement plans, and Individual Retirement Arrangements (IRAs). Also included are taxes withheld as a result of "backup withholding" on certain interest, dividends, and royalty payments, which otherwise were not subject to withholding.

[36] Represents the sum of (a) "estimated tax," generally paid quarterly throughout the tax year by self-employed and certain other taxpayers with insufficient or no tax withheld, and (b) prior-year tax overpayments taxpayers elected to credit to their current-year's "estimated tax" in lieu of requesting a refund.

[37] Represents the sum of payments made with a request for an "automatic" 4-month extension of time in which to file an income tax return, and payments with a request for an additional 2-month extension. Notwithstanding the timing of these requests, full payment of a tax estimate for the year had to be made with the original application; if adjustments to the amount thus paid were later necessitated, the difference was either refundable or payable subject to an interest charge (which is not reflected in the tax statistics).

[38] Includes refunds (shown separately), plus credits to the following year's "estimated tax" and the refundable portion of the "earned income credit" (see footnote 36). The taxes reflected in tax overpayments are the same as those listed in footnote 35.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: Except for dollar amounts associated with the Presidential election campaign checkoff, data are from *Statistics of Income—Individual Income Tax Returns*, appropriate years. Depending on the year, dollar amounts associated with the Presidential election campaign checkoff were accumulated by calendar year either from U.S. Treasury Department, Internal Revenue Service, "Table S-1 Collections, Comparative Summary, Document 7038," Report NO-Treas-103, monthly, or from unpublished monthly data from Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \***

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>UNITED STATES</b>						
<b>Number of returns</b>	<b>154,707,511</b>	<b>105,552,862</b>	<b>19,386,521</b>	<b>11,740,168</b>	<b>13,455,659</b>	<b>4,572,301</b>
Number of joint returns	55,997,077	21,174,316	10,946,360	8,800,515	11,215,880	3,860,006
Number with paid preparer's signature	86,518,718	56,126,997	11,636,811	7,001,763	8,220,005	3,533,142
Number of exemptions	296,068,586	169,755,401	44,883,893	30,650,707	37,649,587	13,128,998
<b>Adjusted gross income (AGI) [2]</b>	<b>8,564,745,048</b>	<b>1,849,024,649</b>	<b>1,192,039,417</b>	<b>1,014,145,054</b>	<b>1,790,945,895</b>	<b>2,718,590,032</b>
Salaries and wages in AGI [3]: Number	121,561,581	78,058,742	17,113,871	10,462,649	12,050,276	3,876,043
Amount	5,857,279,436	1,600,768,640	938,128,956	785,103,121	1,333,593,408	1,199,685,312
Taxable interest: Number	66,763,192	31,045,159	11,539,812	8,502,848	11,323,260	4,352,113
Amount	263,631,463	53,512,319	25,252,894	22,210,666	42,499,266	120,156,319
Ordinary dividends: Number	32,556,988	12,506,602	5,228,559	4,311,116	6,941,714	3,568,997
Amount	233,807,431	24,288,037	15,175,929	15,151,248	38,550,676	140,641,541
Business or profession net income (less loss): Number	22,898,229	13,520,037	3,181,914	2,156,858	2,821,197	1,218,223
Amount	279,119,708	70,619,671	29,635,990	25,259,395	59,688,322	93,916,329
Number of farm returns	2,026,348	1,018,364	368,805	246,947	266,942	125,290
Net capital gain (less loss) in AGI: Number	27,536,665	10,260,771	4,198,069	3,520,183	6,054,104	3,503,538
Amount	819,565,650	32,977,986	18,196,455	21,174,596	71,142,373	676,074,241
Taxable Individual Retirement Arrangements distributions: Number	11,050,923	5,383,645	1,997,834	1,420,063	1,687,926	561,455
Amount	149,459,476	35,165,464	23,217,679	22,651,525	41,283,755	27,141,053
Taxable pensions and annuities in AGI: Number	26,233,674	14,104,878	4,543,452	3,066,726	3,534,085	984,533
Amount	490,218,038	154,817,810	94,152,180	78,729,246	118,249,247	44,269,555
Unemployment compensation [4]: Number	7,668,820	5,178,286	1,229,592	646,848	533,900	80,194
Amount	29,251,024	18,836,583	4,943,969	2,658,363	2,376,582	435,526
Taxable Social Security benefits in AGI: Number	14,964,519	6,478,994	3,392,867	2,091,823	2,194,375	806,460
Amount	166,665,020	31,670,208	44,042,110	34,315,754	39,827,276	16,809,672
Self-employment retirement plans: Number	1,142,643	136,053	108,612	118,466	349,073	430,439
Amount	21,401,079	833,698	908,602	1,186,063	5,178,321	13,294,395
Total itemized deductions [5]: Number	51,230,932	16,100,508	10,668,088	8,449,910	11,694,670	4,317,756
Amount	1,354,090,830	269,947,162	203,353,786	184,429,504	335,382,521	360,977,863
State and local income taxes: Number	37,409,557	9,331,067	8,100,146	6,755,148	9,622,548	3,600,648
Amount	274,718,612	19,193,609	23,929,184	27,804,340	65,085,219	138,706,260
State and local general sales tax: Number	11,389,710	4,991,782	2,280,071	1,530,417	1,906,697	680,743
Amount	19,271,190	5,412,283	3,498,405	2,830,115	4,605,903	2,924,484
Real estate taxes: Number	44,003,106	12,146,507	9,228,824	7,669,691	10,906,992	4,051,092
Amount	169,443,373	31,754,237	25,813,464	25,099,857	48,597,536	38,178,277
Taxes paid: Number	51,009,106	15,868,278	10,663,677	8,456,785	11,700,623	4,319,743
Amount	494,060,341	70,336,668	56,420,014	59,609,447	123,056,222	184,637,984
Mortgage interest paid: Number	41,722,085	11,624,788	8,911,753	7,354,529	10,227,667	3,603,348
Amount	542,643,469	122,383,362	93,080,501	82,747,604	142,217,583	102,214,421
Contributions: Number	41,087,977	10,653,802	8,572,141	7,218,171	10,583,309	4,060,554
Amount	189,952,068	21,247,144	21,190,037	20,572,915	40,483,061	86,458,910
Taxable income: Number	110,648,729	61,760,566	19,200,188	11,695,821	13,428,229	4,563,925
Amount	5,960,082,833	848,088,283	761,117,293	694,005,040	1,311,706,550	2,345,165,666
Total tax credits [6]: Number	45,836,838	22,577,285	8,542,226	6,023,562	6,390,087	2,303,678
Amount	61,590,172	16,600,397	12,539,726	9,746,917	7,411,622	15,291,510
Residential energy tax credit: Number	4,325,194	1,048,337	1,036,476	846,108	1,110,530	283,743
Amount	1,002,789	216,840	227,539	191,162	273,865	93,384
Child tax credit: Number	25,839,298	12,450,477	6,021,399	4,084,983	3,280,721	1,718
Amount	31,337,977	10,316,259	9,527,954	6,944,944	4,547,267	1,552
Child and dependent care credit: Number	6,474,209	2,385,204	1,319,392	1,067,665	1,375,835	326,113
Amount	3,460,899	1,284,362	689,655	573,731	739,156	173,996
Earned income credit [7]: Number	24,616,107	24,616,107	0	0	0	0
Amount	48,712,092	48,712,093	0	0	0	0
Excess earned income credit (refundable) [8]: Number	21,522,169	21,522,169	0	0	0	0
Amount	42,581,558	42,581,559	0	0	0	0
Alternative minimum tax: Number	4,161,402	78,083	78,418	120,099	962,264	2,922,538
Amount	24,273,037	177,883	102,690	193,843	1,988,758	21,809,862
Income tax [9]: Number	98,524,786	50,775,226	18,251,445	11,543,491	13,392,986	4,561,638
Amount	1,112,906,240	87,841,192	97,093,324	94,719,820	228,808,759	604,443,145
Total tax liability [10]: Number	106,940,217	58,779,590	18,574,509	11,607,114	13,414,519	4,564,485
Amount	1,169,374,548	106,120,457	104,030,266	100,481,453	240,045,092	618,697,280
Tax due at time of filing [11]: Number	28,499,882	13,271,260	4,762,191	3,072,671	4,993,377	2,400,383
Amount	130,112,576	13,367,536	9,937,645	8,606,041	24,162,778	74,038,579
Overpayments refunded [12]: Number	108,280,634	76,609,461	14,159,656	8,308,676	7,799,170	1,403,671
Amount	269,399,977	142,068,496	39,997,362	28,919,593	35,220,985	23,193,540

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALABAMA</b>						
<b>Number of returns</b>	<b>2,353,773</b>	<b>1,739,242</b>	<b>261,156</b>	<b>154,804</b>	<b>154,740</b>	<b>43,831</b>
Number of joint returns	846,801	371,525	170,104	128,931	137,578	38,663
Number with paid preparer's signature	1,404,812	1,005,846	170,286	96,982	95,856	35,842
Number of exemptions	4,588,015	2,973,895	631,591	418,519	438,136	125,874
<b>Adjusted gross income (AGI) [2]</b>	<b>102,787,248</b>	<b>29,025,608</b>	<b>16,030,352</b>	<b>13,365,184</b>	<b>20,275,571</b>	<b>24,090,532</b>
Salaries and wages in AGI [3]: Number	1,794,122	1,248,575	231,595	138,704	138,678	36,570
Amount	71,927,507	24,818,656	12,679,635	10,415,858	14,857,321	9,156,038
Taxable interest: Number	784,233	381,978	135,083	102,216	123,477	41,479
Amount	2,740,781	671,294	303,810	258,290	473,562	1,033,825
Ordinary dividends: Number	331,125	126,650	54,233	46,481	70,838	32,923
Amount	2,140,429	224,608	145,751	149,698	389,964	1,230,407
Business or profession net income (less loss): Number	344,078	225,502	44,969	28,873	32,197	12,537
Amount	2,866,162	841,583	293,337	261,542	599,882	869,819
Number of farm returns	53,392	26,477	9,797	6,900	7,225	2,993
Net capital gain (less loss) in AGI: Number	272,505	100,404	42,721	36,577	60,637	32,166
Amount	7,148,180	313,382	194,368	229,353	782,691	5,628,387
Taxable Individual Retirement Arrangements distributions: Number	140,492	71,149	25,289	17,996	19,963	6,095
Amount	1,738,800	457,911	285,883	271,455	458,638	264,913
Taxable pensions and annuities in AGI: Number	412,988	236,375	69,647	46,160	49,211	11,595
Amount	7,555,695	2,724,300	1,470,519	1,202,956	1,637,268	520,651
Unemployment compensation [4]: Number	85,468	65,467	11,284	5,138	3,291	288
Amount	199,811	147,717	27,444	13,995	9,751	905
Taxable Social Security benefits in AGI: Number	221,351	104,509	50,109	29,404	28,043	9,286
Amount	2,295,643	482,325	636,026	480,504	505,536	191,253
Self-employment retirement plans: Number	9,099	1,261	787	840	2,554	3,657
Amount	160,353	5,996	5,603	7,427	36,820	104,507
Total itemized deductions [5]: Number	652,123	240,608	136,052	105,090	129,140	41,233
Amount	13,141,642	2,716,978	2,306,943	2,023,205	3,199,942	2,894,574
State and local income taxes: Number	544,228	170,070	118,639	95,429	120,569	39,521
Amount	2,321,703	259,199	297,601	329,510	627,921	807,472
State and local general sales tax: Number	96,746	60,629	16,666	9,360	8,379	1,712
Amount	128,563	59,379	24,878	17,561	20,324	6,420
Real estate taxes: Number	537,819	163,430	116,411	96,556	122,250	39,172
Amount	640,592	119,717	93,522	92,123	175,446	159,784
Taxes paid: Number	651,803	239,354	136,481	105,363	129,325	41,280
Amount	3,248,883	481,024	445,869	465,422	863,068	993,500
Mortgage interest paid: Number	531,055	170,116	116,071	94,702	116,181	33,985
Amount	5,163,969	1,200,328	916,870	845,418	1,285,547	915,808
Contributions: Number	557,604	185,292	117,394	94,558	120,684	39,676
Amount	3,036,494	507,613	431,497	411,134	718,527	967,723
Taxable income: Number	1,537,825	924,814	260,131	154,562	154,549	43,769
Amount	67,934,500	11,932,704	10,374,658	9,399,845	15,321,299	20,905,993
Total tax credits [6]: Number	657,270	370,508	119,004	79,018	68,810	19,930
Amount	741,073	275,817	180,329	130,415	80,040	74,473
Residential energy tax credit: Number	54,042	16,811	13,721	10,005	11,273	2,232
Amount	13,114	3,949	3,309	2,422	2,805	629
Child tax credit: Number	415,056	228,600	89,506	57,415	39,521	14
Amount	470,213	181,078	139,619	95,568	53,935	13
Child and dependent care credit: Number	104,625	46,276	22,642	17,017	16,325	2,365
Amount	54,657	24,615	11,389	8,919	8,502	1,232
Earned income credit [7]: Number	531,511	531,511	0	0	0	0
Amount	1,221,396	1,221,396	0	0	0	0
Excess earned income credit (refundable) [8]: Number	484,306	484,306	0	0	0	0
Amount	1,099,425	1,099,425	0	0	0	0
Alternative minimum tax: Number	25,558	350	899	945	4,713	18,651
Amount	131,850	1,518	1,126	1,699	11,682	115,825
Income tax [9]: Number	1,328,095	725,268	251,199	153,592	154,274	43,762
Amount	11,571,876	1,166,929	1,274,308	1,253,651	2,647,631	5,229,358
Total tax liability [10]: Number	1,463,217	856,787	254,163	154,025	154,444	43,798
Amount	12,239,125	1,419,158	1,360,282	1,323,295	2,773,309	5,363,080
Tax due at time of filing [11]: Number	370,893	173,756	65,136	42,658	64,992	24,351
Amount	1,673,944	170,165	132,520	115,717	315,088	940,456
Overpayments refunded [12]: Number	1,646,799	1,252,462	190,982	108,149	82,860	12,346
Amount	4,098,185	2,693,518	518,380	351,371	330,908	204,007

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALASKA</b>						
<b>Number of returns</b>	<b>370,608</b>	<b>235,859</b>	<b>51,078</b>	<b>33,820</b>	<b>40,633</b>	<b>9,218</b>
Number of joint returns	129,459	36,360	25,882	24,729	34,658	7,830
Number with paid preparer's signature	170,584	98,942	25,042	17,429	22,273	6,898
Number of exemptions	666,201	323,514	116,456	88,980	112,197	25,054
<b>Adjusted gross income (AGI) [2]</b>	<b>19,988,327</b>	<b>4,330,705</b>	<b>3,149,830</b>	<b>2,926,886</b>	<b>5,349,730</b>	<b>4,231,178</b>
Salaries and wages in AGI [3]: Number	303,003	181,610	45,875	30,613	37,183	7,722
Amount	13,856,987	3,550,712	2,465,614	2,242,870	3,919,085	1,678,706
Taxable interest: Number	167,599	71,891	29,592	23,798	33,472	8,846
Amount	400,545	69,121	44,051	41,639	92,147	153,589
Ordinary dividends: Number	99,846	46,479	15,017	12,266	19,312	6,772
Amount	457,884	78,747	38,183	35,113	82,726	223,114
Business or profession net income (less loss): Number	59,586	29,030	9,970	7,661	9,980	2,945
Amount	852,701	147,114	103,611	96,524	214,889	290,564
Number of farm returns	1,325	424	233	195	324	149
Net capital gain (less loss) in AGI: Number	62,969	21,948	9,738	8,798	15,818	6,667
Amount	1,058,175	54,271	40,414	49,902	187,447	726,141
Taxable Individual Retirement Arrangements distributions: Number	16,302	5,116	3,210	2,923	4,001	1,052
Amount	263,101	35,520	35,260	44,310	91,850	56,162
Taxable pensions and annuities in AGI: Number	55,785	20,274	10,827	9,056	12,955	2,673
Amount	1,388,398	256,204	258,353	267,681	479,785	126,376
Unemployment compensation [4]: Number	80,527	64,794	8,742	4,295	2,578	118
Amount	180,387	135,671	24,404	12,540	7,417	354
Taxable Social Security benefits in AGI: Number	26,163	9,116	6,116	4,437	5,058	1,436
Amount	280,579	45,317	70,329	61,908	76,721	26,306
Self-employment retirement plans: Number	3,572	457	409	453	1,216	1,037
Amount	60,511	3,565	3,668	4,841	17,906	30,532
Total itemized deductions [5]: Number	96,819	22,659	20,685	18,481	27,971	7,023
Amount	1,959,013	351,015	347,152	350,139	625,244	285,464
State and local income taxes: Number	21,661	4,047	4,278	4,304	7,212	1,820
Amount	23,186	2,477	2,352	2,805	5,982	9,568
State and local general sales tax: Number	28,352	6,042	6,058	5,758	8,718	1,776
Amount	32,777	10,220	4,391	5,339	9,710	3,116
Real estate taxes: Number	87,219	18,204	18,443	17,064	26,693	6,815
Amount	299,014	45,699	50,640	52,480	102,836	47,359
Taxes paid: Number	93,753	20,847	20,002	18,110	27,762	7,032
Amount	368,730	60,672	59,789	63,060	123,037	62,170
Mortgage interest paid: Number	87,349	18,666	18,792	17,264	26,372	6,255
Amount	1,045,753	179,536	196,167	199,693	343,317	127,040
Contributions: Number	71,437	13,303	14,365	13,847	23,436	6,486
Amount	311,351	29,483	40,876	47,077	98,828	95,089
Taxable income: Number	307,988	173,517	50,884	33,770	40,604	9,213
Amount	14,618,849	2,252,260	2,153,101	2,127,596	4,216,354	3,869,538
Total tax credits [6]: Number	118,189	56,536	22,424	17,030	17,969	4,230
Amount	132,291	39,819	35,034	28,708	20,503	8,228
Residential energy tax credit: Number	10,753	1,948	2,453	2,273	3,512	567
Amount	2,300	397	506	472	777	148
Child tax credit: Number	74,561	35,098	16,935	12,529	9,993	6
Amount	93,384	27,289	28,848	22,624	14,617	5
Child and dependent care credit: Number	14,365	4,885	2,961	2,590	3,414	515
Amount	7,665	2,339	1,619	1,451	1,949	307
Earned income credit [7]: Number	43,162	43,162	0	0	0	0
Amount	70,296	70,296	0	0	0	0
Excess earned income credit (refundable) [8]: Number	36,933	36,933	0	0	0	0
Amount	62,167	62,167	0	0	0	0
Alternative minimum tax: Number	3,783	73	109	161	833	2,607
Amount	15,380	277	191	216	1,894	12,804
Income tax [9]: Number	284,997	153,145	48,639	33,446	40,557	9,210
Amount	2,569,780	245,184	287,747	301,928	753,740	981,181
Total tax liability [10]: Number	297,798	165,063	49,374	33,565	40,584	9,212
Amount	2,726,261	285,335	310,529	322,529	793,926	1,013,943
Tax due at time of filing [11]: Number	98,741	52,478	13,504	10,025	17,807	4,927
Amount	329,094	39,937	31,711	30,283	88,689	138,475
Overpayments refunded [12]: Number	244,590	161,929	36,522	22,801	20,925	2,413
Amount	563,943	273,014	99,633	76,164	82,852	32,277

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ARIZONA</b>						
<b>Number of returns</b>	<b>2,898,544</b>	<b>1,984,921</b>	<b>371,509</b>	<b>220,668</b>	<b>244,381</b>	<b>77,065</b>
Number of joint returns	1,098,644	446,788	215,140	167,956	204,160	64,600
Number with paid preparer's signature	1,596,796	1,047,204	213,424	126,448	148,611	61,109
Number of exemptions	5,963,088	3,612,729	891,070	579,082	666,506	213,701
<b>Adjusted gross income (AGI) [2]</b>	<b>154,964,429</b>	<b>37,355,971</b>	<b>22,822,194</b>	<b>19,049,372</b>	<b>32,392,173</b>	<b>43,344,718</b>
Salaries and wages in AGI [3]: Number	2,317,287	1,529,715	320,874	191,227	212,302	63,169
Amount	105,415,616	33,368,365	17,566,305	14,245,384	22,907,898	17,327,663
Taxable interest: Number	1,187,473	550,892	210,041	152,995	200,689	72,856
Amount	4,875,420	1,038,412	478,301	415,700	832,048	2,110,959
Ordinary dividends: Number	575,685	224,804	95,107	76,931	121,488	57,355
Amount	3,953,419	503,648	317,827	310,442	743,129	2,078,375
Business or profession net income (less loss): Number	401,593	230,654	59,259	40,099	51,427	20,154
Amount	3,276,373	30,318	510,416	421,143	958,894	1,355,600
Number of farm returns	8,447	3,934	1,254	970	1,345	944
Net capital gain (less loss) in AGI: Number	506,179	192,543	80,281	65,685	109,800	57,870
Amount	14,853,744	651,059	376,419	437,517	1,521,311	11,867,439
Taxable Individual Retirement Arrangements distributions: Number	219,686	104,653	41,024	29,637	34,265	10,107
Amount	3,239,459	742,184	513,452	522,890	927,738	533,195
Taxable pensions and annuities in AGI: Number	520,903	270,094	94,998	64,572	72,840	18,399
Amount	10,143,157	3,024,693	2,012,348	1,714,059	2,539,767	852,290
Unemployment compensation [4]: Number	84,718	64,149	10,729	5,242	4,033	565
Amount	261,210	198,130	32,030	15,694	13,235	2,121
Taxable Social Security benefits in AGI: Number	313,630	132,304	72,900	45,351	47,278	15,797
Amount	3,511,350	647,514	952,324	753,440	847,074	310,998
Self-employment retirement plans: Number	15,927	2,272	1,630	1,785	4,973	5,267
Amount	296,022	14,827	15,154	19,706	77,841	168,495
Total itemized deductions [5]: Number	1,061,930	373,996	228,606	168,820	216,625	73,883
Amount	27,127,269	6,140,330	4,634,882	3,880,505	6,433,056	6,038,496
State and local income taxes: Number	746,804	192,349	162,676	133,522	189,365	68,892
Amount	4,022,782	220,366	572,088	383,091	934,097	1,913,140
State and local general sales tax: Number	297,320	164,952	65,019	35,173	27,209	4,967
Amount	499,386	180,497	125,771	81,078	86,279	25,761
Real estate taxes: Number	950,357	308,819	206,099	157,814	206,486	71,139
Amount	1,993,153	465,873	326,703	291,978	511,002	397,597
Taxes paid: Number	1,063,182	373,420	229,306	169,367	217,092	73,997
Amount	7,091,389	972,288	1,109,876	834,950	1,653,597	2,520,678
Mortgage interest paid: Number	929,669	307,236	205,207	154,854	198,244	64,128
Amount	13,532,004	3,538,016	2,499,236	2,096,701	3,231,557	2,166,494
Contributions: Number	845,708	249,437	184,052	145,368	197,262	69,589
Amount	3,206,300	414,784	407,693	393,852	759,235	1,230,736
Taxable income: Number	2,118,203	1,211,233	366,894	219,564	243,679	76,833
Amount	103,768,972	16,535,047	14,004,310	12,713,180	23,467,587	37,048,848
Total tax credits [6]: Number	907,901	484,494	167,446	111,059	109,933	34,969
Amount	1,022,642	351,284	247,322	179,069	124,612	120,354
Residential energy tax credit: Number	59,842	14,711	14,657	11,805	14,974	3,695
Amount	16,667	3,577	3,851	3,260	4,497	1,480
Child tax credit: Number	553,069	297,203	121,962	77,134	56,722	48
Amount	658,579	242,771	198,342	135,993	81,438	36
Child and dependent care credit: Number	111,954	41,729	24,380	19,654	21,876	4,315
Amount	58,287	21,335	12,503	10,525	11,587	2,337
Earned income credit [7]: Number	468,098	468,098	0	0	0	0
Amount	924,466	924,466	0	0	0	0
Excess earned income credit (refundable) [8]: Number	415,514	415,514	0	0	0	0
Amount	824,216	824,215	0	0	0	0
Alternative minimum tax: Number	49,759	550	1,390	1,652	9,088	37,079
Amount	321,628	2,383	2,097	2,990	22,340	291,818
Income tax [9]: Number	1,833,793	956,287	342,073	215,736	242,848	76,849
Amount	18,461,384	1,677,240	1,747,072	1,714,615	4,043,782	9,278,675
Total tax liability [10]: Number	1,976,401	1,088,831	349,943	217,366	243,345	76,916
Amount	19,371,374	1,979,898	1,870,780	1,815,349	4,232,600	9,472,747
Tax due at time of filing [11]: Number	568,434	262,353	101,689	65,238	99,253	39,901
Amount	2,479,700	249,817	204,688	175,115	478,630	1,371,450
Overpayments refunded [12]: Number	2,033,861	1,466,401	260,797	148,558	133,049	25,056
Amount	5,119,782	2,811,854	725,381	494,293	609,037	479,217

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ARKANSAS</b>						
<b>Number of returns</b>	<b>1,392,997</b>	<b>1,058,913</b>	<b>154,970</b>	<b>82,847</b>	<b>74,781</b>	<b>21,486</b>
Number of joint returns	545,415	276,255	112,463	71,238	66,606	18,853
Number with paid preparer's signature	830,348	605,285	102,302	53,899	50,583	18,279
Number of exemptions	2,715,982	1,838,426	387,123	222,677	207,233	60,523
<b>Adjusted gross income (AGI) [2]</b>	<b>54,795,910</b>	<b>17,124,701</b>	<b>9,504,231</b>	<b>7,129,535</b>	<b>9,787,403</b>	<b>11,250,041</b>
Salaries and wages in AGI [3]: Number	1,049,310	756,190	136,647	72,878	65,550	18,045
Amount	38,950,750	14,744,749	7,370,409	5,338,935	6,812,396	4,684,261
Taxable interest: Number	484,336	260,972	84,848	57,019	61,162	20,335
Amount	1,691,012	475,400	207,880	163,517	266,125	578,090
Ordinary dividends: Number	208,572	91,045	36,605	27,822	36,964	16,136
Amount	2,197,037	141,907	88,546	85,069	189,155	1,692,359
Business or profession net income (less loss): Number	202,123	135,069	27,965	16,354	16,293	6,442
Amount	1,437,469	428,285	200,817	150,658	282,566	375,144
Number of farm returns	47,720	27,204	8,628	5,063	4,853	1,972
Net capital gain (less loss) in AGI: Number	179,766	77,206	30,730	23,396	32,509	15,925
Amount	3,453,055	276,114	154,809	177,377	470,173	2,374,582
Taxable Individual Retirement Arrangements distributions: Number	90,333	49,335	16,529	10,958	10,589	2,922
Amount	1,060,387	318,988	188,926	172,236	257,755	122,483
Taxable pensions and annuities in AGI: Number	232,281	141,496	40,050	24,235	21,807	4,693
Amount	3,693,737	1,449,073	772,068	592,192	685,984	194,420
Unemployment compensation [4]: Number	73,148	57,033	10,022	3,840	2,066	187
Amount	250,637	186,335	37,804	15,645	9,938	915
Taxable Social Security benefits in AGI: Number	138,375	67,560	32,351	18,098	15,645	4,721
Amount	1,390,677	309,810	407,632	295,604	282,906	94,724
Self-employment retirement plans: Number	4,099	634	420	472	1,251	1,322
Amount	64,924	3,142	3,137	4,669	17,932	36,043
Total itemized deductions [5]: Number	314,659	107,808	68,488	53,956	63,934	20,473
Amount	7,027,838	1,610,223	1,138,429	1,022,203	1,599,251	1,657,734
State and local income taxes: Number	261,565	70,572	60,103	50,100	61,026	19,764
Amount	1,653,055	126,276	182,459	218,048	440,622	685,649
State and local general sales tax: Number	49,670	33,908	8,342	3,838	2,871	711
Amount	78,084	38,938	16,258	9,453	9,152	4,283
Real estate taxes: Number	258,930	76,576	56,631	47,988	58,857	18,878
Amount	337,738	67,187	53,051	53,795	95,664	68,042
Taxes paid: Number	314,855	107,497	68,768	54,095	64,005	20,490
Amount	2,156,584	254,276	267,743	296,392	567,976	770,198
Mortgage interest paid: Number	250,478	76,067	56,760	46,840	54,814	15,997
Amount	2,178,338	519,680	402,312	370,060	533,633	352,653
Contributions: Number	249,094	73,351	54,310	45,334	56,884	19,215
Amount	1,490,051	212,896	201,843	192,906	324,905	557,500
Taxable income: Number	896,086	562,752	154,457	82,724	74,690	21,463
Amount	35,420,616	7,270,062	6,185,064	5,043,763	7,370,295	9,551,433
Total tax credits [6]: Number	372,744	219,581	71,268	41,103	32,122	8,670
Amount	390,190	159,050	109,553	66,473	36,123	18,992
Residential energy tax credit: Number	25,346	8,657	6,786	4,631	4,373	899
Amount	6,042	1,910	1,643	1,117	1,108	265
Child tax credit: Number	240,307	138,520	53,820	29,638	18,320	9
Amount	275,602	113,623	86,923	49,805	25,242	9
Child and dependent care credit: Number	52,247	21,270	13,385	8,886	7,445	1,261
Amount	26,148	10,411	6,703	4,583	3,817	633
Earned income credit [7]: Number	303,618	303,618	0	0	0	0
Amount	637,797	637,797	0	0	0	0
Excess earned income credit (refundable) [8]: Number	271,945	271,945	0	0	0	0
Amount	572,311	572,310	0	0	0	0
Alternative minimum tax: Number	18,088	284	443	509	3,198	13,654
Amount	89,823	1,522	819	957	7,382	79,142
Income tax [9]: Number	774,213	446,876	149,041	82,241	74,593	21,462
Amount	6,072,581	713,119	744,078	665,229	1,265,019	2,685,137
Total tax liability [10]: Number	856,389	526,956	150,829	82,459	74,670	21,475
Amount	6,478,538	875,571	799,009	705,974	1,328,670	2,769,316
Tax due at time of filing [11]: Number	232,060	120,463	42,663	25,313	31,937	11,684
Amount	847,709	120,192	89,583	76,629	179,609	381,696
Overpayments refunded [12]: Number	946,460	736,902	109,015	55,125	39,018	6,400
Amount	2,180,594	1,471,165	277,939	171,179	165,092	95,218

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CALIFORNIA</b>						
<b>Number of returns</b>	<b>17,601,109</b>	<b>11,561,096</b>	<b>2,186,100</b>	<b>1,338,397</b>	<b>1,824,003</b>	<b>691,513</b>
Number of joint returns	6,281,625	2,411,640	1,036,325	852,735	1,415,141	565,784
Number with paid preparer's signature	11,094,370	6,997,613	1,447,334	890,168	1,224,324	534,931
Number of exemptions	35,716,821	20,451,814	5,029,889	3,339,237	4,966,868	1,929,013
<b>Adjusted gross income (AGI) [2]</b>	<b>1,109,534,361</b>	<b>202,501,806</b>	<b>134,334,307</b>	<b>115,792,522</b>	<b>246,809,578</b>	<b>410,096,149</b>
Salaries and wages in AGI [3]: Number	13,889,995	8,629,417	1,897,129	1,167,470	1,617,654	578,325
Amount	748,653,989	183,524,602	106,476,615	89,520,043	186,578,953	182,553,777
Taxable interest: Number	7,814,537	3,254,341	1,332,429	1,000,534	1,569,298	657,935
Amount	38,044,936	6,851,308	3,268,666	2,927,339	6,472,208	18,525,416
Ordinary dividends: Number	3,567,833	1,208,788	525,406	448,327	867,312	518,000
Amount	30,514,280	2,891,955	1,752,094	1,759,349	4,785,444	19,325,439
Business or profession net income (less loss): Number	3,029,716	1,802,587	371,386	261,843	409,876	184,024
Amount	47,346,687	12,637,506	4,801,307	4,040,204	10,162,035	15,705,634
Number of farm returns	69,837	26,996	9,510	8,010	14,331	10,990
Net capital gain (less loss) in AGI: Number	3,209,841	1,070,764	446,841	386,807	787,682	517,747
Amount	118,594,582	4,332,909	1,719,132	2,104,585	8,193,173	102,244,782
Taxable Individual Retirement Arrangements distributions: Number	1,029,729	436,843	184,499	139,527	194,757	74,103
Amount	15,780,768	3,182,997	2,211,670	2,253,738	4,696,259	3,436,107
Taxable pensions and annuities in AGI: Number	2,419,022	1,163,597	420,050	298,733	406,893	129,749
Amount	52,298,000	13,617,039	9,442,235	8,420,805	14,616,486	6,201,434
Unemployment compensation [4]: Number	1,105,727	730,741	159,666	90,041	102,752	22,527
Amount	4,703,206	3,001,502	702,237	396,949	479,047	123,472
Taxable Social Security benefits in AGI: Number	1,540,933	581,802	337,757	227,137	278,808	115,429
Amount	17,675,061	2,905,523	4,240,265	3,526,352	4,729,874	2,273,047
Self-employment retirement plans: Number	191,547	24,509	18,410	19,325	59,212	70,091
Amount	3,981,604	175,392	183,861	227,550	990,209	2,404,591
Total itemized deductions [5]: Number	6,496,909	1,913,440	1,241,316	1,018,510	1,645,260	678,383
Amount	235,683,265	41,739,730	30,980,250	28,559,017	60,674,663	73,729,605
State and local income taxes: Number	5,076,509	998,457	968,457	892,438	1,557,010	660,147
Amount	54,337,063	1,673,220	2,749,181	3,675,306	11,565,215	34,674,141
State and local general sales tax: Number	1,302,772	807,978	266,512	123,970	86,787	17,525
Amount	1,963,040	757,423	482,022	294,973	333,132	95,490
Real estate taxes: Number	5,344,121	1,397,308	1,007,108	852,380	1,465,166	622,159
Amount	24,826,864	4,532,197	3,440,576	3,302,395	7,231,950	6,319,747
Taxes paid: Number	6,489,678	1,902,544	1,242,872	1,019,557	1,646,287	678,418
Amount	86,525,027	9,815,049	7,713,225	7,628,254	19,789,909	41,578,590
Mortgage interest paid: Number	5,221,487	1,420,562	994,197	830,652	1,402,423	573,653
Amount	107,530,993	23,909,592	17,609,256	15,016,604	30,197,726	20,797,815
Contributions: Number	5,166,814	1,196,872	1,005,427	863,260	1,473,651	627,604
Amount	24,547,592	2,082,509	2,205,286	2,208,324	5,073,126	12,978,345
Taxable income: Number	12,683,536	6,735,606	2,120,106	1,323,147	1,815,602	689,075
Amount	748,218,862	90,243,369	79,780,985	73,404,079	167,885,761	336,904,666
Total tax credits [6]: Number	5,249,871	2,617,092	889,095	627,118	795,080	321,486
Amount	6,288,847	1,921,919	1,259,113	962,999	853,620	1,291,197
Residential energy tax credit: Number	267,401	39,256	49,644	49,412	94,650	34,439
Amount	84,980	9,906	13,899	14,532	30,921	15,722
Child tax credit: Number	3,024,890	1,531,710	652,738	435,735	404,561	146
Amount	3,466,146	1,231,961	989,026	711,382	533,662	118
Child and dependent care credit: Number	716,269	236,746	132,143	107,533	184,605	55,242
Amount	410,893	135,197	76,313	63,490	106,568	29,324
Earned income credit [7]: Number	2,729,208	2,729,208	0	0	0	0
Amount	5,311,267	5,311,266	0	0	0	0
Excess earned income credit (refundable) [8]: Number	2,309,375	2,309,375	0	0	0	0
Amount	4,439,094	4,439,095	0	0	0	0
Alternative minimum tax: Number	741,735	3,964	11,335	19,399	177,336	529,701
Amount	5,567,790	31,887	14,914	33,649	389,128	5,098,213
Income tax [9]: Number	11,110,630	5,364,665	1,962,269	1,286,369	1,807,619	689,708
Amount	148,426,227	9,256,461	10,516,714	10,452,563	29,572,765	88,627,724
Total tax liability [10]: Number	12,308,263	6,476,041	2,024,664	1,303,358	1,813,794	690,406
Amount	156,817,840	12,017,294	11,490,214	11,255,809	31,262,561	90,791,961
Tax due at time of filing [11]: Number	3,625,959	1,716,214	570,480	365,303	624,564	349,398
Amount	17,969,742	1,911,765	1,289,088	1,097,461	3,120,763	10,550,666
Overpayments refunded [12]: Number	12,093,052	8,282,367	1,553,914	925,488	1,104,311	226,972
Amount	32,777,427	15,265,989	4,636,207	3,503,387	5,614,168	3,757,678

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>COLORADO</b>						
<b>Number of returns</b>	<b>2,455,161</b>	<b>1,557,238</b>	<b>336,289</b>	<b>213,241</b>	<b>260,971</b>	<b>87,422</b>
Number of joint returns	959,296	312,596	188,515	161,800	221,619	74,766
Number with paid preparer's signature	1,253,873	745,727	182,030	114,707	145,151	66,258
Number of exemptions	4,735,477	2,443,826	765,879	551,938	724,546	249,288
<b>Adjusted gross income (AGI) [2]</b>	<b>151,056,679</b>	<b>28,730,735</b>	<b>20,711,019</b>	<b>18,447,425</b>	<b>34,879,039</b>	<b>48,288,460</b>
Salaries and wages in AGI [3]: Number	1,998,580	1,202,704	296,434	190,640	235,130	73,672
Amount	100,657,172	25,498,738	16,154,552	14,193,993	25,521,110	19,288,779
Taxable interest: Number	1,091,594	463,358	187,630	144,839	212,561	83,206
Amount	4,656,331	776,592	390,735	354,053	739,106	2,395,843
Ordinary dividends: Number	606,595	222,560	95,375	80,947	139,338	68,375
Amount	4,263,373	423,422	275,856	274,220	732,264	2,557,610
Business or profession net income (less loss): Number	419,066	220,487	64,980	46,056	62,259	25,284
Amount	4,934,534	1,210,520	633,891	525,634	1,183,398	1,381,089
Number of farm returns	31,924	15,037	5,422	3,895	4,864	2,706
Net capital gain (less loss) in AGI: Number	547,064	196,439	81,793	70,404	128,972	69,456
Amount	17,160,915	675,055	383,638	449,142	1,656,330	13,996,751
Taxable Individual Retirement Arrangements distributions: Number	180,156	79,229	33,853	25,497	31,697	9,880
Amount	2,590,712	553,421	392,189	402,012	777,152	465,937
Taxable pensions and annuities in AGI: Number	407,493	189,091	75,881	54,724	69,046	18,751
Amount	8,635,993	2,221,979	1,702,120	1,485,009	2,419,536	807,350
Unemployment compensation [4]: Number	74,249	48,158	12,580	6,761	5,896	854
Amount	288,091	179,080	50,343	27,923	25,997	4,748
Taxable Social Security benefits in AGI: Number	219,876	87,616	51,129	32,695	35,303	13,133
Amount	2,331,821	416,107	611,088	485,474	573,815	245,337
Self-employment retirement plans: Number	22,772	3,071	2,382	2,564	7,142	7,613
Amount	374,189	17,731	19,408	25,205	100,770	211,076
Total itemized deductions [5]: Number	974,697	289,481	206,467	163,254	231,763	83,732
Amount	24,294,832	4,334,695	3,853,030	3,516,418	6,395,647	6,195,042
State and local income taxes: Number	840,628	201,835	183,631	151,977	222,360	80,825
Amount	4,684,610	534,862	408,238	480,375	1,161,203	2,099,932
State and local general sales tax: Number	117,075	72,443	21,631	10,888	9,204	2,909
Amount	164,159	72,201	33,286	22,925	25,426	10,321
Real estate taxes: Number	877,663	237,400	186,391	152,668	220,914	80,290
Amount	1,857,446	350,536	289,375	276,603	537,278	403,655
Taxes paid: Number	974,848	288,488	206,874	163,554	232,056	83,876
Amount	7,885,797	1,037,877	782,848	830,116	2,660,184	2,574,772
Mortgage interest paid: Number	868,651	240,166	188,577	152,368	214,898	72,642
Amount	12,112,031	2,599,984	2,167,203	1,955,233	3,269,791	2,119,820
Contributions: Number	774,521	187,332	161,655	137,383	208,988	79,163
Amount	3,313,407	313,160	334,851	346,552	745,691	1,573,152
Taxable income: Number	1,880,810	986,694	333,597	212,661	260,595	87,263
Amount	107,405,050	14,058,535	13,138,929	12,577,408	25,784,623	41,845,555
Total tax credits [6]: Number	773,925	342,549	148,743	111,173	126,468	44,992
Amount	940,261	250,394	216,188	178,248	135,107	160,323
Residential energy tax credit: Number	73,603	14,954	16,932	14,600	21,524	5,593
Amount	17,556	3,086	3,720	3,316	5,401	2,034
Child tax credit: Number	426,068	183,268	103,808	75,292	63,671	29
Amount	539,688	156,364	166,145	129,276	87,875	27
Child and dependent care credit: Number	105,057	30,581	22,198	19,589	26,582	6,107
Amount	53,545	15,633	11,123	10,199	13,509	3,080
Earned income credit [7]: Number	300,892	300,892	0	0	0	0
Amount	529,992	529,992	0	0	0	0
Excess earned income credit (refundable) [8]: Number	256,090	256,090	0	0	0	0
Amount	461,200	461,199	0	0	0	0
Alternative minimum tax: Number	58,201	623	756	1,101	8,715	47,006
Amount	343,871	2,320	1,368	2,367	20,647	317,171
Income tax [9]: Number	1,699,096	826,016	315,678	210,089	260,030	87,283
Amount	19,593,299	1,490,858	1,675,676	1,705,399	4,472,843	10,248,524
Total tax liability [10]: Number	1,818,781	937,856	322,071	211,165	260,358	87,331
Amount	20,610,195	1,794,329	1,817,888	1,823,457	4,701,279	10,473,242
Tax due at time of filing [11]: Number	546,633	241,115	91,340	61,113	106,351	46,714
Amount	2,616,049	249,748	193,061	169,206	512,671	1,491,361
Overpayments refunded [12]: Number	1,670,803	1,122,098	236,510	145,411	141,189	25,595
Amount	3,970,885	1,841,359	620,503	485,606	599,195	424,222

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CONNECTICUT</b>						
<b>Number of returns</b>	<b>1,868,063</b>	<b>1,111,365</b>	<b>250,920</b>	<b>168,745</b>	<b>235,945</b>	<b>101,088</b>
Number of joint returns	670,648	157,302	110,501	117,853	197,460	87,532
Number with paid preparer's signature	1,026,757	554,806	150,430	102,007	142,813	76,701
Number of exemptions	3,390,737	1,484,368	511,740	419,987	665,388	309,254
<b>Adjusted gross income (AGI) [2]</b>	<b>158,353,186</b>	<b>19,480,914</b>	<b>15,473,164</b>	<b>14,630,725</b>	<b>31,748,332</b>	<b>77,020,050</b>
Salaries and wages in AGI [3]: Number	1,468,755	800,479	218,549	149,609	213,017	87,101
Amount	102,564,385	16,406,991	11,908,041	11,168,533	24,074,529	39,006,291
Taxable interest: Number	1,073,760	432,966	182,462	142,613	217,218	98,501
Amount	5,726,389	709,756	357,444	323,420	679,966	3,655,804
Ordinary dividends: Number	579,214	201,130	84,313	73,432	136,210	84,129
Amount	5,409,632	414,819	259,443	271,120	739,643	3,724,606
Business or profession net income (less loss): Number	271,426	121,149	39,474	32,211	51,342	27,250
Amount	5,998,089	901,340	538,586	521,745	1,375,490	2,660,927
Number of farm returns	3,230	1,224	521	453	635	397
Net capital gain (less loss) in AGI: Number	461,181	151,728	61,938	55,694	111,342	80,479
Amount	21,006,183	500,757	238,636	312,095	1,123,366	18,831,328
Taxable Individual Retirement Arrangements distributions: Number	168,296	75,623	29,256	22,141	29,502	11,774
Amount	2,343,690	461,246	312,423	319,984	669,725	580,311
Taxable pensions and annuities in AGI: Number	337,645	160,558	57,021	42,348	57,885	19,833
Amount	6,624,545	1,646,412	1,159,175	1,059,106	1,840,571	919,279
Unemployment compensation [4]: Number	116,510	71,553	18,633	12,155	11,939	2,230
Amount	492,758	280,533	84,127	55,106	59,206	13,785
Taxable Social Security benefits in AGI: Number	214,422	81,780	47,282	32,467	37,527	15,366
Amount	2,624,002	421,877	637,099	548,276	690,186	326,564
Self-employment retirement plans: Number	30,923	2,703	2,579	3,118	9,520	13,003
Amount	636,457	17,895	22,450	31,759	144,130	420,223
Total itemized deductions [5]: Number	792,261	188,018	153,556	132,106	218,843	99,738
Amount	25,109,919	3,343,993	2,987,949	2,947,406	6,186,860	9,643,711
State and local income taxes: Number	708,900	122,170	143,112	128,714	216,201	98,703
Amount	6,956,447	218,116	375,406	488,568	1,401,950	4,472,405
State and local general sales tax: Number	70,585	54,288	9,640	3,230	2,439	988
Amount	55,583	30,282	10,355	5,158	5,403	4,384
Real estate taxes: Number	729,856	158,685	140,655	125,238	209,558	95,720
Amount	4,314,460	654,517	597,493	604,630	1,264,027	1,193,795
Taxes paid: Number	791,914	187,108	153,777	132,313	218,952	99,764
Amount	11,813,794	961,301	1,044,076	1,238,861	2,800,229	5,769,327
Mortgage interest paid: Number	650,382	135,870	126,835	113,952	189,200	84,525
Amount	8,922,973	1,495,134	1,234,517	1,203,691	2,402,940	2,586,691
Contributions: Number	661,335	126,928	124,205	114,445	200,356	95,401
Amount	3,179,643	174,235	204,708	216,613	519,615	2,064,471
Taxable income: Number	1,446,310	693,279	248,614	168,059	235,406	100,952
Amount	120,519,721	10,091,288	10,102,566	9,998,923	23,162,279	67,164,666
Total tax credits [6]: Number	583,484	219,624	101,693	87,558	119,215	55,394
Amount	832,857	158,305	130,247	130,753	115,355	298,195
Residential energy tax credit: Number	82,491	13,517	17,488	16,592	26,907	7,987
Amount	17,710	2,582	3,560	3,439	5,922	2,208
Child tax credit: Number	284,182	106,045	64,959	55,362	57,803	13
Amount	358,401	92,105	97,810	91,450	77,023	12
Child and dependent care credit: Number	81,367	20,994	12,679	13,591	26,166	7,937
Amount	42,569	10,839	6,343	7,266	13,910	4,211
Earned income credit [7]: Number	189,662	189,662	0	0	0	0
Amount	333,361	333,361	0	0	0	0
Excess earned income credit (refundable) [8]: Number	161,795	161,795	0	0	0	0
Amount	293,456	293,456	0	0	0	0
Alternative minimum tax: Number	99,030	396	924	1,680	22,260	73,770
Amount	579,047	2,515	1,155	2,870	41,061	531,448
Income tax [9]: Number	1,344,856	603,504	238,991	166,311	235,063	100,987
Amount	26,619,187	1,108,398	1,372,101	1,396,130	4,066,521	18,676,037
Total tax liability [10]: Number	1,415,211	668,111	243,360	167,291	235,424	101,025
Amount	27,839,183	1,317,273	1,484,997	1,505,390	4,318,459	19,213,063
Tax due at time of filing [11]: Number	393,837	163,109	58,475	40,326	79,236	52,691
Amount	2,370,031	170,021	127,350	115,722	361,518	1,595,421
Overpayments refunded [12]: Number	1,265,428	780,346	185,639	122,634	144,952	31,857
Amount	3,563,353	1,320,122	545,374	453,425	668,845	575,588

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>DELAWARE</b>						
<b>Number of returns</b>	<b>454,863</b>	<b>294,155</b>	<b>61,828</b>	<b>39,893</b>	<b>46,578</b>	<b>12,409</b>
Number of joint returns	161,283	49,281	31,578	30,083	39,759	10,582
Number with paid preparer's signature	223,259	130,586	34,448	22,445	26,624	9,156
Number of exemptions	848,158	448,274	134,103	102,149	129,197	34,435
<b>Adjusted gross income (AGI) [2]</b>	<b>25,625,753</b>	<b>5,642,051</b>	<b>3,806,722</b>	<b>3,448,812</b>	<b>6,159,791</b>	<b>6,568,376</b>
Salaries and wages in AGI [3]: Number	367,650	225,366	54,155	35,507	42,135	10,487
Amount	17,595,789	4,613,892	2,891,619	2,600,942	4,563,619	2,925,716
Taxable interest: Number	205,186	89,065	36,675	28,627	39,007	11,812
Amount	638,953	138,307	78,195	70,949	130,164	221,338
Ordinary dividends: Number	107,862	39,203	17,977	15,508	25,089	10,085
Amount	764,368	70,912	51,847	53,837	143,587	444,185
Business or profession net income (less loss): Number	52,601	26,836	8,537	6,260	8,056	2,912
Amount	599,495	152,878	69,969	62,917	135,848	177,883
Number of farm returns	2,293	1,163	384	264	312	170
Net capital gain (less loss) in AGI: Number	81,571	27,656	12,785	11,409	20,175	9,546
Amount	2,044,304	65,775	56,371	65,695	245,046	1,611,418
Taxable Individual Retirement Arrangements distributions: Number	38,424	17,349	7,291	5,439	6,547	1,798
Amount	516,152	113,819	85,806	85,467	156,194	74,866
Taxable pensions and annuities in AGI: Number	97,668	48,659	17,725	12,807	14,999	3,478
Amount	1,920,363	568,387	371,813	328,670	494,162	157,331
Unemployment compensation [4]: Number	26,103	17,556	4,046	2,277	2,060	164
Amount	94,297	60,682	15,756	8,952	8,168	738
Taxable Social Security benefits in AGI: Number	56,222	23,472	12,860	8,475	8,725	2,690
Amount	654,177	117,103	174,128	144,879	163,285	54,782
Self-employment retirement plans: Number	2,798	337	284	308	847	1,022
Amount	46,889	2,014	2,220	2,587	11,348	28,719
Total itemized deductions [5]: Number	162,929	45,514	35,532	29,161	40,774	11,948
Amount	3,970,821	784,668	629,487	605,017	1,066,574	885,076
State and local income taxes: Number	153,772	38,253	34,567	28,717	40,423	11,812
Amount	858,586	55,660	88,485	106,110	253,687	354,644
State and local general sales tax: Number	1,047	555	192	111	125	64
Amount	1,652	454	319	166	299	414
Real estate taxes: Number	145,224	36,742	31,492	27,019	38,594	11,377
Amount	297,203	51,459	47,396	46,912	90,639	60,796
Taxes paid: Number	161,707	44,330	35,506	29,160	40,772	11,939
Amount	1,170,140	110,092	138,194	155,260	348,187	418,408
Mortgage interest paid: Number	143,789	37,777	31,988	26,921	37,196	9,907
Amount	1,772,433	380,451	338,453	314,520	493,238	245,772
Contributions: Number	133,912	31,214	28,718	25,184	37,421	11,375
Amount	537,812	58,976	65,412	66,185	132,037	215,201
Taxable income: Number	347,681	187,514	61,464	39,802	46,515	12,386
Amount	17,781,066	2,702,406	2,489,840	2,390,445	4,594,864	5,603,510
Total tax credits [6]: Number	142,172	65,198	26,304	20,693	23,247	6,730
Amount	155,969	49,440	36,054	31,680	23,408	15,389
Residential energy tax credit: Number	20,342	4,722	4,779	4,171	5,544	1,126
Amount	4,743	1,009	1,089	965	1,361	320
Child tax credit: Number	77,989	35,521	17,494	13,538	11,436	0
Amount	95,478	30,280	27,280	22,576	15,342	0
Child and dependent care credit: Number	24,558	9,021	4,504	4,224	5,797	1,012
Amount	13,560	4,922	2,500	2,416	3,210	512
Earned income credit [7]: Number	64,685	64,685	0	0	0	0
Amount	121,774	121,773	0	0	0	0
Excess earned income credit (refundable) [8]: Number	57,411	57,411	0	0	0	0
Amount	110,151	110,151	0	0	0	0
Alternative minimum tax: Number	10,129	79	156	233	1,796	7,865
Amount	56,729	196	220	385	4,073	51,854
Income tax [9]: Number	314,983	157,459	59,191	39,473	46,471	12,389
Amount	3,111,751	286,089	326,101	326,807	796,608	1,376,146
Total tax liability [10]: Number	330,660	172,238	59,914	39,604	46,507	12,397
Amount	3,242,578	324,175	343,216	341,825	824,562	1,408,799
Tax due at time of filing [11]: Number	86,798	36,477	15,547	10,409	17,665	6,700
Amount	320,320	35,046	29,968	24,968	71,895	158,443
Overpayments refunded [12]: Number	326,099	221,896	45,026	28,479	26,978	3,720
Amount	779,480	390,493	123,980	95,551	109,366	60,090

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>DISTRICT OF COLUMBIA</b>						
<b>Number of returns</b>	<b>316,370</b>	<b>201,777</b>	<b>43,131</b>	<b>23,098</b>	<b>30,967</b>	<b>17,397</b>
Number of joint returns	47,141	11,256	5,662	5,228	13,227	11,768
Number with paid preparer's signature	156,723	96,975	20,051	10,820	16,239	12,638
Number of exemptions	491,493	297,388	63,751	35,192	55,315	39,847
<b>Adjusted gross income (AGI) [2]</b>	<b>23,739,724</b>	<b>4,172,068</b>	<b>2,633,893</b>	<b>1,991,150</b>	<b>4,244,828</b>	<b>10,697,783</b>
Salaries and wages in AGI [3]: Number	254,776	154,300	38,287	20,575	27,385	14,229
Amount	14,963,034	3,643,294	2,195,178	1,622,473	3,243,009	4,259,080
Taxable interest: Number	133,110	51,266	23,713	15,994	25,663	16,474
Amount	608,625	57,029	33,865	30,735	82,306	404,688
Ordinary dividends: Number	71,083	20,530	10,852	8,539	16,981	14,181
Amount	859,007	42,477	30,125	31,514	116,864	638,025
Business or profession net income (less loss): Number	46,657	24,917	6,096	3,849	6,681	5,114
Amount	869,936	105,875	52,534	55,951	173,210	482,365
Number of farm returns	305	69	30	21	73	112
Net capital gain (less loss) in AGI: Number	59,732	16,001	8,557	6,910	14,717	13,547
Amount	3,208,993	93,386	36,224	40,119	180,294	2,858,968
Taxable Individual Retirement Arrangements distributions: Number	12,875	4,411	2,218	1,585	2,784	1,877
Amount	196,178	27,419	20,183	18,434	50,135	80,007
Taxable pensions and annuities in AGI: Number	48,427	25,379	7,855	4,473	6,726	3,994
Amount	1,369,732	428,649	236,006	162,266	305,857	236,955
Unemployment compensation [4]: Number	10,288	8,573	909	328	385	93
Amount	40,917	33,784	3,781	1,336	1,614	402
Taxable Social Security benefits in AGI: Number	21,760	8,365	4,239	2,489	3,887	2,780
Amount	226,817	37,938	42,496	30,960	59,768	55,656
Self-employment retirement plans: Number	5,870	466	397	376	1,312	3,319
Amount	172,766	3,482	4,282	4,829	21,787	138,389
Total itemized deductions [5]: Number	125,770	37,675	23,859	18,524	28,531	17,181
Amount	4,406,899	617,253	475,901	412,500	993,889	1,907,359
State and local income taxes: Number	118,308	32,245	23,030	18,069	28,031	16,933
Amount	1,337,032	61,918	83,817	99,318	258,311	833,668
State and local general sales tax: Number	4,982	3,407	631	347	393	204
Amount	3,758	1,670	572	362	547	606
Real estate taxes: Number	84,823	18,679	15,405	12,752	22,496	15,491
Amount	276,301	34,100	27,593	27,294	71,837	115,477
Taxes paid: Number	125,339	37,248	23,858	18,522	28,532	17,179
Amount	1,728,516	100,790	114,021	128,337	429,115	956,253
Mortgage interest paid: Number	85,908	20,416	16,277	12,857	21,784	14,574
Amount	1,522,686	238,080	196,214	176,531	389,381	522,481
Contributions: Number	103,784	28,281	20,133	15,040	24,340	15,990
Amount	806,405	89,208	75,230	54,043	100,351	487,573
Taxable income: Number	247,856	133,960	42,699	22,975	30,858	17,364
Amount	17,433,498	2,193,819	1,827,739	1,431,794	3,145,950	8,834,196
Total tax credits [6]: Number	87,652	48,477	11,577	6,601	10,858	10,139
Amount	120,106	44,801	16,906	7,751	7,768	42,879
Residential energy tax credit: Number	6,568	1,308	1,288	1,091	1,822	1,059
Amount	1,727	335	331	277	479	304
Child tax credit: Number	33,754	23,456	5,714	2,458	** 2,126	**
Amount	32,618	19,348	7,598	3,264	** 2,409	**
Child and dependent care credit: Number	14,080	8,122	1,803	829	1,741	1,585
Amount	8,848	5,306	1,122	497	1,002	921
Earned income credit [7]: Number	50,677	50,677	0	0	0	0
Amount	91,561	91,561	0	0	0	0
Excess earned income credit (refundable) [8]: Number	45,174	45,174	0	0	0	0
Amount	82,743	82,743	0	0	0	0
Alternative minimum tax: Number	15,954	63	203	297	2,667	12,724
Amount	119,147	591	222	432	5,965	111,936
Income tax [9]: Number	222,858	110,327	41,544	22,798	30,817	17,372
Amount	3,736,089	238,648	279,680	248,652	618,963	2,350,147
Total tax liability [10]: Number	235,188	122,111	41,922	22,896	30,873	17,386
Amount	3,943,391	268,955	293,211	260,715	652,472	2,468,037
Tax due at time of filing [11]: Number	65,499	28,906	11,567	6,320	10,405	8,301
Amount	316,118	31,072	22,858	18,101	49,781	194,308
Overpayments refunded [12]: Number	220,164	149,069	30,743	16,138	18,813	5,401
Amount	603,512	286,098	83,578	56,295	90,046	87,493

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FLORIDA</b>						
<b>Number of returns</b>	<b>9,688,136</b>	<b>6,984,516</b>	<b>1,104,848</b>	<b>626,919</b>	<b>695,049</b>	<b>276,804</b>
Number of joint returns	3,277,096	1,395,726	620,536	469,588	566,295	224,951
Number with paid preparer's signature	5,310,625	3,660,748	629,396	359,009	432,506	228,966
Number of exemptions	17,637,247	11,101,866	2,434,116	1,552,463	1,824,369	724,433
<b>Adjusted gross income (AGI) [2]</b>	<b>530,465,450</b>	<b>119,199,649</b>	<b>67,753,321</b>	<b>54,067,190</b>	<b>92,510,078</b>	<b>196,935,213</b>
Salaries and wages in AGI [3]: Number	7,328,036	5,087,953	929,556	522,858	574,985	212,684
Amount	316,464,245	105,305,096	50,234,825	38,297,812	60,889,131	61,737,381
Taxable interest: Number	3,851,621	1,937,879	641,203	442,116	568,879	261,544
Amount	22,893,094	4,495,843	1,952,337	1,662,338	3,324,083	11,458,495
Ordinary dividends: Number	1,912,855	793,295	309,406	237,643	358,725	213,786
Amount	20,789,420	2,056,639	1,233,866	1,215,920	3,034,663	13,248,334
Business or profession net income (less loss): Number	1,526,247	1,054,004	168,482	106,163	132,023	65,575
Amount	14,151,658	5,013,181	1,318,939	1,041,601	2,239,628	4,538,308
Number of farm returns	38,574	16,460	5,786	4,671	6,603	5,054
Net capital gain (less loss) in AGI: Number	1,663,339	661,602	257,976	202,754	325,647	215,360
Amount	77,023,568	2,717,721	1,246,822	1,463,259	5,070,578	66,525,187
Taxable Individual Retirement Arrangements distributions: Number	787,822	376,292	140,247	100,465	120,521	50,297
Amount	12,618,528	2,620,258	1,722,832	1,731,448	3,431,276	3,112,715
Taxable pensions and annuities in AGI: Number	1,716,567	925,631	299,046	197,158	220,890	73,842
Amount	34,082,040	10,298,459	6,559,021	5,488,751	8,029,401	3,706,408
Unemployment compensation [4]: Number	308,603	230,254	39,452	19,592	16,646	2,659
Amount	978,314	715,679	128,362	65,611	57,517	11,147
Taxable Social Security benefits in AGI: Number	1,133,629	476,062	251,372	155,594	169,777	80,824
Amount	13,169,375	2,363,100	3,304,684	2,606,759	3,115,080	1,779,752
Self-employment retirement plans: Number	37,312	5,883	3,621	3,627	10,073	14,108
Amount	667,164	34,503	29,472	36,649	152,316	414,226
Total itemized deductions [5]: Number	3,048,265	1,268,178	598,469	406,304	537,217	238,097
Amount	80,376,964	24,044,726	12,200,780	9,363,635	15,413,838	19,353,984
State and local income taxes: Number	282,567	96,308	49,979	35,754	54,778	45,748
Amount	2,613,573	148,763	89,394	200,789	235,798	1,938,827
State and local general sales tax: Number	2,348,714	910,753	472,532	330,881	447,753	186,795
Amount	3,176,001	730,192	553,352	457,331	827,208	607,916
Real estate taxes: Number	2,581,782	938,325	526,089	377,036	511,462	228,870
Amount	11,277,877	2,757,443	1,619,125	1,362,570	2,539,009	2,999,731
Taxes paid: Number	2,967,036	1,196,610	589,950	404,518	536,971	238,987
Amount	18,589,386	4,856,644	2,331,609	2,066,385	3,677,462	5,657,285
Mortgage interest paid: Number	2,513,568	945,841	517,484	364,603	483,301	202,339
Amount	36,947,357	11,015,029	6,083,976	4,733,431	7,624,568	7,490,353
Contributions: Number	2,311,434	804,178	469,075	339,224	476,680	222,277
Amount	11,696,189	1,539,178	1,188,712	1,025,861	1,950,949	5,991,490
Taxable income: Number	6,726,700	4,041,884	1,092,039	623,839	692,822	276,116
Amount	380,385,754	53,851,574	42,885,606	37,311,602	69,434,046	176,902,925
Total tax credits [6]: Number	2,670,672	1,477,289	451,729	294,852	309,162	137,640
Amount	3,153,133	1,068,004	614,581	433,421	326,471	710,654
Residential energy tax credit: Number	192,447	56,282	46,135	34,221	43,177	12,632
Amount	54,504	14,338	12,751	9,651	13,208	4,556
Child tax credit: Number	1,412,379	771,723	305,566	191,847	143,184	59
Amount	1,557,211	603,609	455,917	308,253	189,372	60
Child and dependent care credit: Number	421,655	190,577	84,868	61,996	69,714	14,500
Amount	228,711	100,878	45,124	34,619	39,514	8,575
Earned income credit [7]: Number	1,810,981	1,810,981	0	0	0	0
Amount	3,579,925	3,579,925	0	0	0	0
Excess earned income credit (refundable) [8]: Number	1,571,372	1,571,372	0	0	0	0
Amount	3,072,116	3,072,116	0	0	0	0
Alternative minimum tax: Number	165,763	2,358	4,331	5,993	34,305	118,776
Amount	1,049,688	15,023	6,363	10,660	85,411	932,232
Income tax [9]: Number	5,922,395	3,296,199	1,042,466	616,478	691,167	276,085
Amount	72,449,054	5,525,989	5,525,155	5,163,511	12,176,248	44,058,153
Total tax liability [10]: Number	6,575,340	3,927,596	1,059,293	619,697	692,451	276,303
Amount	75,266,514	6,726,935	5,844,400	5,408,725	12,613,980	44,672,474
Tax due at time of filing [11]: Number	1,697,774	827,666	279,918	177,823	271,852	140,515
Amount	9,372,352	886,476	581,053	504,625	1,481,117	5,919,080
Overpayments refunded [12]: Number	6,810,345	5,131,318	793,825	424,848	379,727	80,627
Amount	18,298,575	10,447,390	2,430,532	1,591,909	1,934,423	1,894,322

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>GEORGIA</b>						
<b>Number of returns</b>	<b>4,560,422</b>	<b>3,232,767</b>	<b>528,701</b>	<b>311,892</b>	<b>363,036</b>	<b>124,026</b>
Number of joint returns	1,581,627	622,214	300,604	240,078	310,369	108,362
Number with paid preparer's signature	2,595,598	1,806,581	308,662	176,647	209,133	94,575
Number of exemptions	9,220,187	5,743,494	1,249,086	828,041	1,030,838	368,728
<b>Adjusted gross income (AGI) [2]</b>	<b>230,079,128</b>	<b>56,890,218</b>	<b>32,442,672</b>	<b>26,946,398</b>	<b>48,341,800</b>	<b>65,458,039</b>
Salaries and wages in AGI [3]: Number	3,680,449	2,481,130	476,659	283,428	331,082	108,150
Amount	166,295,527	51,455,061	26,221,678	21,299,481	36,576,096	30,743,212
Taxable interest: Number	1,600,216	722,781	271,875	202,990	286,434	116,136
Amount	5,568,523	1,205,960	584,021	498,254	997,304	2,282,984
Ordinary dividends: Number	773,834	272,831	121,658	103,947	179,393	96,005
Amount	5,362,535	498,089	324,814	339,823	949,005	3,250,803
Business or profession net income (less loss): Number	808,139	532,763	100,265	63,265	79,602	32,244
Amount	5,664,451	1,514,533	563,244	490,895	1,217,678	1,878,101
Number of farm returns	50,670	22,967	8,621	6,241	8,284	4,557
Net capital gain (less loss) in AGI: Number	644,461	220,151	95,140	82,718	152,709	93,743
Amount	17,928,135	830,999	395,087	485,215	1,775,247	14,441,587
Taxable Individual Retirement Arrangements distributions: Number	258,383	119,428	47,517	34,499	42,821	14,118
Amount	3,667,538	837,262	565,355	545,366	1,048,457	671,097
Taxable pensions and annuities in AGI: Number	715,509	376,433	127,663	85,429	98,959	27,025
Amount	13,444,518	4,149,423	2,599,989	2,171,802	3,376,449	1,146,855
Unemployment compensation [4]: Number	176,531	132,175	23,454	11,338	8,561	1,003
Amount	514,932	375,581	68,823	36,452	30,173	3,904
Taxable Social Security benefits in AGI: Number	356,826	153,248	81,481	50,104	53,187	18,806
Amount	3,917,796	732,663	1,035,130	814,166	952,200	383,637
Self-employment retirement plans: Number	24,491	2,814	2,041	2,194	7,058	10,384
Amount	462,302	15,348	15,621	20,630	97,842	312,862
Total itemized deductions [5]: Number	1,680,569	617,966	352,424	253,567	335,438	121,174
Amount	41,256,992	10,270,722	6,620,462	5,513,434	9,570,835	9,281,539
State and local income taxes: Number	1,493,100	482,716	326,026	240,954	324,978	118,426
Amount	8,161,399	794,231	933,212	982,542	2,124,188	3,327,226
State and local general sales tax: Number	156,305	106,993	24,392	12,073	10,154	2,693
Amount	224,970	125,974	37,290	25,667	25,210	10,828
Real estate taxes: Number	1,446,402	459,890	312,745	236,520	320,396	116,851
Amount	3,708,248	787,004	573,411	511,899	986,670	849,263
Taxes paid: Number	1,680,664	616,048	353,336	254,133	335,869	121,278
Amount	13,050,895	2,240,850	1,645,142	1,604,629	3,273,633	4,286,641
Mortgage interest paid: Number	1,420,479	467,093	310,852	305,273	305,273	105,831
Amount	17,156,647	5,028,664	2,859,456	2,385,482	3,966,389	2,916,657
Contributions: Number	1,398,498	453,182	297,818	223,307	308,586	115,605
Amount	6,846,636	1,162,975	959,295	830,102	1,523,191	2,371,074
Taxable income: Number	3,140,373	1,818,506	524,745	310,905	362,429	123,788
Amount	151,944,144	23,380,641	20,027,193	18,063,856	35,033,564	55,438,891
Total tax credits [6]: Number	1,346,317	739,699	229,929	155,615	164,035	57,039
Amount	1,464,785	547,106	346,590	256,519	180,855	133,714
Residential energy tax credit: Number	100,202	24,723	22,885	18,677	26,279	7,638
Amount	23,568	5,670	5,313	4,291	6,208	2,086
Child tax credit: Number	848,822	463,102	176,650	116,000	93,033	37
Amount	948,121	356,398	272,729	192,865	126,094	34
Child and dependent care credit: Number	231,205	102,060	45,529	34,708	40,418	8,490
Amount	123,022	55,132	23,616	18,542	21,282	4,451
Earned income credit [7]: Number	1,006,290	1,006,290	0	0	0	0
Amount	2,219,893	2,219,894	0	0	0	0
Excess earned income credit (refundable) [8]: Number	909,768	909,768	0	0	0	0
Amount	1,969,355	1,969,356	0	0	0	0
Alternative minimum tax: Number	106,445	1,263	2,204	2,971	19,303	80,704
Amount	540,650	2,728	2,730	5,388	42,173	487,630
Income tax [9]: Number	2,685,599	1,395,559	497,176	307,313	361,711	123,840
Amount	27,392,999	2,299,901	2,500,632	2,430,920	6,071,004	14,090,541
Total tax liability [10]: Number	2,993,458	1,692,118	506,321	308,869	362,225	123,925
Amount	28,884,270	2,863,785	2,678,006	2,571,594	6,340,747	14,430,138
Tax due at time of filing [11]: Number	808,207	379,588	131,400	85,771	143,714	67,734
Amount	3,659,299	394,095	278,972	236,582	696,451	2,053,199
Overpayments refunded [12]: Number	3,281,534	2,428,027	388,745	219,519	206,003	39,240
Amount	8,559,450	5,233,712	1,089,683	732,211	896,230	607,616

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>HAWAII</b>						
<b>Number of returns</b>	<b>694,035</b>	<b>465,805</b>	<b>94,577</b>	<b>57,440</b>	<b>60,830</b>	<b>15,383</b>
Number of joint returns	251,158	92,189	51,835	43,328	51,396	12,410
Number with paid preparer's signature	376,668	236,443	55,778	34,278	37,803	12,366
Number of exemptions	1,277,961	705,587	215,121	151,295	166,413	39,545
<b>Adjusted gross income (AGI) [2]</b>	<b>35,510,051</b>	<b>8,954,597</b>	<b>5,814,701</b>	<b>4,965,333</b>	<b>7,965,607</b>	<b>7,809,812</b>
Salaries and wages in AGI [3]: Number	553,921	357,561	81,417	49,827	53,019	12,097
Amount	23,977,153	7,715,198	4,449,346	3,678,719	5,482,477	2,651,414
Taxable interest: Number	371,497	186,278	67,916	47,371	55,131	14,801
Amount	1,016,143	227,118	126,900	108,694	200,836	352,595
Ordinary dividends: Number	162,515	64,424	28,782	23,196	34,118	11,995
Amount	872,959	115,731	77,097	77,619	184,985	417,528
Business or profession net income (less loss): Number	103,202	56,897	16,055	11,246	13,982	5,022
Amount	1,371,011	164,291	159,948	144,652	354,623	547,497
Number of farm returns	5,837	3,160	963	602	779	333
Net capital gain (less loss) in AGI: Number	129,972	49,562	22,099	18,025	28,646	11,640
Amount	2,881,104	114,609	83,034	100,350	360,886	2,222,225
Taxable Individual Retirement Arrangements distributions: Number	48,345	21,360	9,378	7,055	8,288	2,264
Amount	592,954	127,536	95,753	95,302	176,114	98,248
Taxable pensions and annuities in AGI: Number	130,480	65,240	23,692	17,039	19,760	4,749
Amount	2,879,768	802,210	572,171	506,886	750,729	247,774
Unemployment compensation [4]: Number	23,713	14,672	4,734	2,466	1,711	130
Amount	99,158	60,815	20,065	10,186	7,401	691
Taxable Social Security benefits in AGI: Number	74,718	29,218	17,799	11,592	12,276	3,833
Amount	873,680	140,890	241,085	188,041	224,464	79,199
Self-employment retirement plans: Number	6,601	1,103	746	878	2,078	1,796
Amount	115,516	7,123	6,595	8,704	34,819	58,275
Total itemized deductions [5]: Number	223,425	70,712	48,335	39,277	50,593	14,508
Amount	5,977,838	1,275,966	1,012,298	949,950	1,557,161	1,182,464
State and local income taxes: Number	193,780	52,747	43,198	36,320	47,722	13,793
Amount	1,250,512	111,327	153,388	176,329	370,243	439,225
State and local general sales tax: Number	24,619	13,978	4,563	2,706	2,693	679
Amount	22,211	8,191	4,122	3,311	4,437	2,150
Real estate taxes: Number	171,267	45,130	35,989	32,068	44,757	13,323
Amount	315,217	62,372	50,018	51,476	92,908	58,444
Taxes paid: Number	223,332	70,333	48,429	39,365	50,677	14,528
Amount	1,596,919	174,424	211,694	234,581	472,465	503,755
Mortgage interest paid: Number	170,826	46,265	36,716	32,407	43,590	11,848
Amount	2,905,528	663,582	541,836	522,636	805,208	372,268
Contributions: Number	181,705	49,470	39,918	33,799	45,310	13,208
Amount	723,622	92,319	89,530	86,484	143,056	312,234
Taxable income: Number	526,942	300,665	93,133	57,135	60,664	15,345
Amount	23,826,277	4,433,589	3,688,331	3,320,128	5,742,417	6,641,812
Total tax credits [6]: Number	205,642	100,576	39,282	29,201	29,169	7,414
Amount	282,334	72,196	58,497	48,605	33,201	69,833
Residential energy tax credit: Number	8,407	1,494	1,677	1,725	2,739	772
Amount	7,566	1,000	1,364	1,584	2,730	888
Child tax credit: Number	112,968	49,980	27,923	20,079	14,979	7
Amount	142,987	44,251	44,069	33,959	20,704	5
Child and dependent care credit: Number	30,168	8,935	6,660	6,160	7,326	1,087
Amount	13,831	3,959	3,064	2,893	3,385	532
Earned income credit [7]: Number	96,043	96,043	0	0	0	0
Amount	164,710	164,709	0	0	0	0
Excess earned income credit (refundable) [8]: Number	81,863	81,863	0	0	0	0
Amount	146,838	146,837	0	0	0	0
Alternative minimum tax: Number	13,325	124	279	410	2,852	9,660
Amount	82,152	860	387	714	6,544	73,647
Income tax [9]: Number	477,524	257,589	88,160	55,966	60,462	15,347
Amount	3,997,525	482,054	479,090	450,811	980,918	1,604,653
Total tax liability [10]: Number	507,822	285,611	89,850	56,423	60,579	15,359
Amount	4,245,346	557,061	512,632	480,210	1,039,167	1,656,277
Tax due at time of filing [11]: Number	139,000	61,826	26,492	17,568	25,922	7,192
Amount	494,614	60,734	50,716	45,035	120,445	217,685
Overpayments refunded [12]: Number	485,437	349,892	64,603	36,997	29,686	4,259
Amount	1,079,328	588,731	171,578	118,220	124,625	76,174

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>IDAHO</b>						
<b>Number of returns</b>	<b>722,486</b>	<b>511,484</b>	<b>97,541</b>	<b>52,079</b>	<b>46,890</b>	<b>14,492</b>
Number of joint returns	328,239	153,785	74,532	45,439	41,860	12,623
Number with paid preparer's signature	384,039	251,900	57,388	31,063	31,065	12,623
Number of exemptions	1,493,461	893,658	268,788	151,048	137,558	42,409
<b>Adjusted gross income (AGI) [2]</b>	<b>33,553,278</b>	<b>8,795,162</b>	<b>5,986,146</b>	<b>4,480,772</b>	<b>6,142,945</b>	<b>8,148,252</b>
Salaries and wages in AGI [3]: Number	573,860	389,516	86,163	46,035	40,585	11,561
Amount	22,379,917	7,896,948	4,646,455	3,352,866	4,055,690	2,427,958
Taxable interest: Number	298,022	154,225	54,926	36,169	38,854	13,848
Amount	1,100,029	302,184	122,331	97,439	186,911	391,164
Ordinary dividends: Number	137,562	60,796	24,291	18,224	23,782	10,469
Amount	716,330	110,750	66,000	57,927	135,757	345,896
Business or profession net income (less loss): Number	120,511	72,507	20,897	11,742	11,234	4,131
Amount	1,059,342	314,029	156,654	118,370	213,448	256,841
Number of farm returns	22,255	11,819	4,200	2,441	2,598	1,197
Net capital gain (less loss) in AGI: Number	131,715	57,254	22,586	16,934	23,611	11,330
Amount	3,444,625	238,840	135,665	149,112	448,752	2,472,256
Taxable Individual Retirement Arrangements distributions: Number	51,418	27,662	9,743	6,138	6,088	1,787
Amount	625,727	184,479	113,311	99,054	149,650	79,232
Taxable pensions and annuities in AGI: Number	121,532	70,615	22,255	13,368	12,379	2,915
Amount	2,097,936	776,355	457,130	348,148	405,781	110,522
Unemployment compensation [4]: Number	48,167	35,156	8,305	2,977	1,559	170
Amount	132,558	91,878	24,590	9,600	5,803	687
Taxable Social Security benefits in AGI: Number	70,636	32,976	16,763	9,286	8,627	2,984
Amount	725,795	154,248	212,296	151,630	151,186	56,435
Self-employment retirement plans: Number	4,028	649	504	510	1,212	1,153
Amount	66,460	3,858	3,947	4,736	18,772	35,147
Total itemized deductions [5]: Number	241,905	88,283	58,169	40,105	41,716	13,632
Amount	5,602,205	1,461,832	1,062,852	843,118	1,160,789	1,073,615
State and local income taxes: Number	197,525	56,474	51,064	37,455	39,632	12,900
Amount	1,215,034	112,060	153,999	166,854	301,424	480,696
State and local general sales tax: Number	41,387	28,964	7,014	2,622	2,046	741
Amount	58,736	34,697	11,094	5,366	5,100	2,479
Real estate taxes: Number	218,083	74,629	53,348	37,621	39,621	12,864
Amount	420,239	106,618	78,059	65,648	99,713	70,202
Taxes paid: Number	242,269	88,304	58,361	40,182	41,765	13,657
Amount	1,708,368	258,201	246,398	240,353	408,696	554,720
Mortgage interest paid: Number	209,624	72,681	52,376	36,401	36,988	11,178
Amount	2,342,242	705,263	501,106	377,414	461,831	296,627
Contributions: Number	190,651	58,595	46,735	34,503	38,016	12,802
Amount	889,073	139,001	150,017	132,100	200,426	267,530
Taxable income: Number	515,675	305,673	96,835	51,916	46,782	14,469
Amount	22,083,050	3,915,970	3,621,937	2,999,565	4,465,567	7,080,010
Total tax credits [6]: Number	229,918	119,678	51,905	29,059	22,955	6,321
Amount	266,792	85,916	82,316	50,102	28,080	20,379
Residential energy tax credit: Number	19,527	6,221	5,776	3,607	3,267	656
Amount	3,993	1,156	1,141	732	754	210
Child tax credit: Number	139,544	67,606	38,774	20,435	12,708	21
Amount	184,103	58,186	66,604	38,751	20,545	16
Child and dependent care credit: Number	29,690	11,601	8,670	4,885	3,864	670
Amount	14,004	5,174	4,159	2,478	1,872	321
Earned income credit [7]: Number	115,917	115,917	0	0	0	0
Amount	215,286	215,286	0	0	0	0
Excess earned income credit (refundable) [8]: Number	100,244	100,244	0	0	0	0
Amount	186,915	186,915	0	0	0	0
Alternative minimum tax: Number	12,817	136	182	308	2,481	9,710
Amount	74,912	647	255	675	5,728	67,608
Income tax [9]: Number	446,761	246,242	88,582	50,865	46,597	14,475
Amount	3,607,526	379,716	405,880	375,420	738,187	1,708,323
Total tax liability [10]: Number	489,584	285,767	91,340	51,274	46,722	14,481
Amount	3,858,047	473,441	446,056	404,407	785,475	1,748,669
Tax due at time of filing [11]: Number	146,286	73,047	27,793	16,280	20,776	8,390
Amount	663,947	72,039	58,977	49,563	125,230	358,137
Overpayments refunded [12]: Number	494,262	365,378	67,520	34,246	23,553	3,565
Amount	1,056,821	613,497	169,028	104,722	104,330	65,244

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ILLINOIS</b>						
<b>Number of returns</b>	<b>6,559,358</b>	<b>4,304,768</b>	<b>865,783</b>	<b>538,757</b>	<b>632,996</b>	<b>217,054</b>
Number of joint returns	2,317,304	753,059	450,347	397,929	531,086	184,883
Number with paid preparer's signature	3,744,743	2,334,165	532,864	329,587	384,894	163,233
Number of exemptions	12,638,216	6,785,895	1,973,015	1,420,708	1,810,360	648,238
<b>Adjusted gross income (AGI) [2]</b>	<b>392,664,916</b>	<b>76,096,097</b>	<b>53,300,032</b>	<b>46,568,068</b>	<b>84,171,574</b>	<b>132,529,144</b>
Salaries and wages in AGI [3]: Number	5,228,296	3,211,891	769,186	484,999	574,591	187,629
Amount	267,880,255	64,816,398	42,248,499	36,408,097	63,791,088	60,616,170
Taxable interest: Number	3,078,204	1,393,584	534,540	401,917	540,416	207,747
Amount	12,267,143	2,398,610	1,210,984	1,059,695	2,084,423	5,513,431
Ordinary dividends: Number	1,595,056	601,112	253,250	215,076	349,477	176,141
Amount	10,819,948	1,071,858	705,156	714,171	1,835,125	6,493,638
Business or profession net income (less loss): Number	901,470	519,000	124,256	88,323	117,395	52,496
Amount	10,138,775	2,335,601	1,039,449	923,162	2,211,320	3,629,244
Number of farm returns	72,636	31,828	14,517	11,080	11,181	4,030
Net capital gain (less loss) in AGI: Number	1,281,943	461,229	192,500	166,886	291,846	169,482
Amount	38,792,405	1,292,923	747,097	883,393	2,998,181	32,870,811
Taxable Individual Retirement Arrangements distributions: Number	510,669	246,826	91,031	65,815	79,961	27,036
Amount	7,022,405	1,601,780	1,055,688	1,042,037	1,949,320	1,373,581
Taxable pensions and annuities in AGI: Number	1,157,889	613,041	200,997	137,616	161,519	44,716
Amount	21,539,326	6,385,829	4,111,702	3,513,690	5,561,402	1,966,704
Unemployment compensation [4]: Number	360,308	224,068	64,580	36,738	30,500	4,422
Amount	1,625,965	978,232	309,894	169,484	143,702	24,653
Taxable Social Security benefits in AGI: Number	642,345	275,102	145,559	91,507	95,467	34,710
Amount	7,022,926	1,340,916	1,879,408	1,453,506	1,635,082	714,014
Self-employment retirement plans: Number	50,121	4,918	4,165	4,895	14,554	21,589
Amount	995,854	27,758	32,909	44,025	195,331	695,831
Total itemized deductions [5]: Number	2,252,152	656,899	472,652	377,245	538,811	206,545
Amount	56,848,672	11,649,511	8,829,943	8,055,387	14,382,590	13,931,242
State and local income taxes: Number	1,843,660	434,359	393,662	327,805	489,882	197,952
Amount	8,421,266	912,212	719,593	823,026	1,912,476	4,053,960
State and local general sales tax: Number	381,391	198,269	76,819	48,855	48,726	8,722
Amount	669,152	235,884	167,730	100,681	130,412	34,445
Real estate taxes: Number	2,048,741	547,811	426,897	356,665	518,631	198,737
Amount	10,518,193	1,975,662	1,644,786	1,624,509	3,095,219	2,178,018
Taxes paid: Number	2,259,431	659,229	474,593	378,621	540,070	206,918
Amount	21,919,321	4,136,507	2,582,787	3,483,873	5,223,754	6,492,401
Mortgage interest paid: Number	1,893,929	496,749	404,479	337,208	482,256	173,237
Amount	23,185,389	5,322,924	3,867,673	3,545,209	6,124,984	4,324,598
Contributions: Number	1,835,250	439,972	380,448	324,673	493,327	196,830
Amount	7,857,237	796,439	855,038	835,177	1,718,256	3,652,326
Taxable income: Number	4,777,423	2,531,273	859,828	537,361	632,130	216,831
Amount	281,930,932	35,117,271	34,480,789	32,219,432	62,756,544	117,356,896
Total tax credits [6]: Number	2,029,095	925,279	385,167	288,478	316,136	114,035
Amount	2,563,821	684,847	551,232	463,730	327,079	536,933
Residential energy tax credit: Number	251,905	56,447	61,004	50,501	67,351	16,602
Amount	55,704	11,663	13,241	10,889	15,281	4,632
Child tax credit: Number	1,103,568	489,094	261,876	190,527	161,991	80
Amount	1,379,237	402,830	415,915	331,161	229,258	74
Child and dependent care credit: Number	271,646	103,566	52,665	42,128	58,860	14,427
Amount	152,353	60,992	29,573	22,849	31,295	7,642
Earned income credit [7]: Number	946,867	946,867	0	0	0	0
Amount	1,894,797	1,894,796	0	0	0	0
Excess earned income credit (refundable) [8]: Number	828,108	828,108	0	0	0	0
Amount	1,647,184	1,647,184	0	0	0	0
Alternative minimum tax: Number	166,774	1,238	2,818	4,350	33,009	125,359
Amount	772,429	4,858	3,626	6,398	63,904	693,642
Income tax [9]: Number	4,277,246	2,081,119	816,846	531,342	631,095	216,844
Amount	54,216,505	3,661,389	4,476,399	4,415,666	11,005,775	30,657,276
Total tax liability [10]: Number	4,618,335	2,406,563	829,397	533,648	631,803	216,924
Amount	56,561,274	4,356,659	4,739,499	4,645,944	11,459,078	31,360,094
Tax due at time of filing [11]: Number	1,161,050	514,594	186,934	125,436	223,073	111,013
Amount	5,585,895	487,150	381,067	352,018	1,025,872	3,339,789
Overpayments refunded [12]: Number	4,699,432	3,192,380	659,245	397,843	381,116	68,848
Amount	12,311,136	5,982,228	2,021,133	1,483,231	1,742,292	1,082,254

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>INDIANA</b>						
<b>Number of returns</b>	<b>3,243,323</b>	<b>2,245,046</b>	<b>438,188</b>	<b>262,090</b>	<b>239,270</b>	<b>58,729</b>
Number of joint returns	1,265,456	480,241	296,770	221,968	214,674	51,803
Number with paid preparer's signature	1,774,371	1,173,039	260,763	152,582	141,799	46,188
Number of exemptions	6,326,033	3,612,213	1,099,143	734,800	703,442	176,435
<b>Adjusted gross income (AGI) [2]</b>	<b>150,941,776</b>	<b>40,179,141</b>	<b>27,004,605</b>	<b>22,592,517</b>	<b>31,045,930</b>	<b>30,119,583</b>
Salaries and wages in AGI [3]: Number	2,620,565	1,705,456	400,815	242,671	220,834	50,789
Amount	109,316,828	33,258,047	21,859,035	18,259,253	23,737,467	12,203,025
Taxable interest: Number	1,351,121	673,422	244,440	180,580	196,310	56,369
Amount	3,592,563	1,037,565	449,812	363,116	600,177	1,141,892
Ordinary dividends: Number	622,130	266,524	108,219	87,313	114,577	45,497
Amount	2,989,478	428,420	266,373	254,781	560,391	1,479,513
Business or profession net income (less loss): Number	396,285	222,125	68,529	44,202	45,882	15,547
Amount	4,000,389	1,162,146	527,472	426,907	845,460	1,038,402
Number of farm returns	56,931	28,543	11,612	7,598	7,032	2,146
Net capital gain (less loss) in AGI: Number	500,853	206,217	84,408	68,878	96,935	44,415
Amount	9,067,018	575,356	357,122	409,120	1,130,110	6,595,309
Taxable Individual Retirement Arrangements distributions: Number	258,945	141,214	47,129	31,592	31,258	7,752
Amount	3,107,250	870,268	561,167	527,049	786,550	362,216
Taxable pensions and annuities in AGI: Number	636,076	389,805	104,244	66,382	62,686	12,959
Amount	9,122,529	3,840,460	1,787,838	1,345,878	1,653,109	495,242
Unemployment compensation [4]: Number	191,356	128,168	35,377	17,215	9,971	625
Amount	690,993	455,611	128,679	64,045	39,753	2,907
Taxable Social Security benefits in AGI: Number	319,088	157,749	73,258	41,707	35,858	10,516
Amount	3,482,562	741,275	986,029	721,513	678,470	355,275
Self-employment retirement plans: Number	15,461	1,757	1,419	1,667	4,682	5,936
Amount	264,984	8,874	9,675	13,632	65,619	167,183
Total itemized deductions [5]: Number	937,291	285,062	215,812	177,312	202,924	56,181
Amount	18,995,143	4,056,821	3,425,760	3,217,470	4,729,335	3,565,757
State and local income taxes: Number	894,473	251,426	211,388	175,191	200,928	55,540
Amount	4,045,669	404,313	567,616	650,710	1,129,625	1,293,404
State and local general sales tax: Number	37,959	28,352	4,618	2,314	2,020	655
Amount	44,656	21,523	8,527	5,447	6,352	2,805
Real estate taxes: Number	847,247	236,870	196,527	166,876	193,361	53,613
Amount	1,990,442	398,695	347,854	344,162	554,855	344,878
Taxes paid: Number	939,402	285,592	216,624	177,794	203,159	56,233
Amount	6,371,867	895,980	974,187	1,052,303	1,767,307	1,682,089
Mortgage interest paid: Number	816,203	227,252	194,362	164,097	184,557	45,935
Amount	7,164,825	1,589,323	1,487,704	1,381,210	1,824,392	882,198
Contributions: Number	727,554	180,521	163,947	146,880	182,743	53,463
Amount	3,077,544	370,248	417,053	431,882	756,226	1,102,135
Taxable income: Number	2,312,149	1,315,746	436,818	261,813	239,099	58,673
Amount	101,657,576	18,264,864	17,695,861	15,998,990	23,549,524	26,148,337
Total tax credits [6]: Number	973,710	471,610	211,872	144,023	116,996	29,209
Amount	1,128,907	345,044	328,287	243,361	134,456	77,759
Residential energy tax credit: Number	106,788	30,389	28,664	21,887	21,845	4,003
Amount	20,728	5,439	5,398	4,291	4,601	1,000
Child tax credit: Number	597,946	272,647	155,831	102,052	67,387	29
Amount	777,999	237,859	259,919	180,662	99,532	27
Child and dependent care credit: Number	120,430	40,026	29,274	24,301	23,486	3,343
Amount	59,200	19,675	13,972	12,347	11,607	1,598
Earned income credit [7]: Number	492,353	492,353	0	0	0	0
Amount	933,890	933,890	0	0	0	0
Excess earned income credit (refundable) [8]: Number	436,790	436,790	0	0	0	0
Amount	839,177	839,176	0	0	0	0
Alternative minimum tax: Number	46,757	515	969	1,126	8,618	35,529
Amount	207,475	1,625	1,341	1,895	16,555	186,058
Income tax [9]: Number	2,074,176	1,098,224	418,513	259,971	238,789	58,679
Amount	17,043,268	1,888,609	2,156,032	2,100,354	4,037,653	6,860,622
Total tax liability [10]: Number	2,207,404	1,225,295	423,788	260,651	238,964	58,706
Amount	17,930,865	2,173,354	2,292,497	2,212,357	4,225,209	7,027,448
Tax due at time of filing [11]: Number	488,180	223,511	90,812	57,913	84,803	31,141
Amount	2,026,256	203,186	174,597	153,097	396,781	1,098,595
Overpayments refunded [12]: Number	2,406,216	1,706,791	339,155	198,253	144,421	17,596
Amount	5,509,081	3,021,611	948,691	679,625	603,683	255,471

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>IOWA</b>						
<b>Number of returns</b>	<b>1,538,656</b>	<b>1,048,094</b>	<b>221,094</b>	<b>130,917</b>	<b>110,557</b>	<b>27,994</b>
Number of joint returns	641,520	239,497	161,520	115,427	100,156	24,920
Number with paid preparer's signature	981,782	625,741	161,629	93,646	77,436	23,330
Number of exemptions	2,908,879	1,563,079	566,836	372,882	324,516	81,566
<b>Adjusted gross income (AGI) [2]</b>	<b>71,960,985</b>	<b>19,042,216</b>	<b>13,620,178</b>	<b>11,270,094</b>	<b>14,336,007</b>	<b>13,692,488</b>
Salaries and wages in AGI [3]: Number	1,216,882	779,066	197,169	118,275	98,553	23,819
Amount	50,470,831	15,553,273	10,535,603	8,616,073	10,077,549	5,688,332
Taxable interest: Number	766,750	393,672	146,322	102,195	97,452	27,109
Amount	2,205,182	696,899	321,031	253,783	383,144	550,326
Ordinary dividends: Number	385,253	169,855	72,267	55,877	64,550	22,704
Amount	1,633,032	258,828	169,581	161,902	329,854	712,866
Business or profession net income (less loss): Number	217,767	120,988	41,260	24,837	23,110	7,572
Amount	2,003,335	566,834	311,953	243,241	446,429	434,878
Number of farm returns	84,322	44,262	17,464	11,053	8,797	2,746
Net capital gain (less loss) in AGI: Number	320,885	139,892	58,183	45,463	55,156	22,191
Amount	4,295,806	376,178	254,834	286,101	712,456	2,666,236
Taxable Individual Retirement Arrangements distributions: Number	140,239	78,163	25,765	16,805	15,576	3,930
Amount	1,371,293	424,295	252,608	223,658	318,988	151,744
Taxable pensions and annuities in AGI: Number	290,836	169,145	53,043	33,060	29,136	6,452
Amount	4,074,924	1,572,924	845,959	662,561	774,529	218,951
Unemployment compensation [4]: Number	94,327	63,871	18,721	7,878	3,566	291
Amount	295,087	199,450	58,165	24,053	12,027	1,393
Taxable Social Security benefits in AGI: Number	179,445	87,058	42,176	23,817	20,453	5,941
Amount	1,872,948	408,372	556,595	405,529	379,047	123,405
Self-employment retirement plans: Number	11,718	1,665	1,671	1,897	3,817	2,668
Amount	158,187	9,031	12,087	17,060	52,220	67,789
Total itemized deductions [5]: Number	459,937	149,049	102,425	87,001	94,951	26,511
Amount	9,166,712	2,077,776	1,608,832	1,551,125	2,226,962	1,702,017
State and local income taxes: Number	408,172	107,174	96,680	84,941	93,419	25,958
Amount	2,148,628	175,084	272,679	348,518	633,720	718,627
State and local general sales tax: Number	49,705	39,186	6,055	2,272	1,621	571
Amount	53,864	26,887	16,769	4,169	4,305	1,735
Real estate taxes: Number	414,701	122,081	93,702	82,883	90,861	25,174
Amount	992,865	207,702	181,962	189,110	274,732	139,360
Taxes paid: Number	461,165	149,320	102,926	87,291	95,089	26,539
Amount	3,314,640	431,948	494,138	566,108	946,132	876,314
Mortgage interest paid: Number	363,091	99,846	85,555	76,843	80,928	19,919
Amount	2,905,302	614,558	601,945	600,167	739,371	349,261
Contributions: Number	371,831	100,803	81,745	75,651	88,090	25,542
Amount	1,399,768	180,489	179,597	191,741	341,453	506,487
Taxable income: Number	1,142,235	652,641	220,343	130,786	110,494	27,971
Amount	48,695,674	9,185,522	8,895,384	7,980,631	10,838,944	11,795,195
Total tax credits [6]: Number	499,784	235,231	114,809	76,192	58,675	14,877
Amount	581,463	165,234	182,122	133,607	69,183	31,319
Residential energy tax credit: Number	66,828	20,803	19,391	13,414	11,192	2,028
Amount	12,884	3,670	3,634	2,628	2,413	538
Child tax credit: Number	270,765	110,271	78,604	50,532	31,340	18
Amount	373,338	99,735	133,723	92,330	47,534	16
Child and dependent care credit: Number	85,499	27,507	24,957	17,715	13,462	1,858
Amount	39,649	12,227	12,031	8,719	5,919	753
Earned income credit [7]: Number	194,557	194,557	0	0	0	0
Amount	341,901	341,900	0	0	0	0
Excess earned income credit (refundable) [8]: Number	167,092	167,092	0	0	0	0
Amount	302,240	302,239	0	0	0	0
Alternative minimum tax: Number	24,746	252	397	500	4,677	18,920
Amount	113,381	574	517	866	9,345	102,078
Income tax [9]: Number	1,036,454	557,854	210,523	129,787	110,316	27,974
Amount	7,850,809	953,048	1,040,637	1,009,591	1,819,148	3,028,384
Total tax liability [10]: Number	1,105,354	622,670	214,124	130,173	110,406	27,981
Amount	8,380,494	1,127,048	1,136,314	1,087,976	1,931,473	3,097,684
Tax due at time of filing [11]: Number	312,248	147,835	61,620	39,035	48,328	15,430
Amount	1,071,427	150,273	138,559	126,317	262,468	393,811
Overpayments refunded [12]: Number	1,043,651	738,147	153,556	87,626	56,530	7,792
Amount	2,168,123	1,198,754	391,323	268,485	211,205	98,355

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>KANSAS</b>						
<b>Number of returns</b>	<b>1,401,460</b>	<b>945,209</b>	<b>189,021</b>	<b>115,590</b>	<b>117,929</b>	<b>33,711</b>
Number of joint returns	578,829	216,525	129,150	97,807	105,358	29,989
Number with paid preparer's signature	804,909	513,532	118,702	71,297	74,265	27,113
Number of exemptions	2,735,317	1,491,815	475,956	322,544	344,037	100,965
<b>Adjusted gross income (AGI) [2]</b>	<b>72,231,184</b>	<b>17,224,724</b>	<b>11,636,570</b>	<b>9,977,045</b>	<b>15,504,324</b>	<b>17,888,521</b>
Salaries and wages in AGI [3]: Number	1,132,627	726,029	167,861	103,898	106,038	28,801
Amount	50,127,057	14,486,906	9,102,610	7,719,568	11,345,253	7,472,721
Taxable interest: Number	656,994	322,542	115,695	85,691	100,717	32,349
Amount	2,046,890	523,587	245,737	203,319	346,285	727,960
Ordinary dividends: Number	327,322	134,017	56,045	45,589	64,891	26,780
Amount	2,104,574	202,788	137,434	133,939	316,859	1,313,554
Business or profession net income (less loss): Number	200,151	104,675	35,086	23,623	26,486	10,281
Amount	2,219,024	500,388	291,565	245,494	504,366	677,212
Number of farm returns	62,039	32,867	11,816	7,714	7,144	2,498
Net capital gain (less loss) in AGI: Number	284,135	115,345	46,734	38,507	57,297	26,252
Amount	5,107,800	308,257	210,594	236,794	660,071	3,692,085
Taxable Individual Retirement Arrangements distributions: Number	125,165	64,861	22,809	15,761	16,956	4,778
Amount	1,448,561	383,676	247,236	241,186	384,993	191,471
Taxable pensions and annuities in AGI: Number	257,577	141,321	45,712	30,727	32,467	7,350
Amount	3,891,172	1,356,956	768,522	626,862	868,520	270,312
Unemployment compensation [4]: Number	52,165	35,409	8,999	4,410	2,993	354
Amount	175,393	115,559	30,945	15,206	12,035	1,646
Taxable Social Security benefits in AGI: Number	151,441	69,114	35,041	20,962	20,014	6,310
Amount	1,662,102	331,341	463,875	356,719	375,667	134,501
Self-employment retirement plans: Number	10,342	1,227	1,110	1,280	3,307	3,418
Amount	165,369	6,406	7,972	11,768	45,208	94,015
Total itemized deductions [5]: Number	421,669	117,223	88,846	79,304	103,649	32,647
Amount	9,478,937	1,730,850	1,449,046	1,470,457	2,522,071	2,306,515
State and local income taxes: Number	353,114	70,915	76,650	73,827	99,979	31,743
Amount	2,297,612	121,741	207,522	284,550	653,343	1,030,453
State and local general sales tax: Number	64,987	42,740	12,189	5,539	3,623	896
Amount	111,467	56,838	21,657	13,140	11,237	8,596
Real estate taxes: Number	384,198	96,377	81,609	75,403	99,494	31,315
Amount	1,050,908	184,822	174,660	185,696	315,610	190,119
Taxes paid: Number	422,126	116,986	89,199	79,540	103,730	32,671
Amount	3,633,533	391,575	433,587	516,640	1,034,564	1,257,167
Mortgage interest paid: Number	341,780	81,057	74,867	69,924	90,155	25,777
Amount	3,033,390	536,445	550,491	566,337	866,322	513,797
Contributions: Number	343,761	79,368	70,364	67,806	94,933	31,290
Amount	1,716,849	171,899	185,077	208,592	409,889	741,394
Taxable income: Number	1,039,066	583,886	188,243	115,432	117,836	33,669
Amount	49,764,181	8,013,466	7,593,964	7,028,941	11,665,639	15,462,171
Total tax credits [6]: Number	448,687	216,108	93,105	63,790	58,663	17,021
Amount	510,062	156,626	146,907	108,987	65,041	32,501
Residential energy tax credit: Number	43,691	10,826	11,129	8,851	10,587	2,298
Amount	9,258	2,120	2,318	1,847	2,383	590
Child tax credit: Number	259,590	117,381	66,597	44,019	31,570	23
Amount	342,404	102,927	113,721	79,735	46,009	14
Child and dependent care credit: Number	65,919	21,590	16,856	13,056	12,347	2,070
Amount	32,139	10,081	8,475	6,658	5,932	992
Earned income credit [7]: Number	195,798	195,798	0	0	0	0
Amount	358,467	358,468	0	0	0	0
Excess earned income credit (refundable) [8]: Number	171,799	171,799	0	0	0	0
Amount	321,910	321,910	0	0	0	0
Alternative minimum tax: Number	29,916	270	402	517	5,422	23,305
Amount	159,878	1,162	521	885	11,101	146,209
Income tax [9]: Number	930,234	485,021	179,358	114,528	117,643	33,684
Amount	8,655,550	818,994	912,199	913,479	1,998,599	4,012,279
Total tax liability [10]: Number	990,607	541,968	182,306	114,907	117,736	33,690
Amount	9,153,877	964,207	989,825	977,414	2,110,678	4,111,751
Tax due at time of filing [11]: Number	280,268	128,463	51,519	32,751	48,786	18,749
Amount	1,188,865	127,172	114,339	100,222	254,520	592,612
Overpayments refunded [12]: Number	972,755	688,649	132,585	79,159	63,162	9,200
Amount	2,108,861	1,149,444	336,123	243,196	245,301	134,798

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>KENTUCKY</b>						
<b>Number of returns</b>	<b>2,137,383</b>	<b>1,569,327</b>	<b>258,336</b>	<b>145,743</b>	<b>128,880</b>	<b>35,097</b>
Number of joint returns	856,253	402,920	182,609	125,174	114,913	30,637
Number with paid preparer's signature	1,262,933	889,266	169,683	92,929	82,194	28,861
Number of exemptions	4,089,261	2,571,565	641,910	403,885	370,236	101,665
<b>Adjusted gross income (AGI) [2]</b>	<b>88,680,887</b>	<b>25,869,604</b>	<b>15,886,928</b>	<b>12,549,139</b>	<b>16,752,389</b>	<b>17,622,827</b>
Salaries and wages in AGI [3]: Number	1,620,500	1,108,827	232,906	132,849	116,371	29,547
Amount	63,238,530	21,573,173	12,583,361	9,836,822	12,126,428	7,118,748
Taxable interest: Number	790,873	412,703	140,736	98,963	105,073	33,398
Amount	2,284,240	701,799	301,360	231,600	377,247	672,233
Ordinary dividends: Number	333,297	140,248	57,768	46,035	62,091	27,155
Amount	1,866,706	236,163	147,217	146,563	353,187	983,576
Business or profession net income (less loss): Number	286,761	179,196	42,770	26,616	27,588	10,591
Amount	2,721,497	863,822	313,483	249,548	524,764	769,880
Number of farm returns	89,739	51,007	16,813	9,964	8,584	3,371
Net capital gain (less loss) in AGI: Number	305,833	133,481	50,950	39,745	54,911	26,746
Amount	5,438,003	469,915	231,218	253,428	709,219	3,774,223
Taxable Individual Retirement Arrangements distributions: Number	133,395	71,470	24,674	16,356	16,287	4,608
Amount	1,613,166	456,934	285,722	260,588	402,368	207,554
Taxable pensions and annuities in AGI: Number	392,679	234,162	68,491	42,531	39,097	8,398
Amount	6,655,453	2,578,348	1,382,209	1,060,869	1,300,577	333,450
Unemployment compensation [4]: Number	129,679	88,289	24,076	10,743	6,146	425
Amount	410,423	277,406	76,106	34,431	20,668	1,812
Taxable Social Security benefits in AGI: Number	191,803	96,184	44,819	23,747	20,579	6,474
Amount	1,844,897	432,692	553,290	371,481	357,624	129,812
Self-employment retirement plans: Number	9,432	1,045	891	973	2,993	3,530
Amount	164,611	6,026	6,283	9,860	42,491	99,950
Total itemized deductions [5]: Number	589,798	195,538	138,942	107,890	113,817	33,611
Amount	12,031,411	2,728,201	2,244,946	2,035,877	2,848,395	2,173,992
State and local income taxes: Number	525,127	150,710	129,134	102,604	109,893	32,786
Amount	3,177,943	339,567	493,800	544,949	875,178	924,448
State and local general sales tax: Number	56,603	37,322	9,412	5,163	3,879	827
Amount	53,851	24,340	10,644	7,492	7,929	3,445
Real estate taxes: Number	526,701	158,872	125,979	101,585	108,409	31,856
Amount	936,058	197,929	174,302	163,706	244,331	155,791
Taxes paid: Number	590,366	195,230	139,387	108,145	113,956	33,648
Amount	4,350,922	601,561	716,213	752,294	1,174,335	1,106,518
Mortgage interest paid: Number	497,676	150,403	122,406	97,919	100,408	26,540
Amount	4,220,340	1,010,625	899,116	796,012	997,322	517,265
Contributions: Number	474,606	133,704	111,204	92,930	104,735	32,033
Amount	1,895,879	271,324	278,756	277,928	460,180	607,690
Taxable income: Number	1,414,080	847,149	257,549	145,557	128,776	35,049
Amount	58,136,384	11,405,245	10,281,414	8,741,303	12,489,715	15,218,706
Total tax credits [6]: Number	586,633	304,880	123,912	79,326	61,844	16,671
Amount	642,543	217,700	186,418	130,962	70,264	37,201
Residential energy tax credit: Number	58,938	18,269	15,835	11,350	11,245	2,239
Amount	12,389	3,548	3,283	2,423	2,538	598
Child tax credit: Number	360,527	174,446	92,705	57,653	35,700	23
Amount	443,251	148,745	147,194	96,995	50,298	21
Child and dependent care credit: Number	73,887	25,287	18,454	15,004	13,115	2,027
Amount	35,122	11,426	8,627	7,498	6,554	1,017
Earned income credit [7]: Number	384,236	384,236	0	0	0	0
Amount	734,795	734,795	0	0	0	0
Excess earned income credit (refundable) [8]: Number	339,447	339,447	0	0	0	0
Amount	652,204	652,204	0	0	0	0
Alternative minimum tax: Number	31,061	330	625	713	6,037	23,356
Amount	158,996	2,209	856	1,230	12,325	142,375
Income tax [9]: Number	1,262,766	705,945	248,630	144,547	128,584	35,060
Amount	9,514,557	1,163,287	1,238,862	1,134,942	2,123,080	3,854,387
Total tax liability [10]: Number	1,373,845	813,635	251,498	144,931	128,700	35,081
Amount	10,099,412	1,380,341	1,321,006	1,199,782	2,236,584	3,961,699
Tax due at time of filing [11]: Number	324,635	159,617	59,953	36,187	49,747	19,131
Amount	1,198,592	147,762	114,397	94,783	243,347	598,303
Overpayments refunded [12]: Number	1,490,490	1,109,874	192,978	105,595	72,403	9,640
Amount	3,321,466	2,021,525	520,538	348,193	300,737	130,472

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>LOUISIANA</b>						
<b>Number of returns</b>	<b>2,146,273</b>	<b>1,581,179</b>	<b>238,333</b>	<b>141,554</b>	<b>145,191</b>	<b>40,016</b>
Number of joint returns	700,152	283,887	142,937	112,959	126,216	34,153
Number with paid preparer's signature	1,231,891	869,141	147,231	87,386	94,621	33,512
Number of exemptions	4,167,314	2,678,796	572,421	385,897	417,295	112,905
<b>Adjusted gross income (AGI) [2]</b>	<b>92,468,118</b>	<b>26,181,606</b>	<b>14,642,207</b>	<b>12,220,074</b>	<b>19,013,217</b>	<b>20,411,014</b>
Salaries and wages in AGI [3]: Number	1,690,108	1,180,731	214,974	129,503	131,986	32,914
Amount	66,880,003	23,283,578	11,857,430	9,807,759	14,170,446	7,760,792
Taxable interest: Number	732,026	356,838	125,495	94,867	116,784	38,042
Amount	2,111,684	535,646	252,708	211,287	391,721	720,324
Ordinary dividends: Number	312,713	125,304	50,417	41,832	64,749	30,411
Amount	1,617,225	216,116	130,137	130,086	325,807	815,080
Business or profession net income (less loss): Number	323,151	208,369	41,475	27,709	32,350	13,248
Amount	3,178,976	824,491	295,980	267,284	667,466	1,123,756
Number of farm returns	29,910	13,517	5,298	4,012	4,925	2,158
Net capital gain (less loss) in AGI: Number	260,752	101,038	40,616	34,212	55,538	29,348
Amount	5,073,148	276,749	177,875	206,788	655,460	3,756,277
Taxable Individual Retirement Arrangements distributions: Number	117,073	57,712	21,595	15,104	17,314	5,348
Amount	1,556,084	396,925	264,815	251,405	427,859	215,080
Taxable pensions and annuities in AGI: Number	330,625	190,306	55,159	36,027	39,926	9,207
Amount	5,644,778	2,206,004	1,096,545	828,344	1,154,416	359,471
Unemployment compensation [4]: Number	52,178	38,299	6,983	3,778	2,896	222
Amount	149,670	106,923	20,518	11,873	9,620	736
Taxable Social Security benefits in AGI: Number	164,375	76,147	37,315	21,499	21,394	8,020
Amount	1,639,532	343,717	449,004	326,679	360,207	159,924
Self-employment retirement plans: Number	10,560	1,275	900	980	3,178	4,227
Amount	199,311	8,145	7,262	9,997	48,347	125,558
Total itemized deductions [5]: Number	466,441	156,206	95,111	74,575	104,408	36,141
Amount	10,412,065	2,645,383	1,729,559	1,496,284	2,534,027	2,006,812
State and local income taxes: Number	389,392	110,061	80,407	66,378	97,632	34,914
Amount	1,861,348	135,356	183,944	217,333	527,461	797,254
State and local general sales tax: Number	70,111	39,788	14,123	8,108	6,814	1,278
Amount	162,277	67,513	32,336	25,350	29,098	7,979
Real estate taxes: Number	314,107	77,713	61,317	56,304	87,037	31,736
Amount	456,521	72,350	58,901	62,912	139,680	122,676
Taxes paid: Number	465,012	154,089	95,208	74,805	104,688	36,222
Amount	2,527,868	281,807	287,764	314,289	708,256	935,752
Mortgage interest paid: Number	365,393	103,154	76,593	65,478	92,382	27,786
Amount	3,680,236	1,110,593	606,620	576,758	917,267	468,996
Contributions: Number	362,514	105,874	72,911	60,202	90,214	33,313
Amount	1,730,360	307,394	259,070	234,765	428,553	500,577
Taxable income: Number	1,425,776	862,699	237,044	141,189	144,918	39,926
Amount	62,463,714	11,273,974	9,643,755	8,739,292	14,680,472	18,126,221
Total tax credits [6]: Number	611,967	343,510	107,788	72,930	67,288	20,451
Amount	764,248	253,803	165,952	122,811	98,419	123,263
Residential energy tax credit: Number	37,711	11,525	9,045	6,979	8,455	1,707
Amount	10,681	3,172	2,563	1,949	2,477	519
Child tax credit: Number	399,300	220,230	84,380	55,400	39,276	14
Amount	455,636	176,065	132,852	92,188	54,521	10
Child and dependent care credit: Number	89,088	36,717	18,244	15,274	16,397	2,456
Amount	47,168	19,343	9,512	8,204	8,790	1,319
Earned income credit [7]: Number	526,030	526,030	0	0	0	0
Amount	1,216,077	1,216,077	0	0	0	0
Excess earned income credit (refundable) [8]: Number	479,456	479,456	0	0	0	0
Amount	1,097,991	1,097,991	0	0	0	0
Alternative minimum tax: Number	31,010	829	1,636	1,832	7,088	19,625
Amount	130,829	3,934	2,360	4,328	16,407	103,800
Income tax [9]: Number	1,230,569	677,370	228,712	140,117	144,493	39,877
Amount	10,691,305	1,123,313	1,211,108	1,189,270	2,564,018	4,603,594
Total tax liability [10]: Number	1,358,442	801,625	231,531	140,615	144,735	39,936
Amount	11,361,472	1,368,742	1,290,690	1,255,571	2,696,419	4,750,052
Tax due at time of filing [11]: Number	346,166	169,267	59,284	37,885	58,348	21,382
Amount	1,546,424	170,816	129,059	113,940	311,185	821,425
Overpayments refunded [12]: Number	1,527,489	1,163,778	173,970	99,784	79,344	10,613
Amount	3,938,726	2,559,440	494,709	347,525	348,645	188,408

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MAINE</b>						
<b>Number of returns</b>	<b>729,634</b>	<b>525,681</b>	<b>94,398</b>	<b>51,817</b>	<b>44,890</b>	<b>12,848</b>
Number of joint returns	281,813	121,239	66,695	44,035	38,985	10,859
Number with paid preparer's signature	340,349	217,790	53,748	29,930	28,098	10,783
Number of exemptions	1,287,784	764,496	225,840	138,452	123,823	35,173
<b>Adjusted gross income (AGI) [2]</b>	<b>31,232,495</b>	<b>9,060,534</b>	<b>5,802,660</b>	<b>4,454,521</b>	<b>5,860,648</b>	<b>6,054,132</b>
Salaries and wages in AGI [3]: Number	549,106	368,579	84,268	46,595	39,276	10,388
Amount	21,374,018	7,259,753	4,478,785	3,385,309	3,967,458	2,282,713
Taxable interest: Number	346,009	182,983	66,806	42,865	40,836	12,519
Amount	815,402	242,954	115,307	88,941	146,114	222,085
Ordinary dividends: Number	151,709	68,705	28,059	20,294	24,415	10,236
Amount	878,496	132,630	89,093	84,247	189,422	383,104
Business or profession net income (less loss): Number	119,621	74,710	19,576	10,954	10,620	3,761
Amount	1,326,881	474,546	199,972	138,676	257,975	255,712
Number of farm returns	4,717	2,772	821	465	455	204
Net capital gain (less loss) in AGI: Number	122,111	52,231	21,588	16,286	21,826	10,180
Amount	2,478,060	164,796	123,449	138,214	414,292	1,637,310
Taxable Individual Retirement Arrangements distributions: Number	57,823	32,178	10,689	6,525	6,536	1,895
Amount	666,352	195,528	114,842	102,729	162,758	90,494
Taxable pensions and annuities in AGI: Number	124,170	72,717	22,534	13,636	12,328	2,955
Amount	2,089,289	810,444	454,325	329,548	383,200	111,772
Unemployment compensation [4]: Number	34,283	26,056	5,095	1,993	1,040	99
Amount	114,568	83,895	18,257	7,638	4,301	475
Taxable Social Security benefits in AGI: Number	72,260	34,876	17,233	9,042	8,226	2,883
Amount	694,185	158,280	202,767	136,471	140,530	56,137
Self-employment retirement plans: Number	5,509	1,014	795	751	1,670	1,279
Amount	78,570	5,768	6,257	6,951	24,805	34,786
Total itemized deductions [5]: Number	210,517	69,236	49,385	38,380	41,032	12,484
Amount	4,629,540	1,068,661	840,546	750,234	1,071,350	898,750
State and local income taxes: Number	192,208	54,564	47,391	37,618	40,344	12,291
Amount	1,179,047	104,028	150,349	176,560	327,747	420,363
State and local general sales tax: Number	15,762	12,116	2,003	789	662	192
Amount	10,337	5,565	2,038	1,009	1,189	537
Real estate taxes: Number	197,188	61,617	46,798	37,026	39,702	12,045
Amount	627,591	147,718	120,211	109,243	156,850	93,569
Taxes paid: Number	210,954	69,261	49,623	38,506	41,068	12,496
Amount	1,901,479	274,343	290,123	304,077	508,406	524,530
Mortgage interest paid: Number	179,111	56,128	43,592	34,353	35,298	9,740
Amount	1,668,664	439,625	365,592	305,928	369,596	187,925
Contributions: Number	158,546	41,971	37,017	31,469	36,326	11,763
Amount	479,712	53,907	59,389	59,273	103,328	203,816
Taxable income: Number	509,667	306,421	93,937	51,674	44,812	12,823
Amount	20,614,123	4,263,653	3,747,521	3,092,545	4,331,817	5,178,587
Total tax credits [6]: Number	204,737	99,921	45,373	28,806	23,476	7,161
Amount	219,261	67,650	63,879	45,138	24,534	18,060
Residential energy tax credit: Number	27,666	8,887	7,763	5,449	4,607	960
Amount	5,581	1,639	1,528	1,057	1,029	328
Child tax credit: Number	104,675	46,674	29,501	17,702	10,794	4
Amount	131,822	40,915	46,432	29,581	14,891	2
Child and dependent care credit: Number	28,078	9,895	7,582	5,506	4,400	695
Amount	14,028	4,664	3,851	2,954	2,201	358
Earned income credit [7]: Number	96,183	96,183	0	0	0	0
Amount	163,376	163,375	0	0	0	0
Excess earned income credit (refundable) [8]: Number	79,526	79,526	0	0	0	0
Amount	137,239	137,240	0	0	0	0
Alternative minimum tax: Number	14,522	93	185	312	3,616	10,316
Amount	89,154	135	286	558	8,288	79,889
Income tax [9]: Number	465,400	265,855	90,690	51,291	44,736	12,828
Amount	3,283,830	450,025	450,939	397,584	724,719	1,260,563
Total tax liability [10]: Number	502,135	301,159	91,892	51,463	44,785	12,836
Amount	3,536,111	551,351	492,132	426,179	772,022	1,294,428
Tax due at time of filing [11]: Number	131,541	68,897	24,472	13,640	17,693	6,839
Amount	461,516	73,465	48,957	38,067	93,072	207,955
Overpayments refunded [12]: Number	487,775	355,710	67,465	36,468	24,519	3,613
Amount	964,935	535,826	166,171	113,896	103,535	45,507

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MARYLAND</b>						
<b>Number of returns</b>	<b>2,942,776</b>	<b>1,771,625</b>	<b>405,512</b>	<b>266,603</b>	<b>379,578</b>	<b>119,458</b>
Number of joint returns	989,289	240,651	162,710	168,011	312,320	105,597
Number with paid preparer's signature	1,518,890	871,559	222,057	143,606	199,680	81,988
Number of exemptions	5,496,379	2,602,831	831,775	643,203	1,063,447	355,123
<b>Adjusted gross income (AGI) [2]</b>	<b>194,552,399</b>	<b>34,524,153</b>	<b>24,953,972</b>	<b>23,103,592</b>	<b>51,307,591</b>	<b>60,663,093</b>
Salaries and wages in AGI [3]: Number	2,412,661	1,363,024	358,452	239,150	347,411	104,624
Amount	137,670,586	29,725,066	19,979,568	18,292,300	40,184,038	29,489,613
Taxable interest: Number	1,467,755	560,446	254,964	204,844	332,416	115,085
Amount	4,707,925	748,752	440,619	410,510	938,670	2,169,374
Ordinary dividends: Number	692,030	216,389	100,802	92,335	188,447	94,057
Amount	4,551,103	398,086	287,713	313,300	957,444	2,594,558
Business or profession net income (less loss): Number	461,390	232,648	65,081	49,258	81,732	32,671
Amount	5,237,116	799,135	433,247	419,662	1,338,391	2,246,681
Number of farm returns	12,474	5,232	1,874	1,444	2,432	1,492
Net capital gain (less loss) in AGI: Number	571,780	170,495	78,203	73,391	159,677	90,014
Amount	15,613,955	490,966	304,054	397,941	1,612,944	12,808,050
Taxable Individual Retirement Arrangements distributions: Number	200,052	78,953	36,235	28,463	41,761	14,640
Amount	2,630,181	493,879	364,885	380,727	818,044	572,645
Taxable pensions and annuities in AGI: Number	535,979	237,921	94,310	69,566	103,782	30,400
Amount	12,454,009	3,040,417	2,237,529	2,014,795	3,686,626	1,474,641
Unemployment compensation [4]: Number	100,899	67,645	14,618	8,699	8,710	1,227
Amount	371,779	250,121	52,042	31,778	32,630	5,209
Taxable Social Security benefits in AGI: Number	290,373	108,036	64,504	44,006	54,355	19,472
Amount	3,323,402	535,099	794,654	673,400	923,766	396,485
Self-employment retirement plans: Number	31,087	2,591	2,138	2,632	9,879	13,847
Amount	633,261	16,779	17,730	26,777	136,906	435,069
Total itemized deductions [5]: Number	1,401,307	407,923	284,978	228,491	361,837	118,078
Amount	40,719,961	7,428,541	6,104,180	5,709,231	11,917,192	9,560,816
State and local income taxes: Number	1,323,295	347,195	276,555	224,675	358,033	116,837
Amount	10,657,660	762,258	1,082,704	1,256,383	3,245,601	4,310,713
State and local general sales tax: Number	59,151	43,981	7,241	3,434	3,349	1,146
Amount	52,005	27,707	7,955	5,198	7,247	3,897
Real estate taxes: Number	1,156,375	266,893	233,653	202,233	339,885	113,711
Amount	4,044,665	655,821	615,629	608,193	1,338,047	826,976
Taxes paid: Number	1,400,307	405,802	285,481	228,876	362,018	118,130
Amount	16,116,741	2,697,134	1,730,124	1,888,711	4,623,077	5,177,694
Mortgage interest paid: Number	1,112,775	262,852	228,968	195,982	322,018	102,955
Amount	16,248,466	3,034,131	2,725,837	2,568,420	5,120,850	2,799,227
Contributions: Number	1,172,701	293,952	237,513	197,472	331,087	112,677
Amount	5,203,305	714,144	697,606	630,842	1,317,942	1,842,772
Taxable income: Number	2,289,298	1,127,019	399,146	265,073	378,788	119,272
Amount	132,261,283	16,021,388	15,119,584	14,885,652	35,695,971	50,538,688
Total tax credits [6]: Number	930,204	398,624	158,206	127,757	182,372	63,245
Amount	1,066,860	312,247	207,481	190,081	180,345	176,705
Residential energy tax credit: Number	112,713	19,481	23,496	21,930	37,806	10,000
Amount	26,910	4,262	5,458	5,140	9,256	2,794
Child tax credit: Number	486,739	205,648	108,361	84,038	88,645	47
Amount	577,079	171,693	154,296	133,636	117,419	34
Child and dependent care credit: Number	176,126	62,822	28,236	24,356	48,227	12,485
Amount	104,171	38,838	16,491	14,318	27,750	6,774
Earned income credit [7]: Number	372,774	372,774	0	0	0	0
Amount	693,211	693,210	0	0	0	0
Excess earned income credit (refundable) [8]: Number	325,317	325,317	0	0	0	0
Amount	605,461	605,461	0	0	0	0
Alternative minimum tax: Number	131,225	604	2,406	3,895	31,578	92,742
Amount	709,036	1,700	2,987	5,718	59,100	639,532
Income tax [9]: Number	2,073,696	938,913	377,440	260,202	377,809	119,332
Amount	25,044,590	1,688,942	2,021,371	2,103,854	6,204,198	13,026,224
Total tax liability [10]: Number	2,205,500	1,059,903	385,359	262,232	378,470	119,386
Amount	26,303,813	1,964,978	2,139,926	2,209,183	6,464,228	13,525,498
Tax due at time of filing [11]: Number	577,430	238,439	89,348	60,267	128,080	61,296
Amount	2,448,831	225,379	172,038	148,235	496,573	1,406,605
Overpayments refunded [12]: Number	2,111,362	1,326,188	308,426	199,878	236,978	39,892
Amount	5,614,404	2,394,560	931,205	731,512	1,046,616	510,510

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MASSACHUSETTS</b>						
<b>Number of returns</b>	<b>3,461,517</b>	<b>2,139,162</b>	<b>459,125</b>	<b>297,322</b>	<b>409,302</b>	<b>156,606</b>
Number of joint returns	1,196,312	308,173	207,262	208,181	338,351	134,345
Number with paid preparer's signature	1,895,927	1,069,722	276,373	182,744	250,697	116,391
Number of exemptions	6,122,207	2,811,686	931,193	743,745	1,162,444	473,139
<b>Adjusted gross income (AGI) [2]</b>	<b>243,829,482</b>	<b>38,464,916</b>	<b>28,239,654</b>	<b>25,774,184</b>	<b>55,090,695</b>	<b>96,260,033</b>
Salaries and wages in AGI [3]: Number	2,738,610	1,549,684	406,547	268,973	376,359	137,047
Amount	161,987,177	32,151,150	22,212,594	20,193,081	42,997,061	44,433,292
Taxable interest: Number	1,877,252	806,625	316,306	238,236	364,766	151,319
Amount	7,652,997	1,245,214	662,335	554,005	1,155,237	4,036,207
Ordinary dividends: Number	932,341	327,314	140,853	117,635	220,046	126,493
Amount	7,571,064	642,741	423,496	423,748	1,185,840	4,895,238
Business or profession net income (less loss): Number	495,631	235,695	72,974	55,729	87,671	43,562
Amount	9,101,630	1,837,259	970,692	875,413	2,154,893	3,263,374
Number of farm returns	4,583	1,987	720	575	768	533
Net capital gain (less loss) in AGI: Number	765,892	247,780	108,275	93,779	191,806	124,252
Amount	28,517,622	699,640	529,811	530,590	2,011,267	24,746,313
Taxable Individual Retirement Arrangements distributions: Number	279,398	131,930	49,473	34,916	45,909	17,170
Amount	3,841,255	820,918	556,890	557,207	1,107,492	798,749
Taxable pensions and annuities in AGI: Number	579,690	296,088	99,117	68,451	87,393	28,641
Amount	10,728,075	3,201,195	2,054,717	1,672,865	2,625,288	1,174,010
Unemployment compensation [4]: Number	206,782	121,575	35,568	22,472	22,951	4,216
Amount	1,149,108	597,289	223,222	141,992	153,932	32,673
Taxable Social Security benefits in AGI: Number	348,517	141,921	79,769	50,000	54,310	22,517
Amount	3,907,308	684,123	998,579	791,731	959,851	473,023
Self-employment retirement plans: Number	45,261	4,776	4,207	4,696	13,960	17,622
Amount	782,189	31,145	35,071	45,392	191,351	479,230
Total itemized deductions [5]: Number	1,344,666	341,945	255,874	221,040	372,144	153,663
Amount	37,955,401	5,708,029	4,827,016	4,797,245	10,302,944	12,320,168
State and local income taxes: Number	1,268,759	283,675	246,749	217,225	368,654	152,456
Amount	9,850,245	516,704	761,734	926,859	2,507,649	5,137,300
State and local general sales tax: Number	62,692	45,943	8,586	3,764	3,276	1,123
Amount	41,370	21,001	7,356	4,475	5,655	2,882
Real estate taxes: Number	1,209,787	273,567	229,545	207,029	352,628	147,018
Amount	5,537,751	887,553	763,617	775,627	1,690,704	1,420,251
Taxes paid: Number	1,345,216	341,065	256,578	221,462	372,398	153,713
Amount	15,844,909	1,482,431	1,589,797	1,765,357	4,327,884	6,679,440
Mortgage interest paid: Number	1,098,379	240,325	211,775	193,054	324,582	128,643
Amount	14,555,021	2,469,599	2,225,983	2,214,074	4,410,519	3,234,847
Contributions: Number	1,100,992	226,864	205,635	188,265	334,747	145,481
Amount	4,680,168	293,112	323,083	317,995	782,303	2,963,675
Taxable income: Number	2,640,520	1,323,555	455,577	296,352	408,618	156,418
Amount	180,789,340	20,029,815	18,765,674	17,761,489	40,501,545	83,730,816
Total tax credits [6]: Number	1,047,397	408,402	182,107	155,938	211,534	89,416
Amount	1,304,334	293,309	238,197	238,335	211,647	322,846
Residential energy tax credit: Number	142,266	25,418	29,708	27,762	45,738	13,640
Amount	28,800	4,602	5,657	5,380	9,576	3,587
Child tax credit: Number	490,363	175,384	113,165	98,509	103,278	27
Amount	630,029	151,491	172,623	165,527	140,366	22
Child and dependent care credit: Number	146,185	36,928	22,419	24,253	47,019	15,566
Amount	74,737	18,966	10,900	12,305	24,495	8,072
Earned income credit [7]: Number	348,577	348,577	0	0	0	0
Amount	592,854	592,854	0	0	0	0
Excess earned income credit (refundable) [8]: Number	292,898	292,898	0	0	0	0
Amount	515,843	515,842	0	0	0	0
Alternative minimum tax: Number	150,262	603	1,290	2,469	31,328	114,572
Amount	864,284	2,401	1,778	3,862	60,967	795,275
Income tax [9]: Number	2,458,354	1,162,443	438,008	293,385	408,055	156,463
Amount	36,134,326	2,242,999	2,614,824	2,493,004	7,131,993	21,651,508
Total tax liability [10]: Number	2,587,546	1,282,525	445,165	294,841	408,497	156,518
Amount	37,709,755	2,612,018	2,800,619	2,659,878	7,495,105	22,142,137
Tax due at time of filing [11]: Number	695,397	289,739	109,533	72,651	140,594	82,880
Amount	3,629,228	293,121	223,906	198,528	630,230	2,283,443
Overpayments refunded [12]: Number	2,353,108	1,502,752	338,042	215,283	249,640	47,391
Amount	6,008,186	2,422,838	975,895	799,697	1,155,636	654,121

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MICHIGAN</b>						
<b>Number of returns</b>	<b>5,022,234</b>	<b>3,396,550</b>	<b>659,993</b>	<b>416,652</b>	<b>441,056</b>	<b>107,983</b>
Number of joint returns	1,915,630	703,100	400,783	329,702	387,089	94,956
Number with paid preparer's signature	2,819,335	1,816,553	402,964	250,294	266,430	83,094
Number of exemptions	9,565,446	5,236,935	1,574,681	1,134,906	1,296,700	322,224
<b>Adjusted gross income (AGI) [2]</b>	<b>246,804,525</b>	<b>58,350,448</b>	<b>40,731,823</b>	<b>35,988,223</b>	<b>57,838,625</b>	<b>53,895,407</b>
Salaries and wages in AGI [3]: Number	3,943,647	2,478,270	588,651	377,867	404,594	94,265
Amount	173,839,493	45,357,519	31,217,998	27,780,310	44,093,010	25,390,655
Taxable interest: Number	2,315,139	1,150,556	396,563	299,106	365,915	102,999
Amount	6,907,366	1,798,545	813,509	690,572	1,215,350	2,389,390
Ordinary dividends: Number	1,126,985	480,183	188,707	154,187	219,583	84,325
Amount	6,217,852	823,865	517,300	499,672	1,114,540	3,262,475
Business or profession net income (less loss): Number	688,163	404,921	104,054	70,098	81,480	27,610
Amount	6,315,845	1,820,239	707,114	614,402	1,376,845	1,797,243
Number of farm returns	45,043	24,748	8,314	5,381	5,052	1,548
Net capital gain (less loss) in AGI: Number	920,236	379,050	149,158	123,727	187,015	81,286
Amount	14,437,887	1,001,200	570,250	652,034	1,887,855	10,326,547
Taxable Individual Retirement Arrangements distributions: Number	441,397	230,630	80,789	55,732	59,243	15,003
Amount	5,802,876	1,508,425	1,001,315	947,359	1,550,598	795,178
Taxable pensions and annuities in AGI: Number	1,101,721	656,648	177,171	117,149	124,072	26,681
Amount	19,834,714	7,697,451	3,824,863	3,040,567	4,037,236	1,234,597
Unemployment compensation [4]: Number	455,664	286,160	84,851	46,954	35,277	2,422
Amount	1,707,627	1,110,673	314,836	159,059	113,406	9,653
Taxable Social Security benefits in AGI: Number	560,827	268,186	124,962	75,483	71,524	20,672
Amount	6,173,512	1,281,283	1,729,517	1,335,792	1,380,639	446,281
Self-employment retirement plans: Number	26,181	3,468	2,678	3,054	8,282	8,699
Amount	418,316	18,167	19,203	26,547	112,041	242,358
Total itemized deductions [5]: Number	1,724,632	540,866	385,788	307,393	386,599	103,986
Amount	37,547,159	8,398,408	6,591,347	6,065,071	9,791,079	6,701,253
State and local income taxes: Number	1,483,060	381,580	344,860	285,441	369,628	101,551
Amount	6,285,799	572,270	839,931	952,400	1,876,889	2,044,309
State and local general sales tax: Number	216,639	136,640	39,394	21,461	16,716	2,428
Amount	219,948	92,606	47,468	33,803	36,501	9,570
Real estate taxes: Number	1,596,904	466,676	359,197	294,518	375,224	101,289
Amount	5,885,342	1,267,723	1,036,008	976,040	1,652,227	953,347
Taxes paid: Number	1,726,615	540,885	386,730	307,908	387,027	104,065
Amount	13,142,366	2,074,301	2,017,608	2,051,262	3,699,964	3,299,232
Mortgage interest paid: Number	1,502,222	435,422	345,512	282,722	351,983	86,583
Amount	15,148,618	3,546,043	2,941,348	2,689,766	4,019,642	1,951,818
Contributions: Number	1,421,642	373,652	317,797	270,627	359,626	99,940
Amount	5,321,901	709,268	749,753	737,952	1,339,605	1,785,323
Taxable income: Number	3,562,662	1,941,163	656,966	415,995	440,653	107,885
Amount	167,070,157	26,183,606	26,248,145	24,968,451	43,094,405	46,575,549
Total tax credits [6]: Number	1,509,008	679,632	315,229	231,758	225,771	56,618
Amount	1,715,428	471,187	453,656	374,167	247,024	169,393
Residential energy tax credit: Number	216,848	62,980	54,803	42,531	47,872	8,662
Amount	42,008	11,274	10,395	8,217	9,994	2,128
Child tax credit: Number	821,947	337,833	210,847	152,246	120,961	60
Amount	1,076,230	286,560	345,336	269,254	175,029	53
Child and dependent care credit: Number	176,750	52,255	38,837	34,291	44,529	6,838
Amount	84,911	25,600	18,088	16,509	21,464	3,249
Earned income credit [7]: Number	750,743	750,743	0	0	0	0
Amount	1,456,800	1,456,799	0	0	0	0
Excess earned income credit (refundable) [8]: Number	660,917	660,917	0	0	0	0
Amount	1,272,656	1,272,655	0	0	0	0
Alternative minimum tax: Number	93,981	759	1,733	2,530	20,172	68,787
Amount	400,391	2,718	2,094	3,618	36,984	354,978
Income tax [9]: Number	3,227,882	1,640,444	627,252	412,294	440,023	107,869
Amount	28,554,678	2,720,864	3,275,164	3,330,107	7,421,342	11,807,202
Total tax liability [10]: Number	3,488,964	1,890,391	636,591	413,671	440,410	107,901
Amount	29,927,343	3,205,725	3,467,915	3,490,806	7,711,005	12,051,892
Tax due at time of filing [11]: Number	832,010	384,328	149,558	94,094	149,797	54,233
Amount	2,843,013	335,347	281,719	233,205	620,731	1,372,008
Overpayments refunded [12]: Number	3,605,776	2,490,673	495,984	311,176	271,827	36,116
Amount	8,344,186	4,227,912	1,400,228	1,087,914	1,153,411	474,723

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MINNESOTA</b>						
<b>Number of returns</b>	<b>2,734,017</b>	<b>1,736,631</b>	<b>392,618</b>	<b>253,495</b>	<b>269,627</b>	<b>81,646</b>
Number of joint returns	1,079,996	320,010	240,570	209,039	238,270	72,107
Number with paid preparer's signature	1,485,329	866,966	240,428	153,178	162,196	62,561
Number of exemptions	5,124,791	2,458,448	925,509	698,716	794,089	248,029
<b>Adjusted gross income (AGI) [2]</b>	<b>156,772,069</b>	<b>31,988,911</b>	<b>24,228,438</b>	<b>21,901,338</b>	<b>35,530,281</b>	<b>43,123,103</b>
Salaries and wages in AGI [3]: Number	2,231,819	1,332,962	349,933	229,812	246,745	72,367
Amount	110,900,780	26,951,150	18,947,964	17,143,610	27,130,141	20,727,915
Taxable interest: Number	1,341,870	615,123	243,021	183,577	222,912	77,237
Amount	3,954,465	932,829	443,923	378,332	659,418	1,539,964
Ordinary dividends: Number	719,238	275,266	123,091	103,359	151,707	65,815
Amount	3,729,771	452,423	282,181	279,401	663,933	2,051,833
Business or profession net income (less loss): Number	402,500	208,945	71,627	48,374	53,847	19,707
Amount	4,196,690	1,081,862	608,923	494,355	945,789	1,065,760
Number of farm returns	74,506	39,151	15,322	9,258	8,046	2,729
Net capital gain (less loss) in AGI: Number	609,882	233,092	99,208	83,965	130,029	63,588
Amount	11,663,934	669,176	431,782	478,181	1,445,148	8,639,646
Taxable Individual Retirement Arrangements distributions: Number	239,694	122,105	44,321	31,256	33,080	8,932
Amount	2,951,904	781,344	501,260	485,801	786,354	397,145
Taxable pensions and annuities in AGI: Number	472,069	249,803	86,566	59,364	60,737	15,599
Amount	8,289,462	2,545,047	1,746,606	1,488,053	1,899,440	610,317
Unemployment compensation [4]: Number	149,811	90,542	31,042	16,525	10,724	978
Amount	663,551	372,212	151,577	81,218	53,285	5,259
Taxable Social Security benefits in AGI: Number	283,117	123,965	67,924	41,630	37,978	11,620
Amount	3,102,415	595,731	886,181	692,833	688,598	239,071
Self-employment retirement plans: Number	23,488	3,339	2,962	3,251	7,252	6,684
Amount	335,028	17,079	20,366	27,118	95,196	175,269
Total itemized deductions [5]: Number	1,086,583	309,794	243,692	201,249	251,698	80,150
Amount	26,405,283	4,901,917	4,306,598	4,121,922	6,831,193	6,243,655
State and local income taxes: Number	999,173	239,837	233,911	197,496	248,861	79,068
Amount	6,578,727	443,168	682,155	828,530	1,797,041	2,827,834
State and local general sales tax: Number	77,382	60,522	9,446	3,670	2,738	1,006
Amount	82,654	49,758	14,051	7,825	7,470	3,551
Real estate taxes: Number	1,007,032	266,413	226,827	192,445	243,549	77,798
Amount	2,946,385	525,716	500,582	503,856	858,859	557,371
Taxes paid: Number	1,086,413	308,945	244,039	201,465	251,799	80,165
Amount	9,824,934	1,053,971	1,235,140	1,380,049	2,726,130	3,429,642
Mortgage interest paid: Number	933,530	245,041	214,670	181,402	224,448	67,969
Amount	11,121,817	2,709,007	2,076,839	1,906,570	2,815,806	1,613,596
Contributions: Number	906,845	213,657	200,435	179,084	236,374	77,295
Amount	3,432,196	343,618	392,526	424,965	826,092	1,444,996
Taxable income: Number	2,093,015	1,098,966	390,254	252,966	269,300	81,529
Amount	108,178,393	15,741,389	15,394,296	14,867,542	25,840,835	36,334,332
Total tax credits [6]: Number	878,810	367,864	182,563	143,471	141,668	43,244
Amount	1,052,364	259,862	275,143	246,620	160,830	109,909
Residential energy tax credit: Number	117,878	28,139	29,646	24,771	28,462	6,860
Amount	23,990	5,081	5,760	5,036	6,309	1,804
Child tax credit: Number	457,426	164,152	121,891	95,266	76,089	28
Amount	623,104	142,539	200,518	170,405	109,619	23
Child and dependent care credit: Number	147,160	40,037	33,679	30,648	35,216	7,580
Amount	66,469	18,098	15,640	14,378	15,198	3,155
Earned income credit [7]: Number	304,600	304,600	0	0	0	0
Amount	523,462	523,462	0	0	0	0
Excess earned income credit (refundable) [8]: Number	259,919	259,919	0	0	0	0
Amount	456,916	456,917	0	0	0	0
Alternative minimum tax: Number	78,514	424	730	1,193	14,586	61,581
Amount	440,077	1,861	1,298	2,241	28,171	406,506
Income tax [9]: Number	1,914,282	943,788	370,109	250,059	268,782	81,544
Amount	19,320,864	1,687,966	1,899,995	1,917,277	4,377,417	9,438,210
Total tax liability [10]: Number	2,031,933	1,052,348	377,653	251,239	269,106	81,587
Amount	20,271,626	1,980,691	2,054,854	2,043,166	4,582,964	9,609,951
Tax due at time of filing [11]: Number	582,133	263,808	103,385	66,958	103,638	44,344
Amount	2,372,975	254,774	209,099	182,901	467,761	1,258,441
Overpayments refunded [12]: Number	1,881,149	1,240,412	279,887	179,450	154,999	26,401
Amount	4,040,312	1,845,932	700,622	538,305	605,252	350,201

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MISSISSIPPI</b>						
<b>Number of returns</b>	<b>1,440,588</b>	<b>1,124,837</b>	<b>144,507</b>	<b>79,252</b>	<b>72,523</b>	<b>19,469</b>
Number of joint returns	459,426	215,284	96,187	66,759	64,221	16,975
Number with paid preparer's signature	853,920	640,671	95,046	51,603	49,666	16,934
Number of exemptions	2,837,535	1,999,688	360,812	217,806	204,522	54,707
<b>Adjusted gross income (AGI) [2]</b>	<b>52,429,398</b>	<b>17,609,839</b>	<b>8,849,612</b>	<b>6,829,007</b>	<b>9,442,919</b>	<b>9,698,022</b>
Salaries and wages in AGI [3]: Number	1,092,136	811,286	129,132	71,446	64,402	15,870
Amount	38,382,352	15,822,650	7,021,919	5,297,812	6,657,453	3,582,514
Taxable interest: Number	402,837	206,445	71,438	50,438	56,263	18,253
Amount	1,279,377	364,315	164,780	130,472	229,539	390,272
Ordinary dividends: Number	163,201	67,119	28,175	22,394	31,383	14,130
Amount	883,465	114,653	73,098	69,955	175,261	450,497
Business or profession net income (less loss): Number	203,595	137,772	25,746	15,957	17,173	6,947
Amount	1,938,124	604,520	210,475	171,996	379,252	571,881
Number of farm returns	40,163	19,038	7,395	5,103	5,971	2,656
Net capital gain (less loss) in AGI: Number	139,029	55,754	23,166	18,594	27,538	13,977
Amount	2,689,476	209,648	110,950	125,473	373,141	1,870,264
Taxable Individual Retirement Arrangements distributions: Number	70,853	37,111	13,005	8,668	9,449	2,620
Amount	823,259	240,939	143,219	125,605	208,092	105,401
Taxable pensions and annuities in AGI: Number	215,233	126,318	37,177	23,659	23,214	4,865
Amount	3,730,372	1,412,224	756,424	593,034	765,340	203,351
Unemployment compensation [4]: Number	50,004	41,139	5,051	2,232	1,454	128
Amount	127,077	100,607	14,142	7,028	4,870	430
Taxable Social Security benefits in AGI: Number	126,633	66,651	26,955	14,944	13,820	4,263
Amount	1,294,084	368,306	340,735	244,216	252,206	88,620
Self-employment retirement plans: Number	5,389	746	471	507	1,578	2,087
Amount	96,963	3,618	3,676	4,633	23,490	61,546
Total itemized deductions [5]: Number	317,951	120,405	69,202	50,974	59,051	18,319
Amount	7,055,523	1,963,459	1,260,425	1,027,513	1,482,589	1,321,535
State and local income taxes: Number	243,068	74,213	54,942	43,769	52,896	17,248
Amount	1,131,816	166,901	131,890	144,267	280,257	408,501
State and local general sales tax: Number	68,397	40,411	13,762	7,074	6,091	1,059
Amount	101,022	41,918	22,629	14,745	16,444	5,285
Real estate taxes: Number	249,999	78,582	56,120	44,927	53,799	16,571
Amount	356,096	79,401	60,163	56,830	94,029	65,673
Taxes paid: Number	317,764	119,674	69,435	51,141	59,180	18,334
Amount	1,721,732	328,563	240,772	237,887	421,351	493,159
Mortgage interest paid: Number	246,281	81,451	56,144	44,117	50,557	14,012
Amount	2,075,542	522,022	410,676	355,517	485,486	301,841
Contributions: Number	261,966	88,990	57,659	44,465	53,626	17,226
Amount	1,459,741	282,184	235,442	210,197	340,365	391,554
Taxable income: Number	886,489	571,913	143,728	79,074	72,384	19,390
Amount	32,900,820	7,066,066	5,661,896	4,782,368	7,130,610	8,259,877
Total tax credits [6]: Number	400,087	250,248	67,787	40,570	32,200	9,282
Amount	466,399	183,743	105,920	68,865	48,267	59,605
Residential energy tax credit: Number	21,344	6,974	5,557	3,880	4,117	816
Amount	5,604	1,757	1,449	1,010	1,125	262
Child tax credit: Number	270,813	168,954	52,921	30,284	18,644	10
Amount	289,400	130,192	83,162	50,308	25,734	4
Child and dependent care credit: Number	60,080	29,422	13,167	9,095	7,440	956
Amount	32,857	16,276	7,036	4,953	4,071	520
Earned income credit [7]: Number	402,114	402,114	0	0	0	0
Amount	945,143	945,143	0	0	0	0
Excess earned income credit (refundable) [8]: Number	369,383	369,383	0	0	0	0
Amount	862,582	862,581	0	0	0	0
Alternative minimum tax: Number	14,313	375	733	807	2,916	9,482
Amount	59,224	1,345	898	1,426	7,213	48,343
Income tax [9]: Number	734,096	426,232	137,960	78,428	72,109	19,367
Amount	5,248,998	665,189	682,712	631,894	1,220,750	2,048,453
Total tax liability [10]: Number	824,011	513,751	139,875	78,707	72,264	19,414
Amount	5,664,221	832,694	737,936	673,767	1,296,233	2,123,591
Tax due at time of filing [11]: Number	217,540	110,464	39,166	24,417	32,540	10,953
Amount	822,355	112,670	84,719	72,057	182,515	370,393
Overpayments refunded [12]: Number	1,007,183	810,716	102,408	52,687	36,359	5,013
Amount	2,563,318	1,880,774	275,015	166,562	151,718	89,250

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MISSOURI</b>						
<b>Number of returns</b>	<b>3,010,549</b>	<b>2,126,152</b>	<b>382,472</b>	<b>223,293</b>	<b>217,433</b>	<b>61,199</b>
Number of joint returns	1,155,172	474,735	252,369	184,073	190,698	53,297
Number with paid preparer's signature	1,689,779	1,132,057	238,464	136,627	134,295	48,336
Number of exemptions	5,651,257	3,318,086	925,306	606,841	622,108	178,916
<b>Adjusted gross income (AGI) [2]</b>	<b>141,954,921</b>	<b>37,011,607</b>	<b>23,530,843</b>	<b>19,248,323</b>	<b>28,470,537</b>	<b>33,693,612</b>
Salaries and wages in AGI [3]: Number	2,350,688	1,565,192	338,456	200,038	195,059	51,943
Amount	99,255,869	30,863,562	18,306,227	14,841,793	20,802,867	14,441,420
Taxable interest: Number	1,264,948	644,186	224,922	159,051	178,917	57,872
Amount	4,068,438	1,204,694	510,624	409,333	672,703	1,271,085
Ordinary dividends: Number	652,232	279,135	114,255	89,051	120,436	49,355
Amount	3,897,313	513,329	305,954	300,741	670,848	2,106,441
Business or profession net income (less loss): Number	420,928	251,312	66,536	41,325	44,836	16,919
Amount	4,053,464	1,089,430	531,357	416,382	874,982	1,141,313
Number of farm returns	105,128	60,928	19,584	11,163	9,887	3,566
Net capital gain (less loss) in AGI: Number	544,148	229,893	91,953	71,777	102,370	48,155
Amount	9,755,215	685,965	421,511	456,525	1,259,290	6,931,923
Taxable Individual Retirement Arrangements distributions: Number	241,911	127,217	44,865	30,015	31,196	8,618
Amount	2,957,185	794,696	514,512	479,936	779,160	388,879
Taxable pensions and annuities in AGI: Number	568,817	333,719	98,415	61,592	60,912	14,179
Amount	9,309,480	3,438,446	1,927,703	1,484,080	1,891,235	568,016
Unemployment compensation [4]: Number	151,562	105,730	25,220	12,094	7,925	593
Amount	407,616	286,864	65,566	31,223	21,882	2,080
Taxable Social Security benefits in AGI: Number	312,777	149,263	72,640	41,331	37,558	11,985
Amount	3,184,991	694,253	923,039	661,217	658,920	247,564
Self-employment retirement plans: Number	17,358	2,177	1,840	1,929	5,258	6,154
Amount	286,729	11,702	13,021	17,103	73,187	171,716
Total itemized deductions [5]: Number	902,874	286,080	203,366	161,832	192,466	59,130
Amount	20,163,472	4,523,417	3,451,080	3,121,340	4,792,580	4,275,056
State and local income taxes: Number	808,486	211,919	192,312	157,310	189,013	57,932
Amount	4,547,569	530,417	498,378	601,324	1,154,059	1,763,391
State and local general sales tax: Number	84,382	64,225	10,990	4,552	3,432	1,183
Amount	126,498	76,101	25,206	11,085	9,613	4,492
Real estate taxes: Number	818,358	236,828	186,104	153,366	185,180	56,880
Amount	2,045,242	412,326	357,527	341,971	572,181	361,237
Taxes paid: Number	903,297	285,293	203,980	162,173	192,679	59,172
Amount	7,189,968	1,173,265	952,993	1,026,233	1,843,288	2,194,189
Mortgage interest paid: Number	760,919	220,912	177,078	145,323	169,907	47,699
Amount	7,425,772	1,823,937	1,441,377	1,299,878	1,802,627	1,057,953
Contributions: Number	707,434	185,710	157,117	135,022	173,492	56,093
Amount	3,012,875	382,469	398,862	391,800	696,988	1,142,755
Taxable income: Number	2,126,493	1,244,375	380,904	222,906	217,196	61,112
Amount	96,095,688	16,932,569	15,269,027	13,446,196	21,318,412	29,129,484
Total tax credits [6]: Number	880,255	441,133	179,500	120,254	107,429	31,939
Amount	959,613	312,839	269,454	197,091	116,346	63,883
Residential energy tax credit: Number	86,702	25,006	22,276	16,842	18,561	4,017
Amount	18,205	4,939	4,585	3,538	4,113	1,032
Child tax credit: Number	503,580	236,758	127,382	82,278	57,134	28
Amount	633,677	201,508	207,343	142,952	81,846	28
Child and dependent care credit: Number	127,146	43,694	31,887	23,830	23,726	4,009
Amount	61,639	20,686	15,330	12,091	11,619	1,913
Earned income credit [7]: Number	489,777	489,777	0	0	0	0
Amount	942,096	942,096	0	0	0	0
Excess earned income credit (refundable) [8]: Number	430,677	430,677	0	0	0	0
Amount	841,236	841,236	0	0	0	0
Alternative minimum tax: Number	52,276	471	871	1,157	9,546	40,231
Amount	270,239	1,980	1,135	2,112	19,952	245,060
Income tax [9]: Number	1,906,944	1,042,426	365,454	221,088	216,851	61,125
Amount	16,515,786	1,744,275	1,865,442	1,767,441	3,646,796	7,491,834
Total tax liability [10]: Number	2,051,827	1,180,963	370,791	221,818	217,098	61,157
Amount	17,435,193	2,061,431	2,000,544	1,871,756	3,828,547	7,672,913
Tax due at time of filing [11]: Number	543,037	266,244	97,433	59,076	86,186	34,098
Amount	2,164,221	247,682	197,047	162,424	419,759	1,137,308
Overpayments refunded [12]: Number	2,092,385	1,517,894	276,631	158,127	121,897	17,836
Amount	4,667,950	2,660,636	730,814	511,309	495,638	269,555

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MONTANA</b>						
<b>Number of returns</b>	<b>513,585</b>	<b>371,571</b>	<b>65,377</b>	<b>36,049</b>	<b>30,836</b>	<b>9,752</b>
Number of joint returns	204,146	91,043	47,027	30,821	26,921	8,334
Number with paid preparer's signature	301,394	200,907	44,051	24,762	22,923	8,751
Number of exemptions	931,733	560,449	162,212	97,968	84,566	26,538
<b>Adjusted gross income (AGI) [2]</b>	<b>22,343,926</b>	<b>6,216,883</b>	<b>4,017,620</b>	<b>3,099,835</b>	<b>4,030,587</b>	<b>4,979,000</b>
Salaries and wages in AGI [3]: Number	395,073	273,920	56,365	31,302	25,939	7,547
Amount	14,014,711	5,110,714	2,914,052	2,177,830	2,388,372	1,423,744
Taxable interest: Number	247,861	139,663	43,877	27,978	26,923	9,420
Amount	799,438	229,169	108,487	83,433	143,115	235,233
Ordinary dividends: Number	124,499	62,303	21,647	15,517	17,407	7,625
Amount	624,688	128,617	64,225	57,819	119,998	254,030
Business or profession net income (less loss): Number	86,587	52,871	14,527	8,249	7,771	3,169
Amount	821,557	225,845	127,693	97,942	167,064	203,014
Number of farm returns	20,813	12,473	3,444	1,993	1,942	961
Net capital gain (less loss) in AGI: Number	112,619	54,736	19,348	13,941	16,708	7,886
Amount	2,332,219	198,177	126,319	131,580	366,016	1,510,128
Taxable Individual Retirement Arrangements distributions: Number	38,881	21,230	7,267	4,693	4,383	1,308
Amount	432,269	127,027	75,631	68,049	108,049	53,510
Taxable pensions and annuities in AGI: Number	92,930	55,315	16,592	10,112	8,679	2,232
Amount	1,538,655	602,151	337,925	249,820	267,625	81,134
Unemployment compensation [4]: Number	26,247	19,235	4,364	1,755	828	65
Amount	75,996	52,714	14,001	5,852	3,149	281
Taxable Social Security benefits in AGI: Number	54,915	26,051	12,834	7,209	6,531	2,290
Amount	543,319	119,621	158,990	112,276	110,334	42,098
Self-employment retirement plans: Number	3,781	674	508	586	1,092	921
Amount	56,482	3,773	4,005	5,394	16,961	26,350
Total itemized deductions [5]: Number	153,254	57,390	35,284	25,266	26,182	9,132
Amount	3,255,954	867,131	609,850	490,979	658,943	629,051
State and local income taxes: Number	140,761	46,720	34,416	24,872	25,771	8,982
Amount	703,127	69,959	94,817	99,895	176,184	262,272
State and local general sales tax: Number	1,119	543	195	137	174	70
Amount	1,514	416	250	260	333	255
Real estate taxes: Number	137,356	47,731	32,305	23,880	24,850	8,590
Amount	298,318	79,656	58,941	49,992	66,627	43,102
Taxes paid: Number	152,157	56,196	35,332	25,299	26,191	9,139
Amount	1,048,253	161,283	163,727	159,083	253,851	310,308
Mortgage interest paid: Number	121,495	41,216	29,572	21,839	21,923	6,945
Amount	1,200,760	333,218	258,566	203,049	244,298	161,628
Contributions: Number	118,631	37,676	27,498	21,374	23,528	8,555
Amount	456,186	66,868	62,091	56,350	95,734	175,145
Taxable income: Number	362,847	221,293	65,055	35,984	30,777	9,738
Amount	14,950,750	2,893,481	2,566,300	2,163,199	3,036,400	4,291,371
Total tax credits [6]: Number	146,146	73,874	32,508	19,681	15,331	4,752
Amount	150,978	48,431	46,230	30,453	16,205	9,660
Residential energy tax credit: Number	19,188	6,411	5,582	3,584	3,003	608
Amount	3,838	1,123	1,088	733	707	188
Child tax credit: Number	75,979	35,144	21,341	12,359	7,129	6
Amount	98,400	30,502	35,249	21,996	10,646	6
Child and dependent care credit: Number	17,773	6,564	5,183	3,214	2,366	446
Amount	7,530	2,708	2,193	1,390	1,034	206
Earned income credit [7]: Number	77,920	77,920	0	0	0	0
Amount	137,427	137,427	0	0	0	0
Excess earned income credit (refundable) [8]: Number	66,044	66,044	0	0	0	0
Amount	119,590	119,588	0	0	0	0
Alternative minimum tax: Number	9,115	697	200	261	1,614	6,343
Amount	48,672	598	292	478	4,127	43,177
Income tax [9]: Number	328,187	190,173	61,920	35,629	30,730	9,735
Amount	2,411,875	297,200	303,042	277,678	507,361	1,026,593
Total tax liability [10]: Number	356,891	217,520	63,079	35,780	30,768	9,744
Amount	2,601,112	370,240	334,233	300,717	542,190	1,053,733
Tax due at time of filing [11]: Number	113,630	58,618	21,550	12,934	15,042	5,486
Amount	454,050	58,632	47,719	39,394	93,160	215,144
Overpayments refunded [12]: Number	333,363	255,166	41,488	21,410	13,120	2,179
Amount	647,979	388,434	100,366	63,399	57,370	38,408

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEBRASKA</b>						
<b>Number of returns</b>	<b>918,101</b>	<b>631,285</b>	<b>126,504</b>	<b>74,764</b>	<b>67,153</b>	<b>18,395</b>
Number of joint returns	372,607	140,065	90,689	65,189	60,400	16,264
Number with paid preparer's signature	527,554	340,339	81,392	47,115	43,299	15,409
Number of exemptions	1,754,982	957,978	328,345	215,381	198,690	54,588
<b>Adjusted gross income (AGI) [2]</b>	<b>44,820,008</b>	<b>11,206,600</b>	<b>7,790,008</b>	<b>6,443,341</b>	<b>8,750,993</b>	<b>10,629,067</b>
Salaries and wages in AGI [3]: Number	744,413	487,095	113,361	67,970	60,262	15,725
Amount	31,075,298	9,749,338	6,103,745	4,980,047	6,184,062	4,058,105
Taxable interest: Number	439,667	227,282	80,189	56,299	58,065	17,832
Amount	1,445,864	366,976	175,118	133,116	218,891	551,765
Ordinary dividends: Number	224,135	98,294	40,701	31,694	38,549	14,897
Amount	1,108,762	140,779	90,733	87,944	190,144	599,163
Business or profession net income (less loss): Number	131,084	73,537	23,654	14,847	14,107	4,939
Amount	1,092,433	329,772	171,209	124,724	225,248	241,481
Number of farm returns	47,755	28,173	8,778	5,107	4,230	1,467
Net capital gain (less loss) in AGI: Number	204,875	90,392	36,136	27,871	35,666	14,810
Amount	3,930,196	299,025	168,046	183,374	478,371	2,801,380
Taxable Individual Retirement Arrangements distributions: Number	80,711	44,166	14,948	9,617	9,347	2,633
Amount	851,258	254,656	154,758	133,290	196,922	111,633
Taxable pensions and annuities in AGI: Number	148,739	82,015	27,342	17,829	17,543	4,010
Amount	2,194,410	734,049	451,745	372,859	495,075	140,682
Unemployment compensation [4]: Number	30,930	23,175	4,619	1,958	1,077	101
Amount	81,189	59,758	12,416	5,296	3,353	366
Taxable Social Security benefits in AGI: Number	95,707	44,343	22,808	12,865	11,873	3,818
Amount	1,025,394	213,000	297,733	216,185	218,925	79,550
Self-employment retirement plans: Number	5,858	883	824	825	1,814	1,512
Amount	80,499	4,493	5,683	7,226	24,294	38,803
Total itemized deductions [5]: Number	272,135	81,221	61,639	52,586	59,158	17,531
Amount	6,115,391	1,235,236	1,014,250	989,675	1,469,208	1,407,023
State and local income taxes: Number	237,469	55,631	56,570	50,538	57,716	17,014
Amount	1,349,432	91,177	149,823	192,821	378,399	537,210
State and local general sales tax: Number	32,408	23,350	5,084	2,043	1,414	517
Amount	41,839	23,006	8,209	4,514	4,187	1,923
Real estate taxes: Number	243,942	64,995	56,355	49,829	56,304	16,459
Amount	825,025	154,988	154,722	157,720	231,721	125,875
Taxes paid: Number	272,132	80,861	61,845	52,672	59,203	17,551
Amount	2,336,376	291,479	334,975	379,065	648,468	682,390
Mortgage interest paid: Number	219,316	56,440	51,866	46,523	50,862	13,625
Amount	1,850,469	362,527	375,222	366,312	469,945	276,464
Contributions: Number	226,808	56,577	50,811	46,746	55,681	16,993
Amount	1,004,289	103,570	115,062	124,735	228,334	432,588
Taxable income: Number	681,098	395,007	125,963	74,654	67,098	18,376
Amount	30,663,568	5,440,904	5,016,886	4,487,196	6,522,823	9,195,757
Total tax credits [6]: Number	301,408	145,565	66,390	43,960	36,037	9,456
Amount	344,566	101,115	104,795	76,044	40,993	21,616
Residential energy tax credit: Number	32,818	9,039	9,161	6,890	6,515	1,213
Amount	6,495	1,626	1,768	1,373	1,413	313
Child tax credit: Number	164,652	69,356	46,258	29,848	19,176	14
Amount	226,127	61,464	79,796	55,416	29,434	16
Child and dependent care credit: Number	54,016	18,806	14,728	10,487	8,728	1,267
Amount	25,698	8,745	7,325	5,143	3,928	558
Earned income credit [7]: Number	123,144	123,144	0	0	0	0
Amount	224,630	224,630	0	0	0	0
Excess earned income credit (refundable) [8]: Number	106,755	106,755	0	0	0	0
Amount	200,172	200,172	0	0	0	0
Alternative minimum tax: Number	17,759	178	243	340	3,695	13,303
Amount	88,956	658	299	578	6,607	80,813
Income tax [9]: Number	611,364	332,477	119,501	74,005	67,000	18,381
Amount	5,148,196	559,044	583,398	564,581	1,090,691	2,350,482
Total tax liability [10]: Number	654,647	373,194	121,760	74,242	67,067	18,384
Amount	5,448,164	664,269	636,356	605,498	1,149,073	2,392,969
Tax due at time of filing [11]: Number	186,755	90,048	35,196	21,937	28,855	10,719
Amount	838,512	137,032	81,946	73,383	166,979	379,173
Overpayments refunded [12]: Number	631,147	452,784	88,026	50,575	34,930	4,832
Amount	1,305,360	728,775	218,506	152,581	132,061	73,438

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEVADA</b>						
<b>Number of returns</b>	<b>1,347,663</b>	<b>911,497</b>	<b>184,934</b>	<b>105,135</b>	<b>110,338</b>	<b>35,759</b>
Number of joint returns	459,074	169,275	97,523	75,463	89,269	27,544
Number with paid preparer's signature	755,514	485,919	109,242	62,204	69,041	29,108
Number of exemptions	2,672,608	1,588,706	430,773	268,649	293,504	90,976
<b>Adjusted gross income (AGI) [2]</b>	<b>80,656,994</b>	<b>17,109,146</b>	<b>11,346,816</b>	<b>9,071,542</b>	<b>14,559,857</b>	<b>28,569,633</b>
Salaries and wages in AGI [3]: Number	1,117,104	733,384	165,036	93,727	97,120	27,837
Amount	51,401,550	16,504,581	9,162,775	7,062,771	10,485,610	8,185,813
Taxable interest: Number	472,552	209,656	85,910	62,617	81,465	32,904
Amount	3,321,060	543,346	207,788	179,638	392,321	1,997,966
Ordinary dividends: Number	209,618	77,617	35,132	28,252	43,928	24,689
Amount	2,195,290	198,481	106,077	104,017	264,654	1,522,063
Business or profession net income (less loss): Number	172,333	97,998	25,372	17,026	22,126	9,811
Amount	1,846,677	311,494	202,817	172,440	408,088	751,838
Number of farm returns	3,940	1,563	638	459	723	557
Net capital gain (less loss) in AGI: Number	191,423	69,418	30,680	24,869	40,593	25,863
Amount	11,616,204	344,746	131,824	157,307	620,432	10,361,895
Taxable Individual Retirement Arrangements distributions: Number	79,029	34,637	15,010	11,188	13,406	4,788
Amount	1,273,631	256,857	183,914	192,690	367,740	272,429
Taxable pensions and annuities in AGI: Number	223,154	109,170	42,182	29,462	33,279	9,061
Amount	4,607,698	1,262,669	921,278	799,621	1,181,840	442,290
Unemployment compensation [4]: Number	71,652	47,502	12,860	6,417	4,416	457
Amount	272,281	184,088	46,799	22,634	16,574	2,186
Taxable Social Security benefits in AGI: Number	130,513	53,434	30,273	19,095	19,595	8,116
Amount	1,389,638	260,414	369,967	288,638	320,226	150,392
Self-employment retirement plans: Number	5,778	872	576	617	1,715	1,998
Amount	108,368	6,006	5,308	6,628	27,058	63,366
Total itemized deductions [5]: Number	481,352	176,758	106,699	74,912	91,499	31,484
Amount	14,944,542	3,633,003	2,406,462	1,937,665	2,973,455	3,993,954
State and local income taxes: Number	47,874	15,530	9,516	6,871	9,711	6,246
Amount	426,737	27,924	18,120	17,957	45,005	317,730
State and local general sales tax: Number	381,018	132,452	85,696	61,755	76,577	24,538
Amount	615,209	125,634	137,753	102,803	164,050	84,970
Real estate taxes: Number	410,496	132,913	92,336	68,511	86,587	30,149
Amount	1,186,516	268,536	188,541	198,317	268,832	262,290
Taxes paid: Number	475,765	172,518	105,778	74,609	91,334	31,526
Amount	2,841,405	873,782	386,785	354,775	531,892	694,170
Mortgage interest paid: Number	411,278	136,426	93,272	68,537	85,018	28,025
Amount	7,481,727	1,967,126	1,349,532	1,086,859	1,604,907	1,473,301
Contributions: Number	368,436	115,103	83,218	61,766	79,972	28,377
Amount	1,422,593	169,122	163,813	150,777	275,273	663,608
Taxable income: Number	1,016,065	583,929	182,235	104,494	109,877	35,530
Amount	56,251,209	8,182,650	6,899,799	5,980,584	10,420,512	24,767,663
Total tax credits [6]: Number	399,117	215,440	76,273	48,538	44,622	14,244
Amount	479,755	161,967	115,272	79,274	53,407	69,835
Residential energy tax credit: Number	23,636	5,203	5,768	4,937	6,308	1,420
Amount	6,496	1,228	1,533	1,331	1,869	535
Child tax credit: Number	254,578	133,642	59,564	35,939	25,417	16
Amount	303,017	109,458	95,211	62,177	36,160	11
Child and dependent care credit: Number	54,475	21,579	11,655	9,220	10,432	1,589
Amount	31,365	12,518	6,430	5,286	6,163	966
Earned income credit [7]: Number	192,465	192,465	0	0	0	0
Amount	351,437	351,437	0	0	0	0
Excess earned income credit (refundable) [8]: Number	169,279	169,279	0	0	0	0
Amount	313,348	313,348	0	0	0	0
Alternative minimum tax: Number	18,223	281	917	999	3,947	12,079
Amount	115,693	1,800	986	1,838	8,986	102,083
Income tax [9]: Number	887,292	469,828	169,792	102,605	109,546	35,521
Amount	10,630,491	854,375	886,801	830,459	1,813,749	6,245,107
Total tax liability [10]: Number	944,332	522,478	173,082	103,385	109,797	35,590
Amount	11,032,671	979,464	937,585	873,161	1,895,853	6,346,608
Tax due at time of filing [11]: Number	229,646	104,499	42,130	26,254	38,881	17,882
Amount	1,346,270	109,826	88,106	75,061	204,294	868,984
Overpayments refunded [12]: Number	1,000,598	707,475	139,279	76,175	66,466	11,203
Amount	2,749,493	1,382,188	431,631	287,877	330,181	317,617

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEW HAMPSHIRE</b>						
<b>Number of returns</b>	<b>723,686</b>	<b>454,028</b>	<b>100,211</b>	<b>67,204</b>	<b>79,486</b>	<b>22,757</b>
Number of joint returns	283,218	79,813	60,252	54,161	69,363	19,629
Number with paid preparer's signature	335,976	188,156	52,817	35,265	43,015	16,723
Number of exemptions	1,300,252	598,943	226,401	179,227	229,840	65,841
<b>Adjusted gross income (AGI) [2]</b>	<b>42,846,123</b>	<b>8,276,068</b>	<b>6,186,280</b>	<b>5,813,195</b>	<b>10,543,351</b>	<b>12,027,229</b>
Salaries and wages in AGI [3]: Number	583,526	341,729	89,451	61,014	72,140	19,192
Amount	29,979,259	6,862,507	4,854,648	4,581,521	8,062,756	5,617,826
Taxable interest: Number	372,724	159,670	67,109	53,077	70,835	22,033
Amount	1,165,480	225,167	115,516	103,132	210,066	511,600
Ordinary dividends: Number	186,744	69,587	30,505	26,417	42,315	17,920
Amount	1,203,922	129,396	90,218	92,313	244,074	647,920
Business or profession net income (less loss): Number	112,246	56,620	18,911	13,510	17,085	6,120
Amount	1,916,270	415,693	254,387	215,537	459,234	571,419
Number of farm returns	2,154	975	385	240	357	197
Net capital gain (less loss) in AGI: Number	153,299	53,618	23,414	20,924	37,575	17,768
Amount	4,366,211	144,226	107,926	133,837	460,819	3,519,403
Taxable Individual Retirement Arrangements distributions: Number	60,938	28,781	11,072	8,184	9,845	3,056
Amount	836,856	187,123	127,209	132,939	246,305	143,281
Taxable pensions and annuities in AGI: Number	124,557	62,690	22,095	15,856	18,780	5,136
Amount	2,196,611	650,464	420,811	365,570	552,474	207,294
Unemployment compensation [4]: Number	31,881	19,089	6,060	3,590	2,836	306
Amount	122,375	63,979	25,378	16,126	15,127	1,764
Taxable Social Security benefits in AGI: Number	76,942	32,196	17,853	11,144	11,505	4,244
Amount	860,474	157,752	228,603	182,173	206,357	85,588
Self-employment retirement plans: Number	7,958	1,198	959	1,007	2,704	2,090
Amount	121,802	7,416	7,172	9,752	40,602	56,860
Total itemized deductions [5]: Number	254,085	68,224	52,858	46,229	66,402	20,372
Amount	5,820,162	1,126,870	953,810	943,066	1,660,930	1,135,485
State and local income taxes: Number	106,579	17,492	19,155	20,009	35,574	14,349
Amount	455,289	21,740	38,492	54,339	143,672	197,046
State and local general sales tax: Number	3,383	1,029	619	574	898	263
Amount	2,675	555	430	409	758	523
Real estate taxes: Number	240,505	60,648	50,123	44,798	65,001	19,935
Amount	1,386,640	262,343	232,382	234,619	428,175	229,121
Taxes paid: Number	251,896	66,131	52,608	46,223	66,503	20,431
Amount	1,956,225	306,810	289,620	309,215	607,545	443,037
Mortgage interest paid: Number	222,208	54,391	47,265	42,695	60,806	17,051
Amount	2,611,537	511,659	481,778	477,340	772,503	368,257
Contributions: Number	192,505	40,530	38,286	36,578	58,110	19,001
Amount	655,389	47,516	55,226	62,196	145,752	344,699
Taxable income: Number	553,935	285,120	99,612	67,061	79,402	22,740
Amount	30,984,579	4,202,448	4,033,999	4,049,129	7,970,957	10,728,046
Total tax credits [6]: Number	224,113	85,360	45,899	38,015	42,471	12,368
Amount	256,777	60,031	62,958	60,248	44,231	29,310
Residential energy tax credit: Number	34,377	7,083	8,337	7,338	9,606	2,013
Amount	6,885	1,293	1,585	1,432	2,027	548
Child tax credit: Number	114,862	38,944	29,822	24,782	21,308	6
Amount	152,403	34,605	46,475	42,014	29,297	10
Child and dependent care credit: Number	31,144	7,950	6,457	6,573	8,676	1,488
Amount	15,956	3,981	3,235	3,444	4,489	806
Earned income credit [7]: Number	70,776	70,776	0	0	0	0
Amount	115,573	115,574	0	0	0	0
Excess earned income credit (refundable) [8]: Number	57,924	57,924	0	0	0	0
Amount	97,528	97,529	0	0	0	0
Alternative minimum tax: Number	15,866	116	218	349	3,652	11,531
Amount	74,409	414	314	556	7,645	65,480
Income tax [9]: Number	516,822	252,530	95,753	66,502	79,298	22,739
Amount	5,526,505	463,429	513,193	538,022	1,380,480	2,631,379
Total tax liability [10]: Number	545,883	279,623	97,391	66,745	79,377	22,747
Amount	5,855,336	556,159	564,362	581,931	1,461,020	2,691,864
Tax due at time of filing [11]: Number	136,278	56,585	22,839	15,741	28,744	12,369
Amount	641,733	63,532	49,611	44,551	134,175	349,863
Overpayments refunded [12]: Number	510,327	332,616	74,567	49,273	46,890	6,981
Amount	1,192,448	511,501	210,638	173,698	200,500	96,111

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEW JERSEY</b>						
<b>Number of returns</b>	<b>4,576,940</b>	<b>2,756,818</b>	<b>588,533</b>	<b>401,407</b>	<b>597,347</b>	<b>232,835</b>
Number of joint returns	1,629,725	423,733	248,867	261,864	491,191	204,070
Number with paid preparer's signature	2,873,214	1,633,529	390,111	269,911	402,415	177,248
Number of exemptions	8,610,232	3,956,015	1,216,723	993,063	1,717,376	727,055
<b>Adjusted gross income (AGI) [2]</b>	<b>329,024,354</b>	<b>49,487,353</b>	<b>36,241,036</b>	<b>34,827,056</b>	<b>80,959,132</b>	<b>127,509,777</b>
Salaries and wages in AGI [3]: Number	3,647,856	2,016,864	514,596	357,843	548,765	209,788
Amount	233,512,964	41,741,569	28,298,547	27,048,329	63,822,445	72,602,074
Taxable interest: Number	2,366,102	972,902	372,242	298,451	502,431	220,076
Amount	9,972,697	1,732,673	941,349	882,294	1,889,674	4,526,707
Ordinary dividends: Number	1,326,527	453,965	185,863	167,192	331,647	187,860
Amount	8,538,733	884,621	571,670	590,958	1,594,457	4,897,025
Business or profession net income (less loss): Number	605,703	297,248	77,252	63,145	113,215	54,843
Amount	10,940,584	2,136,809	936,560	887,045	2,479,909	4,500,260
Number of farm returns	9,395	2,909	1,358	1,291	2,275	1,562
Net capital gain (less loss) in AGI: Number	1,076,601	351,492	141,179	129,958	275,451	178,521
Amount	26,107,689	849,485	434,960	543,386	2,182,831	22,097,027
Taxable Individual Retirement Arrangements distributions: Number	354,960	154,694	61,901	47,957	66,783	23,625
Amount	4,991,495	972,738	699,953	724,261	1,517,986	1,076,556
Taxable pensions and annuities in AGI: Number	777,902	369,608	130,091	98,285	137,800	42,118
Amount	15,060,507	3,885,838	2,641,715	2,470,330	4,327,206	1,735,416
Unemployment compensation [4]: Number	326,596	199,551	47,749	32,873	38,557	7,866
Amount	1,724,457	986,143	278,352	186,100	222,751	51,110
Taxable Social Security benefits in AGI: Number	504,303	192,629	112,043	77,546	91,186	30,899
Amount	6,509,440	1,008,354	1,662,661	1,371,967	1,789,518	676,939
Self-employment retirement plans: Number	49,409	3,946	3,628	4,357	15,372	22,106
Amount	1,011,392	26,426	32,027	46,262	225,872	680,806
Total itemized deductions [5]: Number	1,958,672	512,656	356,433	311,090	549,294	229,199
Amount	60,974,956	10,236,502	7,347,280	7,341,922	16,730,945	19,318,305
State and local income taxes: Number	1,630,296	303,719	296,414	278,244	526,560	225,359
Amount	14,747,099	1,023,941	639,603	882,673	3,111,239	9,089,644
State and local general sales tax: Number	299,030	182,609	58,084	32,250	22,351	3,736
Amount	306,730	125,698	69,820	50,332	46,414	14,465
Real estate taxes: Number	1,730,518	404,826	306,150	283,385	517,276	218,881
Amount	12,946,474	2,197,537	1,747,898	1,815,147	4,135,703	3,050,189
Taxes paid: Number	1,957,949	510,451	356,997	311,560	549,665	229,276
Amount	31,957,063	5,664,817	2,506,771	2,791,640	7,990,854	13,002,981
Mortgage interest paid: Number	1,513,184	323,198	270,154	255,835	469,469	194,528
Amount	20,722,297	3,528,864	3,021,079	2,957,672	6,440,535	4,774,146
Contributions: Number	1,652,791	357,427	300,818	274,741	503,327	216,478
Amount	5,868,829	567,933	597,615	615,018	1,432,899	2,655,364
Taxable income: Number	3,488,679	1,678,372	581,796	399,715	596,266	232,530
Amount	235,491,187	23,753,356	23,179,108	23,352,253	57,997,484	107,208,986
Total tax credits [6]: Number	1,420,025	573,857	233,795	201,060	293,799	117,514
Amount	1,635,185	452,816	310,556	308,312	289,859	273,642
Residential energy tax credit: Number	173,629	28,014	34,111	33,600	60,602	17,302
Amount	41,051	5,963	7,669	7,772	14,721	4,925
Child tax credit: Number	716,454	286,068	152,628	130,613	147,043	102
Amount	863,218	235,305	222,778	211,042	194,008	85
Child and dependent care credit: Number	228,505	69,922	34,161	31,719	69,562	23,141
Amount	134,280	43,266	19,466	18,075	40,444	13,029
Earned income credit [7]: Number	531,751	531,751	0	0	0	0
Amount	1,007,495	1,007,495	0	0	0	0
Excess earned income credit (refundable) [8]: Number	457,253	457,253	0	0	0	0
Amount	870,458	870,458	0	0	0	0
Alternative minimum tax: Number	276,751	1,167	2,849	6,963	79,350	186,422
Amount	1,556,051	5,391	3,386	9,164	145,184	1,392,925
Income tax [9]: Number	3,188,094	1,412,293	554,085	393,814	595,249	232,653
Amount	48,589,132	2,522,640	3,147,641	3,319,117	10,287,355	29,312,378
Total tax liability [10]: Number	3,385,873	1,595,826	564,622	396,567	596,140	232,718
Amount	50,581,579	2,982,522	3,348,942	3,506,711	10,741,654	30,001,750
Tax due at time of filing [11]: Number	906,714	373,593	132,193	93,020	185,535	122,373
Amount	4,591,104	352,028	305,855	250,809	806,043	2,876,371
Overpayments refunded [12]: Number	3,183,637	1,984,230	440,835	295,623	385,372	77,577
Amount	9,072,179	3,616,574	1,359,428	1,168,800	1,895,952	1,031,426

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEW MEXICO</b>						
<b>Number of returns</b>	<b>980,234</b>	<b>719,183</b>	<b>112,179</b>	<b>63,897</b>	<b>66,476</b>	<b>18,499</b>
Number of joint returns	341,416	154,074	66,843	49,305	55,858	15,336
Number with paid preparer's signature	498,672	353,625	60,377	33,737	36,675	14,258
Number of exemptions	1,890,896	1,231,763	268,423	166,763	177,029	46,918
<b>Adjusted gross income (AGI) [2]</b>	<b>42,803,279</b>	<b>12,414,706</b>	<b>6,883,320</b>	<b>5,510,396</b>	<b>8,779,799</b>	<b>9,215,058</b>
Salaries and wages in AGI [3]: Number	766,644	542,291	96,901	55,473	57,429	14,550
Amount	28,876,177	10,574,619	5,247,554	4,085,272	5,940,934	3,027,798
Taxable interest: Number	365,142	186,241	61,569	44,121	55,479	17,732
Amount	1,124,026	274,401	136,207	112,524	220,367	380,526
Ordinary dividends: Number	159,134	64,327	26,633	21,386	32,869	13,919
Amount	988,745	130,318	84,073	83,722	207,855	482,777
Business or profession net income (less loss): Number	138,279	86,462	18,809	12,477	14,952	5,579
Amount	1,328,921	374,408	153,946	135,804	303,971	360,792
Number of farm returns	15,202	8,356	2,451	1,658	1,900	837
Net capital gain (less loss) in AGI: Number	140,000	54,825	22,734	18,504	29,923	14,014
Amount	3,374,880	176,553	126,412	142,355	478,821	2,450,741
Taxable Individual Retirement Arrangements distributions: Number	57,966	27,522	10,868	7,615	9,069	2,892
Amount	756,069	179,915	119,224	115,000	215,514	126,416
Taxable pensions and annuities in AGI: Number	174,567	95,912	30,395	19,880	22,816	5,564
Amount	3,625,272	1,184,966	710,989	566,493	866,371	296,453
Unemployment compensation [4]: Number	30,947	23,857	3,760	1,840	1,329	161
Amount	116,353	88,604	14,202	7,443	5,393	712
Taxable Social Security benefits in AGI: Number	92,666	40,269	21,324	12,859	13,589	4,625
Amount	967,603	185,324	260,656	200,427	232,793	88,402
Self-employment retirement plans: Number	5,082	896	622	584	1,652	1,328
Amount	80,206	5,167	5,519	6,247	24,579	38,695
Total itemized deductions [5]: Number	249,766	84,531	53,423	40,516	54,129	17,167
Amount	5,423,240	1,286,901	933,574	808,214	1,356,979	1,037,571
State and local income taxes: Number	207,393	54,936	46,715	37,643	51,673	16,426
Amount	935,622	71,067	103,884	120,150	279,450	361,068
State and local general sales tax: Number	37,089	24,822	6,373	2,762	2,393	739
Amount	55,082	24,814	10,652	6,338	8,120	5,158
Real estate taxes: Number	217,740	67,239	46,666	36,950	50,762	16,123
Amount	396,587	89,958	67,944	61,059	111,254	66,373
Taxes paid: Number	249,409	83,784	53,575	40,623	54,228	17,199
Amount	1,415,561	193,243	187,891	191,579	404,467	438,381
Mortgage interest paid: Number	212,956	67,936	46,860	36,542	47,972	13,646
Amount	2,337,171	602,412	448,736	386,017	596,000	304,006
Contributions: Number	189,400	52,658	40,420	33,069	47,480	15,773
Amount	750,269	93,904	96,951	98,294	196,794	264,326
Taxable income: Number	671,708	411,408	111,655	63,779	66,384	18,482
Amount	28,546,516	5,397,622	4,497,075	3,897,664	6,693,478	8,060,677
Total tax credits [6]: Number	282,881	161,967	51,250	31,749	29,316	8,599
Amount	292,259	113,409	76,348	48,886	30,670	22,945
Residential energy tax credit: Number	22,598	6,806	5,609	4,242	4,913	1,028
Amount	5,971	1,585	1,381	1,144	1,421	440
Child tax credit: Number	173,398	99,995	37,574	21,739	14,087	3
Amount	204,043	83,038	62,942	37,962	20,096	6
Child and dependent care credit: Number	28,640	11,984	6,403	4,624	4,814	815
Amount	13,702	5,365	3,115	2,367	2,434	421
Earned income credit [7]: Number	210,318	210,318	0	0	0	0
Amount	413,508	413,508	0	0	0	0
Excess earned income credit (refundable) [8]: Number	188,049	188,049	0	0	0	0
Amount	373,147	373,146	0	0	0	0
Alternative minimum tax: Number	13,140	201	445	514	2,398	9,582
Amount	61,406	950	586	926	5,821	53,123
Income tax [9]: Number	584,838	329,764	107,010	63,295	66,295	18,474
Amount	4,758,505	541,527	565,210	534,725	1,169,427	1,947,615
Total tax liability [10]: Number	636,457	379,810	108,308	63,501	66,359	18,479
Amount	5,036,588	644,652	603,107	566,214	1,227,064	1,995,551
Tax due at time of filing [11]: Number	173,699	84,357	30,791	19,287	29,184	10,080
Amount	679,170	78,774	62,216	53,146	145,010	340,024
Overpayments refunded [12]: Number	691,895	533,058	78,403	42,267	33,249	4,918
Amount	1,540,265	994,412	202,637	130,895	134,966	77,357

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NEW YORK</b>						
<b>Number of returns</b>	<b>9,919,336</b>	<b>6,652,605</b>	<b>1,227,095</b>	<b>742,000</b>	<b>922,371</b>	<b>375,265</b>
Number of joint returns	3,048,833	1,091,652	518,051	458,363	691,455	289,312
Number with paid preparer's signature	6,241,269	3,916,436	832,971	518,219	665,873	307,770
Number of exemptions	17,938,512	10,113,121	2,537,643	1,783,002	2,470,757	1,033,989
<b>Adjusted gross income (AGI) [2]</b>	<b>676,036,186</b>	<b>115,214,986</b>	<b>75,393,527</b>	<b>64,129,667</b>	<b>123,734,110</b>	<b>297,563,895</b>
Salaries and wages in AGI [3]: Number	7,635,246	4,731,605	1,087,171	662,535	831,261	322,674
Amount	434,170,304	99,265,441	59,827,149	49,645,544	93,041,978	132,390,192
Taxable interest: Number	4,854,383	2,245,879	826,904	593,921	824,966	362,713
Amount	26,803,637	3,832,644	1,728,281	1,520,709	3,175,057	16,546,945
Ordinary dividends: Number	2,395,306	921,234	371,036	301,464	500,937	300,635
Amount	21,718,974	1,830,126	1,042,519	1,033,464	2,659,807	15,153,058
Business or profession net income (less loss): Number	1,545,058	970,861	171,228	121,734	185,360	95,875
Amount	23,253,228	6,737,303	1,674,457	1,469,956	3,962,988	9,408,525
Number of farm returns	29,553	16,689	5,072	3,182	3,176	1,434
Net capital gain (less loss) in AGI: Number	1,960,198	720,807	287,424	237,907	424,639	289,421
Amount	91,076,185	2,320,793	984,956	1,160,136	4,059,395	82,550,905
Taxable Individual Retirement Arrangements distributions: Number	686,395	329,709	118,838	84,466	109,537	43,845
Amount	9,275,867	2,012,979	1,303,270	1,252,050	2,458,554	2,249,014
Taxable pensions and annuities in AGI: Number	1,637,947	858,441	275,265	190,755	240,327	73,159
Amount	33,164,563	9,431,212	5,873,604	5,231,471	8,926,812	3,701,464
Unemployment compensation [4]: Number	468,195	306,863	69,437	41,419	42,412	8,064
Amount	1,921,854	1,209,535	303,564	178,960	188,682	41,113
Taxable Social Security benefits in AGI: Number	978,242	403,279	216,050	138,683	158,556	61,674
Amount	12,023,476	2,087,414	3,005,848	2,434,791	3,109,051	1,386,372
Self-employment retirement plans: Number	100,548	10,706	8,430	8,724	28,007	44,681
Amount	2,252,743	73,598	78,086	94,888	432,189	1,573,984
Total itemized deductions [5]: Number	3,525,871	997,919	730,262	577,392	851,088	369,210
Amount	115,144,959	16,871,487	13,493,026	12,818,976	25,501,606	46,459,863
State and local income taxes: Number	3,111,394	746,630	659,576	536,081	811,017	358,090
Amount	40,285,929	2,580,496	2,574,508	2,917,259	7,124,160	25,089,507
State and local general sales tax: Number	372,654	215,407	67,551	40,084	38,934	10,678
Amount	476,958	199,262	88,473	65,729	83,356	40,136
Real estate taxes: Number	2,593,116	1,160,366	501,120	449,804	716,603	315,223
Amount	16,872,803	2,668,790	2,288,641	2,371,962	4,946,564	4,596,845
Taxes paid: Number	3,525,863	994,820	731,772	578,354	851,659	369,258
Amount	58,828,401	6,228,356	5,020,927	5,410,067	12,249,431	29,919,620
Mortgage interest paid: Number	2,346,970	541,195	456,691	411,895	648,839	288,350
Amount	31,951,831	5,916,587	4,271,430	4,146,438	8,100,238	9,517,137
Contributions: Number	3,006,477	730,353	626,583	514,016	786,689	348,836
Amount	17,153,854	1,372,508	1,375,873	1,239,584	2,492,201	10,673,688
Taxable income: Number	7,132,860	3,883,405	1,215,705	739,068	920,243	374,439
Amount	490,845,806	55,685,779	49,236,135	43,864,460	89,249,193	252,810,238
Total tax credits [6]: Number	2,816,185	1,363,181	482,504	353,609	423,643	193,248
Amount	3,916,915	1,079,298	663,295	537,680	424,139	1,212,503
Residential energy tax credit: Number	294,131	66,728	67,263	58,491	82,107	19,542
Amount	66,229	12,788	14,037	12,826	19,801	6,779
Child tax credit: Number	1,389,387	641,357	319,072	225,699	203,100	159
Amount	1,656,341	535,197	476,952	366,478	277,549	166
Child and dependent care credit: Number	495,953	243,753	79,204	56,146	88,276	28,574
Amount	301,405	153,710	47,631	32,034	50,774	17,258
Earned income credit [7]: Number	1,626,782	1,626,782	0	0	0	0
Amount	3,142,063	3,142,063	0	0	0	0
Excess earned income credit (refundable) [8]: Number	1,369,431	1,369,431	0	0	0	0
Amount	2,623,278	2,623,279	0	0	0	0
Alternative minimum tax: Number	497,746	2,556	9,450	20,910	167,230	297,600
Amount	3,565,481	14,539	10,756	29,072	334,224	3,176,890
Income tax [9]: Number	6,433,762	3,245,048	1,166,145	729,287	918,517	374,765
Amount	104,833,429	5,871,303	6,681,172	6,365,886	16,166,467	69,748,601
Total tax liability [10]: Number	7,097,685	3,886,347	1,182,976	733,408	919,980	374,974
Amount	109,177,862	7,160,391	7,048,854	6,682,065	16,885,098	71,401,455
Tax due at time of filing [11]: Number	1,873,316	916,103	278,780	178,796	304,380	195,257
Amount	9,266,554	866,702	575,644	495,110	1,433,305	5,895,791
Overpayments refunded [12]: Number	6,861,276	4,728,354	918,302	538,988	568,706	106,926
Amount	18,976,827	9,342,658	2,727,328	2,028,173	2,722,134	2,156,533

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NORTH CAROLINA</b>						
<b>Number of returns</b>	<b>4,601,888</b>	<b>3,286,721</b>	<b>540,440</b>	<b>321,026</b>	<b>343,424</b>	<b>110,277</b>
Number of joint returns	1,710,243	697,719	350,411	264,346	300,532	97,235
Number with paid preparer's signature	2,569,419	1,769,764	322,916	187,886	203,351	85,502
Number of exemptions	9,080,657	5,658,402	1,290,034	850,252	960,690	321,279
<b>Adjusted gross income (AGI) [2]</b>	<b>219,982,102</b>	<b>58,204,843</b>	<b>33,211,288</b>	<b>27,712,197</b>	<b>45,532,348</b>	<b>55,321,427</b>
Salaries and wages in AGI [3]: Number	3,623,603	2,457,923	479,686	286,056	305,742	94,196
Amount	154,463,752	49,590,177	25,768,598	21,012,509	32,946,677	25,145,791
Taxable interest: Number	1,787,456	852,364	314,313	229,800	286,064	104,915
Amount	5,610,044	1,290,391	648,827	562,838	1,026,728	2,081,260
Ordinary dividends: Number	854,875	324,949	140,640	117,220	184,544	87,522
Amount	5,319,834	609,649	419,477	432,763	1,112,935	2,745,011
Business or profession net income (less loss): Number	686,013	419,593	98,773	63,760	74,445	29,442
Amount	6,311,695	1,630,460	808,521	672,780	1,408,121	1,791,813
Number of farm returns	50,015	25,012	9,117	6,239	6,676	2,971
Net capital gain (less loss) in AGI: Number	736,189	272,965	115,529	97,854	163,217	86,624
Amount	16,139,980	834,152	540,414	625,594	2,145,619	11,994,201
Taxable Individual Retirement Arrangements distributions: Number	333,600	165,734	61,014	43,466	48,669	14,717
Amount	4,367,137	1,098,224	710,386	696,455	1,217,495	644,577
Taxable pensions and annuities in AGI: Number	791,536	428,291	142,641	95,229	100,328	25,047
Amount	13,980,054	4,493,593	2,796,550	2,375,131	3,265,175	1,049,605
Unemployment compensation [4]: Number	217,976	163,517	30,961	13,510	8,942	1,046
Amount	822,870	585,408	128,022	60,589	43,014	5,835
Taxable Social Security benefits in AGI: Number	437,584	194,822	100,874	60,921	60,715	20,252
Amount	4,966,913	1,038,746	1,324,133	1,035,894	1,129,512	438,629
Self-employment retirement plans: Number	26,346	3,177	2,563	2,726	8,121	9,759
Amount	439,341	16,388	19,556	24,311	109,998	269,088
Total itemized deductions [5]: Number	1,553,622	535,791	334,529	257,106	318,204	107,992
Amount	35,697,046	7,128,760	5,929,935	5,314,136	8,896,447	8,427,768
State and local income taxes: Number	1,389,994	415,684	312,491	246,173	309,749	105,897
Amount	9,693,651	1,002,754	1,251,258	1,191,434	2,564,951	3,683,254
State and local general sales tax: Number	139,475	98,507	20,497	10,350	8,082	2,039
Amount	155,322	87,577	24,320	15,535	17,715	10,176
Real estate taxes: Number	1,378,563	429,362	302,419	240,522	302,861	103,399
Amount	3,042,495	657,745	496,766	459,703	819,397	608,882
Taxes paid: Number	1,554,539	535,080	335,368	257,535	318,494	108,062
Amount	13,349,211	1,895,975	1,845,147	1,733,262	3,506,426	4,368,401
Mortgage interest paid: Number	1,315,039	413,115	293,529	231,646	284,619	92,130
Amount	13,760,635	3,273,570	2,458,533	2,178,350	3,420,198	2,429,984
Contributions: Number	1,298,856	394,224	280,485	226,353	294,350	103,444
Amount	5,885,180	947,905	847,639	795,385	1,369,405	1,924,848
Taxable income: Number	3,180,464	1,869,899	537,356	320,226	342,863	110,120
Amount	143,840,131	24,574,481	20,958,104	18,853,629	33,152,795	46,301,122
Total tax credits [6]: Number	1,381,418	745,180	246,571	168,030	165,765	55,872
Amount	1,453,971	518,170	355,344	262,164	173,003	145,291
Residential energy tax credit: Number	111,757	31,086	27,879	21,342	25,260	6,190
Amount	25,552	6,624	6,225	4,815	6,053	1,834
Child tax credit: Number	813,005	436,314	175,816	115,494	85,350	31
Amount	923,835	345,254	274,290	189,801	114,463	27
Child and dependent care credit: Number	221,528	89,391	47,019	37,246	39,525	8,347
Amount	110,969	44,352	23,300	19,254	19,886	4,178
Earned income credit [7]: Number	860,966	860,966	0	0	0	0
Amount	1,761,511	1,761,510	0	0	0	0
Excess earned income credit (refundable) [8]: Number	767,173	767,173	0	0	0	0
Amount	1,575,190	1,575,190	0	0	0	0
Alternative minimum tax: Number	104,844	796	1,610	1,997	19,659	80,782
Amount	600,222	2,036	2,229	4,057	42,205	549,697
Income tax [9]: Number	2,768,267	1,483,518	514,725	317,567	342,290	110,167
Amount	24,970,720	2,457,595	2,566,925	2,480,138	5,649,869	11,816,192
Total tax liability [10]: Number	3,014,129	1,719,945	522,464	318,799	342,696	110,225
Amount	26,427,095	2,977,707	2,771,852	2,644,290	5,938,254	12,094,991
Tax due at time of filing [11]: Number	831,290	385,674	148,755	95,124	141,064	60,673
Amount	3,337,349	392,167	296,609	254,207	679,522	1,714,844
Overpayments refunded [12]: Number	3,210,102	2,392,796	380,583	216,972	186,670	33,081
Amount	7,417,814	4,554,796	961,490	664,375	782,560	454,594

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>NORTH DAKOTA</b>						
<b>Number of returns</b>	<b>343,631</b>	<b>237,837</b>	<b>48,212</b>	<b>28,859</b>	<b>22,426</b>	<b>6,297</b>
Number of joint returns	137,428	50,633	35,688	25,409	20,169	5,529
Number with paid preparer's signature	200,920	127,427	32,320	19,450	16,185	5,538
Number of exemptions	619,183	332,162	122,512	82,143	64,646	17,720
<b>Adjusted gross income (AGI) [2]</b>	<b>15,748,754</b>	<b>4,209,736</b>	<b>2,977,814</b>	<b>2,479,637</b>	<b>2,906,991</b>	<b>3,174,576</b>
Salaries and wages in AGI [3]: Number	276,755	183,267	42,663	25,939	19,573	5,313
Amount	10,526,404	3,498,152	2,240,306	1,840,335	1,855,390	1,092,221
Taxable interest: Number	172,637	92,018	32,172	22,548	19,793	6,106
Amount	506,670	151,170	73,660	57,215	84,543	140,082
Ordinary dividends: Number	78,046	34,799	14,412	11,515	12,448	4,872
Amount	274,880	46,829	31,913	31,294	60,810	104,035
Business or profession net income (less loss): Number	49,411	26,903	9,476	5,898	5,251	1,883
Amount	532,668	143,555	86,949	65,132	113,326	123,705
Number of farm returns	29,071	16,026	5,337	3,504	3,226	978
Net capital gain (less loss) in AGI: Number	74,407	34,046	13,232	10,347	11,798	4,984
Amount	1,001,309	103,146	67,743	72,552	171,392	586,476
Taxable Individual Retirement Arrangements distributions: Number	27,158	15,005	5,292	3,227	2,897	737
Amount	259,633	79,742	50,194	44,166	59,269	26,263
Taxable pensions and annuities in AGI: Number	50,804	28,481	9,952	6,177	5,003	1,191
Amount	712,775	263,369	165,086	120,706	127,314	36,300
Unemployment compensation [4]: Number	13,983	8,736	3,223	1,414	581	29
Amount	42,334	25,024	10,419	4,676	2,102	114
Taxable Social Security benefits in AGI: Number	37,414	17,906	9,124	4,895	4,216	1,273
Amount	375,673	84,173	115,241	77,557	73,896	24,806
Self-employment retirement plans: Number	2,685	359	374	486	911	555
Amount	37,529	1,918	3,055	4,888	13,198	14,469
Total itemized deductions [5]: Number	66,099	20,326	14,207	12,307	13,985	5,274
Amount	1,357,472	288,746	229,611	213,219	323,540	302,356
State and local income taxes: Number	50,319	10,756	11,003	10,624	12,879	5,057
Amount	205,187	9,567	15,345	20,387	46,341	113,546
State and local general sales tax: Number	15,182	8,896	3,214	1,731	1,118	223
Amount	21,274	5,978	9,751	2,757	2,287	500
Real estate taxes: Number	55,928	14,840	12,114	11,274	12,899	4,801
Amount	189,567	34,311	33,781	36,891	53,177	31,405
Taxes paid: Number	66,163	20,169	14,298	12,388	14,023	5,285
Amount	420,578	50,799	59,673	60,813	102,857	146,438
Mortgage interest paid: Number	50,351	12,386	11,299	10,701	12,015	3,950
Amount	425,026	75,441	82,039	85,612	106,474	75,461
Contributions: Number	50,949	12,820	10,369	10,078	12,696	4,986
Amount	219,895	25,907	26,242	27,825	53,297	86,625
Taxable income: Number	259,583	153,969	48,074	28,840	22,409	6,291
Amount	11,066,229	2,133,946	1,998,982	1,812,202	2,296,794	2,824,306
Total tax credits [6]: Number	107,646	52,031	24,683	16,587	11,288	3,057
Amount	123,302	35,221	39,549	29,102	13,225	6,205
Residential energy tax credit: Number	11,874	3,542	3,481	2,564	1,945	342
Amount	2,228	601	635	492	407	93
Child tax credit: Number	55,290	21,468	16,918	11,008	5,892	4
Amount	77,164	19,229	28,890	20,058	8,984	3
Child and dependent care credit: Number	18,319	5,821	5,653	3,891	2,542	412
Amount	8,748	2,741	2,843	1,869	1,107	188
Earned income credit [7]: Number	41,538	41,538	0	0	0	0
Amount	71,975	71,973	0	0	0	0
Excess earned income credit (refundable) [8]: Number	35,515	35,515	0	0	0	0
Amount	63,983	63,984	0	0	0	0
Alternative minimum tax: Number	4,047	56	109	129	630	3,123
Amount	16,412	161	131	188	1,355	14,577
Income tax [9]: Number	236,798	133,113	46,308	28,694	22,390	6,293
Amount	1,809,168	224,260	236,209	232,032	390,553	726,114
Total tax liability [10]: Number	253,005	148,477	47,079	28,753	22,402	6,294
Amount	1,960,340	270,128	263,872	255,668	425,023	745,649
Tax due at time of filing [11]: Number	81,041	39,087	15,975	10,192	11,860	3,927
Amount	391,278	46,135	44,124	43,327	93,703	163,990
Overpayments refunded [12]: Number	225,833	166,113	30,989	17,793	9,422	1,516
Amount	431,434	247,417	74,063	50,617	35,306	24,031

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OHIO</b>						
<b>Number of returns</b>	<b>6,119,067</b>	<b>4,321,727</b>	<b>806,942</b>	<b>459,079</b>	<b>415,240</b>	<b>116,079</b>
Number of joint returns	2,047,428	803,705	449,230	351,562	344,294	98,637
Number with paid preparer's signature	3,064,314	2,037,618	456,434	252,493	229,064	88,705
Number of exemptions	11,080,003	6,462,775	1,853,114	1,227,379	1,194,389	342,346
<b>Adjusted gross income (AGI) [2]</b>	<b>282,438,548</b>	<b>79,606,250</b>	<b>49,513,034</b>	<b>39,563,294</b>	<b>54,208,729</b>	<b>59,547,241</b>
Salaries and wages in AGI [3]: Number	4,842,530	3,226,856	721,623	417,826	375,649	100,576
Amount	202,481,984	64,523,477	38,911,416	31,118,433	40,271,431	27,657,227
Taxable interest: Number	2,508,254	1,278,664	463,326	317,800	338,358	110,106
Amount	6,899,979	1,947,358	943,492	733,192	1,168,545	2,107,392
Ordinary dividends: Number	1,323,889	575,645	242,044	182,003	229,674	94,523
Amount	6,980,484	905,657	622,157	593,711	1,337,745	3,521,214
Business or profession net income (less loss): Number	751,670	434,693	122,797	79,128	83,380	31,672
Amount	8,307,648	2,322,507	1,046,170	880,516	1,788,636	2,269,820
Number of farm returns	74,832	39,481	14,979	9,582	8,139	2,651
Net capital gain (less loss) in AGI: Number	1,027,935	425,192	180,802	139,359	192,081	90,501
Amount	16,195,997	964,616	710,162	805,874	2,172,559	11,542,785
Taxable Individual Retirement Arrangements distributions: Number	497,105	276,188	91,214	57,364	56,431	15,908
Amount	6,091,853	1,765,088	1,087,573	958,647	1,470,958	809,587
Taxable pensions and annuities in AGI: Number	1,204,219	739,029	204,206	122,234	112,408	26,342
Amount	20,643,745	8,575,760	4,312,773	3,033,026	3,612,869	1,109,319
Unemployment compensation [4]: Number	274,956	188,650	47,737	23,567	13,783	1,219
Amount	1,013,913	686,396	181,353	88,325	52,060	5,778
Taxable Social Security benefits in AGI: Number	587,152	298,237	133,473	71,858	63,212	20,372
Amount	5,990,038	1,413,832	1,657,814	1,120,944	1,380,886	416,560
Self-employment retirement plans: Number	35,548	4,549	4,019	4,340	11,313	11,327
Amount	566,811	24,479	29,418	39,476	159,370	314,068
Total itemized deductions [5]: Number	1,933,424	644,459	463,834	340,624	371,351	113,156
Amount	39,853,268	8,583,108	7,260,082	6,407,230	9,356,392	8,246,456
State and local income taxes: Number	1,784,312	527,560	445,490	333,369	365,986	111,907
Amount	10,688,838	1,061,999	1,416,780	1,510,433	2,758,417	3,941,209
State and local general sales tax: Number	130,200	98,488	17,932	7,309	5,264	1,207
Amount	189,519	115,482	27,419	27,569	13,601	5,449
Real estate taxes: Number	1,723,618	527,491	417,032	319,209	351,902	107,984
Amount	5,308,003	1,132,940	1,013,329	916,935	1,376,779	868,020
Taxes paid: Number	1,933,674	642,341	465,039	341,353	371,731	113,210
Amount	16,399,566	2,415,513	2,481,539	2,474,719	4,179,503	4,848,292
Mortgage interest paid: Number	1,646,429	512,177	406,575	308,156	327,149	92,372
Amount	14,241,470	3,437,917	3,069,142	2,626,104	3,331,885	1,776,423
Contributions: Number	1,497,458	412,049	357,721	285,143	335,094	107,451
Amount	5,284,771	693,270	749,601	709,515	1,200,778	1,931,608
Taxable income: Number	4,437,395	2,644,145	804,168	458,407	414,763	115,912
Amount	190,444,465	38,577,737	32,790,668	27,805,332	40,402,216	50,868,512
Total tax credits [6]: Number	1,771,065	881,949	370,883	247,298	210,893	60,042
Amount	1,945,064	644,395	536,295	404,127	230,600	129,647
Residential energy tax credit: Number	217,899	68,819	57,619	41,594	41,351	8,516
Amount	43,902	12,915	11,411	8,370	8,972	2,235
Child tax credit: Number	1,008,436	479,617	255,091	162,133	111,540	55
Amount	1,297,093	433,861	411,698	285,421	166,071	44
Child and dependent care credit: Number	175,910	59,894	38,561	34,596	36,700	6,159
Amount	86,262	27,981	18,123	17,722	19,265	3,170
Earned income credit [7]: Number	888,325	888,325	0	0	0	0
Amount	1,697,471	1,697,471	0	0	0	0
Excess earned income credit (refundable) [8]: Number	784,389	784,389	0	0	0	0
Amount	1,517,454	1,517,454	0	0	0	0
Alternative minimum tax: Number	139,766	1,109	3,968	6,068	39,679	88,942
Amount	724,176	3,298	3,818	6,979	74,434	635,647
Income tax [9]: Number	4,041,170	2,281,266	774,702	455,016	414,230	115,956
Amount	32,352,520	4,144,711	4,209,247	3,770,683	7,026,404	13,201,474
Total tax liability [10]: Number	4,286,170	2,514,924	784,281	456,344	414,616	116,005
Amount	34,015,291	4,699,472	4,456,734	3,977,065	7,378,093	13,503,929
Tax due at time of filing [11]: Number	1,026,042	514,719	187,542	112,382	150,561	60,838
Amount	3,346,853	449,343	353,103	293,755	695,449	1,555,202
Overpayments refunded [12]: Number	4,378,817	3,167,054	600,860	333,390	243,280	34,233
Amount	9,527,337	5,305,143	1,624,547	1,113,879	1,028,444	455,324

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OKLAHOMA</b>						
<b>Number of returns</b>	<b>1,772,353</b>	<b>1,286,536</b>	<b>216,674</b>	<b>120,967</b>	<b>113,281</b>	<b>34,895</b>
Number of joint returns	719,116	335,627	151,692	102,171	99,654	29,972
Number with paid preparer's signature	995,514	681,616	135,843	75,205	73,877	28,973
Number of exemptions	3,484,215	2,200,016	545,513	329,158	313,109	96,419
<b>Adjusted gross income (AGI) [2]</b>	<b>82,316,851</b>	<b>22,076,887</b>	<b>13,303,456</b>	<b>10,420,301</b>	<b>14,819,310</b>	<b>21,696,896</b>
Salaries and wages in AGI [3]: Number	1,367,534	941,190	190,820	107,416	99,247	28,861
Amount	54,686,629	18,870,974	10,432,795	7,957,513	10,271,435	7,153,912
Taxable interest: Number	673,194	343,660	119,376	83,797	93,367	32,994
Amount	2,312,965	555,914	250,563	204,285	353,157	949,046
Ordinary dividends: Number	270,575	112,075	46,596	36,445	50,507	24,952
Amount	1,533,713	180,218	104,948	104,641	247,082	896,824
Business or profession net income (less loss): Number	281,813	170,713	42,447	26,641	29,135	12,877
Amount	2,832,184	831,503	325,600	264,701	570,214	840,166
Number of farm returns	83,570	44,672	15,654	9,864	9,518	3,862
Net capital gain (less loss) in AGI: Number	239,334	97,359	39,669	31,263	45,923	25,120
Amount	7,174,612	305,138	179,939	202,936	595,982	5,890,618
Taxable Individual Retirement Arrangements distributions: Number	117,986	60,829	21,839	14,917	15,757	4,644
Amount	1,504,525	400,822	259,187	244,567	403,492	196,457
Taxable pensions and annuities in AGI: Number	306,203	176,616	54,001	34,265	33,660	7,661
Amount	5,158,067	2,011,364	1,065,938	799,580	987,453	293,732
Unemployment compensation [4]: Number	47,021	35,039	6,726	2,958	2,112	186
Amount	157,972	115,431	23,168	10,694	7,911	769
Taxable Social Security benefits in AGI: Number	179,136	84,828	41,104	23,414	22,156	7,634
Amount	1,850,065	401,761	517,150	381,716	396,201	153,236
Self-employment retirement plans: Number	7,355	968	787	808	2,246	2,546
Amount	123,079	5,403	5,866	7,781	34,108	69,921
Total itemized deductions [5]: Number	477,378	158,026	106,759	82,410	97,049	33,134
Amount	10,578,158	2,363,275	1,725,540	1,514,855	2,336,511	2,637,977
State and local income taxes: Number	402,800	104,349	95,532	77,711	93,348	31,860
Amount	2,221,296	213,187	250,224	287,793	566,579	903,515
State and local general sales tax: Number	72,341	50,485	11,706	5,036	3,830	1,284
Amount	102,815	58,408	19,799	9,776	9,934	4,898
Real estate taxes: Number	410,413	121,278	93,070	75,276	90,318	30,471
Amount	711,292	143,314	121,973	116,040	188,836	141,130
Taxes paid: Number	480,027	158,774	107,750	82,957	97,349	33,197
Amount	3,088,133	427,256	401,618	422,836	777,728	1,058,696
Mortgage interest paid: Number	376,154	110,469	87,855	70,918	82,139	24,773
Amount	3,089,494	690,864	588,134	530,905	729,511	550,082
Contributions: Number	383,288	109,484	85,561	70,319	86,860	31,064
Amount	2,678,622	292,148	284,292	276,192	467,795	1,358,196
Taxable income: Number	1,214,703	730,133	215,840	120,769	113,124	34,837
Amount	56,094,098	9,751,808	8,659,182	7,385,659	11,254,351	19,043,097
Total tax credits [6]: Number	502,717	276,669	101,828	60,783	48,703	14,734
Amount	584,670	201,518	160,864	101,260	57,441	63,587
Residential energy tax credit: Number	37,250	10,979	9,926	7,200	7,614	1,531
Amount	8,463	2,372	2,228	1,647	1,801	416
Child tax credit: Number	316,133	167,279	77,743	44,014	27,085	12
Amount	387,349	142,990	129,391	76,589	38,368	11
Child and dependent care credit: Number	62,992	24,453	16,288	11,333	9,506	1,412
Amount	30,448	11,091	7,938	5,874	4,802	744
Earned income credit [7]: Number	333,169	333,169	0	0	0	0
Amount	659,567	659,566	0	0	0	0
Excess earned income credit (refundable) [8]: Number	294,324	294,324	0	0	0	0
Amount	583,935	583,935	0	0	0	0
Alternative minimum tax: Number	24,568	360	701	801	4,345	18,361
Amount	121,540	1,514	984	1,922	11,084	106,038
Income tax [9]: Number	1,067,629	593,093	206,829	119,952	112,934	34,821
Amount	9,911,484	980,455	1,049,958	984,209	1,957,113	4,939,749
Total tax liability [10]: Number	1,166,203	688,314	209,652	120,325	113,058	34,854
Amount	10,479,578	1,188,286	1,130,638	1,047,769	2,067,326	5,045,557
Tax due at time of filing [11]: Number	333,357	161,080	61,813	38,920	52,439	19,105
Amount	1,474,103	164,339	133,136	114,265	288,605	773,755
Overpayments refunded [12]: Number	1,207,792	915,308	150,139	78,504	54,687	9,154
Amount	2,743,365	1,691,269	379,869	236,145	218,445	217,638

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OREGON</b>						
<b>Number of returns</b>	<b>1,911,229</b>	<b>1,301,560</b>	<b>255,191</b>	<b>149,748</b>	<b>157,212</b>	<b>47,518</b>
Number of joint returns	753,522	299,598	159,958	118,824	134,574	40,568
Number with paid preparer's signature	904,409	548,197	139,623	83,999	94,591	37,999
Number of exemptions	3,632,629	2,087,723	600,406	387,226	425,449	131,825
<b>Adjusted gross income (AGI) [2]</b>	<b>96,393,038</b>	<b>23,510,516</b>	<b>15,695,464</b>	<b>12,918,997</b>	<b>20,751,163</b>	<b>23,516,898</b>
Salaries and wages in AGI [3]: Number	1,473,781	955,334	217,477	128,163	134,550	38,257
Amount	63,239,685	19,388,930	11,684,398	9,330,630	13,928,932	8,906,794
Taxable interest: Number	858,383	414,006	156,715	109,307	132,949	45,406
Amount	2,918,131	743,004	351,128	291,904	542,326	989,768
Ordinary dividends: Number	422,828	173,192	72,141	56,617	84,234	36,644
Amount	2,387,646	369,151	229,544	218,031	493,443	1,077,476
Business or profession net income (less loss): Number	281,734	161,760	45,548	28,631	33,495	12,300
Amount	3,436,266	933,049	487,593	373,267	789,174	853,185
Number of farm returns	36,308	16,193	6,538	4,866	5,934	2,777
Net capital gain (less loss) in AGI: Number	379,755	152,826	61,908	49,707	78,231	37,083
Amount	8,558,712	535,874	333,328	388,124	1,230,012	6,071,374
Taxable Individual Retirement Arrangements distributions: Number	157,108	79,858	29,027	20,080	21,879	6,264
Amount	2,051,475	539,718	345,164	326,619	536,733	303,241
Taxable pensions and annuities in AGI: Number	336,228	184,450	60,475	39,727	41,525	10,051
Amount	6,643,709	2,055,545	1,368,079	1,164,744	1,607,623	447,717
Unemployment compensation [4]: Number	130,896	91,811	21,976	9,861	6,475	773
Amount	468,656	311,351	84,465	39,467	29,236	4,138
Taxable Social Security benefits in AGI: Number	210,533	90,662	49,618	30,432	30,147	9,674
Amount	2,290,058	438,836	637,234	492,366	533,221	188,401
Self-employment retirement plans: Number	16,755	2,595	2,044	2,004	5,372	4,740
Amount	275,989	16,381	17,827	19,319	83,458	139,002
Total itemized deductions [5]: Number	732,830	244,579	168,594	125,668	147,693	46,296
Amount	18,549,125	4,250,576	3,263,744	2,846,544	4,401,545	3,786,716
State and local income taxes: Number	681,887	201,565	164,481	123,938	146,144	45,759
Amount	4,732,608	410,401	606,112	662,592	1,317,400	1,736,103
State and local general sales tax: Number	3,784	2,012	648	427	512	185
Amount	5,771	1,744	928	779	1,413	909
Real estate taxes: Number	651,806	202,449	150,967	115,234	138,954	44,202
Amount	1,952,724	455,597	363,859	320,546	509,761	302,961
Taxes paid: Number	727,462	239,037	168,683	125,775	147,684	46,283
Amount	8,132,683	1,325,435	982,105	1,929,933	1,840,762	2,054,445
Mortgage interest paid: Number	614,334	190,731	146,549	110,515	128,455	38,084
Amount	7,420,265	1,890,084	1,531,207	1,262,777	1,762,664	973,534
Contributions: Number	575,681	160,566	132,467	105,983	133,171	43,494
Amount	2,148,129	286,487	289,467	277,474	491,042	803,659
Taxable income: Number	1,383,902	777,334	252,991	149,258	156,903	47,416
Amount	63,087,359	10,614,006	9,651,943	8,552,244	14,825,393	19,443,771
Total tax credits [6]: Number	539,064	258,301	110,819	74,407	72,813	22,724
Amount	585,148	175,710	156,508	114,140	76,189	62,600
Residential energy tax credit: Number	42,623	10,120	11,302	8,802	10,053	2,346
Amount	9,732	2,002	2,437	2,028	2,508	756
Child tax credit: Number	292,853	132,394	76,280	48,612	35,550	17
Amount	364,189	110,984	121,676	82,910	48,609	10
Child and dependent care credit: Number	69,464	25,922	15,908	11,911	12,906	2,817
Amount	32,659	11,860	7,364	5,859	6,244	1,333
Earned income credit [7]: Number	254,771	254,771	0	0	0	0
Amount	442,895	442,894	0	0	0	0
Excess earned income credit (refundable) [8]: Number	218,229	218,229	0	0	0	0
Amount	386,399	386,399	0	0	0	0
Alternative minimum tax: Number	45,618	353	546	866	9,328	34,525
Amount	283,198	2,006	977	1,834	22,175	256,207
Income tax [9]: Number	1,247,642	657,437	239,017	147,247	156,523	47,418
Amount	10,756,672	1,119,470	1,194,782	1,131,857	2,503,447	4,807,117
Total tax liability [10]: Number	1,340,796	744,968	243,633	148,004	156,741	47,450
Amount	11,459,054	1,352,322	1,300,678	1,213,604	2,654,141	4,938,309
Tax due at time of filing [11]: Number	423,183	202,019	77,971	48,594	68,708	25,891
Amount	1,626,719	200,501	159,149	132,267	342,679	792,123
Overpayments refunded [12]: Number	1,251,133	893,521	169,767	95,575	79,067	13,203
Amount	2,599,602	1,355,574	415,885	286,359	339,818	201,968

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>PENNSYLVANIA</b>						
<b>Number of returns</b>	<b>6,697,189</b>	<b>4,566,809</b>	<b>875,450</b>	<b>527,009</b>	<b>554,769</b>	<b>173,152</b>
Number of joint returns	2,460,824	874,001	532,917	421,736	481,241	150,929
Number with paid preparer's signature	3,466,469	2,202,006	503,692	302,431	326,295	132,045
Number of exemptions	12,071,194	6,545,173	2,020,742	1,398,889	1,590,612	515,778
<b>Adjusted gross income (AGI) [2]</b>	<b>346,909,184</b>	<b>79,948,781</b>	<b>53,873,053</b>	<b>45,483,228</b>	<b>73,266,429</b>	<b>94,337,692</b>
Salaries and wages in AGI [3]: Number	5,131,564	3,235,584	774,980	472,567	498,970	149,463
Amount	240,537,907	63,798,188	42,007,083	35,325,076	54,848,971	44,558,589
Taxable interest: Number	3,210,999	1,619,577	556,402	396,535	473,488	164,997
Amount	9,778,743	2,456,196	1,122,597	918,363	1,617,184	3,664,404
Ordinary dividends: Number	1,709,981	749,055	282,432	220,994	314,945	142,555
Amount	10,273,347	1,292,789	795,079	769,008	1,808,259	5,608,212
Business or profession net income (less loss): Number	798,909	431,406	125,588	86,080	108,123	47,712
Amount	11,681,994	2,665,762	1,367,681	1,184,606	2,692,279	3,771,665
Number of farm returns	43,504	24,378	7,806	4,685	4,525	2,110
Net capital gain (less loss) in AGI: Number	1,292,606	528,580	203,207	164,956	259,684	136,179
Amount	26,535,031	1,199,474	830,030	960,987	2,945,959	20,598,581
Taxable Individual Retirement Arrangements distributions: Number	609,245	338,045	103,522	69,451	75,021	23,206
Amount	7,146,232	1,976,958	1,180,072	1,093,470	1,822,434	1,073,299
Taxable pensions and annuities in AGI: Number	1,354,940	813,949	217,573	140,111	145,261	38,046
Amount	21,102,169	7,790,712	4,046,946	3,242,294	4,455,052	1,567,165
Unemployment compensation [4]: Number	485,018	320,072	88,314	43,859	29,021	3,752
Amount	2,045,679	1,258,153	401,301	208,308	153,814	24,103
Taxable Social Security benefits in AGI: Number	721,780	339,770	164,179	95,452	91,563	30,816
Amount	7,875,805	1,642,746	2,188,496	1,636,252	1,743,055	665,256
Self-employment retirement plans: Number	49,215	5,587	4,879	5,431	15,576	17,742
Amount	830,898	30,816	36,397	49,750	216,036	497,897
Total itemized deductions [5]: Number	2,008,065	566,597	437,600	360,441	477,260	166,167
Amount	46,062,135	8,560,648	7,386,654	7,086,140	12,071,520	10,957,175
State and local income taxes: Number	1,820,596	450,005	405,231	341,805	460,507	163,048
Amount	10,253,287	1,096,381	1,192,742	1,366,371	2,783,948	3,813,844
State and local general sales tax: Number	166,172	97,562	30,831	18,221	16,420	3,138
Amount	219,100	111,707	40,208	25,009	31,670	10,505
Real estate taxes: Number	1,814,511	460,710	396,356	339,937	457,510	159,998
Amount	7,400,890	1,317,157	1,228,027	1,220,481	2,174,693	1,460,533
Taxes paid: Number	2,008,830	564,712	438,760	361,224	477,791	166,343
Amount	18,218,332	2,579,124	2,511,799	2,710,587	5,057,720	5,359,101
Mortgage interest paid: Number	1,660,536	414,354	371,241	319,506	419,409	136,026
Amount	16,274,593	3,016,296	2,954,354	2,817,253	4,497,147	2,989,543
Contributions: Number	1,652,101	389,508	353,231	311,114	439,029	159,219
Amount	6,778,703	699,020	759,739	757,491	1,474,838	3,087,616
Taxable income: Number	4,814,018	2,689,264	871,683	525,966	554,135	172,970
Amount	243,871,936	38,406,161	35,601,418	32,011,226	55,020,244	82,832,888
Total tax credits [6]: Number	1,930,462	877,360	394,450	284,927	281,407	92,318
Amount	2,162,045	633,242	562,761	454,842	288,253	222,947
Residential energy tax credit: Number	278,998	74,242	72,354	55,363	63,345	13,694
Amount	58,265	14,398	14,626	11,430	14,183	3,628
Child tax credit: Number	1,019,297	434,107	259,865	182,594	142,638	93
Amount	1,309,467	379,464	417,517	312,603	199,792	90
Child and dependent care credit: Number	224,448	74,837	44,211	40,199	52,848	12,353
Amount	117,109	39,015	21,924	21,224	28,385	6,560
Earned income credit [7]: Number	855,479	855,479	0	0	0	0
Amount	1,559,547	1,559,548	0	0	0	0
Excess earned income credit (refundable) [8]: Number	744,708	744,708	0	0	0	0
Amount	1,392,163	1,392,163	0	0	0	0
Alternative minimum tax: Number	159,416	1,031	2,142	3,477	34,762	118,004
Amount	750,112	4,370	2,755	5,340	63,812	673,834
Income tax [9]: Number	4,397,767	2,310,435	839,367	521,588	553,372	173,005
Amount	43,829,336	4,107,797	4,518,194	4,288,682	9,535,862	21,378,801
Total tax liability [10]: Number	4,638,827	2,539,008	849,665	523,227	553,867	173,060
Amount	45,925,809	4,721,822	4,806,641	4,534,226	9,999,398	21,863,721
Tax due at time of filing [11]: Number	1,108,463	505,545	190,654	121,481	197,890	92,893
Amount	4,537,178	448,732	358,762	310,163	867,654	2,551,868
Overpayments refunded [12]: Number	4,692,615	3,259,882	662,958	389,240	329,154	51,381
Amount	10,697,420	5,404,834	1,824,422	1,342,384	1,397,599	728,181

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>RHODE ISLAND</b>						
<b>Number of returns</b>	<b>568,249</b>	<b>383,036</b>	<b>72,367</b>	<b>45,146</b>	<b>52,963</b>	<b>14,737</b>
Number of joint returns	189,036	59,384	37,600	34,161	45,333	12,558
Number with paid preparer's signature	328,481	205,195	46,979	29,447	34,844	12,016
Number of exemptions	996,345	534,941	155,257	115,809	148,357	41,981
<b>Adjusted gross income (AGI) [2]</b>	<b>29,957,771</b>	<b>6,772,803</b>	<b>4,461,028</b>	<b>3,905,843</b>	<b>7,002,565</b>	<b>7,815,531</b>
Salaries and wages in AGI [3]: Number	443,293	277,069	64,256	40,910	48,329	12,729
Amount	20,659,550	5,616,118	3,491,533	3,046,497	5,252,111	3,253,292
Taxable interest: Number	281,730	130,966	51,242	37,146	48,054	14,322
Amount	859,755	199,682	104,809	84,928	159,525	310,811
Ordinary dividends: Number	126,837	48,574	21,103	17,315	28,120	11,725
Amount	717,366	85,913	56,034	56,409	144,536	374,476
Business or profession net income (less loss): Number	72,617	38,629	10,642	7,984	11,125	4,237
Amount	1,079,535	295,735	123,210	108,247	242,498	309,845
Number of farm returns	693	298	119	92	114	70
Net capital gain (less loss) in AGI: Number	100,008	35,608	15,912	13,364	23,713	11,411
Amount	2,505,247	87,676	61,630	74,585	271,062	2,010,295
Taxable Individual Retirement Arrangements distributions: Number	45,155	23,586	7,834	5,361	6,444	1,930
Amount	505,755	136,761	78,172	73,455	137,180	80,186
Taxable pensions and annuities in AGI: Number	95,069	50,733	16,347	11,025	13,659	3,305
Amount	1,804,558	525,642	354,211	294,240	482,922	147,540
Unemployment compensation [4]: Number	46,296	30,050	7,667	4,515	3,590	474
Amount	219,053	132,805	39,806	23,350	20,175	2,916
Taxable Social Security benefits in AGI: Number	57,349	24,818	13,471	7,961	8,349	2,750
Amount	631,675	121,247	172,037	129,461	151,346	57,585
Self-employment retirement plans: Number	4,877	580	526	570	1,596	1,605
Amount	78,415	3,450	4,020	5,461	21,789	43,695
Total itemized deductions [5]: Number	198,964	56,489	43,434	35,388	49,234	14,419
Amount	4,851,672	912,708	800,632	745,945	1,327,255	1,065,133
State and local income taxes: Number	181,584	43,293	41,337	34,431	48,374	14,149
Amount	1,084,476	69,065	111,724	131,779	313,840	458,068
State and local general sales tax: Number	15,217	11,110	2,049	977	824	257
Amount	15,801	7,890	3,205	1,900	1,958	848
Real estate taxes: Number	183,884	48,617	40,296	33,604	47,464	13,903
Amount	803,554	158,791	141,705	133,887	238,247	130,923
Taxes paid: Number	199,139	56,394	43,554	35,489	49,275	14,427
Amount	2,029,917	253,733	276,122	286,950	586,258	626,854
Mortgage interest paid: Number	168,536	44,296	37,499	31,458	43,362	11,921
Amount	1,910,238	419,631	371,368	333,047	519,075	267,118
Contributions: Number	164,582	38,280	35,983	31,018	45,463	13,838
Amount	462,541	47,785	55,011	54,799	116,646	188,301
Taxable income: Number	412,850	228,263	71,920	45,046	52,897	14,724
Amount	20,608,001	3,258,680	2,887,960	2,670,270	5,135,600	6,655,492
Total tax credits [6]: Number	163,268	74,434	30,503	24,014	26,611	7,706
Amount	176,676	52,360	40,669	36,546	26,995	20,106
Residential energy tax credit: Number	21,447	4,458	5,325	4,638	5,961	1,065
Amount	4,486	876	1,053	973	1,286	300
Child tax credit: Number	84,469	36,028	19,689	15,373	** 13,379	**
Amount	103,306	29,740	29,984	25,538	** 18,045	**
Child and dependent care credit: Number	20,263	6,653	3,626	3,587	5,456	941
Amount	10,757	3,409	1,826	1,957	3,042	522
Earned income credit [7]: Number	74,630	74,630	0	0	0	0
Amount	140,582	140,583	0	0	0	0
Excess earned income credit (refundable) [8]: Number	64,921	64,921	0	0	0	0
Amount	123,268	123,268	0	0	0	0
Alternative minimum tax: Number	15,806	87	172	301	3,834	11,412
Amount	87,243	239	192	433	7,028	79,352
Income tax [9]: Number	376,819	195,557	69,031	44,673	52,831	14,727
Amount	3,676,564	354,195	381,046	363,663	887,515	1,690,144
Total tax liability [10]: Number	399,804	217,387	69,985	44,826	52,876	14,730
Amount	3,863,438	411,100	405,401	384,927	929,186	1,732,824
Tax due at time of filing [11]: Number	91,663	41,169	15,450	9,805	17,600	7,639
Amount	379,220	40,889	30,740	26,065	78,212	203,314
Overpayments refunded [12]: Number	402,598	276,318	55,193	34,015	32,755	4,317
Amount	950,927	476,570	159,995	121,401	141,823	51,138

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>SOUTH CAROLINA</b>						
<b>Number of returns</b>	<b>2,256,719</b>	<b>1,665,695</b>	<b>251,397</b>	<b>148,223</b>	<b>147,750</b>	<b>43,654</b>
Number of joint returns	789,003	332,784	162,646	124,041	131,153	38,379
Number with paid preparer's signature	1,355,111	974,614	158,883	91,766	93,614	36,234
Number of exemptions	4,330,788	2,800,224	603,567	396,761	408,983	121,253
<b>Adjusted gross income (AGI) [2]</b>	<b>98,961,892</b>	<b>28,715,340</b>	<b>15,438,526</b>	<b>12,787,861</b>	<b>19,396,372</b>	<b>22,623,793</b>
Salaries and wages in AGI [3]: Number	1,768,325	1,250,288	221,390	131,131	129,606	35,910
Amount	68,050,373	24,617,689	11,789,908	9,520,427	13,338,706	8,783,644
Taxable interest: Number	780,816	383,627	135,965	100,236	119,607	41,381
Amount	2,394,070	580,953	288,405	244,960	450,389	829,363
Ordinary dividends: Number	373,586	147,447	63,751	52,819	75,883	33,686
Amount	2,362,534	276,478	192,013	198,307	493,697	1,202,039
Business or profession net income (less loss): Number	306,478	190,673	43,818	28,030	31,553	12,404
Amount	2,777,247	762,305	328,265	268,620	582,366	835,688
Number of farm returns	22,524	9,860	4,079	3,036	3,659	1,890
Net capital gain (less loss) in AGI: Number	311,967	118,972	51,034	42,495	65,776	33,690
Amount	7,854,807	347,928	239,426	289,589	969,006	6,008,857
Taxable Individual Retirement Arrangements distributions: Number	155,805	76,583	28,711	20,577	23,198	6,736
Amount	2,220,551	540,354	355,213	354,152	618,818	352,015
Taxable pensions and annuities in AGI: Number	415,993	229,294	73,733	49,422	51,256	12,288
Amount	7,533,611	2,477,297	1,488,178	1,256,066	1,765,498	546,572
Unemployment compensation [4]: Number	106,431	84,949	11,597	5,711	3,744	430
Amount	339,895	257,130	42,005	22,223	16,031	2,506
Taxable Social Security benefits in AGI: Number	222,817	99,388	51,109	30,905	31,057	10,358
Amount	2,462,776	482,131	668,336	523,159	579,693	209,456
Self-employment retirement plans: Number	9,783	1,392	940	968	3,059	3,424
Amount	165,492	6,944	7,245	9,780	42,973	98,550
Total itemized deductions [5]: Number	674,265	237,227	147,542	113,985	133,347	42,164
Amount	15,430,381	3,666,266	2,622,327	2,344,459	3,663,132	3,134,196
State and local income taxes: Number	591,648	178,990	135,292	107,788	128,684	40,894
Amount	3,336,720	322,448	428,250	488,071	927,281	1,170,671
State and local general sales tax: Number	71,325	48,268	11,371	5,908	4,526	1,252
Amount	84,881	49,247	12,642	11,059	8,172	3,762
Real estate taxes: Number	600,444	191,858	133,773	107,274	127,383	40,156
Amount	969,119	212,903	156,397	144,948	250,434	204,438
Taxes paid: Number	674,507	236,786	147,865	114,170	133,478	42,208
Amount	4,835,854	791,050	655,353	699,581	1,266,329	1,423,540
Mortgage interest paid: Number	571,819	184,918	129,287	103,106	119,151	35,357
Amount	5,869,420	1,451,800	1,083,754	963,345	1,417,570	952,952
Contributions: Number	569,590	178,107	125,523	101,585	123,985	40,390
Amount	2,789,583	462,062	418,640	392,687	650,992	865,203
Taxable income: Number	1,527,064	938,256	249,882	147,855	147,495	43,576
Amount	64,124,869	12,172,745	9,778,531	8,744,549	14,211,913	19,217,130
Total tax credits [6]: Number	642,370	365,520	112,057	75,944	68,329	20,520
Amount	682,673	262,756	168,150	122,606	73,974	55,189
Residential energy tax credit: Number	47,933	14,176	11,826	9,273	10,389	2,269
Amount	11,401	3,213	2,754	2,177	2,568	689
Child tax credit: Number	395,658	224,015	82,551	53,080	36,000	12
Amount	443,391	176,590	129,046	88,438	49,311	8
Child and dependent care credit: Number	103,574	45,250	22,686	17,505	15,648	2,485
Amount	55,847	24,320	12,098	9,630	8,442	1,358
Earned income credit [7]: Number	472,489	472,489	0	0	0	0
Amount	979,071	979,071	0	0	0	0
Excess earned income credit (refundable) [8]: Number	426,460	426,460	0	0	0	0
Amount	889,541	889,540	0	0	0	0
Alternative minimum tax: Number	37,199	360	806	872	6,424	28,737
Amount	205,196	2,001	964	1,785	14,471	185,975
Income tax [9]: Number	1,319,237	742,173	239,689	146,572	147,224	43,579
Amount	10,622,435	1,210,445	1,196,497	1,145,674	2,404,872	4,664,946
Total tax liability [10]: Number	1,432,470	850,902	243,378	147,157	147,426	43,607
Amount	11,253,724	1,441,848	1,286,998	1,216,652	2,528,402	4,779,823
Tax due at time of filing [11]: Number	403,543	195,752	72,606	46,025	65,260	23,900
Amount	1,617,814	193,879	144,909	121,144	318,167	839,714
Overpayments refunded [12]: Number	1,568,359	1,208,946	173,589	98,023	75,178	12,623
Amount	3,552,244	2,306,968	437,478	297,695	313,099	197,004

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>SOUTH DAKOTA</b>						
<b>Number of returns</b>	<b>417,180</b>	<b>296,444</b>	<b>56,902</b>	<b>30,908</b>	<b>24,596</b>	<b>8,330</b>
Number of joint returns	167,700	66,814	44,234	27,436	21,927	7,289
Number with paid preparer's signature	241,987	160,231	36,286	20,300	17,807	7,363
Number of exemptions	772,744	441,185	149,633	88,014	70,230	23,682
<b>Adjusted gross income (AGI) [2]</b>	<b>19,186,319</b>	<b>5,112,366</b>	<b>3,504,859</b>	<b>2,653,668</b>	<b>3,213,921</b>	<b>4,701,505</b>
Salaries and wages in AGI [3]: Number	331,879	227,218	49,932	27,178	20,821	6,730
Amount	12,205,572	4,350,354	2,610,777	1,881,295	1,919,765	1,443,382
Taxable interest: Number	187,119	100,636	34,800	22,749	20,943	7,991
Amount	673,520	179,896	88,030	70,605	114,749	220,240
Ordinary dividends: Number	96,047	43,856	17,943	13,382	14,323	6,543
Amount	474,887	68,582	39,931	38,888	84,056	243,431
Business or profession net income (less loss): Number	62,869	35,453	12,240	6,857	5,972	2,347
Amount	598,005	151,910	107,918	80,956	125,024	132,195
Number of farm returns	32,620	19,576	5,632	3,266	2,961	1,185
Net capital gain (less loss) in AGI: Number	91,966	43,053	16,309	12,160	13,669	6,775
Amount	1,816,565	153,847	98,941	101,466	257,435	1,204,876
Taxable Individual Retirement Arrangements distributions: Number	35,384	19,423	6,774	4,233	3,843	1,111
Amount	347,521	105,872	65,277	56,735	80,370	39,267
Taxable pensions and annuities in AGI: Number	71,061	40,053	13,813	8,383	6,959	1,853
Amount	1,113,349	389,860	253,548	197,234	210,092	62,614
Unemployment compensation [4]: Number	9,479	6,989	1,578	606	273	33
Amount	26,491	18,609	4,822	1,974	959	126
Taxable Social Security benefits in AGI: Number	46,158	21,686	10,977	6,109	5,498	1,888
Amount	469,700	99,477	138,051	98,519	96,717	36,934
Self-employment retirement plans: Number	2,933	409	387	410	946	781
Amount	41,910	2,098	2,651	3,625	13,087	20,448
Total itemized deductions [5]: Number	80,338	27,211	17,958	14,036	15,060	6,073
Amount	1,690,694	391,354	293,862	253,155	335,998	416,324
State and local income taxes: Number	8,705	2,360	1,887	1,547	1,756	1,155
Amount	59,780	3,045	3,648	4,025	8,050	41,010
State and local general sales tax: Number	65,707	21,457	14,769	11,753	12,839	4,889
Amount	92,290	19,593	17,598	17,339	23,958	13,805
Real estate taxes: Number	69,898	20,915	15,959	13,093	14,212	5,719
Amount	199,532	40,810	36,329	34,387	49,279	38,726
Taxes paid: Number	79,522	26,437	17,883	14,037	15,062	6,103
Amount	357,183	64,879	58,711	56,688	82,512	94,392
Mortgage interest paid: Number	64,432	18,666	15,121	12,483	13,240	4,922
Amount	631,619	130,556	125,393	115,608	144,308	115,754
Contributions: Number	62,349	16,879	13,771	12,018	13,856	5,825
Amount	486,757	34,258	37,293	37,310	66,857	311,042
Taxable income: Number	303,948	183,433	56,728	30,879	24,586	8,322
Amount	13,610,526	2,529,881	2,306,987	1,922,169	2,538,496	4,312,993
Total tax credits [6]: Number	131,421	65,574	30,302	17,996	12,982	4,567
Amount	163,782	46,383	50,329	32,520	17,026	17,523
Residential energy tax credit: Number	14,126	4,597	4,256	2,760	2,029	484
Amount	2,853	865	836	548	470	132
Child tax credit: Number	69,371	30,539	20,889	11,662	6,278	3
Amount	94,856	26,947	36,178	21,824	9,904	3
Child and dependent care credit: Number	24,805	8,580	8,069	4,621	3,001	534
Amount	12,159	3,886	4,186	2,388	1,456	242
Earned income credit [7]: Number	60,141	60,141	0	0	0	0
Amount	108,316	108,317	0	0	0	0
Excess earned income credit (refundable) [8]: Number	52,120	52,120	0	0	0	0
Amount	97,189	97,189	0	0	0	0
Alternative minimum tax: Number	4,337	220	125	142	744	3,106
Amount	23,554	861	243	254	1,942	20,254
Income tax [9]: Number	272,023	154,616	53,925	30,629	24,532	8,321
Amount	2,364,371	259,468	262,217	241,399	426,941	1,174,347
Total tax liability [10]: Number	293,798	175,001	55,170	30,736	24,566	8,325
Amount	2,533,931	314,761	293,666	265,250	461,063	1,199,192
Tax due at time of filing [11]: Number	89,881	43,334	17,953	11,000	12,686	4,908
Amount	434,914	49,235	45,751	40,893	93,455	205,580
Overpayments refunded [12]: Number	279,918	211,845	37,340	18,705	10,208	1,820
Amount	569,754	345,289	92,447	54,845	39,867	37,305

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TENNESSEE</b>						
<b>Number of returns</b>	<b>3,161,852</b>	<b>2,324,974</b>	<b>370,589</b>	<b>203,253</b>	<b>197,467</b>	<b>65,569</b>
Number of joint returns	1,191,382	539,648	251,468	169,919	173,304	57,043
Number with paid preparer's signature	1,720,666	1,226,408	214,237	114,148	114,524	51,349
Number of exemptions	6,051,946	3,872,772	897,078	543,078	550,431	188,587
<b>Adjusted gross income (AGI) [2]</b>	<b>143,315,079</b>	<b>39,687,249</b>	<b>22,729,634</b>	<b>17,508,959</b>	<b>26,013,874</b>	<b>37,375,361</b>
Salaries and wages in AGI [3]: Number	2,439,205	1,697,542	332,025	182,182	174,336	53,120
Amount	101,745,644	34,070,246	18,173,657	13,639,804	18,786,762	17,075,174
Taxable interest: Number	1,127,705	572,953	197,990	136,308	158,785	61,669
Amount	3,854,295	947,306	434,982	347,746	629,260	1,495,002
Ordinary dividends: Number	471,825	189,579	78,620	62,298	92,307	49,021
Amount	2,860,842	319,333	197,027	196,319	506,535	1,641,630
Business or profession net income (less loss): Number	496,931	314,791	68,566	42,196	48,728	22,650
Amount	6,595,902	1,449,962	693,259	589,600	1,412,703	2,450,380
Number of farm returns	79,500	42,370	14,754	9,101	8,875	4,400
Net capital gain (less loss) in AGI: Number	416,675	165,608	65,987	52,805	82,960	49,315
Amount	11,893,166	505,812	316,457	360,335	1,139,354	9,571,207
Taxable Individual Retirement Arrangements distributions: Number	197,311	103,686	35,605	24,088	25,787	8,145
Amount	2,530,325	692,770	423,389	396,917	639,646	377,603
Taxable pensions and annuities in AGI: Number	527,603	311,861	89,508	55,506	55,788	14,940
Amount	8,626,519	3,201,450	1,703,442	1,323,596	1,770,699	627,332
Unemployment compensation [4]: Number	131,231	97,011	19,872	8,313	5,401	634
Amount	408,465	284,037	69,520	30,712	21,019	3,178
Taxable Social Security benefits in AGI: Number	286,066	137,472	64,857	36,460	34,959	12,318
Amount	3,061,201	690,847	840,155	616,851	655,917	257,430
Self-employment retirement plans: Number	20,096	2,005	1,636	1,858	6,113	8,484
Amount	379,887	10,582	12,331	17,807	90,835	248,333
Total itemized deductions [5]: Number	759,615	270,247	165,278	119,710	148,377	56,003
Amount	16,523,670	4,085,808	2,921,066	2,333,190	3,635,582	3,548,022
State and local income taxes: Number	89,282	28,179	17,862	13,054	18,082	12,105
Amount	452,390	40,319	37,375	35,543	76,354	262,799
State and local general sales tax: Number	601,083	202,918	132,703	98,607	123,681	43,174
Amount	1,320,833	277,508	248,994	228,748	360,385	205,196
Real estate taxes: Number	667,038	214,375	147,263	111,394	140,667	53,339
Amount	1,443,948	311,735	232,292	205,401	366,514	328,007
Taxes paid: Number	748,802	261,483	163,650	119,302	148,192	56,175
Amount	3,283,209	651,220	530,625	478,418	815,331	807,615
Mortgage interest paid: Number	646,343	212,381	145,255	108,328	133,195	47,184
Amount	7,508,250	1,714,285	1,922,672	1,074,027	1,612,944	1,184,323
Contributions: Number	607,454	183,253	132,382	102,889	135,402	53,528
Amount	3,811,191	493,393	473,523	447,589	822,469	1,574,218
Taxable income: Number	2,135,076	1,300,386	368,985	202,937	197,262	65,506
Amount	98,295,412	17,440,171	14,840,681	12,461,379	20,006,073	33,547,109
Total tax credits [6]: Number	869,938	484,145	166,220	101,721	87,691	30,161
Amount	940,179	353,208	251,632	164,442	94,637	76,260
Residential energy tax credit: Number	70,248	20,952	18,090	13,091	14,578	3,537
Amount	16,307	4,585	4,143	3,015	3,542	1,022
Child tax credit: Number	535,769	289,087	125,154	73,442	48,062	24
Amount	624,558	238,982	197,942	122,313	65,296	25
Child and dependent care credit: Number	124,035	50,105	29,598	21,107	19,600	3,625
Amount	63,836	25,825	14,668	11,024	10,384	1,936
Earned income credit [7]: Number	614,704	614,704	0	0	0	0
Amount	1,238,129	1,238,129	0	0	0	0
Excess earned income credit (refundable) [8]: Number	542,229	542,229	0	0	0	0
Amount	1,085,844	1,085,844	0	0	0	0
Alternative minimum tax: Number	28,808	485	897	1,009	5,094	21,323
Amount	143,010	2,014	1,789	1,800	11,803	125,605
Income tax [9]: Number	1,879,692	1,059,532	356,065	201,597	197,003	65,495
Amount	17,282,993	1,765,680	1,830,730	1,672,404	3,497,544	8,516,635
Total tax liability [10]: Number	2,066,205	1,240,279	360,916	202,264	197,225	65,521
Amount	18,575,597	2,175,540	1,994,587	1,806,755	3,759,376	8,839,340
Tax due at time of filing [11]: Number	502,894	249,209	86,273	53,443	79,359	34,610
Amount	2,226,480	264,605	193,905	164,491	435,235	1,168,244
Overpayments refunded [12]: Number	2,236,599	1,686,377	277,230	144,460	108,369	20,163
Amount	5,318,109	3,294,772	759,092	475,073	454,264	334,909

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TEXAS</b>						
<b>Number of returns</b>	<b>11,278,559</b>	<b>7,945,956</b>	<b>1,296,236</b>	<b>780,093</b>	<b>931,193</b>	<b>325,081</b>
Number of joint returns	4,198,182	1,762,165	759,263	601,938	794,309	280,507
Number with paid preparer's signature	6,019,686	4,212,625	690,973	398,073	486,050	231,965
Number of exemptions	23,141,014	14,285,486	3,165,146	2,101,874	2,648,526	939,982
<b>Adjusted gross income (AGI) [2]</b>	<b>606,392,582</b>	<b>142,315,591</b>	<b>79,554,864</b>	<b>67,422,619</b>	<b>124,229,598</b>	<b>192,869,911</b>
Salaries and wages in AGI [3]: Number	9,144,090	6,162,148	1,161,132	703,025	841,743	276,042
Amount	429,067,916	126,803,851	65,000,889	54,073,135	95,444,490	87,745,550
Taxable interest: Number	3,821,885	1,665,651	628,418	490,689	731,001	306,126
Amount	15,712,036	2,646,475	1,324,360	1,172,577	2,500,266	8,068,358
Ordinary dividends: Number	1,785,066	602,609	267,895	235,117	432,507	246,938
Amount	13,488,848	1,149,057	724,671	744,825	2,106,081	8,764,214
Business or profession net income (less loss): Number	2,008,228	1,271,902	242,021	166,988	224,702	102,615
Amount	23,496,061	6,464,537	2,106,169	1,895,526	4,824,787	8,205,041
Number of farm returns	247,185	105,529	42,783	32,615	42,930	23,328
Net capital gain (less loss) in AGI: Number	1,592,099	525,149	228,228	203,211	390,760	244,751
Amount	54,362,533	1,681,342	974,045	1,170,090	4,246,323	46,290,733
Taxable Individual Retirement Arrangements distributions: Number	651,662	291,319	119,680	89,046	114,170	37,447
Amount	9,928,247	2,077,166	1,503,598	1,529,507	3,002,017	1,815,960
Taxable pensions and annuities in AGI: Number	1,582,217	806,643	279,167	193,476	236,456	66,475
Amount	28,986,974	8,912,544	5,562,796	4,632,883	7,154,895	2,723,857
Unemployment compensation [4]: Number	287,385	200,061	41,356	22,229	20,534	3,205
Amount	1,038,028	697,011	156,058	85,849	84,546	14,564
Taxable Social Security benefits in AGI: Number	853,487	352,398	192,815	121,323	134,452	52,499
Amount	9,489,307	1,690,779	2,427,692	1,938,953	2,380,397	1,051,485
Self-employment retirement plans: Number	66,477	7,104	5,591	6,275	20,591	26,916
Amount	1,264,551	39,727	46,075	64,181	317,092	797,476
Total itemized deductions [5]: Number	2,772,144	824,156	542,963	441,916	690,491	272,618
Amount	63,574,795	13,457,261	9,602,486	8,223,444	16,365,441	15,926,163
State and local income taxes: Number	235,935	68,584	46,876	37,156	56,181	27,138
Amount	1,153,925	98,730	80,463	83,981	190,537	700,214
State and local general sales tax: Number	2,191,735	585,045	421,828	359,266	587,470	238,126
Amount	4,097,812	633,551	611,077	635,530	1,338,748	878,906
Real estate taxes: Number	2,392,007	606,988	465,785	405,106	654,704	259,424
Amount	11,048,580	1,867,779	1,544,465	1,552,531	3,327,821	2,755,985
Taxes paid: Number	2,716,179	778,750	533,794	439,700	690,252	273,683
Amount	17,863,749	2,970,605	2,317,417	2,332,739	4,944,373	5,298,615
Mortgage interest paid: Number	2,300,397	589,147	454,833	393,776	626,978	235,663
Amount	24,065,698	4,919,944	3,502,996	3,387,700	6,474,797	5,780,262
Contributions: Number	2,160,102	529,591	412,097	359,725	604,696	253,993
Amount	12,856,691	1,324,909	1,309,878	1,334,286	2,960,836	5,926,781
Taxable income: Number	7,928,781	4,604,650	1,290,365	778,674	930,282	324,810
Amount	434,046,046	61,286,936	52,410,727	48,303,106	96,491,156	175,554,124
Total tax credits [6]: Number	3,532,707	1,941,704	598,481	405,076	430,756	156,690
Amount	4,466,701	1,499,833	969,213	699,197	511,137	787,321
Residential energy tax credit: Number	222,948	47,866	48,217	42,261	65,288	19,316
Amount	55,283	11,247	11,674	10,201	16,373	5,787
Child tax credit: Number	2,251,344	1,253,158	461,281	298,832	237,966	107
Amount	2,638,273	1,023,548	767,614	518,081	328,935	94
Child and dependent care credit: Number	494,849	190,245	98,714	82,931	101,734	21,225
Amount	278,038	106,333	54,564	47,780	57,804	11,558
Earned income credit [7]: Number	2,417,422	2,417,422	0	0	0	0
Amount	5,368,194	5,368,195	0	0	0	0
Excess earned income credit (refundable) [8]: Number	2,159,616	2,159,616	0	0	0	0
Amount	4,666,952	4,666,952	0	0	0	0
Alternative minimum tax: Number	184,331	2,401	6,634	8,036	41,043	126,217
Amount	778,746	11,509	8,159	13,156	89,456	656,467
Income tax [9]: Number	6,770,723	3,514,887	1,229,840	772,458	928,855	324,683
Amount	82,112,518	6,013,521	6,607,922	6,639,423	17,222,941	45,628,711
Total tax liability [10]: Number	7,561,132	4,283,400	1,247,952	775,226	929,745	324,809
Amount	86,612,253	7,599,519	7,118,056	7,072,522	18,105,406	46,716,749
Tax due at time of filing [11]: Number	1,926,653	872,732	302,398	204,832	370,914	175,777
Amount	9,835,379	934,383	686,485	618,859	1,894,071	5,701,581
Overpayments refunded [12]: Number	8,245,297	6,107,712	967,062	553,954	518,358	98,211
Amount	21,626,831	13,117,234	2,783,408	1,886,214	2,165,619	1,674,357

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>UTAH</b>						
<b>Number of returns</b>	<b>1,189,776</b>	<b>789,273</b>	<b>174,407</b>	<b>101,006</b>	<b>96,015</b>	<b>29,075</b>
Number of joint returns	539,942	208,862	129,404	88,365	87,301	26,010
Number with paid preparer's signature	615,649	387,494	94,549	54,221	56,203	23,182
Number of exemptions	2,692,518	1,426,435	526,519	327,094	315,832	96,638
<b>Adjusted gross income (AGI) [2]</b>	<b>63,718,881</b>	<b>14,766,921</b>	<b>10,735,857</b>	<b>8,708,547</b>	<b>12,553,627</b>	<b>16,953,929</b>
Salaries and wages in AGI [3]: Number	1,011,946	649,346	158,000	92,215	87,536	24,849
Amount	44,149,836	13,456,883	8,778,567	6,947,010	9,169,059	5,798,317
Taxable interest: Number	567,783	265,644	112,600	77,691	83,799	28,049
Amount	1,711,904	330,999	171,737	145,950	291,270	771,949
Ordinary dividends: Number	196,375	75,632	34,698	27,875	38,995	19,175
Amount	1,113,967	124,934	72,839	70,603	175,732	669,858
Business or profession net income (less loss): Number	183,431	97,050	34,640	21,363	22,422	7,956
Amount	1,444,215	356,832	203,509	156,570	316,191	411,113
Number of farm returns	14,483	6,221	3,089	2,087	2,101	985
Net capital gain (less loss) in AGI: Number	185,901	68,769	31,424	25,834	38,881	20,993
Amount	6,068,600	252,800	147,931	177,883	599,480	4,890,507
Taxable Individual Retirement Arrangements distributions: Number	68,596	33,065	13,641	9,328	9,711	2,851
Amount	886,128	217,139	146,239	142,187	232,686	147,878
Taxable pensions and annuities in AGI: Number	175,810	90,687	34,361	22,591	22,738	5,433
Amount	3,416,809	1,108,558	744,872	592,361	752,020	218,998
Unemployment compensation [4]: Number	31,382	21,535	5,724	2,513	1,469	141
Amount	94,590	62,326	17,988	8,263	5,378	637
Taxable Social Security benefits in AGI: Number	99,273	43,071	23,883	14,438	13,391	4,490
Amount	1,080,909	203,908	302,855	239,187	244,680	90,279
Self-employment retirement plans: Number	4,628	587	442	512	1,456	1,631
Amount	80,905	3,247	3,453	5,154	21,499	47,552
Total itemized deductions [5]: Number	470,147	145,490	121,196	85,763	89,592	28,106
Amount	12,111,633	2,473,707	2,373,672	1,980,329	2,755,496	2,528,430
State and local income taxes: Number	415,210	107,318	112,467	82,021	86,525	26,879
Amount	2,307,949	214,649	329,271	344,754	591,712	827,563
State and local general sales tax: Number	49,544	33,498	8,341	3,551	2,963	1,191
Amount	70,246	34,403	15,738	8,188	7,995	3,921
Real estate taxes: Number	420,850	118,605	110,114	80,022	85,288	26,821
Amount	808,516	173,426	167,460	139,152	198,816	129,663
Taxes paid: Number	470,270	145,321	121,354	85,828	89,645	28,122
Amount	3,270,598	460,610	528,602	502,703	809,808	968,876
Mortgage interest paid: Number	402,653	116,160	107,917	76,658	79,124	22,794
Amount	4,771,670	1,163,029	1,102,017	854,137	1,048,882	603,603
Contributions: Number	400,934	108,534	104,554	77,310	83,722	26,814
Amount	3,103,904	355,342	490,541	469,848	732,919	1,055,256
Taxable income: Number	892,558	494,714	172,494	100,604	95,750	28,996
Amount	40,803,964	6,343,761	6,091,966	5,466,923	8,671,925	14,229,387
Total tax credits [6]: Number	422,780	202,965	100,062	60,376	48,412	10,965
Amount	554,201	152,547	170,833	121,858	72,571	36,392
Residential energy tax credit: Number	38,748	8,962	11,298	8,373	8,455	1,660
Amount	9,738	1,826	2,417	1,854	2,010	1,632
Child tax credit: Number	276,814	116,731	80,231	47,391	32,360	101
Amount	398,653	97,816	141,521	100,362	58,859	96
Child and dependent care credit: Number	37,177	12,943	10,516	7,056	5,729	933
Amount	18,051	6,250	4,974	3,550	2,807	469
Earned income credit [7]: Number	156,071	156,071	0	0	0	0
Amount	292,123	292,124	0	0	0	0
Excess earned income credit (refundable) [8]: Number	138,078	138,078	0	0	0	0
Amount	257,519	257,519	0	0	0	0
Alternative minimum tax: Number	23,367	434	439	549	4,384	17,561
Amount	130,061	1,208	701	1,277	9,890	116,985
Income tax [9]: Number	754,976	386,841	147,754	96,337	95,023	29,021
Amount	6,842,001	614,527	658,932	655,671	1,412,814	3,500,057
Total tax liability [10]: Number	817,605	440,361	155,067	97,760	95,383	29,034
Amount	7,169,381	723,123	709,812	695,665	1,478,169	3,562,613
Tax due at time of filing [11]: Number	229,008	103,155	42,075	27,838	39,723	16,217
Amount	1,108,559	95,298	79,527	71,965	201,929	659,842
Overpayments refunded [12]: Number	873,029	610,918	129,631	71,146	52,685	8,649
Amount	2,015,489	1,021,181	357,480	227,755	239,509	169,562

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>VERMONT</b>						
<b>Number of returns</b>	<b>344,889</b>	<b>238,166</b>	<b>45,622</b>	<b>27,241</b>	<b>25,966</b>	<b>7,894</b>
Number of joint returns	129,966	47,489	30,456	22,878	22,469	6,674
Number with paid preparer's signature	173,079	109,390	26,295	15,402	15,553	6,439
Number of exemptions	602,407	329,253	107,099	72,514	71,890	21,651
<b>Adjusted gross income (AGI) [2]</b>	<b>16,858,991</b>	<b>4,259,906</b>	<b>2,808,134</b>	<b>2,347,842</b>	<b>3,408,838</b>	<b>4,034,270</b>
Salaries and wages in AGI [3]: Number	269,643	175,323	40,836	24,494	22,676	6,314
Amount	10,986,016	3,459,338	2,159,565	1,773,223	2,270,208	1,323,683
Taxable interest: Number	173,312	89,774	31,088	21,621	23,182	7,647
Amount	474,157	124,198	58,211	47,777	89,367	154,602
Ordinary dividends: Number	90,815	40,467	15,550	12,101	15,996	6,701
Amount	611,777	83,295	52,678	53,526	134,979	287,298
Business or profession net income (less loss): Number	61,270	35,623	10,283	6,247	6,600	2,517
Amount	746,136	234,286	121,571	88,296	157,680	144,302
Number of farm returns	4,260	2,503	664	428	464	201
Net capital gain (less loss) in AGI: Number	73,317	31,385	11,918	9,603	13,881	6,530
Amount	1,816,515	99,046	72,102	86,566	268,949	1,289,853
Taxable Individual Retirement Arrangements distributions: Number	28,719	15,641	4,900	3,283	3,672	1,223
Amount	324,516	87,973	51,250	47,751	83,766	53,775
Taxable pensions and annuities in AGI: Number	57,634	32,671	9,780	6,579	6,718	1,886
Amount	913,436	305,772	177,395	147,588	204,300	78,378
Unemployment compensation [4]: Number	22,837	16,827	3,673	1,460	804	73
Amount	83,467	58,547	14,781	5,965	3,750	425
Taxable Social Security benefits in AGI: Number	35,286	15,512	8,095	4,848	4,897	1,934
Amount	381,743	73,482	103,860	78,389	88,775	37,237
Self-employment retirement plans: Number	3,740	721	533	528	1,174	784
Amount	49,934	4,331	4,574	4,978	16,847	19,205
Total itemized deductions [5]: Number	102,157	30,981	22,106	18,407	23,030	7,633
Amount	2,258,813	443,580	356,248	339,858	567,573	551,554
State and local income taxes: Number	92,602	23,676	20,969	17,907	22,588	7,462
Amount	517,127	32,125	47,821	57,958	138,154	241,068
State and local general sales tax: Number	8,336	6,111	1,111	514	433	167
Amount	7,675	3,605	1,492	822	891	863
Real estate taxes: Number	95,589	27,434	20,965	17,651	22,190	7,349
Amount	419,616	83,212	70,015	69,917	122,350	74,121
Taxes paid: Number	102,378	30,980	22,223	18,480	23,057	7,638
Amount	955,800	121,327	121,162	130,558	264,114	318,640
Mortgage interest paid: Number	86,629	24,859	19,650	16,571	19,681	5,868
Amount	814,327	187,088	162,990	147,234	196,210	120,806
Contributions: Number	75,439	17,599	15,683	14,578	20,363	7,216
Amount	259,869	22,792	25,107	27,758	60,425	123,786
Taxable income: Number	253,795	147,371	45,438	27,181	25,920	7,885
Amount	11,671,009	2,137,842	1,859,530	1,669,624	2,567,962	3,436,050
Total tax credits [6]: Number	102,359	46,107	21,959	15,422	14,103	4,768
Amount	116,589	31,706	31,594	24,554	14,604	14,131
Residential energy tax credit: Number	13,106	3,642	3,511	2,712	2,670	571
Amount	3,029	747	767	637	668	210
Child tax credit: Number	50,624	20,787	14,115	9,473	6,246	3
Amount	65,543	18,697	22,465	15,823	8,555	3
Child and dependent care credit: Number	14,097	4,138	3,692	3,005	2,741	521
Amount	7,108	1,949	1,912	1,595	1,397	255
Earned income credit [7]: Number	41,357	41,357	0	0	0	0
Amount	65,595	65,596	0	0	0	0
Excess earned income credit (refundable) [8]: Number	33,221	33,221	0	0	0	0
Amount	54,403	54,404	0	0	0	0
Alternative minimum tax: Number	8,391	66	66	127	1,838	6,294
Amount	54,739	190	263	250	4,174	49,864
Income tax [9]: Number	234,220	129,617	43,873	26,962	25,880	7,888
Amount	1,908,400	230,368	226,801	215,545	429,724	805,964
Total tax liability [10]: Number	251,608	146,185	44,563	27,051	25,917	7,892
Amount	2,047,103	281,271	250,256	233,280	457,658	824,638
Tax due at time of filing [11]: Number	66,983	33,287	11,828	7,290	10,395	4,183
Amount	259,396	33,496	23,163	19,234	51,385	132,117
Overpayments refunded [12]: Number	233,455	166,733	32,276	18,813	13,635	1,998
Amount	465,683	245,520	79,611	57,338	56,500	26,714

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>VIRGINIA</b>						
<b>Number of returns</b>	<b>4,016,297</b>	<b>2,519,916</b>	<b>529,835</b>	<b>345,386</b>	<b>465,865</b>	<b>155,295</b>
Number of joint returns	1,525,281	470,244	284,295	247,193	386,115	137,434
Number with paid preparer's signature	1,909,222	1,152,804	266,766	167,488	221,535	100,629
Number of exemptions	7,573,903	3,805,237	1,164,418	865,517	1,287,846	450,885
<b>Adjusted gross income (AGI) [2]</b>	<b>246,080,302</b>	<b>46,653,255</b>	<b>32,641,887</b>	<b>29,899,227</b>	<b>63,034,010</b>	<b>73,851,923</b>
Salaries and wages in AGI [3]: Number	3,277,235	1,935,963	471,582	309,604	423,307	136,779
Amount	174,227,949	40,504,379	26,066,822	23,422,008	47,993,283	36,241,457
Taxable interest: Number	1,807,192	711,923	308,385	247,575	391,776	147,533
Amount	6,538,923	1,115,477	608,974	1,126,638	1,228,307	2,459,526
Ordinary dividends: Number	947,830	293,857	144,729	132,307	253,561	123,376
Amount	6,155,579	553,365	416,168	461,440	1,367,718	3,356,889
Business or profession net income (less loss): Number	535,294	274,231	77,462	57,065	89,544	36,992
Amount	7,044,996	1,465,685	677,484	601,148	1,709,114	2,591,564
Number of farm returns	42,526	19,985	7,471	5,180	6,440	3,450
Net capital gain (less loss) in AGI: Number	785,329	231,607	112,670	105,736	217,031	118,285
Amount	19,358,794	731,382	465,535	589,741	2,277,568	15,294,568
Taxable Individual Retirement Arrangements distributions: Number	268,573	109,651	49,195	38,571	53,032	18,124
Amount	3,489,930	685,722	505,530	528,717	1,072,533	697,426
Taxable pensions and annuities in AGI: Number	744,156	330,921	127,763	96,072	142,180	47,220
Amount	17,003,950	3,830,391	2,823,329	2,687,875	5,238,385	2,423,970
Unemployment compensation [4]: Number	109,201	76,211	16,260	8,064	7,561	1,105
Amount	339,907	229,518	53,096	27,093	26,094	4,106
Taxable Social Security benefits in AGI: Number	391,786	151,372	87,634	58,872	69,691	24,217
Amount	4,442,862	731,897	1,093,471	926,517	1,209,397	481,578
Self-employment retirement plans: Number	34,485	2,847	2,421	2,944	11,230	15,043
Amount	704,042	17,036	20,221	28,067	157,933	480,785
Total itemized deductions [5]: Number	1,572,831	429,012	307,185	260,837	423,647	152,150
Amount	43,318,766	7,646,688	6,188,721	6,020,032	12,939,370	10,523,956
State and local income taxes: Number	1,445,849	343,050	288,409	250,191	414,545	149,654
Amount	8,886,396	571,585	797,843	992,325	2,724,569	3,800,074
State and local general sales tax: Number	99,073	63,612	15,789	9,152	8,154	2,366
Amount	83,271	35,711	15,144	11,219	14,195	7,001
Real estate taxes: Number	1,388,560	323,328	273,148	243,148	401,920	147,016
Amount	4,650,982	689,713	642,569	678,520	1,583,294	1,056,887
Taxes paid: Number	1,570,995	426,315	307,480	261,147	423,830	152,223
Amount	14,481,046	1,504,720	1,540,215	1,769,780	4,509,919	5,156,413
Mortgage interest paid: Number	1,335,451	319,166	266,401	234,780	381,609	133,495
Amount	20,532,345	4,520,430	3,103,060	3,012,601	6,153,405	3,742,847
Contributions: Number	1,276,884	288,675	243,244	220,604	380,424	143,937
Amount	5,480,153	611,263	633,193	658,488	1,466,271	2,110,939
Taxable income: Number	3,037,155	1,549,244	523,723	343,985	465,091	155,112
Amount	170,469,093	21,812,457	20,675,926	20,146,632	45,356,471	62,477,608
Total tax credits [6]: Number	1,242,634	541,490	222,298	173,251	224,534	81,061
Amount	1,334,985	390,688	306,150	265,544	216,104	156,500
Residential energy tax credit: Number	140,681	27,489	30,184	26,743	43,492	12,773
Amount	32,813	5,950	6,830	6,111	10,435	3,486
Child tax credit: Number	664,030	286,745	154,357	115,779	107,098	51
Amount	807,549	239,029	232,937	191,292	144,243	48
Child and dependent care credit: Number	191,737	60,791	35,831	31,206	49,730	14,179
Amount	104,216	33,073	19,153	17,283	27,253	7,455
Earned income credit [7]: Number	545,436	545,436	0	0	0	0
Amount	1,028,080	1,028,079	0	0	0	0
Excess earned income credit (refundable) [8]: Number	478,367	478,367	0	0	0	0
Amount	916,096	916,096	0	0	0	0
Alternative minimum tax: Number	132,236	672	1,528	2,188	23,348	104,500
Amount	630,073	3,065	2,293	3,643	45,736	575,336
Income tax [9]: Number	2,758,495	1,301,268	498,741	339,220	464,110	155,156
Amount	31,527,303	2,311,176	2,700,195	2,795,344	7,931,002	15,789,587
Total tax liability [10]: Number	2,924,664	1,455,941	507,651	341,121	464,740	155,211
Amount	32,974,612	2,687,037	2,865,144	2,937,295	8,255,915	16,229,221
Tax due at time of filing [11]: Number	777,003	316,730	126,073	86,226	167,556	80,418
Amount	3,267,122	300,801	236,458	210,886	686,080	1,832,897
Overpayments refunded [12]: Number	2,843,839	1,865,417	393,592	250,683	280,221	53,926
Amount	7,171,743	3,333,657	1,093,451	863,876	1,226,193	654,567

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>WASHINGTON</b>						
<b>Number of returns</b>	<b>3,371,086</b>	<b>2,116,096</b>	<b>478,353</b>	<b>308,809</b>	<b>356,570</b>	<b>111,258</b>
Number of joint returns	1,324,504	428,060	267,692	232,828	301,277	94,647
Number with paid preparer's signature	1,525,342	875,822	233,272	150,777	184,224	81,247
Number of exemptions	6,438,815	3,280,361	1,083,373	790,158	973,459	311,464
<b>Adjusted gross income (AGI) [2]</b>	<b>206,825,480</b>	<b>39,782,537</b>	<b>29,477,980</b>	<b>26,708,450</b>	<b>47,317,617</b>	<b>63,538,895</b>
Salaries and wages in AGI [3]: Number	2,696,251	1,601,426	415,320	272,000	316,085	91,420
Amount	136,978,428	34,151,517	23,027,489	20,629,124	34,888,645	24,281,656
Taxable interest: Number	1,596,877	677,398	286,872	224,547	301,485	106,575
Amount	6,569,644	1,552,626	622,613	552,936	1,090,386	2,751,083
Ordinary dividends: Number	811,427	279,012	132,892	118,195	192,806	88,522
Amount	6,382,137	681,289	405,991	418,478	1,059,489	3,816,891
Business or profession net income (less loss): Number	452,533	228,552	74,103	53,266	68,952	27,660
Amount	6,757,386	1,295,322	857,072	745,946	1,688,887	2,170,159
Number of farm returns	27,849	11,817	5,052	3,803	4,766	2,411
Net capital gain (less loss) in AGI: Number	704,454	237,499	109,518	98,032	170,812	88,593
Amount	23,741,930	808,440	535,767	663,083	2,414,090	19,320,551
Taxable Individual Retirement Arrangements distributions: Number	248,423	108,728	47,551	36,022	43,143	12,979
Amount	3,658,016	743,164	567,713	606,122	1,109,908	631,109
Taxable pensions and annuities in AGI: Number	568,274	277,884	105,683	75,984	86,288	22,435
Amount	11,409,698	3,424,496	2,280,827	1,961,689	2,792,728	949,961
Unemployment compensation [4]: Number	175,770	110,422	32,754	17,099	13,734	1,761
Amount	644,790	375,289	125,760	69,475	64,515	9,750
Taxable Social Security benefits in AGI: Number	358,833	144,315	83,732	54,604	56,418	19,764
Amount	4,130,007	723,483	1,098,166	904,427	1,016,661	387,271
Self-employment retirement plans: Number	28,191	3,566	2,914	3,227	9,193	9,291
Amount	465,240	20,575	23,904	31,286	134,199	255,276
Total itemized deductions [5]: Number	1,196,029	333,435	260,513	214,078	290,470	97,533
Amount	29,800,218	6,173,377	5,117,890	4,731,053	7,942,970	5,834,929
State and local income taxes: Number	129,205	34,225	29,248	23,848	29,877	12,007
Amount	699,613	51,355	65,685	72,649	141,661	368,264
State and local general sales tax: Number	975,884	255,709	210,480	177,196	248,442	84,057
Amount	2,287,603	318,222	369,082	385,941	736,059	478,298
Real estate taxes: Number	1,102,489	283,921	239,988	202,986	280,339	95,255
Amount	3,943,251	740,207	664,497	639,366	1,142,819	756,364
Taxes paid: Number	1,187,019	326,392	258,835	213,592	290,295	97,905
Amount	8,342,815	1,951,108	1,561,597	1,127,078	2,068,459	1,634,573
Mortgage interest paid: Number	1,060,527	271,464	234,700	197,956	269,724	86,683
Amount	15,974,684	3,720,217	2,812,276	2,641,251	4,287,316	2,513,624
Contributions: Number	927,239	208,246	196,121	174,975	256,678	91,219
Amount	4,075,931	382,878	438,719	469,625	945,391	1,839,318
Taxable income: Number	2,590,112	1,340,844	474,259	307,824	356,027	111,158
Amount	149,255,768	19,471,248	18,871,775	18,390,246	35,440,760	57,081,739
Total tax credits [6]: Number	1,010,976	435,392	201,536	153,050	164,374	56,624
Amount	1,257,010	312,681	284,414	235,508	175,885	248,521
Residential energy tax credit: Number	87,315	16,213	20,338	18,323	25,532	6,909
Amount	19,630	3,181	4,269	4,019	6,154	2,008
Child tax credit: Number	569,108	240,094	142,596	103,523	82,841	54
Amount	723,536	208,109	226,672	175,530	113,165	59
Child and dependent care credit: Number	118,831	36,772	24,193	21,556	29,034	7,276
Amount	61,306	18,027	12,221	11,594	15,586	3,878
Earned income credit [7]: Number	394,028	394,028	0	0	0	0
Amount	693,986	693,985	0	0	0	0
Excess earned income credit (refundable) [8]: Number	338,631	338,631	0	0	0	0
Amount	610,119	610,119	0	0	0	0
Alternative minimum tax: Number	59,071	1,508	1,085	1,464	10,764	44,250
Amount	299,066	7,167	1,957	2,432	27,531	259,978
Income tax [9]: Number	2,364,864	1,144,210	450,464	303,891	355,174	111,125
Amount	27,185,095	2,110,720	2,445,799	2,534,857	6,161,629	13,932,091
Total tax liability [10]: Number	2,490,992	1,260,621	458,088	305,450	355,666	111,167
Amount	28,484,850	2,463,557	2,625,907	2,690,388	6,463,328	14,241,670
Tax due at time of filing [11]: Number	671,507	279,478	117,266	80,941	135,199	58,623
Amount	3,358,973	284,680	243,456	223,773	662,711	1,944,353
Overpayments refunded [12]: Number	2,352,406	1,550,171	348,436	217,981	202,916	32,902
Amount	5,697,545	2,604,313	971,085	741,079	882,898	498,170

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>WEST VIRGINIA</b>						
<b>Number of returns</b>	<b>926,428</b>	<b>694,486</b>	<b>113,211</b>	<b>60,088</b>	<b>47,739</b>	<b>10,904</b>
Number of joint returns	389,131	202,439	82,833	51,886	42,601	9,372
Number with paid preparer's signature	439,705	306,009	63,513	33,539	27,773	8,871
Number of exemptions	1,718,494	1,115,111	279,278	161,573	132,243	30,289
<b>Adjusted gross income (AGI) [2]</b>	<b>34,353,216</b>	<b>10,920,352</b>	<b>6,957,519</b>	<b>5,164,272</b>	<b>6,153,394</b>	<b>5,157,677</b>
Salaries and wages in AGI [3]: Number	668,008	459,115	102,015	54,796	43,085	8,997
Amount	24,833,926	8,693,145	5,578,220	4,111,991	4,513,667	1,936,901
Taxable interest: Number	334,871	186,816	60,085	39,769	37,967	10,234
Amount	871,280	314,411	132,634	97,892	139,708	186,636
Ordinary dividends: Number	134,385	62,259	24,362	17,901	21,678	8,185
Amount	600,439	101,110	63,005	57,922	126,215	252,188
Business or profession net income (less loss): Number	99,644	60,120	15,859	9,606	10,035	4,024
Amount	1,134,193	201,853	131,642	114,001	260,609	426,089
Number of farm returns	14,780	8,158	2,969	1,697	1,458	498
Net capital gain (less loss) in AGI: Number	99,053	43,208	17,547	13,041	17,558	7,699
Amount	1,571,076	121,561	79,401	87,425	234,815	1,047,875
Taxable Individual Retirement Arrangements distributions: Number	58,859	34,136	10,779	6,440	5,998	1,506
Amount	623,637	202,177	118,586	99,981	141,381	61,514
Taxable pensions and annuities in AGI: Number	190,449	126,391	29,444	17,276	14,573	2,765
Amount	2,831,458	1,346,899	552,421	387,073	431,306	113,756
Unemployment compensation [4]: Number	49,791	35,565	8,889	3,547	1,697	93
Amount	156,784	106,660	30,736	12,645	6,318	425
Taxable Social Security benefits in AGI: Number	91,799	49,455	21,174	10,697	8,133	2,340
Amount	872,843	221,225	275,297	177,029	150,308	48,984
Self-employment retirement plans: Number	3,971	430	350	356	1,231	1,604
Amount	75,946	2,198	2,730	3,454	17,598	49,966
Total itemized deductions [5]: Number	151,843	40,942	34,418	29,484	36,627	10,372
Amount	3,152,101	615,976	579,562	539,797	842,342	574,424
State and local income taxes: Number	141,312	32,647	33,244	28,983	36,199	10,239
Amount	835,037	60,331	97,998	125,792	261,969	288,949
State and local general sales tax: Number	9,126	6,887	1,156	537	411	135
Amount	10,134	5,632	1,807	1,143	1,022	531
Real estate taxes: Number	131,613	31,109	29,798	26,950	34,163	9,593
Amount	172,157	30,234	29,629	30,530	51,237	30,529
Taxes paid: Number	152,024	40,830	34,554	29,588	36,670	10,382
Amount	1,062,931	104,130	137,799	166,509	328,157	326,334
Mortgage interest paid: Number	125,927	30,578	29,427	26,289	31,796	7,837
Amount	1,133,797	230,976	230,925	222,539	311,234	138,125
Contributions: Number	110,358	23,681	23,788	22,507	30,847	9,535
Amount	460,951	55,307	67,087	71,402	126,329	140,825
Taxable income: Number	587,274	355,707	112,935	60,034	47,701	10,897
Amount	22,426,348	4,764,651	4,653,081	3,750,144	4,746,401	4,512,072
Total tax credits [6]: Number	219,059	113,933	50,682	29,353	20,458	4,633
Amount	232,246	79,786	75,650	45,735	21,733	9,342
Residential energy tax credit: Number	21,117	6,882	5,763	4,103	3,819	550
Amount	4,614	1,397	1,255	931	880	149
Child tax credit: Number	137,014	65,194	38,768	21,301	11,748	3
Amount	172,913	58,114	62,765	35,616	16,414	5
Child and dependent care credit: Number	18,015	5,632	4,806	3,628	3,462	487
Amount	7,886	2,233	2,031	1,730	1,644	249
Earned income credit [7]: Number	155,013	155,013	0	0	0	0
Amount	281,098	281,099	0	0	0	0
Excess earned income credit (refundable) [8]: Number	137,498	137,498	0	0	0	0
Amount	254,974	254,974	0	0	0	0
Alternative minimum tax: Number	9,696	123	330	309	1,896	7,038
Amount	45,191	760	463	519	4,646	38,802
Income tax [9]: Number	534,637	306,129	110,153	59,791	47,665	10,899
Amount	3,529,668	495,127	573,366	504,754	823,333	1,133,087
Total tax liability [10]: Number	569,354	339,893	110,952	59,909	47,700	10,900
Amount	3,765,486	571,116	606,208	531,170	873,268	1,183,725
Tax due at time of filing [11]: Number	121,087	61,838	23,471	13,340	16,820	5,618
Amount	396,249	55,082	43,576	35,389	82,094	180,108
Overpayments refunded [12]: Number	635,913	471,855	87,510	45,209	28,316	3,023
Amount	1,352,897	810,485	234,733	149,646	117,038	40,997

Footnotes at end of table.

# Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>WISCONSIN</b>						
<b>Number of returns</b>	<b>2,957,858</b>	<b>1,961,720</b>	<b>423,716</b>	<b>268,017</b>	<b>242,891</b>	<b>61,514</b>
Number of joint returns	1,172,684	386,558	282,528	230,640	218,607	54,351
Number with paid preparer's signature	1,581,270	976,346	255,249	157,416	144,006	48,253
Number of exemptions	5,529,183	2,863,993	1,025,405	746,916	711,632	181,237
<b>Adjusted gross income (AGI) [2]</b>	<b>149,072,266</b>	<b>35,322,372</b>	<b>26,169,993</b>	<b>23,121,768</b>	<b>31,463,709</b>	<b>32,994,424</b>
Salaries and wages in AGI [3]: Number	2,377,674	1,479,939	380,354	243,772	220,245	53,364
Amount	105,343,023	29,258,270	20,461,498	18,079,971	23,320,490	14,222,794
Taxable interest: Number	1,560,761	772,939	296,722	216,089	215,505	59,506
Amount	4,113,777	1,085,874	524,235	428,205	707,159	1,368,304
Ordinary dividends: Number	764,563	329,329	137,785	111,776	135,991	49,682
Amount	3,557,411	505,960	332,825	324,666	704,322	1,689,640
Business or profession net income (less loss): Number	354,895	187,127	65,471	43,270	44,214	14,813
Amount	3,452,820	694,403	553,617	458,205	879,136	867,458
Number of farm returns	63,679	36,296	11,885	7,072	6,403	2,023
Net capital gain (less loss) in AGI: Number	627,470	267,273	107,726	87,966	116,142	48,363
Amount	10,440,168	745,428	491,498	552,608	1,499,578	7,151,056
Taxable Individual Retirement Arrangements distributions: Number	287,294	159,577	51,376	34,737	33,203	8,401
Amount	3,327,790	998,147	591,385	549,289	792,030	396,940
Taxable pensions and annuities in AGI: Number	539,483	304,865	96,930	64,450	59,470	13,768
Amount	8,961,269	2,983,905	1,902,256	1,603,961	1,916,149	554,997
Unemployment compensation [4]: Number	281,910	181,741	56,916	28,272	14,065	916
Amount	833,971	536,076	170,413	81,800	42,181	3,501
Taxable Social Security benefits in AGI: Number	315,449	145,510	75,842	44,404	38,359	11,334
Amount	3,387,610	687,921	1,004,566	751,149	707,896	236,079
Self-employment retirement plans: Number	20,021	2,852	2,723	2,848	6,413	5,185
Amount	274,770	16,955	18,429	24,084	83,970	131,330
Total itemized deductions [5]: Number	1,072,360	314,706	257,091	214,955	225,804	59,804
Amount	23,062,585	4,534,966	4,312,426	4,188,509	5,765,415	4,261,270
State and local income taxes: Number	993,917	249,923	249,788	211,764	223,370	59,072
Amount	5,847,740	484,251	847,781	1,028,163	1,656,082	1,831,465
State and local general sales tax: Number	68,306	54,804	7,128	3,277	2,385	712
Amount	66,746	38,966	15,030	5,005	5,437	2,309
Real estate taxes: Number	984,808	271,591	237,456	203,429	215,984	56,348
Amount	3,956,640	840,620	790,058	778,534	1,051,293	496,135
Taxes paid: Number	1,073,731	314,456	257,906	215,522	226,014	59,833
Amount	10,069,659	1,395,696	1,679,374	1,838,919	2,757,365	2,398,305
Mortgage interest paid: Number	892,650	237,738	222,766	190,975	194,587	46,584
Amount	7,916,209	1,655,749	1,721,027	1,595,911	1,971,785	971,737
Contributions: Number	853,765	205,778	199,860	183,892	207,080	57,155
Amount	2,734,793	312,280	358,569	383,299	649,799	1,030,846
Taxable income: Number	2,211,384	1,217,600	422,037	267,622	242,666	61,459
Amount	101,315,260	17,118,075	16,796,178	15,861,895	23,109,094	28,430,020
Total tax credits [6]: Number	935,004	416,195	204,893	153,753	127,738	32,425
Amount	1,035,405	273,389	296,355	251,785	140,352	73,525
Residential energy tax credit: Number	120,194	32,011	33,275	25,966	24,359	4,583
Amount	23,657	5,637	6,332	5,141	5,228	1,318
Child tax credit: Number	501,636	193,660	137,131	101,252	69,554	39
Amount	674,625	167,868	225,191	179,164	102,362	40
Child and dependent care credit: Number	106,938	28,140	26,276	24,581	24,414	3,527
Amount	47,414	12,059	11,776	11,397	10,655	1,527
Earned income credit [7]: Number	340,967	340,967	0	0	0	0
Amount	605,637	605,636	0	0	0	0
Excess earned income credit (refundable) [8]: Number	294,264	294,264	0	0	0	0
Amount	536,571	536,570	0	0	0	0
Alternative minimum tax: Number	63,512	1,039	621	1,079	14,704	46,069
Amount	327,069	1,581	845	2,089	28,197	294,358
Income tax [9]: Number	2,022,082	1,049,973	403,121	265,304	242,227	61,457
Amount	17,117,927	1,828,978	2,042,725	2,024,261	3,862,548	7,359,416
Total tax liability [10]: Number	2,128,893	1,149,899	409,008	266,052	242,453	61,481
Amount	17,946,150	2,092,540	2,184,679	2,136,222	4,042,861	7,489,847
Tax due at time of filing [11]: Number	561,307	255,422	107,278	68,834	96,060	33,713
Amount	2,046,787	214,930	189,600	158,030	407,287	1,076,941
Overpayments refunded [12]: Number	2,065,897	1,412,558	306,680	191,910	136,252	18,497
Amount	4,287,779	2,134,852	781,625	584,760	530,956	255,585

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>WYOMING</b>						
<b>Number of returns</b>	<b>284,489</b>	<b>179,540</b>	<b>43,023</b>	<b>28,019</b>	<b>25,996</b>	<b>7,911</b>
Number of joint returns	116,641	37,963	26,581	22,862	22,756	6,479
Number with paid preparer's signature	157,350	89,202	26,278	17,392	17,491	6,987
Number of exemptions	532,005	262,682	102,311	74,911	71,823	20,278
<b>Adjusted gross income (AGI) [2]</b>	<b>18,951,175</b>	<b>3,194,487</b>	<b>2,660,314</b>	<b>2,416,629</b>	<b>3,364,995</b>	<b>7,314,750</b>
Salaries and wages in AGI [3]: Number	233,126	140,262	38,458	25,385	23,108	5,913
Amount	10,493,058	2,808,203	2,130,446	1,917,066	2,358,632	1,278,710
Taxable interest: Number	130,497	59,454	23,855	18,727	20,828	7,633
Amount	669,171	110,239	48,647	41,934	83,657	384,694
Ordinary dividends: Number	63,266	24,877	11,003	9,032	12,320	6,034
Amount	808,457	54,904	31,469	30,143	73,570	618,372
Business or profession net income (less loss): Number	44,540	22,060	8,008	5,743	6,110	2,619
Amount	574,217	97,704	73,485	64,335	141,938	196,755
Number of farm returns	9,711	4,827	1,604	1,191	1,300	789
Net capital gain (less loss) in AGI: Number	57,939	22,563	9,490	7,977	11,574	6,335
Amount	3,551,210	109,130	55,557	64,462	211,292	3,110,769
Taxable Individual Retirement Arrangements distributions: Number	19,936	9,069	3,909	2,920	3,023	1,015
Amount	279,815	60,446	42,926	44,204	71,770	60,470
Taxable pensions and annuities in AGI: Number	47,634	23,796	9,091	6,581	6,405	1,761
Amount	853,494	268,437	177,719	148,386	183,730	75,223
Unemployment compensation [4]: Number	9,735	6,887	1,645	781	394	28
Amount	30,213	21,051	5,118	2,540	1,393	111
Taxable Social Security benefits in AGI: Number	29,803	12,397	7,044	4,403	4,026	1,933
Amount	321,758	59,329	89,136	69,329	68,025	35,941
Self-employment retirement plans: Number	1,938	254	184	251	611	638
Amount	31,276	1,297	1,447	2,358	8,978	17,198
Total itemized deductions [5]: Number	68,228	18,706	15,446	13,167	15,408	5,501
Amount	1,835,885	299,853	262,307	243,380	344,646	685,698
State and local income taxes: Number	8,333	2,041	1,841	1,488	1,833	1,130
Amount	109,875	4,497	3,475	3,631	7,102	91,171
State and local general sales tax: Number	54,219	14,034	12,178	10,780	12,905	4,322
Amount	70,135	9,744	12,939	14,439	22,113	10,901
Real estate taxes: Number	60,345	14,799	13,592	12,195	14,614	5,145
Amount	121,299	18,904	18,735	17,350	28,325	37,985
Taxes paid: Number	67,721	18,217	15,349	13,165	15,449	5,541
Amount	338,386	39,875	42,157	43,222	67,818	145,314
Mortgage interest paid: Number	57,587	13,913	13,334	11,875	13,965	4,500
Amount	729,112	130,443	126,199	125,757	174,625	172,088
Contributions: Number	47,092	10,506	9,929	9,216	12,396	5,045
Amount	518,508	23,068	28,541	30,875	55,267	380,757
Taxable income: Number	219,167	114,448	42,855	27,988	25,977	7,899
Amount	14,555,774	1,642,251	1,803,100	1,767,207	2,667,201	6,676,015
Total tax credits [6]: Number	86,572	36,394	19,720	14,437	12,135	3,886
Amount	133,468	25,351	29,408	22,813	13,775	42,123
Residential energy tax credit: Number	10,167	2,372	2,683	2,343	2,354	415
Amount	2,242	455	575	499	570	144
Child tax credit: Number	50,495	19,557	14,317	10,112	6,501	8
Amount	70,623	17,875	24,797	18,241	9,702	8
Child and dependent care credit: Number	10,496	3,111	2,575	2,392	2,150	268
Amount	4,983	1,293	1,217	1,232	1,097	145
Earned income credit [7]: Number	33,987	33,987	0	0	0	0
Amount	57,720	57,720	0	0	0	0
Excess earned income credit (refundable) [8]: Number	29,117	29,117	0	0	0	0
Amount	51,358	51,359	0	0	0	0
Alternative minimum tax: Number	4,058	62	150	197	643	3,006
Amount	29,379	1,594	175	389	1,508	25,713
Income tax [9]: Number	202,049	99,277	41,140	27,804	25,931	7,897
Amount	2,749,752	177,231	230,645	241,078	461,421	1,639,375
Total tax liability [10]: Number	213,079	109,623	41,710	27,887	25,957	7,902
Amount	2,867,921	208,310	247,166	255,837	488,333	1,668,276
Tax due at time of filing [11]: Number	57,836	23,536	10,574	7,691	11,622	4,413
Amount	410,407	24,226	23,759	22,799	65,953	273,669
Overpayments refunded [12]: Number	198,306	133,331	31,312	19,409	12,734	1,520
Amount	498,292	215,942	84,690	62,305	51,691	83,663

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income				
		Under \$50,000 [1]	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OTHER AREAS [13]</b>						
<b>Number of returns</b>	<b>1,764,892</b>	<b>1,485,984</b>	<b>91,093</b>	<b>49,907</b>	<b>72,253</b>	<b>65,655</b>
Number of joint returns	480,461	324,730	44,626	27,104	41,342	42,659
Number with paid preparer's signature	887,922	706,460	45,219	27,806	50,525	57,912
Number of exemptions	2,926,081	2,230,123	218,858	122,395	176,095	178,610
<b>Adjusted gross income (AGI) [2]</b>	<b>81,775,066</b>	<b>10,230,730</b>	<b>5,576,032</b>	<b>4,309,253</b>	<b>9,978,963</b>	<b>51,680,087</b>
Salaries and wages in AGI [3]: Number	887,888	650,548	76,751	42,679	61,828	56,082
Amount	74,545,671	19,855,451	5,794,654	4,336,065	9,727,024	34,832,478
Taxable interest: Number	608,328	408,779	52,045	33,839	55,523	58,142
Amount	2,675,741	526,046	160,978	128,540	296,452	1,563,726
Ordinary dividends: Number	260,721	128,356	27,516	20,042	37,321	47,486
Amount	4,463,470	371,582	142,466	125,881	326,783	3,496,756
Business or profession net income (less loss): Number	76,301	50,403	7,114	4,490	7,673	6,621
Amount	2,257,218	669,248	170,271	125,140	339,616	952,943
Number of farm returns	2,426	1,210	248	173	350	445
Net capital gain (less loss) in AGI: Number	323,472	195,066	26,917	19,178	35,649	46,662
Amount	13,439,920	972,541	384,941	330,419	960,484	10,791,535
Taxable Individual Retirement Arrangements distributions: Number	25,249	13,963	3,633	2,364	3,329	1,960
Amount	473,177	133,281	64,661	53,321	106,682	115,233
Taxable pensions and annuities in AGI: Number	114,904	70,676	15,376	9,597	12,567	6,688
Amount	2,637,213	1,051,931	409,854	295,172	490,942	389,312
Unemployment compensation [4]: Number	8,304	5,709	1,138	536	635	286
Amount	44,304	28,704	6,706	2,989	3,684	2,220
Taxable Social Security benefits in AGI: Number	37,984	20,894	6,364	3,622	4,624	2,480
Amount	383,093	142,706	75,704	52,518	70,786	41,378
Self-employment retirement plans: Number	4,239	739	295	262	707	2,236
Amount	119,040	7,618	4,672	3,750	15,109	87,892
Total itemized deductions [5]: Number	457,379	322,865	32,806	21,796	39,097	40,815
Amount	5,358,433	1,240,270	449,076	368,029	849,224	2,451,833
State and local income taxes: Number	92,967	30,333	10,935	9,059	19,430	23,210
Amount	1,111,175	58,122	44,227	46,510	150,472	811,846
State and local general sales tax: Number	278,514	234,731	14,908	8,268	11,979	8,628
Amount	731,936	300,168	47,566	33,865	75,448	274,891
Real estate taxes: Number	92,185	24,002	12,593	10,246	21,227	24,117
Amount	436,437	74,892	39,346	34,262	89,286	198,650
Taxes paid: Number	402,505	277,541	30,102	20,227	36,623	38,012
Amount	2,382,699	466,969	142,585	123,045	332,267	1,317,830
Mortgage interest paid: Number	104,330	28,120	14,702	11,293	22,837	27,378
Amount	1,852,489	330,478	178,270	146,501	329,816	867,424
Contributions: Number	126,669	53,225	14,141	10,776	21,476	27,051
Amount	752,378	62,819	44,126	39,768	93,605	512,060
Taxable income: Number	757,450	479,469	90,499	49,734	72,132	65,616
Amount	70,864,305	6,135,117	3,973,680	3,341,098	8,401,820	49,012,590
Total tax credits [6]: Number	309,372	138,955	47,843	27,152	42,801	52,621
Amount	7,799,044	146,243	167,174	148,777	576,037	6,760,813
Residential energy tax credit: Number	4,137	897	780	618	1,103	739
Amount	4,418	261	266	202	534	3,156
Child tax credit: Number	87,814	47,893	22,438	10,961	6,510	12
Amount	101,768	41,272	34,038	17,757	8,689	12
Child and dependent care credit: Number	20,991	9,425	4,700	2,212	2,758	1,896
Amount	12,987	5,759	3,035	1,370	1,638	1,184
Earned income credit [7]: Number	27,105	27,105	0	0	0	0
Amount	49,869	49,870	0	0	0	0
Excess earned income credit (refundable) [8]: Number	25,455	25,455	0	0	0	0
Amount	48,455	48,455	0	0	0	0
Alternative minimum tax: Number	77,787	44,699	4,161	3,092	9,119	16,716
Amount	165,323	18,989	5,589	4,746	20,380	115,619
Income tax [9]: Number	687,438	435,401	77,991	45,336	66,663	62,047
Amount	10,774,836	646,452	500,763	477,580	1,327,986	7,822,055
Total tax liability [10]: Number	855,850	601,782	79,063	45,707	67,047	62,251
Amount	11,421,505	1,100,854	523,557	493,511	1,361,188	7,942,396
Tax due at time of filing [11]: Number	305,347	201,487	23,736	16,287	30,953	32,884
Amount	1,767,887	288,383	80,287	78,277	228,918	1,092,019
Overpayments refunded [12]: Number	968,878	826,874	59,436	28,861	32,271	21,436
Amount	2,779,142	1,499,732	247,191	144,642	233,405	654,175

Footnotes at end of table.

## Selected Historical and Other Data

**Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2007 \*—Continued**

### Footnotes

\* Data for Tax Year 2007 includes returns that were filed by individuals only to receive the economic stimulus payment and who had no other reason to file. This may affect the data for various items shown in the table such as the total number of returns filed (including joint and paid preparer returns), number of exemptions, salaries and wages, and adjusted gross income.

\*\* Not shown to avoid disclosure of information about specific taxpayers. However, the data are combined with data in an adjacent size class, as appropriate, and included in the appropriate totals.

[1] Includes returns with adjusted gross deficit.

[2] Less deficit.

[3] "Number," here, and elsewhere in Table 2, represents number of returns, unless otherwise specified.

[4] Includes the Alaskan permanent fund, reported by residents of Alaska on Forms 1040A and 1040EZ's. This fund only applies to statistics in the U.S. totals, and the state of Alaska.

[5] "Itemized deductions" include any amounts reported by the taxpayer, even if they could not be used in computing "taxable income," the base on which the regular income tax was computed. Thus, total itemized deductions include amounts that did not have to be reported by taxpayers with no "adjusted gross income." (Adjusted gross income is the total from which these deductions would normally be subtracted.) In addition, if standard and itemized deductions were both reported on a tax return, the form of deduction actually used in computing income tax was the one used for the statistics. Therefore, if the standard deduction was the form of deduction used, the total reported for itemized deductions was excluded from the statistics. However, the component deductions were not similarly excluded. As a result, the number of returns and related amounts for the component deductions are slightly overstated in relation to the grand total shown for itemized deductions. These components are also overstated in relation to the total because there was a statutory limitation on the total of itemized deductions that could be claimed by certain high-income taxpayers. This limitation did not affect the component deductions, the sum of which therefore exceeded the total used in computing income tax.

[6] Unlike Table 1, Table 2's "Total tax credits" excludes the "earned income credit" which is shown separately below in the table.

[7] "Earned income credit" includes both the refundable and non-refundable portions. The non-refundable portion could reduce income tax and certain related taxes to zero. The earned income credit amounts in excess of total tax liability, or amounts when there was no tax liability at all, were refundable. See footnote 8 below for explanation of the refundable portion of the earned income credit.

[8] The refundable portion of the "earned income credit" equals "total income tax" minus the "earned income credit". If the result is negative, this amount is considered the refundable portion.

[9] "Income tax" is in general, the same as "income tax after credits" which was redefined in Tax Year 2000 to include the "alternative minimum tax (AMT)". Table 2 "Income tax" differs from "total income tax" (in Tables 1 and 3) in that Table 2 "Income tax" is after the subtraction of all tax credits except the earned income credit. See footnotes 7 and 8 above, for an explanation of the treatment of the earned income credit. "Income tax" reflects the amount reported on the tax return and is, therefore, before any examination or enforcement activities by the Internal Revenue Service. It represents the tax filer reported income tax liability that was payable to the U.S. Department of the Treasury.

[10] For Table 2, "Total tax liability" differs from "Income tax," in that "Total tax liability" includes the taxes from recapture of certain prior-year credits, tax applicable to individual retirement arrangements (IRA's), Social Security taxes on self-employment income and on certain tip income, advanced earned income payments, household employment taxes, and certain "other taxes" listed in the Form 1040 instructions.

[11] Reflects payments to or withholdings made to "Total tax liability" (footnote 10). The amount the tax filer owes when the income tax return is filed.

[12] The amount of overpayments the tax filer requested to have refunded.

[13] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by members of the armed forces stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. government employees.

NOTES: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 2008, including any returns filed for tax years preceding 2007.

In general, during administrative or Master File processing, taxpayer reporting discrepancies are corrected only to the extent necessary to verify the total tax liability reported. Most of the other corrections to the taxpayer records used for these statistics could not be made because of time and resource constraints. The statistics in Table 2 should, therefore, be used with the knowledge that some of the data have not been perfected or edited for statistical purposes and that U.S. totals in this table may not be altogether comparable to U.S. totals in Tables 1 and 3, as a result. Also, see footnote 13, above for differences in tax return coverage, which affects U.S. totals in this table.

Classification by State was usually based on the taxpayer's home address. However, some taxpayers may have used the address of a tax lawyer, or accountant, or the address of a place of business; moreover, such addresses could each have been located in a State other than the State in which the taxpayer resided.

For explanation of the tax law changes which could affect the year-to-year analysis of data, refer to the respective years' "Individual Income Tax Returns, Preliminary Data" article published in the *SOI Spring Bulletin*. For further explanation of the tax terms, refer to the respective years' "Individual Income Tax Returns," Publication 1304.

Detail may not add to totals because of rounding.

SOURCE: IRS, Statistics of Income Division, Individual Master File System, May 2009.

## Selected Historical and Other Data

**Table 3. Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2004-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Number of returns			Adjusted gross income or deficit		
	2004	2005	2006	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>132,226,042</b>	<b>134,372,678</b>	<b>138,394,754</b>	<b>6,788,805,130</b>	<b>7,422,495,663</b>	<b>8,030,842,945</b>
No adjusted gross income [1]	1,854,886	1,761,041	2,675,594	-86,318,215	- 85,463,023	- 91,196,610
\$1 under \$1,000	1,767,390	1,741,077	1,702,446	984,991	965,633	912,127
\$1,000 under \$3,000	4,812,040	4,846,314	4,822,499	9,793,284	9,721,344	9,745,264
\$3,000 under \$5,000	5,091,014	4,889,025	5,108,425	20,318,047	19,509,743	20,347,084
\$5,000 under \$7,000	4,789,612	4,878,808	4,780,363	28,729,457	29,202,872	28,635,713
\$7,000 under \$9,000	5,010,688	4,850,757	4,776,483	39,981,535	38,715,024	38,171,731
\$9,000 under \$11,000	4,813,678	4,745,452	4,458,082	48,205,019	47,451,175	44,577,760
\$11,000 under \$13,000	4,619,552	4,742,849	4,869,072	55,322,510	56,894,461	58,348,028
\$13,000 under \$15,000	4,558,080	4,532,055	4,614,426	63,779,262	63,524,448	64,617,124
\$15,000 under \$17,000	4,598,321	4,611,777	4,516,328	73,531,516	73,840,131	72,319,682
\$17,000 under \$19,000	4,504,928	4,367,978	4,343,217	81,105,296	78,617,916	78,207,671
\$19,000 under \$22,000	6,160,471	6,288,654	6,054,724	126,011,160	128,779,518	124,048,918
\$22,000 under \$25,000	5,722,762	5,642,356	5,935,685	134,278,064	132,412,213	139,324,447
\$25,000 under \$30,000	8,512,113	8,738,106	8,749,761	233,540,422	239,954,731	240,252,128
\$30,000 under \$40,000	13,915,453	13,940,404	14,151,823	482,760,301	483,976,301	492,158,139
\$40,000 under \$50,000	10,571,409	10,618,507	10,687,193	473,380,843	475,518,617	478,795,699
\$50,000 under \$75,000	18,047,126	18,351,037	18,854,917	1,109,616,155	1,127,666,344	1,158,386,347
\$75,000 under \$100,000	10,119,515	10,449,989	11,140,408	872,398,173	900,479,216	960,841,319
\$100,000 under \$200,000	9,735,569	10,810,367	12,088,423	1,288,319,611	1,430,580,576	1,606,322,715
\$200,000 under \$500,000	2,348,163	2,737,802	3,121,485	676,794,600	788,882,363	895,151,023
\$500,000 under \$1,000,000	433,145	524,506	589,306	293,369,864	355,220,796	399,608,986
\$1,000,000 under \$1,500,000	103,964	127,925	150,431	125,552,749	154,799,533	182,043,576
\$1,500,000 under \$2,000,000	45,104	56,615	64,007	77,754,757	97,512,430	110,211,789
\$2,000,000 under \$5,000,000	65,548	84,070	98,724	194,470,800	250,611,839	295,129,497
\$5,000,000 under \$10,000,000	15,835	21,431	24,975	108,191,995	146,846,621	171,407,703
\$10,000,000 or more	9,677	13,776	15,956	256,932,933	376,274,843	452,475,087
Size of adjusted gross income	Personal exemptions and total deductions			Taxable income [2]		
	2004	2005	2006	2004	2005	2006
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b>	<b>2,359,861,118</b>	<b>2,542,462,832</b>	<b>2,728,613,083</b>	<b>4,670,165,637</b>	<b>5,137,165,874</b>	<b>5,579,145,443</b>
No adjusted gross income [1]	9,328,549	9,179,786	13,701,043	0	0	0
\$1 under \$1,000	10,716,508	11,170,254	12,315,177	9,691	6,673	3,801
\$1,000 under \$3,000	30,432,889	31,970,722	31,970,409	289,949	379,934	366,183
\$3,000 under \$5,000	41,395,297	40,388,212	43,845,820	340,921	454,185	594,780
\$5,000 under \$7,000	45,069,558	46,717,866	47,007,063	1,796,890	1,692,642	1,577,135
\$7,000 under \$9,000	52,766,531	52,986,696	53,043,876	3,392,909	3,076,344	2,974,954
\$9,000 under \$11,000	55,587,385	55,467,845	53,370,485	6,675,881	6,342,304	5,692,867
\$11,000 under \$13,000	56,458,759	59,184,532	62,136,799	10,408,324	10,121,981	10,035,913
\$13,000 under \$15,000	57,684,267	58,090,244	61,121,835	14,476,845	14,122,879	13,903,555
\$15,000 under \$17,000	59,722,085	61,915,775	61,123,804	19,767,376	19,169,320	18,524,685
\$17,000 under \$19,000	59,605,274	59,878,268	60,782,227	25,136,857	23,483,891	22,831,324
\$19,000 under \$22,000	84,290,194	88,502,307	86,371,080	45,497,638	45,011,283	42,603,059
\$22,000 under \$25,000	79,677,101	81,169,150	87,403,975	56,725,067	54,231,809	55,399,757
\$25,000 under \$30,000	122,805,010	130,106,001	132,612,665	113,029,248	113,233,998	111,592,271
\$30,000 under \$40,000	215,492,251	224,426,890	231,077,029	269,409,156	263,351,029	265,074,214
\$40,000 under \$50,000	184,621,322	192,338,404	195,839,398	290,236,146	285,012,457	284,972,063
\$50,000 under \$75,000	381,425,867	400,417,790	416,527,454	729,503,069	730,304,487	743,787,518
\$75,000 under \$100,000	262,607,828	279,443,967	301,541,642	610,458,963	621,931,963	660,346,861
\$100,000 under \$200,000	326,060,860	377,417,890	426,410,253	962,802,185	1,054,728,764	1,181,233,605
\$200,000 under \$500,000	111,781,085	132,822,152	164,119,623	565,602,397	657,160,850	731,857,821
\$500,000 under \$1,000,000	33,453,478	42,108,871	51,853,360	260,116,504	313,445,881	348,055,997
\$1,000,000 under \$1,500,000	12,904,342	16,522,298	20,623,649	112,688,920	138,339,811	161,556,432
\$1,500,000 under \$2,000,000	7,839,873	9,766,863	12,160,514	69,942,269	87,812,010	98,151,682
\$2,000,000 under \$5,000,000	18,613,228	24,288,273	30,378,857	176,063,515	226,492,549	265,082,448
\$5,000,000 under \$10,000,000	10,354,672	14,074,276	17,735,326	97,901,784	132,899,011	153,833,151
\$10,000,000 or more	29,166,907	42,107,503	53,539,719	227,893,131	334,359,818	399,093,365

Footnotes at end of table.

## Selected Historical and Other Data

**Table 3. Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2004-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars except as indicated]

Size of adjusted gross income	Total income tax			Percentage of returns showing no total income tax		
	2004	2005	2006	2004	2005	2006
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b>	<b>831,976,333</b>	<b>934,835,769</b>	<b>1,023,920,139</b>	<b>32.6</b>	<b>32.6</b>	<b>33.0</b>
No adjusted gross income [1]	86,064	133,370	181,211	99.8	99.7	99.8
\$1 under \$1,000	726	486	200	95.2	95.8	97.6
\$1,000 under \$3,000	22,658	34,346	28,971	92.3	90.8	90.1
\$3,000 under \$5,000	31,691	37,962	59,514	94.1	94.0	93.4
\$5,000 under \$7,000	171,582	161,280	153,267	70.1	70.5	70.9
\$7,000 under \$9,000	311,163	293,083	293,604	72.2	73.5	75.7
\$9,000 under \$11,000	555,337	524,789	474,909	53.4	54.1	56.5
\$11,000 under \$13,000	921,669	904,949	893,416	50.8	51.0	50.6
\$13,000 under \$15,000	1,244,855	1,208,101	1,212,323	51.5	50.6	51.3
\$15,000 under \$17,000	1,733,670	1,668,868	1,587,695	49.1	49.4	50.4
\$17,000 under \$19,000	2,264,302	2,063,414	2,014,841	42.8	45.3	47.4
\$19,000 under \$22,000	4,023,617	4,013,294	3,753,564	41.3	40.9	42.2
\$22,000 under \$25,000	5,091,570	4,884,863	4,904,870	38.1	39.2	40.2
\$25,000 under \$30,000	10,675,321	10,707,197	10,396,566	31.3	33.0	34.0
\$30,000 under \$40,000	28,213,040	27,284,638	27,293,090	18.9	20.3	21.2
\$40,000 under \$50,000	33,915,520	32,877,219	32,509,508	10.4	12.2	12.7
\$50,000 under \$75,000	92,955,349	92,824,047	94,443,395	3.9	4.7	5.5
\$75,000 under \$100,000	85,557,202	85,986,486	90,019,371	1.0	1.2	1.4
\$100,000 under \$200,000	175,205,533	189,468,358	209,381,101	0.2	0.4	0.4
\$200,000 under \$500,000	139,227,163	159,395,393	177,041,086	0.1	0.2	0.2
\$500,000 under \$1,000,000	71,339,306	84,700,059	94,213,951	0.1	0.2	0.2
\$1,000,000 under \$1,500,000	31,072,424	38,052,580	44,125,224	0.1	0.2	0.2
\$1,500,000 under \$2,000,000	19,435,625	23,941,620	26,721,295	0.1	0.2	0.2
\$2,000,000 under \$5,000,000	47,962,105	60,871,637	71,647,095	0.1	0.2	0.2
\$5,000,000 under \$10,000,000	25,756,272	34,529,011	39,556,521	0.1	0.2	0.2
\$10,000,000 or more	54,202,568	78,268,719	91,013,554	0.1	0.3	0.2

Size of adjusted gross income	Returns showing total income tax					
	Average tax (whole dollars)			Tax as a percentage of AGI		
	2004	2005	2006	2004	2005	2006
	(19)	(20)	(21)	(22)	(23)	(24)
<b>Total</b>	<b>9,337</b>	<b>10,319</b>	<b>11,041</b>	<b>13.3</b>	<b>13.6</b>	<b>13.8</b>
No adjusted gross income [1]	18,890	27,319	28,759	[3]	[3]	[3]
\$1 under \$1,000	9	7	5	1.0	0.7	0.5
\$1,000 under \$3,000	61	77	61	3.2	4.0	3.2
\$3,000 under \$5,000	105	129	176	2.5	3.3	4.5
\$5,000 under \$7,000	120	112	110	2.0	1.9	1.8
\$7,000 under \$9,000	223	228	253	2.7	2.8	3.1
\$9,000 under \$11,000	247	241	245	2.5	2.4	2.4
\$11,000 under \$13,000	406	390	371	3.4	3.2	3.1
\$13,000 under \$15,000	563	539	540	4.0	3.9	3.9
\$15,000 under \$17,000	740	715	709	4.6	4.5	4.4
\$17,000 under \$19,000	879	863	881	4.9	4.8	4.9
\$19,000 under \$22,000	1,113	1,080	1,073	5.4	5.3	5.2
\$22,000 under \$25,000	1,437	1,423	1,382	6.1	6.1	5.9
\$25,000 under \$30,000	1,825	1,828	1,800	6.6	6.6	6.5
\$30,000 under \$40,000	2,500	2,457	2,446	7.2	7.1	7.0
\$40,000 under \$50,000	3,582	3,526	3,485	8.0	7.9	7.8
\$50,000 under \$75,000	5,357	5,307	5,300	8.7	8.6	8.6
\$75,000 under \$100,000	8,538	8,324	8,198	9.9	9.7	9.5
\$100,000 under \$200,000	18,028	17,597	17,388	13.6	13.3	13.1
\$200,000 under \$500,000	59,350	58,339	56,831	20.6	20.2	19.8
\$500,000 under \$1,000,000	164,839	161,826	160,215	24.3	23.9	23.6
\$1,000,000 under \$1,500,000	299,098	298,155	293,972	24.8	24.6	24.3
\$1,500,000 under \$2,000,000	431,280	423,783	418,416	25.0	24.6	24.3
\$2,000,000 under \$5,000,000	732,235	725,829	727,197	24.7	24.4	24.3
\$5,000,000 under \$10,000,000	1,627,363	1,615,166	1,587,086	23.8	23.6	23.1
\$10,000,000 or more	5,604,070	5,695,999	5,713,702	21.1	20.9	20.1

Footnotes at end of table.

## Selected Historical and Other Data

**Table 3. Number of Individual Income Tax Returns, Income, Exemptions and Deductions, Tax, and Average Tax, by Size of Adjusted Gross Income, Tax Years 2004-2006—Continued**

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### Footnotes

[1] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in "adjusted gross income" or "taxable income," which are subject to the "alternative minimum tax" (included in "total income tax"), defined in Table 1, footnote 34.

[2] "Adjusted gross income" (AGI) minus "personal exemptions and total deductions" will not equal "taxable income" because the total of deductions and exemptions could exceed AGI and, therefore, includes amounts that could not be used in computing "taxable income."

[3] Not computed.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. Percentages shown in this table are based on dollar amounts rounded to the units indicated in the specific table heading. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years.

## Selected Historical and Other Data

**Table 4. Comparison of Personal Income in the National Income and Product Accounts (NIPA) with Adjusted Gross Income (AGI), for Specified Tax Years, 1995-2005**

[All figures are estimates—money amounts are in billions of dollars]

Income and adjustment items	1995	2000	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Personal income (per NIPA) [1]</b>	<b>6,152.3</b>	<b>8,429.7</b>	<b>8,881.9</b>	<b>9,163.6</b>	<b>9,727.2</b>	<b>10,301.1</b>
<b>Less: Portion of personal income not included in AGI</b>	<b>2,234.2</b>	<b>2,971.3</b>	<b>3,243.9</b>	<b>3,368.7</b>	<b>3,575.8</b>	<b>3,662.4</b>
Nontaxable transfer payments	797.5	962.0	1,126.5	1,187.3	1,262.4	1,350.1
Employer contributions to employee pension and insurance funds	493.6	609.9	745.1	815.6	868.5	927.7
Imputed income [2]	186.7	265.8	294.8	271.6	274.1	208.4
Investment income of life insurance carriers and pension plans	369.1	497.3	432.0	429.2	435.3	492.1
Investment income received by nonprofit institutions or retained by fiduciaries	60.0	75.6	60.0	55.8	62.1	63.7
Net differences in accounting treatment (NIPA vs. IRS)	83.8	159.4	146.0	142.0	157.3	43.0
Other excluded or tax-exempt income	243.4	401.4	439.5	467.2	516.2	577.4
<b>Plus: Portion of AGI not included in personal income</b>	<b>841.7</b>	<b>1,667.1</b>	<b>1,338.9</b>	<b>1,440.0</b>	<b>1,735.1</b>	<b>2,069.7</b>
Personal contributions for social insurance	268.8	359.2	384.8	396.5	420.5	445.7
Net gain from the sale of assets	167.4	645.4	236.4	294.0	476.2	671.7
Taxable pensions	293.2	414.2	462.7	491.4	522.7	560.0
Small business corporation income	79.2	128.2	138.5	148.6	195.1	250.7
Other types of income	33.2	120.0	116.5	109.4	120.6	141.6
<b>Equals: BEA-derived adjusted gross income</b>	<b>4,759.8</b>	<b>7,125.4</b>	<b>6,976.8</b>	<b>7,234.9</b>	<b>7,886.4</b>	<b>8,708.4</b>
<b>Adjusted gross income, IRS</b>	<b>4,189.4</b>	<b>6,365.4</b>	<b>6,033.6</b>	<b>6,207.1</b>	<b>6,788.8</b>	<b>7,422.5</b>
<b>Adjusted gross income (AGI) gap [3]</b>	<b>570.4</b>	<b>760.1</b>	<b>943.2</b>	<b>1,027.8</b>	<b>1,097.6</b>	<b>1,285.9</b>
<b>AGI gap as a percentage of BEA-derived AGI</b>	<b>12.0</b>	<b>10.7</b>	<b>13.5</b>	<b>14.2</b>	<b>13.9</b>	<b>14.8</b>
<b>AGI of IRS as a percentage of BEA-derived AGI</b>	<b>88.0</b>	<b>89.3</b>	<b>86.5</b>	<b>85.8</b>	<b>86.1</b>	<b>85.2</b>

[1] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at: <http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm>.

[2] Consists of imputed rental income of owner-occupied nonfarm dwellings (less actual rental income and subsidies); services to individuals furnished without payment by certain financial intermediaries; premium supplements to individuals for property and casualty insurance; farm products consumed on farms; food furnished to employees, including military and domestic service; clothing issued to military personnel; employee's lodging; and imputed income of individuals participating in the construction of their own housing.

[3] Consists of income earned by low-income individuals who are not required to file income tax returns, of unreported income that is included in the NIPA measure, and of errors and omissions which comprise items in the portion of personal income not included in AGI and the portion of AGI not included in personal income. Also includes the net effect of errors in the IRS adjusted gross income and NIPA personal income measures. Such errors can arise from the sample used by the IRS to estimate AGI and from the source data used by BEA to estimate personal income (per NIPA).

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

## Selected Historical and Other Data

**Table 5. Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1950-2005**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) [1,2]	Total adjusted gross income (AGI) (per NIPA) [1,2,3]	Difference	
			Amount [2,3]	Percentage of personal income [2,3]
	(1)	(2)	(3)	(4)
1950	229.0	202.5	26.5	11.6
1951	258.0	229.3	28.7	11.1
1952	275.4	241.6	33.8	12.3
1953	291.9	256.1	35.8	12.3
1954	294.5	257.3	37.2	12.6
1955	316.1	278.7	37.4	11.8
1956	339.6	299.4	40.2	11.8
1957	358.7	312.6	46.1	12.9
1958	369.0	315.8	53.2	14.4
1959	392.8	341.8	51.0	13.0
1960	411.5	354.0	57.5	14.0
1961	429.0	368.0	61.0	14.2
1962	456.7	390.0	66.7	14.6
1963	479.6	411.0	68.6	14.3
1964	514.6	443.9	70.7	13.7
1965	555.7	480.6	75.1	13.5
1966	603.9	521.2	82.7	13.7
1967	648.3	551.3	97.0	15.0
1968	712.0	605.6	106.4	14.9
1969	778.5	659.8	118.7	15.2
1970	838.8	696.4	142.4	17.0
1971	903.5	742.8	160.7	17.8
1972	992.7	824.5	168.2	16.9
1973	1,110.7	925.0	185.7	16.7
1974	1,222.6	1,003.5	219.1	17.9
1975	1,335.0	1,046.8	288.2	21.6
1976	1,474.8	1,168.0	306.8	20.8
1977	1,633.2	1,296.1	337.1	20.6
1978	1,837.7	1,466.4	371.3	20.2
1979	2,062.2	1,654.1	408.1	19.8
1980	2,307.9	1,830.3	477.6	20.7
1981	2,591.3	2,016.3	575.0	22.2
1982	2,775.3	2,098.6	676.7	24.4
1983	2,960.7	2,225.6	735.1	24.8
1984	3,289.5	2,472.6	816.9	24.8
1985	3,526.7	2,631.6	895.1	25.4
1986	3,722.4	2,853.2	869.2	23.4
1987	3,947.4	3,121.1	826.3	20.9
1988	4,253.7	3,411.9	841.8	19.8
1989	4,587.8	3,649.7	938.1	20.4
1990	4,878.6	3,798.4	1,080.2	22.1
1991	5,051.0	3,856.8	1,194.2	23.6
1992	5,362.0	4,092.0	1,270.0	23.7
1993	5,558.5	4,245.4	1,313.1	23.6
1994	5,842.5	4,473.7	1,368.8	23.4
1995	6,152.3	4,759.8	1,392.5	22.6
1996	6,520.6	5,144.5	1,376.1	21.1
1997	6,915.1	5,578.0	1,337.1	19.3
1998	7,423.0	6,120.2	1,302.8	17.6
1999	7,802.4	6,553.5	1,248.9	16.0
2000	8,429.7	7,125.4	1,304.3	15.5
2001	8,724.1	7,005.0	1,719.1	19.7
2002	8,881.9	6,976.8	1,905.1	21.4
2003	9,163.6	7,234.9	1,928.7	21.0
2004	9,727.2	7,886.4	1,840.8	18.9
2005	10,301.1	8,708.4	1,592.7	15.5

Footnotes at end of table.

## Selected Historical and Other Data

**Table 5. Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1950-2005—Continued**

### Footnotes

[1] See Table 4 for the differences between "personal income" and "adjusted gross income" (AGI).

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at <http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm>.

[3] Data for years 1987 and after are not comparable to pre-1987 data because of major changes in the definition of "adjusted gross income" (AGI).

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. Percentages shown in this table are based on dollar amounts rounded to the units indicated in the specific table heading. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

SOURCE: Data on "personal income" and "adjusted gross income" (AGI) (per NIPAs) are from U.S. Department of Commerce, Bureau of Economic Analysis.

## Selected Historical and Other Data

**Table 6. Total Adjusted Gross Income Estimated From National Income and Product Accounts (NIPA) and as Reported on Individual Income Tax Returns per Statistics of Income (SOI), Tax Years 1950-2005**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) [1]	Reported on tax returns (per SOI) [2]	Amount [2]	Percentage of total (per NIPA) [2]
	(1)	(2)	(3)	(4)
1950	202.5	179.1	23.4	11.6
1951	229.3	202.3	27.0	11.8
1952	241.6	215.3	26.3	10.9
1953	256.1	228.7	27.4	10.7
1954	257.3	229.2	28.1	10.9
1955	278.7	248.5	30.2	10.8
1956	299.4	267.7	31.7	10.6
1957	312.6	280.3	32.3	10.3
1958	315.8	281.2	34.6	11.0
1959	341.8	305.1	36.7	10.7
1960	354.0	315.5	38.5	10.9
1961	368.0	329.9	38.1	10.4
1962	390.0	348.7	41.3	10.6
1963	411.0	368.8	42.2	10.3
1964	443.9	396.7	47.2	10.6
1965	480.6	429.2	51.4	10.7
1966	521.2	468.5	52.7	10.1
1967	551.3	504.8	46.5	8.4
1968	605.6	554.4	51.2	8.5
1969	659.8	603.5	56.3	8.5
1970	696.4	631.7	64.7	9.3
1971	742.8	673.6	69.2	9.3
1972	824.5	746.0	78.5	9.5
1973	925.0	827.1	97.9	10.6
1974	1,003.5	905.5	98.0	9.8
1975	1,046.8	947.8	99.0	9.5
1976	1,168.0	1,053.9	114.1	9.8
1977	1,296.1	1,158.5	137.6	10.6
1978	1,466.4	1,302.4	164.0	11.2
1979	1,654.1	1,465.4	188.7	11.4
1980	1,830.3	1,613.7	216.6	11.8
1981	2,016.3	1,772.6	243.7	12.1
1982	2,098.6	1,852.1	246.5	11.7
1983	2,225.6	1,942.6	283.0	12.7
1984	2,472.6	2,139.9	332.7	13.5
1985	2,631.6	2,306.0	325.6	12.4
1986	2,853.2	2,481.7	371.5	13.0
1987	3,121.1	2,773.8	347.3	11.1
1988	3,411.9	3,083.0	328.9	9.6
1989	3,649.7	3,256.4	393.3	10.8
1990	3,798.4	3,405.4	393.0	10.3
1991	3,856.8	3,464.5	392.3	10.2
1992	4,092.0	3,629.1	462.9	11.3
1993	4,245.4	3,723.3	522.1	12.3
1994	4,473.7	3,907.5	566.2	12.7
1995	4,759.8	4,189.4	570.4	12.0

Footnotes at end of table.

## Selected Historical and Other Data

**Table 6. Total Adjusted Gross Income Estimated From National Income and Product Accounts (NIPA) and as Reported on Individual Income Tax Returns per Statistics of Income (SOI), Tax Years 1950-2005—Continued**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) [1]	Reported on tax returns (per SOI) [2]	Amount [2]	Percentage of total (per NIPA) [2]
	(1)	(2)	(3)	(4)
1996	5,144.5	4,536.0	608.5	11.8
1997	5,578.0	4,969.9	608.1	10.9
1998	6,120.2	5,416.0	704.2	11.5
1999	6,553.5	5,855.5	698.0	10.7
2000	7,125.4	6,365.4	760.0	10.7
2001	7,005.0	6,170.6	834.4	11.9
2002	6,976.8	6,033.6	943.2	13.5
2003	7,234.9	6,207.1	1,027.8	14.2
2004	7,886.4	6,788.8	1,097.6	13.9
2005	8,708.4	7,422.5	1,285.9	14.8

[1] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at <http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm>.

[2] Data for years 1987 and after are not comparable to pre-1987 data because of major changes in the definition of "adjusted gross income" (AGI).

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. Percentages shown in this table are based on dollar amounts rounded to the units indicated in the specific table heading. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

SOURCE: Data on "adjusted gross income" (AGI) (per NIPAs) are from U.S. Department of Commerce, Bureau of Economic Analysis.

## Selected Historical and Other Data

**Table 7. Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1950-2006**

[All figures are estimates based on samples—number of returns is in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Total deductions		Standard deduction		Itemized deductions	
		Amount [1]	As a percentage of adjusted gross income (AGI) [2]	Number of returns [3]	Amount [4]	Number of returns [3]	Amount [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950	53.1	21.9	12.2	42.7	12.0	10.3	9.9
1951	55.4	25.2	12.5	43.9	13.3	11.6	11.9
1952	56.5	27.3	12.7	43.7	13.7	12.8	13.6
1953	57.8	29.8	13.0	43.4	14.2	14.4	15.6
1954	56.7	30.7	13.4	41.0	13.3	15.7	17.4
1955	58.3	33.6	13.5	40.9	13.6	16.9	20.0
1956	59.2	36.4	13.6	40.3	13.8	18.5	22.6
1957	59.8	39.5	14.1	39.3	13.8	20.2	25.7
1958	59.1	40.7	14.5	37.9	13.2	20.8	27.5
1959	60.3	45.4	14.9	37.3	13.4	22.5	32.0
1960	61.0	48.4	15.3	36.5	13.1	24.1	35.3
1961	61.5	51.3	15.6	35.8	12.9	25.3	38.4
1962	62.7	54.8	15.7	35.8	13.1	26.5	41.7
1963	63.9	59.2	16.1	35.4	13.1	28.2	46.1
1964	65.4	67.0	16.9	38.0	20.2	26.9	46.8
1965	67.6	71.4	16.6	39.3	20.6	27.9	50.7
1966	70.2	76.4	16.3	41.2	21.8	28.6	54.6
1967	71.7	81.7	16.2	41.5	22.1	29.8	59.6
1968	73.7	91.3	16.5	41.3	22.1	32.0	69.2
1969	75.8	101.8	16.9	40.5	21.6	34.9	80.2
1970	74.3	120.5	19.1	38.4	32.4	35.4	88.2
1971	74.6	139.9	20.8	43.5	48.1	30.7	91.9
1972	77.6	166.4	22.3	50.2	69.8	27.0	96.7
1973	80.7	180.6	21.8	52.2	73.6	28.0	107.0
1974	83.3	195.5	21.6	53.2	76.1	29.6	119.4
1975	82.2	[r] 223.2	24.6	55.5	100.9	26.1	122.3
1976	84.7	247.6	23.5	58.2	113.8	26.0	133.9
1977	86.6	276.2	23.8	58.8	137.7	22.9	138.5
1978	89.8	304.3	23.4	59.5	139.8	25.8	164.4
1979	92.7	333.0	22.7	60.7	148.8	26.5	184.2
1980	93.9	364.0	22.6	59.5	146.0	29.0	218.0
1981	95.4	401.2	22.6	58.7	144.7	31.6	256.4
1982	95.3	425.2	23.0	56.9	140.2	33.4	284.5
1983	96.3	448.7	23.1	56.2	138.5	35.2	309.6
1984	99.4	499.6	23.3	56.7	139.5	38.2	358.9
1985	101.7	554.7	24.1	57.0	145.0	39.8	405.0
1986	103.0	611.3	24.6	56.5	151.0	40.7	447.1
1987	107.0	607.2	21.9	69.1	215.2	35.6	392.0
1988	109.7	686.0	22.3	76.5	289.6	31.9	395.2
1989	112.1	740.4	22.7	79.3	309.4	32.0	431.0
1990	113.7	789.9	23.2	80.6	331.5	32.2	458.5
1991	114.7	818.8	23.6	81.3	351.1	32.5	467.7
1992	113.6	848.5	23.4	80.1	366.5	32.5	481.9
1993	114.6	872.5	23.4	80.8	382.1	32.8	490.4
1994	115.9	890.8	22.8	81.9	397.1	33.0	493.7
1995	118.2	941.0	22.5	83.2	413.6	34.0	527.4
1996	120.4	998.6	22.0	84.0	426.1	35.4	572.5
1997	122.4	1,062.5	21.4	84.8	441.7	36.6	620.8
1998	124.8	1,135.9	21.0	85.6	459.5	38.2	676.5
1999	127.1	1,205.3	20.6	85.8	464.0	40.2	741.4
2000	129.4	1,293.2	20.3	85.7	470.8	42.5	822.4

Footnotes at end of table.

## Selected Historical and Other Data

**Table 7. Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1950-2006—Continued**

[All figures are estimates based on samples—number of returns is in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Total deductions		Standard deduction		Itemized deductions	
		Amount [1]	As a percentage of adjusted gross income (AGI) [2]	Number of returns [3]	Amount [4]	Number of returns [3]	Amount [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2001	130.3	1,366.4	22.1	84.2	[r] 481.9	44.6	884.5
2002	130.1	1,390.1	23.0	82.7	[r] 492.1	45.6	898.0
2003	130.4	1,457.6	23.5	84.6	[r] 555.8	43.9	901.9
2004	132.2	1,559.2	23.0	84.0	[r] 560.9	46.3	998.2
2005	134.4	1,702.6	22.9	84.8	580.7	47.8	1,121.8
2006	138.4	1,836.7	22.9	86.6	607.5	49.1	1,229.2

[r] Revised.

[1] Sum of standard and itemized deductions, plus charitable contributions deduction reported on standard deduction returns for Tax Years 1982-1986. Amount of total deductions for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, using his estimate of the standard deduction for these years (see footnote 4) plus the total for itemized deductions published in *Statistics of Income—Part 1 for 1950-1953* and *Statistics of Income—Individual Income Tax Returns for 1954-1957*. Starting with 1958, total deductions were obtained directly from *Statistics of Income—Individual Income Tax Returns*. Deductions exclude amounts shown as "statutory adjustments" in Table 1. For Tax Years 1987-1988, total deductions also include the "zero bracket amount" reported on a small number of returns (see footnote 4). It includes total deductions as reported by taxpayers, even if the total exceeded "adjusted gross income" (AGI) and, therefore, could not be used.

[2] See Table 5, footnote 3.

[3] Series revised, starting with the spring 1997 *Bulletin*, to exclude from the standard deduction statistics the relatively small number of returns with no adjusted gross income and no deductions. Previously, these returns were classified as if they showed a standard deduction. For the 1977-1986 statistics, the standard deduction is the "zero bracket amount" (reported on returns with only a "zero bracket amount"). Such an amount was also included for a small number of returns for 1987-1988 (see footnote 4). For years in which the "zero bracket amount" was in effect, frequencies shown for standard deduction returns were derived by subtracting the number reporting an income tax liability, but no itemized deductions, from the total of all returns. For 1950-1952, returns with itemized deductions include the small number of returns with no deductions and, for 1950-1954, the small number with no income, regardless of whether or not deductions were itemized. For later years, returns in these two categories were excluded from all the deduction statistics in this table.

[4] Amount of standard deduction for 1950-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of returns by income class and marital status in *Statistics of Income—Part 1 for 1950-1953* and *Statistics of Income—Individual Income Tax Returns for 1954-1957*, and, starting with 1958, was obtained directly from *Statistics of Income—Individual Income Tax Returns*. It represents the "zero bracket amount" for 1977-1986. Starting with 1987, it represents the sum of "basic" and "additional" standard deductions (for age 65 or over and for blindness); also includes the "zero bracket amount" reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics as proxies for returns due but not received.

[5] For 1977-1986, total itemized deductions are before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see Table 1, footnote 25).

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. Percentages shown in this table are based on dollar amounts rounded to the units indicated in the specific table heading. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

SOURCE: Except as indicated in footnotes 1 and 4, *Statistics of Income—Individual Income Tax Returns* and unpublished tables, appropriate years. Data referenced in footnote 4, which are attributed to Joseph A. Pechman, are from Pechman 1987, *Federal Tax Policy*, fifth edition, The Brookings Institution.

## Selected Historical and Other Data

**Table 8. Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per Statistics of Income (SOI), Tax Years 1950-2006**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) [1,2]	Taxable income (per SOI) [3]		Total income tax (per SOI) [3]		
		Amount	As a percentage of personal income	Amount	As a percentage of—	
					Personal income	Taxable income
	(1)	(2)	(3)	(4)	(5)	(6)
1950	229.0	84.3	36.8	18.4	8.0	21.8
1951	258.0	99.2	38.4	24.2	9.4	24.4
1952	275.4	107.2	38.9	27.8	10.1	25.9
1953	291.9	114.3	39.2	29.4	10.1	25.7
1954	294.5	115.3	39.2	26.7	9.1	23.2
1955	316.1	128.0	40.5	29.6	9.4	23.1
1956	339.6	141.5	41.7	32.7	9.6	23.1
1957	358.7	149.4	41.7	34.4	9.6	23.0
1958	369.0	149.3	40.5	34.3	9.3	23.0
1959	392.8	166.5	42.4	38.6	9.8	23.2
1960	411.5	171.6	41.7	39.5	9.6	23.0
1961	429.0	181.8	42.4	42.2	9.8	23.2
1962	456.7	195.3	42.8	44.9	9.8	23.0
1963	479.6	209.1	43.6	48.2	10.1	23.1
1964	514.6	229.9	44.7	47.2	9.2	20.5
1965	555.7	255.1	45.9	49.6	8.9	19.4
1966	603.9	286.3	47.4	56.1	9.3	19.6
1967	648.3	315.1	48.6	63.0	9.7	20.0
1968	712.0	352.8	49.6	76.7	10.8	21.7
1969	778.5	388.8	49.9	86.6	11.1	22.3
1970	838.8	401.2	47.8	83.9	10.0	20.9
1971	903.5	414.0	45.8	85.4	9.5	20.6
1972	992.7	447.6	45.1	93.6	9.4	20.9
1973	1,110.7	511.9	46.1	108.1	9.7	21.1
1974	1,222.6	573.6	46.9	123.6	10.1	21.5
1975	1,335.0	595.5	44.6	124.5	9.3	20.9
1976	1,474.8	674.9	45.8	141.8	9.6	21.0
1977	1,633.2	733.8	44.9	159.8	9.8	21.8
1978	1,837.7	846.4	46.1	188.2	10.2	22.2
1979	2,062.2	926.6	44.9	214.5	10.4	23.1
1980	2,307.9	1,045.2	45.3	250.3	10.8	23.9
1981	2,591.3	1,170.1	45.2	284.1	11.0	24.3
1982	2,775.3	1,231.9	44.4	277.6	10.0	22.5
1983	2,960.7	1,300.2	43.9	274.2	9.3	21.1
1984	3,289.5	1,447.0	44.0	301.9	9.2	20.9
1985	3,526.7	1,550.5	44.0	325.7	9.2	21.0
1986	3,722.4	1,665.6	44.7	367.3	9.9	22.1
1987	3,947.4	1,850.6	46.9	369.2	9.4	20.0
1988	4,253.7	2,070.0	48.7	412.9	9.7	19.9
1989	4,587.8	2,173.3	47.4	432.9	9.4	19.9
1990	4,878.6	2,263.7	46.4	447.1	9.2	19.8
1991	5,051.0	2,284.1	45.2	448.4	8.9	19.6
1992	5,362.0	2,395.7	44.7	476.2	8.9	19.9
1993	5,558.5	2,453.5	44.1	502.8	9.0	20.5
1994	5,842.5	2,598.0	44.5	534.9	9.2	20.6
1995	6,152.3	2,813.8	45.7	588.4	9.6	20.9
1996	6,520.6	3,089.7	47.4	658.2	10.1	21.3
1997	6,915.1	3,429.1	49.6	731.3	10.6	21.3
1998	7,423.0	3,780.8	50.9	788.5	10.6	20.9
1999	7,802.4	4,136.1	53.0	877.4	11.2	21.2
2000	8,429.7	4,544.2	53.9	980.6	11.6	21.6

Footnotes at end of table.

## Selected Historical and Other Data

**Table 8. Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per Statistics of Income (SOI), Tax Years 1950-2006—Continued**

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) [1,2]	Taxable income (per SOI) [3]		Total income tax (per SOI) [3]		
		Amount	As a percentage of personal income	Amount	As a percentage of—	
					Personal income	Taxable income
(1)	(2)	(3)	(4)	(5)	(6)	
2001	8,724.1	4,268.5	48.9	888.0	10.2	20.8
2002	8,881.9	4,096.1	46.1	797.0	9.0	19.5
2003	9,163.6	4,200.2	45.8	748.0	8.2	17.8
2004	9,727.2	4,670.2	48.0	832.0	8.6	17.8
2005	10,301.1	5,137.2	49.9	934.9	9.1	18.2
2006	10,993.9	5,579.1	50.7	1,023.9	9.3	18.4

[1] See Table 4 for differences between "personal income" and "adjusted gross income."

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at <http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm>.

[3] Note that the "taxable income" tax base excludes the base for computing both the "minimum tax" and "alternative minimum tax" components of "total income tax." Therefore, the percentages shown in column 6, starting with 1970, are only approximate. See also Table 1, footnote 34. Also, because conceptually "taxable income" did not exist prior to 1954, the taxable income shown for 1950-1953 and the percentages based on it in columns 3 and 6 are estimated, in part, by adjusting available statistics for statutory "net income" for these years.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Percentages shown in this table are based on dollar amounts rounded to the units indicated in the specific table heading. Therefore, they may not be as precise as percentages based on the fuller dollar amounts found in tables contained in the source publications or articles which underlie the historical tables presented in this section of the *Bulletin*.

SOURCE: Data on "Personal income" are from the Bureau of Economic Analysis's National Income and Product Accounts, Table 2.1: Personal Income and Its Disposition.

This table appears in the *Survey of Current Business* and can also be accessed online at: <http://www.bea.gov/bea/dn/nipaweb/index.asp>. Data on

"Taxable income (per SOI)" and "Total income tax (per SOI)" are from *Statistics of Income—Individual Income Tax Returns*, various years.

## Selected Historical and Other Data

**Table 9. Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1950-2006**

[All figures are estimates based on samples—number of returns is in millions]

Tax year	Total number of returns	Number of returns with—		
		Tax due at time of filing	Overpayments [1]	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1950	53.1	14.3	32.0	6.8
1951	55.4	18.6	31.0	5.8
1952	56.5	19.3	32.1	5.1
1953	57.8	19.0	32.7	6.2
1954	56.7	16.6	35.2	5.0
1955	58.3	18.7	35.4	4.2
1956	59.2	19.4	36.1	3.7
1957	59.8	18.6	37.6	3.6
1958	59.1	18.1	37.4	3.6
1959	60.3	19.1	38.4	2.8
1960	61.0	18.1	39.4	3.5
1961	61.5	18.6	40.0	2.9
1962	62.7	18.7	40.9	3.1
1963	63.9	19.3	41.4	3.3
1964	65.4	22.5	39.3	3.5
1965	67.6	20.0	44.3	3.2
1966	70.2	17.8	49.4	3.0
1967	71.7	17.5	51.2	3.0
1968	73.7	20.3	50.6	2.8
1969	75.8	17.9	54.9	3.0
1970	74.3	16.5	55.3	2.5
1971	74.6	17.0	55.3	2.4
1972	77.6	11.9	63.3	2.3
1973	80.7	14.2	64.2	2.2
1974	83.3	15.4	65.8	2.1
1975	82.2	15.8	63.8	2.6
1976	84.7	16.9	65.0	2.8
1977	86.6	17.8	66.0	2.8
1978	89.8	21.6	65.5	2.7
1979	92.7	18.8	71.4	2.4
1980	93.9	21.8	69.9	2.3
1981	95.4	23.0	70.0	2.4
1982	95.3	20.3	72.4	2.6
1983	96.3	18.5	75.0	2.9
1984	99.4	21.2	75.6	2.7
1985	101.7	21.2	77.4	3.0
1986	103.0	21.5	78.1	3.5
1987	107.0	23.8	79.8	3.4
1988	109.7	27.2	79.1	3.4
1989	112.1	28.0	80.9	3.2
1990	113.7	27.0	83.5	3.2
1991	114.7	25.6	85.6	3.5
1992	113.6	29.0	81.0	3.6
1993	114.6	28.6	82.4	3.6
1994	115.9	27.6	85.1	3.2
1995	118.2	29.7	85.3	3.2
1996	120.4	30.6	86.5	3.3
1997	122.4	31.2	88.3	2.9
1998	124.8	28.4	93.4	3.0
1999	127.1	29.2	94.8	3.1
2000	129.4	30.6	95.9	2.9
2001	130.3	24.6	102.3	3.4
2002	130.1	22.8	103.5	3.8
2003	130.4	21.1	105.4	4.0
2004	132.2	24.5	103.7	4.0

Footnotes at end of table.

## Selected Historical and Other Data

**Table 9. Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1950-2006—Continued**

Tax year	Total number of returns	Number of returns with—		
		Tax due at time of filing	Overpayments [1]	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
2005	134.4	25.7	104.8	3.9
2006	138.4	26.7	109.9	1.8

**Footnotes**

[1] Starting with 1975, includes the refundable portion of the "earned income credit."

NOTES: Detail may not add to totals because of rounding. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: *Statistics of Income—Individual Income Tax Returns* and unpublished tables, appropriate years.

## Selected Historical and Other Data

**Table 10. Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Income Years, 2000-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns with nonfarm business net income or deficit, total [1]</b>	<b>17,904,731</b>	<b>18,338,190</b>	<b>18,925,517</b>	<b>19,710,079</b>	<b>20,590,691</b>	<b>21,467,566</b>	<b>22,074,953</b>
Number with nonfarm business net income	13,307,842	13,603,907	13,750,798	14,447,889	15,053,252	15,750,475	16,207,401
<b>Number of nonfarm businesses</b>	<b>19,863,507</b>	<b>20,378,335</b>	<b>20,972,642</b>	<b>21,875,950</b>	<b>22,842,859</b>	<b>23,893,733</b>	<b>24,603,249</b>
<b>Business receipts, total</b>	<b>1,020,957,283</b>	<b>1,016,834,678</b>	<b>1,029,691,760</b>	<b>1,050,202,446</b>	<b>1,139,523,760</b>	<b>1,222,880,231</b>	<b>1,278,359,791</b>
Income from sales and operations	1,007,948,354	1,002,205,953	1,015,363,541	1,033,934,376	1,122,226,857	1,204,827,487	1,258,697,676
<b>Total deductions [2]</b>	<b>806,386,102</b>	<b>799,633,110</b>	<b>808,900,651</b>	<b>820,206,714</b>	<b>892,402,428</b>	<b>953,391,489</b>	<b>1,001,097,557</b>
Cost of goods sold	387,381,087	363,355,614	351,785,009	338,376,959	370,951,227	396,875,774	409,660,968
Inventory, beginning-of-year	32,412,471	34,176,255	34,291,721	34,924,642	35,761,115	38,101,650	41,101,650
Inventory, end-of-year	34,342,365	35,732,488	36,279,786	36,911,339	38,955,669	42,024,497	44,503,226
Purchases	268,789,953	246,541,135	227,085,757	218,445,328	238,922,503	252,887,700	259,992,655
Cost of labor	29,278,688	28,022,289	30,389,028	28,032,070	31,768,695	32,163,009	31,743,915
Materials and supplies	43,195,524	43,798,283	45,589,230	46,554,634	53,267,879	55,902,012	59,699,442
Advertising	10,148,700	10,774,079	11,237,979	12,340,084	12,888,316	14,449,493	15,274,111
Car and truck expenses	45,711,214	47,351,940	50,489,359	53,466,645	58,980,274	71,013,061	75,402,429
Commissions	11,621,490	12,130,077	14,066,786	13,502,446	13,267,025	15,439,663	15,634,322
Depletion	684,974	693,669	461,938	639,008	775,567	1,061,786	1,058,351
Depreciation	32,196,159	33,425,567	36,642,027	41,754,963	42,900,776	39,080,205	39,004,511
Pension and profit-sharing plans	892,873	991,892	1,085,247	1,182,019	1,202,228	1,251,915	1,276,851
Employee benefit programs	1,871,875	2,040,639	2,284,368	2,421,673	2,617,800	2,798,308	2,867,672
Insurance	13,623,759	14,367,018	16,004,335	17,489,210	18,864,229	19,000,895	19,083,862
Interest paid, total	12,232,846	12,509,547	11,439,539	10,581,245	11,023,766	12,109,510	13,511,952
Mortgage interest	5,250,896	5,456,226	5,006,864	4,762,929	5,167,373	5,543,658	6,297,485
Other interest	6,981,950	7,053,321	6,432,675	5,818,316	5,856,393	6,565,852	7,214,467
Legal and professional services	7,312,694	7,482,619	8,365,930	8,284,557	8,959,140	9,836,870	10,092,910
Meals and entertainment expenses before limitation	9,183,825	9,314,840	10,020,243	10,897,636	11,792,887	[3]	[3]
Meals and entertainment deduction	4,664,694	4,735,312	5,088,083	5,524,213	5,997,824	6,802,217	7,306,309
Office expenses	10,456,415	10,604,805	11,331,733	11,849,079	12,362,672	12,835,599	13,024,662
Rent paid, total	33,222,458	33,641,132	34,854,754	35,672,010	36,867,569	39,484,729	40,579,503
On machinery	8,880,267	8,522,008	8,543,257	8,470,304	8,728,363	9,135,688	9,350,344
On other business property	24,342,191	25,119,124	26,311,497	27,201,706	28,139,206	30,349,041	31,229,159
Repairs	12,280,525	12,129,756	12,669,141	13,221,220	14,762,464	14,976,142	15,726,040
Net salaries and wages (not deducted elsewhere)	63,485,540	63,826,020	66,067,965	67,640,849	71,068,517	75,091,154	77,038,713
Supplies	21,793,962	23,074,836	24,615,763	25,507,159	27,302,886	28,858,613	32,136,896
Taxes paid	13,955,919	14,214,082	14,901,431	15,179,639	16,036,234	16,797,524	17,660,030
Travel	8,457,317	8,657,266	9,110,193	9,313,708	10,317,557	11,308,328	11,861,197
Utilities (including telephone)	19,381,881	20,482,680	20,674,727	21,661,093	21,477,462	22,910,257	23,842,787
Bad debts	983,868	1,176,324	1,055,722	[3]	[3]	[3]	[3]
Business use of home	5,642,543	5,981,403	6,474,145	7,047,483	7,807,037	8,801,078	10,119,539
<b>Net income (less deficit) [2]</b>	<b>214,715,298</b>	<b>217,385,116</b>	<b>221,113,286</b>	<b>230,308,100</b>	<b>247,567,189</b>	<b>269,919,995</b>	<b>278,032,643</b>
Net income [2]	245,230,626	250,178,322	257,292,855	269,089,168	290,486,159	314,756,510	326,769,239
Deficit [2]	30,515,328	32,793,206	36,179,568	38,781,068	42,918,970	44,836,514	48,736,596

[1] Represents the number of returns, even if there was more than one business per return.

[2] "Total deductions" include amounts not shown separately in this table, as well as amounts not itemized separately on Schedule C-EZ (short form) used by certain of the smaller businesses. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. Total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, "business receipts" minus "total deductions" do not equal "net income (less deficit)."

[3] Not available.

NOTES: There are slight differences between: (a) the number of individual income tax returns "with business or profession net income or loss" and the associated amounts, based on the summarized totals on the face of the tax return (Table 1), and (b) the related number of individual income tax returns "with nonfarm business net income or deficit" and the associated amounts, based on data from Schedules C filed in support of the total on the face of the return (Table 10). These differences result from the somewhat larger tax return samples underlying the sole proprietorship statistics for more recent years, and also from the taxpayer reporting variations and inconsistencies, e.g., in the occasional misreporting of farm versus nonfarm business activity on the face of the return compared to what was indicated in supporting schedules, and in the equating of certain partnership income or employee business expenses with the presence of sole proprietorship activity. Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 11. Partnership Returns: Selected Balance Sheet and Income Statement Items for Income Years, 2000-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total number of active partnerships</b>	<b>2,057,500</b>	<b>2,132,117</b>	<b>2,242,169</b>	<b>2,375,375</b>	<b>2,546,877</b>	<b>2,763,625</b>	<b>2,947,116</b>
Number with net income	1,261,420	1,301,040	1,325,008	1,356,988	1,440,895	1,580,266	1,623,202
Number with balance sheets [1]	1,504,978	1,591,450	1,682,072	1,768,302	1,890,134	2,058,001	2,195,814
<b>Number of partners</b>	<b>13,659,967</b>	<b>14,231,604</b>	<b>14,328,108</b>	<b>14,108,458</b>	<b>15,556,553</b>	<b>16,211,908</b>	<b>16,727,803</b>
<b>Number of limited partnerships [2]</b>	<b>348,973</b>	<b>369,150</b>	<b>376,963</b>	<b>378,921</b>	<b>402,238</b>	<b>413,712</b>	<b>432,550</b>
Number of partners [2]	6,468,292	7,023,431	6,918,515	6,262,103	7,023,921	6,946,986	6,738,737
<b>Number of limited liability companies [2]</b>	<b>718,704</b>	<b>808,692</b>	<b>946,130</b>	<b>1,091,502</b>	<b>1,270,236</b>	<b>1,465,223</b>	<b>1,630,161</b>
Number of partners [2]	2,699,227	3,231,921	3,737,899	4,226,099	4,949,808	5,640,146	6,361,958
<b>Total assets [3]</b>	<b>6,694,142,838</b>	<b>8,428,217,379</b>	<b>8,866,560,101</b>	<b>9,675,052,728</b>	<b>11,607,698,140</b>	<b>13,734,256,305</b>	<b>17,146,275,371</b>
Depreciable assets (net)	1,487,182,018	1,646,477,441	1,791,511,841	1,845,514,643	1,988,468,476	2,175,870,104	2,490,122,750
Inventories, end of year	149,875,359	208,165,141	202,669,386	213,605,408	275,807,149	315,475,201	445,560,371
Land	358,625,577	392,090,094	423,177,429	454,765,198	509,408,430	607,354,512	730,875,333
<b>Total liabilities [3]</b>	<b>3,695,508,180</b>	<b>4,835,135,071</b>	<b>4,972,036,919</b>	<b>5,303,160,043</b>	<b>6,247,952,541</b>	<b>7,482,803,211</b>	<b>9,350,086,800</b>
Accounts payable	229,893,243	361,748,491	346,350,802	275,560,392	336,393,755	400,232,413	505,211,960
Short-term debt [4]	252,226,751	289,248,638	282,684,863	273,570,095	296,350,178	372,521,209	455,621,208
Long-term debt [5]	1,132,180,865	1,286,392,538	1,375,077,274	1,389,224,345	1,545,671,581	1,772,258,856	2,226,995,103
Nonrecourse loans	639,417,006	699,883,406	770,277,980	799,599,369	854,466,687	913,847,174	1,102,572,590
<b>Partners' capital account [3]</b>	<b>2,998,634,658</b>	<b>3,593,082,308</b>	<b>3,894,523,181</b>	<b>4,371,892,684</b>	<b>5,359,745,599</b>	<b>6,251,453,094</b>	<b>7,796,188,571</b>
<b>Total receipts [6]</b>	<b>2,405,356,195</b>	<b>2,665,156,204</b>	<b>2,772,829,505</b>	<b>2,922,723,256</b>	<b>3,260,264,592</b>	<b>3,862,916,552</b>	<b>4,300,862,739</b>
Business receipts	2,061,764,235	2,278,200,526	2,414,187,093	2,545,612,266	2,818,861,323	3,280,057,196	3,571,281,519
Interest received	82,322,875	84,801,548	70,225,315	70,702,884	87,942,510	133,742,087	193,499,813
<b>Total deductions [6]</b>	<b>2,136,365,436</b>	<b>2,388,821,379</b>	<b>2,502,162,335</b>	<b>2,621,325,038</b>	<b>[r] 2,875,526,198</b>	<b>3,316,706,450</b>	<b>3,634,144,129</b>
Cost of goods sold	1,225,628,897	1,338,114,656	1,430,213,629	1,522,806,503	1,666,146,493	1,975,816,361	2,108,966,781
Purchases	797,038,243	887,515,286	903,589,600	987,652,150	1,130,541,265	1,328,185,749	1,412,030,108
Cost of labor	46,714,175	53,029,403	58,736,031	63,434,283	67,483,580	80,010,457	91,460,083
Net salaries and wages (not deducted elsewhere)	201,350,844	230,874,139	237,882,426	244,927,745	268,806,663	293,216,547	331,851,279
Taxes paid	31,145,304	34,626,540	36,416,569	39,019,475	42,114,276	46,896,065	52,973,535
Interest paid	92,751,748	97,278,387	68,127,690	64,619,863	64,457,049	103,453,348	136,788,830
Depreciation [7]	116,040,441	138,412,382	154,542,874	157,411,296	168,496,995	140,468,457	158,289,860
<b>Net income (less deficit)</b>	<b>268,990,758</b>	<b>276,334,824</b>	<b>270,667,169</b>	<b>301,398,218</b>	<b>384,738,394</b>	<b>546,210,103</b>	<b>666,718,610</b>
Net income	409,972,787	446,069,172	439,761,741	468,552,382	566,231,686	723,605,859	871,055,480
Deficit	140,982,029	169,734,347	169,094,572	167,154,164	181,493,292	177,395,756	204,336,870

[r] Revised.

[1] Certain small partnerships were not required to file balance sheets.

[2] Number of limited partnerships, limited liability companies, and the associated number of partners are understated because some businesses failed to answer the question about type of partnership on their tax returns as originally filed.

[3] Total assets, total liabilities, and partners' capital account represent end-of-year amounts. Moreover, they are understated somewhat because not all partnerships included a complete balance sheet and because of the reporting requirement mentioned in footnote 1, above. However, certain partnerships with negative total assets, total liabilities, and/or total partners' capital are included in the statistics.

[4] Short-term debt is the abbreviated title for mortgages, notes, and bonds payable in less than 1 year.

[5] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.

[6] "Total receipts" and "total deductions" include amounts not shown separately. Total receipts were computed for the statistics as the sum of trade or business income (gross receipts or sales less returns and allowances (business receipts); ordinary income from other partnerships, estates, and trusts; farm net profit; net gain, noncapital assets; and other income from trade or business), as well as income distributed directly to partners (net rental real estate income; other net rental income; interest income; dividend income; and royalties). Total deductions were computed as the sum of trade or business expenses (cost of goods sold; ordinary loss from other partnerships; net farm loss; net loss, noncapital assets; other loss from trade or business; and total deductions from trade or business), as well as losses distributed directly to partners (net rental real estate loss; and other net rental loss). Starting in 2004, other portfolio income (loss) was not included in total receipts and deductions because it was no longer reported separately on the tax return. Portfolio net short-term capital gain (loss) and net long-term capital gain (loss) continue to be intentionally omitted from total receipts and total deductions in order to improve comparability with 1986 and prior data.

[7] Represents the more complete amounts reported in depreciation computation schedules, rather than the amounts reported as the depreciation deduction.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 12. Number of Business Income Tax Returns, by Size of Business for Income Years, 2000-2006 [1]**

[All figures are estimates based on samples—number of businesses is in thousands]

Type and size of business	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>CORPORATIONS</b>							
<b>Total</b>	<b>5,045.3</b>	<b>5,135.6</b>	<b>5,266.6</b>	<b>5,401.2</b>	<b>[r] 5,558.0</b>	<b>5,671.3</b>	<b>5,840.8</b>
<b>Receipt size [2]</b>							
Under \$25,000 [3]	1,220.0	1,248.2	1,282.5	1,279.7	1,316.9	1,299.7	1,363.1
\$25,000 under \$50,000	305.4	295.8	314.3	346.3	334.5	340.3	340.6
\$50,000 under \$100,000	477.4	484.5	514.4	522.1	545.2	543.7	554.0
\$100,000 under \$250,000	837.1	877.1	893.9	929.9	971.8	997.3	1,002.5
\$250,000 under \$500,000	677.5	672.6	688.8	719.6	731.5	757.8	777.9
\$500,000 under \$1,000,000	581.9	601.5	610.7	622.6	634.5	644.2	668.0
\$1,000,000 or more	946.0	955.9	962.1	981.1	1,023.4	1,088.3	1,134.7
<b>Asset size [4]</b>							
Under \$100,000 [5]	2,911.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Under \$500,000 [5]	n.a.	4,289.8	4,415.3	4,544.5	4,668.0	4,736.9	4,869.0
\$100,000 under \$1,000,000	1,631.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
\$500,000 under \$1,000,000	n.a.	342.2	344.5	342.8	356.1	370.6	383.9
\$1,000,000 under \$10,000,000	422.5	424.0	427.1	432.3	447.8	472.8	492.4
\$10,000,000 under \$25,000,000	37.0	36.4	36.8	37.7	39.9	42.7	45.0
\$25,000,000 under \$50,000,000	14.4	14.1	13.9	14.1	15.0	15.8	16.8
\$50,000,000 under \$100,000,000	9.6	9.5	9.3	9.3	9.5	9.9	10.6
\$100,000,000 under \$250,000,000	8.7	8.7	8.6	8.7	8.9	9.3	9.5
\$250,000,000 or more, total	10.9	11.0	11.1	11.8	12.3	13.2	14.0
\$250,000,000 under \$500,000,000	n.a.	4.2	4.2	4.4	4.6	4.8	5.0
\$500,000,000 under \$2,500,000,000	n.a.	4.9	4.9	5.3	5.6	6.0	6.4
\$2,500,000,000 or more	n.a.	1.9	2.0	2.1	2.1	2.4	2.6
<b>PARTNERSHIPS</b>							
<b>Total</b>	<b>2,057.5</b>	<b>2,132.1</b>	<b>2,242.2</b>	<b>2,375.4</b>	<b>2,546.9</b>	<b>2,763.6</b>	<b>2,947.1</b>
<b>Receipt size [6]</b>							
Under \$25,000 [3]	1,105.1	1,129.9	1,203.7	1,284.4	1,372.9	1,465.2	1,568.0
\$25,000 under \$50,000	183.0	182.6	185.3	191.8	193.2	218.4	239.7
\$50,000 under \$100,000	187.3	192.1	195.1	205.7	225.8	232.8	244.5
\$100,000 under \$250,000	225.8	233.9	248.5	262.4	275.5	307.2	305.2
\$250,000 under \$500,000	127.0	139.4	145.3	147.9	160.9	182.0	192.4
\$500,000 under \$1,000,000	92.4	102.8	105.0	110.7	120.8	130.6	149.3
\$1,000,000 or more	136.9	151.4	159.3	172.4	197.9	227.3	248.0
<b>Asset size</b>							
Under \$25,000 [5]	827.9	825.5	865.5	925.9	982.4	1,045.6	1,116.6
\$25,000 under \$50,000	105.3	104.7	104.9	112.0	108.6	103.4	102.4
\$50,000 under \$100,000	128.4	130.7	132.7	131.9	134.8	150.5	145.8
\$100,000 under \$250,000	229.5	239.1	252.3	259.0	278.6	303.0	308.1
\$250,000 under \$500,000	196.5	205.9	205.5	227.7	248.1	269.4	283.7
\$500,000 under \$1,000,000	183.0	202.6	226.4	231.7	249.6	279.6	301.8
\$1,000,000 or more	386.9	423.7	454.9	487.2	544.8	612.1	688.8

Footnotes at end of table.

## Selected Historical and Other Data

**Table 12. Number of Business Income Tax Returns, by Size of Business for Income Years, 2000-2006 [1]—Continued**

[All figures are estimates based on samples—number of businesses is in thousands]

Type and size of business	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>NONFARM SOLE PROPRIETORSHIPS [7]</b>							
<b>Total</b>	<b>17,904.7</b>	<b>18,338.2</b>	<b>18,925.5</b>	<b>19,710.1</b>	<b>20,590.7</b>	<b>21,467.6</b>	<b>22,075.0</b>
<b>Receipt size</b>							
Under \$2,500 [3]	4,333.1	[r] 4,384.5	4,546.4	4,539.7	4,883.5	5,069.4	5,210.8
\$2,500 under \$5,000	1,933.9	1,989.3	2,043.8	2,233.0	2,219.6	2,372.8	2,382.8
\$5,000 under \$10,000	2,395.7	2,523.1	2,604.6	2,816.3	2,916.0	2,967.1	3,025.6
\$10,000 under \$25,000	3,334.0	3,448.4	3,521.6	3,719.1	3,896.7	4,047.0	4,248.0
\$25,000 under \$50,000	2,246.7	2,239.3	2,357.8	2,449.8	2,536.4	2,587.4	2,720.7
\$50,000 under \$100,000	1,644.8	1,704.0	1,751.8	1,805.4	1,791.6	1,980.7	1,983.4
\$100,000 under \$200,000	1,052.9	1,109.7	1,115.4	1,145.7	1,270.8	1,281.9	1,314.8
\$200,000 under \$500,000	680.4	649.2	687.8	705.1	749.2	809.4	824.5
\$500,000 under \$1,000,000	189.5	197.8	203.3	199.7	217.6	234.5	236.3
\$1,000,000 or more	91.7	92.9	93.0	96.3	109.3	117.3	128.1

n.a. - Not available.

[r] Revised or corrected.

[1] Excludes business income tax returns filed by tax-exempt organizations. See Table 16.

[2] Size classes for corporations are based on "business receipts," i.e., gross amounts from sales and operations, except for industries in the "finance and insurance" industrial sector and those in the "management of companies (holding companies)" sector (which includes bank holding companies, as well as other holding companies). For the groupings, "total receipts," which are the sum of business receipts and investment income, were used instead of "business receipts" as the basis for the size classification.

[3] Includes returns with no "business receipts" (or no "total receipts" in the case of certain corporations as described in footnote 2).

[4] Beginning Tax Year 2001, size of assets of under \$500,000 and \$500,000 under \$1,000,000 replaced size of assets of under \$100,000 and \$100,000 under \$1,000,000 of earlier years. Also, size of assets of \$250,000,000 under \$500,000,000; \$500,000,000 under \$2,500,000,000; and \$2,500,000,000 or more are shown beginning with Tax Year 2001.

[5] Includes corporations and partnerships with "zero assets and liabilities." For corporations, returns with zero assets represent final returns of liquidating or dissolving corporations which had disposed of all assets; final returns of merging corporations whose assets were included in the returns of the acquiring corporations; part-year returns of corporations changing accounting periods (except for certain newly-incorporated businesses); and returns of foreign corporations with income "effectively connected" with a U.S. business (except foreign insurance companies providing separate balance sheets for U.S. branches). For partnerships, returns with zero assets include final returns of liquidating or dissolving partnerships which had disposed of all assets and businesses not required to file balance sheets, as well as businesses that failed to provide balance sheets on their returns as originally filed. See also Table 11, footnote 1.

[6] Size classes for partnerships are affected by changes in the definition of receipts. (See Table 11, footnote 6.) Only partnership net rental income is reflected in the size distribution.

[7] Sole proprietors are not required to provide balance sheet information.

NOTES: Statistics for corporations are for accounting periods ending July of one year through June of the next. Thus, for example, corporation data for 2006 are for accounting periods ending July 2006 through June 2007. Statistics for nonfarm sole proprietorships and partnerships are, in general, for the calendar year. Data may not add to totals because of rounding. Most of the data are subject to sampling errors. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 13. Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Income Years, 2000-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns, total [1]</b>	<b>5,045,274</b>	<b>5,135,591</b>	<b>5,266,607</b>	<b>5,401,237</b>	<b>5,557,965</b>	<b>5,671,257</b>	<b>5,840,799</b>
Number with net income [1]	2,819,153	2,822,302	2,800,517	2,932,115	3,116,468	3,324,260	3,367,313
Consolidated returns [1,2,3]	56,603	56,507	52,743	49,900	48,066	46,328	44,648
S corporation returns [1,3,4]	2,860,478	2,986,486	3,154,377	3,341,606	3,518,334	3,684,086	3,872,766
<b>Total assets [5]</b>	<b>47,026,871,874</b>	<b>49,154,424,202</b>	<b>50,413,501,942</b>	<b>53,644,784,683</b>	<b>60,117,759,331</b>	<b>66,445,429,787</b>	<b>73,080,647,385</b>
Cash	1,819,788,484	1,926,059,284	1,923,414,875	2,119,555,828	2,730,468,320	2,823,419,976	2,901,709,877
Notes and accounts receivable	8,754,425,366	8,755,544,213	8,885,603,717	8,995,395,904	10,690,858,849	11,962,100,582	13,610,860,826
Less: Allowance for bad debts	148,289,201	180,317,404	184,924,054	166,436,901	166,296,012	170,466,986	166,537,448
Inventories [6]	1,271,967,443	1,208,206,944	1,221,112,550	1,267,289,489	1,386,128,237	1,505,452,196	1,612,997,968
Investments in U.S.							
Government obligations	1,236,229,842	1,392,035,604	1,527,139,020	1,656,326,948	1,571,309,466	1,613,373,550	1,713,665,371
Tax-exempt securities [7]	973,317,816	1,057,398,071	1,203,096,628	1,297,278,783	1,366,224,245	1,468,019,062	1,518,183,368
Other current assets	3,206,693,449	3,663,607,042	3,509,562,061	3,868,061,886	4,449,284,482	5,309,202,111	5,608,517,505
Loans to shareholders	157,029,888	189,958,748	194,543,759	212,364,720	183,667,567	445,244,680	519,913,546
Mortgage and real estate loans	2,821,508,159	3,228,970,528	3,687,181,263	4,072,938,126	4,626,579,648	4,776,955,204	5,231,678,721
Other investments	17,873,853,425	18,343,524,687	18,727,600,926	20,535,952,107	22,657,060,564	25,161,629,498	27,903,223,897
Depreciable assets	7,291,998,758	7,613,590,480	7,677,626,201	7,804,548,186	7,973,940,602	8,415,761,105	8,817,095,391
Less: Accumulated depreciation	3,369,214,883	3,549,239,594	3,699,383,948	3,812,960,901	3,930,550,044	4,096,350,302	4,241,564,417
Depletable assets	191,353,340	198,775,908	226,336,112	237,004,322	269,600,908	310,219,056	382,245,345
Less: Accumulated depletion	87,437,339	92,093,245	110,296,199	110,386,244	116,413,985	128,373,491	132,586,231
Land	302,831,910	319,953,637	325,689,411	341,705,785	362,615,279	406,830,196	456,534,251
Intangible assets (amortizable)	2,246,509,413	2,474,758,111	2,353,465,751	2,421,707,223	2,772,388,173	3,055,303,170	3,500,596,850
Less: Accumulated amortization	364,363,888	483,180,189	480,835,477	478,750,745	508,581,335	532,450,560	574,057,109
Other assets	2,848,669,891	3,086,871,379	3,426,569,347	3,383,190,167	3,799,474,366	4,119,560,739	4,418,169,674
<b>Total liabilities [5]</b>	<b>47,026,871,874</b>	<b>49,154,424,202</b>	<b>50,413,501,942</b>	<b>53,644,784,683</b>	<b>60,117,759,331</b>	<b>66,445,429,787</b>	<b>73,080,647,385</b>
Accounts payable [8]	3,758,177,869	3,927,350,604	4,073,664,265	4,337,572,143	5,645,442,995	6,028,618,202	7,778,731,433
Mortgages, notes, and bonds payable in less than 1 year	4,019,704,844	4,131,856,961	3,814,481,517	4,001,969,180	4,398,614,808	4,192,065,342	4,709,039,628
Other current liabilities [8]	10,307,362,766	10,811,930,775	11,181,118,658	11,808,860,907	13,534,418,924	16,510,644,978	17,598,734,383
Loans from shareholders	451,461,831	549,016,868	541,170,351	531,953,102	504,947,743	543,624,853	688,480,126
Mortgages, notes, and bonds payable in 1 year or more	6,183,999,343	6,781,681,427	7,184,589,809	7,383,799,418	8,154,008,233	8,331,501,033	9,398,633,789
Other liabilities	4,957,514,852	5,337,844,395	6,073,368,168	6,761,943,361	7,065,958,007	7,314,067,770	6,911,004,387
Net worth	17,348,650,369	17,614,743,174	17,545,109,175	18,818,686,574	20,814,368,622	23,524,907,609	25,996,023,640
Capital stock	3,966,282,789	4,253,450,013	3,999,980,176	3,150,571,907	2,308,398,504	2,482,284,753	2,512,611,862
Additional paid-in capital	12,264,818,660	13,919,963,504	15,286,648,711	15,258,444,856	16,160,039,808	17,828,299,850	19,142,047,770
Retained earnings, appropriated	181,838,405	140,283,315	116,673,731	167,723,931	218,699,183	242,693,805	269,600,823
Retained earnings, unappropriated [9]	3,445,346,327	2,024,731,460	1,060,109,067	2,141,352,269	[ r ] 3,080,704,937	[ r ] 4,131,035,702	[ r ] 5,555,382,822
Adjustments to shareholders' equity [9]	-3,382,272	-33,277,666	-66,214,884	-27,510,760	-21,710,161	-42,269,533	-61,276,825
Less: Cost of treasury stock	2,506,253,537	2,690,407,452	2,852,087,624	1,871,895,626	931,763,649	1,117,136,968	1,422,342,812
<b>Total receipts [10]</b>	<b>20,605,808,071</b>	<b>20,272,957,624</b>	<b>19,749,426,052</b>	<b>20,689,574,291</b>	<b>22,711,863,939</b>	<b>25,504,789,203</b>	<b>27,401,873,714</b>
Business receipts [10,11]	17,636,551,349	17,504,288,630	17,297,125,146	18,264,393,898	19,975,875,761	21,800,290,496	23,310,309,765
Interest on State and local government obligations	51,940,598	49,227,853	48,212,626	48,996,780	47,221,454	61,174,727	64,731,038
Other interest [10,12]	1,576,100,843	1,499,683,236	1,233,298,115	1,132,675,179	1,337,625,869	1,712,270,625	2,242,464,167
Dividends received from domestic corporations [10,12]	20,869,880	18,964,132	17,382,452	17,973,872	19,505,243	21,401,252	32,501,875
Dividends received from foreign corporations [10]	60,203,391	49,997,670	45,580,553	44,921,527	58,411,038	362,945,282	72,419,945
Rents [10]	131,301,498	134,013,856	136,156,000	136,321,392	132,058,314	136,067,022	137,059,289
Royalties [10]	122,513,266	116,989,820	115,860,138	133,184,522	141,999,230	153,609,706	161,655,558
Net short-term capital gain reduced by net long-term capital loss	85,003,779	20,770,292	14,655,834	22,725,799	24,993,598	38,685,662	54,913,226
Net long-term capital gain reduced by net short-term capital loss	173,758,106	117,443,499	76,266,064	85,965,872	110,055,554	161,699,988	180,659,860
Net gain, noncapital assets [11]	70,035,992	61,890,648	69,144,256	76,272,207	81,501,337	78,271,268	88,854,621
Other receipts	677,529,368	699,687,988	695,744,869	726,143,243	782,616,541	978,373,175	1,056,304,380

Footnotes at end of table.

## Selected Historical and Other Data

**Table 13. Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Income Years, 2000-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total deductions [10]</b>	<b>19,691,591,726</b>	<b>19,682,982,949</b>	<b>19,198,882,118</b>	<b>19,940,594,557</b>	<b>21,636,155,758</b>	<b>23,612,765,507</b>	<b>25,501,557,823</b>
Cost of goods sold [10]	11,135,287,909	11,041,533,030	10,607,404,004	11,318,644,763	12,497,904,654	13,816,464,452	14,799,598,760
Compensation of officers [10]	401,416,310	382,813,379	381,235,331	388,661,740	416,761,257	444,974,385	473,551,505
Repairs	139,591,861	144,239,688	132,998,715	134,963,543	142,843,894	154,331,486	160,139,517
Bad debts [10]	107,679,638	142,196,860	168,045,866	151,140,752	139,664,267	119,041,270	105,859,875
Rent paid on business property [10]	380,083,953	398,045,240	410,639,197	407,139,494	419,657,325	438,512,225	462,011,788
Taxes paid [10]	390,067,116	392,458,476	396,571,738	416,812,815	446,793,685	472,952,167	496,638,490
Interest paid [10]	1,271,678,744	1,203,045,923	912,751,562	818,016,806	938,790,256	1,287,097,591	1,787,103,982
Contributions or gifts [10]	10,657,214	11,414,505	10,334,666	10,823,373	11,596,559	16,594,361	14,786,047
Amortization [10]	98,333,079	110,454,488	115,006,680	121,284,821	129,766,141	140,874,992	156,554,689
Depreciation [10]	614,372,700	649,988,724	710,881,312	692,432,495	690,857,316	530,931,029	563,963,516
Depletion [10, 13]	10,244,959	9,803,354	9,418,123	10,170,908	11,960,564	15,421,478	15,180,670
Advertising [10]	234,000,558	219,834,114	218,035,603	224,790,471	238,662,306	253,187,675	277,006,387
Pension, profit-sharing, stock bonus, and annuity plans [13]	85,788,656	85,523,682	132,414,263	137,053,065	149,061,713	146,824,063	151,419,973
Employee benefit programs [13]	231,325,484	245,747,438	249,904,744	277,325,261	298,070,744	303,141,008	315,404,442
Net loss, noncapital assets [10, 11]	31,314,500	40,969,394	51,879,801	51,799,134	42,751,870	38,000,708	29,547,416
Other deductions [13]	4,549,749,050	4,604,914,658	4,691,360,514	4,779,535,119	5,061,013,207	[ r ] 5,434,416,617	5,692,790,766
<b>Total receipts less total deductions [10, 14]</b>	<b>914,216,344</b>	<b>589,974,675</b>	<b>550,543,934</b>	<b>748,979,734</b>	<b>1,075,708,181</b>	<b>1,892,023,696</b>	<b>1,900,315,891</b>
Constructive taxable income from related foreign corporations [15]	65,249,771	62,876,530	61,325,249	80,005,681	83,205,831	117,806,164	97,789,598
<b>Net income (less deficit) [10, 14, 15, 16]</b>	<b>927,525,517</b>	<b>603,623,352</b>	<b>563,656,558</b>	<b>779,988,635</b>	<b>1,111,692,655</b>	<b>1,948,655,133</b>	<b>1,933,374,450</b>
Net income [16]	1,336,619,605	1,112,480,550	1,053,126,217	1,175,608,990	1,455,796,796	2,234,882,109	2,239,614,334
Deficit [16]	409,094,088	508,857,198	489,469,660	395,620,355	344,104,141	286,226,977	306,239,884
<b>Income subject to tax: [17]</b>							
Number of returns	828,470	780,223	696,230	660,582	664,616	698,546	688,782
Amount	760,404,334	635,257,416	600,553,517	699,336,915	857,391,889	1,201,325,339	1,291,430,767
<b>Total income tax [18]</b>	<b>266,281,801</b>	<b>220,874,245</b>	<b>209,691,130</b>	<b>243,822,946</b>	<b>299,555,304</b>	<b>419,209,279</b>	<b>453,082,065</b>
Regular tax	262,232,738	218,675,610	207,056,104	241,275,165	296,200,379	416,324,111	450,167,880
Recapture of prior-year investment credit	9,594	20,924	9,189	10,740	9,557	7,174	1,601
Alternative minimum tax: [19]							
Number of returns	13,135	7,101	7,066	9,564	10,648	13,619	12,253
Amount	3,874,845	1,800,595	2,532,224	2,298,776	3,438,545	3,339,891	3,681,962
<b>Tax credits: [20]</b>							
<b>Total</b>	<b>62,238,013</b>	<b>54,162,256</b>	<b>56,078,260</b>	<b>66,305,542</b>	<b>75,119,947</b>	<b>107,122,799</b>	<b>99,997,741</b>
Foreign tax credit:							
Number of returns	5,937	5,488	4,726	5,414	5,500	6,016	6,955
Amount	48,505,841	41,063,165	42,021,526	50,033,590	56,872,180	82,051,187	78,183,457
U.S. possessions tax credit	1,438,549	1,268,616	1,191,217	1,081,674	941,968	883,735	580,694
Nonconventional source fuel credit	1,516,990	1,806,406	2,189,943	2,104,097	2,725,372	3,418,404	15,187,647
Qualified electric vehicle credit	1,246	231	6,102	N/A	N/A	N/A	N/A
Qualified zone academy bond credit	14,542	28,151	80,289	103,058	117,895	135,121	160,712
Prior-year minimum tax credit	5,169,159	3,254,175	2,027,542	3,355,062	3,737,618	7,134,874	5,877,378
General business credit	5,591,686	6,741,513	8,561,641	9,627,908	10,724,914	13,499,478	15,187,647
Empowerment zone employment credit	23,501	23,401	59,776	92,900	113,778	155,144	153,441
General business current year credit items: [21]							
Investment credit	357,607	359,179	449,893	418,904	436,833	495,182	619,928
Work opportunity credit/jobs credit	266,341	233,563	258,428	273,875	304,039	448,720	822,066
Alcohol fuel credit	11,825	9,224	8,467	8,112	11,843	9,271	15,059
Research activities credit	7,235,621	6,518,136	5,818,383	5,659,746	5,764,898	6,642,687	7,647,298
Orphan drug credit	112,954	134,846	146,900	173,848	209,488	232,185	303,951
<b>Total income tax after credits [22]</b>	<b>204,043,788</b>	<b>166,711,988</b>	<b>153,612,870</b>	<b>177,517,404</b>	<b>[ r ] 224,435,343</b>	<b>312,086,477</b>	<b>353,083,862</b>

Footnotes at end of table.

## Selected Historical and Other Data

**Table 13. Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Income Years, 2000-2006—Continued**

### Footnotes

N/A—Not applicable.

[r] Revised.

[1] Excludes inactive corporation returns. Excludes taxable farmers' cooperatives; Real Estate Mortgage Investment Conduits (REMICs); Foreign Sales Corporations (FSCs) and Interest-Charge Domestic International Sales Corporations (IC-DISCs). Because of the omission of these categories of returns, annual totals for the income, financial, and tax items shown in the statistics (except those not applicable to IC-DISCs and FSCs, such as "income subject to tax," "income tax," and tax credits) are not altogether comparable. Corporations that otherwise qualified as S corporations, but that had subsidiaries, could qualify provided the subsidiaries also qualified as S corporations. These subsidiaries are included in the income tax returns of the parent S corporations. S corporation net income totals for receipts and deductions are slightly understated to the extent that they are not directly related to the "income from a trade or business" reported by these companies and by the exclusion of certain amounts for Regulated Investment Companies.

[2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group, and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates. Consolidated returns exclude S corporations (defined in footnote 4), although S corporation returns could include subsidiaries that were also S corporations. Returns filed by parent S corporations which include qualifying subsidiaries are included in the S corporation frequencies shown below in Table 13. Consolidated returns also exclude all real estate investment trusts (REITs)

[3] Included in "number of returns, total" and "number with net income."

[4] In general, certain small qualifying corporations that elected to be taxed at the shareholder level. These corporations could have no more than 75 shareholders (mostly individuals). S corporation returns could include subsidiaries if the subsidiaries also qualified as S corporations, with income and financial data for both parent and subsidiaries combined on the return of the parent corporation.

[5] Balance sheet data are end-of-year amounts.

[6] Inventories include amounts reported by real estate subdividers and developers.

[7] Tax-exempt securities include not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.

[8] Accounts payable of banking and savings and loan institutions could include deposits and withdrawable shares.

[9] Amounts for "adjustments to shareholders' equity" are reported separately on the tax return.

[10] In general, Statistics of Income data for receipts, deductions, and net income (or deficit) of S corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; and deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion, foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179) are not reflected in net income (because they were allocated directly to shareholders instead). See also footnote 4. Cost of goods sold applies when inventories are an income-determining factor, i.e., when the corporation was engaged in the production, manufacture, purchase, or sale of merchandise in the course of the trade or business. For all years, identifiable amounts of depreciation, depletion, amortization, taxes paid, advertising, bad debts, compensation of officers, employee plan contributions, interest paid, and rent found in taxpayer schedules in support of the total cost of goods sold/cost were transferred to their respective deduction headings for the statistics. This enabled more complete statistics for these expenditures to be produced.

[11] "Business receipts" include the gross proceeds (netting during statistical processing against the cost of these sales) reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers, and operative builders, even when they bought and sold securities, commodities, and real estate on their own account.

[12] "Other interest" includes any dividends reported in combination with interest on Form 1120S by S corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4).

[13] Identifiable amounts reported on Form 1120-A are included in the statistics for the appropriate deduction. "Other deductions" include certain amounts previously treated as part of the combined "cost of goods sold/cost of operations" for Statistics of Income. See also footnote 10.

[14] In general, "total receipts less total deductions" include tax-exempt interest on State and local government obligations, but exclude income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represent all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and exclude all income only "constructively" or "deemed" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local government obligations" plus "constructive taxable income from related foreign corporations" equal "net income (less deficit)." For the exception, due to Regulated Investment Companies, see footnote 16.

[15] Represents "income" that was only "constructively" or "deemed" received from foreign corporations and that was taxed to the U. S. corporation. (In general, such income was otherwise subject to U. S. income tax only when actually repatriated as dividends.) For the statistics, it is the sum of "includable income of Controlled Foreign Corporations" and the "foreign dividend gross-up," reported separately on the tax return. The "includable income" was comprised of specific types of undistributed income earned by a Controlled Foreign Corporation that were taxed under certain conditions to the U. S. shareholder corporations unless an actual "minimum distribution" was made. The foreign dividend gross-up represents a share of the foreign taxes paid on the profits of certain foreign subsidiaries out of which they paid dividends to their U. S. parent corporations and for which the parent corporation then claimed a foreign tax credit.

[16] "Net income (less deficit)," "net income," and "deficit" exclude: (a) net long-term capital gain reduced by net short-term capital loss reported by Regulated Investment Companies (see footnote 14), and (b) amounts other than from a trade or business, i.e., portfolio and rental income, reported by S corporations (see footnote 4).

For additional information about S corporation net income, see the various articles on S corporations in the *Bulletin*, starting with 1990.

## Selected Historical and Other Data

**Table 13. Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Income Years, 2000-2006—Continued**

**Footnotes—Continued**

[17] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined for the statistics as net income minus certain statutory special nonbusiness deductions, such as for intercorporate dividends received and "net operating losses" carried forward from prior years). Profits of S corporations were mostly taxed through shareholders (who had to be individuals, estates, or trusts).

[18] Includes Personal Holding Company tax; tax on "branch profits" of foreign corporations with U.S. operations; and certain lesser taxes, including special taxes applicable to Real Estate Investment Trusts (REITs) and foreign corporations with U.S.-source income. "Total income tax" more closely represents worldwide income tax liability because it is before subtraction of the foreign tax credit, the largest of the tax credits. To the extent that foreign tax credits adequately reflect the total foreign income tax burden, total income tax includes these taxes. See also footnotes 19, 21, and 24.

[19] Under AMT, corporations are required to compute their regular tax liabilities and their "tentative minimum tax" liabilities. The difference between the "tentative minimum tax" and the regular tax is the legally defined alternative minimum tax. The AMT was designed to ensure that, at least, a minimum amount of income tax was paid in spite of the legitimate use of exclusions, deductions, and credits. New corporations and certain small corporations were not subject to the AMT.

[20] Tax credits are applied against "regular tax" only. See also footnote 22.

[21] Not all components of the general business credit are shown separately. Most components are subject to a combined overall limitation. Therefore the amounts shown in the table are tentative. Certain credits are subject to a separate limitation. For other changes in the definition of components of the general business credit, see Statistics of Income—Corporation Income Tax Returns, for the years concerned.

[22] "Total income tax after credits" is before any examination or enforcement activities by the Internal Revenue Service. It is the amount payable to the U.S. Government as reported on the income tax return. Because it is after subtraction of foreign tax credit, this total does not include income taxes paid to foreign governments.

NOTES: Statistics are for corporate accounting periods ending July of one year through June of the next. Thus, for example, data for 2006 are for accounting periods ending July 2006 through June 2007. Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 14a. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
<b>ALL INDUSTRIAL DIVISIONS [1]</b>					
Number of returns, total [2]	3,277,219	3,716,650	4,474,167	4,631,370	4,710,083
Number with net income [2]	1,820,120	1,910,670	2,455,492	2,588,424	2,647,474
Total assets [3]	12,773,093,888	18,190,057,609	26,013,689,001	28,642,263,127	33,029,652,126
Net worth [3]	3,303,698,576	4,738,917,553	8,131,941,003	9,495,226,103	11,353,013,694
Total receipts [4]	8,398,278,426	11,409,520,074	14,539,050,114	15,525,718,006	16,609,707,302
Business receipts [4,5]	7,369,538,953	9,860,441,633	12,785,797,708	13,659,470,309	14,460,928,695
Interest received [4,6]	637,786,939	977,402,674	1,039,496,772	1,082,071,703	1,186,893,564
Total deductions [4]	8,158,144,126	11,032,574,630	13,821,277,581	14,728,089,018	15,704,242,236
Cost of goods sold [4]	4,894,254,081	6,610,769,883	8,206,073,365	8,707,100,240	9,114,245,646
Interest paid	568,645,475	825,372,164	744,764,676	770,885,334	866,474,183
Net income (less deficit) [4]	240,119,020	370,632,632	714,193,371	806,484,990	915,396,637
Net income [4]	363,867,384	552,526,789	880,653,345	986,782,683	1,117,825,239
Deficit [4]	123,748,365	181,894,157	166,459,975	180,297,692	202,428,602
Total income tax [7]	111,340,839	128,185,666	198,786,648	223,712,985	239,394,206
Regular and alternative tax [8]	109,106,358	119,434,430	193,564,219	219,756,610	235,325,362
Total income tax after credits	63,348,204	96,403,099	156,392,780	170,620,945	184,175,993
<b>AGRICULTURE, FORESTRY, AND FISHING [1]</b>					
Number of returns, total [2]	103,156	126,423	147,527	158,963	163,114
Number with net income [2]	52,776	70,965	79,320	90,012	91,984
Total assets [3]	52,651,197	68,338,381	86,298,574	94,140,118	91,984,030
Net worth [3]	15,406,221	23,360,455	30,102,131	32,757,173	32,990,807
Total receipts [4]	70,491,486	88,101,065	107,581,973	119,737,058	117,387,555
Business receipts [4]	65,419,402	82,114,836	100,630,952	111,727,224	107,930,422
Interest received [4,6]	775,383	681,127	640,032	759,958	601,918
Total deductions [4]	70,559,478	86,883,128	105,967,360	117,166,334	114,673,629
Cost of goods sold [4]	45,085,526	52,758,720	56,765,231	63,581,911	60,245,509
Interest paid	2,758,952	2,852,242	2,892,302	3,008,936	2,978,589
Net income (less deficit) [4]	-74,270	1,156,269	1,604,481	2,614,131	2,673,835
Net income [4]	2,930,905	4,328,433	5,402,335	6,262,057	6,310,262
Deficit [4]	3,005,175	3,172,164	3,797,857	3,647,926	3,636,427
Total income tax [7]	540,641	589,866	661,579	764,345	659,642
Regular and alternative tax [8]	531,787	569,812	640,696	748,862	647,752
Total income tax after credits	344,626	554,818	611,254	659,991	599,082
<b>MINING [1]</b>					
Number of returns, total [2]	41,426	39,674	35,123	35,799	32,996
Number with net income [2]	18,031	18,436	18,776	18,098	17,281
Total assets [3]	240,815,996	219,197,640	268,690,014	299,106,231	324,294,826
Net worth [3]	104,772,797	110,339,579	132,123,209	151,720,805	165,095,652
Total receipts [4]	142,038,595	111,444,457	126,760,491	141,278,092	150,318,265
Business receipts [4]	126,710,610	97,321,579	114,163,493	127,583,639	134,379,404
Interest received [4,6]	3,584,890	3,849,674	2,985,957	3,096,278	3,708,511
Total deductions [4]	145,389,514	106,466,509	121,397,443	133,385,823	141,046,419
Cost of goods sold [4]	87,972,035	62,070,361	70,550,767	78,022,883	78,465,626
Interest paid	7,789,995	6,674,114	6,071,863	6,179,872	6,768,047
Net income (less deficit) [4]	-2,543,487	5,302,223	5,530,975	8,152,607	9,728,562
Net income [4]	6,166,623	9,071,733	9,364,612	12,112,260	14,191,366
Deficit [4]	8,710,110	3,769,511	3,833,637	3,959,653	4,462,804
Total income tax [7]	1,810,559	2,223,977	2,119,370	2,525,467	3,141,128
Regular and alternative tax [8]	1,736,952	1,897,245	1,900,482	2,348,394	2,951,254
Total income tax after credits	557,519	1,348,333	1,170,119	1,350,676	2,019,716

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14a. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
<b>CONSTRUCTION [1]</b>					
Number of returns, total [2]	318,276	406,874	449,882	471,230	487,783
Number with net income [2]	185,613	223,434	275,375	300,890	307,733
Total assets [3]	215,297,771	243,829,026	265,812,616	284,595,206	314,551,349
Net worth [3]	54,687,270	63,865,550	86,553,081	92,427,338	99,144,660
Total receipts [4]	387,232,953	534,654,044	637,090,195	710,467,223	779,014,473
Business receipts [4]	374,590,273	522,586,199	627,463,416	699,596,890	768,122,399
Interest received [4,6]	3,851,628	3,621,561	2,068,327	2,089,412	2,079,884
Total deductions [4]	382,823,113	527,800,795	622,621,984	692,581,515	758,429,123
Cost of goods sold [4]	295,803,244	407,448,745	483,881,784	537,067,796	589,184,488
Interest paid	6,407,652	7,368,430	5,280,750	5,473,796	5,949,039
Net income (less deficit) [4]	4,370,924	6,824,608	14,458,024	17,878,460	20,522,439
Net income [4]	11,053,145	15,859,977	20,986,981	25,036,702	27,816,466
Deficit [4]	6,682,220	9,035,370	6,528,956	7,158,242	7,294,027
Total income tax [7]	2,312,856	2,092,196	2,462,222	2,958,069	2,953,440
Regular and alternative tax [8]	2,243,786	1,983,902	2,358,661	2,847,146	2,846,960
Total income tax after credits	1,662,563	1,906,537	2,281,929	2,667,923	2,817,961
<b>MANUFACTURING [1]</b>					
Number of returns, total [2]	276,545	301,669	319,699	325,689	325,045
Number with net income [2]	159,778	167,509	185,590	191,254	195,038
Total assets [3]	2,644,393,424	3,921,323,756	4,941,072,530	5,425,184,573	5,966,306,398
Net worth [3]	1,099,645,876	1,392,233,318	1,739,529,985	1,966,848,773	2,110,695,629
Total receipts [4]	2,831,062,496	3,688,693,895	4,585,549,761	4,902,669,122	5,177,663,770
Business receipts [4]	2,656,345,750	3,434,141,360	4,290,704,760	4,567,209,064	4,794,291,330
Interest received [4,6]	47,753,626	81,135,811	86,746,437	102,537,639	116,819,943
Total deductions [4]	2,733,105,346	3,545,121,842	4,354,564,077	4,652,960,523	4,910,704,056
Cost of goods sold [4]	1,797,852,805	2,377,226,499	2,932,256,224	3,125,013,437	3,241,577,938
Interest paid	90,452,072	151,214,835	145,509,470	156,862,195	175,064,011
Net income (less deficit) [4]	113,758,645	171,373,726	260,909,947	286,059,822	305,958,154
Net income [4]	142,541,119	212,936,099	297,458,397	325,291,340	352,453,829
Deficit [4]	28,782,474	41,562,373	36,548,450	39,231,518	46,495,675
Total income tax [7]	56,687,476	64,385,522	83,817,532	95,502,448	101,849,787
Regular and alternative tax [8]	55,553,921	60,664,655	81,476,502	93,646,267	100,318,010
Total income tax after credits	25,382,459	38,971,197	54,302,936	58,883,875	64,307,381
<b>TRANSPORTATION AND PUBLIC UTILITIES [1]</b>					
Number of returns, total [2]	138,337	160,353	194,456	205,777	209,412
Number with net income [2]	69,938	81,418	107,285	111,811	110,657
Total assets [3]	1,246,426,899	1,522,045,738	1,903,213,778	2,069,453,023	2,219,019,293
Net worth [3]	490,481,127	508,667,821	633,131,635	714,120,889	762,083,589
Total receipts [4]	772,358,188	936,277,062	1,156,709,979	1,257,010,639	1,330,726,431
Business receipts [4]	733,943,970	874,111,070	1,086,623,231	1,183,959,691	1,247,593,251
Interest received [4,6]	12,310,594	18,194,729	22,314,329	23,432,987	26,135,120
Total deductions [4]	747,836,158	900,960,832	1,084,676,405	1,182,369,290	1,260,911,843
Cost of goods sold [4]	381,028,354	405,924,209	405,708,040	453,455,420	482,982,473
Interest paid	44,880,858	59,190,735	61,601,762	64,006,991	69,385,093
Net income (less deficit) [4]	25,087,629	35,413,596	72,911,176	75,400,172	70,984,769
Net income [4]	37,880,144	51,490,850	87,557,007	93,129,707	95,097,536
Deficit [4]	12,792,516	16,077,254	14,645,831	17,729,536	24,112,767
Total income tax [7]	15,214,129	17,114,547	27,186,351	28,376,759	28,506,843
Regular and alternative tax [8]	14,881,470	15,228,031	26,305,839	27,775,587	27,790,676
Total income tax after credits	8,432,924	15,882,038	24,836,272	25,963,903	25,582,369

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14a. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and item	1985	1990	1995	1996	1997
	(1)	(2)	(3)	(4)	(5)
<b>WHOLESALE AND RETAIL TRADE [1]</b>					
Number of returns, total [2]	917,301	1,023,057	1,132,409	1,142,491	1,149,132
Number with net income [2]	510,825	527,128	626,022	652,504	656,288
Total assets [3]	1,009,965,739	1,447,296,828	1,919,717,823	2,016,232,163	1,947,931,949
Net worth [3]	286,260,274	354,827,439	533,870,160	568,677,377	613,532,103
Total receipts [4]	2,473,865,453	3,308,988,336	4,310,346,947	4,490,073,608	4,703,816,853
Business receipts [4]	2,408,174,933	3,216,861,660	4,206,376,331	4,383,103,174	4,588,802,594
Interest received [4,6]	21,633,480	29,851,239	30,425,682	31,317,702	31,259,696
Total deductions [4]	2,440,403,373	3,279,066,687	4,247,560,773	4,418,321,110	4,624,196,186
Cost of goods sold [4]	1,869,766,621	2,482,483,270	3,255,845,728	3,378,472,096	3,523,438,346
Interest paid	38,217,998	63,914,431	59,945,319	61,708,013	65,839,595
Net income (less deficit) [4]	33,126,702	30,094,078	63,566,712	73,353,268	81,584,637
Net income [4]	51,434,500	65,383,876	97,018,112	107,999,874	117,042,233
Deficit [4]	18,307,798	35,289,798	33,451,401	34,646,606	35,457,596
Total income tax [7]	16,392,896	13,839,310	20,301,551	22,694,239	23,871,953
Regular and alternative tax [8]	16,130,885	13,324,360	20,030,374	22,435,178	23,550,018
Total income tax after credits	13,396,555	12,615,991	18,475,921	20,732,232	21,959,617
<b>FINANCE, INSURANCE, AND REAL ESTATE [1]</b>					
Number of returns, total [2]	518,432	609,138	683,211	723,754	744,545
Number with net income [2]	285,273	269,667	317,410	341,136	344,625
Total assets [3]	7,029,452,681	10,193,295,357	15,677,286,629	17,360,053,164	20,905,619,903
Net worth [3]	1,161,968,009	2,142,041,011	4,668,579,685	5,605,211,611	7,155,654,580
Total receipts [4]	1,182,034,309	1,954,709,651	2,278,103,923	2,406,855,250	2,711,269,836
Business receipts [5]	501,993,840	900,908,453	1,094,870,564	1,176,179,679	1,282,307,615
Interest received [4,6]	541,268,193	830,451,126	879,763,014	901,666,932	987,114,539
Total deductions [4]	1,104,572,202	1,809,867,575	1,985,795,615	2,076,613,597	2,304,339,835
Cost of goods sold [4]	237,577,803	526,244,728	614,755,680	632,948,266	661,222,720
Interest paid	363,009,417	506,921,011	433,479,978	439,762,655	501,112,985
Net income (less deficit) [4]	60,670,526	109,901,881	256,810,767	299,149,193	373,482,032
Net income [4]	90,546,934	158,458,842	295,423,415	337,822,090	413,000,341
Deficit [4]	29,876,408	48,556,962	38,612,648	37,822,897	39,518,308
Total income tax [7]	13,598,201	22,556,387	51,874,358	58,301,659	63,604,700
Regular and alternative tax [8]	13,369,981	20,709,720	50,691,121	57,556,938	62,650,267
Total income tax after credits	10,193,877	20,511,294	45,988,431	50,181,634	54,777,098
<b>SERVICES [1]</b>					
Number of returns, total [2]	939,390	1,029,447	1,504,230	1,557,401	1,592,854
Number with net income [2]	529,337	546,268	843,922	881,427	921,533
Total assets [3]	330,982,941	572,842,266	950,737,457	1,092,310,137	1,259,381,543
Net worth [3]	89,852,365	143,154,346	307,630,801	363,120,124	413,665,895
Total receipts [4]	534,587,609	779,329,609	1,335,694,559	1,496,215,552	1,638,587,903
Business receipts [4]	497,980,990	726,041,364	1,263,790,767	1,408,716,487	1,536,597,024
Interest received [4,6]	6,561,301	9,526,124	14,541,126	17,157,456	19,166,408
Total deductions [4]	528,685,613	769,035,909	1,297,475,364	1,453,204,496	1,589,010,688
Cost of goods sold [4]	176,070,808	290,965,307	385,562,425	437,521,006	476,468,909
Interest paid	15,027,259	27,188,190	29,967,579	33,871,749	39,371,150
Net income (less deficit) [4]	5,883,782	10,616,792	38,407,562	43,952,204	50,470,448
Net income [4]	21,124,460	34,850,560	67,389,184	79,102,121	91,879,768
Deficit [4]	15,240,678	24,233,768	28,981,622	35,149,916	41,409,320
Total income tax [7]	4,742,347	5,368,531	10,358,678	12,588,705	14,804,587
Regular and alternative tax [8]	4,621,875	5,041,377	10,155,538	12,397,017	14,568,298
Total income tax after credits	3,343,830	4,597,561	8,720,911	10,179,417	12,110,639

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14a. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by Standard Industrial Classification (SIC) Industrial Division, Specified Income Years, 1985-1997—Continued**

### Footnotes

[1] Industrial classification is based on the product or service accounting for the largest percentage of "total receipts." (Total receipts are the sum of business or gross receipts, plus capital gains and income from investments, including rentals.) Starting with 1998, this classification is based on the North American Industry Classification System (NAICS), which replaced the Standard Industrial Classification (SIC) system. The SIC, in its various versions, was used to classify statistics for the years before 1998. Both systems were intended for Governmentwide use in classifying business statistics. (For information about NAICS and its usage in Canadian, Mexican, and U.S. Government statistics, see the *Statistics of Income Bulletin*, Summer 1997, Volume 17, Number 1, pp. 3-5.) Because there are substantial differences between NAICS and its predecessor SIC system, data by "industrial sector" for years beginning with 1998 (Table 14b) are shown apart from data for earlier years by "industrial division" (Table 14a). As an example of differences between the two systems, using NAICS, Statistics of Income classifies banks that were bank holding companies in the new "management of companies (holding companies)" sector, instead of in the "finance and insurance" sector. Using the SIC, bank holding companies had previously been classified in the "finance, insurance, and real estate" industrial division. For additional information about breaks in comparability caused by the changeover to NAICS, see *Statistics of Income—1998, Corporation Income Tax Returns*. If information for the business activity and product was not discernible from the corporation income tax return, the return was classified as with nature of business "not allocable." Data for nature of business "not allocable" are included in the totals for "all industrial divisions" (Table 14a) and "all industrial sectors" (Table 14b), but are not shown separately. Therefore, in addition to rounding differences, the statistics by industrial division or sector will not add to their respective grand totals.

[2] See Table 13, footnote 1.

[3] Balance sheet data are end-of-year amounts. Net worth is the sum of "capital stock," "additional paid-in capital," "retained earnings, appropriated," "retained earnings, unappropriated," and "adjustments to shareholders' equity" minus "cost of treasury stock." (Prior to 1997, data for "retained earnings, unappropriated" included "adjustments to shareholders' equity," not reported separately on the tax return.) Each of these amounts is presented separately in Table 13.

[4] See Table 13, footnotes 10 and 14.

[5] See Table 13, footnote 11.

[6] Interest received is the sum of "interest on State and local government obligations" (i.e., tax-exempt interest) and "other interest" (which includes interest paid by banking and savings institutions). Data for both of these amounts are presented separately in Table 13. See also Table 13, footnote 12.

[7] In addition to regular tax (and alternative tax) for years prior to 1988, includes certain other taxes either shown separately in Table 13 or mentioned in Table 13, footnote 18.

[8] Beginning with tax year 1987, "Alternative tax" was repealed. See also Table 13, footnote 19.

NOTES: Statistics are for corporate accounting periods ended July of one year through June of the next. Thus, for example, data for 1997 are for accounting periods ended July 1997 through June 1998. Data may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling errors. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIAL SECTORS [1]</b>						
Number of returns, total [2]	5,135,591	5,266,607	5,401,237	5,557,965	5,671,257	5,840,799
Number with net income [2]	2,822,302	2,800,517	2,932,115	3,116,468	3,324,260	3,367,313
Total assets [3]	49,154,424,202	50,413,501,942	53,644,784,683	60,117,759,331	66,445,429,787	73,080,647,385
Net worth [3]	17,614,743,174	17,545,109,175	18,818,686,574	20,814,368,622	23,524,907,609	301,618,194
Total receipts [4]	20,272,957,624	19,749,426,052	20,689,574,291	22,711,863,939	25,504,789,203	27,401,873,714
Business receipts [4,5]	17,504,288,630	17,297,125,146	18,264,393,898	19,975,875,761	21,800,290,496	23,310,309,765
Interest received [4,6]	1,499,683,236	1,233,298,115	1,132,675,179	1,337,625,869	1,712,270,625	2,242,464,157
Total deductions [4]	19,682,982,949	19,198,882,118	19,940,594,557	21,636,155,758	23,612,765,507	25,501,557,823
Cost of goods sold [4]	11,041,533,030	10,607,404,004	11,318,644,763	12,497,904,654	13,816,464,452	14,799,598,760
Interest paid	1,203,045,923	912,751,562	818,016,806	938,790,256	1,287,097,591	1,787,103,982
Net income (less deficit) [4]	603,623,352	563,656,558	779,988,635	1,111,692,655	1,948,655,133	1,933,374,450
Net income [4]	1,112,480,551	1,053,126,217	1,175,608,990	1,455,796,796	2,234,882,109	2,239,614,334
Deficit [4]	508,857,198	489,469,660	395,620,355	344,104,141	286,226,977	306,239,884
Total income tax [7]	220,874,245	209,691,130	243,822,946	299,555,304	419,209,279	453,082,065
Regular tax	218,675,610	207,056,104	241,275,165	296,200,379	416,324,111	450,167,880
Total income tax after credits	166,711,988	153,612,870	177,517,404	224,435,343	312,086,477	353,083,862
<b>AGRICULTURE, FORESTRY, HUNTING, AND FISHING [1]</b>						
Number of returns, total [2]	140,806	140,223	143,019	141,553	142,439	140,525
Number with net income [2]	74,106	65,499	77,281	74,061	77,937	71,541
Total assets [3]	104,902,187	105,500,630	111,325,927	118,719,286	122,625,034	133,323,257
Net worth [3]	36,636,289	35,767,420	37,169,357	38,209,429	37,317,669	41,888,111
Total receipts [4]	115,434,441	119,151,243	125,741,451	136,705,535	140,748,881	142,111,048
Business receipts [4]	102,909,416	107,931,393	113,828,382	124,699,127	125,809,223	127,728,942
Interest received [4,6]	541,280	374,767	368,971	334,422	385,473	514,675
Total deductions [4]	114,621,084	119,774,426	124,462,063	134,140,348	136,056,153	139,214,683
Cost of goods sold [4]	54,841,323	60,121,105	62,045,324	67,605,321	67,746,819	69,183,044
Interest paid	3,280,134	2,923,041	2,733,424	2,777,471	2,990,415	3,502,549
Net income (less deficit) [4]	1,064,909	-587,571	1,332,547	2,580,512	4,723,729	2,927,432
Net income [4]	5,981,691	4,852,284	6,339,974	7,704,650	9,855,268	8,391,765
Deficit [4]	4,916,782	5,439,855	5,007,428	5,124,138	5,131,540	5,464,332
Total income tax [7]	619,708	403,902	644,189	825,138	969,072	751,655
Regular tax	615,617	399,926	635,750	817,962	966,582	746,923
Total income tax after credits	514,046	386,944	592,886	801,210	935,082	726,628
<b>MINING [1]</b>						
Number of returns, total [2]	31,776	30,287	30,252	30,909	32,589	36,946
Number with net income [2]	18,942	15,095	17,152	16,513	18,339	23,627
Total assets [3]	448,910,140	449,429,859	421,276,319	478,698,533	559,195,001	630,278,959
Net worth [3]	231,706,800	233,250,469	196,639,943	223,379,428	263,557,467	301,618,194
Total receipts [4]	169,539,555	157,298,844	194,190,254	232,552,316	314,260,412	366,513,788
Business receipts [4]	151,151,906	142,247,484	178,319,223	212,694,107	279,825,028	327,272,187
Interest received [4,6]	4,088,184	3,225,286	3,174,095	2,681,500	3,792,041	4,999,401
Total deductions [4]	160,816,530	156,911,742	184,237,912	214,322,152	270,445,817	308,901,236
Cost of goods sold [4]	80,548,021	78,092,277	98,177,788	114,712,975	147,011,520	164,046,734
Interest paid	9,923,985	9,016,218	9,240,463	9,105,520	10,051,157	11,164,876
Net income (less deficit) [4]	9,406,304	1,344,239	10,683,846	18,694,454	46,784,960	58,844,799
Net income [4]	16,240,479	9,851,990	17,265,488	24,028,229	54,937,445	65,315,072
Deficit [4]	6,834,176	8,507,752	6,581,642	5,333,776	8,152,485	6,470,273
Total income tax [7]	3,026,385	2,087,504	3,547,275	5,042,652	12,880,276	15,598,316
Regular tax	2,900,460	1,993,356	3,453,291	4,818,960	12,807,096	15,803,995
Total income tax after credits	2,064,114	1,010,103	2,030,356	3,416,154	8,657,023	10,747,340

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>MANAGEMENT OF COMPANIES</b>						
<b>(HOLDING COMPANIES) [1]</b>						
Number of returns, total [2]	47,866	48,053	46,887	49,800	50,921	50,261
Number with net income [2]	19,818	21,267	18,786	18,672	19,399	20,275
Total assets [3]	9,356,898,892	9,739,201,697	10,094,909,965	12,443,130,858	13,487,039,096	15,510,259,230
Net worth [3]	1,386,169,730	1,482,596,398	1,311,562,906	1,845,689,046	1,828,577,565	2,469,651,663
Total receipts [4]	788,062,467	689,799,466	677,082,366	728,911,434	895,321,523	1,093,609,157
Business receipts [4]	175,450,783	170,514,329	190,225,987	170,830,009	139,325,361	187,755,441
Interest received [4,6]	457,053,813	361,954,366	339,679,108	409,980,444	526,561,282	703,502,457
Total deductions [4]	702,054,817	602,603,758	581,498,091	640,444,739	734,136,089	931,984,836
Cost of goods sold [4]	18,585,287	11,077,288	9,517,497	5,467,190	5,634,948	3,287,996
Interest paid	290,735,669	186,561,412	158,380,777	184,867,911	297,108,263	482,687,880
Net income (less deficit) [4]	83,216,188	84,572,187	93,462,818	116,033,731	161,499,246	157,479,205
Net income [4]	89,526,734	94,494,581	100,808,637	121,893,451	167,270,312	164,297,390
Deficit [4]	6,310,546	9,922,394	7,345,819	5,859,720	5,771,067	6,818,185
Total income tax [7]	28,535,815	30,444,748	32,182,303	38,654,549	51,747,954	51,106,083
Regular tax	28,461,711	30,408,844	32,122,396	38,562,149	51,635,370	51,033,744
Total income tax after credits	23,256,377	24,905,354	25,674,080	31,399,638	41,936,262	41,768,161
<b>ADMINISTRATIVE AND SUPPORT</b>						
<b>AND WASTE MANAGEMENT AND</b>						
<b>REMEDIAION SERVICES [1]</b>						
Number of returns, total [2]	223,999	231,412	242,904	245,725	257,623	267,624
Number with net income [2]	135,234	134,003	151,327	150,400	170,075	171,544
Total assets [3]	231,139,131	258,705,414	274,758,410	276,397,743	281,726,153	251,062,284
Net worth [3]	64,950,551	77,291,090	80,911,300	88,964,050	90,273,850	74,773,046
Total receipts [4]	352,935,179	350,216,846	377,940,515	416,277,503	455,332,505	461,263,757
Business receipts [4]	339,002,912	338,209,323	359,890,965	397,881,553	431,345,806	448,653,998
Interest received [4,6]	1,790,626	1,881,731	2,080,683	3,230,355	3,071,211	1,968,879
Total deductions [4]	345,441,035	345,261,614	370,864,108	405,784,490	432,350,429	447,584,884
Cost of goods sold [4]	152,621,002	149,702,110	170,893,885	182,110,622	198,237,179	198,312,685
Interest paid	7,002,692	6,199,583	6,503,972	7,523,112	8,141,788	6,836,934
Net income (less deficit) [4]	7,609,771	5,036,076	7,194,381	10,594,085	22,980,942	13,751,601
Net income [4]	14,784,895	13,491,618	14,226,924	18,432,328	28,157,078	23,934,677
Deficit [4]	7,175,123	8,455,542	7,032,543	7,838,244	5,176,136	10,183,076
Total income tax [7]	1,951,046	1,605,012	1,304,340	1,876,213	3,553,314	3,058,962
Regular tax	1,928,166	1,586,118	1,270,470	1,869,703	3,466,762	3,054,232
Total income tax after credits	1,520,665	1,393,675	1,092,221	1,463,551	3,103,764	2,548,758
<b>EDUCATIONAL SERVICES [1]</b>						
Number of returns, total [2]	38,480	41,317	44,059	43,956	44,885	47,349
Number with net income [2]	19,336	20,525	21,688	24,789	24,708	25,887
Total assets [3]	16,497,219	16,492,830	19,947,248	22,234,648	25,992,750	30,890,927
Net worth [3]	6,192,337	6,195,219	7,265,582	8,548,807	8,758,947	9,292,323
Total receipts [4]	26,922,736	25,972,274	30,684,279	33,315,699	34,297,361	38,335,549
Business receipts [4]	25,148,309	24,509,009	29,746,218	32,364,218	33,247,315	37,263,167
Interest received [4,6]	113,946	90,703	86,397	85,530	129,748	166,289
Total deductions [4]	26,509,597	24,969,680	29,222,310	30,945,287	31,596,850	35,898,876
Cost of goods sold [4]	4,820,315	3,955,244	4,895,886	4,548,507	4,778,563	5,336,054
Interest paid	338,259	322,399	312,979	337,689	416,058	776,845
Net income (less deficit) [4]	420,744	1,005,660	1,457,306	2,352,859	2,659,365	2,400,974
Net income [4]	1,641,837	1,877,456	2,352,880	3,088,203	3,491,097	3,444,051
Deficit [4]	1,221,094	871,796	895,575	735,344	831,732	1,043,077
Total income tax [7]	229,931	264,236	341,140	471,540	606,785	558,360
Regular tax	229,079	263,846	337,968	470,375	605,904	557,816
Total income tax after credits	218,742	248,573	331,442	462,127	596,579	545,403

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FINANCE AND INSURANCE [1]</b>						
Number of returns, total [2]	220,895	224,352	234,746	239,011	242,686	249,876
Number with net income [2]	140,018	141,771	153,780	161,260	167,924	166,229
Total assets [3]	21,088,851,299	21,937,110,016	24,336,630,885	27,069,358,567	30,392,706,733	34,749,728,196
Net worth [3]	9,559,259,468	9,422,754,290	10,639,646,968	11,776,474,795	13,540,857,299	15,425,982,243
Total receipts [4]	2,621,771,654	2,605,571,614	2,575,206,914	2,872,973,263	3,301,642,987	3,747,501,642
Business receipts [4,5]	1,430,898,834	1,573,271,535	1,571,588,951	1,689,658,323	1,798,196,722	1,893,916,912
Interest received [4,6]	806,514,689	660,002,353	593,235,118	718,132,073	934,940,428	1,232,243,236
Total deductions [4]	2,321,050,152	2,324,723,707	2,240,823,839	2,483,745,264	2,764,686,695	3,084,260,530
Cost of goods sold [4]	828,320,672	835,466,854	818,675,183	864,897,821	990,381,743	1,058,360,866
Interest paid	421,275,484	291,740,227	249,072,837	341,933,616	515,303,986	751,033,980
Net income (less deficit) [4]	268,142,171	247,012,845	303,014,325	363,427,888	500,563,173	631,745,689
Net income [4]	328,604,216	304,543,767	341,858,827	395,630,979	530,336,105	666,304,790
Deficit [4]	60,462,045	57,530,922	38,844,502	32,203,090	29,772,932	34,559,101
Total income tax [7]	39,068,012	41,867,335	52,991,696	58,328,665	66,391,944	80,202,389
Regular tax	37,998,253	40,872,057	51,620,051	56,789,596	65,098,055	78,741,477
Total income tax after credits	34,189,718	36,100,698	44,306,591	48,224,782	54,959,137	67,544,669
<b>REAL ESTATE AND RENTAL AND LEASING [1]</b>						
Number of returns, total [2]	539,965	570,639	577,400	603,789	641,947	655,389
Number with net income [2]	203,699	207,925	219,872	242,527	270,082	269,934
Total assets [3]	553,968,402	538,584,064	559,092,671	629,103,950	766,334,870	802,904,523
Net worth [3]	151,968,943	147,198,160	161,103,312	181,983,422	215,718,480	234,491,052
Total receipts [4]	239,598,864	230,647,035	233,291,211	253,829,490	316,578,467	337,662,228
Business receipts [4,5]	207,454,856	205,206,751	207,243,701	222,627,250	268,384,638	286,352,886
Interest received [4,6]	4,864,674	4,046,822	4,213,588	4,175,604	8,767,451	6,135,130
Total deductions [4]	234,230,846	227,363,978	227,270,188	244,141,376	286,395,700	313,617,608
Cost of goods sold [4]	48,227,121	50,124,303	47,394,165	42,510,921	56,170,584	61,930,219
Interest paid	19,896,544	14,123,528	13,675,965	13,218,349	18,483,490	19,313,124
Net income (less deficit) [4]	5,360,069	3,253,378	6,062,925	9,553,391	29,777,730	23,631,173
Net income [4]	18,754,185	18,134,864	21,144,158	27,733,716	42,366,578	39,658,460
Deficit [4]	13,394,117	14,881,486	15,081,233	18,180,325	12,588,848	16,027,287
Total income tax [7]	2,361,366	2,012,011	2,370,340	3,002,951	4,559,849	5,939,914
Regular tax	2,321,058	1,974,547	2,314,379	2,940,766	4,427,618	5,711,617
Total income tax after credits	2,218,940	1,958,106	2,308,035	2,926,851	4,393,676	5,799,637
<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES [1]</b>						
Number of returns, total [2]	709,837	736,005	760,087	779,510	786,275	813,266
Number with net income [2]	416,900	429,535	444,869	471,513	497,262	523,783
Total assets [3]	483,351,824	484,691,832	507,815,971	559,824,879	645,918,660	680,603,781
Net worth [3]	189,543,565	171,783,018	181,546,066	195,287,569	234,387,953	241,059,087
Total receipts [4]	665,085,183	683,879,755	720,418,313	753,589,775	855,507,620	928,555,751
Business receipts [4]	631,691,343	651,992,903	691,608,915	721,645,865	814,499,239	887,903,283
Interest received [4,6]	6,196,145	4,668,720	3,889,678	4,222,499	6,244,155	8,616,588
Total deductions [4]	671,016,867	681,976,681	711,836,442	736,309,743	825,169,038	893,378,642
Cost of goods sold [4]	189,914,383	199,415,154	202,329,198	210,705,479	237,595,161	268,885,431
Interest paid	9,404,961	9,040,336	8,682,585	9,162,932	11,618,380	14,022,194
Net income (less deficit) [4]	-5,614,567	2,463,356	9,277,744	17,864,065	30,931,686	35,921,904
Net income [4]	41,323,639	42,831,929	44,316,435	52,201,791	64,986,986	70,575,629
Deficit [4]	46,938,207	40,368,574	35,038,691	34,337,726	34,055,300	34,653,725
Total income tax [7]	3,943,006	3,769,108	3,671,651	4,618,196	5,578,429	6,817,173
Regular tax	3,931,563	3,736,566	3,682,859	4,555,118	5,500,953	6,729,333
Total income tax after credits	3,277,227	3,191,317	3,066,840	3,979,966	4,787,165	5,861,517

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>WHOLESALE AND RETAIL TRADE [1]</b>						
Number of returns, total [2]	963,403	964,523	975,011	1,001,211	992,818	999,869
Number with net income [2]	552,571	514,346	538,287	583,677	584,543	583,437
Total assets [3]	2,311,538,349	2,412,864,112	2,458,482,333	2,958,971,634	3,154,245,364	3,410,974,095
Net worth [3]	775,273,224	812,930,683	859,282,017	1,138,704,327	1,216,728,822	1,250,761,782
Total receipts [4]	5,312,289,788	5,403,353,886	5,736,011,994	6,309,079,027	6,818,434,520	7,255,778,582
Business receipts [4]	5,183,197,415	5,278,843,887	5,601,105,942	6,167,364,953	6,652,131,497	7,086,916,217
Interest received [4,6]	21,959,651	19,509,672	17,660,874	19,835,305	24,460,906	27,523,485
Total deductions [4]	5,239,282,835	5,318,817,046	5,631,362,037	6,151,228,225	6,608,615,645	7,032,653,971
Cost of goods sold [4]	4,036,920,370	4,083,064,952	4,352,429,283	4,825,090,465	5,207,833,297	5,571,281,972
Interest paid	59,251,050	50,534,463	46,478,485	44,393,497	55,097,448	66,365,592
Net income (less deficit) [4]	75,366,514	87,018,582	108,098,908	161,987,422	214,851,252	227,775,140
Net income [4]	128,763,355	135,027,304	154,567,691	196,669,777	248,829,504	261,080,166
Deficit [4]	53,396,841	48,008,722	46,468,782	34,682,355	33,978,253	33,305,026
Total income tax [7]	26,419,726	27,469,057	32,256,691	42,766,473	52,477,473	59,577,917
Regular tax	26,309,437	27,296,326	32,120,034	42,699,804	52,615,992	59,830,692
Total income tax after credits	24,749,298	25,568,842	29,692,890	38,860,965	47,946,935	54,342,219
<b>TRANSPORTATION AND WAREHOUSING [1]</b>						
Number of returns, total [2]	164,492	177,745	182,881	182,614	187,051	199,912
Number with net income [2]	84,837	91,226	95,352	99,790	112,644	113,063
Total assets [3]	531,565,543	536,270,300	558,278,543	569,991,323	586,306,011	629,629,284
Net worth [3]	156,710,830	144,702,207	156,846,724	149,624,391	127,764,439	169,869,060
Total receipts [4]	516,415,672	533,613,159	571,417,174	623,192,018	687,092,197	756,588,460
Business receipts [4]	493,765,699	510,816,998	547,730,745	599,482,798	659,186,488	712,406,648
Interest received [4,6]	4,819,977	3,982,958	3,026,793	3,424,815	3,856,638	5,099,122
Total deductions [4]	523,754,808	542,412,614	570,180,006	618,120,932	668,435,555	730,735,051
Cost of goods sold [4]	143,664,961	151,927,768	193,253,719	197,138,222	221,554,412	248,752,908
Interest paid	14,544,173	19,266,450	12,624,295	12,097,700	14,475,447	16,149,646
Net income (less deficit) [4]	-7,061,072	-8,648,139	1,608,015	5,724,498	18,910,404	26,335,387
Net income [4]	14,117,899	14,490,713	15,802,242	21,741,796	33,149,439	38,664,145
Deficit [4]	21,178,971	23,138,852	14,194,227	16,017,298	14,239,034	12,328,758
Total income tax [7]	3,061,717	2,915,569	3,165,216	4,744,118	7,480,008	8,607,675
Regular tax	2,965,899	2,817,395	3,152,330	4,728,573	7,453,375	8,559,420
Total income tax after credits	2,836,333	2,725,995	2,740,308	4,380,591	6,655,216	7,838,302
<b>INFORMATION [1]</b>						
Number of returns, total [2]	115,435	120,271	119,875	123,862	122,825	128,343
Number with net income [2]	47,156	49,492	54,608	59,378	61,660	63,980
Total assets [3]	3,149,915,940	2,993,759,005	2,691,139,228	2,911,041,941	2,918,886,012	3,222,935,912
Net worth [3]	1,361,280,253	1,273,397,574	1,182,146,927	1,299,070,370	1,329,820,274	1,398,529,600
Total receipts [4]	946,598,108	909,195,188	938,674,058	993,365,314	1,053,251,269	1,127,994,580
Business receipts [4]	815,772,817	799,441,224	822,160,145	864,308,201	887,008,860	943,412,447
Interest received [4,6]	37,267,880	32,097,945	28,478,715	31,480,433	34,222,374	47,229,852
Total deductions [4]	986,220,330	946,955,633	947,864,644	974,681,257	981,538,561	1,030,014,960
Cost of goods sold [4]	213,276,295	205,183,275	213,052,675	208,160,936	211,620,172	229,566,058
Interest paid	76,883,082	69,536,498	62,442,478	65,329,075	68,065,419	79,275,822
Net income (less deficit) [4]	-37,658,246	-33,996,597	-3,996,010	22,530,595	75,408,348	101,098,860
Net income [4]	59,616,076	48,623,452	55,309,436	75,717,085	108,356,736	130,076,572
Deficit [4]	97,274,322	82,620,049	59,305,447	53,186,490	32,948,388	28,977,712
Total income tax [7]	16,406,635	12,104,214	14,026,180	17,823,432	25,288,105	30,961,711
Regular tax	16,309,070	12,076,847	13,897,774	17,622,018	24,999,397	30,437,956
Total income tax after credits	11,797,175	7,795,636	10,295,637	14,108,478	21,336,917	26,711,374

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>UTILITIES [1]</b>						
Number of returns, total [2]	7,802	7,863	8,504	7,096	7,536	7,636
Number with net income [2]	3,855	3,934	4,425	3,232	5,275	4,871
Total assets [3]	1,515,428,318	1,458,642,427	1,454,677,579	1,401,081,845	1,487,753,576	1,434,173,819
Net worth [3]	381,352,597	381,185,739	364,426,969	363,900,672	358,435,669	366,318,546
Total receipts [4]	1,051,655,475	578,342,692	560,857,066	569,459,220	652,929,657	626,053,169
Business receipts [4]	1,004,358,112	537,883,736	521,884,927	526,159,723	604,140,085	585,370,691
Interest received [4,6]	13,035,317	12,550,519	10,492,402	9,964,985	10,973,001	10,664,550
Total deductions [4]	1,036,080,852	580,005,825	566,004,187	565,956,277	632,204,330	590,120,354
Cost of goods sold [4]	795,765,082	340,182,014	324,140,437	314,958,710	378,142,678	346,623,441
Interest paid	42,280,631	41,316,770	38,760,041	38,017,277	36,461,886	34,694,183
Net income (less deficit) [4]	16,804,566	-1,046,609	-4,728,496	4,162,291	20,830,603	36,586,953
Net income [4]	28,734,461	22,596,105	14,461,224	18,143,912	33,724,635	43,223,671
Deficit [4]	11,929,895	23,642,715	19,189,721	13,981,621	12,894,031	6,636,718
Total income tax [7]	9,151,930	6,504,039	4,565,498	4,748,806	9,591,733	12,063,846
Regular tax	9,071,527	6,382,751	4,483,781	4,603,159	9,377,027	11,746,991
Total income tax after credits	7,718,038	5,296,222	3,502,071	4,021,307	7,837,467	9,971,440
<b>CONSTRUCTION [1]</b>						
Number of returns, total [2]	624,478	648,535	676,120	721,803	751,521	780,579
Number with net income [2]	376,822	382,349	401,721	440,009	489,228	489,170
Total assets [3]	525,704,293	540,502,611	566,392,613	613,627,200	714,365,062	802,268,751
Net worth [3]	150,498,208	163,014,462	154,875,559	174,113,387	207,041,138	235,900,066
Total receipts [4]	1,102,724,183	1,098,818,871	1,147,627,639	1,263,428,190	1,452,508,509	1,608,162,956
Business receipts [4]	1,084,579,920	1,080,555,117	1,128,834,453	1,240,498,487	1,427,006,853	1,582,459,140
Interest received [4,6]	3,062,738	2,474,298	2,565,635	1,988,752	2,887,075	3,152,703
Total deductions [4]	1,070,080,498	1,070,369,680	1,118,068,122	1,216,753,050	1,378,115,248	1,534,065,777
Cost of goods sold [4]	809,614,689	799,324,059	832,053,060	917,081,208	1,048,888,259	1,169,374,892
Interest paid	10,270,932	9,289,390	9,720,872	8,708,836	10,834,270	13,481,736
Net income (less deficit) [4]	32,537,032	28,357,934	29,368,117	46,624,667	74,356,808	73,894,825
Net income [4]	46,179,690	45,359,266	48,125,249	61,975,540	87,829,487	89,049,810
Deficit [4]	13,642,657	17,001,332	18,757,132	15,350,873	13,472,680	15,154,985
Total income tax [7]	4,543,459	4,221,133	4,598,022	6,541,911	9,807,183	8,493,781
Regular tax	4,497,744	4,178,296	4,560,661	6,502,200	9,751,893	8,442,869
Total income tax after credits	4,435,401	4,104,446	4,471,956	6,380,535	9,524,912	8,315,871
<b>MANUFACTURING [1]</b>						
Number of returns, total [2]	278,995	280,185	281,239	281,448	277,618	279,430
Number with net income [2]	147,291	149,710	145,867	157,194	167,182	166,836
Total assets [3]	8,100,072,543	8,202,169,904	8,827,565,222	9,283,378,051	10,440,305,266	9,894,687,421
Net worth [3]	2,949,917,887	2,975,211,477	3,259,807,483	3,088,413,787	3,810,766,667	3,472,835,947
Total receipts [4]	5,315,598,814	5,257,106,442	5,642,551,645	6,356,737,563	7,279,554,873	7,575,887,742
Business receipts [4]	4,862,174,424	4,822,650,951	5,194,506,715	5,893,334,570	6,505,757,036	6,939,924,620
Interest received [4,6]	130,752,374	119,947,354	117,887,111	122,678,548	145,577,801	183,115,312
Total deductions [4]	5,228,295,401	5,178,748,932	5,509,877,426	6,119,409,848	6,679,637,501	7,152,468,845
Cost of goods sold [4]	3,402,032,548	3,353,642,529	3,691,657,743	4,271,352,777	4,756,208,056	5,099,291,876
Interest paid	210,704,804	184,028,822	175,745,011	178,882,213	212,640,877	257,889,179
Net income (less deficit) [4]	129,096,121	119,275,059	186,085,821	291,038,821	680,058,202	481,099,337
Net income [4]	269,346,456	245,134,412	284,701,913	367,099,948	734,658,056	549,814,034
Deficit [4]	140,250,335	125,859,352	98,616,092	76,061,127	54,599,854	68,714,697
Total income tax [7]	76,141,754	68,531,196	82,534,697	103,085,466	157,671,750	157,993,100
Regular tax	75,778,613	67,606,219	82,027,984	102,235,875	157,112,188	157,486,688
Total income tax after credits	43,292,557	34,400,275	42,840,125	58,302,629	90,506,840	100,604,933

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>HEALTH CARE AND SOCIAL ASSISTANCE [1]</b>						
Number of returns, total [2]	327,338	334,305	354,603	370,384	380,940	400,591
Number with net income [2]	207,968	209,306	224,155	232,498	256,308	263,668
Total assets [3]	213,775,949	214,329,877	229,814,061	219,757,920	251,942,127	259,499,255
Net worth [3]	56,901,435	61,960,368	64,342,783	63,014,829	75,355,259	53,450,392
Total receipts [4]	443,351,714	463,253,527	503,083,460	506,457,947	531,900,286	578,938,079
Business receipts [4]	429,190,484	448,427,967	488,409,511	491,856,539	514,547,924	558,081,916
Interest received [4,6]	1,798,075	1,320,255	1,270,834	860,519	1,349,939	1,749,660
Total deductions [4]	430,956,238	446,522,542	484,367,139	486,082,244	504,954,704	550,506,861
Cost of goods sold [4]	54,435,340	54,589,386	58,438,250	47,933,085	50,978,799	51,705,540
Interest paid	7,640,537	6,462,090	6,582,610	6,356,863	7,137,241	9,338,674
Net income (less deficit) [4]	12,335,681	16,631,149	18,630,604	20,261,024	26,796,387	28,318,468
Net income [4]	20,364,434	23,695,054	25,543,515	29,171,822	34,337,672	38,166,379
Deficit [4]	8,028,753	7,063,905	6,912,911	8,910,798	7,541,285	9,847,911
Total income tax [7]	1,774,653	2,059,337	2,137,289	2,547,764	3,384,578	3,877,909
Regular tax	1,771,057	2,053,582	2,123,128	2,537,275	3,349,680	3,879,680
Total income tax after credits	1,741,421	2,011,275	2,087,431	2,478,422	3,292,091	3,717,247
<b>ARTS, ENTERTAINMENT, AND RECREATION [1]</b>						
Number of returns, total [2]	102,631	110,609	110,119	118,854	116,451	120,163
Number with net income [2]	48,884	53,390	50,037	56,319	58,650	60,706
Total assets [3]	78,565,805	79,600,495	79,164,279	80,800,048	100,547,530	107,729,878
Net worth [3]	19,144,846	19,238,866	17,869,953	19,005,119	29,885,647	20,471,164
Total receipts [4]	75,491,312	78,918,432	76,855,082	82,695,345	87,970,407	95,018,087
Business receipts [4]	69,089,923	72,674,159	69,877,627	75,408,648	80,148,880	85,789,078
Interest received [4,6]	1,000,658	811,809	743,741	698,005	657,085	803,966
Total deductions [4]	75,071,517	78,066,513	75,624,795	79,934,546	83,837,483	90,468,142
Cost of goods sold [4]	14,108,775	15,445,331	14,036,996	14,565,149	15,804,379	17,910,327
Interest paid	3,330,751	2,936,172	2,784,090	2,671,438	2,832,434	3,314,864
Net income (less deficit) [4]	402,181	852,149	1,227,441	2,759,386	4,117,704	4,538,143
Net income [4]	5,233,174	5,346,441	5,338,360	6,479,577	8,205,610	8,701,646
Deficit [4]	4,830,992	4,494,292	4,110,919	3,720,191	4,087,906	4,163,502
Total income tax [7]	396,641	349,418	299,303	420,860	739,601	1,154,388
Regular tax	392,960	344,655	291,786	412,468	735,734	1,141,757
Total income tax after credits	351,460	294,113	252,586	359,637	645,929	1,121,063
<b>ACCOMMODATION, FOOD SERVICES, AND DRINKING PLACES [1]</b>						
Number of returns, total [2]	259,465	271,527	278,722	280,517	287,490	288,783
Number with net income [2]	134,539	136,427	135,243	142,747	149,581	145,291
Total assets [3]	344,864,784	352,661,519	357,413,221	384,458,061	407,241,600	415,742,736
Net worth [3]	103,668,236	108,766,030	113,180,184	129,857,001	117,180,812	119,639,851
Total receipts [4]	353,715,274	399,787,328	407,107,664	404,940,759	438,570,716	453,707,780
Business receipts [4]	328,552,525	372,418,853	382,358,626	376,304,669	395,731,456	416,996,282
Interest received [4,6]	3,978,882	3,834,780	3,306,364	3,446,590	3,995,430	4,138,932
Total deductions [4]	345,725,252	391,952,542	400,097,877	393,092,213	411,365,654	433,966,992
Cost of goods sold [4]	122,785,758	152,332,352	158,705,517	141,021,530	142,538,960	150,710,672
Interest paid	13,229,659	12,583,288	11,730,733	10,981,638	12,896,377	13,864,576
Net income (less deficit) [4]	8,198,950	8,033,793	7,157,592	12,207,573	27,759,730	20,536,940
Net income [4]	15,491,509	15,772,353	15,472,058	20,442,338	34,677,667	28,004,871
Deficit [4]	7,292,559	7,738,560	8,314,466	8,234,764	6,917,937	7,467,932
Total income tax [7]	2,623,444	2,567,514	2,509,150	3,486,686	5,736,976	5,481,640
Regular tax	2,576,230	2,551,626	2,501,073	3,468,773	5,680,822	5,424,122
Total income tax after credits	1,947,518	1,740,440	1,711,725	2,344,171	4,265,816	4,137,217

Footnotes at end of table.

## Selected Historical and Other Data

**Table 14b. Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Industrial Sector, Income Years 2001-2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector and item	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OTHER SERVICES [1]</b>						
Number of returns, total [2]	325,602	321,134	329,336	332,662	344,877	369,214
Number with net income [2]	187,784	173,951	176,351	180,415	193,219	202,487
Total assets [3]	98,164,009	92,666,071	95,847,187	97,029,940	102,185,400	113,766,532
Net worth [3]	33,548,788	27,827,023	29,946,557	29,981,654	32,370,716	32,840,729
Total receipts [4]	174,835,529	164,353,067	170,732,940	174,224,783	188,874,502	208,105,146
Business receipts [4]	168,989,458	159,401,281	164,976,728	168,627,539	183,985,574	202,028,115
Interest received [4,6]	840,414	522,003	515,071	405,480	398,586	839,606
Total deductions [4]	170,800,214	161,284,099	166,821,367	170,980,294	183,196,098	201,596,928
Cost of goods sold [4]	70,937,697	63,754,139	66,924,017	68,043,735	75,338,923	85,023,927
Interest paid	3,035,734	2,472,820	2,538,029	2,425,120	2,542,655	3,383,971
Net income (less deficit) [4]	4,039,477	3,094,837	4,062,491	3,250,105	5,660,308	6,520,052
Net income [4]	7,750,193	6,976,867	7,962,590	7,589,437	9,712,402	10,908,515
Deficit [4]	3,710,716	3,882,031	3,900,100	4,339,332	4,052,094	4,388,463
Total income tax [7]	616,629	515,266	677,787	568,422	744,251	837,044
Regular tax	614,779	513,131	679,269	564,145	739,663	838,367
Total income tax after credits	580,567	480,323	520,041	522,868	705,667	781,883

[1] Industrial classification is based on the product or service accounting for the largest percentage of "total receipts." (Total receipts are the sum of business or gross receipts, plus capital gains and income from investments, including rentals.) This classification is based on the North American Industry Classification System (NAICS). The system was intended for Governmentwide use in classifying business statistics. (For information about NAICS and its usage in Canadian, Mexican, and U.S. Government statistics, see the *Statistics of Income Bulletin*, Summer 1997, Volume 17, Number 1, pp. 3-5.) If information for the business activity and product was not discernible from the corporation income tax return, the return was classified as with nature of business "not allocable." Data for nature of business "not allocable" are included in the totals for "all industrial sectors," but are not shown separately. Therefore, in addition to rounding differences, the statistics by industrial sector will not add to their respective grand totals.

[2] See Table 13, footnote 1.

[3] Balance sheet data are end-of-year amounts. Net worth is the sum of "capital stock," "additional paid-in capital," "retained earnings, appropriated," "retained earnings, unappropriated," and "adjustments to shareholders' equity" minus "cost of treasury stock." Each of these amounts is presented separately in Table 13.

[4] See Table 13, footnotes 10 and 14.

[5] See Table 13, footnote 11.

[6] Interest received is the sum of "interest on State and local government obligations" (i.e., tax-exempt interest) and "other interest" (which includes interest paid by banking and savings institutions). Data for both of these amounts are presented separately in Table 13. See also Table 13, footnote 12.

NOTES: Statistics are for corporate accounting periods ending July of one year through June of the next. Thus, for example, data for 2006 are for accounting periods ending July 2006 through June 2007. Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 15. Corporation Profits Before Tax per National Income and Product Accounts (NIPA) and per Statistics of Income (SOI), and Income Subject to Tax per SOI, Income Years 1960-2006**

[All figures are estimates—money amounts are in billions of dollars]

Income year	Profits before tax (per NIPA) [1,2]	Net income (less deficit) (per SOI) [3]	Income subject to tax (per SOI) [3,4]
	(1)	(2)	(3)
1960	51.6	43.5	47.2
1961	51.6	45.9	47.9
1962	57.0	49.6	51.7
1963	62.1	54.3	54.3
1964	69.1	61.6	60.4
1965	80.2	73.9	70.8
1966	86.7	80.5	77.1
1967	83.5	78.2	74.8
1968	92.4	86.0	81.4
1969	91.4	80.2	81.2
1970	81.0	65.9	72.4
1971	92.9	79.7	83.2
1972	107.8	96.8	95.1
1973	134.8	120.4	115.5
1974	147.8	148.2	144.0
1975	145.5	142.6	146.6
1976	179.7	185.4	183.5
1977	210.4	219.2	212.5
1978	246.1	246.9	239.6
1979	271.9	284.6	279.4
1980	253.5	239.0	246.6
1981	243.7	213.6	241.5
1982	198.5	154.3	205.2
1983	233.9	188.3	218.7
1984	268.6	232.9	257.1
1985	257.4	240.1	266.1
1986	246.0	269.5	276.2
1987	317.6	328.2	311.8
1988	386.1	413.0	383.2
1989	383.7	389.0	371.1
1990	409.5	370.6	366.4
1991	423.0	344.9	350.0
1992	461.1	402.0	377.9
1993	517.1	498.2	436.8
1994	577.1	577.3	494.0
1995	674.3	714.2	564.7
1996	733.0	806.5	639.8
1997	798.2	915.4	683.8
1998	718.3	838.2	663.4
1999	775.9	929.0	693.7
2000	773.4	927.5	760.4
2001	707.9	603.6	635.3
2002	768.4	563.7	600.6
2003	908.1	780.0	699.3
2004	1,204.7	1,111.7	857.4
2005	[r] 1,620.6	1,948.7	1,201.3
2006	1,837.7	1,933.4	1,291.4

[r] Revised or corrected.

[1] In general, includes profits of U.S. corporations filing income tax returns as recorded in Statistics of Income, but with exceptions and adjustments (see below). Also includes profits of nonprofit institutions that primarily serve business and income of Federal Reserve Banks and Federally-sponsored credit agencies.

For corporations excluded in NIPA profits, see footnote 2, below, and footnote 1, Table 13. Compared to Statistics of Income

net income, profits for NIPA purposes are defined to include tax-exempt interest on State and local government obligations, but to exclude capital gains and losses, intercorporate dividends received, depletion, and bad debt losses. Consistent with Statistics of Income, NIPA profits reflect the inventory and depreciation accounting practices used for tax purposes. NIPA profits include income earned abroad by U.S. corporations, but exclude profits earned in the United States by foreign corporations.

[2] Reflects changes made to data as part of the 2003 Comprehensive Revision of the National Income and Product Accounts (NIPAs). For details of this revision, see the Bureau of Economic Analysis Web site at <http://www.bea.gov/bea/dn/2003benchmark/CR2003content.htm>.

## Selected Historical and Other Data

### **Table 15. Corporation Profits Before Tax per National Income and Product Accounts (NIPA) and per Statistics of Income (SOI), and Income Subject to Tax per SOI, Income Years 1960-2006—Continued**

#### **Footnotes—Continued**

[3] For Statistics of Income, "net income (less deficit)" and "income subject to tax" exclude taxable cooperatives, starting with the 1985 data; Real Estate Mortgage Investment Conduits (REMICs), starting with 1987; and Personal Service Corporations for 1988-1993. Net income (less deficit), starting with 1985, excludes Foreign Sales Corporations (FSCs) and Interest-Charge Domestic International Sales Corporations (IC-DISCs). See also Table 13, footnote 1. For changes in the definition of Regulated Investment Company and S corporation net income, see Table 13, footnote 16. For the coverage of corporations and the definition of corporate profits used for the National Income and Product Accounts, see footnote 1, above.

[4] For the definition of "income subject to tax," see Table 13, footnote 17. See also footnote 3, above.

NOTES: All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: Data on corporate "Profits before tax (per NIPA)" are from the Bureau of Economic Analysis's National Income and Product Accounts, Table 1.12: National Income by Type of Income. This table appears in the Survey of Current Business and can also be accessed online at: <http://www.bea.gov/bea/dn/nipaweb/index.asp>.

Data on "Net income (less deficit) (per SOI)" and "Income subject to tax (per SOI)" are from Statistics of Income—Corporation Income Tax Returns, various years.

## Selected Historical and Other Data

**Table 16. Nonprofit Charitable Organization and Domestic Private Foundation Information Returns, and Exempt Organization Business Income Tax Returns: Selected Financial Data, 1998-2005**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Type of return and item	1998	1999	2000	2001	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>NONPROFIT CHARITABLE ORGANIZATION INFORMATION RETURNS [1]</b>								
Number of returns	207,272	211,615	230,159	240,569	251,676	263,353	276,191	286,615
Total assets, book value [2]	1,351,541	1,453,675	1,562,536	1,631,719	1,733,852	1,899,857	2,058,610	2,241,887
Total liabilities [2]	459,188	481,444	539,367	611,390	693,576	735,600	782,510	830,635
Net assets [2]	892,353	972,232	1,023,169	1,020,329	1,040,275	1,164,257	1,276,100	1,411,252
Total revenue	752,044	800,676	866,208	896,974	955,267	1,072,171	1,152,989	1,252,889
Program service revenue [3]	502,832	518,111	579,081	630,817	691,791	754,585	801,199	852,638
Contributions, gifts, and grants	161,751	174,992	199,076	212,427	214,484	229,987	248,570	276,292
Membership dues and assessments	6,952	6,331	6,660	7,239	7,879	8,155	8,193	8,558
Other	80,508	101,242	81,392	46,491	[r] 41,113	79,444	95,028	115,401
Total expenses	684,566	714,487	796,434	862,721	934,672	1,009,675	1,058,489	1,137,908
Excess of revenue over expenses (net)	67,478	86,189	69,775	34,253	20,595	62,496	94,500	114,981
<b>DOMESTIC PRIVATE FOUNDATION INFORMATION RETURNS</b>								
Number of returns, total	56,658	62,694	66,738	70,787	73,255	76,348	76,897	79,535
Nonoperating foundations	52,460	58,840	61,501	63,650	67,101	70,004	70,613	72,800
Operating foundations	4,198	3,854	5,238	7,137	6,154	6,344	6,284	6,734
Total assets, book value [2]	325,672	384,565	409,524	413,577	383,516	418,510	455,534	481,821
Total assets, fair market value [2]	397,084	466,863	471,646	455,423	413,007	474,952	509,924	545,938
Investments in securities [2]	317,900	363,442	361,418	329,353	294,385	344,314	361,158	373,084
Total revenue	59,735	83,286	72,780	45,264	27,775	48,391	58,668	76,365
Total expenses	25,902	33,876	37,434	36,661	34,392	35,099	36,552	42,822
Contributions, gifts, and grants paid [4]	19,394	22,763	27,564	27,383	26,303	26,667	27,625	31,856
Excess of revenue over expenses (net)	33,833	49,410	35,346	8,602	-6,618	13,292	22,116	33,544
Net investment income [5]	39,313	57,142	48,830	25,719	17,648	25,193	34,019	44,269
<b>EXEMPT ORGANIZATION UNRELATED BUSINESS INCOME TAX RETURNS [6]</b>								
Number of returns, total	46,208	42,151	38,567	35,540	35,103	36,064	38,040	40,676
With unrelated business taxable income	24,332	20,718	19,336	15,277	14,495	15,580	18,099	20,387
Without unrelated business taxable income	21,876	21,433	19,231	20,264	20,608	20,484	19,941	20,289
Gross unrelated business income	7,585	7,722	8,413	7,900	7,776	8,436	9,492	10,850
Total deductions [7]	6,484	6,835	7,703	7,883	7,922	8,413	8,980	9,636
Unrelated business taxable income (less deficit)	1,100	887	710	18	-146	23	512	1,214
Unrelated business taxable income	1,670	1,485	1,427	792	647	780	1,288	2,044
Deficit	569	598	717	774	793	757	776	831
Unrelated business income tax	506	423	406	226	194	220	365	543
Total tax [8]	464	422	403	222	193	221	368	541

[1] Includes data reported by organizations described in Internal Revenue Code section 501(c)(3), excluding private foundations and most religious organizations. Organizations with receipts under \$25,000 were not required to file.

[2] Balance sheet data are end-of-year amounts.

[3] Represents fees collected by organizations in support of their tax-exempt purposes, and income such as tuition and fees at educational institutions, hospital patient charges, and admission and activity fees collected by museums and other nonprofit organizations or institutions.

[4] The amount of contributions, gifts, and grants shown reflects the amount actually disbursed, on a cash basis, for charitable purposes.

[5] Represents income not considered related to a foundation's charitable purpose, e.g., interest, dividends, and capital gains. Foundations could be subject to an excise tax on such income.

[6] Includes returns filed by or for entities described in Internal Revenue Code sections 401(a) (qualified pension, profit-sharing, or stock bonus plans), 408(e) (Individual Retirement Arrangements, or IRAs), 408A (Roth IRAs), and 501(c)(2) through 501(c)(27) (charitable and most other types of tax-exempt organizations).

[7] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services is a component of "gross unrelated business income" (on which the filing requirement is based).

[8] Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the proxy tax on certain lobbying expenditures, and the "alternative minimum tax." Beginning with Tax Year 2001, total tax also can include interest due, computed under the look-back method for certain depreciated property and completed long-term contracts, and "other" taxes, as described by the return filer.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

## Selected Historical and Other Data

**Table 17. Taxable Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-2004**

[Money amounts are in thousands of dollars [1]]

Selected year of death [2]	Total adult deaths [3]	Taxable estate tax returns [4,5]			Estate tax after credits
		Number	Percentage of adult deaths	Total gross estate at date of death	
	(1)	(2)	(3)	(4)	(5)
1934	983,970	8,655	0.88	2,197,941	153,763
1935	1,172,245	9,137	0.78	2,084,269	195,301
1936	1,257,290	12,010	0.96	2,561,906	305,784
1937	1,237,585	13,220	1.07	2,844,112	314,620
1938	1,181,275	12,720	1.08	2,564,072	276,707
1939	1,205,072	12,907	1.07	2,441,960	250,360
1940	1,237,186	13,336	1.08	2,578,314	291,758
1941	1,216,855	13,493	1.11	2,550,473	308,342
1942	1,211,391	12,726	1.05	2,452,340	362,164
1943	1,277,009	12,154	0.95	2,720,000	404,638
1944	1,238,917	13,869	1.12	3,245,624	531,052
1946	1,239,713	18,232	1.47	3,993,298	621,966
1947	1,278,856	19,742	1.54	4,445,326	714,707
1948	1,283,601	17,469	1.36	4,271,852	567,421
1949	1,285,684	17,411	1.35	4,126,358	483,520
1950	1,304,343	18,941	1.45	4,655,892	577,401
1953	1,237,741	24,997	2.02	6,287,867	778,504
1954	1,332,412	25,143	1.89	6,387,246	778,342
1956	1,289,193	32,131	2.49	8,903,611	1,176,710
1958	1,358,375	38,515	2.84	9,995,884	1,185,620
1960	1,426,148	45,439	3.19	12,733,459	1,618,548
1962	1,483,846	55,207	3.72	14,713,504	1,840,972
1965	1,578,813	67,404	4.27	18,820,065	2,414,310
1969	1,796,055	93,424	5.20	23,459,524	2,999,965
1972	1,854,146	120,761	6.51	33,293,565	4,153,250
1976	1,819,107	139,115	7.65	40,578,379	4,979,112
1982	1,897,820	34,426	1.81	31,903,845	4,937,216
1983	1,945,913	34,899	1.79	33,434,470	5,073,787
1984	1,968,128	30,436	1.55	34,201,557	5,012,750
1985	2,015,070	22,326	1.11	35,168,822	6,044,292
1986	2,033,978	21,923	1.08	37,799,304	6,276,800
1987	2,053,084	18,157	0.88	40,907,217	6,392,989
1988	2,096,704	20,864	1.00	43,413,056	7,432,376
1989	2,079,035	23,096	1.11	51,062,975	8,953,181
1990	2,079,034	24,647	1.19	53,698,028	9,217,499
1991	2,101,746	26,680	1.27	55,363,655	9,617,366
1992	2,111,617	27,235	1.29	59,707,135	10,474,949
1993	2,204,366	32,062	1.45	72,047,377	12,559,769
1994	2,216,736	32,565	1.47	69,492,783	12,312,421
1995	2,252,471	36,651	1.63	78,756,293	14,259,048
1996	2,314,254	41,714	1.80	95,003,317	16,336,256
1997	2,258,366	47,800	2.12	104,860,580	19,957,705
1998	2,282,055	49,913	2.19	117,965,303	22,676,230
1999	2,336,840	53,819	2.30	135,076,422	24,809,821
2000	2,349,361	51,159	2.18	126,095,812	24,032,595
2001 [r]	2,363,100	50,456	2.14	129,638,497	23,744,158
2002	2,389,533	28,074	1.17	105,339,413	18,841,122
2003	2,394,749	27,309	1.14	90,429,009	18,709,021
2004	2,344,354	19,294	0.82	102,077,964	22,219,722

[r] Revised or corrected.

[1] Starting with 1965, number of returns, total gross estate at date of death, and estate tax after credits are estimates based on samples. Beginning with 1982, numbers in columns 2-5 have been revised to reflect returns filed more than 3 calendar years after a decedent's death.

## Selected Historical and Other Data

**Table 17. Taxable Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-2004—Continued**

**Footnotes—Continued**

[2] Prior to 1982, year of death figures were approximated, using data from returns filed in a single calendar year. While many of the returns filed in a given calendar year represent returns of decedents who died in the immediately preceding year, others represent returns of decedents who died in earlier years. Starting with 1982, the statistics are by year of death, using the year of death reported on the estate tax returns filed during periods of at least 3 successive years.

[3] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.

[4] Prior to 1964, a return was taxable if it showed an estate tax before credits. Starting with 1964, the classification was based on estate tax after credits.

[5] Year-to-year comparability of the data is affected by changes in the gross estate filing threshold which is based on year of death: 1934 (\$50,000); 1935 (\$50,000 changing to \$40,000); 1936-1941 (\$40,000); 1942 (\$40,000 changing to \$60,000); 1943-1976 (\$60,000); 1977 (\$120,000); 1978 (\$134,000); 1979 (\$147,000); 1980 (\$161,000); 1981 (\$175,000); 1982 (\$225,000); 1983 (\$275,000); 1984 (\$325,000); 1985 (\$400,000); 1986 (\$500,000); 1987-1997 (\$600,000); 1998 (\$625,000); 1999 (\$650,000); 2000-2001 (\$675,000); 2002-2003 (\$1,000,000); 2004-2005 (\$1,500,000); 2006-2008 (\$2,000,000); 2009 (\$3,500,000); and 2010 (no estate tax).

NOTES: The title of this table has been changed from "Estate Tax Returns as a Percentage of Adult Deaths," in some previously published versions, to "Taxable Estate Tax Returns as a Percentage of Adult Deaths." However, the data contained in the table have not changed. Detail may not add to totals because of rounding. All amounts are in current dollars. Most of the data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: Data are shown only for years for which Statistics of Income data are available. For years after 1953, *Statistics of Income—Estate Tax Returns; Estate and Gift Tax Returns*; or *Fiduciary, Estate, and Gift Tax Returns*, depending on the year, and *Statistics of Income Bulletin*, various issues; also unpublished tabulations for certain years. For years prior to 1954, *Statistics of Income—Part I*. Adult deaths are from the Centers for Disease Control and Prevention, National Center for Health Statistics, U.S. Department of Health and Human Services, *Vital Statistics of the United States, Report Number 11, Supplement 2, Table 2*, and *National Vital Statistics Report, Volume 50, Number 15, Table 3, September 2002; Volume 52, Number 3, Table 3, September 2003; Volume 53, Number 5, Table 3, October 2004; and Volume 54, Number 13, Table 3, April 2006*.

## Selected Historical and Other Data

**Table 18. Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2007**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes		Employment taxes [5]	Estate and gift taxes
				Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>FISCAL YEAR 1987, TOTAL [4]</b>	<b>886,290</b>	<b>465,452</b>	<b>102,859</b>	<b>33,311</b>	<b>[4]</b>	<b>277,000</b>	<b>7,668</b>
October 1986 - December 1986	180,580	92,346	22,466	8,281	N/A	55,615	1,872
January 1987 - March 1987	209,032	105,483	22,649	7,925	N/A	71,156	1,819
April 1987 - June 1987	285,477	164,008	29,748	8,493	N/A	81,139	2,089
July 1987 - September 1987 [4]	211,201	103,615	27,996	8,612	[4]	69,090	1,888
<b>FISCAL YEAR 1988, TOTAL</b>	<b>945,614</b>	<b>473,667</b>	<b>109,683</b>	<b>25,934</b>	<b>10,507</b>	<b>318,039</b>	<b>7,784</b>
October 1987 - December 1987	200,006	97,479	24,828	6,475	2,911	66,500	1,813
January 1988 - March 1988	222,784	111,215	22,006	5,304	2,337	80,161	1,761
April 1988 - June 1988	298,938	160,018	35,991	6,550	2,763	91,426	2,190
July 1988 - September 1988	223,886	104,955	26,858	7,605	2,496	79,952	2,020
<b>FISCAL YEAR 1989, TOTAL</b>	<b>1,024,718</b>	<b>515,732</b>	<b>117,015</b>	<b>25,977</b>	<b>11,397</b>	<b>345,626</b>	<b>8,973</b>
October 1988 - December 1988	216,503	104,522	29,551	6,657	2,985	70,632	2,156
January 1989 - March 1989	238,279	114,475	20,760	6,098	2,395	92,587	1,964
April 1989 - June 1989	334,878	180,947	40,825	6,899	3,401	100,077	2,729
July 1989 - September 1989	235,059	115,788	25,879	6,324	2,615	82,329	2,124
<b>FISCAL YEAR 1990, TOTAL</b>	<b>1,066,600</b>	<b>540,228</b>	<b>110,017</b>	<b>27,139</b>	<b>10,235</b>	<b>367,219</b>	<b>11,762</b>
October 1989 - December 1989	222,867	110,077	26,390	6,184	2,790	74,982	2,444
January 1990 - March 1990	251,924	127,277	21,433	5,868	2,187	92,868	2,291
April 1990 - June 1990	343,976	181,180	37,398	8,143	2,690	110,281	4,284
July 1990 - September 1990	247,833	121,694	24,796	6,944	2,568	89,088	2,743
<b>FISCAL YEAR 1991, TOTAL</b>	<b>1,099,746</b>	<b>546,877</b>	<b>113,599</b>	<b>30,452</b>	<b>12,895</b>	<b>384,451</b>	<b>11,473</b>
October 1990 - December 1990	242,792	118,047	29,248	6,363	2,753	83,646	2,735
January 1991 - March 1991	257,078	119,891	22,974	7,107	2,919	101,569	2,618
April 1991 - June 1991	338,591	181,949	35,953	7,545	3,545	106,426	3,173
July 1991 - September 1991	261,284	126,990	25,423	9,436	3,678	92,810	2,947
<b>FISCAL YEAR 1992, TOTAL</b>	<b>1,134,195</b>	<b>557,723</b>	<b>117,951</b>	<b>33,566</b>	<b>13,395</b>	<b>400,081</b>	<b>11,479</b>
October 1991 - December 1991	249,845	117,980	28,571	8,238	3,572	88,749	2,735
January 1992 - March 1992	266,984	136,220	19,751	8,159	2,823	97,425	2,606
April 1992 - June 1992	348,986	173,437	41,930	8,311	3,539	118,503	3,266
July 1992 - September 1992	268,380	130,086	27,699	8,858	3,461	95,404	2,872
<b>FISCAL YEAR 1993, TOTAL</b>	<b>1,190,673</b>	<b>585,774</b>	<b>131,548</b>	<b>34,962</b>	<b>13,987</b>	<b>411,511</b>	<b>12,891</b>
October 1992 - December 1992	262,404	124,812	30,324	8,388	3,581	92,284	3,015
January 1993 - March 1993	285,925	154,596	21,124	8,317	3,074	96,042	2,772
April 1993 - June 1993	354,070	168,977	47,920	8,739	3,776	120,767	3,891
July 1993 - September 1993	288,274	137,389	32,180	9,518	3,556	102,418	3,213
<b>FISCAL YEAR 1994, TOTAL</b>	<b>1,290,246</b>	<b>619,819</b>	<b>154,205</b>	<b>43,005</b>	<b>13,779</b>	<b>443,831</b>	<b>15,607</b>
October 1993 - December 1993	282,891	132,790	36,088	9,907	3,525	97,012	3,569
January 1994 - March 1994	309,746	160,382	24,883	9,932	3,009	108,037	3,503
April 1994 - June 1994	386,403	182,996	55,652	10,629	3,592	128,665	4,869
July 1994 - September 1994	311,205	143,651	37,582	12,536	3,653	110,117	3,666
<b>FISCAL YEAR 1995, TOTAL</b>	<b>1,390,048</b>	<b>675,779</b>	<b>174,422</b>	<b>44,981</b>	<b>14,317</b>	<b>465,405</b>	<b>15,144</b>
October 1994 - December 1994	301,238	138,454	40,811	11,029	3,791	103,537	3,616
January 1995 - March 1995	329,624	169,977	26,137	10,791	2,982	116,503	3,234
April 1995 - June 1995	432,556	214,105	65,995	11,116	3,603	133,357	4,380
July 1995 - September 1995	326,630	153,243	41,479	12,045	3,941	112,008	3,914
<b>FISCAL YEAR 1996, TOTAL</b>	<b>1,500,351</b>	<b>745,313</b>	<b>189,055</b>	<b>42,222</b>	<b>13,805</b>	<b>492,365</b>	<b>17,592</b>
October 1995 - December 1995	320,038	148,203	46,823	11,409	3,411	106,200	3,992
January 1996 - March 1996	349,683	184,419	27,971	9,939	2,959	120,783	3,612
April 1996 - June 1996	474,823	242,754	68,509	9,835	3,532	144,825	5,368
<b>July 1996 - September 1996</b>	<b>355,808</b>	<b>169,937</b>	<b>45,752</b>	<b>11,039</b>	<b>3,903</b>	<b>120,557</b>	<b>4,620</b>

Footnotes at end of table.

## Selected Historical and Other Data

**Table 18. Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2007—Continued**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes		Employment taxes [5]	Estate and gift taxes
				Internal Revenue Service [1,4]	Alcohol and Tobacco Tax and Trade Bureau [4]		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>FISCAL YEAR 1997, TOTAL</b>	<b>1,637,157</b>	<b>825,021</b>	<b>204,492</b>	<b>44,806</b>	<b>13,883</b>	<b>528,597</b>	<b>20,356</b>
October 1996 - December 1996	345,447	157,767	49,612	10,052	3,261	120,284	4,471
January 1997 - March 1997	379,827	197,477	31,359	10,762	3,052	132,838	4,339
April 1997 - June 1997	526,490	285,884	75,093	11,600	3,524	144,048	6,341
July 1997 - September 1997	385,392	183,893	48,428	12,393	4,046	131,426	5,206
<b>FISCAL YEAR 1998, TOTAL</b>	<b>1,782,997</b>	<b>928,066</b>	<b>213,270</b>	<b>45,643</b>	<b>13,588</b>	<b>557,799</b>	<b>24,631</b>
October 1997 - December 1997	381,995	180,507	56,228	12,424	3,181	124,315	5,340
January 1998 - March 1998	412,808	216,994	33,640	11,424	2,968	142,512	5,270
April 1998 - June 1998	578,540	319,050	75,714	12,575	3,581	159,632	7,988
July 1998 - September 1998	409,655	211,515	47,688	9,220	3,858	131,341	6,033
<b>FISCAL YEAR 1999, TOTAL</b>	<b>1,917,643</b>	<b>1,002,186</b>	<b>216,325</b>	<b>58,586</b>	<b>13,490</b>	<b>598,670</b>	<b>28,386</b>
October 1998 - December 1998	410,884	192,843	56,474	18,017	3,216	133,695	6,639
January 1999 - March 1999	444,224	239,680	33,958	12,179	2,915	149,408	6,084
April 1999 - June 1999	616,626	351,720	72,904	13,366	3,457	166,086	9,093
July 1999 - September 1999	445,908	217,943	52,989	15,023	3,903	149,480	6,570
<b>FISCAL YEAR 2000, TOTAL</b>	<b>2,112,755</b>	<b>1,137,078</b>	<b>235,655</b>	<b>54,811</b>	<b>[r] 15,911</b>	<b>639,652</b>	<b>29,722</b>
October 1999 - December 1999	442,745	222,369	57,122	12,611	3,523	139,310	7,810
January 2000 - March 2000	490,661	265,193	39,584	13,107	3,540	162,816	6,421
April 2000 - June 2000	690,101	403,071	79,583	13,608	4,217	180,645	8,977
July 2000 - September 2000	446,076	246,445	59,366	15,484	4,558	156,881	6,514
<b>FISCAL YEAR 2001, TOTAL</b>	<b>2,144,654</b>	<b>1,178,210</b>	<b>186,732</b>	<b>52,419</b>	<b>15,822</b>	<b>682,223</b>	<b>29,248</b>
October 2000 - December 2000	466,710	228,483	64,597	12,574	3,782	150,175	7,099
January 2001 - March 2001	523,566	285,417	38,239	13,436	3,472	176,339	6,663
April 2001 - June 2001	709,403	425,471	64,709	12,369	4,137	193,561	9,156
July 2001 - September 2001	444,976	238,839	19,187	14,040	4,531	162,148	6,331
<b>FISCAL YEAR 2002, TOTAL</b>	<b>2,033,661</b>	<b>1,037,734</b>	<b>211,438</b>	<b>52,137</b>	<b>17,034</b>	<b>688,077</b>	<b>27,242</b>
October 2001 - December 2001	477,215	235,729	71,783	8,070	3,756	151,079	6,798
January 2002 - March 2002	494,506	250,689	38,760	15,632	3,957	178,982	6,486
April 2002 - June 2002	599,650	324,735	55,496	13,486	4,480	194,045	7,408
July 2002 - September 2002	462,289	226,580	45,399	14,949	4,841	163,971	6,549
<b>FISCAL YEAR 2003, TOTAL</b>	<b>1,969,648</b>	<b>987,209</b>	<b>194,146</b>	<b>52,771</b>	<b>16,719</b>	<b>695,976</b>	<b>22,827</b>
October 2002 - December 2002	444,259	209,947	51,821	12,461	3,791	160,448	5,792
January 2003 - March 2003	480,840	252,412	31,309	12,017	3,808	175,609	5,684
April 2003 - June 2003	596,078	310,723	67,381	12,821	4,336	194,902	5,916
July 2003 - September 2003	448,471	214,128	43,636	15,473	4,783	165,016	5,435
<b>FISCAL YEAR 2004, TOTAL</b>	<b>2,035,761</b>	<b>990,249</b>	<b>230,619</b>	<b>54,807</b>	<b>17,260</b>	<b>717,247</b>	<b>25,579</b>
October 2003 - December 2003	453,910	211,414	59,746	12,613	4,243	159,894	6,000
January 2004 - March 2004	489,927	253,054	33,289	13,018	3,745	180,871	5,950
April 2004 - June 2004	612,808	308,822	81,800	13,554	4,481	197,486	6,665
July 2004 - September 2004	479,116	216,958	55,784	15,623	4,790	178,996	6,965
<b>FISCAL YEAR 2005, TOTAL</b>	<b>2,286,837</b>	<b>1,107,501</b>	<b>307,095</b>	<b>57,252</b>	<b>17,942</b>	<b>771,442</b>	<b>25,606</b>
October 2004 - December 2004	492,020	224,307	74,547	12,692	4,107	170,425	5,942
January 2005 - March 2005	531,435	271,686	43,355	13,593	3,706	192,825	6,270
April 2005 - June 2005	713,819	367,673	103,079	14,282	4,404	217,592	6,789
July 2005 - September 2005	549,564	243,835	86,114	16,685	5,725	190,600	6,604
<b>FISCAL YEAR 2006, TOTAL</b>	<b>2,536,771</b>	<b>1,236,259</b>	<b>380,925</b>	<b>57,990</b>	<b>18,090</b>	<b>814,819</b>	<b>28,687</b>
October 2005 - December 2005	531,599	240,961	89,694	13,269	4,357	176,954	6,364
January 2006 - March 2006	598,921	302,873	58,503	13,783	4,053	212,001	7,707
April 2006 - June 2006	809,903	427,823	124,945	14,903	4,727	229,789	7,716
July 2006 - September 2006	596,348	264,602	107,783	16,035	4,953	196,075	6,900
<b>FISCAL YEAR 2007, TOTAL</b>	<b>2,709,798</b>	<b>1,366,241</b>	<b>395,536</b>	<b>53,049</b>	<b>18,260</b>	<b>849,733</b>	<b>26,978</b>
October 2006 - December 2006	578,083	265,265	106,382	11,868	4,542	183,437	6,589
January 2007 - March 2007	646,419	334,516	64,686	12,511	4,068	224,649	6,989
April 2007 - June 2007	870,231	478,686	129,373	13,308	4,559	236,427	7,878
July 2007 - September 2007	615,065	287,774	95,095	15,363	5,091	205,220	6,522

Footnotes at end of table.

## Selected Historical and Other Data

**Table 18. Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2007—Continued**

### Footnotes

N/A - Not applicable.

[1] Includes not only taxes collected by the Internal Revenue Service (IRS) but, starting in Fiscal Year 1988 and the second quarter of Fiscal Year 1991, excise taxes

		2004	55.9	1998	63.3	1992	29.6
		2003	55.2	1997	66.9	1990	32.5
2007	49.8	2002	67.0	1995	68.5	1989	32.3
2006	50.1	2000	60.7	1994	69.7	1988	33.2
2005	53.3	1999	61.0	1993	27.7	1987	33.2

Collections of income tax of estates and trusts in fiscal years, without regard to tax year, are as follows:

Fiscal year	Billions of dollars						
		2004	10.7	1998	14.2	1992	6.1
		2003	8.4	1997	11.2	1991	4.8
		2002	10.8	1996	8.0	1990	5.9
2007	21.5	2001	17.5	1995	5.3	1989	6.0
2006	17.1	2000	16.7	1994	6.2	1988	6.5
2005	13.9	1999	14.3	1993	6.0	1987	8.4

[3] Includes various taxes collected from otherwise Federally tax-exempt corporations and trusts, mainly the "unrelated business income" tax (UBIT) imposed on organizations that engage in activities that are unrelated to their charitable purposes. Trusts with UBI are taxed at individual income tax rates; however, these taxes were combined with the corporation income tax collections when tabulated. Following are total taxes and UBIT collected from tax-exempt organizations in recent fiscal years:

Fiscal year	Total (Millions of dollars)	Unrelated business income tax	Fiscal year	Total (Millions of dollars)	Unrelated business income tax
			1997	666.8	484.9
			1996	699.9	501.9
2007	N/A	N/A	1995	484.9	294.3
2006	884.7	635.3	1994	571.5	372.4
2005	623.9	457.3	1993	342.7	173.6
2004	510.7	347.1	1992	379.5	181.6
2003	386.0	270.4	1991	288.2	155.6
2002	494.5	319.2	1990	304.0	127.9
2001	652.1	523.3	1989	271.4	115.6
2000	674.8	553.6	1988	284.0	137.5
1999	810.8	665.9	1987	244.3	119.9
1998	689.8	473.2			

[4] Data shown for the Alcohol and Tobacco Tax and Trade Bureau (TTB) also include data for the Customs Service. To preserve the historical time series interrupted by transferring collection of the manufacturers' excise taxes paid on alcohol and tobacco and of the manufacturers' excise taxes on recreational products for the taxes paid on firearms from IRS to TTB, starting in July 1987 and January 1991, respectively, the combined excise taxes for these two Treasury agencies are shown in Table 18 collections, for fiscal years beginning with 1988. They have also been added to the total tax collections reported by IRS to show a grand total of all Treasury Department tax alongside the IRS excise tax collections (with the exception of a cargo excise tax collected by the Customs Service). Although responsibility for the administration of alcohol and tobacco excise taxes was transferred to the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service, effective July 1, 1987, i.e., with the beginning of the fourth quarter of Fiscal Year 1987, the taxes collected were treated as Internal Revenue Service tax collections (column 4) through September 30, 1987, i.e., through the end of the fourth quarter of Fiscal Year 1987, rather than as TTB/Customs collections (column 5), as a transitional measure.

[5] Employment taxes include:

(a) Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes, i.e., Social Security taxes, levied on salaries and wages (under the Federal Insurance Contributions Act (FICA)). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars						
		2004	664.9	1998	513.9	1992	365.2
		2003	647.9	1997	484.0	1991	349.3
		2002	639.7	1996	455.2	1990	336.3
2007	787.8	2001	634.2	1995	394.4	1989	317.8
2006	757.5	2000	593.3	1994	409.6	1988	289.9
2005	716.9	1999	555.3	1993	381.1	1987	252.6

(b) Social Security taxes levied on "self-employment income" (under the Self-Employment Insurance Contributions Act (SECA)). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars						
		2004	41.2	1998	32.6	1992	24.4
		2003	37.1	1997	34.0	1991	25.5
		2002	37.1	1996	26.9	1990	21.3
2007	49.8	2001	36.3	1995	60.9	1989	19.0
2006	45.1	2000	34.6	1994	24.4	1988	17.7
2005	43.1	1999	32.2	1993	20.6	1987	14.0

## Selected Historical and Other Data

**Table 18. Treasury Department Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-2007—Continued**

**Footnotes—Continued**

(c) Unemployment insurance taxes (under the Federal Unemployment Tax Act (FUTA)). Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars						
		2004	6.7	1998	6.5	1992	5.8
		2003	6.6	1997	6.2	1991	5.5
		2002	6.7	1996	6.0	1990	5.5
2007	7.4	2001	7.1	1995	5.8	1989	4.7
2006	7.5	2000	7.0	1994	5.6	1988	6.2
2005	6.9	1999	6.7	1993	5.6	1987	6.2

(d) Railroad Retirement (carriers) tax. Amounts collected in recent fiscal years are as follows:

Fiscal year	Billions of dollars						
		2004	4.4	1998	4.8	1992	4.4
		2003	4.4	1997	4.4	1991	4.2
		2002	4.6	1996	4.3	1990	4.2
2007	4.7	2001	4.7	1995	4.3	1989	4.1
2006	4.7	2000	4.8	1994	4.2	1988	4.3
2005	4.5	1999	4.5	1993	4.3	1987	4.2

NOTES: In general, collections represent the gross amounts before refunds and include (a) amounts paid with the tax return, (b) amounts paid prior to filing the return, as applicable (income tax withheld by employers and "estimated tax" payments), and (c) amounts paid subsequent to filing the return (chiefly the result of initial IRS administrative return processing or later examination and enforcement activities). Collections also include interest and penalties, but do not reflect any revisions to the IRS data for specific fiscal years made after the close of the fiscal year. Instead, revisions are reflected in the data for the later fiscal year in which the revision was made. However, revisions to the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco, and Firearms (ATF)) and Customs Service excise tax collections are treated differently. See the "Notes" to Table 20. Collection statistics reported by the Internal Revenue Service are not altogether comparable to those published by the Financial Management Service, also in the Treasury Department, because of timing differences resulting from the definitions each agency uses. The Internal Revenue Service counts the monies as they are received (to reflect the status of its tax collection operation); the Financial Management Service counts these amounts as received, but only after discrepancies (such as between what the employer reports as tax withheld and the amount actually withheld) are resolved. Also, the Financial Management Service classifies the tax collected according to the Federal Budget account to which the tax receipts are assigned. For purposes of Table 18 (and to facilitate comparisons with Table 20), the grand totals of all excise taxes were obtained by accumulating data from the Treasury Monthly Statement. See also the citation under "Source," below. Totals for excise taxes collected by IRS were then subtracted from these grand totals to derive the combined totals shown as having been collected by the TTB and the Customs Service. This subtraction is not precise because of definitional differences between the two agencies. Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems; and Financial Management Service, Monthly Statement on Receipts and Outlays of the United States Government, monthly.

## Selected Historical and Other Data

**Table 19. Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2008**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b>	<b>96,969</b>	<b>73,583</b>	<b>19,891</b>	<b>1,381</b>	<b>1,900</b>	<b>214</b>
October 1986 - December 1986	8,668	3,406	4,789	111	312	50
January 1987 - March 1987	28,422	22,198	5,296	479	393	56
April 1987 - June 1987	50,063	42,858	5,948	332	869	57
July 1987 - September 1987	9,816	5,121	3,858	459	326	52
<b>FISCAL YEAR 1988, TOTAL</b>	<b>94,480</b>	<b>74,399</b>	<b>16,477</b>	<b>1,114</b>	<b>2,263</b>	<b>227</b>
October 1987 - December 1987	7,701	3,437	3,727	207	275	55
January 1988 - March 1988	27,798	21,744	5,248	198	553	55
April 1988 - June 1988	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988	9,776	5,449	3,654	288	321	67
<b>FISCAL YEAR 1989, TOTAL</b>	<b>93,613</b>	<b>73,597</b>	<b>14,921</b>	<b>2,054</b>	<b>2,771</b>	<b>269</b>
October 1988 - December 1988	8,380	3,362	4,461	118	359	80
January 1989 - March 1989	32,041	26,759	4,462	182	570	67
April 1989 - June 1989	43,538	38,895	3,849	350	381	63
July 1989 - September 1989	9,654	4,581	2,149	1,404	1,461	59
<b>FISCAL YEAR 1990, TOTAL</b>	<b>99,656</b>	<b>76,065</b>	<b>18,324</b>	<b>2,261</b>	<b>2,677</b>	<b>329</b>
October 1989 - December 1989	8,487	3,094	4,605	300	409	79
January 1990 - March 1990	37,121	31,367	4,922	342	423	67
April 1990 - June 1990	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990	10,740	4,652	4,588	1,070	353	77
<b>FISCAL YEAR 1991, TOTAL</b>	<b>104,380</b>	<b>82,877</b>	<b>17,440</b>	<b>1,188</b>	<b>2,471</b>	<b>404</b>
October 1990 - December 1990	8,284	3,367	4,148	344	323	102
January 1991 - March 1991	38,020	32,811	4,286	293	538	92
April 1991 - June 1991	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991	10,114	5,061	4,258	325	361	109
<b>FISCAL YEAR 1992, TOTAL</b>	<b>113,108</b>	<b>88,624</b>	<b>19,688</b>	<b>1,997</b>	<b>2,398</b>	<b>401</b>
October 1991 - December 1991	10,072	3,607	5,639	379	346	101
January 1992 - March 1992	44,657	38,183	5,750	201	430	93
April 1992 - June 1992	47,817	42,231	4,596	476	399	115
July 1992 - September 1992	10,562	4,603	3,703	941	1,223	92
<b>FISCAL YEAR 1993, TOTAL</b>	<b>93,580</b>	<b>74,234</b>	<b>16,035</b>	<b>958</b>	<b>1,969</b>	<b>384</b>
October 1992 - December 1992	7,891	3,081	4,190	208	324	88
January 1993 - March 1993	37,213	31,503	4,971	239	396	104
April 1993 - June 1993	39,325	35,353	3,195	290	397	90
July 1993 - September 1993	9,151	4,297	3,679	221	852	102
<b>FISCAL YEAR 1994, TOTAL</b>	<b>96,980</b>	<b>75,935</b>	<b>16,251</b>	<b>1,877</b>	<b>2,477</b>	<b>441</b>
October 1993 - December 1993	7,329	2,322	4,176	394	324	113
January 1994 - March 1994	34,614	27,859	5,800	403	445	107
April 1994 - June 1994	43,804	40,876	2,109	333	393	93
July 1994 - September 1994	11,233	4,878	4,165	747	1,315	128
<b>FISCAL YEAR 1995, TOTAL</b>	<b>108,035</b>	<b>84,056</b>	<b>19,350</b>	<b>2,223</b>	<b>1,972</b>	<b>434</b>
October 1994 - December 1994	9,086	3,440	4,909	319	304	114
January 1995 - March 1995	35,791	27,642	6,370	926	753	101
April 1995 - June 1995	53,388	47,433	4,904	500	443	108
July 1995 - September 1995	9,770	5,541	3,167	478	472	111
<b>FISCAL YEAR 1996, TOTAL</b>	<b>132,710</b>	<b>107,361</b>	<b>19,201</b>	<b>2,075</b>	<b>3,584</b>	<b>489</b>
October 1995 - December 1995	11,149	4,133	5,391	361	1,152	112
January 1996 - March 1996	48,625	41,633	6,103	239	538	112
April 1996 - June 1996	61,612	56,319	4,363	355	454	121
July 1996 - September 1996	11,324	5,276	3,344	1,120	1,440	144

Footnotes at end of table.

## Selected Historical and Other Data

**Table 19. Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2008—Continued**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1997, TOTAL</b>	<b>142,599</b>	<b>113,083</b>	<b>24,046</b>	<b>1,790</b>	<b>3,104</b>	<b>576</b>
October 1996 - December 1996	13,306	4,460	8,082	155	433	176
January 1997 - March 1997	58,345	51,442	5,771	493	552	87
April 1997 - June 1997	57,421	51,980	4,399	375	522	146
July 1997 - September 1997	13,525	5,201	5,794	767	1,596	167
<b>FISCAL YEAR 1998, TOTAL</b>	<b>153,828</b>	<b>119,499</b>	<b>27,560</b>	<b>1,600</b>	<b>4,562</b>	<b>609</b>
October 1997 - December 1997	10,680	4,369	5,496	165	499	151
January 1998 - March 1998	66,516	56,124	9,326	266	670	130
April 1998 - June 1998	59,172	52,613	5,506	188	683	182
July 1998 - September 1998	17,460	6,393	7,232	981	2,708	146
<b>FISCAL YEAR 1999, TOTAL</b>	<b>185,282</b>	<b>146,406</b>	<b>34,062</b>	<b>1,690</b>	<b>2,470</b>	<b>654</b>
October 1998 - December 1998	15,684	5,010	9,885	143	455	191
January 1999 - March 1999	77,493	65,467	10,648	508	741	129
April 1999 - June 1999	76,729	68,418	7,139	369	646	157
July 1999 - September 1999	15,376	7,511	6,390	670	628	177
<b>FISCAL YEAR 2000, TOTAL</b>	<b>195,751</b>	<b>157,837</b>	<b>30,382</b>	<b>1,802</b>	<b>4,957</b>	<b>773</b>
October 1999 - December 1999	16,453	6,590	8,844	176	613	230
January 2000 - March 2000	94,728	84,290	8,933	539	791	175
April 2000 - June 2000	67,353	59,386	6,625	388	773	181
July 2000 - September 2000	17,217	7,571	5,980	699	2,780	187
<b>FISCAL YEAR 2001, TOTAL</b>	<b>252,787</b>	<b>205,690</b>	<b>37,941</b>	<b>1,948</b>	<b>6,283</b>	<b>925</b>
October 2000 - December 2000	17,859	6,685	10,148	232	549	245
January 2001 - March 2001	102,741	87,193	13,984	468	897	199
April 2001 - June 2001	75,813	66,964	7,409	465	789	186
July 2001 - September 2001	56,374	44,848	6,400	783	4,048	295
<b>FISCAL YEAR 2002, TOTAL</b>	<b>257,644</b>	<b>183,891</b>	<b>66,758</b>	<b>2,248</b>	<b>3,944</b>	<b>803</b>
October 2001 - December 2001	26,567	8,665	16,659	321	700	222
January 2002 - March 2002	94,761	76,571	16,658	545	821	166
April 2002 - June 2002	107,211	87,192	18,498	625	668	228
July 2002 - September 2002	29,105	11,463	14,942	758	1,754	188
<b>FISCAL YEAR 2003, TOTAL</b>	<b>296,064</b>	<b>223,317</b>	<b>65,332</b>	<b>2,026</b>	<b>4,445</b>	<b>944</b>
October 2002 - December 2002	32,964	11,292	20,580	215	609	268
January 2003 - March 2003	126,113	105,124	19,587	526	685	191
April 2003 - June 2003	98,530	81,958	14,958	607	789	217
July 2003 - September 2003	38,457	24,943	10,207	677	2,362	268
<b>FISCAL YEAR 2004, TOTAL</b>	<b>270,893</b>	<b>218,667</b>	<b>45,850</b>	<b>1,955</b>	<b>3,638</b>	<b>783</b>
October 2003 - December 2003	30,851	10,930	18,913	220	562	226
January 2004 - March 2004	127,181	116,146	9,528	580	755	172
April 2004 - June 2004	92,443	81,049	10,062	499	646	188
July 2004 - September 2004	20,418	10,542	7,347	656	1,675	198
<b>FISCAL YEAR 2005, TOTAL</b>	<b>255,439</b>	<b>212,966</b>	<b>34,332</b>	<b>2,132</b>	<b>5,126</b>	<b>883</b>
October 2004 - December 2004	24,050	10,242	12,911	184	483	229
January 2005 - March 2005	126,559	116,060	8,530	576	1,185	207
April 2005 - June 2005	83,244	76,170	5,578	597	700	200
July 2005 - September 2005	21,586	10,494	7,313	774	2,758	246
<b>FISCAL YEAR 2006, TOTAL [6]</b>	<b>265,003</b>	<b>227,240</b>	<b>29,831</b>	<b>2,163</b>	<b>4,918</b>	<b>851</b>
October 2005 - December 2005	21,173	10,248	9,863	262	591	210
January 2006 - March 2006	142,565	131,626	9,484	508	786	161
April 2006 - June 2006	76,231	70,181	4,372	686	713	278
July 2006 - September 2006	25,034	15,185	6,112	706	2,827	202
<b>FISCAL YEAR 2007, TOTAL</b>	<b>279,173</b>	<b>235,645</b>	<b>27,340</b>	<b>3,527</b>	<b>11,691</b>	<b>1,467</b>
October 2006 - December 2006	23,490	7,964	7,960	439	6,816	311
January 2007 - March 2007	153,223	140,744	10,097	1,396	769	217
April 2007 - June 2007	84,376	77,836	4,362	797	1,151	229
July 2007 - September 2007	18,084	9,101	4,921	896	2,954	710

Footnotes at end of table.

## Selected Historical and Other Data

**Table 19. Internal Revenue Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-2008 —Continued**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total [1]	Individual income taxes [2]	Corporation income taxes [3]	Excise taxes [1,4]	Employment taxes [5]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 2008, TOTAL</b>	<b>381,027</b>	<b>318,321</b>	<b>53,569</b>	<b>2,401</b>	<b>5,714</b>	<b>1,022</b>
October 2007 - December 2007	31,629	15,522	14,956	345	574	233
January 2008 - March 2008	177,434	158,582	17,206	645	759	243
April 2008 - June 2008	131,196	116,884	12,440	639	936	298
July 2008 - September 2008	40,768	27,334	8,967	773	3,445	249

Footnotes at end of table.

[1] Even though the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service have had responsibility for collecting and refunding excise taxes on alcohol and tobacco since July 1987 and for excise taxes on firearms since January 1991, the Internal Revenue Service (IRS) continues to be responsible for recording refunds of these taxes. Consequently, IRS statistics for excise tax refunds include refunds made by TTB and the Customs Service in years subsequent to the dates on which organizational responsibility was transferred. In contrast, TTB and Customs Service excise tax collections are recorded by these two Treasury agencies and are, therefore, shown separately in Table 18 under the heading, Alcohol and Tobacco Tax and Trade Bureau. See also footnote 4.

[2] Includes special statutory refunds and refunds of taxes paid on the "unrelated business income" of certain tax-exempt trusts. Also, to preserve the year-to-year comparability of the historical series, individual income tax refund data have been revised, as necessary, starting with 1996, to include net refunds due to the "earned income credit" in addition to overpayment and other refunds. This credit is already reflected in the refund statistics for previous years. Therefore, refund data may not always agree with those presented in the annual Internal Revenue Service Data Book, for certain years starting with 1996, although, conceptually, they agree with refund data published in the Treasury Department's Monthly Statement of Receipts and Outlays of the United States Government. See also the citation under "Source," below. Individual income tax refunds are net of offsets under laws that require the Department of the Treasury to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs.

[3] Includes refunds of taxes on the "unrelated business income" of tax-exempt organizations, except for certain trusts.

[4] See footnote 1. Also, as further explained in the "Notes" to Table 20, taxpayers can offset certain refundable excise tax payments against the tax of subsequent time periods and claim certain other refunds as a credit against income tax; however, these amounts are not reflected in the excise tax refund statistics.

[5] The kinds of employment taxes subject to refund are listed in Table 18, footnote 5.

NOTES: Detail may not add to totals because of rounding. Tax law and tax form changes affect the year-to-year comparability of the data. All amounts are in current dollars. Refund data include interest paid on the refunds by IRS or the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco and Firearms (ATF)). See also the "Notes" to Table 18.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Service Data Book* and Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems.

## Selected Historical and Other Data

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2002-2008**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	2002	2003	2004	2005	2006	2007	2008
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total excise tax collections</b>	<b>68,241,000</b>	<b>69,171,000</b>	<b>69,490,000</b>	<b>71,781,000</b>	<b>76,080,000</b>	<b>71,310,000</b>	<b>69,117,000</b>
<b>Excise tax collections or liabilities reported by the Internal Revenue Service [1]</b>							
<b>Total excise tax collections</b>	<b>52,418,848</b>	<b>52,136,835</b>	<b>52,771,160</b>	<b>54,807,225</b>	<b>57,989,543</b>	<b>53,049,612</b>	<b>51,671,463</b>
<b>Retail excise taxes:</b>							
Luxury taxes:							
Passenger vehicles (expired, January 1, 2003)	341,981	252,834	65,162	3,032	-465	568	-58
Boats (repealed, January 1, 1993)	19	0	0	0	0	0	0
Aircraft (repealed, January 1, 1993)	0	0	0	0	0	0	0
Jewelry (repealed, January 1, 1993)	0	0	0	0	2	0	0
Furs (repealed, January 1, 1993)	1	0	0	0	0	0	0
Dyed diesel fuel used in trains:							
Total, excluding floor stocks	167,161	147,408	162,654	127,169	61,097	-21,096	-40,953
Floor stocks	0	1	0	1	0	1	0
Dyed diesel fuel for certain intercity or local buses	2,380	1,731	1,266	1,139	-3,386	-1,305	-1,269
Dyed diesel	N/A	N/A	N/A	N/A	-20,205	22,065	21,221
Dyed kerosene	N/A	N/A	N/A	N/A	-601	331	363
Special motor fuels:							
Total, excluding floor stocks	18,404	17,570	14,226	12,990	-10,764	590	67
Floor stocks	0	0	0	0	0	0	0
Compressed natural gas	1,026	895	1,735	1,406	1,216	366	-83
Alcohol fuels [2]	5,462	408	-9,986	7,367	-2,053	6,869	2,907
Fuels used commercially on inland waterways	114,110	111,311	111,058	110,364	99,125	90,257	86,387
Truck, trailer, and semitrailer chassis and bodies, and tractors	1,573,968	1,574,947	1,608,208	2,235,178	3,549,821	2,871,157	2,135,475
<b>Manufacturer's excise taxes:</b>							
Gas guzzlers [2]	78,157	79,705	126,685	140,834	201,671	178,690	172,428
Highway-type tires [2]	354,769	372,800	403,892	433,116	44,769	-89,796	51,209
Tires other than Biasply or Super Single [3]	N/A	N/A	N/A	N/A	419,773	503,185	474,022
Biasply or Super Single tires [3]	N/A	N/A	N/A	N/A	25,717	19,712	-31,520
Super Single tires for steering [3]	N/A	N/A	N/A	N/A	3,641	750	448
Aviation gasoline [4]	49,687	62,574	57,953	44,611	40,694	44,183	35,470
Gasoline, except for use in gasohol:							
Total, excluding floor stocks	20,619,195	20,942,138	20,169,608	18,232,507	25,517,830	25,772,347	25,101,218
Floor stocks	-21	2	0	0	0	0	0
Diesel fuel, except for trains and intercity buses:							
Total, excluding floor stocks [2]	8,208,994	8,214,559	8,581,467	9,016,694	9,595,301	9,766,771	9,340,025
Floor stocks	0	0	0	0	0	0	0
Diesel-water fuel emulsion	N/A	N/A	N/A	N/A	79	-95	8
Kerosene for use in aviation	N/A	N/A	N/A	N/A	4,028	7,920	2,367
Floor stocks	N/A	N/A	N/A	N/A	2	0	1
Other exempt fuels	N/A	N/A	N/A	N/A	1,109	1,130	1,292
Alternative fuel:							
Liquid petroleum gas	N/A	N/A	N/A	N/A	N/A	13,339	12,066
Biodiesel fuel, not used as fuel	N/A	N/A	N/A	N/A	N/A	2	80
P series fuel	N/A	N/A	N/A	N/A	N/A	-81	141
Compressed natural gas	N/A	N/A	N/A	N/A	N/A	4,476	5,443
Liquefied hydrogen	N/A	N/A	N/A	N/A	N/A	0	0
Liquefied fuel derived from coal	N/A	N/A	N/A	N/A	N/A	0	0
Liquefied hydrocarbons—biomass	N/A	N/A	N/A	N/A	N/A	10	35
Liquefied natural gas	N/A	N/A	N/A	N/A	N/A	2,042	2,536
Gasoline for use in gasohol by alcohol content:							
Total, excluding floor stocks:							
5.7 percent under 7.7 percent	9	77	2,320	15,436	-43	11	-1
7.7 percent under 10 percent	4,839	4,835	946	503	0	0	0
10 percent or more	243,702	302,407	358,002	306,441	43,096	0	0
Floor stocks	1	-1	0	0	0	0	0
Gasohol by alcohol content:							
Total, excluding floor stocks:							
5.7 percent under 7.7 percent	297,763	406,578	1,296,991	2,363,320	738	-16,521	0
7.7 percent under 10 percent	146,196	176,148	91,017	97,098	15	-2,552	0
10 percent or more	1,918,995	1,932,347	2,313,542	2,899,287	-1,055	-417	-5
Floor stocks	-4	0	0	0	0	0	0

Footnotes at end of table.

## Selected Historical and Other Data

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2002-2008—Continued**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	2002	2003	2004	2005	2006	2007	2008
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Manufacturer's excise taxes—continued:</b>							
Aviation-grade kerosene (except gasoline) for noncommercial use:							
Total, excluding floor stocks	287,664	286,559	322,440	1,027,883	-520,516	-103,816	-9,754
Floor stocks	0	0	0	0	10	0	0
Aviation-grade kerosene (except gasoline) for commercial use (other than foreign trade):							
Floor stocks	509,944	453,361	503,696	-98,244	451,933	450,686	416,865
Kerosene (effective July 1, 1998)	0	0	0	0	-319	-3	0
Kerosene (effective July 1, 1998)	62,857	72,128	62,085	52,802	1,064,457	992,408	998,561
Coal:							
Mined underground:							
At 4.4 percent of sales price	155,966	134,588	125,536	85,816	54,235	38,297	24,994
At \$1.10 per ton	149,366	147,646	194,585	261,097	275,638	299,701	293,338
Surface mined:							
At 4.4 percent of sales price	103,502	109,537	120,012	134,071	136,097	159,641	159,069
At \$0.55 per ton	139,634	125,760	127,877	131,451	141,911	153,755	167,189
Certain vaccines [2]	161,764	179,009	171,471	196,426	254,752	336,671	311,784
Sport fishing equipment	97,901	97,986	103,339	101,563	79,127	84,855	77,327
Fishing tackle boxes	0	0	0	617	1,294	1,342	1,297
Electric outboard motors, sonar devices	2,725	2,585	3,240	2,358	2,719	3,104	2,364
Fishing rods and poles	N/A	N/A	N/A	N/A	17,140	24,384	22,286
Bows and arrows	20,297	20,947	22,058	23,881	26,541	28,017	24,923
Arrow shafts	0	0	0	1,905	5,980	8,033	7,477
<b>Taxes on facilities and services:</b>							
Telephone and teletypewriter services	5,803,631	5,809,503	5,792,246	5,851,530	4,607,881	739,840	1,284,763
Transportation of persons by air	6,157,264	6,185,415	6,675,981	7,047,808	7,696,481	8,017,578	8,242,849
Use of international air travel facilities	1,406,192	1,452,015	1,609,445	1,881,355	1,977,189	2,229,119	2,312,857
Transportation of property by air	372,119	455,209	483,691	477,826	517,011	527,989	534,596
<b>Taxes on policies issued by foreign insurers</b>	<b>195,634</b>	<b>292,897</b>	<b>350,790</b>	<b>373,580</b>	<b>403,083</b>	<b>427,637</b>	<b>424,669</b>
<b>Taxes related to wagering:</b>							
Certain wagers [2]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
Occupational taxes [2]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
<b>Certain other excise taxes:</b>							
Passenger transportation by water	31,069	33,252	34,721	36,083	36,444	36,841	34,859
Use tax on heavy vehicles [1,2]	899,367	911,445	934,073	1,327,257	1,083,888	1,076,306	1,011,634
<b>Environmental taxes:</b>							
Domestic petroleum (Superfund) (expired effective January 1, 1996)	-4	1	-21	2	0	3	0
Imported petroleum (Superfund) (expired effective January 1, 1996)	641	-4	-11	0	-564	0	0
Domestic petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995), reinstated April 1, 2006	0	0	-4	0	74,670	129,126	126,207
Imported petroleum (Oil Spill Liability Trust Fund) (expired effective January 1, 1995), reinstated April 1, 2006	0	0	-3	0	100,009	210,612	204,109
Certain chemicals (Superfund) (expired effective January 1, 1996) [2]	-2,842	-687	-52	1	725	9	5
Certain imported substances (Superfund) (expired effective January 1, 1996) [2]	-7	0	-1	0	0	0	0
Ozone-depleting chemicals: [2]							
Total, excluding floor stocks	3,995	7,519	1,457	1,766	684	1,928	1,027
Floor stocks	1,182	905	934	506	166	-238	213
Imported taxable products containing or manufactured using ozone-depleting chemicals [2]	-945	6,869	4,352	9,296	6,914	5,815	5,899

Footnotes at end of table.

## Selected Historical and Other Data

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2002-2008—Continued**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year						
	2002	2003	2004	2005	2006	2007	2008
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Taxes on Private Foundations:</b>							
Net investment income [6]	490,425	262,662	240,508	384,554	505,560	650,296	770,947
Additional excise taxes [7]	4,520	5,059	4,498	7,405	4,209	3,632	8,469
<b>Taxes on Black Lung Benefit Trusts [2]</b>	<b>0</b>						
<b>Taxes on qualified pension and other plans:</b>							
Failure to meet minimum funding standards.	1,851	54	3	0	0	0	0
Nondeductible contributions	-25	6	0	0	0	0	0
Excess contributions to Individual Retirement Accounts and others	[5]	[5]	[5]	[5]	[5]	[5]	[5]
Prohibited transactions	207	1,476	5	0	0	0	0
Certain excess contributions	34	17	-18	0	0	0	0
Reversion of qualified plan assets to employer	175	80	0	0	0	0	0
Penalties [2]	1,887	2,446	0	0	0	0	0
<b>Taxes on undistributed income of qualified investment entities:</b>							
Real Estate Investment Trusts	73	152	0	0	0	0	0
Regulated Investment Companies	1,872	3,892	0	0	0	0	0
<b>Windfall profits tax on domestic crude oil (repealed August 23, 1988) [1]</b>	<b>0</b>						
<b>Miscellaneous IRS taxes [2]</b>	<b>106,214</b>	<b>35,543</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unclassified [8]</b>	<b>369,406</b>	<b>318,582</b>	<b>869,695</b>	<b>-359,285</b>	<b>3,601,836</b>	<b>16,522,228</b>	<b>-2,278,905</b>
<b>Excise tax collections or liabilities reported by the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau</b>							
<b>Total excise tax collections</b>	<b>17,034,165</b>	<b>16,718,840</b>	<b>16,973,775</b>	<b>17,941,902</b>	<b>18,090,457</b>	<b>18,260,388</b>	<b>17,445,537</b>
<b>Tax liabilities by type of excise tax [9]</b>	<b>16,989,022</b>	<b>16,678,051</b>	<b>16,953,918</b>	<b>16,974,462</b>	<b>17,129,530</b>	<b>17,168,136</b>	<b>16,965,448</b>
<b>Distilled spirits:</b>							
Domestic	3,138,705	3,132,577	3,220,871	3,315,979	3,394,605	3,444,244	3,558,551
Imported	901,173	982,016	1,074,631	1,135,410	1,235,347	1,284,421	1,281,212
<b>Wine:</b>							
Domestic	513,559	534,927	547,505	566,816	574,707	589,377	609,815
Imported	193,737	215,803	220,386	239,976	258,932	284,837	270,784
<b>Beer:</b>							
Domestic	3,236,231	3,189,580	3,218,708	3,192,447	3,213,017	3,198,167	3,252,173
Imported	414,895	415,280	441,713	450,723	499,993	546,833	526,771
<b>Tobacco products: [10]</b>							
Domestic [10]	7,879,499	7,435,391	7,440,242	7,408,184	7,350,661	7,194,030	6,851,714
Cigarettes [10]	7,646,535	7,293,490	7,250,838	7,166,885	7,080,229	6,924,510	6,578,421
Cigars [10]	139,618	154,261	171,461	189,745	198,219	204,176	217,491
Papers/tubes [10]	954	1,018	1,374	3,614	223	54	0
Chewing tobacco and snuff [10]	49,504	52,094	53,387	54,085	56,313	58,404	61,061
Pipe/roll-your-own tobacco [10]	15,478	18,236	17,790	20,125	21,687	22,148	25,598
Floor stocks	115,835	1,628	0	10	638	0	0
Imported	404,308	475,278	470,017	429,077	351,471	336,521	301,330
<b>Firearms and ammunition</b>	<b>205,025</b>	<b>193,420</b>	<b>214,987</b>	<b>225,817</b>	<b>248,727</b>	<b>287,060</b>	<b>312,622</b>
<b>Special occupations</b>	<b>101,890</b>	<b>103,779</b>	<b>94,053</b>	<b>10,191</b>	<b>2,796</b>	<b>2,646</b>	<b>448</b>
<b>Alcohol and Tobacco Tax and Trade Bureau and Customs Service collections less reported amounts</b>	<b>45,143</b>	<b>40,789</b>	<b>19,857</b>	<b>967,440</b>	<b>960,927</b>	<b>1,093,357</b>	<b>480,089</b>
<b>Total collections less reported amounts</b>	<b>45,143</b>	<b>40,789</b>	<b>19,857</b>	<b>967,440</b>	<b>960,927</b>	<b>1,093,357</b>	<b>480,089</b>

N/A—Not applicable.

[1] Tax "liability" statistics also include "collections" of the use tax on heavy highway vehicles and of the "crude oil windfall profit tax." See also the "Notes" below.

[2] Represents aggregates for two or more specific taxes for which amounts have either been combined or are not available separately.

[3] As of June 2006, taxable tires have been divided into three taxable types: taxable tires other than Biasply or Super Single tires; taxable tires, Biasply, or Super Single tires (other than Super Single tires designed for steering); and taxable tires, Super Single tires designed for steering.

[4] This tax is in addition to the regular tax on gasoline.

## Selected Historical and Other Data

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2002-2008—Continued**

**Footnotes—Continued**

[5] Data for this and certain other taxes are combined and included in the totals for excise taxes "unclassified," shown below in Table 20. Data for the specific taxes were not separately tabulated.

[6] Based on information obtained from Forms 990-PF as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Excludes data from nonexempt charitable trusts and foreign private foundations that file Form 990-PF.

[7] Based on information obtained from Forms 4720 as recorded by the Tax Exempt/Government Entities Returns Inventory and Control System (RICS). Includes data for initial taxes on self-dealing, required distributions, excess business holdings, jeopardizing investments, and taxable expenditures as reported on Forms 4720 filed by organizations, other than nonexempt charitable trusts, that were also required to file Form 990-PF.

[8] Includes excise taxes collected through the Federal Tax Deposit (FTD) system, which the Internal Revenue Service had not yet classified by type of excise tax. Classification is based on returns filed in the quarter following tax payment. Negative amounts for "unclassified" taxes result from subsequent classification of the previously unclassified taxes. See also the "Notes," below.

[9] Tax "liability" statistics shown for the Customs Service/Alcohol and Tobacco Tax and Trade Bureau (TTB) include tax "collections" on imported items for which the Customs Service is responsible. See also the "Notes," below.

[10] Taxes shown for the different types of domestic tobacco products are before postfiling tax adjustments. Therefore, the statistics by type of tax for domestic tobacco products will not add to the total tax on domestic tobacco products, which is after these adjustments. For additional information, see the "Notes," below, under "Statistics on Excise Taxes Administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service."

NOTES: Grand totals for taxes shown for the Internal Revenue Service (IRS), the Alcohol and Tobacco Tax and Trade Bureau (TTB) (formerly the Bureau of Alcohol, Tobacco, and Firearms [ATF]), and the Customs Service represent tax "collections." (Fees for the Harbor Maintenance tax treated as excise taxes under the Internal Revenue Code are also collected by the Customs Service, but are excluded from Table 20 for consistency with the excise tax definitions and totals published in the Federal Budget.) For the grand totals, collections rounded to millions of dollars are all that are available. In general, amounts shown are the gross amounts, i.e., before refunds. However, as explained below, refunds are sometimes claimed as a credit against the tax reported on the excise tax return of a subsequent quarter so that, to this extent, the data are after refunds. "Floor stocks taxes" are shown separately in Table 20 because they are nonrecurring. They are generally imposed on holders of inventories on the date a new excise tax is imposed or a tax rate increased. Total collections represent tax payments made during the indicated fiscal year (or quarter), either through: (a) the semimonthly tax deposits required of most taxpayers with significant excise tax liabilities using Federal Tax Deposit (FTD) coupons, in the case of taxes collected by IRS, or Electronic Funds Transfers (EFTs), in the case of taxes collected by TTB/Customs, or (b) payments attached to quarterly excise tax returns. Statistics for both the total for taxes administered by the IRS and the taxes by type of tax represent tax "collections" (see below). Also, statistics on the types of tax take into account the normal lag that exists between the time most taxes are collected (through FTDs, the means by which most excise taxes are collected) and the recording of tax liabilities by type of tax as reported on excise tax returns and "certified" by IRS, as described below. For additional information, see the notes to Table 21, *Statistics of Income Bulletin*, Fall 1998, Volume 18, Number 2, and also, "Federal Excise Taxes, Fiscal Years 1994 and 1995," Fall 1996, Volume 16, Number 2.

a. Statistics on excise taxes administered by the Internal Revenue Service: Corrections to the IRS data are reflected in the quarter(s) and year(s) in which the corrections were made, rather than in the data for the quarter(s) and year(s) in which the original tax liability arose (unlike the TTB /Customs data). The certified tax is net of refund credits reported on excise tax returns, not only for this reason, but for conformity with the Internal Revenue Code. As examples, tax can be offset for commodities exported that were previously taxed (exports are usually nontaxable), or for the sale of previously-taxed gasoline to a State or local government (or, in the case of TTB taxes, for alcohol used for a nonbeverage purpose). Other taxpayers apply directly for refunds and, for some of the taxes, are allowed to claim refunds by means of a credit against income tax. Because such refundable amounts were not reported on the excise tax return, they are not reflected in the Table 20 totals. (Other corrections to the IRS data for certain specific taxes are assumed to be due to misclassification and have been adjusted for as additions (or subtractions) to "Unclassified IRS taxes.")

b. Statistics on excise taxes administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service: Excise taxes on alcoholic beverages and tobacco products are collected by both Customs Service (on imports) and TTB (on domestic production). Taxes on firearms and certain occupational taxes are also collected by TTB. So, TTB statistics represent tax "collections" on domestic alcohol and tobacco productions, as well as tax "collections" on firearms and certain occupations. By contrast, the tax statistics for the detailed types of taxes on domestic tobacco products are tax "liabilities." The grand totals for TTB and Customs Service tax "collections," as presented in Table 20, are residual amounts. They were derived by subtracting total IRS tax collections, which are available before most refunds, from the grand total of all excise tax gross collections reported in the *Monthly Treasury Statement*, rounded to millions of dollars, as shown at the beginning of Table 21. This subtraction is not precise because of definitional differences between IRS and TTB or Customs Service. In Table 20, TTB data have been rearranged so that tax liabilities are matched with tax collections in that same quarter. Previously, tax liabilities arising in a given quarter were not directly related to reported tax collections during that same quarter. Also, as previously noted, TTB amounts are often revised slightly as late returns are processed or postfiling adjustments are made to the tax. As a result, tax reported for prior periods is updated on a continuing basis, although the updated prior-year collections data are actually retabulated only for the one, most recent, prior year. Retabulated postfiling tax revisions for these earlier years are included for the first time in Table 21 of the spring 2002 issue of the *Bulletin* and affect previously published data for fiscal years, beginning with 1996.

However, as stated in footnote 11, above, postfiling revisions to the data for the immediately preceding fiscal year are not available for the detailed types of taxes on domestic tobacco products. Therefore, because revisions are available and are reflected in the total presented as the sum of these taxes, adding up the (unrevised) detail by type of tax will not yield the (revised) total. Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: U.S. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement of Receipts and Outlays of the United States Government*; Alcohol and Tobacco Tax and Trade Bureau, Statistical Release: Alcohol, Tobacco and Firearms Tax Collections, quarterly (this release also includes data for the Customs Service), and previously unpublished special tabulations; *Internal Revenue Service, Internal Revenue Service Data Book*, and its predecessor, *Annual Report*, Commissioner and Chief Counsel, Internal Revenue Service; also Chief Financial Officer, Office of Finance, Revenue Accounting Division, Office of Revenue Systems, Internal Revenue Report of Excise Taxes. Also see Francis, Brian D., "Federal Excise Taxes, Including the Slow Death of Expired Taxes," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1. Also see Henry, Eric, "Excise Taxes and the Airport and Airway Trust Fund, 1970-2002," *Statistics of Income Bulletin*, Winter 2003-2004, Volume 23, Number 3. For additional information about the process used to match quarterly excise tax "collections" with excise tax "liabilities" as reported on quarterly excise tax returns, see the "Notes" to Table 21 in the fall 1998 (Volume 18, Number 2) issue of the *Statistics of Income Bulletin*.

## Selected Historical and Other Data

**Table 21. Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1995-2008**

Type of return or form	Number filed in calendar year—					
	1995	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Individual income [1]</b>	<b>116,466,900</b>	<b>123,049,600</b>	<b>125,389,700</b>	<b>127,657,400</b>	<b>130,094,300</b>	<b>130,977,500</b>
Forms 1040, 1040A, 1040EZ, and 1040PC	116,059,700	122,546,900	124,887,100	127,097,200	129,444,900	130,341,200
Paper returns	104,252,800	97,966,600	95,557,600	91,695,100	89,238,100	83,505,100
Electronically filed returns	11,806,900	24,580,300	29,329,500	35,402,200	40,206,800	46,836,100
Business returns	18,058,600	19,031,300	19,176,200	19,350,400	19,664,500	20,072,000
Schedule C or C-EZ	16,157,000	17,183,700	17,377,100	17,570,500	17,904,900	18,336,500
Schedule F	1,901,600	1,847,600	1,799,200	1,779,900	1,759,600	1,735,500
Nonbusiness returns	98,001,100	103,515,700	105,710,900	107,746,800	109,780,500	110,269,100
Forms 1040NR, 1040PR, and 1040SS	407,200	502,700	502,500	560,200	649,300	636,400
<b>Corporation income [2]</b>	<b>4,817,900</b>	<b>5,241,200</b>	<b>5,398,300</b>	<b>5,469,600</b>	<b>5,561,300</b>	<b>5,738,800</b>
Form 1120	2,197,000	2,207,600	2,202,400	2,161,700	2,128,700	2,131,900
Form 1120A	319,100	272,500	260,800	245,500	235,800	229,700
Form 1120S	2,161,000	2,599,800	2,767,000	2,887,100	3,022,600	3,191,100
Other	140,800	161,300	168,100	175,300	174,200	186,200
<b>Partnership, Forms 1065 and 1065B [3]</b>	<b>1,580,300</b>	<b>1,861,000</b>	<b>1,974,700</b>	<b>2,066,800</b>	<b>2,165,000</b>	<b>2,271,800</b>
<b>Estate and trust income, Forms 1041 and 1041S [4]</b>	<b>3,190,900</b>	<b>3,397,600</b>	<b>3,403,300</b>	<b>3,528,900</b>	<b>3,918,900</b>	<b>3,658,000</b>
<b>Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T) [5]</b>	<b>81,400</b>	<b>110,100</b>	<b>116,400</b>	<b>123,600</b>	<b>122,400</b>	<b>114,000</b>
<b>Gift tax, Form 709</b>	<b>216,200</b>	<b>261,200</b>	<b>291,900</b>	<b>308,600</b>	<b>303,800</b>	<b>282,600</b>
<b>Tax-exempt organizations [6]</b>	<b>572,600</b>	<b>618,300</b>	<b>692,600</b>	<b>699,100</b>	<b>724,200</b>	<b>744,400</b>
Forms 990 and 990EZ	406,400	412,000	458,100	461,700	481,000	495,000
Form 990-PF	51,300	61,800	64,900	70,000	73,300	76,900
Form 990-T	49,800	50,200	62,800	52,600	48,200	46,400
Forms 990C, 4720, and 5227	65,100	94,300	106,800	114,900	121,700	126,200
<b>Employment [7]</b>	<b>28,654,900</b>	<b>29,106,400</b>	<b>28,973,600</b>	<b>28,841,200</b>	<b>28,935,800</b>	<b>29,514,200</b>
Forms 940, 940EZ, 940PR	5,482,600	5,483,300	5,479,100	5,463,100	5,545,400	5,546,300
Forms 941, 941PR/SS, 944	22,219,100	23,098,500	22,985,100	22,890,300	22,919,800	23,510,100
Forms 943, 943PR/SS	354,700	330,900	316,200	305,500	291,000	283,300
Other	598,500	193,700	193,200	182,300	179,600	174,600
<b>Excise [8]</b>	<b>788,600</b>	<b>821,900</b>	<b>822,300</b>	<b>852,500</b>	<b>815,100</b>	<b>836,400</b>
Form 2290	490,300	562,500	577,800	610,800	588,700	615,200
Form 720	225,300	194,000	183,800	174,700	164,900	161,100
Other	73,000	65,400	60,700	67,100	61,500	60,000

Footnotes at end of table.

## Selected Historical and Other Data

**Table 21. Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1995-2008—Continued**

Type of return or form	Number filed in calendar year—					
	2003	2004	2005	2006	2007	2008
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Individual income [1]</b>	<b>130,836,700</b>	<b>131,297,500</b>	<b>133,023,100</b>	<b>135,197,400</b>	<b>138,471,400</b>	<b>154,709,300</b>
Forms 1040, 1040A, 1040EZ, and 1040PC	130,134,300	130,576,900	132,275,800	134,421,400	137,725,300	153,832,000
Paper returns	77,265,300	69,148,600	63,811,900	61,181,900	57,863,200	64,059,500
Electronically filed returns	52,869,000	61,428,300	68,463,900	73,239,500	79,862,100	89,772,600
Business returns	20,658,500	21,475,200	22,315,700	23,205,700	23,846,600	24,943,400
Schedule C or C-EZ	18,944,500	19,770,600	20,627,100	21,526,700	22,176,700	22,917,000
Schedule F	1,713,900	1,704,700	1,688,600	1,679,000	1,669,900	2,026,300
Nonbusiness returns	109,475,800	109,101,600	109,960,100	111,215,700	113,878,700	128,888,600
Forms 1040NR, 1040PR, and 1040SS	702,400	720,700	747,300	776,000	746,100	877,300
<b>Corporation income [2]</b>	<b>5,919,600</b>	<b>6,018,300</b>	<b>6,164,600</b>	<b>6,358,100</b>	<b>6,623,900</b>	<b>6,831,800</b>
Form 1120	2,119,000	2,066,800	2,012,700	2,009,500	2,017,300	2,145,700
Form 1120A	225,300	214,700	210,900	196,100	186,700	0
Form 1120S	3,369,100	3,523,900	3,715,200	3,909,700	4,155,800	4,390,900
Other	206,200	212,800	225,700	242,800	264,200	295,200
<b>Partnership, Forms 1065 and 1065B [3]</b>	<b>2,405,400</b>	<b>2,546,400</b>	<b>2,720,300</b>	<b>2,934,600</b>	<b>3,147,000</b>	<b>3,348,800</b>
<b>Estate and trust income, Forms 1041 and 1041S [4]</b>	<b>3,705,000</b>	<b>3,722,400</b>	<b>3,698,600</b>	<b>3,751,400</b>	<b>3,729,800</b>	<b>3,110,600</b>
<b>Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T) [5]</b>	<b>87,100</b>	<b>74,200</b>	<b>54,900</b>	<b>60,000</b>	<b>47,300</b>	<b>48,300</b>
<b>Gift tax, Form 709</b>	<b>284,900</b>	<b>262,200</b>	<b>265,500</b>	<b>264,300</b>	<b>255,100</b>	<b>257,000</b>
<b>Tax-exempt organizations [6]</b>	<b>818,200</b>	<b>807,300</b>	<b>819,300</b>	<b>838,800</b>	<b>879,100</b>	<b>918,600</b>
Forms 990 and 990EZ	548,000	533,000	537,400	547,100	566,100	594,700
Form 990-PF	86,000	85,700	87,700	88,800	89,700	97,800
Form 990-T	55,200	57,700	63,400	71,300	93,600	98,100
Forms 990C, 4720, and 5227	129,000	131,000	130,700	131,500	129,800	128,100
<b>Employment [7]</b>	<b>30,091,200</b>	<b>30,463,600</b>	<b>31,058,000</b>	<b>30,803,800</b>	<b>30,717,400</b>	<b>30,524,900</b>
Forms 940, 940EZ, 940PR	5,705,600	5,757,200	5,936,800	6,046,000	6,139,800	6,194,300
Forms 941, 941PR/SS, 944	23,942,300	24,278,400	24,705,900	24,351,000	24,192,000	23,948,800
Forms 943, 943PR/SS	276,600	269,400	262,600	258,000	249,600	249,100
Other	166,700	158,600	152,800	148,800	136,100	132,700
<b>Excise [8]</b>	<b>844,500</b>	<b>834,800</b>	<b>838,900</b>	<b>896,500</b>	<b>895,400</b>	<b>867,200</b>
Form 2290	642,400	660,600	678,700	737,500	743,100	718,100
Form 720	142,100	118,000	107,000	104,700	102,400	100,200
Other	59,900	56,200	53,100	54,300	49,800	49,000

[1] Form 1040 is the "long form," and Form 1040A is one of the two "short forms." The types of income that could be reported on Form 1040EZ were expanded, starting in 1996, to include unemployment compensation. Form 1040PC, discontinued after 2000, was the equivalent of a "paper" Form 1040, 1040A, or 1040EZ return for which an IRS-approved computer software-generated compressed format was used. Schedule C is for reporting nonfarm sole proprietorship business profits, and Schedule F is for reporting farm sole proprietorship business profits. The reported data for total Forms 1040, 1040A, 1040EZ, and 1040PC returns, as well as the totals for nonbusiness and business Form 1040 returns with Schedules C or F attached, are comprised of "paper" returns, plus "standard" electronically filed ("e-file") returns. Standard e-file returns are filed by authorized third parties, such as paid preparers and, approved "online" tax filing companies. For 1995 through 2005, the electronically filed totals also include returns filed by touch-tone telephone ("TeleFile"). IRS discontinued Telefile after 2005. The last category under individual income tax returns is comprised of 1040NR (nonresident alien); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands). Amended returns filed on Form 1040X are excluded.

## Selected Historical and Other Data

**Table 21. Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years, 1995-2008—Continued**

**Footnotes—Continued**

- [2] Form 1120 is the basic corporation income tax return. The short Form 1120A was discontinued in 2008. Form 1120S is for S corporations (certain qualifying corporations electing to be taxed through shareholders). "Other" includes Forms 1120-F (most foreign companies with U.S. income); Forms 1120-L (domestic and foreign life insurance companies); Forms 1120POL (certain political associations); Forms 1120-H (homeowners' associations); Forms 1120-C (Cooperative Associations); Forms 1120-FSC (Foreign Sales Corporations, or FSCs); Forms 1120-REIT (Real Estate Investment Trusts); Forms 1120-RIC (Regulated Investment Companies); and Forms 1120-PC (Property and Casualty Insurance Companies). "Other" also includes Form 1120ND (for nuclear decommissioning trust funds and related persons). "Other" excludes Form 1120-DISC for Domestic International Sales Corporations, which were discontinued and mostly replaced by FSCs (see above); and Form 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations (which was used by certain other DISCs after 1985). Amended returns filed on Form 1120X are excluded.
- [3] Includes Form 1065B for certain large partnerships, starting in 1999.
- [4] Form 1041 is the regular income tax return filed for estates and trusts.
- [5] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens; Forms 706 GS(D) and 706 GS(T) are for estate tax returns for which the generation-skipping transfer tax applies to distributions and to trust terminations, respectively.
- [6] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990C is for farmers' co-operatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations, and Form 5227 is for split-interest trusts treated as private foundations.
- [7] Form 940 is the annual unemployment (FUTA) tax return filed by employers; Form 940PR is used by employers in Puerto Rico; and Form 940EZ is a shorter version of Form 940. Form 941 is the employer's quarterly return for income tax withheld; Form 941PR is used by employers in Puerto Rico; and Form 941SS by employers in the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands; Form 944 is the employer's annual return for income tax withheld (starting in Calendar Year 2007). Form 943 is filed to report income tax withheld by employers for agricultural employees. Form 943PR/SS is used by employers in Puerto Rico. "Other" includes Form 945 (annual tax withholding from nonpayroll distributions), included in 1995 and subsequent years; Form 942 (quarterly return for household employees) and Form 942PR (quarterly return for household employees filed by Puerto Rico employers), both discontinued after 1995; and Form CT-1 (annual Railroad Retirement and Unemployment Tax Return).
- [8] Form 720 is the IRS quarterly excise tax return. Form 2290 is the IRS return used to report heavy highway vehicle use tax. "Other" includes Form 730 (tax on wagering) and Form 11C (occupational tax and registration return for wagering). (Excise tax returns exclude those now filed with the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Customs Service).

NOTES: Detail may not add to totals because of rounding. Tax law and tax form changes affect the year-to-year comparability of the data.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Office of Research, Analysis, and Statistics, Office of Research, Projections and Forecasting Group.

## Selected Historical and Other Data

**Table 22a. Taxpayers Using Paid Preparers, Tax Years 2001-2006**

[Some estimates based on samples—all data are in thousands]

Type of return	Tax year					
	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Returns with paid preparer signature [1]:</b>						
<b>All returns</b>	<b>72,477</b>	<b>72,519</b>	<b>76,818</b>	<b>78,418</b>	<b>80,033</b>	<b>81,875</b>
Form 1040EZ [2]	2,096	1,953	1,690	1,719	1,580	1,473
Form 1040A [2]	3,854	3,460	3,328	3,023	2,817	2,655
Form 1040, total [2]	66,526	67,106	71,800	73,675	75,636	77,747
Form 1040 Business, total	14,194	14,461	15,897	16,456	16,886	17,149
Nonfarm	12,517	12,805	14,169	14,701	15,138	15,438
Farm	1,677	1,656	1,728	1,754	1,748	1,711
Form 1040 Nonbusiness, total	52,332	52,644	55,903	57,219	58,750	60,598
With itemized deductions	20,889	21,252	21,425	22,539	23,259	23,768
Without itemized deductions	31,443	31,392	34,479	34,680	35,490	36,830
Electronically filed [2]	30,501	33,810	40,910	45,865	50,345	54,272

[1] Number of returns with a paid preparer signature is based on the sample used for *Statistics of Income—Individual Income Tax Returns*.

[2] Data on electronically filed returns are included in the counts of Form 1040, 1040A, 1040EZ returns, shown above in Table 22a, for all years. Data are based on the full SOI samples of returns filed throughout the entire year. For 2006, Form 1040EZ includes 1040EZ-T returns.

NOTES: Detail may not add to totals because of rounding. Tax law and tax form changes affect the year-to-year comparability of the data.

**Table 22b. IRS Assistance for Individual Taxpayers, Fiscal Years 2003-2008**

[All data are in thousands]

Type of assistance	Fiscal year					
	2003	2004	2005	2006	2007	2008
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Assistance provided through the internet (IRS.gov):</b>						
Number of visits	n.a.	n.a.	n.a.	193,904	214,964	347,812
Number of downloads	n.a.	n.a.	n.a.	204,231	164,565	180,880
<b>Call or walk-in assistance:</b>						
Toll-free telephone assistance calls [1]	88,510	77,579	59,099	56,993	56,314	92,399
Taxpayer Assistance Center contacts	8,589	7,320	6,629	6,525	7,037	6,918
<b>Paper forms and publications:</b>						
Orders for forms, publications, and paper products	5,400	5,138	4,989	4,304	3,871	4,202
Libraries, banks, postal service distribution sites, grocery stores, copy centers, and office supply outlets stocking paper products [2]	51	46	42	26	27	24
<b>Taxpayer education and tax return preparation:</b>						
Returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	1,607	1,935	2,111	2,268	2,628	3,501
Volunteers assisting in taxpayer education and return preparation programs	80	75	62	69	77	79

n.a.—Not available.

[1] Includes both live and automated telephone assistance telephone calls.

[2] Reflects the number of organizations distributing forms and publications. Each organization may have multiple branches.

SOURCE: *Internal Revenue Service Data Book*.

## Selected Historical and Other Data

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2008**

[Amounts are in dollars]

Tax year	Personal exemptions [1]			Tax rates for regular tax—			
				Lowest bracket		Highest bracket	
	Single persons	Married couples	Dependents	Tax rate [2] (percent)	Taxable income under—[3]	Tax rate [2] (percent)	Taxable income over—[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1913	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1914	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1915	3,000	4,000	N/A	1.0	20,000	7.0	500,000
1916	3,000	4,000	N/A	2.0	20,000	15.0	2,000,000
1917	1,000	2,000	200	2.0	2,000	67.0	2,000,000
1918	1,000	2,000	200	6.0	4,000	77.0	1,000,000
1919	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1920	1,000	2,000	200	4.0	4,000	73.0	1,000,000
1921	1,000	[4] 2,500	400	4.0	4,000	73.0	1,000,000
1922	1,000	[4] 2,500	400	4.0	4,000	58.0	200,000
1923	1,000	[4] 2,500	400	[5] 3.0	4,000	[5] 43.5	200,000
1924	1,000	2,500	400	[6] 1.5	4,000	46.0	500,000
1925	1,500	3,500	400	[7] 1.125	4,000	25.0	100,000
1926	1,500	3,500	400	[7] 1.125	4,000	25.0	100,000
1927	1,500	3,500	400	[7] 1.125	4,000	25.0	100,000
1928	1,500	3,500	400	[8] 1.125	4,000	25.0	100,000
1929	1,500	3,500	400	[8] 0.375	4,000	24.0	100,000
1930	1,500	3,500	400	[8] 1.125	4,000	25.0	100,000
1931	1,500	3,500	400	[8] 1.125	4,000	25.0	100,000
1932	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1933	1,000	2,500	400	4.0	4,000	63.0	1,000,000
1934	1,000	2,500	400	[9] 4.0	4,000	63.0	1,000,000
1935	1,000	2,500	400	[9] 4.0	4,000	63.0	1,000,000
1936	1,000	2,500	400	[9] 4.0	4,000	79.0	5,000,000
1937	1,000	2,500	400	[9] 4.0	4,000	79.0	5,000,000
1938	1,000	2,500	400	[9] 4.0	4,000	79.0	5,000,000
1939	1,000	2,500	400	[9] 4.0	4,000	79.0	5,000,000
1940	800	2,000	400	[9,10] 4.4	4,000	[10] 81.1	5,000,000
1941	750	1,500	400	[9] 10.0	2,000	81.0	5,000,000
1942	500	1,200	350	[9] 19.0	2,000	88.0	200,000
1943	500	1,200	350	[9] 19.0	2,000	88.0	200,000
1944	[11] 500	[11] 1,000	[11] 500	23.0	2,000	[12] 94.0	200,000
1945	[11] 500	[11] 1,000	[11] 500	23.0	2,000	[12] 94.0	200,000
1946	500	1,000	500	[13] 19.0	2,000	[13] 86.45	200,000
1947	500	1,000	500	[13] 19.0	2,000	[13] 86.45	200,000
1948	[14] 600	[14] 1,200	600	[15] 16.6	4,000	[15] 82.13	400,000
1949	[14] 600	[14] 1,200	600	[15] 16.6	4,000	[15] 82.13	400,000
1950	[14] 600	[14] 1,200	600	[16] 17.4	4,000	[16] 84.36	400,000
1951	[14] 600	[14] 1,200	600	20.4	4,000	[17] 91.0	400,000
1952	[14] 600	[14] 1,200	600	22.2	4,000	[18] 92.0	400,000
1953	[14] 600	[14] 1,200	600	22.2	4,000	[18] 92.0	400,000
1954	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1955	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000

Footnotes at end of table.

# Selected Historical and Other Data

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2008—Continued**

[Amounts are in dollars]

Tax year	Personal exemptions [1]			Tax rates for regular tax—			
	Single persons	Married couples	Dependents	Lowest bracket		Highest bracket	
				Tax rate [2] (percent)	Taxable income under—[3]	Tax rate [2] (percent)	Taxable income over—[3]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1956	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1957	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1958	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1959	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1960	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1961	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1962	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1963	[14] 600	[14] 1,200	600	20.0	4,000	[19] 91.0	400,000
1964	[14] 600	[14] 1,200	600	16.0	1,000	77.0	400,000
1965	[14] 600	[14] 1,200	600	14.0	1,000	70.0	200,000
1966	[14] 600	[14] 1,200	600	14.0	1,000	70.0	200,000
1967	[14] 600	[14] 1,200	600	14.0	1,000	70.0	200,000
1968	[14] 600	[14] 1,200	600	14.0	1,000	[20] 75.25	200,000
1969	[14] 600	[14] 1,200	600	14.0	1,000	[21] 77.0	200,000
1970	[14] 625	[14] 1,250	625	14.0	1,000	[22] 71.75	200,000
1971	[14] 675	[14] 1,350	675	14.0	1,000	[23] 70.0	200,000
1972	[14] 750	[14] 1,500	750	14.0	1,000	[24] 70.0	200,000
1973	[14] 750	[14] 1,500	750	14.0	1,000	[24] 70.0	200,000
1974	[14] 750	[14] 1,500	750	[25] 14.0	1,000	[24, 25] 70.0	200,000
1975	[14,26] 750	[14,26] 1,500	[26] 750	14.0	1,000	[24] 70.0	200,000
1976	[14,27] 750	[14,27] 1,500	[27] 750	14.0	1,000	[24] 70.0	200,000
1977	[14,27] 750	[14,27] 1,500	[27] 750	[28] 14.0	[28] 3,200	[24] 70.0	203,200
1978	[14,27] 750	[14,27] 1,500	[27] 750	[28] 14.0	[28] 3,200	[24] 70.0	203,200
1979	[14] 1,000	[14] 2,000	1,000	[28] 14.0	[28] 3,400	[24] 70.0	215,400
1980	[14] 1,000	[14] 2,000	1,000	[28] 14.0	[28] 3,400	[24] 70.0	215,400
1981	[14] 1,000	[14] 2,000	1,000	[28,29] 14.0	[28] 3,400	[24,29] 69.125	215,400
1982	[14] 1,000	[14] 2,000	1,000	[28] 12.0	[28] 3,400	50.0	85,600
1983	[14] 1,000	[14] 2,000	1,000	[28] 11.0	[28] 3,400	50.0	109,400
1984	[14] 1,000	[14] 2,000	1,000	[28] 11.0	[28] 3,400	50.0	162,400
1985	[14,30] 1,040	[14,30] 2,080	[30] 1,040	[28] 11.0	[28, 31] 3,540	50.0	[31] 169,020
1986	[14,30] 1,080	[14,30] 2,160	[30] 1,080	[28] 11.0	[28,31] 3,670	50.0	[31] 175,250
1987	[30] 1,900	[30] 3,800	[30] 1,900	11.0	[31] 3,000	38.5	[31] 90,000
1988	[30,32,33] 1,950	[30,32,33] 3,900	[30,32,33] 1,950	[34,35] 15.0	[31,35] 29,750	[34,35] 28.0	[31,35] 29,750
1989	[30,32,33] 2,000	[30,32,33] 4,000	[30,32,33] 2,000	[34,35] 15.0	[31,35] 30,950	[34,35] 28.0	[31,35] 30,950
1990	[30,32,33] 2,050	[30,32,33] 4,100	[30,32,33] 2,050	[34,35] 15.0	[31,35] 32,450	[34,35] 28.0	[31,35] 32,450
1991	[30,32] 2,150	[30,32] 4,300	[30,32] 2,150	15.0	[31] 34,000	31.0	[31] 82,150
1992	[30,32] 2,300	[30,32] 4,600	[30,32] 2,300	15.0	[31] 35,800	31.0	[31] 86,500
1993	[30,32] 2,350	[30,32] 4,700	[30,32] 2,350	15.0	[31] 36,900	39.6	[31] 250,000
1994	[30,32] 2,450	[30,32] 4,900	[30,32] 2,450	15.0	[31] 38,000	39.6	[31] 250,000
1995	[30,32] 2,500	[30,32] 5,000	[30,32] 2,500	15.0	[31] 39,000	39.6	[31] 256,500
1996	[30,32] 2,550	[30,32] 5,100	[30,32] 2,550	15.0	[31] 40,100	39.6	[31] 263,750
1997	[30,32] 2,650	[30,32] 5,300	[30,32] 2,650	15.0	[31] 41,200	39.6	[31] 271,050
1998	[30,32] 2,700	[30,32] 5,400	[30,32] 2,700	15.0	[31] 42,350	39.6	[31] 278,450
1999	[30,32] 2,750	[30,32] 5,500	[30,32] 2,750	15.0	[31] 43,050	39.6	[31] 283,150
2000	[30,32] 2,800	[30,32] 5,600	[30,32] 2,800	[36] 15.0	[31] 43,850	[36] 39.6	[31] 288,350
2001	[30,32] 2,900	[30,32] 5,800	[30,32] 2,900	[37] 10.0	[31,38] 6,000	[37] 39.1	[31,38] 297,350
2002	[30,32] 3,000	[30,32] 6,000	[30,32] 3,000	10.0	[31] 12,000	38.6	[31] 307,050
2003	[30,32] 3,050	[30,32] 6,100	[30,32] 3,050	10.0	[31] 14,000	35.0	[31] 311,950
2004	[30,32] 3,100	[30,32] 6,200	[30,32] 3,100	10.0	[31] 14,300	35.0	[31] 319,100
2005	[30,32] 3,200	[30,32] 6,400	[30,32] 3,200	10.0	[31] 14,600	35.0	[31] 326,450
2006	[30,39] 3,300	[30,39] 6,600	[30,32,39] 3,300	10.0	[31] 15,100	35.0	[31] 336,550
2007	[30,39] 3,400	[30,39] 6,800	[30,32,39] 3,400	10.0	[31] 15,650	35.0	[31] 349,700
2008	[30,40] 3,500	[30,40] 7,000	[30,40] 3,500	10.0	[31] 16,050	35.0	[31] 357,700

Footnotes at end of table.

## Selected Historical and Other Data

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2008—Continued**

### Footnotes

N/A—Not applicable.

- [1] Personal exemption amounts were deducted at different points in the tax computation, depending on the tax year. For some of the earlier years, they were deducted only from the statutory "net income" subject to the basic "normal tax," for other years, only from the "net income" subject to the "surtax," and, for still other years, from the "net income" subject to both normal tax and surtax. (Footnote 2, below, includes a description of "normal tax" and "surtax.") For more recent years, personal exemptions have been deducted in computing "taxable income," the current tax base for "regular" tax purposes.
- [2] Tax rates shown in Table 23 are for the "regular" income tax, i.e., for "normal tax" and "surtax," applicable to U.S. citizens and residents. Therefore, the rates exclude provisions unique to nonresident aliens. Tax rates exclude the effect of tax credits (which reduce the tax liability), except as noted, and several specific add-on or other taxes applicable to all or some tax years. Excluded are the "war excess profits tax" (1917), "victory tax" (1942-1943), Social Security "self-employment tax" (starting with 1951), tax under the "income averaging" provisions (1964-1986) and under the farm income averaging provisions (starting with 1998), and the "recapture taxes" resulting from having to recompute and pay back certain tax credits in later years (starting with 1963), the "maximum tax" on "earned income" or on "personal service income" (1971-1981), the "minimum tax" on "tax preferences" (1970-1983), and the "alternative minimum tax" on "tax preferences" (starting with 1979). Also excluded are such other taxes as the tax on recipients of accumulation distributions of trusts (starting with 1954) and the "special averaging tax" or "multiple recipient special averaging tax" on recipients of lump-sum distributions from qualified retirement plans (starting with 1974). In addition, Table 23 excludes taxes associated with the preferential treatment of capital gains, starting with 1922 (although certain gains received preferential treatment as early as 1918). At various times, these treatments have taken the form of special tax rates; special definitions; different asset holding periods; ceilings on taxes; and exclusions from income. Included among these special treatments were "alternative tax" (1938-1986) and its variations for the earlier years, although all of these taxes were in some way tied to the structure for regular tax. Until 1948, a single set of tax rates applied to all taxpayers, regardless of marital or filing status, and married couples filing joint returns were taxed on the combined income of each spouse. However, a second, lower set of rates was introduced, starting with 1948, for married couples filing jointly. (To simplify the Table 23 presentation for these more recent years, only the lowest and highest tax rates for married persons filing jointly are shown.) Under this change, the combined tax of husband and wife became twice the combined tax that would have applied if their combined "taxable income" ("net income" for years before 1954) were cut in half. Thus, taxpayers using the joint return filing status "split" their incomes for tax purposes, in effect doubling the width of their taxable income (or net income) size "brackets." The lowest and highest tax rate brackets shown in columns 4 and 6 in Table 23 are, therefore, the brackets for married couples filing jointly that result from taking into account this doubling of the bracket widths. Starting with 1952, a third set of rates was introduced (not shown) for "heads of household," i.e., for unmarried individuals who paid over half the cost of maintaining a home for a qualifying person (e.g., a child or parent), or for certain married individuals who had lived apart from their spouses for the last 6 months of the tax year. This filing status was liberalized, starting with 1970, and provides approximately half the advantage of the income-splitting described above. Starting with 1954, the full benefits of income-splitting allowed married couples filing jointly (i.e., the same tax rates and taxable income brackets) were extended to a new, fourth filing status, "surviving spouse" (i.e., individuals widowed for 1 to 2 years following the death of a spouse, provided they had a dependent child and had not remarried). The remaining filing status was for "single persons," who used the rates formerly applicable to taxpayers in general. However, these latter rates were moderated, starting with 1969, by limiting the tax so that it would not exceed 20 percent more than the tax on married couples filing jointly. One result of the 1969 law change was that certain married couples filing jointly had to pay more tax than they would have paid if each spouse had filed separately. To help mitigate this effect, a special deduction in computing adjusted gross income was allowed for 1982-1986 for two-earner couples filing jointly. This deduction was initially 5 percent of the lesser of \$30,000 or the "earned income" of the spouse with the lesser earnings. The percentage was increased to 10 percent, starting with 1983. The deduction provision was repealed, starting with 1987, when new, lower rates and a reduced number of tax brackets began. For tax years preceding 1954, the lowest tax rate, as shown in Table 23, was either the rate for the basic "normal tax" (if there was just one rate for normal tax) or the lowest of the several rates for "normal tax" (if there was more than one rate for normal tax). The highest tax rate was the sum of the uppermost of the graduated rates (if any) for normal tax, plus the uppermost of the additional, graduated "surtax" rates, provided that both rates were applied to the same income. For example, for 1932, there were two graduated rates for normal tax, 4 percent (on the first \$4,000 of income) and 8 percent (on all income over \$4,000), and graduated rates for "surtax" that ranged from 1 percent to 55 percent. In Table 23, the lowest rate for 1932 is, therefore, shown as 4 percent (the lower of the two normal tax rates) and the highest rate as 63 percent (the sum of the 8-percent higher, graduated rate for normal tax on income over \$4,000, plus 55 percent, the highest of the graduated, surtax rates, on income over \$1 million.). As another example, for 1941, there was just one rate for normal tax, 4 percent, but it applied to all income. The lowest of the surtax rates, 6 percent, was applied to all income under \$2,000, so that income under \$2,000 was taxed at both the 4-percent normal tax rate and the 6-percent surtax rate. Therefore, the lowest rate shown in Table 23 for 1941 is 10 percent, the sum of these two tax rates. The highest rate is the sum of the 4-percent normal tax on total statutory "net income," plus the highest graduated surtax rate, 77 percent on income over \$5 million, so that income over \$5 million was taxed at 81 percent, the sum of the two rates. For tax years starting with 1954, normal tax and surtax rates were, in effect, combined into a single rate structure.
- [3] The definition of the income base (and, thus, the tax "bracket" boundaries) to which the tax rates were applied differs over the years, depending on how the following were determined and figured: statutory adjustments to or exclusions from income; personal exemptions; itemized deduction expenditures, which were sometimes described as income "credits"; standard deductions; the various thresholds and ceilings; and statutory "taxable income" (and its predecessor "net income"). Therefore, the lowest and highest taxable income amounts, as shown in Table 23, are not comparable for all years, and the amounts described as for statutory taxable income for tax years preceding 1954 are actually for statutory net income. (Statutory net income was income after subtracting deductions but, for most years, was before subtracting personal exemptions. Statutory taxable income was after subtracting both deductions and personal exemptions. Taxable income is the tax base for recent years. Net income required certain adjustments to arrive at the tax base, depending on whether the income was subject to normal tax, surtax, or both). See also footnote 2, above.
- [4] For 1921-1923, the personal exemption amount for married couples (column 2) decreased to \$2,000 if statutory "net income" exceeded \$5,000.
- [5] For 1923, the tax rates shown (columns 4 and 6) are after a 25-percent statutory credit or refund.
- [6] For 1924, the lowest tax rate (column 4) is after reduction by an "earned income credit," equal to 25 percent of the "normal tax" on the first \$5,000 of total statutory "net income" and the normal tax on the first \$10,000 of "earned net income," but limited to 25 percent of the normal tax on total net income.
- [7] For 1925-1927, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first \$5,000 of total statutory "net income" and the total tax on the first \$20,000 of "earned net income," but limited to 25 percent of the total tax on earned net income (not to exceed 25 percent of the sum of "normal tax" on total net income plus the "surtax" on earned net income.)
- [8] For 1928-1931, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first \$5,000 of total statutory "net income" and the total tax on the first \$30,000 of "earned net income," but subject to the same limitations described in footnote 7, above. For 1929 only, there was a special reduction in normal tax rates as provided for in a joint resolution of Congress.
- [9] For 1934-1943, the tax rate (column 4) excludes the effect of an "earned income credit," allowed as a deduction equal to 10 percent of the first \$14,000 of "earned net income" (before credit) and the first \$3,000 of total statutory "net income" (before credit), but limited to 10 percent of earned net income (not to exceed 10 percent of total net income).

## Selected Historical and Other Data

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2008—Continued**

**Footnotes—Continued**

- [10] For 1940, tax rates (columns 4 and 6) include "defense tax," computed as 10 percent of the total "regular" tax, but limited to 10 percent of statutory "net income" in excess of the total regular tax.
- [11] For 1944-1945, the personal exemption amounts (columns 1-3) were for "surtax" purposes only. The exemption for basic "normal tax" purposes was \$500 per tax return, augmented by the "earned income" of the spouse, up to \$500, on joint returns.
- [12] For 1944-1945, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 90 percent of statutory "net income."
- [13] For 1946-1947, tax rates (columns 4 and 6) are the effective rates after a statutory 5-percent reduction of combined "tentative normal tax and surtax." The highest rate (column 6) was subject to a maximum effective rate limitation equal to 85.5 percent of statutory "net income."
- [14] For 1948-1986, in addition to the personal exemptions (columns 1-2), there were additional personal exemptions for blind taxpayer(s) and for taxpayers (s) age 65 or over.
- [15] For 1948-1949, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 17.0 percent of the first \$400 of combined "tentative normal tax and surtax" to 9.75 percent of combined tentative normal tax and surtax over \$100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 77.0 percent of statutory "net income."
- [16] For 1950, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 13.0 percent of the first \$400 of combined "tentative normal tax and surtax" to 7.3 percent of combined tentative normal tax and surtax over \$100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent of statutory "net income."
- [17] For 1951, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.2 percent of statutory "net income."
- [18] For 1952-1953, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 88.0 percent of statutory "net income."
- [19] For 1954-1963, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent of statutory "taxable income."
- [20] For 1968, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 7.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [21] For 1969, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 10 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [22] For 1970, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 2.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [23] For 1971, "earned net income" was subject to a "maximum tax" of 60 percent (not shown in column 6).
- [24] For 1972-1981, "earned net income" (broadened to become "personal service net income" after 1976) was subject to a "maximum tax" of 50 percent (not shown in column 6).
- [25] For 1974, tax rates (columns 4 and 6) do not take into account a statutory rebate of 10 percent of total income tax after credits. In general, the minimum rebate was \$100 and the maximum, \$200, but could not exceed the tax liability.
- [26] For 1975, a \$30-per-capita tax credit was allowed in addition to the personal exemptions shown in columns 1-3.
- [27] For 1976-1978, a tax credit was allowed, in addition to the personal exemptions shown in columns 1-3, that was equal to the larger of \$35 per capita or 2 percent of the first \$9,000 of statutory "taxable income."
- [28] For 1977-1986, in order to help preserve the conceptual comparability of the amounts shown with those for earlier and later years, the lowest tax rates in column 4 and the lowest "taxable income" amounts in column 5 exclude the so-called "zero tax rate" and the "zero bracket amount," which were unique to the tax computation for these 10 years.
- [29] For 1981, tax rates (columns 4 and 6) are after a 1.25-percent statutory tax credit.
- [30] Starting with 1985, the personal exemption amounts (columns 1-3) reflect annual adjustments for inflation, using the U.S. Department of Labor Consumer Price Index for Urban Consumers ("CPS-U").
- [31] Starting with 1985, tax "bracket" boundaries (columns 5 and 7) were indexed for inflation, using the U.S. Department of Labor Consumer Price Index (as described in footnote 30).
- [32] Starting with 1988, the amount eligible to be deducted for personal exemptions (columns 1-3) was phased out for certain high-income taxpayers. For 1988-1990, this was accomplished as part of the tax computation (see footnote 34, below).
- [33] For 1988-1990, excludes the effect on certain high-income taxpayers of the phaseout of the amount deductible for personal exemptions (columns 1-3).
- [34] For 1988-1990, the tax rates (columns 4 and 6) exclude the effects on certain high-income taxpayers of the phaseout both of the benefit of the 15-percent tax rate (compared to the 28-percent rate) and the amount deductible for personal exemptions. This phaseout was accomplished by imposing an additional, 5-percent tax on income above certain levels, based on filing status, thus creating a "temporary" 33-percent tax rate. At the point where the taxpayer had completely phased out the two benefits by use of the 33-percent rate, the tax rate on any remaining taxable income above the phaseout range returned to 28 percent (see also footnote 35). As Table 23 shows, beginning with 1991, this phaseout was replaced by including an additional, 31-percent, graduated rate for taxable incomes above certain levels. Two other, higher, graduated rates were subsequently added, starting with 1993, the higher of which is shown in Table 23.
- [35] For 1988-1990, the 15-percent tax rate (column 4), which applied to the first \$29,750 of statutory "taxable income" (column 5), gradually increased to the top "brackets" rate, 28 percent (column 6), when taxable income (included in column 7) reached between \$71,900 and \$149,250. This was the range at which the 15-percent rate was phased out for certain high-income taxpayers, all of whose incomes were then effectively taxed at the higher 28-percent rate through use of the "temporary" 33-percent rate (see footnote 34, above, for additional information). The boundaries of the phaseout range were adjusted for inflation for 1989-1990, although the top tax rate on the taxable income above that covered by the phaseout range remained 28 percent. Therefore, the top taxable income and top tax bracket rate shown in Table 23 for 1988-1990 do not take into account the higher, 33-percent, "temporary" phaseout rate.

## Selected Historical and Other Data

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913-2008—Continued**

**Footnotes—Continued**

[36] For 2000, the tax rates (columns 4 and 6) do not reflect a special statutory refund, partially offset for 2001, of between \$300 and \$600, depending on the size of income tax for 2000 and filing status. See also footnote 37, below.

[37] For 2001, the tax rates (columns 4 and 6) do not reflect a 5-percent tax credit of up to \$300, \$500, or \$1,000, depending on the filing status. This credit effectively reduced the lowest rate on the income shown in column 5 from 15 percent to 10 percent, in lieu of an explicit 10-percent rate. However, the credit was reduced by the amount of the special statutory refund made in 2001 (based on tax for 2000), described in footnote 36, above. The 10-percent rate was only for dependents.

[38] For the change in the lowest tax "bracket" boundary (columns 5 and 7) for 2001, see footnotes 36 and 37, above.

[39] For 2006-2007, the phaseout of the personal exemption was reduced by one-third (to a minimum of \$1,100 per exemption for 2006, \$1,133 for 2007).

[40] For 2008, the phaseout of the personal exemption was reduced by two-thirds (to a minimum of \$2,333 per exemption).

SOURCE: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, Volume I, Budget Processes and Tax Systems, 1995, September 1996 (based, in part, on *Tax Foundation, Facts and Figures on Government Finance*, 1988-89 edition, 1988); Pechman, Joseph A., *Federal Tax Policy*, fifth edition, The Brookings Institution, 1987 (based on relevant public laws and reports prepared by the Congressional Joint Economic Committee, including *The Federal Revenue System: Facts and Problems*, 1961, and *The Federal Tax System: Facts and Problems*, 1964); *Statistics of Income—Part I* (in particular, the historical synopses of laws included as appendices in the reports for 1949-1953) and *Statistics of Income—Individual Income Tax Returns* (annually, for 1954-1988); and relevant public laws and reports issued by the Congressional Joint Committee on Taxation for subsequent years, as well as reports, such as *Overview of the Federal Tax System for 1990, 1991, and 1994*, Committee on Ways and Means, U.S. House of Representatives, and reports issued by the Congressional Joint Committee on Taxation for subsequent years, including *Overview of Present Law and Economic Analysis Relating to Marginal Tax Rates* and *The President's Individual Income Tax Rate Proposals, 2001*.

## Selected Historical and Other Data

**Table 24. U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2009 [1]**

Year [2]	Taxable income brackets [3]	Rates (percent)
1909-1913 (February 28)	First \$5,000	0
	Over \$5,000	1.00
1913 (March 1)-1915	All taxable income	1.00
1916	All taxable income	2.00
1917 [4]	All taxable income	6.00
1918 [4]	First \$2,000	0
	Over \$2,000	12.00
1919-1921 [4]	First \$2,000	0
	Over \$2,000	10.00
1922-1924	First \$2,000	0
	Over \$2,000	12.50
1925	First \$2,000	0
	Over \$2,000	13.00
1926-1927	First \$2,000	0
	Over \$2,000	13.50
1928	First \$3,000	0
	Over \$3,000	12.00
1929	First \$3,000	0
	Over \$3,000	11.00
1930-1931	First \$3,000	0
	Over \$3,000	12.00
1932-1935 [5]	All taxable income	13.75
1936-1937 [5,6]	First \$2,000	8.00
	Over \$2,000, not over \$15,000	11.00
	Over \$15,000, not over \$40,000	13.00
	Over \$40,000	15.00
1938-1939 [5]	Taxable income \$25,000 or less:	
	First \$5,000	12.50
	Next \$15,000	14.00
	Next \$5,000	16.00
	Taxable income over \$25,000	19.00
1940 [5,7]	Taxable income \$31,964.30 or less:	
	First \$5,000	[8] 14.85
	Next \$15,000	[8] 16.50
	Next \$5,000	[8] 18.70
	Next \$6,964.30	[8] 38.30
	Taxable income over \$31,964.30, not over \$38,565.84:	
	First \$5,000	[8] 15.40
	Next \$15,000	[8] 16.90
	Next \$5,000	[8] 18.90
	Next \$13,565.84	[8] 36.90
	Taxable income over \$38,565.84	[8] 24.00
1941 [5,7]	Taxable income \$38,461.54 or less:	
	First \$5,000	[9] 21.00
	Next \$15,000	[9] 23.00
	Next \$5,000	[9] 25.00
	Next \$13,461.54	[9] 44.00
Taxable income over \$38,461.54	[9] 31.00	

Footnotes at the end of table.

## Selected Historical and Other Data

**Table 24. U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2009 [1]—Continued**

Year [2]	Taxable income brackets [3]	Rates (percent)
1942-1945 [5,7]	Taxable income \$50,000 or less:	
	First \$5,000	[9] 25.00
	Next \$15,000	[9,10] 27.00
	Next \$5,000	[9,10] 29.00
	Next \$25,000	[9,10] 53.00
	Taxable income over \$50,000	[9,10] 40.00
1946-1949	Taxable income \$50,000 or less:	
	First \$5,000	[9] 21.00
	Next \$15,000	[9] 23.00
	Next \$5,000	[9] 25.00
	Next \$25,000	[9,10] 53.00
	Taxable income over \$50,000	[9,10] 38.00
1950 [11]	First \$25,000	23.00
	Over \$25,000	[10] 42.00
1951 [11]	First \$25,000	[12] 28.75
	Over \$25,000	[12] 50.75
1952-1963 [11]	First \$25,000	[13] 30.00
	Over \$25,000	[13] 52.00
1964	First \$25,000	22.00
	Over \$25,000	[13] 50.00
1965-1967	First \$25,000	22.00
	Over \$25,000	[13] 48.00
1968-1969 [14]	First \$25,000	[15] 24.20
	Over \$25,000	[13,15] 52.80
1970 [14]	First \$25,000	[16] 22.55
	Over \$25,000	[16,17] 49.20
1971-1974 [14]	First \$25,000	22.00
	Over \$25,000	[18] 48.00
1975-1978 [14]	First \$25,000	20.00
	\$25,000-\$50,000	22.00
	Over \$50,000	[19] 48.00
1979-1981 [14]	First \$25,000	17.00
	\$25,000-\$50,000	20.00
	\$50,000-\$75,000	[20] 30.00
	\$75,000-\$100,000	[20] 40.00
	Over \$100,000	[20] 46.00
1982 [14]	First \$25,000	16.00
	\$25,000-\$50,000	19.00
	\$50,000-\$75,000	[20] 30.00
	\$75,000-\$100,000	[20] 40.00
	Over \$100,000	[20] 46.00
1983 [14, 21]	First \$25,000	15.00
	\$25,000-\$50,000	18.00
	\$50,000-\$75,000	[20] 30.00
	\$75,000-\$100,000	[20] 40.00
	Over \$100,000	[20] 46.00
1984-1986 [14]	First \$25,000	15.00
	\$25,000-\$50,000	18.00
	\$50,000-\$75,000	[20] 30.00
	\$75,000-\$100,000	[20] 40.00
	\$100,000-\$1,000,000	[20] 46.00
	\$1,000,000-\$1,405,000	[20] 51.00
	Over \$1,405,000	[20] 46.00

Footnotes at the end of table.

## Selected Historical and Other Data

**Table 24. U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2009 [1]—Continued**

Year [2]	Taxable income brackets [3]	Rates (percent)
1987 [22,23]	First \$25,000	15.00
	\$25,000-\$50,000	16.50
	\$50,000-\$75,000	27.50
	\$75,000-\$100,000	[24] 37
	\$100,000-\$335,000	[24] 42.50
	\$335,000-\$1,000,000	[24] 40.00
	\$1,000,000-\$1,405,000	[24] 42.50
1988-1992 [22, 23]	Over \$1,405,000	[24] 40.00
	First \$50,000	15.00
	\$50,000-\$75,000	25.00
	\$75,000-\$100,000	34.00
	\$100,000-\$335,000	[24] 39.00
1993-2009	Over \$335,000	34.00
	First \$50,000	15.00
	\$50,000-\$75,000	25.00
	\$75,000-\$100,000	34.00
	\$100,000-\$335,000	[24] 39.00
	\$335,000-\$10,000,000	34.00
	\$10,000,000-\$15,000,000	35.00
\$15,000,000-\$18,333,333	[24] 38.00	
	Over \$18,333,333	35.00

[1] The rates shown are the "standard" or "ordinary" rates, applying to all taxable corporate net income unless otherwise provided. However, there have always been numerous exceptions and special rates based on the type of corporation, the type of income, and other factors. In addition, there have been, at various times, additional taxes related to income that increased the statutory rates. When possible, these are noted in other footnotes to this table for the years for which they were effective. Credits, deductions, and other alterations in the definition of taxable income also effectively alter the tax rate, but these are too numerous and too frequent to include in a table such as this. The most important types of corporations to which these rates have not always applied, or not applied as they did to other corporations, are: *Section 501(c) and similar Nonprofit Corporations*: Corporations not organized or operated for profit are generally exempt from the corporation income tax except, since 1950, on business income unrelated to their exempt purposes. *Mutual and cooperative organizations*: Most of these were treated as nonprofits in the early days of the income tax. Most have long since been made taxable as ordinary corporations, but there are still some exceptions. Credit unions and small mutual property insurance companies are exempt. Rural electrical and telephone cooperatives are exempt on income generated in transactions with their members. Farmers' cooperatives are not taxed on income distributed to their members. *Insurance companies*: Because of the nature of insurance, determining taxable income has often been a problem for the tax system. Insurance companies have been subjected to a number of different tax structures since 1921, including special rates and complete exemption of premium income. They are currently taxed at the same rates as other corporations on income calculated using reserve deductions (which other corporations are not allowed). *Regulated Investment Companies (since 1936) and Real Estate Investment Trusts (since 1961)*: These investment companies are not taxed on profits distributed to shareholders if they distribute substantially all of their incomes annually. *S Corporations*: Since 1958, certain closely held corporations could elect to be taxed through their shareholders, as partnerships are, and not pay the corporate tax at all (except in special, unusual circumstances). *Foreign corporations*: Companies incorporated outside the U.S. are taxed on business income earned in the U.S. at the regular corporate rates, but may be taxed on investment income at special statutory or treaty rates. *U.S. corporations with foreign-source income*: The U.S. taxes the worldwide income of U.S. corporations; however, since 1918, taxes paid to foreign governments on foreign-source income can be credited against the U.S. tax otherwise due on that income. (Before 1918, the foreign taxes were allowed as a deduction against worldwide income.) *U.S. Possessions Corporations*: Since 1921, corporations earning most of their incomes in a U.S. possession were subject to reduced taxes. From 1921 to 1976, they were taxable only on U.S.-source income; since 1976, they have received a credit for manufacturing income earned in a possession (including Puerto Rico). The credit was repealed after 2005. *Affiliated groups*: Corporations that are closely affiliated through stock ownership have usually been allowed to consolidate their financial statements for tax purposes and file one return for the group, but there have always been restrictions, and, sometimes, they have been charged an additional tax for the privilege. In 1932 and 1933, consolidated returns were subject to an additional tax of .75 percent. In 1934 and 1935, only railroad companies were allowed to file consolidated returns, and the additional tax was 1 percent. From 1936 to 1941, there was no additional tax, but the privilege was restricted to railroads and a few other companies. From 1942 to 1964, most domestic affiliated groups that met the stock ownership and other requirements could file consolidated returns, but the surtax on such a group was increased by 2 percentage points. The additional tax on consolidated returns was repealed, effective December 31, 1963. The most important type of income to have received special rates was "long-term" capital gains. From 1942 through 1987, the tax rate was capped at a maximum rate lower than the highest corporate rate. (The rates are noted in footnotes to the table.) Although there is currently no special rate for corporations' capital gains, long-term capital gains are still treated separately from other income in the Tax Code. During World War I, the Great Depression, World War II, and the Korean War, additional taxes were imposed on what were called "war profits" or "excess profits." These are noted in the table in footnotes to the applicable years. In addition to taxes based on net income, there have been from time to time taxes based on accumulated earnings that were not distributed to shareholders, designed to limit tax avoidance at the individual stockholder level. Taxes on "undue" accumulations have been imposed (though seldom paid) since the inception of the income tax. These were supplemented, since 1934, by a "personal holding company" tax, equal to the highest individual income tax rate, on the undistributed earnings of closely held companies accumulating investment income. There was also a Depression-era tax on accumulated earnings (noted below). In recent years, there have also been "minimum taxes" designed to supplement the regular taxes. These have the effect of a separate set of tax rates. These are noted in footnotes to the table.

[2] Calendar year unless otherwise noted. Taxpayers whose fiscal years spanned years with different rates were required to prorate the year's income between the two rate structures. Before 1933, the proration was based on the number of months in each year; after 1932, it was based on the number of days in each year.

[3] "Taxable income" is used here to mean the amount of income to which the rates shown were applied. The concept has had various names and various meanings over the years covered; so, brackets for one year are not necessarily comparable with those for another.

## Selected Historical and Other Data

**Table 24. U.S. Corporation Income Tax: Tax Brackets and Rates, 1909-2009 [1]—Continued**

**Footnotes—Continued**

- [4] An additional tax on "excess profits" and/or "war profits" was in effect from 1917 to 1922. It was allowed as a deduction in computing income tax.
- [5] An additional "declared value" excess profits tax, based on profits in excess of a percentage of the value of corporate stock, was in effect from 1933 through 1945. It was a deduction for income tax purposes.
- [6] An additional surtax ranging from 7 percent to 27 percent was imposed on undistributed profits.
- [7] From June 1940 to the end of 1945, a tax on profits in excess of average prewar earnings was also imposed. It was taken into account, as either a deduction or a credit, for the income tax and the other excess profits tax.
- [8] The rates for 1940 include extra "defense tax" rates that are integrated with the regular rates in later years.
- [9] These rates are the sum of the "normal tax" rates and the "surtax" rates, which actually applied to slightly different definitions of taxable income.
- [10] Beginning with Tax Year 1942, gains on the sale of assets held for more than 6 months (long-term capital gains) could be treated separately from other taxable income and taxed at a maximum rate of 25 percent.
- [11] An excess profits tax was also in effect from July 1950 through Calendar Year 1953. The tax was 30 percent of an adjusted profits figure reduced by credits for the level of prewar profits. It was not offset against income tax, but the sum of income and excess profits taxes was capped at a given percentage of income (from 62 percent to 70 percent).
- [12] These rates reflect a tax increase (for the Korean War), effective March 31, 1951. The maximum capital gain tax rate was also increased to 26 percent.
- [13] From April 1, 1954, through Calendar Year 1969, the maximum tax rate on capital gains was 25 percent.
- [14] From 1969 through 1986, corporations were also subject to an "add-on minimum tax" on certain "tax preference" items (such as percentage depletion, accelerated depreciation, etc.) above a certain amount. For Tax Years 1969 through 1976, the tax was 10 percent of tax preferences in excess of \$30,000; after 1976, the tax was 15 percent of preferences in excess of the greater of \$10,000 or regular income tax.
- [15] Rates include the Vietnam War surcharge of 10 percent.
- [16] Includes a 2.5-percent Vietnam War surcharge.
- [17] The maximum tax rate on long-term capital gains was increased to 28 percent.
- [18] The maximum tax rate on long-term capital gains was increased to 30 percent.
- [19] The holding period for long-term capital gain treatment of assets was increased from 6 months to 9 months in 1977 and 12 months in 1978. The rate remained at 30 percent.
- [20] The maximum tax rate on long-term capital gains was 28 percent.
- [21] Beginning in 1983, incorporated professional practices ("personal service corporations") have been taxed on all taxable income at the corporate tax rate applicable to the highest income bracket.
- [22] The Tax Reform Act of 1986 (TRA86) established a new rate structure effective for Tax Year 1988 and made the rates for Transition Year 1987 an average of the pre-TRA rates for 1986 and the post-TRA rates for 1988.
- [23] A new "alternative minimum tax" (AMT) replaced the add-on minimum tax, effective in 1987. It required a calculation of an alternative measure of taxable income that reduced or eliminated many tax preference items. The tax was 20 percent of the excess of this "alternative minimum taxable income" (AMTI) over \$40,000. The \$40,000 exemption was reduced by 25 percent of the excess of AMTI over \$150,000. AMT in excess of regular tax could be carried over as a credit against regular tax in future years. In 1998, "small" corporations (generally, those with average gross receipts of less than \$5 million) were exempted from the AMT.
- [24] The maximum tax rate on capital gains was capped at 34 percent for 1987, which was to be the rate on the highest corporate tax bracket in 1988 and after, according to TRA86. The maximum capital gain rate was raised to 35 percent when the highest corporate rate bracket was increased in 1993.
- SOURCE: Blakey, Roy G. and Gladys C. Blakey (1940), *The Federal Income Tax*, New York. Gravelle, Jane G. (1994), *The Economic Effects of Taxing Capital Income*, Appendix A, History of Capital Income Taxation in the United States, MIT. Internal Revenue Service, *Form 1120 series and Instructions*, various years. Internal Revenue Service, *Statistics of Income for 1949, Part 2*, Appendix A. U.S. Congress, Joint Committee on Taxation, Explanations of various tax acts, published after each major tax act since the 1960s. U.S. Senate, Committee on the Budget, Tax Expenditures: Compendium of Background Materials on Individual Provisions, published periodically.



# SOI Sampling Methodology and Data Limitations

**T**his article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

## Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

## Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

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**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

the tabulated estimates, the weighted data are summed to produce the published statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample

design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{r} 150,000 \quad (\text{sample estimate}) \\ \times 0.02 \quad (\text{coefficient of variation}) \\ \hline = 3,000 \quad (\text{standard error of estimate}) \end{array}$$

then:

$$\begin{array}{r} 150,000 \quad (\text{sample estimate}) \\ + \text{ or } - 3,000 \quad (\text{standard error}) \\ \hline = \{147,000, 153,000\} \quad (\text{68-percent confidence interval}). \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

## SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

### Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (\*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

# Public Release of SOI Information

## Goals for Public Release of SOI Information

Statistics of Income program and year	End of tax year	Close of filing period—		Close of sampling period	Tentative release date for final data
		Regular	With extensions of time		
	(1)	(2)	(3)	(4)	(5)
<b>Individual income tax returns:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Nonfarm sole proprietorships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Partnerships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	July 2009
2008	December 2008	April 2009	October 2009	December 2009	July 2010
<b>Corporations [1]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	February 2009
2007	June 2008	September 2008	March 2009	June 2009	February 2010
<b>Corporation foreign tax credit [2]:</b>					
2005	June 2006	September 2006	March 2007	June 2007	October 2008
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Controlled foreign corporations [2]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Tax-exempt organizations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Private foundations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Tax-exempt organization unrelated business income [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	October 2009
2007	November 2008	April 2009	October 2009	December 2009	October 2010
<b>Estate tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Split-interest trusts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Gift tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Nonresident alien estate tax returns:</b>					
2007	[4]	[4]	[4]	December 2008	June 2009
2009	[4]	[4]	[4]	December 2009	June 2010
<b>Fiduciary extracts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Tax-exempt bonds:</b>					
2007	[6]	[6]	[6]	December 2008	May 2009
2008	[6]	[6]	[6]	December 2009	May 2010

[1] Corporation statistics for 2005 represent accounting periods ended July 2005 through June 2006. Study Year 2006 is similarly defined.

[2] Data for 2005 represent accounting periods ending July 2005 through June 2006. Data for Study Year 2006 are similarly defined.

[3] Data for 2006 represent tax years ending between December 2006 and November 2007. Study Year 2007 is similarly defined.

[4] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 2006 Program	Scott Hollenbeck Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
<b>Controlled Foreign Corporations:</b> 2006 Program	Jason Wenrich	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
<b>Controlled Foreign Partnerships:</b> 2008 Program	Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
<b>Corporation Foreign Tax Credit:</b> 2006 Program 2007 Program	Scott Luttrell Rob Singmaster	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
<b>Corporation Income Tax Returns:</b> 2006 Program 2007 Program	Bill Rush Todd Reum Ellen Legel	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Entity Classification Election:</b>	John Comisky	This annual study provides data from all Entity Classification Elections, including the type of election and whether the entity is foreign or domestic.
<b>Estate Tax:</b> 2004-2006 Program 2007-2009 Program	Brian Raub	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2007.
<b>Excise Taxes:</b>	Josh Barron Ruth Schwartz	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by fiscal year for 1998-2005 and quarterly for more recent years.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Farm Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Kevin Pierce Mary Jezek	This study provides farm income and expenses classified by industry and gross farm income reported by individuals on Schedule F, <i>Profit or Loss from Farming</i> .
<b>Foreign-Controlled Domestic Corporations:</b> 2006 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
<b>Foreign Recipients of U.S. Income:</b> 2006 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Trusts:</b> 2006 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2002.
<b>Gift Tax:</b> 2007 Program 2008 Program 2009 Program	Darien Jacobson Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. Most recent data are for Filing Year 2007.
<b>Individual Income Tax Return Public-Use File:</b>	Mike Weber	Microdata on CD-ROMs are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
<b>Individual Income Tax Returns:</b> 2007 Program 2008 Program 2009 Program	Maureen Keenan Kahr Scott Hollenbeck	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
<b>Individual Income Tax Returns Special Tabulations:</b>	Mike Parisi	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISCs):</b> 2006 Program 2007 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 4 years. The most recent study is for Tax Year 2004.

## SOI Projects and Contacts

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<b>Projects*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>International Boycott Reports:</b> 2006 Program 2007 Program	Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
<b>Migration Flow and County Income Data:</b>	Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2006-2007.
<b>Noncash Charitable Contributions:</b>	Janette Wilson	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .
<b>Occupation Studies:</b>	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
<b>Partnership Returns of Income:</b>	Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 2006 Program	Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 2004 Program 2007 Program	Brian Raub	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.
<b>S Corporations:</b>	Eurry Kim	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
<b>Sales of Capital Assets:</b>	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
<b>Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Jeff Curry	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, <i>Profit or Loss From Business</i> , for nonfarm proprietors, classified by industry group.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Split-Interest Trust Information:</b> 2007 Program 2008 Program 2009 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2007.
<b>Tax-Exempt Bond Issues:</b> 2006 Program 2007 Program 2008 Program	Emily Shammass	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Tax Year 2006 public purpose bonds and private activity bonds.
<b>Tax-Exempt Organizations (Except Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Paul Arnsberger	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Reporting Year 2005 returns filed in Calendar Years 2006-2007.
<b>Tax-Exempt Organizations, (Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Cynthia Belmonte	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Reporting Year 2005 returns filed in Calendar Years 2006-2007.
<b>Tax-Exempt Organizations, Unrelated Business Income:</b> 2005 Program 2006 Program 2007 Program	Melissa Ludlum Jael Jackson	This annual study provides tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Reporting Year 2004 returns filed in Calendar Years 2006-2007.
<b>Transactions of Foreign-Controlled Corporations:</b>	Mark Lowe	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
<b>ZIP Code Area Data:</b>	Mary Jezek	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004-2006 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: <a href="http://www.irs.gov/taxstats/article/0,,id=96947,00.html">http://www.irs.gov/taxstats/article/0,,id=96947,00.html</a> .

\* Many of the data release dates are published in each issue of the *SOI Bulletin* (see "Public Release of SOI Information"). For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

# SOI Products and Services

**S**tatistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

**Statistical Information Services** (sis@irs.gov)  
Statistics of Income Division  
Internal Revenue Service  
P.O. Box 2608 • Washington, DC 20013-2608  
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

## Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections, and nonprofit Master File microdata records. At present, over 9,000 files reside there.

**Web site:** [www.irs.gov/taxstats](http://www.irs.gov/taxstats)

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: [www.fedstats.gov](http://www.fedstats.gov).

### Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

### Business Tax Statistics

Corporations • International • Partnerships  
Nonfarm Sole Proprietorships  
S Corporations • All Topics

### Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File  
Private Foundations • Trusts  
Tax-Exempt Bonds • All Topics

### Individual Tax Statistics

Estate and Gift Tax • Individual Income  
Tax • International Personal  
Wealth • All Topics

### Products, Publications, and Papers

*SOI Bulletins* • *IRS Data Books*  
Conference Papers • *SOI Paper Series*  
All Topics

### IRS Operations, Budget, and Compliance

Issuing Refunds • Collecting Revenue  
Enforcing Laws • Assisting Taxpayers  
Historical Data Tables • All Topics

### Statistics by Form

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About SOI • Careers With SOI  
SOI Services • SOI Studies  
All Topics

### Additional Information

Tax Statistics at a Glance  
Join SOI Tax Stats E-Mail List  
Payments for SOI Data  
Questions On Tax Statistics?

## Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

## SOI Products and Services

### Corporation Income Tax Returns

#### Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2006 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2006 *Source Book* are also available at no charge from the Tax Stats Web site at: [www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html](http://www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html).

### Individual Income Tax Returns

#### Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2004. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2004 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

#### County-to-County Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1984-2007. Price is \$200 per year for the entire United States or \$10 per State per year. All years for the entire United States are also available for \$500.

#### State-to-State Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by State for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which

approximates the population); and total "adjusted gross income." Available for Filing Years 1989-2007. Price is \$50 per year for the entire United States or \$10 per State per year.

#### County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2006 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year.

#### ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2006 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to [www.irs.gov](http://www.irs.gov), select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

### Tax-Exempt Organizations

#### Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compen-*

*dium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

### **Microdata Records for Tax Year 2005**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 15,731 Internal Revenue Code section 501(c)(3) organizations and 6,844 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

### **Microdata Records for Tax Years 1992-2004**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

## **Private Foundations (and Charitable Trusts)**

### **Microdata Records for Tax Year 2005**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 11,767 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

### **Microdata Records for Tax Years 1992-2004**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal

Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

## **Publications**

### **Statistics of Income—2006, Corporation Source Book**

*Publication 1053, Price: \$175,  
plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2006, is also for sale at \$175 per year, plus \$10 for shipping and handling.

### **Compendium of Federal Estate Tax and Personal Wealth Studies**

*Publication 1773, Price: \$26,  
plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

## SOI Products and Services

### Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

#### Superintendent of Documents

P.O. Box 371954  
Pittsburgh, PA 15250-7954

\* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

#### IRS Data Book, 2008

*Annually, Publication 55B, Stock No. 048-004-02501-9*  
*Price: \$13.50 International: \$18.90*

This volume pertains to Fiscal Year (FY) 2008—October 1, 2007, through September 30, 2008. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2009 issue of the Data Book will be available in late March 2010.

#### Statistics of Income Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00098-6*  
*Subscription price: \$67 International: \$93.80*  
*Single copy price: \$44 International: \$61.60*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.

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# SOI BULLETIN

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## Inside this Issue

### **Sole Proprietorship Returns, 2007**

*by Adrian Dungan*

For Tax Year 2007, there were about 23.1 million individual income tax returns that reported nonfarm sole proprietorship activity, a 4.7-percent increase since Tax Year 2006. Reported profits for these sole proprietorships were \$280.6 billion in 2007, representing a decrease of 1.8 percent (in constant dollars) since 2006. Profits also decreased 0.4 percent (in constant dollars) between Tax Years 2005 and 2006. This was the first time that profits (in constant dollars) have decreased for 2 consecutive years since before 1988.

Professional, scientific, and technical services had the largest profits of any sector in 2007, at \$71.6 billion, representing 25.5 percent of total sole proprietorship profits. The largest sole proprietorship industrial sector, based on business receipts, was construction, which accounted for 17.4 percent of receipts and reported a 2.4-percent decrease in 2007. Finance and insurance showed the largest percentage increase in both receipts and deductions, reporting a 14.1-percent increase in receipts and a 17.3-percent increase in deductions. Real estate and rental and leasing, which reported the largest decline in profits in 2006, at 18.5 percent, reported a 17.7-percent decline in profits in 2007.

### **Individual Noncash Contributions, 2006**

*by Pearson Liddell and Janette Wilson*

For Tax Year 2006, 24.7 million individual income taxpayers who itemized deductions reported \$52.6 billion in deductions for noncash charitable contributions. Of these taxpayers, 6.2 million reported \$46.8 billion in deductions for charitable contributions in excess of \$500, as shown on Form 8283, *Noncash Charitable Contributions*. Though filers of this form declined by 5.9 percent between Tax Years 2005 and 2006, the amount of donation contributions increased 14.1 percent, from \$41.1 billion in Tax Year 2005. For Tax Year 2006, corporate stock donations of \$23.0 billion, representing 49.1 percent of the total amount donated by taxpayers, increased 40.7 percent, from \$16.3 billion in Tax Year 2005.

For Tax Year 2006, there were two tax law changes that affected deductions allowed for certain noncash contributions. Beginning on August 18, 2006, donations of clothing and household items were required to

be in “good condition or better” in order for taxpayers to claim a deduction. In previous years, taxpayers were allowed to deduct the fair market value of all clothing and household items, regardless of condition. Restrictions on deductions for façade easements were also added to tax law, and those restrictions also took effect in the summer of 2006.

### **S Corporation Returns, 2006**

*by Heather Duffy Parisi*

The number of S corporations increased 5.1 percent to 3.9 million for Tax Year 2006, representing nearly two-thirds of all U.S. corporations. The number of shareholders in S corporations also increased by 5.1 percent, to 6.7 million in 2006. Total net income (less deficit) increased 7.0 percent to \$386.2 billion. The largest component of total net income (less deficit)—net income (less deficit) from a trade or business—increased \$13.0 billion to \$295.9 billion, representing 76.6 percent of total net income (less deficit).

Nearly two-thirds of all S corporations reported positive net income in the total amount of \$457.0 billion. S corporation total assets increased 11.4 percent from the previous year to \$3.0 trillion. Slightly fewer S corporations reported rental real estate income for Tax Year 2006, down 2.2 percent to 259.3 thousand since 2005. These companies reported \$6.8 billion in real estate rental net income (less deficit).

### **Foreign-Controlled Domestic Corporations, 2006**

*by James R. Hobbs*

The number of U.S. income tax returns filed by foreign-controlled domestic corporations (FCDCs) increased by 3.4 percent for 2006, to 63,951. FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for the tax year. FCDC assets totaled \$9.7 trillion, a 5.7-percent increase from the previous year. By comparison, all corporations reported a total of \$73.1 trillion in assets for 2006, a 10.0-percent increase since the previous year. FCDCs accounted for 13.3 percent of total corporate assets for 2006, down from 13.9 percent for the previous year.

FCDCs reported \$3.8 trillion in total receipts for 2006, a 9.5-percent increase since 2005. Manufacturers produced \$1.8 trillion in receipts, while

wholesalers accounted for an additional \$0.8 trillion. Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$0.9 trillion, 23.2 percent of the FCDC total.

**Corporate Foreign Tax Credit, 2005**

*by Melissa Costa*

For Tax Year 2005, 5,837 U.S. corporations claimed more than \$84 billion in foreign tax credits, reducing their U.S. tax on worldwide income by 30.3 percent, from \$278.2 billion to \$194 billion. They reported a total of about \$402 billion in foreign-source taxable income, slightly more than 50 percent of total worldwide income. Due in part to the one-time repatriation tax holiday, foreign-source taxable income for corporations that claimed a foreign tax credit (in constant 2005 dollars) rose 61 percent since 2004, while the foreign tax credit increased 43.9 percent.

Corporations whose primary business was manufacturing accounted for about 68 percent of total foreign-source taxable income of corporations that claimed a foreign tax credit, and those corporations reported 69 percent of the total foreign tax credit. A little more than half of foreign-source taxable income came from Europe, with nearly 40 percent from European Union (EU) countries. The top three EU countries included the United Kingdom, which accounted for 12.5 percent of total taxable income, followed by the Netherlands, with 9.2 percent, and Ireland, with 5.6 percent.

**Sales of Capital Assets Panel Data, Tax Years 1999-2003**

*by Janette Wilson and Pearson Liddell*

Between Tax Years 1999 and 2003, taxpayers in the Sales of Capital Assets (SOCA) panel study realized the highest net capital gains in Tax Year 2000; net gains less losses peaked at \$574.1 billion, with capital gains of \$929.8 billion and losses of \$355.7 billion. The lowest amount of net capital gains less losses reported for the 5 years examined was \$131.9 billion, reported in Tax Year 2002. The estimates in this article were based on a sample of individual income tax returns filed for Tax Year 1999. These returns were followed between Tax Years 1999 and 2003.

Detailed transaction data show that net gains less losses for corporate stock, passthrough gains or losses, and real estate showed the most significant changes during the 5-year period. In Tax Years 1999 and 2000, corporate stock sales represented the largest share of net gains less losses realized. In Tax Year 1999, corporate stock represented 42.7 percent of all gains, or \$224.4 billion, and, in 2000, corporate stock represented 41.2 percent of all gains, or \$236.3 billion. In Tax Year 2001, passthrough gains or losses represented the largest share in terms of percentage of gains less losses, at 43.2 percent (or \$84.9 billion) of all gains less losses, while the corporate stock share declined to 15.9 percent, or \$31.3 billion.

**In the Next Issue**

The following topics are tentatively planned for inclusion in the fall 2009 issue of the *Statistics of Income Bulletin*, scheduled to be published in November 2009:

- Individual income tax returns, Tax Year 2007;
- Foreign trusts, Tax Year 2006;
- Partnership returns, Tax Year 2007;
- Charities and other tax-exempt organizations, Tax Year 2006;
- Private foundations and charitable trusts, Tax Year 2006;
- Tax-exempt governmental and private activity bonds, Calendar Year 2007;
- Transactions of foreign-owned domestic corporations, Tax Year 2006;
- Partnership and sole proprietorship data, Tax Year 2006; and
- Estate tax returns filed for high-wealth decedents, Filing Years 2001-2007.

# Revisions to Prior Issues

## Selected Historical and Other Data—Spring 2008 and 2009 Issues

Table 20 (“Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax”) in both the spring 2008 and spring 2009 issues of the *SOI Bulletin* presented incorrect data in several columns (Fiscal Years 2001-2005). Corrected data are presented below and are also available on SOI’s Tax Stats Web site at [www.irs.gov/taxstats](http://www.irs.gov/taxstats).

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2001-2005**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year				
	2001	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)
<b>Total excise tax collections</b>	<b>68,241,000</b>	<b>69,171,000</b>	<b>69,490,000</b>	<b>71,781,000</b>	<b>75,194,000</b>
<b>Excise tax collections or liabilities reported by the Internal Revenue Service [1]</b>					
<b>Total excise tax collections</b>	<b>52,418,848</b>	<b>52,136,835</b>	<b>52,771,160</b>	<b>54,807,225</b>	<b>57,252,098</b>
<b>Retail excise taxes:</b>					
<b>Luxury taxes:</b>					
Passenger vehicles (expired, January 1, 2003)	341,981	252,834	65,162	3,032	1503
Boats (repealed, January 1, 1993)	19	0	0	0	0
Aircraft (repealed, January 1, 1993)	0	0	0	0	1
Jewelry (repealed, January 1, 1993)	0	0	0	0	0
Furs (repealed, January 1, 1993)	1	0	0	0	0
<b>Dyed diesel fuel used in trains:</b>					
Total, excluding floor stocks	167,161	147,408	162,654	127,169	93,032
Floor stocks	0	1	0	1	0
<b>Dyed diesel fuel for certain intercity or local buses</b>	2,380	1,731	1,266	1,139	-1,122
<b>Dyed diesel</b>	N/A	N/A	N/A	N/A	N/A
<b>Dyed kerosene</b>	N/A	N/A	N/A	N/A	N/A
<b>Special motor fuels:</b>					
Total, excluding floor stocks	18,404	17,570	14,226	12,990	12,724
Floor stocks	0	0	0	0	0
Compressed natural gas	1,026	895	1,735	1,406	1,401
Alcohol fuels [2]	5,462	408	-9,986	7,367	2,715
Fuels used commercially on inland waterways	114,110	111,311	111,058	110,364	103,375
Truck, trailer, and semitrailer chassis and bodies, and tractors	1,573,968	1,574,947	1,608,208	2,235,178	3,008,461
<b>Manufacturer’s excise taxes:</b>					
Gas guzzlers [2]	78,157	79,705	126,685	140,834	163,825
Highway-type tires [2]	354,769	372,800	403,892	433,116	471,066
Tires other than Biasply or Super Single [3]	N/A	N/A	N/A	N/A	N/A
Biasply or Super Single tires [3]	N/A	N/A	N/A	N/A	N/A
Super Single tires for steering [3]	N/A	N/A	N/A	N/A	N/A
Aviation gasoline [4]	49,687	62,574	57,953	44,611	39,357
<b>Gasoline, except for use in gasohol:</b>					
Total, excluding floor stocks	20,619,195	20,942,138	20,169,608	18,232,507	23,725,624
Floor stocks	-21	2	0	0	0
<b>Diesel fuel, except for trains and intercity buses:</b>					
Total, excluding floor stocks [2]	8,208,994	8,214,559	8,581,467	9,016,694	9,376,555
Floor stocks	0	0	0	0	0
Diesel-water fuel emulsion	N/A	N/A	N/A	N/A	N/A
Kerosene for use in aviation	N/A	N/A	N/A	N/A	N/A
Floor stocks	N/A	N/A	N/A	N/A	N/A
Other exempt fuels	N/A	N/A	N/A	N/A	N/A
<b>Alternative fuel:</b>					
Liquid petroleum gas	N/A	N/A	N/A	N/A	N/A
Biodiesel fuel, not used as fuel	N/A	N/A	N/A	N/A	N/A
P series fuel	N/A	N/A	N/A	N/A	N/A
Compressed natural gas	N/A	N/A	N/A	N/A	N/A
Liquefied hydrogen	N/A	N/A	N/A	N/A	N/A
Liquefied fuel derived from coal	N/A	N/A	N/A	N/A	N/A
Liquefied hydrocarbons—biomass	N/A	N/A	N/A	N/A	N/A
Liquefied natural gas	N/A	N/A	N/A	N/A	N/A
<b>Gasoline for use in gasohol by alcohol content:</b>					
Total, excluding floor stocks:					
5.7 percent under 7.7 percent	9	77	2,320	15,436	3,601
7.7 percent under 10 percent	4,839	4,835	946	503	90
10 percent or more	243,702	302,407	358,002	306,441	73,182
Floor stocks	1	-1	0	0	0
<b>Gasohol by alcohol content:</b>					
Total, excluding floor stocks:					
5.7 percent under 7.7 percent	297,763	406,578	1,296,991	2,363,320	608,812
7.7 percent under 10 percent	146,196	176,148	91,017	97,098	35,462
10 percent or more	1,918,995	1,932,347	2,313,542	2,899,287	833,017
Floor stocks	-4	0	0	0	0

# Sole Proprietorship Returns, 2007

by Adrian Dungan

**F**or Tax Year 2007, there were approximately 23.1 million individual income tax returns that reported nonfarm sole proprietorship activity, a 4.7-percent increase from 2006. Profits for these returns grew to a level of \$280.6 billion in 2007, a 0.9-percent increase from 2006. However, in constant dollars, total nonfarm sole proprietorship profits decreased for the second consecutive year, by 1.8 percent, after decreasing 0.4 percent in 2006.

Among all industrial sectors, the real estate and rental and leasing sector experienced the most significant downturn in both profits and receipts from Tax Years 2006 to 2007. After profits in the real estate and rental and leasing sector decreased by 18.5 percent in 2006, they slid even further in 2007, dropping another 17.7 percent.<sup>1</sup> In current dollar terms, these profits fell from \$27.2 billion reported in 2006 to \$22.3 billion in 2007. This sector also reported the largest percentage decrease in receipts for 2007, dropping from \$77.2 billion in 2006 to \$71.0 billion for 2007, an 8.0-percent decrease. In 2006, this sector had reported the largest percentage decrease in receipts for all sectors, at 6.9 percent.

However, not all industrial sectors reported declines for 2007. The professional, scientific, and technical services sector, representing 25.5 percent of total sole proprietorship profits at \$71.6 billion, had the largest profits of any sector, increasing 6.8 percent from 2006. Reporting the second largest profits of any sector was the health care and social assistance sector, with 16.4 percent of total profits, at \$46.1 billion.

For sole proprietorships as a whole, receipts increased 3.6 percent, and deductions increased 4.3 percent. The construction sector reported the largest percentage of total business receipts and deductions among all industrial sectors, with 17.4 percent and

18.7 percent, respectively. This sector reported a 2.4-percent decrease in receipts and a 1.9-percent decrease in deductions. Although not among the larger of the industrial sectors, the finance and insurance sector reported the largest percentage increase in both receipts and deductions, with a 14.1-percent increase in business receipts and a 17.3-percent increase in deductions.

## Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 2007 increased 4.7 percent to more than 23.1 million (Figure A).<sup>2</sup> Professional, scientific, and technical services, the largest sector in terms of number of returns, increased by 10.4 percent to more than 3.2 million returns. This sector also accounted for the largest reported increase in number of returns for any industrial sector.

The construction sector, which was the second largest sector, reported roughly 2.9 million returns, a slight increase of 0.5 percent. The only two sectors to have decreases in the number of returns for 2007 were retail trade (1.2 percent) and wholesale trade (10.1 percent). The latter, however, is the smallest sole proprietorship sector analyzed in this article, with only 0.3 million returns.

Total business receipts (the sum of income from sales and operations and other business income) for all nonfarm sole proprietorship industries increased 3.6 percent, from \$1,278.4 billion to \$1,324.4 billion.<sup>3</sup> The construction sector is the largest sector in terms of business receipts and accounts for 17.4 percent of total business receipts. Its receipts decreased by 2.4 percent in 2007, a change in direction from the 11.9-percent and 6.3-percent increases in 2005 and 2006, respectively.

The retail trade sector, the second largest sector in terms of business receipts, was back up (2.2 percent) after a slight drop (1.4 percent) last year. The two industries with the largest percentage increases

*Adrian Dungan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

<sup>1</sup> Dent, Jonathan; Jeff Curry; and Justin Bryan, "Sole Proprietorship Returns, 2006," *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2, pp. 70-128. Profits in the real estate and rental and leasing sector increased from \$27.9 billion in 2004 to \$33.3 billion in 2005.

<sup>2</sup> For 2007, the 23,122,698 nonfarm sole proprietorship returns accounted for an estimated 25,822,467 nonfarm businesses. For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor's dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

<sup>3</sup> Statistics for business receipts, total in Table 2 represent total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as other business income. However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness-related investment income, as part of total income on individual income tax returns.

# Sole Proprietorship Returns, 2007

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**Figure A**

## Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Selected Industrial Sectors, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in billions of dollars]

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	2006	2007	Percentage increase	2006	2007	Percentage increase	2006	2007	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All nonfarm industries</b>	<b>22,075.0</b>	<b>23,122.7</b>	<b>4.7</b>	<b>1,278.4</b>	<b>1,324.4</b>	<b>3.6</b>	<b>1,001.1</b>	<b>1,044.3</b>	<b>4.3</b>
Construction	2,915.8	2,931.1	0.5	236.4	230.8	-2.4	199.0	195.2	-1.9
Specialty trade contractors	2,287.0	2,347.4	2.6	158.4	159.7	0.9	129.9	131.9	1.6
Wholesale trade (merchant wholesalers)	378.5	340.4	-10.1	48.5	50.4	4.0	43.7	45.6	4.6
Retail trade	2,466.1	2,436.3	-1.2	194.6	198.9	2.2	185.7	189.5	2.0
Transportation and warehousing	1,084.0	1,154.8	6.5	76.3	82.1	7.7	65.5	71.2	8.8
Finance and insurance	688.3	726.0	5.5	82.4	94.0	14.1	62.9	73.8	17.3
Real estate and rental and leasing	1,381.3	1,393.4	0.9	77.2	71.0	-8.0	50.0	48.7	-2.6
Real estate	1,318.1	1,336.8	1.4	73.5	66.9	-8.9	46.4	44.8	-3.5
Professional, scientific, and technical services	2,929.7	3,234.5	10.4	156.1	169.3	8.5	89.1	97.8	9.7
Administrative and support and waste management and remediation services	2,140.7	2,251.0	5.2	57.2	60.3	5.4	41.1	43.9	6.8
Health care and social assistance	1,873.5	2,016.4	7.6	110.4	115.5	4.6	66.0	69.5	5.3
Child day care services	715.3	797.9	11.5	10.9	12.5	13.8	7.0	7.9	12.9
Arts, entertainment, and recreation	1,238.3	1,283.3	3.6	30.0	31.0	3.5	22.9	23.5	2.3
Performing arts, spectator sports, and related industries	1,039.5	1,068.0	2.7	21.7	23.9	10.5	15.7	16.5	5.5
Other services	2,281.8	2,416.2	5.9	81.8	84.8	3.6	63.8	65.6	2.7
Personal and laundry services	1,401.4	1,583.3	13.0	38.2	43.6	14.2	26.8	30.8	14.9
All other industries	2,697.0	2,939.2	9.0	127.5	136.2	6.8	111.3	120.1	7.9

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

in business receipts were the finance and insurance sector and the professional, scientific, and technical services sector. They grew by 14.1 percent and 8.5 percent, respectively, providing a combined total increase of \$24.8 billion in business receipts. For all sectors, total business receipts for nonfarm sole proprietorships increased by \$46.0 billion in 2007, meaning that the two industries achieving the largest gains accounted for 53.9 percent of the aggregate increase.

The third largest increase came from the transportation and warehousing sector with a 7.7-percent growth in receipts. The real estate and rental and leasing sector, which showed the largest percentage

decrease in receipts for Tax Year 2006 (6.9 percent), once again reported the largest percentage decrease in receipts among all industrial sectors for Tax Year 2007, decreasing 8.0 percent. In constant dollar terms, the percentage increase in total business receipts went up 0.8 percent in 2007, down from the larger 3.9-percent and 1.1-percent increases seen in 2005 and 2006, respectively (Figure B).<sup>4</sup>

### Deductions

Total business deductions (cost of sales and operations plus business expenses, including expenses for home office) in current dollars increased 4.3 percent, from \$1,001.1 billion for 2006 to \$1,044.3 billion for

<sup>4</sup> Based on the overall implicit price deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. Indices used for this article were:

Year	Indices	Year	Indices	Year	Indices
1988	75.7	1993	88.	1998	96.5
1989	78.6	1994	90.3	1999	97.9
1990	81.6	1995	92.1	2000	100.0
1991	84.4	1996	93.9	2001	102.4
1992	86.4	1997	95.4	2002	103.9
				2003	106.0
				2004	109.1
				2005	112.7
				2006	116.6
				2007	119.8

# Sole Proprietorship Returns, 2007

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**Figure B**

## Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1988-2007

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions [1]			Net income less deficit (profits)		
	Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]	
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	672.0	887.8	[3]	545.7	720.9	[3]	126.3	166.9	[3]
1989	692.8	881.9	-0.7	560.2	713.1	-1.1	132.7	168.9	1.2
1990	730.6	895.5	1.5	589.2	722.1	1.3	141.4	173.3	2.6
1991	712.6	843.9	-5.8	571.2	676.4	-6.3	141.5	167.6	-3.3
1992	737.1	853.3	1.1	583.1	675.0	-0.2	154.0	178.3	6.4
1993	757.2	856.8	0.4	600.8	679.7	0.7	156.5	177.0	-0.7
1994	790.6	876.0	2.2	623.8	691.2	1.7	166.8	184.8	4.4
1995	807.4	876.6	0.1	638.1	692.8	0.2	169.3	183.8	-0.6
1996	843.2	898.5	2.5	666.5	710.1	2.5	176.8	188.3	2.5
1997	870.4	912.2	1.5	683.9	716.7	0.9	186.6	195.6	3.9
1998	918.3	951.8	4.3	716.2	742.3	3.6	202.3	209.7	7.2
1999	969.3	990.5	4.1	761.4	778.0	4.8	207.9	212.5	1.3
2000	1,021.0	1,021.0	3.1	806.4	806.4	3.6	214.7	214.7	1.1
2001	1,016.8	993.3	-2.7	799.6	781.1	-3.1	217.4	212.3	-1.1
2002	1,029.7	990.6	-0.3	808.9	778.2	-0.4	221.1	212.7	0.2
2003	1,050.2	990.8	[4]	820.2	773.8	-0.6	230.3	217.3	2.1
2004	1,139.5	1,044.5	5.4	892.4	818.0	5.7	247.6	226.9	4.4
2005	1,222.9	1,084.7	3.9	953.4	845.7	3.4	269.9	239.4	5.5
2006	1,278.4	1,096.7	1.1	1,001.1	858.8	1.6	278.0	238.5	-0.4
2007	1,324.4	1,105.4	0.8	1,044.3	871.6	1.5	280.6	234.2	-1.8

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

[2] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

2007 (Figure A).<sup>5, 6</sup> In addition to reporting the largest percentage increase in receipts, the finance and insurance sector also reported the largest percentage increase in total business deductions with 17.3 percent. The largest sector in terms of total business deductions, the construction sector, reported a 1.9-percent decrease in deductions. The real estate and rental and leasing sector was the only other sector to show a percentage decrease in deductions, decreasing 2.6 percent. As shown in Figure B, when accounting for inflation, total business deductions increased 1.5 percent in 2007, the fourth straight year in which total inflation-adjusted business deductions increased.

The cost of sales and operations, which represented 40.5 percent of total 2007 business deductions, increased 3.2 percent from its 2006 level to approximately \$422.7 billion (Figure C). Total busi-

ness expenses (total business deductions minus the cost of sales and operations) were \$621.7 billion for 2007, a 5.1-percent increase from the 2006 amount. The main components of total business expenses are highlighted in Figure D. Surpassing salaries and wages (which was the largest expense item for 2006), the largest component was car and truck expenses, accounting for 13.2 percent of the total. For 2007, car and truck expenses totaled \$82.0 billion, a substantial 8.8-percent increase from 2006.

Closely following car and truck expenses, accounting for 12.8 percent of total business expenses, were salaries and wages which increased 3.0 percent from 2006 to \$79.4 billion. The next largest components were rent on business property, machinery, and equipment (6.9 percent), and depreciation (6.4 percent). For 2007, rent on business property, machin-

<sup>5</sup> Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners are neither deducted as wages paid on Schedule C, nor included as wages received on Form 1040. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.

<sup>6</sup> Business deductions include home office business deductions. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not limited and were included with other expenses, such as depreciation deductions, utilities, and other expenses on Schedule C.

# Sole Proprietorship Returns, 2007

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**Figure C**

## Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 2006 and 2007

[Money amounts are in millions of dollars]

Business deductions	2006	2007	Percentage increase
	(1)	(2)	(3)
<b>Business deductions, total [1,2]</b>	<b>1,001,097.6</b>	<b>1,044,343.4</b>	<b>4.3</b>
<b>Cost of sales and operations, total</b>	<b>409,661.0</b>	<b>422,684.5</b>	<b>3.2</b>
Inventory, beginning of year	41,101.7	44,469.6	8.2
Cost of labor	31,743.9	34,514.6	8.7
Purchases	259,992.7	264,234.8	1.6
Materials and supplies	59,699.4	61,519.0	3.0
Other costs	61,626.5	64,956.7	5.4
Inventory, end of year	44,503.2	47,010.1	5.6
<b>Business expenses, total [1]</b>	<b>591,436.6</b>	<b>621,658.9</b>	<b>5.1</b>
Advertising expenses	15,274.1	15,731.0	3.0
Car and truck expenses	75,402.4	82,023.8	8.8
Commissions	15,634.3	14,569.2	-6.8
Contract labor	34,577.9	36,674.4	6.1
Depletion	1,058.4	1,021.1	-3.5
Depreciation [3]	39,004.5	39,646.0	1.6
Employee benefit programs	2,867.7	2,909.5	1.5
Home office business deductions [3]	10,119.5	11,217.6	10.9
Depreciation, Form 8829	1,639.7	1,439.1	-12.2
Insurance	19,083.9	19,290.6	1.1
Legal and professional services	10,092.9	10,934.4	8.3
Meals and entertainment deducted	7,306.3	7,661.5	4.9
Mortgage interest	6,297.5	6,649.0	5.6
Other interest paid on business indebtedness	7,214.5	8,368.2	16.0
Office expenses	13,024.7	13,297.3	2.1
Pension and profit-sharing plans	1,276.9	1,279.7	0.2
Rent on machinery and equipment	9,350.3	9,526.5	1.9
Rent on other business property	31,229.2	33,613.2	7.6
Repairs	15,726.0	16,170.7	2.8
Salaries and wages	77,038.7	79,380.3	3.0
Supplies	32,136.9	32,325.5	0.6
Taxes paid	17,660.0	18,183.2	3.0
Travel	11,861.2	13,134.0	10.7
Utilities	23,842.8	24,856.2	4.3
Other business deductions	110,762.7	119,516.1	7.9

[1] Includes returns with Schedule C-EZ, *Net Profit from Business*, attached. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

[2] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years.

[3] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above.

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

ery, and equipment expenses increased 6.3 percent to \$43.1 billion, while depreciation expenses rose 1.6 percent to \$39.6 billion. Car and truck expenses showed the largest net increase in share of business expenses at 0.4 percentage points, up from 12.8 percent in 2006, while commissions showed the largest net decrease at 0.3 percentage points, down from 2.6 percent for 2006.

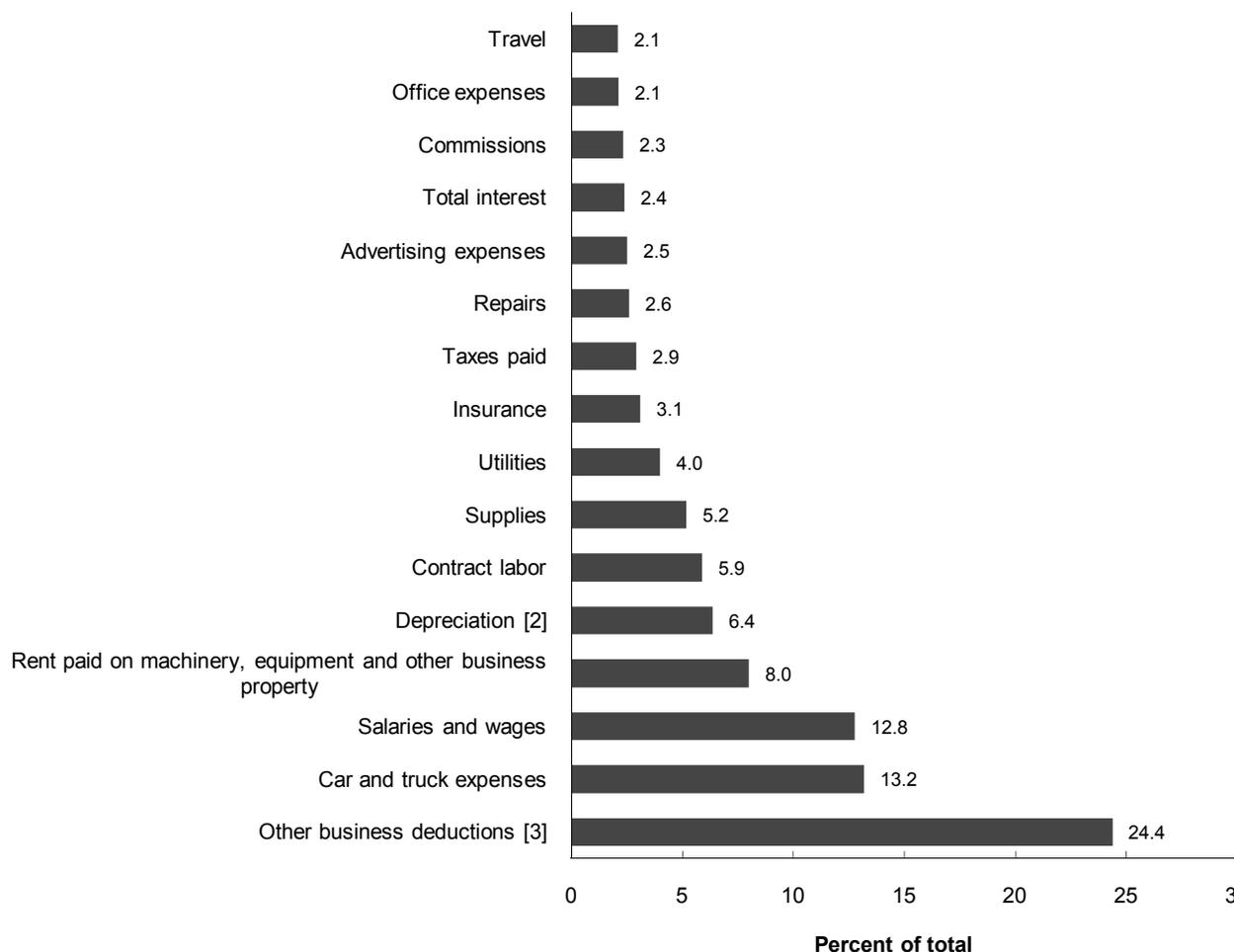
Historically, constant dollar depreciation increased every year from 1993 through 2002, with

the exception of 1995, when it decreased 1.9 percent to \$28.5 billion (Figure E).<sup>7</sup> In 2003, under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the maximum allowable section 179 deduction (which allows expensing of investment property in the year of purchase instead of depreciating it over time) vaulted from \$24,000 for 2002 to \$100,000 for 2003. This change led to constant dollar depreciation increasing by 11.7 percent for 2003, which was the highest growth in depreciation of any year between

<sup>7</sup> The increase in the depreciation deduction for 1993 may be attributed, in part, to a provision of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). The cost of certain tangible property (as described in Internal Revenue Code section 179) may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The provision of OBRA93 (related to these expenses) increased the maximum amount of investment certain small businesses could immediately deduct on property placed in service after 1992, from \$10,000 to \$17,500. Following the enactment of this provision, the 179 deduction for all individuals (not just sole proprietors) filing Form 4562, *Depreciation and Amortization*, increased 32.4 percent to \$13.5 billion for 1993.

**Figure D**

**Nonfarm Sole Proprietorship Total Business Expenses by Type of Expenses, Tax Year 2007 [1]**



[1] Total business expenses equal all business deductions minus cost of sales and operations.

[2] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above. See footnote 3 below.

[3] Depletion; employee benefit programs; legal and professional services; pension and profit-sharing plans; meals and entertainment; and home office business deductions. Other business deductions also include all Schedule C-EZ, *Net Profit from Business*, deductions (\$3.7 billion).

NOTES: Percentages are based on an estimated total business expense of \$621.7 billion. Detail may not add to 100 percent because of rounding.

1988 and 2007. But the initial jump in depreciation was offset in subsequent years by trends of decreased depreciation.

From 2004 through 2007, constant dollar declines of depreciation were witnessed for all 4 years. In 2004, constant dollar depreciation deductions decreased by 0.2 percent, marking the first drop in

9 years. This downward trend was even more evident in 2005, as constant dollar depreciation plummeted 11.8 percent, followed by decreases of 3.5 percent and 1.1 percent in 2006 and 2007, respectively. During this same 4-year period, section 179 limits gradually increased for inflation, from \$102,000 in 2004, to \$105,000

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**Figure E**

## Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1988-2007

[Money amounts are in billions of dollars]

Tax year	Current dollars			Constant dollars [1]			Percentage increase in constant dollars [1]		
	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	145.5	19.2	26.1	192.2	25.4	34.5	[3]	[3]	[3]
1989	152.4	19.7	24.5	194.0	25.1	31.2	0.9	-1.1	-9.6
1990	161.7	20.2	23.7	198.2	24.8	29.0	2.2	-1.3	-6.9
1991	162.4	20.9	23.1	192.3	24.8	27.4	-3.0	[4]	-5.8
1992	173.5	19.5	23.3	200.8	22.6	27.0	4.4	-8.8	-1.4
1993	177.0	20.5	25.0	200.3	23.2	28.3	-0.3	2.8	4.9
1994	187.8	21.0	26.2	208.1	23.3	29.0	3.9	0.3	2.6
1995	191.7	22.5	26.2	208.2	24.4	28.5	[4]	4.8	-1.9
1996	200.1	23.4	27.4	213.2	24.9	29.2	2.4	2.1	2.4
1997	210.5	23.8	28.6	220.6	25.0	30.0	3.4	0.3	2.9
1998	226.2	23.9	29.1	234.5	24.8	30.2	6.3	-0.7	0.7
1999	233.4	25.5	30.6	238.5	26.0	31.3	1.7	4.9	3.7
2000	245.2	30.5	32.2	245.2	30.5	32.2	2.8	17.3	2.8
2001	250.2	32.8	33.4	244.4	32.0	32.7	-0.3	5.0	1.4
2002	257.3	36.2	36.6	247.5	34.8	35.3	1.3	8.7	8.0
2003	269.1	38.8	41.8	253.9	36.6	39.4	2.6	5.1	11.7
2004	290.5	42.9	42.9	266.3	39.3	39.3	4.9	7.5	-0.2
2005	314.8	44.8	39.1	279.2	39.8	34.7	4.9	1.1	-11.8
2006	326.8	48.7	39.0	280.3	41.8	33.5	0.4	5.1	-3.5
2007	335.1	54.5	39.6	279.7	45.5	33.1	-0.2	8.9	-1.1

[1] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[2] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

in 2005, to \$108,000 in 2006, finally rising to \$125,000 in 2007.<sup>8, 9</sup>

Beginning with Tax Year 1992, certain smaller businesses could elect not to itemize depreciation and other business deductions by filing Schedule C-EZ, *Net Profit From Business*, a simplified version of Schedule C, *Profit or Loss From Business* (Schedule C and Schedule C-EZ are the source of sole proprietorship statistics). For Tax Year 2007, taxpayers could use Schedule C-EZ if they: had business expenses of \$5,000 or less; used the cash accounting method; had no inventories; did not report a loss from the business; had only one business as a sole proprietor; had no employees; were not required to

file Form 4562, *Depreciation and Amortization*, for the business; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and do not add to the totals.

Figure F presents the numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ, by industrial sector. For Tax Year 2007, approximately 4.4 million taxpayers filed Schedule C-EZ, marking a 9.2-percent increase from the number filed for 2006. Of returns filed for 2007 in the administrative and support services sector (the

<sup>8</sup> Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 the maximum amount of section 179 deduction (the amount of depreciable property that can be expensed for the cost of certain qualifying property) increased from \$24,000 for 2002 to \$100,000 for 2003, \$102,000 for 2004, \$105,000 for 2005, \$108,000 for 2006, and \$125,000 for 2007. For all individual tax returns that filed Form 4562, *Depreciation and Amortization*, the section 179 property deducted as an expense increased by 6.1 percent to \$47.5 billion for 2007. The Jobs Creation and Worker Assistance Act of 2002 introduced 30-percent bonus depreciation, and the Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the bonus percentage to 50 percent, for property placed in service by January 1, 2005. While bonus depreciation was available to sole proprietors, it was generally not as advantageous as immediate expensing and therefore likely had less effect on their depreciation deductions.

<sup>9</sup> The amount deducted as section 179 property on returns with Schedule C dropped slightly (by 1.3 percent) to \$21.2 billion, from 2006 to 2007. This number does not reflect depreciation solely deducted on Schedule C as it could also include depreciation taken on Schedule E, Supplemental Income and Loss, Schedule F, Profit or Loss from Farming, and Form 4835, Farm Rental Income and Expenses.

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**Figure F**

## All Nonfarm Sole Proprietorship Returns and Those with Schedule C-EZ, by Selected Industrial Sectors, Tax Year 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All nonfarm industries</b>	<b>23,122.7</b>	<b>4,399.5</b>	<b>19.0</b>	<b>1,324,403.1</b>	<b>31,215.2</b>	<b>2.4</b>	<b>1,044,343.4</b>	<b>3,679.9</b>	<b>0.4</b>
Construction	2,931.1	470.8	16.1	230,835.1	3,626.9	1.6	195,237.8	372.2	0.2
Wholesale trade (merchant wholesalers)	340.4	41.7	12.3	50,447.2	319.1	0.6	45,646.3	25.1	0.1
Retail trade	2,436.3	246.7	10.1	198,881.1	1,225.3	0.6	189,472.4	243.0	0.1
Transportation and warehousing	1,154.8	159.4	13.8	82,138.4	1,353.8	1.6	71,219.2	149.5	0.2
Finance and insurance	726.0	91.7	12.6	93,984.4	793.1	0.8	73,827.1	99.1	0.1
Real estate and rental and leasing	1,393.4	107.6	7.7	70,954.8	1,078.8	1.5	48,684.6	128.0	0.3
Professional, scientific, and technical services	3,234.5	534.9	16.5	169,272.7	5,144.9	3.0	97,752.0	532.0	0.5
Administrative and support and waste management and remediation services	2,251.0	629.9	28.0	60,343.2	4,108.7	6.8	43,914.2	497.6	1.1
Health care and social assistance	2,016.4	526.9	26.1	115,531.9	4,160.0	3.6	69,484.3	368.1	0.5
Arts, entertainment, and recreation	1,283.3	262.1	20.4	31,043.7	1,244.2	4.0	23,451.6	235.0	1.0
Other services	2,416.2	528.5	21.9	84,794.5	4,065.3	4.8	65,566.8	526.9	0.8
<b>All other industries</b>	<b>2,939.2</b>	<b>799.5</b>	<b>27.2</b>	<b>136,176.1</b>	<b>4,095.2</b>	<b>3.0</b>	<b>120,087.0</b>	<b>503.4</b>	<b>0.4</b>

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.

NOTES: Certain smaller sole proprietorships could elect not to itemize business deductions by filing Schedule C-EZ, Net Profit From Business. See the text of this article for a full list of the requirements to be eligible to file Schedule C-EZ. Detail may not add to totals because of rounding. Percentages were calculated before rounding.

largest filers of this schedule), taxpayers filed over 0.6 million Schedule C-EZ returns, or 28.0 percent of the total for that sector.<sup>10</sup> For 2007, business receipts from Schedule C-EZ filers totaled \$31.2 billion, or 2.4 percent of total business receipts reported. Business deductions reported on Schedule C-EZ returns accounted for only 0.4 percent of total business deductions for all industries, or \$3.7 billion of the total \$1,044.3 billion. Despite having the largest concentration of Schedule C-EZ filers, deductions reported on Schedule C-EZ by the administrative and support services sector accounted for only 1.1 percent of that sector's total business deductions.

### Profits and Losses

For 2007, many of the largest principal industrial sectors reported either modestly increased or decreased sole proprietorship profits (net income less deficit). Figure B presents total profits for all industries (in both current and constant dollars) since 1988, while Figure G presents profits by industrial sector for 2006 and 2007.<sup>11</sup> Total profits increased 0.9 percent, from \$278.0 billion for 2006 to \$280.6 billion for 2007.

The professional, scientific, and technical services sector, which had the highest percentage of total profits of all nonfarm sole proprietorships with 25.5

percent, reported the highest dollar increase in profits (\$4.6 billion) and the largest percentage increase in profits (6.8 percent). A moderately smaller sector, the health care and social assistance sector, reported

**Figure G**

## Nonfarm Sole Proprietorship Profits, by Selected Industrial Sectors, Tax Years 2006 and 2007

[Money amounts are in billions of dollars]

Industrial sector	Net income less deficit (profits)		
	2006	2007	Percentage increase
	(1)	(2)	(3)
<b>All nonfarm industries</b>	<b>278.0</b>	<b>280.6</b>	<b>0.9</b>
Construction	37.6	35.7	-5.1
Specialty trade contractors	28.7	27.9	-2.9
Wholesale trade (merchant wholesalers)	4.8	4.8	-0.7
Retail trade	9.0	9.5	5.4
Transportation and warehousing	10.8	11.0	1.4
Finance and insurance	19.5	20.2	3.4
Real estate and rental and leasing	27.2	22.3	-17.7
Real estate	27.1	22.2	-18.1
Professional, scientific, and technical services	67.0	71.6	6.8
Administrative and support and waste management and remediation services	16.2	16.5	1.7
Health care and social assistance	44.5	46.1	3.5
Child day care services	4.0	4.6	15.2
Arts, entertainment, and recreation	7.1	7.6	6.2
Performing arts, spectator sports, and related industries	6.0	7.3	22.5
Other services	18.0	19.2	6.8
Personal and laundry services	11.3	12.7	12.3
<b>All other industries</b>	<b>16.2</b>	<b>16.2</b>	<b>-0.4</b>

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

<sup>10</sup> Based on NAICS, the full name of the administrative and support services sector is administrative and support and waste management and remediation services sector. The waste management and remediation services portion makes up a small percentage of the overall numbers reported under this classification, which are detailed in Table I.

<sup>11</sup> Net income minus deficit (loss) before Federal income tax yields profits. Proprietors compute their tax on total taxable income, which includes their business profits, plus any other income.

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the second largest dollar increase in profits for 2007 at \$1.6 billion.

Interestingly, the real estate and rental and leasing sector, which reported the largest percentage increase in profits for 2005 (19.4 percent), reported the largest decrease in profits for 2006 with a drop of 18.5 percent. This trend continued through 2007 with another massive decrease of 17.7 percent. The industry has lost 33.0 percent of its profits in the 2-year period of 2006-2007. The only other sectors to show decreases in net profits for 2007 were the construction and wholesale trade sectors, which reported 5.1-percent and 0.7-percent decreases, respectively.

In constant dollars, total profits decreased 1.8 percent for 2007, marking a larger decline than the 0.4-percent decrease in 2006 (Figure B). Profits as a percentage of business receipts also decreased for 2007. Figure H displays net income less deficits as a percentage of business receipts for 1988 through 2007. In general, this percentage has increased slightly from a low of 18.8 percent for 1988. Profits as a percentage of business receipts have remained

between 20.7 percent and 22.1 percent over the last 16 years, peaking in 2005. In 2007, this percentage dropped 0.5 percent down to its current 21.2 percent. Figure E presents net income and deficit separately for 1988 through 2007, in current and constant dollars. For 2007, net income (in constant dollars) decreased 0.2 percent, and net deficit (in constant dollars) increased by 8.9 percent.

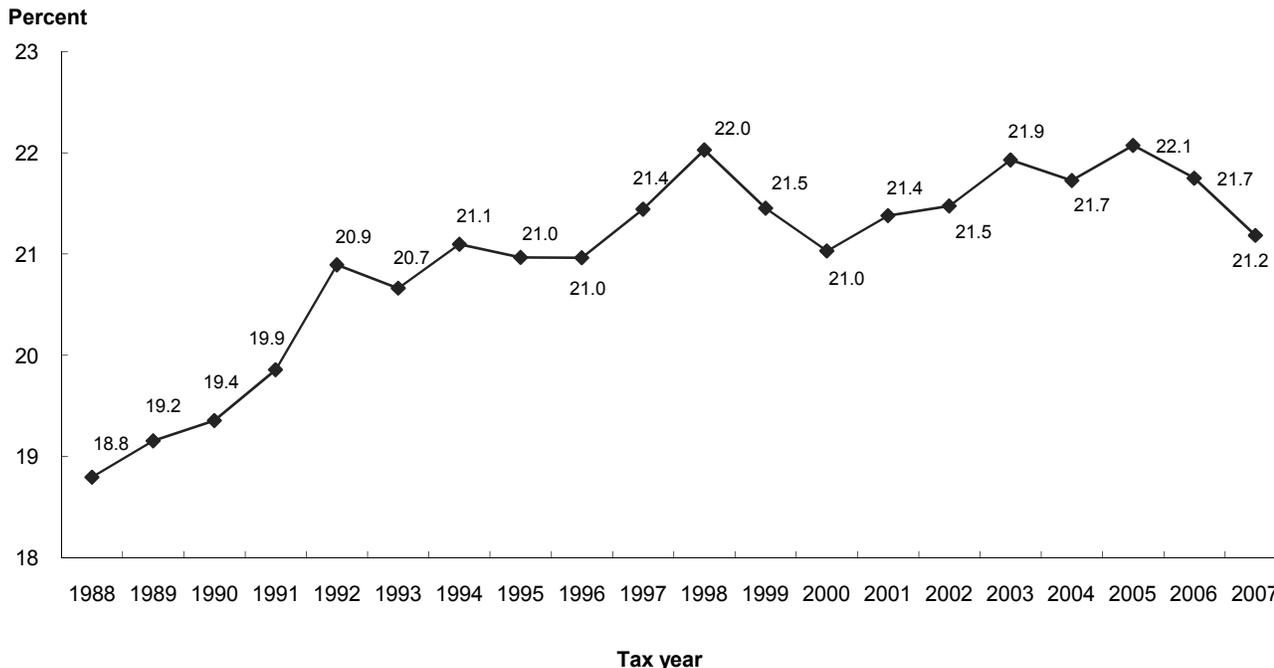
### Industries

Using receipts as a measure of business size, Figures A and I show that construction was the largest sole proprietorship industrial sector for 2007, with 17.4 percent of all business receipts (the fourth year in a row that this sector was largest). Total receipts for the construction sector, at \$230.8 billion, were 2.4 percent lower than the \$236.4 billion reported for 2006, while deductions decreased by 1.9 percent, resulting in a 5.1-percent decrease in profits to \$35.7 billion (see Figure G).

Besides construction, only one other major sector, the real estate sector, experienced a decline in business receipts for 2007. Despite the decline

**Figure H**

### Nonfarm Sole Proprietorship Net Income Less Deficit (Profits) as a Percentage of Business Receipts, Tax Years 1988-2007



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for both of these sectors, together they still represented 22.8 percent of all nonfarm industry business receipts.

The second largest industrial sector was retail trade, with receipts totaling \$198.9 billion. This amount was 15.0 percent of all sole proprietorship receipts for 2007, and it represented a 2.2-percent increase from the 2006 amount. Deductions and profits also increased in this sector by 2.0 percent and 5.4 percent, respectively. Retail trade profits totaled \$9.5 billion for 2007.

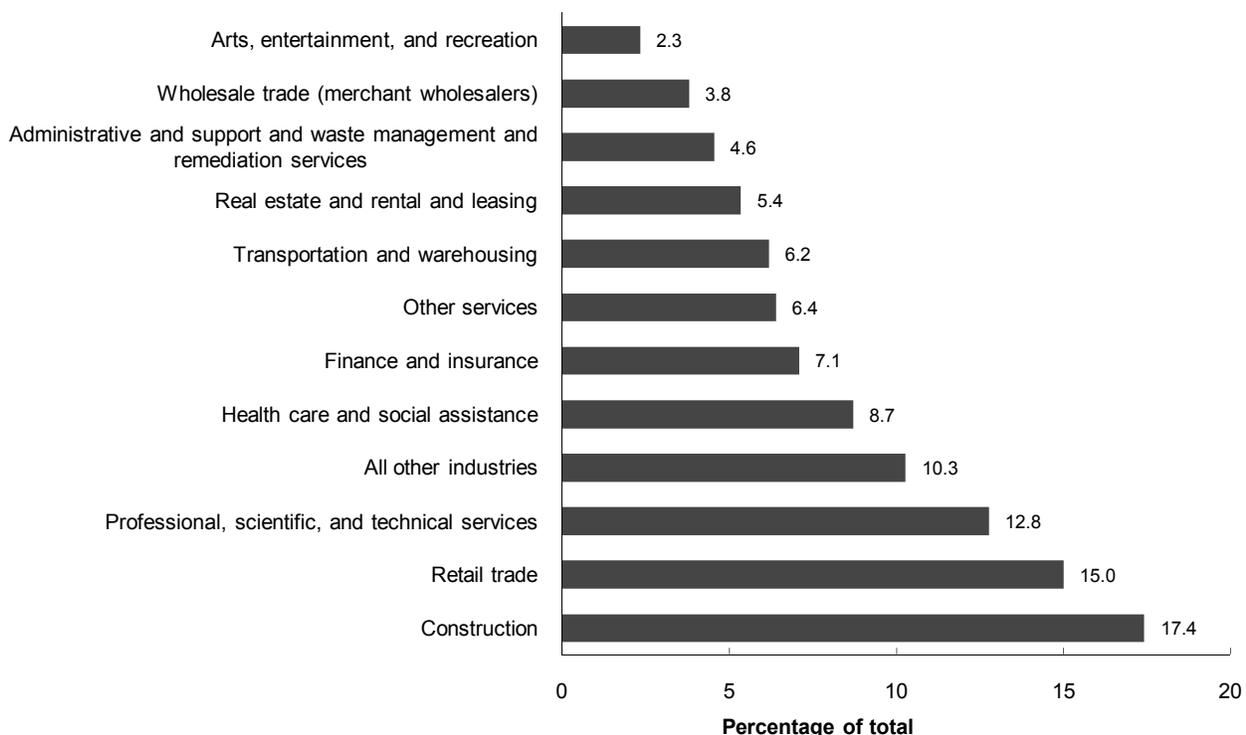
The third largest sector was professional, scientific, and technical services, which accounted for 12.8 percent of sole proprietorship receipts for 2007. Receipts increased 8.5 percent to \$169.3 billion, and deductions increased 9.7 percent to \$97.8 billion. Although this sector was just the third largest in terms of business receipts, the professional, scientific, and technical services sector had the largest percentage

of sole proprietorship profits, with 25.5 percent (see Figure J). For 2007, the professional, scientific, and technical services sector's profits went from \$67.0 billion to \$71.6 billion, a 6.8-percent increase from 2006. The sector with the second largest profits was health care and social assistance. These profits rose to \$46.1 billion for 2007, a 3.5-percent increase from 2006, and represented 16.4 percent of all sole proprietorship profits. This was followed by construction (12.7 percent, as cited above) and real estate and rental and leasing (8.0 percent) in terms of overall sole proprietor profits.

Tax Year 2001 is the first year in which data became available on the number of Limited Liability Companies (LLCs) among sole proprietorship returns. LLCs have the limited liability of corporations but may be taxed as sole proprietorships—income and expenses flow through to the owner to be taxed—if they are owned by a single, individual

**Figure I**

**Nonfarm Sole Proprietorship Total Business Receipts, by Selected Industrial Sectors, Tax Year 2007**



NOTES: Percentages are based on estimated total business receipts of \$1.3 trillion. Detail may not add to 100 percent because of rounding.

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member. In 2001, there were approximately 126,000 sole proprietorship returns that indicated status as an LLC (Figure K). This increased by 15.3 percent for 2002, 51.3 percent for 2003, 40.4 percent for 2004, 47.2 percent for 2005, and 33.2 percent for 2006.

Increases in the actual number of LLCs also help illustrate the trend over the last few years. The count of LLCs increased by approximately 146,000 from 2004-2005, 151,000 from 2005-2006, and 140,000 from 2006-2007. For Tax Year 2007, the number of these sole proprietorships rose to approximately 750,000, a 23.1-percent increase from 2006. The 2007 level of LLCs among sole proprietorship returns accounts for 3.2 percent of total nonfarm sole proprietorships, with the total number of returns with LLCs having increased nearly sixfold since 2001.

## Summary

Profits for the 23.1 million returns with sole proprietorship activity for Tax Year 2007 grew by 0.9

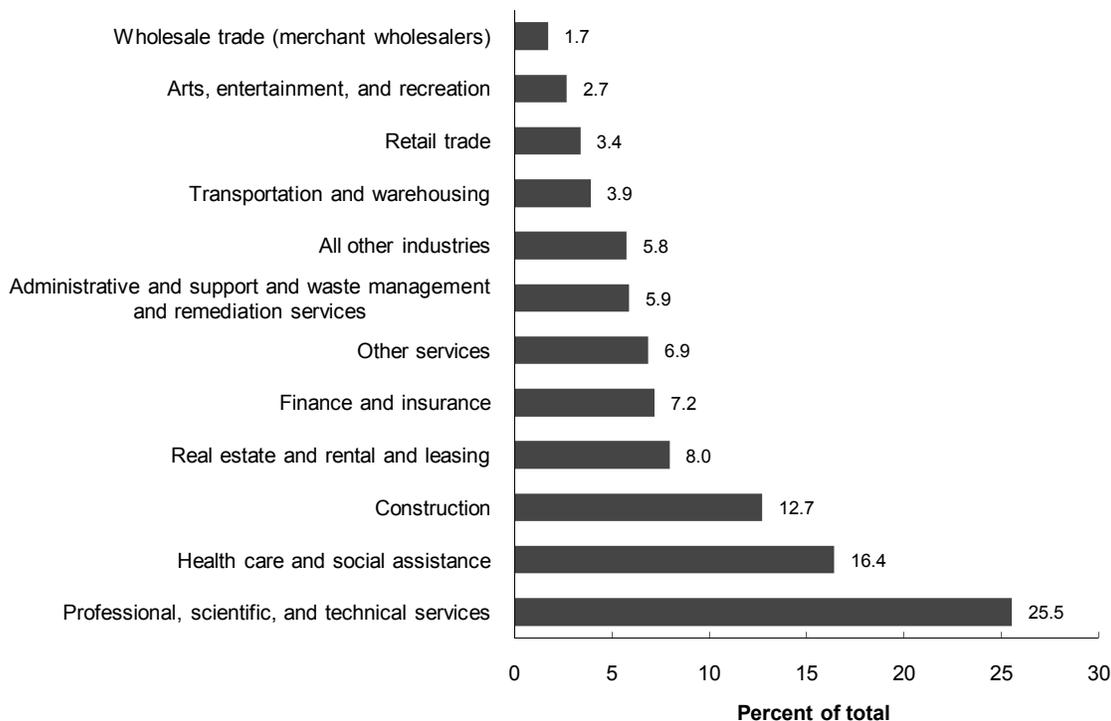
percent to a level of \$280.6 billion. In constant dollars, total nonfarm sole proprietorship profits decreased 1.8 percent, after decreasing 0.4 percent in 2006. This was the first time since before 1988 that profits (in constant dollars) have decreased in 2 consecutive years.

The professional, scientific, and technical services sector had the largest profits of any sector at \$71.6 billion, representing 25.5 percent of total sole proprietorship profits, followed by the health care and social assistance sector at \$46.1 billion, or 16.4 percent of total profits. For all sole proprietorships, receipts and deductions increased 3.6 percent and 4.3 percent, respectively.

The largest sole proprietorship industrial sector, based on business receipts, was the construction sector, accounting for 17.4 percent of receipts. This sector reported a 2.4-percent decrease in 2007. The finance and insurance sector showed the largest percentage increase in both receipts and deductions,

**Figure J**

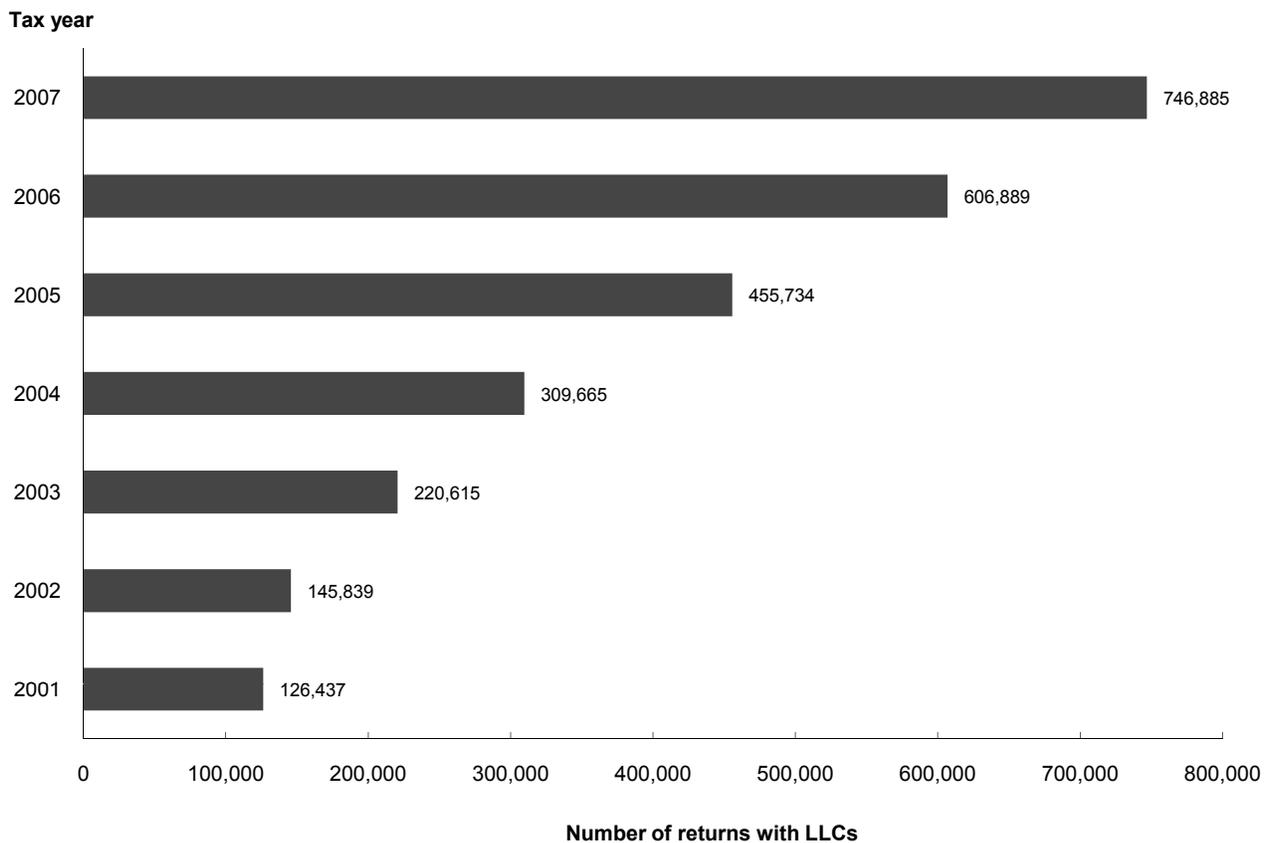
**Nonfarm Sole Proprietorship Total Business Profits, by Selected Industrial Sectors, Tax Year 2007**



NOTES: Percentages are based on estimated total business profits of \$280.6 billion. Detail may not add to 100 percent because of rounding. "Profits" is a designation for "net income less deficit," shown elsewhere in this article.

**Figure K**

**Number of Nonfarm Sole Proprietorships Registered as Limited Liability Companies (LLCs), Tax Years 2001-2007**



reporting a 14.1-percent increase in receipts and a 17.3-percent increase in deductions. Filings of Schedules C-EZ increased 9.2 percent in 2007, more than double the 4.0-percent increase for 2006.

The industrial sector experiencing the most significant downturn in both profits and receipts from Tax Years 2006 to 2007 was the real estate and rental and leasing sector. After reporting the largest percentage decline in profits in 2006 at 18.5 percent, the real estate and rental and leasing sector continued this trend by reporting a 17.7-percent drop in profits for 2007. Likewise, this sector reported the biggest decrease in business receipts for both 2006 and 2007, with declines of 6.9 percent and 8.0 percent, respectively.

**Data Sources and Limitations**

The 2007 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Form 1040 (including electronically filed returns), processed by the Internal Revenue Service during Calendar Year 2008. Returns in the sample were stratified based on: (1) the presence or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, or Schedule C-EZ, *Net Profit From Business*, and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., adjusted gross income before statutory adjustments); and (3) tax year.

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Returns were selected at rates that ranged from 0.1 percent to 100 percent. The 2007 nonfarm sole proprietorship data are based on a sample of 90,983 returns and a population of 23,516,241 returns.<sup>12</sup> The corresponding sample and population for 2006 data were 88,619 and 22,407,707, respectively.

Since the data in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data estimates provided, the magnitude of the potential sampling error

must be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure L presents estimated CVs for the number of returns and money amounts for selected items and industrial sectors. Generally, the smaller the CV, the more reliable the estimate is judged to be. SOI Sampling Methodology and Data Limitation in this issue of the *Bulletin* discusses the reliability of estimates based on samples, and the use of CVs for evaluating the precision of estimates based on samples.

**Figure L**

## Nonfarm Sole Proprietorships: Coefficients of Variation for Selected Items, by Selected Industrial Sectors, Tax Year 2007

[Coefficients of variation are in percentages]

Industrial sector	Coefficients of variation				
	Total business receipts (1)	Total business deductions (2)	Depreciation [1] (3)	Net income (4)	Deficit (5)
<b>All nonfarm industries</b>	<b>0.53</b>	<b>0.60</b>	<b>1.21</b>	<b>0.75</b>	<b>1.33</b>
Construction	1.88	1.98	3.37	2.24	4.78
Specialty trade contractors	2.23	2.37	3.94	2.53	6.21
Wholesale trade (merchant wholesalers)	4.44	4.55	9.30	6.54	10.68
Retail trade	2.04	2.03	4.01	3.45	3.69
Transportation and warehousing	2.59	2.66	3.99	3.46	6.01
Finance and insurance	1.90	1.75	7.39	3.83	5.84
Real estate and rental and leasing	2.57	2.81	4.68	3.15	4.30
Real estate	2.63	2.91	4.95	3.21	4.57
Professional, scientific, and technical services	1.69	1.96	3.55	1.96	3.99
Administrative and support and waste management and remediation services	2.88	3.34	5.44	2.85	5.84
Health care and social assistance	1.86	2.01	3.96	2.23	7.63
Child day care services	4.53	5.84	14.17	4.30	13.68
Arts, entertainment, and recreation	3.20	3.15	5.28	4.43	5.09
Performing arts, spectator sports, and related industries	3.65	3.59	6.26	4.76	5.84
Other services	2.55	2.82	4.50	2.82	5.29
Personal and laundry services	3.05	3.39	6.11	3.52	6.91
All other industries	2.10	2.16	3.19	2.83	3.32

[1] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

<sup>12</sup> The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Product calculations. In addition, data from amended returns and tentative returns are not reflected in these statistics.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All nonfarm industries</b>	<b>23,122,698</b>	<b>1,324,403,080</b>	<b>41,085,109</b>	<b>9,526,481</b>	<b>33,613,237</b>	<b>15,017,165</b>	<b>113,894,900</b>	<b>280,557,010</b>
<b>Agriculture, forestry, hunting, and fishing</b>	<b>301,280</b>	<b>17,747,925</b>	<b>1,662,460</b>	<b>127,994</b>	<b>213,486</b>	<b>315,084</b>	<b>1,726,477</b>	<b>668,372</b>
Animal production (including breeding of cats and dogs)	53,941	1,766,020	270,803	5,606	13,411	26,253	57,392	-547,398
Forestry and logging (including forest nurseries, timber tracts)	51,332	5,208,334	566,723	51,690	18,634	100,394	514,050	303,534
Fishing	63,216	2,334,905	287,494	24,762	29,888	47,527	58,929	409,418
Hunting and trapping	10,480	380,277	47,407	* 400	19,428	13,913	43,509	20,558
Support activities for agriculture and forestry	122,312	8,058,389	490,033	45,536	132,124	126,997	1,052,598	482,260
<b>Mining</b>	<b>126,578</b>	<b>12,534,266</b>	<b>932,584</b>	<b>39,597</b>	<b>46,426</b>	<b>191,470</b>	<b>621,265</b>	<b>1,624,615</b>
Oil and gas extraction	104,284	9,632,432	693,784	16,421	34,410	133,658	294,329	1,119,626
Coal mining	408	71,712	* 2,431	* 178	* 52	* 1,420	* 22,837	5,079
Metal ore mining	* 1,028	* 1,432	* 465	* 6	* 64	0	* 853	* -3,125
Nonmetallic mineral mining and quarrying	3,487	920,554	89,650	12,879	* 1,377	36,448	98,463	59,401
Support activities for mining	17,371	1,908,136	146,254	10,113	10,522	19,944	204,784	443,634
<b>Utilities</b>	<b>10,131</b>	<b>565,214</b>	<b>43,026</b>	<b>3,422</b>	<b>* 1,251</b>	<b>* 2,898</b>	<b>* 48,030</b>	<b>39,999</b>
<b>Construction</b>	<b>2,931,110</b>	<b>230,835,068</b>	<b>7,405,931</b>	<b>1,430,225</b>	<b>1,605,321</b>	<b>2,229,835</b>	<b>28,245,886</b>	<b>35,667,000</b>
Residential building construction	423,433	50,209,133	1,031,201	204,865	227,167	638,433	5,314,015	5,823,813
Nonresidential building construction	83,005	10,828,766	259,869	103,428	63,135	122,482	1,299,384	1,160,688
Heavy and civil engineering construction	77,303	10,069,553	551,879	82,850	43,512	311,450	778,191	827,809
Specialty trade contractors	2,347,369	159,727,616	5,562,981	1,039,082	1,271,506	1,157,471	20,854,295	27,854,691
<b>Manufacturing</b>	<b>362,390</b>	<b>29,248,316</b>	<b>1,213,735</b>	<b>168,357</b>	<b>961,775</b>	<b>382,243</b>	<b>3,647,550</b>	<b>3,031,757</b>
Food manufacturing	44,984	3,864,513	112,566	25,687	85,316	55,148	363,340	73,829
Textile and textile product mills	7,690	407,370	15,916	* 3,174	15,815	* 3,562	* 70,389	-15,707
Apparel	28,809	1,287,983	39,265	4,904	63,083	4,700	189,457	86,798
Leather and allied products	* 3,084	* 46,456	* 445	0	* 21	* 9	* 5,067	* 13,944
Wood products	35,852	2,692,662	148,899	25,703	48,184	37,072	355,833	269,548
Paper products	* 1,060	* 47,083	* 611	* 518	* 341	* 1,089	* 4,460	* -3,163
Printing and related support activities	34,903	2,704,692	114,102	16,086	154,754	49,923	323,061	321,191
Petroleum and coal products	390	38,627	* 3,153	0	* 2	* 2,407	* 2,142	-1,296
Chemical manufacturing	8,802	591,406	19,820	2,354	11,265	16,397	103,303	51,638
Plastics, rubber, clay, refractory, and glass products	15,217	781,386	11,072	* 3,215	52,301	7,264	76,914	104,589
Nonmetallic mineral products	4,392	769,424	37,771	* 2,944	* 9,697	7,410	106,278	66,711
Primary metal industries	5,141	642,314	48,738	* 749	* 29,924	* 12,840	* 115,022	133,096
Fabricated metal products	28,120	4,070,630	204,476	26,072	148,710	45,089	616,886	481,095
Machinery	24,113	3,299,982	223,568	6,415	95,576	44,372	368,142	506,170
Computer and electronic products	9,846	165,642	9,878	0	* 3,430	* 612	* 5,105	4,338
Electrical equipment, appliances, and components	7,097	633,672	4,399	* 6,536	9,013	3,491	72,354	74,534
Transportation equipment	8,630	952,524	18,165	* 15,357	45,949	18,982	183,614	4,100
Furniture and related products	22,074	2,028,453	62,683	8,524	81,827	20,372	233,490	374,546
Medical equipment and supplies	11,759	885,652	13,471	* 1,245	18,383	8,148	34,415	140,275
Other miscellaneous manufacturing	60,426	3,337,846	124,736	18,873	88,185	43,355	418,278	345,524
<b>Wholesale trade (merchant wholesalers)</b>	<b>340,373</b>	<b>50,447,175</b>	<b>619,130</b>	<b>180,906</b>	<b>721,017</b>	<b>424,760</b>	<b>1,838,745</b>	<b>4,815,862</b>
Durable goods, including machinery, wood, metals, etc.	153,562	22,090,048	348,161	122,407	378,813	211,444	949,175	1,966,219
Nondurable goods, including food, fiber, chemicals, etc.	114,362	21,346,578	221,361	38,791	245,195	181,620	678,117	1,608,303
Wholesale electronic markets and agents and brokers	72,449	7,010,549	49,608	19,709	97,010	31,695	211,453	1,241,340

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Retail trade</b>	<b>2,436,291</b>	<b>198,881,138</b>	<b>2,781,246</b>	<b>687,456</b>	<b>6,140,304</b>	<b>2,117,264</b>	<b>11,336,292</b>	<b>9,493,005</b>
Motor vehicle and parts dealers	145,975	41,039,684	371,653	36,270	564,151	462,911	1,781,794	1,142,983
Furniture and home furnishing stores	48,991	5,179,294	63,989	32,369	318,225	72,841	431,513	292,420
Electronic and appliance stores	35,679	4,053,726	90,996	20,273	149,007	62,281	408,172	160,183
Building material and garden equipment and supplies dealers	51,802	8,805,474	187,740	28,685	102,268	147,466	854,033	663,491
Food and beverage stores	82,127	26,901,682	242,563	106,478	780,588	209,733	1,789,644	833,826
Health and personal care stores	145,056	8,884,316	107,100	78,512	273,327	75,292	535,297	715,129
Gasoline stations	18,245	25,622,478	186,311	36,983	300,219	199,481	1,101,956	183,671
Clothing and accessories stores	140,659	10,622,326	160,874	85,110	919,302	115,986	717,193	488,313
Sporting goods, hobby, book, and music stores	110,577	7,325,799	142,166	8,302	399,846	82,060	436,105	48,541
General merchandise stores	28,886	2,969,973	73,156	20,644	152,046	45,245	167,108	53,049
Miscellaneous store retailers	570,299	33,568,539	574,216	167,279	1,741,870	436,145	2,312,494	2,867,432
Nonstore retailers	1,057,997	23,907,848	580,481	66,551	439,455	207,823	800,983	2,043,966
<b>Transportation and warehousing</b>	<b>1,154,819</b>	<b>82,138,420</b>	<b>5,767,718</b>	<b>2,211,303</b>	<b>539,256</b>	<b>1,211,633</b>	<b>5,210,337</b>	<b>10,963,923</b>
Air and rail transportation	12,672	1,654,862	374,397	13,005	23,055	109,656	64,926	-102,235
Water transportation	6,840	541,453	98,796	* 2,948	11,741	24,791	33,741	131,405
General freight trucking, local	241,130	20,571,116	1,575,578	383,866	107,866	315,549	1,809,311	2,731,105
General freight trucking, long distance and specialized freight trucking	401,096	42,181,814	3,000,386	1,063,719	174,809	558,448	2,198,411	4,655,023
Urban transit	0	0	0	0	0	0	0	0
Interurban and rural bus transportation	6,933	46,014	* 3,053	0	0	* 9	* 161	19,131
Taxi and limousine service	165,333	4,995,671	166,756	554,426	75,891	72,160	171,307	1,293,614
School, employee, and charter bus industry	19,583	884,658	56,254	* 23,293	3,715	33,676	64,580	197,161
Other transit and ground passenger transportation	22,932	522,454	22,935	* 610	* 4,513	* 5,144	* 53,621	50,994
Pipeline transportation	* 658	* 75,754	* 23,006	0	0	* 1,181	* 228	* -19,872
Scenic and sightseeing transportation	11,945	290,148	66,858	* 7,376	16,768	10,122	13,043	-28,030
Support activities for transportation (including motor vehicle towing)	50,663	3,469,136	254,133	68,963	51,881	44,965	385,650	411,338
Couriers and messengers	211,571	6,492,314	105,803	87,947	27,044	15,771	380,019	1,559,154
Warehousing and storage facilities	3,464	413,027	19,763	5,151	41,975	20,163	35,340	65,136
<b>Information</b>	<b>351,710</b>	<b>10,208,162</b>	<b>391,134</b>	<b>114,680</b>	<b>260,729</b>	<b>95,930</b>	<b>678,387</b>	<b>2,562,634</b>
Publishing industries (except Internet)	74,591	2,191,455	36,955	7,277	52,075	19,526	248,215	521,802
Motion picture and sound recording	107,185	3,124,813	231,978	39,651	96,848	37,262	156,812	648,122
Broadcasting (except Internet) and telecommunications	43,023	2,184,904	63,208	47,505	58,871	27,720	157,168	377,497
Internet publishing and broadcasting	9,242	238,069	6,846	* 629	20,649	* 682	* 22,286	20,248
Internet service providers, Web search portals, and data processing	117,669	2,468,921	52,148	19,618	32,285	10,740	93,906	994,965
<b>Finance and insurance</b>	<b>726,002</b>	<b>93,984,377</b>	<b>996,691</b>	<b>252,981</b>	<b>1,459,668</b>	<b>757,552</b>	<b>4,724,618</b>	<b>20,173,777</b>
Credit intermediation and related activities	102,497	4,910,013	138,877	40,286	122,407	84,112	378,278	1,054,445
Securities, commodity contracts, and other financial investments	181,676	58,505,410	278,246	82,269	452,478	418,220	1,747,955	6,995,452
Investment bankers and securities dealers	5,320	2,089,698	7,009	4,383	22,260	20,399	43,438	364,208
Securities brokers	16,657	4,050,726	25,755	18,431	40,495	21,140	162,705	857,082
Commodity contracts brokers and dealers	4,709	793,477	7,092	2,715	27,667	7,729	86,105	14,460
Securities and commodity exchanges	1,409	688,440	933	0	* 430	29,879	* 2,579	-57,276
Other financial investment activities (investment advice)	153,579	50,883,069	237,457	56,741	361,625	339,072	1,453,127	5,816,977
Insurance agents, brokers, and related activities	441,829	30,568,954	579,567	130,426	884,783	255,220	2,598,385	12,123,880
Insurance agencies and brokerages	328,276	26,335,688	497,399	114,645	820,280	211,590	2,440,604	10,314,637
Other insurance-related activities	113,553	4,233,266	82,169	15,781	64,503	43,630	157,781	1,809,243

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Real estate and rental and leasing</b>	<b>1,393,424</b>	<b>70,954,832</b>	<b>2,862,096</b>	<b>516,272</b>	<b>1,250,986</b>	<b>1,692,992</b>	<b>2,388,076</b>	<b>22,335,602</b>
Real estate	1,336,767	66,927,293	1,805,994	460,539	1,149,118	1,487,742	2,019,008	22,158,626
Lessors of real estate (including miniwarehouses and self storage)	39,944	1,341,797	183,204	9,692	14,080	363,623	62,989	-127,456
Offices of real estate agents, brokers, property managers, and appraisers	1,056,026	49,007,711	1,193,908	389,439	877,832	614,867	1,291,147	19,671,820
Other activities related to real estate	240,797	16,577,785	428,882	61,408	257,206	509,252	664,872	2,614,262
Rental and leasing services	56,656	4,027,538	1,056,102	55,732	101,868	205,250	369,068	176,975
Automotive equipment rental and leasing	17,698	652,711	220,005	3,796	11,467	36,100	23,115	26,582
Consumer electronics and appliances rental	* 10	* 12,259	* 6,849	* 5	* 70	* 1,794	* 1,366	* -2,023
Formal wear and costume rental	* 79	* 47,509	* 2,221	0	* 3,900	* 268	* 8,554	* 2,474
Videotape and disc rental	3,538	544,107	* 16,806	* 426	42,205	* 7,084	* 75,522	52,956
General rental centers and other consumer goods rental	15,820	959,760	164,767	12,873	28,799	24,445	126,814	84,761
Commercial and industrial machinery and equipment rental and leasing	19,512	1,811,193	645,454	38,631	15,426	135,560	133,697	12,225
<b>Professional, scientific, and technical services</b>	<b>3,234,542</b>	<b>169,272,699</b>	<b>4,301,618</b>	<b>916,230</b>	<b>3,929,938</b>	<b>1,137,409</b>	<b>12,758,206</b>	<b>71,608,966</b>
Legal services	363,321	38,716,955	501,614	214,968	1,734,106	255,263	4,253,225	16,676,401
Offices of certified public accountants	46,084	4,203,407	80,506	34,806	169,264	53,004	630,407	1,841,417
Other accounting services	330,229	8,210,291	238,345	51,089	260,422	109,697	842,598	3,117,258
Architectural, engineering, and related services	275,602	16,193,715	557,303	80,045	248,713	86,955	1,919,886	5,682,629
Architectural services	99,885	7,741,906	255,464	44,213	149,745	42,606	1,150,884	1,924,217
Engineering services	97,556	5,798,047	190,579	29,664	68,782	29,972	545,117	2,467,909
Drafting, building inspections, and geophysical surveying	60,757	1,696,841	70,426	1,703	* 13,918	9,175	74,195	899,800
Surveying and mapping (except geophysical) services	13,342	767,444	35,188	* 4,458	12,656	3,312	126,125	331,877
Testing laboratories	4,062	189,477	* 5,646	* 7	* 3,611	* 1,889	* 23,565	58,826
Specialized design services	241,885	9,336,822	240,449	39,045	193,636	74,628	459,496	2,112,466
Computer systems design services	254,014	9,986,914	281,266	70,500	117,678	49,033	662,278	4,424,493
Other professional, scientific, and technical services	1,723,407	82,624,594	2,402,135	425,776	1,206,119	508,829	3,990,315	37,754,303
Management, scientific, and technical consulting services	951,886	46,147,399	1,122,019	224,038	503,884	262,494	1,487,592	25,573,080
Scientific research and development services	34,241	1,952,860	76,001	7,204	34,015	20,803	155,479	580,242
Advertising and related services	120,617	7,163,497	183,550	33,691	102,311	31,200	261,565	2,039,822
Market research and public opinion polling	38,676	1,133,673	15,502	3,784	17,971	* 4,938	51,557	404,539
Other miscellaneous services	577,987	26,227,165	1,005,062	157,060	547,939	189,395	2,034,122	9,156,620
<b>Administrative and support and waste management and remediation services</b>	<b>2,251,002</b>	<b>60,343,203</b>	<b>2,510,007</b>	<b>574,509</b>	<b>735,747</b>	<b>536,144</b>	<b>6,782,100</b>	<b>16,485,611</b>
Administrative and support services	2,224,802	58,044,464	2,279,068	551,101	711,980	496,152	6,605,914	16,239,510
Waste management and remediation services	26,200	2,298,739	230,939	23,408	23,767	39,992	176,186	246,101
<b>Educational services</b>	<b>596,859</b>	<b>9,074,803</b>	<b>257,360</b>	<b>61,148</b>	<b>495,539</b>	<b>70,348</b>	<b>381,509</b>	<b>2,879,254</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Health care and social assistance</b>	<b>2,016,418</b>	<b>115,531,863</b>	<b>2,854,845</b>	<b>618,363</b>	<b>4,996,625</b>	<b>1,291,848</b>	<b>16,543,623</b>	<b>46,056,668</b>
Ambulatory health care services	997,226	95,393,542	2,214,124	524,328	4,459,344	866,957	14,193,024	39,676,719
Offices of physicians (except mental health specialists)	194,531	33,463,588	618,214	201,483	1,359,942	199,914	4,374,658	15,722,884
Offices of physicians, mental health specialists	31,439	2,981,198	48,205	19,528	180,032	19,771	163,007	1,772,180
Offices of dentists	93,114	29,798,435	950,066	113,182	1,160,022	377,224	6,484,255	10,300,714
Offices of chiropractors	37,789	4,655,464	108,285	41,793	420,194	71,635	520,633	1,728,493
Offices of optometrists	18,985	3,345,930	80,990	33,716	179,463	24,780	563,241	921,544
Offices of mental health practitioners and social therapists	174,713	8,392,904	146,918	30,720	593,835	23,958	585,816	4,482,638
Offices of podiatrists	6,388	1,006,518	16,668	3,518	123,725	9,052	125,890	326,184
Outpatient care centers and other miscellaneous health practitioners	156,836	5,023,852	130,086	30,138	259,546	50,000	300,066	2,149,463
Medical and diagnostic laboratories	31,782	1,462,086	43,149	7,190	63,671	17,374	209,568	404,558
Home health care services	224,827	4,238,804	55,258	33,194	92,636	66,102	716,584	1,535,676
Other ambulatory health care services (including ambulance services, blood and organ banks)	26,822	1,024,763	16,285	9,866	26,279	7,146	149,307	332,386
Hospitals	8,834	469,307	5,567	* 1,601	* 5,585	* 1,759	* 69,898	253,826
Nursing and residential care facilities	57,491	4,127,048	153,476	21,373	190,345	209,900	1,085,036	371,110
Social assistance	154,984	3,082,088	67,590	18,262	120,899	25,149	273,805	1,171,489
Child day care services	797,883	12,459,877	414,088	52,799	220,452	188,083	921,860	4,583,523
<b>Arts, entertainment, and recreation</b>	<b>1,283,267</b>	<b>31,043,663</b>	<b>1,588,587</b>	<b>224,842</b>	<b>1,139,292</b>	<b>331,542</b>	<b>1,609,655</b>	<b>7,562,358</b>
Performing arts, spectator sports, and related industries	1,068,030	23,926,664	1,231,566	132,997	580,819	183,732	876,827	7,340,857
Museums, historical sites, and similar institutions	3,401	29,469	* 282	* 143	* 225	* 167	* 234	23,171
Amusement, gambling, and recreation industries	211,836	7,087,530	356,739	91,702	558,248	147,644	732,593	198,330
<b>Accommodation, food services, and drinking places</b>	<b>411,451</b>	<b>47,792,244</b>	<b>1,813,463</b>	<b>408,024</b>	<b>3,258,012</b>	<b>1,150,463</b>	<b>8,035,918</b>	<b>1,239,437</b>
Accommodation	50,553	5,516,079	598,140	17,076	155,042	617,328	789,234	-52,004
Travel accommodation (including hotels, motels, and bed and breakfast inns)	30,966	4,503,414	505,662	13,378	146,340	502,683	686,247	-36,987
RV (recreational vehicle) parks and recreational camps	10,702	500,436	45,992	1,364	6,229	48,294	34,995	6,860
Rooming and boarding houses	8,885	512,229	46,486	* 2,334	* 2,474	66,351	67,992	-21,877
Food services and drinking places	360,898	42,276,165	1,215,323	390,948	3,102,969	533,135	7,246,684	1,291,441
<b>Other services</b>	<b>2,416,229</b>	<b>84,794,547</b>	<b>2,892,189</b>	<b>922,868</b>	<b>5,758,461</b>	<b>1,012,666</b>	<b>7,142,197</b>	<b>19,243,943</b>
Auto repair and maintenance	396,524	24,233,685	989,561	229,664	905,917	395,938	2,591,723	2,953,965
Automotive mechanical and electrical repair and maintenance	201,736	11,649,833	450,056	75,341	389,114	183,876	1,097,619	1,445,041
Automotive body shops	94,635	7,575,242	255,628	97,920	286,129	85,167	964,249	994,323
Other auto repair and maintenance (including oil change, lubrication, and car washes)	100,154	5,008,610	283,877	56,403	230,675	126,895	529,855	514,601
Miscellaneous repairs	436,413	16,990,817	613,349	99,824	370,432	213,203	1,242,831	3,545,184
Personal and laundry services	1,583,292	43,570,044	1,289,279	593,380	4,482,112	403,525	3,307,644	12,744,795
<b>Religious, grantmaking, civic, professional and similar organizations</b>	<b>251,516</b>	<b>3,521,657</b>	<b>51,295</b>	<b>8,975</b>	<b>19,248</b>	<b>11,575</b>	<b>25,500</b>	<b>1,752,897</b>
<b>Unclassified establishments</b>	<b>527,305</b>	<b>5,483,508</b>	<b>139,996</b>	<b>58,330</b>	<b>80,157</b>	<b>53,508</b>	<b>150,530</b>	<b>2,351,330</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All nonfarm industries</b>	<b>16,928,788</b>	<b>1,108,966,537</b>	<b>27,041,714</b>	<b>7,211,095</b>	<b>25,186,283</b>	<b>8,405,107</b>	<b>91,674,116</b>	<b>335,098,968</b>
<b>Agriculture, forestry, hunting, and fishing</b>	<b>166,008</b>	<b>13,760,063</b>	<b>866,618</b>	<b>102,737</b>	<b>86,920</b>	<b>167,968</b>	<b>1,460,361</b>	<b>2,633,207</b>
Animal production (including breeding of cats and dogs)	16,462	1,125,624	81,322	* 4,144	6,650	11,207	35,521	181,712
Forestry and logging (including forest nurseries, timber tracts)	31,497	4,225,932	371,471	47,166	14,024	57,294	414,246	583,592
Fishing	37,832	1,955,315	134,381	17,879	19,550	21,972	52,898	717,764
Hunting and trapping	4,846	238,520	* 13,250	* 3	* 17,484	* 1,963	* 40,259	60,262
Support activities for agriculture and forestry	75,371	6,214,672	266,194	33,545	29,212	75,533	917,437	1,089,877
<b>Mining</b>	<b>95,112</b>	<b>9,895,176</b>	<b>613,709</b>	<b>22,442</b>	<b>33,414</b>	<b>97,849</b>	<b>466,770</b>	<b>2,811,035</b>
Oil and gas extraction	78,895	7,545,881	445,536	14,436	24,558	67,347	228,722	2,216,323
Coal mining	* 261	* 62,270	* 1,716	* 178	* 52	* 220	* 22,837	* 5,864
Metal ore mining	0	0	0	0	0	0	0	0
Nonmetallic mineral mining and quarrying	2,130	777,948	66,633	* 2,270	* 940	17,933	76,137	97,838
Support activities for mining	13,826	1,509,078	99,824	5,558	7,865	12,349	139,075	491,010
<b>Utilities</b>	<b>8,067</b>	<b>406,924</b>	<b>16,192</b>	<b>* 2,316</b>	<b>* 105</b>	<b>* 443</b>	<b>* 9,996</b>	<b>100,720</b>
<b>Construction</b>	<b>2,434,150</b>	<b>200,697,261</b>	<b>5,698,904</b>	<b>1,111,543</b>	<b>1,211,961</b>	<b>1,314,530</b>	<b>23,877,310</b>	<b>41,318,313</b>
Residential building construction	353,370	41,215,012	813,282	130,280	171,112	305,629	4,380,461	7,219,827
Nonresidential building construction	68,416	9,120,021	197,636	55,383	37,623	82,951	1,137,004	1,428,246
Heavy and civil engineering construction	53,045	7,152,437	366,925	67,420	26,525	113,541	501,475	1,516,443
Specialty trade contractors	1,959,319	143,209,791	4,321,061	858,460	976,700	812,409	17,858,370	31,153,797
<b>Manufacturing</b>	<b>217,718</b>	<b>23,656,129</b>	<b>789,877</b>	<b>127,619</b>	<b>665,372</b>	<b>240,066</b>	<b>2,770,941</b>	<b>4,461,145</b>
Food manufacturing	27,381	3,153,371	58,231	12,323	61,389	27,781	249,601	344,521
Textile and textile product mills	5,050	352,856	* 13,373	* 2,508	* 11,138	* 2,879	* 55,082	45,094
Apparel	16,445	1,071,138	15,937	* 4,878	49,121	* 4,522	186,791	222,020
Leather and allied products	* 3,001	* 20,120	* 81	0	0	0	0	* 18,916
Wood products	22,680	2,373,021	105,154	21,403	38,423	19,580	322,228	356,670
Paper products	* 55	* 2,565	0	0	0	0	0	* 2,538
Printing and related support activities	22,192	2,047,637	75,479	15,333	112,212	31,441	247,982	440,485
Petroleum and coal products	349	16,857	* 166	0	0	* 66	* 50	2,612
Chemical manufacturing	4,420	392,804	10,991	* 1,460	* 5,971	* 8,535	63,938	93,378
Plastics, rubber, clay, refractory, and glass products	8,402	544,246	6,571	* 3,208	* 33,722	* 4,417	* 43,424	137,825
Nonmetallic mineral products	3,328	694,533	22,298	* 2,747	* 4,484	4,324	* 92,231	102,711
Primary metal industries	3,849	641,736	* 48,142	* 749	* 29,780	* 12,840	* 115,022	136,912
Fabricated metal products	20,513	3,188,039	105,350	18,493	90,801	23,815	379,382	599,544
Machinery	18,467	2,832,280	163,244	5,961	54,983	38,294	339,853	537,083
Computer and electronic products	3,768	155,431	* 2,161	0	* 3,295	* 78	* 4,165	49,378
Electrical equipment, appliances, and components	5,491	418,018	2,726	* 1,192	* 6,814	* 2,946	* 29,419	99,764
Transportation equipment	3,603	864,534	11,463	* 15,353	29,812	* 16,779	157,927	98,655
Furniture and related products	15,754	1,788,714	56,557	8,507	73,380	14,496	186,913	421,499
Medical equipment and supplies	6,889	577,383	10,211	* 973	* 14,694	* 763	* 7,297	188,539
Other miscellaneous manufacturing	26,080	2,520,847	81,742	12,530	45,353	26,509	289,635	563,000
<b>Wholesale trade (merchant wholesalers)</b>	<b>225,451</b>	<b>43,189,528</b>	<b>460,486</b>	<b>149,952</b>	<b>567,335</b>	<b>247,733</b>	<b>1,416,214</b>	<b>6,009,042</b>
Durable goods, including machinery, wood, metals, etc.	95,727	19,034,920	256,951	100,322	297,654	95,608	739,791	2,492,538
Nondurable goods, including food, fiber, chemicals, etc.	79,854	18,250,589	168,936	34,497	189,187	135,758	527,211	2,094,787
Wholesale electronic markets and agents and brokers	49,870	5,904,019	34,599	15,133	80,494	16,367	149,212	1,421,717

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Retail trade</b>	<b>1,267,199</b>	<b>155,918,883</b>	<b>1,602,453</b>	<b>426,059</b>	<b>4,100,576</b>	<b>1,198,070</b>	<b>8,209,539</b>	<b>17,883,396</b>
Motor vehicle and parts dealers	99,584	31,179,343	217,359	21,760	379,878	268,025	1,176,757	1,998,862
Furniture and home furnishing stores	30,445	3,785,404	36,996	16,313	179,745	54,545	324,841	525,237
Electronic and appliance stores	21,685	3,172,697	60,473	10,876	75,644	43,570	305,042	360,288
Building material and garden equipment and supplies dealers	33,506	7,425,178	132,886	22,113	82,775	110,206	678,571	828,515
Food and beverage stores	57,960	22,600,203	149,636	100,135	618,658	129,887	1,358,307	1,326,676
Health and personal care stores	60,487	7,895,494	65,076	60,257	225,477	60,559	447,085	1,170,397
Gasoline stations	12,283	18,274,250	116,392	22,646	224,359	102,107	769,318	400,038
Clothing and accessories stores	78,459	8,458,131	75,607	40,167	640,584	64,899	513,197	1,122,003
Sporting goods, hobby, book, and music stores	45,880	4,839,994	61,135	2,155	200,354	30,165	240,788	577,132
General merchandise stores	16,748	2,473,905	25,070	18,456	120,464	26,386	118,769	263,673
Miscellaneous store retailers	322,913	26,519,335	338,988	65,567	1,051,980	218,073	1,629,445	4,691,208
Nonstore retailers	487,248	19,294,949	322,837	45,616	300,659	89,648	647,418	4,619,366
<b>Transportation and warehousing</b>	<b>931,017</b>	<b>67,266,486</b>	<b>3,669,485</b>	<b>1,759,229</b>	<b>408,006</b>	<b>731,878</b>	<b>3,791,015</b>	<b>13,663,909</b>
Air and rail transportation	8,987	1,059,025	27,028	2,159	8,451	10,107	21,456	333,653
Water transportation	5,140	426,465	42,399	* 2,849	* 180	* 5,355	* 13,192	211,584
General freight trucking, local	192,327	16,424,743	1,054,436	324,804	79,201	171,501	1,235,228	3,286,407
General freight trucking, long distance and specialized freight trucking	322,988	34,605,893	2,136,025	787,511	141,820	406,304	1,658,643	5,621,941
Urban transit	0	0	0	0	0	0	0	0
Interurban and rural bus transportation	* 4,963	* 40,273	* 2,244	0	0	* 9	* 161	* 22,773
Taxi and limousine service	146,455	4,524,955	114,915	499,909	63,440	62,935	107,869	1,427,655
School, employee, and charter bus industry	17,495	781,706	43,664	* 23,156	* 2,643	24,242	* 44,140	213,044
Other transit and ground passenger transportation	** 14,250	** 350,459	** 12,584	** 112	** 207	** 2,924	** 19,575	** 109,297
Pipeline transportation	**	**	**	**	**	**	**	**
Scenic and sightseeing transportation	5,760	141,416	* 9,224	* 31	* 6,721	* 2,463	* 93	46,401
Support activities for transportation (including motor vehicle towing)	38,244	2,643,274	139,831	38,609	43,942	28,792	297,760	557,750
Couriers and messengers	171,843	5,939,044	79,384	78,321	27,044	11,653	373,533	1,755,951
Warehousing and storage facilities	2,565	329,235	7,752	* 1,769	34,357	5,594	19,183	77,452
<b>Information</b>	<b>233,984</b>	<b>8,605,326</b>	<b>179,751</b>	<b>70,985</b>	<b>153,702</b>	<b>50,565</b>	<b>423,573</b>	<b>3,652,581</b>
Publishing industries (except Internet)	50,942	1,752,419	24,532	5,230	28,264	11,076	149,692	716,377
Motion picture and sound recording	60,910	2,590,179	100,530	19,019	64,983	20,033	109,384	1,164,090
Broadcasting (except Internet) and telecommunications	33,532	1,785,661	19,967	40,133	26,672	12,994	78,895	518,816
Internet publishing and broadcasting	4,161	201,167	2,533	* 105	* 11,260	* 657	* 12,283	73,592
Internet service providers, Web search portals, and data processing	84,439	2,275,899	32,189	* 6,498	22,524	5,804	73,319	1,179,707
<b>Finance and insurance</b>	<b>495,376</b>	<b>61,428,063</b>	<b>707,783</b>	<b>219,456</b>	<b>1,210,651</b>	<b>377,601</b>	<b>3,890,068</b>	<b>22,908,435</b>
Credit intermediation and related activities	66,452	4,261,253	70,368	28,892	68,747	44,992	262,523	1,469,086
Securities, commodity contracts, and other financial investments	106,244	29,496,099	170,430	69,877	362,409	149,404	1,234,858	8,539,428
Investment bankers and securities dealers	4,312	968,598	4,958	* 3,846	19,654	3,306	31,013	434,559
Securities brokers	10,750	2,505,716	9,481	15,178	28,933	14,607	131,196	953,823
Commodity contracts brokers and dealers	2,820	666,350	1,750	* 246	13,182	455	15,160	189,262
Securities and commodity exchanges	* 14	* 138,383	* 269	0	* 353	* 219	* 1,629	* 9,496
Other financial investment activities (investment advice)	88,348	25,217,051	153,971	50,607	300,287	130,817	1,055,860	6,952,289
Insurance agents, brokers, and related activities	322,680	27,670,711	466,986	120,687	779,495	183,206	2,392,688	12,899,922
Insurance agencies and brokerages	241,816	23,982,553	408,330	105,639	727,869	156,765	2,250,563	10,928,275
Other insurance—related activities	80,864	3,688,158	58,656	15,048	51,626	26,441	142,124	1,971,647

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Real estate and rental and leasing</b>	<b>908,375</b>	<b>60,188,057</b>	<b>1,480,061</b>	<b>383,751</b>	<b>835,897</b>	<b>582,249</b>	<b>1,804,064</b>	<b>27,320,942</b>
Real estate	877,660	57,261,965	1,059,093	356,781	779,817	511,899	1,505,241	26,636,164
Lessors of real estate (including miniwarehouses and self storage)	13,266	697,851	32,023	4,052	6,352	68,763	23,443	276,502
Offices of real estate agents, brokers, property managers, and appraisers	711,860	43,920,550	804,148	309,666	600,634	312,539	1,037,925	22,251,313
Other activities related to real estate	152,534	12,643,564	222,923	43,063	172,831	130,597	443,873	4,108,350
Rental and leasing services	30,716	2,926,092	420,968	26,970	56,080	70,350	298,823	684,778
Automotive equipment rental and leasing	** 10,201	** 434,917	** 100,300	** 1,273	** 275	** 21,985	** 19,685	** 101,075
Consumer electronics and appliances rental	**	**	**	**	**	**	**	**
Formal wear and costume rental	* 39	* 47,139	* 2,022	0	* 3,429	* 268	* 8,554	* 3,727
Videotape and disc rental	3,247	498,508	* 16,716	* 407	* 35,869	* 7,023	* 58,655	61,572
General rental centers and other consumer goods rental	7,882	741,074	57,846	10,354	8,932	8,238	* 109,860	187,528
Commercial and industrial machinery and equipment rental and leasing	9,347	1,204,454	244,083	14,936	7,576	32,837	102,068	330,875
<b>Professional, scientific, and technical services</b>	<b>2,407,350</b>	<b>156,237,690</b>	<b>3,212,163</b>	<b>722,102</b>	<b>3,182,973</b>	<b>771,576</b>	<b>10,825,849</b>	<b>77,705,157</b>
Legal services	268,297	36,949,264	429,814	195,839	1,576,078	205,051	3,920,040	17,450,194
Offices of certified public accountants	39,361	4,068,821	66,654	18,701	160,550	49,386	573,577	1,903,735
Other accounting services	268,693	7,516,589	190,978	28,412	200,814	87,343	737,727	3,445,846
Architectural, engineering, and related services	213,865	14,727,736	452,565	61,578	210,070	67,372	1,638,696	6,055,197
Architectural services	73,057	6,829,921	200,846	33,543	122,709	33,949	1,010,394	2,117,003
Engineering services	80,074	5,416,534	152,796	22,674	62,956	22,187	444,785	2,580,101
Drafting, building inspections, and geophysical surveying	47,243	1,622,533	61,239	1,023	* 13,918	7,303	* 66,194	955,172
Surveying and mapping (except geophysical) services	10,780	679,883	33,195	* 4,332	8,521	* 3,194	94,545	334,128
Testing laboratories	2,711	178,865	* 4,489	* 7	* 1,965	* 739	* 22,776	68,793
Specialized design services	165,742	7,903,667	149,788	22,510	92,405	25,539	358,309	2,668,602
Computer systems design services	191,706	9,211,240	212,070	63,261	78,717	29,161	466,991	4,780,921
Other professional, scientific, and technical services	1,259,685	75,860,373	1,710,294	331,800	864,340	307,724	3,130,508	41,400,665
Management, scientific, and technical consulting services	697,244	43,565,512	817,882	184,480	354,683	136,403	1,122,918	27,576,853
Scientific research and development services	26,842	1,412,635	35,191	7,002	22,413	* 707	66,215	775,250
Advertising and related services	90,271	6,739,828	134,245	28,999	85,585	27,056	236,820	2,276,899
Market research and public opinion polling	26,335	1,053,548	6,284	* 1,537	11,932	* 375	42,712	494,610
Other miscellaneous services	418,993	23,088,850	716,691	109,782	389,726	143,183	1,661,843	10,277,052
<b>Administrative and support and waste management and remediation services</b>	<b>1,787,855</b>	<b>52,763,362</b>	<b>1,752,019</b>	<b>409,781</b>	<b>585,247</b>	<b>305,984</b>	<b>5,466,780</b>	<b>19,554,621</b>
Administrative and support services	1,766,210	50,755,416	1,580,081	390,345	563,092	276,754	5,321,341	19,225,753
Waste management and remediation services	21,645	2,007,946	171,937	19,435	22,155	29,230	145,440	328,868
<b>Educational services</b>	<b>466,677</b>	<b>7,042,678</b>	<b>140,904</b>	<b>30,938</b>	<b>352,979</b>	<b>44,792</b>	<b>268,854</b>	<b>3,612,035</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Health care and social assistance</b>	<b>1,677,379</b>	<b>107,695,993</b>	<b>2,262,347</b>	<b>528,516</b>	<b>4,399,618</b>	<b>939,407</b>	<b>14,893,884</b>	<b>48,286,449</b>
Ambulatory health care services	829,480	91,188,521	1,898,616	460,576	4,046,344	733,914	13,333,972	41,107,694
Offices of physicians (except mental health specialists)	160,313	31,988,061	515,444	174,059	1,274,790	168,478	4,052,871	16,239,483
Offices of physicians, mental health specialists	28,775	2,923,924	42,986	19,528	172,550	16,461	153,074	1,797,035
Offices of dentists	84,992	29,148,584	874,270	108,901	1,126,332	353,616	6,321,501	10,431,676
Offices of chiropractors	34,353	4,505,208	94,661	41,600	388,324	61,313	507,247	1,745,278
Offices of optometrists	17,661	3,234,129	69,016	32,704	167,600	24,528	542,131	924,445
Offices of mental health practitioners and social therapists	141,668	7,928,102	124,787	29,441	520,958	19,028	482,225	4,617,337
Offices of podiatrists	4,543	958,637	16,587	2,705	88,334	9,052	125,890	352,247
Outpatient care centers and other miscellaneous health practitioners	119,980	4,559,133	79,873	23,886	202,316	24,018	233,335	2,413,599
Medical and diagnostic laboratories	27,060	1,295,056	32,741	4,217	58,828	9,954	200,565	448,923
Home health care services	186,423	3,696,328	34,716	14,109	25,562	42,956	586,697	1,790,438
Other ambulatory health care services (including ambulance services, blood and organ banks)	23,712	951,359	13,536	9,425	20,750	4,509	128,438	347,232
Hospitals	8,831	466,059	* 3,937	* 1,601	* 5,580	* 1,759	* 69,301	255,650
Nursing and residential care facilities	46,231	2,650,615	85,315	14,121	90,382	76,552	655,447	501,734
Social assistance	117,669	2,762,097	44,219	16,361	107,113	18,561	219,037	1,306,503
Child day care services	675,168	10,628,701	230,259	35,857	150,199	108,620	616,126	5,114,868
<b>Arts, entertainment, and recreation</b>	<b>783,394</b>	<b>24,742,954</b>	<b>750,420</b>	<b>135,736</b>	<b>591,563</b>	<b>113,460</b>	<b>825,929</b>	<b>11,410,732</b>
Performing arts, spectator sports, and related industries	649,255	20,327,153	626,350	88,421	329,385	72,964	492,875	10,275,232
Museums, historical sites, and similar institutions	2,711	28,675	* 205	* 1	* 53	0	* 3	25,364
Amusement, gambling, and recreation industries	131,428	4,387,126	123,865	47,314	262,125	40,496	333,051	1,110,136
<b>Accommodation, food services, and drinking places</b>	<b>263,332</b>	<b>34,879,565</b>	<b>823,180</b>	<b>240,788</b>	<b>2,243,084</b>	<b>507,408</b>	<b>5,418,621</b>	<b>3,964,887</b>
Accommodation	27,192	3,121,187	185,574	8,181	73,379	232,796	354,122	611,072
Travel accommodation (including hotels, motels, and bed and breakfast inns)	16,211	2,539,278	156,454	5,136	66,559	193,062	301,885	485,658
RV (recreational vehicle) parks and recreational camps	7,657	277,078	10,888	* 1,241	* 4,600	* 15,700	27,109	59,658
Rooming and boarding houses	3,325	304,831	18,231	* 1,805	* 2,220	* 24,035	* 25,127	65,755
Food services and drinking places	236,140	31,758,378	637,607	232,606	2,169,704	274,612	5,064,499	3,353,816
<b>Other services</b>	<b>1,915,583</b>	<b>72,514,673</b>	<b>1,883,760</b>	<b>722,176</b>	<b>4,510,472</b>	<b>675,163</b>	<b>5,751,236</b>	<b>22,828,669</b>
Auto repair and maintenance	305,856	19,928,520	606,335	195,747	647,493	239,356	2,089,613	3,863,109
Automotive mechanical and electrical repair and maintenance	154,941	9,543,976	295,196	52,514	267,576	128,859	891,388	1,891,915
Automotive body shops	75,412	6,440,614	171,349	93,620	218,149	65,628	802,904	1,172,160
Other auto repair and maintenance (including oil change, lubrication, and car washes)	75,503	3,943,930	139,790	49,613	161,768	44,869	395,321	799,034
Miscellaneous repairs	334,471	14,826,271	467,964	85,555	243,813	158,103	1,103,270	4,147,093
Personal and laundry services	1,275,256	37,759,882	809,460	440,874	3,619,166	277,703	2,558,354	14,818,467
<b>Religious, grantmaking, civic, professional and similar organizations</b>	<b>201,412</b>	<b>3,292,324</b>	<b>34,159</b>	<b>* 3,732</b>	<b>8,608</b>	<b>* 8,597</b>	<b>* 23,717</b>	<b>2,072,527</b>
<b>Unclassified establishments</b>	<b>443,351</b>	<b>4,785,400</b>	<b>97,443</b>	<b>41,237</b>	<b>37,802</b>	<b>29,768</b>	<b>79,396</b>	<b>2,901,164</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to prevent disclosure of taxpayer information.

[1] Excludes amounts reported on Schedule C-EZ filed by certain small businesses not required to itemize their business deductions. Therefore, totals shown may be slightly understated.

[2] Includes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Interest paid is the sum of mortgage interest and other interest paid on business indebtedness.

[4] Payroll is the sum of salaries and wages plus the cost of labor reported as part of cost of sales and operations.

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

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing						Mining
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>23,122,698</b>	<b>301,280</b>	<b>53,941</b>	<b>51,332</b>	<b>63,216</b>	<b>10,480</b>	<b>122,312</b>	<b>126,578</b>
<b>Business receipts, total [1]</b>	<b>1,324,403,080</b>	<b>17,747,925</b>	<b>1,766,020</b>	<b>5,208,334</b>	<b>2,334,905</b>	<b>380,277</b>	<b>8,058,389</b>	<b>12,534,266</b>
Income from sales and operations [1]	1,303,976,701	17,405,779	1,683,919	5,145,938	2,248,280	373,160	7,954,482	11,996,371
Other business income	20,426,379	342,146	82,100	62,397	86,625	7,118	103,906	537,894
<b>Business deductions, total [1,2]</b>	<b>1,044,343,442</b>	<b>17,100,026</b>	<b>2,318,882</b>	<b>4,904,911</b>	<b>1,926,292</b>	<b>360,266</b>	<b>7,589,675</b>	<b>10,913,682</b>
Cost of sales and operations, total	422,684,549	5,660,622	745,829	1,443,401	338,159	126,261	3,006,972	2,788,714
Inventory, beginning of year	44,469,609	543,798	102,881	271,050	* 7,388	* 10,974	151,504	71,876
Cost of labor	34,514,589	341,752	26,863	123,087	* 45,689	* 18,818	127,296	214,754
Purchases	264,234,818	4,428,553	561,119	875,450	* 188,828	71,172	2,731,985	1,161,315
Materials and supplies	61,519,006	207,887	48,087	59,713	47,076	* 3,823	49,189	97,919
Other costs	64,956,668	563,263	96,320	259,159	61,271	* 34,731	111,783	1,315,366
Inventory, end of year	47,010,141	424,632	89,441	145,057	* 12,091	* 13,258	164,784	72,516
Advertising expenses	15,731,012	90,979	22,515	9,699	17,437	2,815	38,513	14,966
Car and truck expenses	82,023,756	967,185	128,799	263,772	124,767	8,828	441,018	327,274
Commissions	14,569,232	92,797	33,639	13,913	* 4,251	* 946	40,048	30,944
Contract labor	36,674,415	624,357	29,738	310,895	48,008	3,869	231,847	135,819
Depletion	1,021,072	87	* 1	* 11	0	* 36	* 39	873,111
Depreciation	39,645,972	1,651,315	264,644	565,566	285,152	47,407	488,546	931,200
Employee benefit programs	2,909,540	11,125	668	4,439	* 359	* 15	5,644	23,142
Insurance	19,290,556	416,028	39,450	165,584	52,283	7,104	151,606	142,881
Legal and professional services	10,934,377	129,634	31,698	20,592	20,430	4,262	52,651	102,745
Meals and entertainment deducted	7,661,490	51,218	5,504	10,292	15,429	1,010	18,983	29,331
Mortgage interest	6,648,973	105,559	11,877	21,376	17,874	* 4,774	49,657	34,778
Other interest paid on business indebtedness	8,368,192	209,525	14,376	79,018	29,653	* 9,139	77,340	156,692
Office expenses	13,297,287	51,863	8,950	12,209	5,676	823	24,205	46,140
Pension and profit-sharing plans	1,279,748	2,983	* 242	1,653	* 164	0	924	3,113
Rent paid on machinery and equipment	9,526,481	127,994	5,606	51,690	24,762	* 400	45,536	39,597
Rent paid on other business property	33,613,237	213,486	13,411	18,634	29,888	19,428	132,124	46,426
Repairs	16,170,712	747,409	37,588	353,903	115,249	20,039	220,631	205,423
Supplies	32,325,460	595,994	129,025	85,362	149,514	9,285	222,808	115,960
Salaries and wages	79,380,311	1,384,725	30,530	390,963	13,240	24,691	925,302	406,512
Taxes paid	18,183,185	337,412	15,866	86,689	46,846	9,191	178,819	295,731
Travel	13,134,026	141,345	31,546	12,340	39,422	2,301	55,737	53,196
Utilities	24,856,179	229,172	35,194	50,492	26,442	13,893	103,151	94,957
Other business deductions	119,516,105	3,150,505	651,228	920,331	499,039	41,904	1,038,003	3,973,760
Home office business deductions, total	11,217,628	78,411	30,325	6,178	15,457	0	26,451	16,170
Depreciation, Form 8829 [3]	1,439,137	11,145	6,159	1,157	2,342	0	1,487	1,383
Casualty loss, Form 8829 [3]	99,670	* 369	* 48	* 318	0	0	* 3	0
Excess—casualty depreciations, Form 8829 [3]	1,235,717	12,441	* 8,477	* 1,362	* 679	0	* 1,922	1,542
<b>Net income less deficit [1,2]</b>	<b>280,557,010</b>	<b>668,372</b>	<b>-547,398</b>	<b>303,534</b>	<b>409,418</b>	<b>20,558</b>	<b>482,260</b>	<b>1,624,615</b>
Net income [1,2]	335,098,968	2,633,207	181,712	583,592	717,764	60,262	1,089,877	2,811,035
Deficit [2]	-54,541,958	-1,964,834	-729,110	-280,058	-308,346	-39,704	-607,617	-1,186,420

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing						Mining
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>16,928,788</b>	<b>166,008</b>	<b>16,462</b>	<b>31,497</b>	<b>37,832</b>	<b>4,846</b>	<b>75,371</b>	<b>95,112</b>
<b>Business receipts, total [1]</b>	<b>1,108,966,537</b>	<b>13,760,063</b>	<b>1,125,624</b>	<b>4,225,932</b>	<b>1,955,315</b>	<b>238,520</b>	<b>6,214,672</b>	<b>9,895,176</b>
Income from sales and operations [1]	1,094,000,523	13,549,270	1,075,927	4,186,075	1,874,770	238,053	6,174,445	9,487,699
Other business income	14,966,013	210,793	49,696	39,858	80,545	* 466	40,227	407,478
<b>Business deductions, total [1,2]</b>	<b>773,912,492</b>	<b>11,126,867</b>	<b>943,935</b>	<b>3,642,341</b>	<b>1,237,539</b>	<b>178,257</b>	<b>5,124,795</b>	<b>7,085,224</b>
Cost of sales and operations, total	319,391,585	4,287,367	434,082	1,236,964	268,685	* 68,178	2,279,457	1,976,056
Inventory, beginning of year	26,022,617	350,247	* 38,077	227,786	* 7,388	0	76,996	42,475
Cost of labor	28,691,090	323,074	* 24,323	116,282	* 42,951	* 18,818	120,700	191,942
Purchases	197,099,788	3,354,954	298,231	771,718	* 188,824	* 43,648	2,052,533	848,745
Materials and supplies	49,457,882	163,934	* 35,324	37,715	* 40,465	* 2,647	47,783	75,676
Other costs	45,911,851	340,050	66,864	191,235	* 1,088	* 3,065	77,798	857,228
Inventory, end of year	27,791,643	244,892	* 28,736	107,772	* 12,031	0	96,352	40,010
Advertising expenses	11,631,573	52,181	8,416	5,557	12,773	* 1,738	23,697	11,865
Car and truck expenses	61,245,094	578,730	54,587	183,055	67,897	* 3,196	269,994	280,854
Commissions	10,985,416	54,282	22,202	* 12,179	* 3,564	0	16,336	28,114
Contract labor	30,022,269	377,660	16,994	184,568	41,846	* 180	134,072	113,402
Depletion	772,119	* 36	0	0	0	* 1	* 34	661,919
Depreciation	26,068,072	863,777	80,961	371,105	132,724	* 13,250	265,736	612,662
Employee benefit programs	2,302,843	8,564	* 261	3,488	* 134	0	4,681	12,956
Insurance	14,947,353	286,516	18,857	122,192	28,928	* 1,500	115,038	110,549
Legal and professional services	7,792,043	62,518	6,154	9,851	14,042	* 2,608	29,863	60,606
Meals and entertainment deducted	6,050,928	30,825	2,385	6,914	10,950	* 319	10,257	24,826
Mortgage interest	3,493,736	57,503	* 7,892	16,405	* 3,368	* 1,932	27,905	22,975
Other interest paid on business indebtedness	4,911,372	110,465	3,314	40,888	18,604	* 30	47,628	74,875
Office expenses	10,282,730	29,751	2,749	8,632	3,764	* 491	14,116	33,172
Pension and profit-sharing plans	1,181,625	2,437	0	1,518	0	0	919	2,532
Rent paid on machinery and equipment	7,211,095	102,737	* 4,144	47,166	17,879	* 3	33,545	22,442
Rent paid on other business property	25,186,283	86,920	6,650	14,024	19,550	* 17,484	29,212	33,414
Repairs	11,481,853	448,034	14,289	239,714	62,732	* 6,306	124,994	158,694
Supplies	24,197,292	326,266	26,486	52,271	82,243	* 3,116	162,150	77,627
Salaries and wages	62,983,026	1,137,287	* 11,198	297,964	* 9,947	* 21,441	796,737	274,828
Taxes paid	13,684,297	219,432	6,290	54,112	28,837	* 7,032	123,160	212,765
Travel	9,736,826	73,634	4,235	9,803	25,766	* 517	33,313	36,054
Utilities	18,153,001	132,093	14,991	30,565	18,446	* 3,504	64,588	78,948
Other business deductions	78,209,792	1,732,854	189,724	684,184	347,894	* 23,615	487,437	2,124,124
Home office business deductions, total	8,392,388	39,784	* 6,659	3,741	11,329	0	18,056	13,917
Depreciation, Form 8829 [3]	973,642	2,841	* 360	365	* 1,657	0	459	1,047
Casualty loss, Form 8829 [3]	60,917	* 48	* 48	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	142,436	* 642	* 642	0	0	0	0	* 97
<b>Net income [1,2]</b>	<b>335,098,968</b>	<b>2,633,207</b>	<b>181,712</b>	<b>583,592</b>	<b>717,764</b>	<b>60,262</b>	<b>1,089,877</b>	<b>2,811,035</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	4,399,494	42,647	2,064	8,087	8,802	* 3,474	20,221	21,951
Business receipts	31,215,207	210,792	4,341	28,191	45,128	* 13,187	119,945	139,542
Business deductions	3,679,945	28,297	* 634	* 5,907	* 6,791	* 1,845	13,119	25,101
Net income	27,535,262	182,495	* 3,706	22,284	38,336	* 11,342	106,826	114,441

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Mining—continued					Utilities	Construction
	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total	Total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>104,284</b>	<b>408</b>	<b>* 1,028</b>	<b>3,487</b>	<b>17,371</b>	<b>10,131</b>	<b>2,931,110</b>
<b>Business receipts, total [1]</b>	<b>9,632,432</b>	<b>71,712</b>	<b>* 1,432</b>	<b>920,554</b>	<b>1,908,136</b>	<b>565,214</b>	<b>230,835,068</b>
Income from sales and operations [1]	9,178,734	71,402	* 1,432	919,044	1,825,759	563,140	229,219,635
Other business income	453,698	* 310	0	1,510	82,377	2,075	1,615,433
<b>Business deductions, total [1,2]</b>	<b>8,516,518</b>	<b>66,633</b>	<b>* 4,558</b>	<b>861,486</b>	<b>1,464,487</b>	<b>523,669</b>	<b>195,237,842</b>
Cost of sales and operations, total	1,805,302	* 4,370	* 763	458,961	519,317	222,384	99,315,888
Inventory, beginning of year	49,695	* 82	0	* 16,036	* 6,064	* 447	7,901,962
Cost of labor	138,803	0	* 489	59,366	* 16,096	* 33,033	17,647,456
Purchases	464,114	* 3,935	0	303,065	390,202	* 46,990	30,031,679
Materials and supplies	44,349	0	* 148	* 19,210	34,212	* 33,557	33,173,579
Other costs	1,154,557	* 430	* 127	76,472	83,780	* 109,734	19,335,209
Inventory, end of year	46,216	* 77	0	* 15,187	* 11,037	* 1,379	8,773,996
Advertising expenses	5,355	* 46	0	7,538	2,026	1,857	1,264,898
Car and truck expenses	168,215	* 219	* 611	22,086	136,143	39,667	15,584,086
Commissions	27,960	* 35	0	* 2,614	* 334	* 2,183	752,630
Contract labor	89,808	* 18	0	* 1,125	44,869	62,070	15,287,410
Depletion	852,693	* 961	* 130	17,708	1,619	* 3,371	60,823
Depreciation	692,659	* 2,431	* 465	89,594	146,051	42,091	7,264,279
Employee benefit programs	12,290	* 1,730	0	* 2,033	7,090	* 50	367,121
Insurance	75,443	* 4,411	* 137	16,859	46,031	13,103	4,366,712
Legal and professional services	89,416	716	* 9	3,095	9,508	3,264	1,069,848
Meals and entertainment deducted	15,404	* 4	* 5	805	13,114	2,520	697,176
Mortgage interest	22,654	* 67	0	* 8,274	* 3,783	* 333	971,130
Other interest paid on business indebtedness	111,003	* 1,354	0	28,174	16,161	* 2,564	1,258,704
Office expenses	33,310	* 279	* 15	4,183	8,353	2,978	1,203,860
Pension and profit-sharing plans	2,594	* 131	0	* 80	* 308	* 11	73,774
Rent paid on machinery and equipment	16,421	* 178	* 6	12,879	10,113	3,422	1,430,225
Rent paid on other business property	34,410	* 52	* 64	* 1,377	10,522	* 1,251	1,605,321
Repairs	123,203	* 3,700	* 48	35,415	43,056	10,413	2,066,517
Supplies	67,450	* 7,808	* 12	4,021	36,669	13,945	8,118,260
Salaries and wages	155,525	* 22,837	* 364	39,097	188,688	* 14,997	10,598,430
Taxes paid	252,232	* 3,134	* 171	14,910	25,285	4,438	2,294,429
Travel	34,150	* 3	* 17	* 1,010	18,016	6,971	981,857
Utilities	62,236	* 241	* 26	13,863	18,592	3,908	2,593,852
Other business deductions	3,742,497	11,906	* 1,717	75,659	141,981	60,058	14,317,657
Home office business deductions, total	12,501	0	0	* 124	* 3,545	* 1,020	1,320,751
Depreciation, Form 8829 [3]	1,125	0	0	* 56	* 202	* 935	141,652
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	23,190
Excess—casualty depreciations, Form 8829 [3]	1,540	0	0	* 2	0	* 932	85,376
<b>Net income less deficit [1,2]</b>	<b>1,119,626</b>	<b>5,079</b>	<b>* -3,125</b>	<b>59,401</b>	<b>443,634</b>	<b>39,999</b>	<b>35,667,000</b>
Net income [1,2]	2,216,323	* 5,864	0	97,838	491,010	100,720	41,318,313
Deficit [2]	-1,096,697	* -785	* -3,125	-38,436	-47,376	-60,722	-5,651,313

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Mining—continued					Utilities	Construction
	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total	Total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>78,895</b>	<b>* 261</b>	<b>0</b>	<b>2,130</b>	<b>13,826</b>	<b>8,067</b>	<b>2,434,150</b>
<b>Business receipts, total [1]</b>	<b>7,545,881</b>	<b>* 62,270</b>	<b>0</b>	<b>777,948</b>	<b>1,509,078</b>	<b>406,924</b>	<b>200,697,261</b>
Income from sales and operations [1]	7,215,533	* 62,178	0	777,856	1,432,131	404,903	199,409,333
Other business income	330,349	* 92	0	* 92	76,946	* 2,021	1,287,928
<b>Business deductions, total [1,2]</b>	<b>5,330,641</b>	<b>* 56,405</b>	<b>0</b>	<b>680,110</b>	<b>1,018,067</b>	<b>306,234</b>	<b>159,383,836</b>
Cost of sales and operations, total	1,226,673	* 4,370	0	415,201	329,812	* 115,884	81,910,491
Inventory, beginning of year	33,330	* 82	0	* 3,630	* 5,433	* 447	3,885,876
Cost of labor	130,446	0	0	* 48,148	* 13,349	0	15,222,461
Purchases	335,839	* 3,935	0	* 287,064	* 221,908	* 44,365	24,371,648
Materials and supplies	36,879	0	0	* 14,316	* 24,481	* 2,523	28,268,445
Other costs	717,077	* 430	0	* 65,989	73,732	* 68,996	14,740,831
Inventory, end of year	26,898	* 77	0	* 3,944	* 9,091	* 447	4,578,770
Advertising expenses	3,886	* 46	0	* 6,218	1,716	* 1,466	1,000,554
Car and truck expenses	140,862	* 171	0	* 21,189	118,632	33,073	12,866,040
Commissions	25,340	* 35	0	* 2,566	* 172	* 2,183	563,724
Contract labor	78,485	* 18	0	* 448	34,451	* 55,718	13,251,362
Depletion	651,735	0	0	8,769	* 1,415	* 3,371	56,796
Depreciation	444,745	* 1,716	0	66,580	99,621	16,189	5,589,410
Employee benefit programs	5,647	* 1,730	0	* 1,392	4,187	* 3	273,735
Insurance	58,301	* 4,411	0	11,016	36,821	* 4,769	3,578,133
Legal and professional services	51,803	* 616	0	1,513	6,674	* 697	789,754
Meals and entertainment deducted	12,038	* 3	0	* 619	12,166	* 1,769	576,054
Mortgage interest	15,071	* 67	0	* 4,468	* 3,370	* 333	481,291
Other interest paid on business indebtedness	52,277	* 153	0	* 13,465	8,980	* 110	833,239
Office expenses	24,563	* 66	0	2,188	6,356	* 1,500	930,453
Pension and profit-sharing plans	2,018	* 131	0	* 75	* 308	* 5	63,753
Rent paid on machinery and equipment	14,436	* 178	0	* 2,270	5,558	* 2,316	1,111,543
Rent paid on other business property	24,558	* 52	0	* 940	7,865	* 105	1,211,961
Repairs	111,073	* 3,700	0	20,711	23,209	* 5,138	1,612,211
Supplies	49,378	* 7,808	0	* 2,469	17,972	12,387	6,715,431
Salaries and wages	98,276	* 22,837	0	* 27,989	125,726	* 9,996	8,654,849
Taxes paid	180,730	* 2,630	0	10,671	18,735	* 3,846	1,839,370
Travel	18,805	* 1	0	* 653	16,594	* 2,136	791,165
Utilities	53,769	* 241	0	8,860	16,078	2,986	2,051,584
Other business deductions	1,964,133	* 5,425	0	49,735	104,831	25,224	11,183,919
Home office business deductions, total	10,265	0	0	* 106	* 3,545	* 230	1,077,913
Depreciation, Form 8829 [3]	791	0	0	* 54	* 202	* 3	109,495
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	20,589
Excess—casualty depreciations, Form 8829 [3]	* 97	0	0	0	0	0	22,768
<b>Net income [1,2]</b>	<b>2,216,323</b>	<b>* 5,864</b>	<b>0</b>	<b>97,838</b>	<b>491,010</b>	<b>100,720</b>	<b>41,318,313</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	17,284	0	0	* 300	4,367	* 3,983	470,797
Business receipts	66,658	0	0	* 33,350	39,533	* 21,891	3,626,865
Business deductions	11,789	0	0	0	* 13,312	* 4,802	372,204

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Construction—continued				Manufacturing			
	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Textile and textile product mills	Apparel
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>423,433</b>	<b>83,005</b>	<b>77,303</b>	<b>2,347,369</b>	<b>362,390</b>	<b>44,984</b>	<b>7,690</b>	<b>28,809</b>
<b>Business receipts, total [1]</b>	<b>50,209,133</b>	<b>10,828,766</b>	<b>10,069,553</b>	<b>159,727,616</b>	<b>29,248,316</b>	<b>3,864,513</b>	<b>407,370</b>	<b>1,287,983</b>
Income from sales and operations [1]	49,945,594	10,738,066	9,954,323	158,581,651	29,063,321	3,836,267	407,264	1,280,405
Other business income	263,539	90,700	115,230	1,145,964	184,994	28,246	* 106	7,578
<b>Business deductions, total [1,2]</b>	<b>44,432,292</b>	<b>9,669,315</b>	<b>9,244,020</b>	<b>131,892,215</b>	<b>26,230,644</b>	<b>3,791,997</b>	<b>423,076</b>	<b>1,205,864</b>
Cost of sales and operations, total	28,259,449	6,205,627	5,252,838	59,597,975	14,167,143	2,438,758	210,860	568,938
Inventory, beginning of year	4,331,173	218,026	1,648,010	1,704,753	1,608,491	314,741	* 31,946	88,221
Cost of labor	3,828,925	868,808	382,226	12,567,497	1,630,818	75,453	* 37,258	128,189
Purchases	7,764,105	1,567,259	2,015,934	18,684,381	7,778,254	1,743,801	* 111,234	302,383
Materials and supplies	9,320,768	1,660,525	1,349,615	20,842,672	3,090,152	500,931	* 20,884	31,569
Other costs	7,741,160	2,208,738	1,867,848	7,517,462	1,869,448	201,463	* 22,702	112,644
Inventory, end of year	4,726,681	317,728	2,010,795	1,718,791	1,810,019	397,630	* 13,163	94,068
Advertising expenses	210,353	35,210	62,625	956,710	284,439	41,200	6,160	31,574
Car and truck expenses	2,230,060	471,064	354,330	12,528,632	1,024,633	98,146	28,038	54,902
Commissions	149,109	37,659	68,054	497,809	162,571	15,928	* 6,479	4,351
Contract labor	2,995,191	520,982	324,941	11,446,296	466,746	16,523	* 4,116	45,522
Depletion	* 3,448	* 143	* 614	56,617	596	* 75	0	0
Depreciation	1,007,430	255,248	549,950	5,451,651	1,190,925	112,301	15,185	35,421
Employee benefit programs	34,448	18,674	10,921	303,078	104,160	7,387	* 2,185	* 7,312
Insurance	740,853	185,893	182,539	3,257,428	368,060	36,438	9,027	9,941
Legal and professional services	247,801	52,855	102,099	667,094	194,980	25,397	5,347	6,440
Meals and entertainment deducted	97,814	29,983	40,996	528,383	88,754	6,548	729	8,688
Mortgage interest	337,541	49,825	161,448	422,316	157,726	15,577	* 67	* 4
Other interest paid on business indebtedness	300,892	72,656	150,002	735,155	224,517	39,571	* 3,495	4,696
Office expenses	174,419	50,731	57,056	921,653	245,077	26,964	2,071	16,096
Pension and profit-sharing plans	8,355	3,431	5,409	56,579	16,626	541	* 2,452	* 79
Rent paid on machinery and equipment	204,865	103,428	82,850	1,039,082	168,357	25,687	* 3,174	4,904
Rent paid on other business property	227,167	63,135	43,512	1,271,506	961,775	85,316	15,815	63,083
Repairs	248,086	77,705	196,884	1,543,841	356,471	55,296	3,808	9,236
Supplies	1,491,610	204,805	163,288	6,258,557	772,723	76,295	7,349	35,600
Salaries and wages	1,485,090	430,576	395,965	8,286,798	2,016,732	287,887	* 33,131	61,269
Taxes paid	361,982	107,942	138,152	1,686,352	440,895	69,053	8,596	16,398
Travel	92,207	53,380	79,372	756,899	199,949	19,848	2,251	15,202
Utilities	405,861	122,461	100,261	1,965,270	645,839	83,757	18,113	35,388
Other business deductions	2,833,914	478,331	682,618	10,322,794	1,718,256	194,654	30,087	140,461
Home office business deductions, total	221,462	30,844	28,541	1,039,904	208,248	* 3,642	* 734	23,315
Depreciation, Form 8829 [3]	23,771	4,622	1,929	111,330	22,810	* 265	* 731	* 3,844
Casualty loss, Form 8829 [3]	* 6,026	* 2,589	* 1,734	12,842	* 7,152	0	0	0
Excess—casualty depreciations, Form 8829 [3]	7,807	* 126	910	76,533	20,111	* 371	0	* 2,248
<b>Net income less deficit [1,2]</b>	<b>5,823,813</b>	<b>1,160,688</b>	<b>827,809</b>	<b>27,854,691</b>	<b>3,031,757</b>	<b>73,829</b>	<b>-15,707</b>	<b>86,798</b>
Net income [1,2]	7,219,827	1,428,246	1,516,443	31,153,797	4,461,145	344,521	45,094	222,020
Deficit [2]	-1,396,014	-267,558	-688,634	-3,299,106	-1,429,387	-270,692	-60,800	-135,222

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Construction—continued				Manufacturing			
	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Textile and textile product mills	Apparel
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>353,370</b>	<b>68,416</b>	<b>53,045</b>	<b>1,959,319</b>	<b>217,718</b>	<b>27,381</b>	<b>5,050</b>	<b>16,445</b>
<b>Business receipts, total [1]</b>	<b>41,215,012</b>	<b>9,120,021</b>	<b>7,152,437</b>	<b>143,209,791</b>	<b>23,656,129</b>	<b>3,153,371</b>	<b>352,856</b>	<b>1,071,138</b>
Income from sales and operations [1]	41,010,110	9,044,825	7,118,071	142,236,327	23,536,337	3,134,316	352,856	1,063,793
Other business income	204,902	75,196	34,366	973,464	119,792	19,055	0	* 7,344
<b>Business deductions, total [1,2]</b>	<b>33,999,954</b>	<b>7,691,775</b>	<b>5,636,404</b>	<b>112,055,703</b>	<b>19,195,250</b>	<b>2,809,103</b>	<b>307,763</b>	<b>849,118</b>
Cost of sales and operations, total	21,781,202	5,093,127	3,026,982	52,009,181	10,913,050	1,973,522	* 144,625	462,854
Inventory, beginning of year	2,231,006	95,754	515,057	1,044,059	923,060	168,743	* 3,871	59,814
Cost of labor	3,293,848	790,635	222,834	10,915,144	1,237,498	40,589	* 32,333	* 127,940
Purchases	5,479,795	1,086,451	1,080,980	16,724,423	5,977,782	1,447,159	* 82,402	230,409
Materials and supplies	7,577,583	1,523,473	910,378	18,257,011	2,432,074	415,299	* 16,912	17,632
Other costs	5,640,778	1,785,685	1,061,847	6,252,521	1,373,427	111,436	* 18,977	* 97,008
Inventory, end of year	2,441,808	188,871	764,114	1,183,976	1,030,790	209,705	* 9,871	69,949
Advertising expenses	152,056	31,664	35,952	780,883	159,893	11,943	* 4,982	3,388
Car and truck expenses	1,817,715	374,176	241,800	10,432,349	689,316	60,723	* 25,072	43,634
Commissions	107,470	* 16,698	55,039	384,518	90,053	9,525	* 3,838	4,212
Contract labor	2,411,544	415,481	259,314	10,165,022	319,361	13,077	* 2,174	* 2,287
Depletion	* 30	* 143	* 550	56,073	460	0	0	0
Depreciation	795,761	193,134	365,257	4,235,259	772,801	58,068	* 12,642	12,916
Employee benefit programs	21,073	14,784	5,670	232,208	85,275	4,696	* 2,185	* 7,170
Insurance	590,659	128,183	132,230	2,727,060	268,714	26,078	* 8,126	8,535
Legal and professional services	148,592	37,359	51,178	552,624	112,964	15,789	* 4,373	4,194
Meals and entertainment deducted	77,452	25,186	30,867	442,549	57,382	3,215	* 294	3,982
Mortgage interest	130,725	39,094	39,988	271,483	96,198	9,146	* 67	0
Other interest paid on business indebtedness	174,904	43,857	73,553	540,926	143,867	18,634	* 2,812	* 4,522
Office expenses	141,973	41,133	33,795	713,552	151,454	9,357	* 1,403	12,942
Pension and profit-sharing plans	7,097	3,208	3,577	49,870	14,697	* 447	* 2,448	* 62
Rent paid on machinery and equipment	130,280	55,383	67,420	858,460	127,619	12,323	* 2,508	* 4,878
Rent paid on other business property	171,112	37,623	26,525	976,700	665,372	61,389	* 11,138	49,121
Repairs	208,905	55,458	129,504	1,218,345	279,556	42,798	* 3,394	8,833
Supplies	1,144,919	140,277	139,725	5,290,511	560,645	32,043	* 5,745	25,763
Salaries and wages	1,086,613	346,370	278,641	6,943,226	1,533,443	209,012	* 22,748	58,851
Taxes paid	253,925	86,390	89,049	1,410,006	341,704	56,646	* 5,707	13,298
Travel	77,689	43,912	47,889	621,675	112,427	5,144	* 521	7,742
Utilities	319,355	71,194	61,058	1,599,977	440,687	61,804	* 15,057	27,650
Other business deductions	2,003,301	361,450	406,919	8,412,248	1,082,614	101,669	* 21,365	59,184
Home office business deductions, total	183,313	29,764	25,167	839,669	137,344	* 2,847	* 734	* 16,055
Depreciation, Form 8829 [3]	17,522	4,502	1,668	85,802	17,076	* 163	* 731	* 3,020
Casualty loss, Form 8829 [3]	* 6,022	* 2,589	* 1,734	* 10,244	* 3,319	0	0	0
Excess—casualty depreciations, Form 8829 [3]	1,918	* 7	0	20,843	* 2,091	0	0	0
<b>Net income [1,2]</b>	<b>7,219,827</b>	<b>1,428,246</b>	<b>1,516,443</b>	<b>31,153,797</b>	<b>4,461,145</b>	<b>344,521</b>	<b>45,094</b>	<b>222,020</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	65,277	11,533	12,210	381,777	47,827	11,318	* 1,291	* 4,270
Business receipts	535,954	100,852	108,616	2,881,443	314,749	79,244	* 5,451	* 25,674
Business deductions	62,885	* 6,727	8,756	293,836	44,446	* 9,207	* 3,806	* 7,045
Net income	473,069	94,125	99,859	2,587,607	270,303	70,037	* 1,645	* 18,629

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued							
	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>* 3,084</b>	<b>35,852</b>	<b>* 1,060</b>	<b>34,903</b>	<b>390</b>	<b>8,802</b>	<b>15,217</b>	<b>4,392</b>
<b>Business receipts, total [1]</b>	<b>* 46,456</b>	<b>2,692,662</b>	<b>* 47,083</b>	<b>2,704,692</b>	<b>38,627</b>	<b>591,406</b>	<b>781,386</b>	<b>769,424</b>
Income from sales and operations [1]	* 39,488	2,661,310	* 47,083	2,700,456	36,652	586,424	780,630	766,528
Other business income	* 6,968	31,352	0	4,236	* 1,975	4,983	* 755	* 2,896
<b>Business deductions, total [1,2]</b>	<b>* 32,513</b>	<b>2,423,114</b>	<b>* 50,246</b>	<b>2,384,531</b>	<b>39,923</b>	<b>539,768</b>	<b>676,816</b>	<b>702,713</b>
Cost of sales and operations, total	* 21,382	1,357,141	* 34,729	1,113,429	* 27,221	206,167	312,945	378,633
Inventory, beginning of year	* 32,864	195,590	* 2,019	46,738	* 10,269	20,580	33,191	* 21,120
Cost of labor	0	165,123	0	88,093	* 1,119	* 11,521	* 27,806	* 20,255
Purchases	* 23,616	714,850	* 32,302	610,523	* 11,504	* 104,062	217,651	* 193,890
Materials and supplies	0	283,143	0	222,964	* 210	39,380	67,293	119,185
Other costs	0	195,205	* 2,713	186,068	* 4,120	54,921	* 7,369	* 51,704
Inventory, end of year	* 35,098	196,770	* 2,305	40,957	0	24,297	40,364	* 27,521
Advertising expenses	* 2,140	14,580	* 1	51,475	* 28	4,143	8,130	5,969
Car and truck expenses	* 618	86,669	* 1,187	91,297	* 49	17,780	44,957	14,626
Commissions	0	6,951	0	12,951	* 89	* 4,071	* 929	* 102
Contract labor	0	32,772	* 4	19,896	* 1,237	* 11,443	35,201	* 6,144
Depletion	0	* 22	0	0	* 147	* 13	0	* [4]
Depreciation	* 364	145,663	* 611	112,611	* 3,153	19,488	10,401	37,461
Employee benefit programs	* 1	15,852	0	9,076	* 165	* 4,990	* 1,982	* 3,051
Insurance	* 374	27,132	* 1,330	26,289	* 1,373	12,481	20,213	17,407
Legal and professional services	* 2	13,884	* 314	17,256	* 333	7,188	3,225	6,585
Meals and entertainment deducted	* 40	3,387	* 130	7,790	* 22	2,510	4,785	1,876
Mortgage interest	* 9	15,921	* 1,089	* 16,747	* 66	* 12,812	* 2,522	* 3,326
Other interest paid on business indebtedness	0	21,151	0	33,176	* 2,340	3,585	* 4,742	4,084
Office expenses	* 39	23,156	* 289	36,496	* 283	12,163	4,477	6,654
Pension and profit-sharing plans	0	* 1,435	0	* 1,810	0	* 359	* 271	* 341
Rent paid on machinery and equipment	0	25,703	* 518	16,086	0	2,354	* 3,215	* 2,944
Rent paid on other business property	* 21	48,184	* 341	154,754	* 2	11,265	52,301	* 9,697
Repairs	* 7	56,131	* 358	27,451	* 83	7,905	8,316	14,604
Supplies	* 354	51,705	* 2	80,809	* 6	11,792	23,107	18,331
Salaries and wages	* 5,067	190,710	* 4,460	234,967	* 1,023	91,782	49,108	86,023
Taxes paid	* 4	32,655	* 397	51,725	* 68	8,320	10,738	13,441
Travel	* 184	9,272	* 284	11,393	* 80	6,117	5,904	5,439
Utilities	* 218	44,754	* 331	93,661	* 240	34,866	16,492	8,015
Other business deductions	* 1,550	160,619	* 995	151,805	1,729	40,406	43,090	55,834
Home office business deductions, total	* 137	33,372	* 2,875	10,292	0	* 2,581	* 9,307	* 2,128
Depreciation, Form 8829 [3]	* 81	* 3,236	0	* 1,491	0	* 332	* 671	* 310
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,123	0	* 654	0	* 29	* 2,216	0
<b>Net income less deficit [1,2]</b>	<b>* 13,944</b>	<b>269,548</b>	<b>* -3,163</b>	<b>321,191</b>	<b>-1,296</b>	<b>51,638</b>	<b>104,589</b>	<b>66,711</b>
Net income [1,2]	* 18,916	356,670	* 2,538	440,485	2,612	93,378	137,825	102,711
Deficit [2]	* -4,973	-87,121	* -5,701	-119,294	* -3,908	-41,740	-33,237	-36,001

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued							
	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>* 3,001</b>	<b>22,680</b>	<b>* 55</b>	<b>22,192</b>	<b>349</b>	<b>4,420</b>	<b>8,402</b>	<b>3,328</b>
<b>Business receipts, total [1]</b>	<b>* 20,120</b>	<b>2,373,021</b>	<b>* 2,565</b>	<b>2,047,637</b>	<b>16,857</b>	<b>392,804</b>	<b>544,246</b>	<b>694,533</b>
Income from sales and operations [1]	* 13,437	2,356,878	* 2,565	2,046,142	16,392	388,520	544,105	691,748
Other business income	* 6,682	16,143	0	1,495	* 465	4,284	* 140	* 2,785
<b>Business deductions, total [1,2]</b>	<b>* 1,203</b>	<b>2,016,351</b>	<b>* 27</b>	<b>1,607,152</b>	<b>14,245</b>	<b>299,426</b>	<b>406,420</b>	<b>591,821</b>
Cost of sales and operations, total	0	1,177,976	* 15	727,142	* 12,445	120,075	161,888	351,319
Inventory, beginning of year	0	117,861	0	25,052	0	* 3,440	25,364	* 20,755
Cost of labor	0	149,414	0	* 68,900	0	* 11,521	* 5,685	* 15,932
Purchases	0	585,636	* 15	399,291	* 10,644	* 40,107	* 97,807	* 187,366
Materials and supplies	0	252,693	0	170,945	0	* 38,922	* 54,283	* 107,000
Other costs	0	175,399	0	85,128	* 1,801	* 29,583	* 3,649	* 44,033
Inventory, end of year	0	103,026	0	22,173	0	* 3,498	* 24,900	* 23,767
Advertising expenses	0	11,538	0	34,549	* 9	* 2,520	2,950	5,238
Car and truck expenses	* 340	65,754	* 9	50,856	* 40	12,817	20,804	* 14,122
Commissions	0	* 6,645	0	8,768	* 89	* 4,008	* 373	* 86
Contract labor	0	* 27,058	0	17,003	0	* 1,127	* 33,629	* 5,049
Depletion	0	* 21	0	0	* 146	* 13	0	0
Depreciation	0	102,371	0	74,642	* 166	10,660	6,321	21,988
Employee benefit programs	0	15,382	0	6,204	0	* 4,905	* 1,902	* 2,188
Insurance	0	23,136	0	18,734	* 21	8,565	18,157	* 16,009
Legal and professional services	0	10,779	0	7,772	* 252	3,184	2,090	4,630
Meals and entertainment deducted	* 17	2,214	0	5,324	* 2	1,507	* 2,506	* 1,818
Mortgage interest	0	* 9,264	0	* 15,107	* 66	* 5,950	0	* 1,188
Other interest paid on business indebtedness	0	10,317	0	16,334	0	* 2,585	* 4,417	* 3,137
Office expenses	0	9,480	0	24,261	* 16	5,963	* 2,689	6,040
Pension and profit-sharing plans	0	* 1,423	0	* 1,806	0	* 359	* 257	0
Rent paid on machinery and equipment	0	21,403	0	15,333	0	* 1,460	* 3,208	* 2,747
Rent paid on other business property	0	38,423	0	112,212	0	* 5,971	* 33,722	* 4,484
Repairs	0	47,818	0	19,920	* 1	4,994	* 2,960	* 8,430
Supplies	0	42,426	0	68,880	* 1	* 9,149	17,100	* 10,116
Salaries and wages	0	172,814	0	179,082	* 50	* 52,418	* 37,739	* 76,299
Taxes paid	0	27,837	* 2	34,116	* 9	4,426	* 6,420	10,861
Travel	* 70	4,643	0	5,672	* 9	2,603	* 3,113	* 5,347
Utilities	* 42	37,223	0	56,313	* 43	8,551	11,820	5,818
Other business deductions	* 597	122,237	0	98,058	855	23,045	23,757	32,782
Home office business deductions, total	* 137	* 23,878	0	7,773	0	* 2,566	* 8,140	* 2,128
Depreciation, Form 8829 [3]	* 81	* 2,783	0	* 837	0	* 331	* 250	* 310
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	* 27	0	0
<b>Net income [1,2]</b>	<b>* 18,916</b>	<b>356,670</b>	<b>* 2,538</b>	<b>440,485</b>	<b>2,612</b>	<b>93,378</b>	<b>137,825</b>	<b>102,711</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 999	* 1,742	* 6	* 2,938	* 47	* 1,027	* 1,999	* 1,285
Business receipts	* 9,694	* 17,640	* 1,620	* 27,297	* 1,347	* 3,292	* 2,319	* 22,271
Business deductions	0	* 4,293	0	* 1,290	* 186	* 3,185	* 458	0
Net income	* 9,694	* 13,347	* 1,620	* 26,008	* 1,161	* 107	* 1,862	* 22,271

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued						
	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>5,141</b>	<b>28,120</b>	<b>24,113</b>	<b>9,846</b>	<b>7,097</b>	<b>8,630</b>	<b>22,074</b>
<b>Business receipts, total [1]</b>	<b>642,314</b>	<b>4,070,630</b>	<b>3,299,982</b>	<b>165,642</b>	<b>633,672</b>	<b>952,524</b>	<b>2,028,453</b>
Income from sales and operations [1]	642,310	4,057,557	3,248,288	160,016	630,844	949,273	2,026,432
Other business income	* 4	13,074	51,695	* 5,626	2,828	* 3,251	2,020
<b>Business deductions, total [1,2]</b>	<b>509,219</b>	<b>3,589,536</b>	<b>2,794,708</b>	<b>161,304</b>	<b>560,724</b>	<b>948,445</b>	<b>1,654,089</b>
Cost of sales and operations, total	* 264,369	1,938,506	1,421,910	41,047	375,975	564,336	812,680
Inventory, beginning of year	* 3,948	132,914	81,479	* 48,537	41,428	104,112	111,081
Cost of labor	* 69,472	348,514	179,582	* 2,669	* 10,395	* 144,073	108,654
Purchases	* 86,873	771,167	632,101	* 33,049	259,911	347,762	447,852
Materials and supplies	* 60,687	551,147	383,416	* 2,145	* 106,687	* 43,663	136,358
Other costs	* 47,317	298,621	243,381	* 1,658	* 4,164	47,348	120,775
Inventory, end of year	* 3,929	163,857	98,049	* 47,010	46,612	122,622	112,039
Advertising expenses	* 1,215	22,666	12,777	5,031	3,856	6,624	16,128
Car and truck expenses	* 6,621	138,921	111,254	25,900	10,194	63,285	78,094
Commissions	* 3,319	38,196	10,272	* 34	* 2,646	* 364	18,795
Contract labor	* 623	70,294	89,362	* 5,110	* 5,782	* 12,918	60,215
Depletion	0	* 22	* 37	0	0	* 187	* 93
Depreciation	48,738	204,443	221,857	8,582	4,018	17,939	60,917
Employee benefit programs	* 715	16,992	8,369	* 63	* 2,459	* 1,471	* 2,581
Insurance	* 18,837	58,981	49,577	* 861	7,073	7,196	26,022
Legal and professional services	* 2,090	30,047	12,187	* 469	2,134	5,791	15,979
Meals and entertainment deducted	* 1,541	10,444	10,577	3,713	2,486	4,684	6,009
Mortgage interest	0	19,768	23,557	* 555	* 1,280	* 15,509	10,167
Other interest paid on business indebtedness	* 12,840	25,321	20,816	* 57	2,211	3,473	10,206
Office expenses	* 3,284	28,397	19,480	2,033	2,859	1,234	10,446
Pension and profit-sharing plans	0	3,225	* 4,107	0	* 392	* 465	* 451
Rent paid on machinery and equipment	* 749	26,072	6,415	0	* 6,536	* 15,357	8,524
Rent paid on other business property	* 29,924	148,710	95,576	* 3,430	9,013	45,949	81,827
Repairs	* 8,302	45,310	42,763	* 1,642	1,468	22,050	16,214
Supplies	* 2,779	74,725	131,565	4,244	1,852	40,677	101,201
Salaries and wages	* 45,550	268,372	188,560	* 2,436	61,959	39,540	124,835
Taxes paid	* 7,478	67,425	42,684	1,533	4,271	6,659	28,161
Travel	* 305	26,236	19,849	* 2,000	6,215	10,612	10,555
Utilities	14,498	82,724	74,551	5,606	6,536	18,879	30,226
Other business deductions	35,172	229,653	159,868	42,094	22,958	42,334	106,653
Home office business deductions, total	0	* 14,002	15,641	* 4,862	* 16,168	* 911	* 17,109
Depreciation, Form 8829 [3]	0	* 33	* 1,712	* 1,297	* 381	* 226	* 1,767
Casualty loss, Form 8829 [3]	0	* 3,319	* 3,833	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 84	* 5,242	* 198	* 381	* 1,261	* 270
<b>Net income less deficit [1,2]</b>	<b>133,096</b>	<b>481,095</b>	<b>506,170</b>	<b>4,338</b>	<b>74,534</b>	<b>4,100</b>	<b>374,546</b>
Net income [1,2]	136,912	599,544	537,083	49,378	99,764	98,655	421,499
Deficit [2]	* -3,816	-118,449	-30,913	-45,040	-25,230	-94,555	-46,954

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued						
	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>3,849</b>	<b>20,513</b>	<b>18,467</b>	<b>3,768</b>	<b>5,491</b>	<b>3,603</b>	<b>15,754</b>
<b>Business receipts, total [1]</b>	<b>641,736</b>	<b>3,188,039</b>	<b>2,832,280</b>	<b>155,431</b>	<b>418,018</b>	<b>864,534</b>	<b>1,788,714</b>
Income from sales and operations [1]	641,732	3,183,314	2,798,325	149,808	415,344	864,454	1,788,080
Other business income	* 4	4,725	33,955	* 5,624	* 2,674	* 80	* 634
<b>Business deductions, total [1,2]</b>	<b>504,824</b>	<b>2,588,495</b>	<b>2,295,197</b>	<b>106,053</b>	<b>318,254</b>	<b>765,879</b>	<b>1,367,215</b>
Cost of sales and operations, total	* 264,369	1,528,440	1,269,835	* 37,630	243,796	505,326	621,997
Inventory, beginning of year	* 3,948	92,607	73,811	* 3,269	* 33,728	* 42,401	83,331
Cost of labor	* 69,472	192,698	170,524	* 2,601	* 10,062	* 128,916	70,593
Purchases	* 86,873	609,646	532,732	* 32,713	* 127,917	* 325,755	384,406
Materials and supplies	* 60,687	492,621	356,830	* 47	* 106,648	* 34,720	109,573
Other costs	* 47,317	246,496	224,547	* 1,657	* 3,276	* 16,338	62,797
Inventory, end of year	* 3,929	105,627	88,608	* 2,657	* 37,835	* 42,805	88,703
Advertising expenses	* 1,159	19,905	10,968	* 3,146	* 451	* 3,695	13,511
Car and truck expenses	* 6,621	104,469	87,255	* 10,184	* 5,886	31,454	68,179
Commissions	* 3,319	12,405	* 10,220	0	* 127	* 339	7,257
Contract labor	* 623	59,786	40,787	* 115	* 3,630	* 10,735	59,868
Depletion	0	0	0	0	0	* 187	* 93
Depreciation	* 48,142	105,345	161,553	* 963	2,726	11,463	55,060
Employee benefit programs	* 715	13,045	8,289	* 28	* 41	* 1,266	* 2,386
Insurance	* 18,666	33,068	32,147	* 834	* 3,427	6,551	23,344
Legal and professional services	* 2,085	10,323	10,249	* 311	1,396	2,934	9,961
Meals and entertainment deducted	* 1,541	7,530	8,298	* 734	2,214	2,025	5,559
Mortgage interest	0	6,816	* 19,583	* 20	* 1,280	* 13,765	* 6,479
Other interest paid on business indebtedness	* 12,840	16,999	18,710	* 57	* 1,666	* 3,015	8,017
Office expenses	* 2,690	23,775	13,984	* 603	* 1,837	* 995	7,800
Pension and profit-sharing plans	0	2,470	* 3,963	0	* 392	* 186	* 451
Rent paid on machinery and equipment	* 749	18,493	5,961	0	* 1,192	* 15,353	8,507
Rent paid on other business property	* 29,780	90,801	54,983	* 3,295	* 6,814	29,812	73,380
Repairs	* 8,302	39,357	30,988	* 395	* 232	21,115	12,637
Supplies	* 2,118	52,079	99,406	* 1,843	* 217	22,383	99,722
Salaries and wages	* 45,550	186,683	169,329	* 1,565	* 19,356	* 29,011	116,320
Taxes paid	* 7,438	50,272	35,755	* 583	* 2,196	5,858	26,473
Travel	* 305	12,970	17,970	* 828	4,896	3,220	8,458
Utilities	* 13,504	52,861	60,007	* 2,644	2,759	14,687	22,890
Other business deductions	* 34,037	127,719	108,626	* 35,556	11,246	29,904	93,394
Home office business deductions, total	0	* 12,800	* 15,237	* 4,719	* 93	* 602	* 15,471
Depreciation, Form 8829 [3]	0	* 5	* 1,691	* 1,198	0	0	* 1,497
Casualty loss, Form 8829 [3]	0	* 3,319	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	* 435	0	0	0	0
<b>Net income [1,2]</b>	<b>136,912</b>	<b>599,544</b>	<b>537,083</b>	<b>49,378</b>	<b>99,764</b>	<b>98,655</b>	<b>421,499</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	* 937	* 1,772	* 1,661	* 1,027	* 3,026	* 1,139	* 654
Business receipts	* 1,552	* 6,948	* 4,639	* 2,246	* 22,324	* 12,595	* 8,630
Business deductions	* 271	* 83	* 1,095	0	* 386	0	0
Net income	* 1,281	* 6,865	* 3,544	* 2,246	* 21,938	* 12,595	* 8,630

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item			Wholesale trade (merchant wholesalers)				Retail trade	
	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>11,759</b>	<b>60,426</b>	<b>340,373</b>	<b>153,562</b>	<b>114,362</b>	<b>72,449</b>	<b>2,436,291</b>	<b>145,975</b>
<b>Business receipts, total [1]</b>	<b>885,652</b>	<b>3,337,846</b>	<b>50,447,175</b>	<b>22,090,048</b>	<b>21,346,578</b>	<b>7,010,549</b>	<b>198,881,138</b>	<b>41,039,684</b>
Income from sales and operations [1]	884,647	3,321,448	49,977,829	21,791,288	21,293,558	6,892,983	196,490,502	40,708,048
Other business income	* 1,004	16,398	469,346	298,760	53,020	117,566	2,390,636	331,636
<b>Business deductions, total [1,2]</b>	<b>745,377</b>	<b>2,996,683</b>	<b>45,646,254</b>	<b>20,129,459</b>	<b>19,746,127</b>	<b>5,770,668</b>	<b>189,472,430</b>	<b>39,908,603</b>
Cost of sales and operations, total	353,042	1,725,074	33,807,186	14,579,142	15,223,108	4,004,936	131,967,253	32,559,687
Inventory, beginning of year	* 17,485	270,230	2,871,450	1,804,915	900,797	165,738	22,772,494	5,604,728
Cost of labor	* 826	211,816	414,747	263,534	73,118	78,094	2,524,239	615,727
Purchases	57,766	1,075,958	29,696,134	12,688,326	13,701,088	3,306,721	118,950,289	29,952,015
Materials and supplies	* 240,480	280,011	1,470,244	750,819	450,490	268,934	6,265,212	1,304,603
Other costs	* 58,955	208,319	2,618,914	1,082,351	1,160,836	375,727	4,867,592	922,169
Inventory, end of year	22,471	321,259	3,264,303	2,010,802	1,063,221	190,279	23,412,573	5,839,555
Advertising expenses	22,669	28,070	352,946	176,696	126,844	49,405	2,397,463	349,139
Car and truck expenses	45,180	106,916	1,434,458	614,197	502,427	317,834	6,137,823	559,476
Commissions	* 24,244	12,851	617,321	320,829	196,296	100,196	1,145,926	229,175
Contract labor	* 33,208	16,377	387,889	164,822	160,302	62,765	1,217,225	200,778
Depletion	0	* [4]	5,470	* 1,543	3,927	0	11,580	* 1,535
Depreciation	12,569	119,206	585,657	327,176	212,979	45,502	2,682,887	370,276
Employee benefit programs	* 1,273	18,237	93,480	28,970	33,296	31,214	267,277	56,035
Insurance	4,676	32,832	286,218	131,647	124,051	30,520	1,573,633	323,560
Legal and professional services	9,451	30,861	213,791	104,503	83,988	25,300	816,576	97,536
Meals and entertainment deducted	4,072	8,722	190,961	86,414	57,662	46,885	421,352	40,688
Mortgage interest	* 3,614	15,136	112,189	42,444	64,222	5,523	947,484	175,813
Other interest paid on business indebtedness	4,534	28,220	312,571	169,000	117,398	26,172	1,169,780	287,097
Office expenses	18,667	29,988	267,375	136,523	80,359	50,493	1,153,338	137,329
Pension and profit-sharing plans	* 68	* 630	18,546	10,936	6,267	1,343	42,387	5,946
Rent paid on machinery and equipment	* 1,245	18,873	180,906	122,407	38,791	19,709	687,456	36,270
Rent paid on other business property	18,383	88,185	721,017	378,813	245,195	97,010	6,140,304	564,151
Repairs	3,859	31,667	242,031	133,036	98,801	10,195	1,283,997	289,379
Supplies	15,556	94,774	558,888	295,739	222,499	40,651	2,809,686	273,985
Salaries and wages	33,589	206,461	1,423,998	685,641	604,999	133,358	8,812,053	1,166,067
Taxes paid	6,631	64,658	329,410	153,420	148,617	27,373	3,002,252	509,128
Travel	18,665	29,539	548,173	244,755	192,683	110,735	1,171,531	94,967
Utilities	15,877	61,104	470,600	222,244	185,371	62,984	3,533,280	365,153
Other business deductions	83,556	174,740	2,240,679	873,111	949,744	417,824	9,081,497	1,167,108
Home office business deductions, total	* 8,001	43,172	219,376	112,180	58,837	48,359	755,401	19,365
Depreciation, Form 8829 [3]	* 903	5,531	33,473	20,985	8,383	4,106	98,359	1,376
Casualty loss, Form 8829 [3]	0	0	* 707	* 707	0	0	23,081	* 303
Excess—casualty depreciations, Form 8829 [3]	* 403	* 5,630	25,299	14,682	7,964	* 2,652	177,459	* 1,752
<b>Net income less deficit [1,2]</b>	<b>140,275</b>	<b>345,524</b>	<b>4,815,862</b>	<b>1,966,219</b>	<b>1,608,303</b>	<b>1,241,340</b>	<b>9,493,005</b>	<b>1,142,983</b>
Net income [1,2]	188,539	563,000	6,009,042	2,492,538	2,094,787	1,421,717	17,883,396	1,998,862
Deficit [2]	-48,265	-217,476	-1,193,180	-526,319	-486,484	-180,377	-8,390,390	-855,879

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item			Wholesale trade (merchant wholesalers)				Retail trade	
	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>6,889</b>	<b>26,080</b>	<b>225,451</b>	<b>95,727</b>	<b>79,854</b>	<b>49,870</b>	<b>1,267,199</b>	<b>99,584</b>
<b>Business receipts, total [1]</b>	<b>577,383</b>	<b>2,520,847</b>	<b>43,189,528</b>	<b>19,034,920</b>	<b>18,250,589</b>	<b>5,904,019</b>	<b>155,918,883</b>	<b>31,179,343</b>
Income from sales and operations [1]	572,817	2,511,710	42,805,184	18,790,859	18,208,052	5,806,273	154,296,031	30,954,638
Other business income	* 4,567	9,138	384,345	244,061	42,537	97,747	1,622,852	224,706
<b>Business deductions, total [1,2]</b>	<b>388,844</b>	<b>1,957,860</b>	<b>37,180,615</b>	<b>16,542,382</b>	<b>16,155,370</b>	<b>4,482,863</b>	<b>138,032,189</b>	<b>29,180,768</b>
Cost of sales and operations, total	126,982	1,182,814	28,367,009	12,347,587	12,706,534	3,312,888	100,670,584	24,329,939
Inventory, beginning of year	* 7,605	157,460	2,136,373	1,416,861	606,180	113,333	14,197,391	3,616,115
Cost of labor	* 826	139,492	342,646	218,050	64,620	* 59,975	1,851,209	368,064
Purchases	* 36,440	760,463	24,706,244	10,666,223	11,400,132	2,639,888	90,692,684	22,460,010
Materials and supplies	* 54,313	142,949	1,229,386	652,522	315,018	261,846	5,139,254	1,125,132
Other costs	* 39,851	164,136	2,380,264	978,083	1,042,682	359,499	3,611,980	482,970
Inventory, end of year	* 12,053	181,686	2,427,905	1,584,151	722,099	121,654	14,821,934	3,722,352
Advertising expenses	* 9,506	20,437	247,598	131,669	83,020	32,908	1,524,504	229,585
Car and truck expenses	26,192	54,905	1,027,503	474,035	357,204	196,264	3,751,451	387,362
Commissions	* 7,083	11,761	539,917	273,264	186,529	80,124	812,344	184,812
Contract labor	* 32,828	9,585	306,300	132,500	133,431	40,369	851,404	135,535
Depletion	0	0	5,291	* 1,535	* 3,756	0	9,535	* 283
Depreciation	9,711	78,062	444,058	246,873	165,023	32,163	1,559,556	216,658
Employee benefit programs	* 403	14,470	70,235	18,075	24,581	27,580	190,212	32,380
Insurance	* 2,786	20,528	231,181	105,518	104,249	21,414	1,080,779	210,444
Legal and professional services	6,398	16,246	148,733	62,772	69,659	16,302	496,734	62,397
Meals and entertainment deducted	4,010	4,594	156,831	75,320	45,397	36,115	249,687	29,862
Mortgage interest	* 191	* 7,276	72,173	27,216	43,586	1,372	524,320	88,151
Other interest paid on business indebtedness	* 572	19,233	175,560	68,392	92,172	14,995	673,750	179,874
Office expenses	12,356	15,262	210,500	114,197	57,911	38,391	702,651	96,003
Pension and profit-sharing plans	* 11	* 424	17,850	10,373	6,134	1,343	37,735	5,479
Rent paid on machinery and equipment	* 973	12,530	149,952	100,322	34,497	15,133	426,059	21,760
Rent paid on other business property	* 14,694	45,353	567,335	297,654	189,187	80,494	4,100,576	379,878
Repairs	* 3,618	23,765	191,384	101,944	82,679	6,762	874,620	215,019
Supplies	* 10,881	60,773	436,321	232,743	179,863	23,715	1,612,612	130,851
Salaries and wages	* 6,471	150,143	1,073,567	521,741	462,591	89,236	6,358,329	808,693
Taxes paid	* 3,303	50,504	245,328	121,368	109,548	14,412	2,064,865	346,961
Travel	16,455	12,462	437,870	201,754	147,960	88,156	715,536	75,440
Utilities	11,489	35,524	353,708	167,878	144,799	41,031	2,323,208	240,121
Other business deductions	74,276	84,309	1,534,423	625,078	677,733	231,613	5,764,580	733,642
Home office business deductions, total	* 7,656	16,508	144,866	69,305	39,861	35,701	414,399	10,677
Depreciation, Form 8829 [3]	* 500	* 3,680	16,428	10,078	3,913	2,436	42,897	700
Casualty loss, Form 8829 [3]	0	0	* 64	* 64	0	0	* 7,284	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,628	* 1,379	* 381	* 999	0	16,788	* 451
<b>Net income [1,2]</b>	<b>188,539</b>	<b>563,000</b>	<b>6,009,042</b>	<b>2,492,538</b>	<b>2,094,787</b>	<b>1,421,717</b>	<b>17,883,396</b>	<b>1,998,862</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,715	7,974	41,727	16,526	15,200	10,002	246,651	19,664
Business receipts	* 11,584	48,382	319,078	127,717	117,528	73,833	1,225,326	152,081
Business deductions	* 2,748	* 10,392	25,118	13,270	* 7,466	* 4,382	242,989	28,960
Net income	* 8,836	37,990	293,960	114,447	110,062	69,451	982,337	123,122

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued							
	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>48,991</b>	<b>35,679</b>	<b>51,802</b>	<b>82,127</b>	<b>145,056</b>	<b>18,245</b>	<b>140,659</b>	<b>110,577</b>
<b>Business receipts, total [1]</b>	<b>5,179,294</b>	<b>4,053,726</b>	<b>8,805,474</b>	<b>26,901,682</b>	<b>8,884,316</b>	<b>25,622,478</b>	<b>10,622,326</b>	<b>7,325,799</b>
Income from sales and operations [1]	5,090,349	4,005,653	8,748,575	26,419,316	8,710,583	25,409,140	10,491,602	7,290,427
Other business income	88,945	48,073	56,899	482,365	173,733	213,339	130,724	35,373
<b>Business deductions, total [1,2]</b>	<b>4,887,177</b>	<b>3,893,542</b>	<b>8,142,318</b>	<b>26,068,128</b>	<b>8,169,627</b>	<b>25,438,559</b>	<b>10,134,709</b>	<b>7,277,859</b>
Cost of sales and operations, total	2,809,630	2,260,074	5,487,897	19,589,570	5,515,778	22,360,230	5,972,632	4,661,497
Inventory, beginning of year	667,323	363,820	1,081,797	1,955,652	801,064	599,314	2,288,164	1,818,127
Cost of labor	198,432	73,766	258,901	214,002	* 28,028	371,941	34,391	48,179
Purchases	2,387,578	1,764,154	4,355,223	17,634,186	5,215,261	20,836,545	5,441,402	4,331,732
Materials and supplies	208,225	181,715	408,480	803,034	156,807	673,193	406,355	215,432
Other costs	73,017	221,324	405,186	716,631	98,854	449,804	184,832	159,261
Inventory, end of year	724,944	344,704	1,021,690	1,733,936	784,235	570,568	2,382,512	1,911,235
Advertising expenses	174,174	75,588	107,284	122,161	146,965	35,545	213,859	147,276
Car and truck expenses	195,227	93,147	199,709	252,072	220,334	59,325	207,236	176,795
Commissions	30,027	30,673	31,510	59,657	51,559	45,198	44,685	50,333
Contract labor	102,955	93,945	146,742	82,107	49,328	68,156	34,304	36,109
Depletion	0	0	0	* 405	* 62	* 276	* 3	* 957
Depreciation	61,144	87,699	185,417	241,842	99,625	186,223	155,746	136,898
Employee benefit programs	8,773	17,732	11,671	26,211	18,713	11,775	13,053	7,656
Insurance	54,900	46,107	123,409	189,329	52,681	100,453	102,286	62,090
Legal and professional services	24,520	20,698	38,369	86,257	50,937	40,638	66,861	40,412
Meals and entertainment deducted	10,625	5,983	11,884	8,689	28,724	2,239	21,710	20,796
Mortgage interest	45,329	20,045	74,485	106,549	31,503	116,177	35,253	29,127
Other interest paid on business indebtedness	27,512	42,236	72,981	103,184	43,789	83,304	80,733	52,933
Office expenses	26,014	34,922	47,183	53,196	65,153	16,444	95,116	54,602
Pension and profit-sharing plans	* 782	* 572	1,722	3,785	8,436	740	5,147	* 1,083
Rent paid on machinery and equipment	32,369	20,273	28,685	106,478	78,512	36,983	85,110	8,302
Rent paid on other business property	318,225	149,007	102,268	780,588	273,327	300,219	919,302	399,846
Repairs	43,410	26,471	64,665	211,584	46,666	109,136	65,962	35,381
Supplies	71,089	89,350	110,166	300,735	176,287	54,889	155,707	88,824
Salaries and wages	233,082	334,406	595,132	1,575,641	507,268	730,016	682,802	387,925
Taxes paid	111,643	107,731	158,319	424,374	92,528	279,962	248,428	142,623
Travel	35,678	13,644	18,671	32,344	62,447	2,132	68,278	64,848
Utilities	127,296	108,963	155,115	662,712	129,397	285,129	237,114	167,348
Other business deductions	317,727	188,627	339,951	1,029,587	375,161	509,470	568,625	451,002
Home office business deductions, total	20,077	23,136	27,441	8,707	37,821	3,900	41,823	47,619
Depreciation, Form 8829 [3]	2,845	* 3,297	2,323	* 722	7,476	* 88	5,128	5,268
Casualty loss, Form 8829 [3]	0	0	0	0	* 15,093	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 2,326	* 4,889	* 892	* 1,201	20,933	* 9	5,573	17,314
<b>Net income less deficit [1,2]</b>	<b>292,420</b>	<b>160,183</b>	<b>663,491</b>	<b>833,826</b>	<b>715,129</b>	<b>183,671</b>	<b>488,313</b>	<b>48,541</b>
Net income [1,2]	525,237	360,288	828,515	1,326,676	1,170,397	400,038	1,122,003	577,132
Deficit [2]	-232,817	-200,105	-165,024	-492,850	-455,267	-216,368	-633,691	-528,591

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued							
	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>30,445</b>	<b>21,685</b>	<b>33,506</b>	<b>57,960</b>	<b>60,487</b>	<b>12,283</b>	<b>78,459</b>	<b>45,880</b>
<b>Business receipts, total [1]</b>	<b>3,785,404</b>	<b>3,172,697</b>	<b>7,425,178</b>	<b>22,600,203</b>	<b>7,895,494</b>	<b>18,274,250</b>	<b>8,458,131</b>	<b>4,839,994</b>
Income from sales and operations [1]	3,736,060	3,131,104	7,385,784	22,156,705	7,804,471	18,104,077	8,383,884	4,821,520
Other business income	49,345	41,593	39,394	443,498	91,024	170,172	74,248	18,474
<b>Business deductions, total [1,2]</b>	<b>3,260,168</b>	<b>2,812,408</b>	<b>6,596,711</b>	<b>21,273,748</b>	<b>6,725,098</b>	<b>17,874,211</b>	<b>7,336,139</b>	<b>4,263,329</b>
Cost of sales and operations, total	1,899,643	1,780,188	4,546,727	16,387,673	4,934,454	15,820,880	4,582,983	2,891,642
Inventory, beginning of year	412,388	257,122	830,274	1,456,587	552,816	374,897	1,477,739	1,034,403
Cost of labor	170,838	* 71,218	197,736	158,189	* 17,119	285,794	22,629	* 6,083
Purchases	1,598,580	1,339,190	3,600,616	14,904,624	4,727,352	14,698,292	4,189,301	2,754,085
Materials and supplies	129,502	160,360	352,078	697,528	141,376	553,430	338,763	123,438
Other costs	56,182	217,406	358,806	590,365	82,538	283,856	122,646	98,805
Inventory, end of year	467,847	265,108	792,784	1,419,620	586,748	375,390	1,568,096	1,125,172
Advertising expenses	105,949	51,953	82,315	92,495	71,514	20,791	128,689	58,555
Car and truck expenses	146,779	53,267	140,412	170,929	91,246	42,884	135,017	84,832
Commissions	14,083	10,124	29,840	38,961	50,260	27,653	19,243	45,672
Contract labor	70,711	28,051	128,964	49,345	37,044	56,574	27,795	15,686
Depletion	0	0	0	* 405	0	* 8	0	* 957
Depreciation	34,376	59,017	131,008	149,484	62,067	116,313	73,285	59,313
Employee benefit programs	* 2,086	14,091	9,928	21,813	17,475	8,872	9,481	6,361
Insurance	40,701	28,539	91,907	143,465	40,410	70,465	70,917	34,063
Legal and professional services	16,050	12,135	31,524	58,416	39,991	25,824	39,510	22,831
Meals and entertainment deducted	6,527	4,875	8,743	2,906	14,622	1,717	12,063	10,538
Mortgage interest	36,383	11,775	56,953	66,816	26,346	54,035	17,381	10,957
Other interest paid on business indebtedness	18,163	31,795	53,253	63,071	34,214	48,072	47,517	19,207
Office expenses	17,153	16,787	33,125	37,509	40,481	11,605	58,147	31,715
Pension and profit-sharing plans	* 718	* 572	1,722	2,667	8,337	* 616	4,609	* 1,083
Rent paid on machinery and equipment	16,313	10,876	22,113	100,135	60,257	22,646	40,167	2,155
Rent paid on other business property	179,745	75,644	82,775	618,658	225,477	224,359	640,584	200,354
Repairs	27,248	22,373	42,226	162,575	29,480	73,734	42,979	13,889
Supplies	42,491	69,726	82,008	249,936	72,632	30,657	79,127	34,090
Salaries and wages	154,003	233,824	480,834	1,200,118	429,966	483,523	490,568	234,705
Taxes paid	77,381	89,792	117,706	328,326	72,256	186,210	178,677	72,256
Travel	19,644	9,054	15,119	18,982	30,708	1,026	44,352	31,094
Utilities	81,058	71,092	117,504	520,555	94,474	198,090	148,525	93,767
Other business deductions	229,976	117,423	267,745	774,900	219,234	343,842	411,285	263,427
Home office business deductions, total	18,016	* 6,926	20,614	3,242	15,530	* 3,815	20,305	18,604
Depreciation, Form 8829 [3]	* 2,620	* 1,456	1,878	* 152	* 3,009	* 79	2,323	* 1,821
Casualty loss, Form 8829 [3]	0	0	0	0	* 620	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 1,777	* 2,805	0	* 1	* 2,220	0	* 359	* 1,494
<b>Net income [1,2]</b>	<b>525,237</b>	<b>360,288</b>	<b>828,515</b>	<b>1,326,676</b>	<b>1,170,397</b>	<b>400,038</b>	<b>1,122,003</b>	<b>577,132</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 6,585	* 2,582	* 2,279	8,534	15,008	0	9,668	6,704
Business receipts	* 32,254	* 5,935	* 8,935	83,248	96,306	0	80,634	23,566
Business deductions	* 4,969	* 2,512	* 1,643	* 10,365	6,625	0	* 12,932	* 5,578
Net income	* 27,285	* 3,422	* 7,291	72,883	89,680	0	67,702	17,988

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued			Transportation and warehousing				
	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long-distance and specialized freight trucking
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>28,886</b>	<b>570,299</b>	<b>1,057,997</b>	<b>1,154,819</b>	<b>12,672</b>	<b>6,840</b>	<b>241,130</b>	<b>401,096</b>
<b>Business receipts, total [1]</b>	<b>2,969,973</b>	<b>33,568,539</b>	<b>23,907,848</b>	<b>82,138,420</b>	<b>1,654,862</b>	<b>541,453</b>	<b>20,571,116</b>	<b>42,181,814</b>
Income from sales and operations [1]	2,949,634	33,230,771	23,436,405	80,716,160	1,526,341	539,014	20,346,882	41,368,293
Other business income	20,339	337,768	471,443	1,422,259	128,521	2,439	224,235	813,520
<b>Business deductions, total [1,2]</b>	<b>2,916,923</b>	<b>30,721,628</b>	<b>21,913,357</b>	<b>71,219,218</b>	<b>1,780,253</b>	<b>410,154</b>	<b>17,840,579</b>	<b>37,526,365</b>
Cost of sales and operations, total	1,858,955	17,892,931	10,998,371	8,366,170	583,302	91,589	2,288,649	3,754,605
Inventory, beginning of year	414,834	5,292,115	1,885,557	203,956	49,178	* 238	17,029	75,271
Cost of labor	* 3,054	469,265	208,553	2,388,100	19,558	* 6,680	841,433	1,083,919
Purchases	1,667,737	15,556,886	9,807,568	1,910,019	119,745	* 665	294,117	971,219
Materials and supplies	67,739	1,324,301	515,330	845,693	111,657	* 1,337	291,442	161,283
Other costs	156,880	752,551	727,084	3,217,671	351,940	* 82,988	876,121	1,495,043
Inventory, end of year	451,289	5,502,185	2,145,720	199,270	68,777	* 319	31,493	32,130
Advertising expenses	24,640	498,850	501,981	204,060	2,480	1,696	29,109	56,282
Car and truck expenses	78,419	1,456,040	2,640,044	21,152,787	19,084	5,267	4,908,582	11,991,178
Commissions	5,559	281,853	285,698	920,605	7,570	* 1,689	284,781	448,698
Contract labor	17,754	204,507	180,539	3,845,383	22,616	3,921	1,120,603	1,980,249
Depletion	* 34	7,965	* 343	11,300	249	* [4]	* 2,969	* 8,081
Depreciation	73,156	553,558	531,302	5,751,854	373,949	98,790	1,571,254	2,994,201
Employee benefit programs	* 5,761	60,830	29,067	83,083	4,375	* 3,310	29,511	34,240
Insurance	31,819	340,388	146,611	3,056,181	37,929	10,889	909,861	1,551,239
Legal and professional services	8,757	178,426	163,165	295,448	25,719	10,529	59,449	138,037
Meals and entertainment deducted	3,022	111,241	155,752	1,721,508	17,298	2,719	207,951	1,414,084
Mortgage interest	31,939	196,936	84,327	342,364	50,033	* 691	84,933	109,210
Other interest paid on business indebtedness	13,307	239,209	123,496	869,270	59,623	24,100	230,616	449,238
Office expenses	10,422	285,218	327,740	353,665	7,198	3,943	85,630	156,711
Pension and profit-sharing plans	* 3	8,415	5,755	6,031	1,804	* 28	* 1,588	1,671
Rent paid on machinery and equipment	20,644	167,279	66,551	2,211,303	13,005	* 2,948	383,866	1,063,719
Rent paid on other business property	152,046	1,741,870	439,455	539,256	23,055	11,741	107,866	174,809
Repairs	14,034	237,223	140,085	4,591,730	79,138	16,014	1,294,596	2,767,200
Supplies	30,138	722,749	735,768	1,237,324	10,846	2,351	327,083	676,078
Salaries and wages	164,054	1,843,229	592,430	2,822,237	45,368	27,060	967,878	1,114,491
Taxes paid	62,770	622,171	242,575	1,275,387	13,305	4,678	373,670	684,691
Travel	16,106	289,523	472,893	685,615	42,157	2,524	150,423	372,153
Utilities	73,301	757,468	464,284	993,959	9,844	2,210	245,979	441,849
Other business deductions	214,661	1,796,711	2,122,866	9,516,004	324,193	81,243	2,080,430	5,004,965
Home office business deductions, total	* 5,168	166,494	353,852	217,205	5,383	* 182	59,607	93,540
Depreciation, Form 8829 [3]	0	20,658	49,178	15,864	* 448	* 6	4,324	6,185
Casualty loss, Form 8829 [3]	0	* 3,552	* 4,133	* 3,266	0	0	0	* 278
Excess—casualty depreciations, Form 8829 [3]	0	34,095	88,474	6,735	* 176	0	* 914	* 982
<b>Net income less deficit [1,2]</b>	<b>53,049</b>	<b>2,867,432</b>	<b>2,043,966</b>	<b>10,963,923</b>	<b>-102,235</b>	<b>131,405</b>	<b>2,731,105</b>	<b>4,655,023</b>
Net income [1,2]	263,673	4,691,208	4,619,366	13,663,909	333,653	211,584	3,286,407	5,621,941
Deficit [2]	-210,623	-1,823,775	-2,575,400	-2,699,986	-435,889	-80,179	-555,302	-966,918

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued			Transportation and warehousing				
	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long-distance and specialized freight trucking
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>16,748</b>	<b>322,913</b>	<b>487,248</b>	<b>931,017</b>	<b>8,987</b>	<b>5,140</b>	<b>192,327</b>	<b>322,988</b>
<b>Business receipts, total [1]</b>	<b>2,473,905</b>	<b>26,519,335</b>	<b>19,294,949</b>	<b>67,266,486</b>	<b>1,059,025</b>	<b>426,465</b>	<b>16,424,743</b>	<b>34,605,893</b>
Income from sales and operations [1]	2,460,478	26,295,605	19,061,707	66,071,411	960,592	426,395	16,271,433	33,896,013
Other business income	13,427	223,730	233,242	1,195,074	98,432	* 69	153,310	709,880
<b>Business deductions, total [1,2]</b>	<b>2,210,232</b>	<b>21,822,800</b>	<b>14,676,578</b>	<b>53,606,158</b>	<b>726,569</b>	<b>214,881</b>	<b>13,138,319</b>	<b>28,983,526</b>
Cost of sales and operations, total	1,581,361	13,635,329	8,279,767	6,239,246	351,642	* 81,816	1,435,175	3,131,982
Inventory, beginning of year	293,602	2,909,843	981,605	94,341	* 12,243	0	* 8,202	17,162
Cost of labor	* 3,054	372,771	177,712	1,865,940	* 4,706	0	549,936	931,841
Purchases	1,415,008	11,761,292	7,244,333	1,691,799	* 23,434	* 134	282,113	925,538
Materials and supplies	* 28,726	1,096,533	392,388	663,619	* 70,774	0	237,245	89,440
Other costs	* 153,488	581,701	583,218	2,032,357	* 252,138	* 81,682	380,050	1,186,710
Inventory, end of year	312,517	3,086,810	1,099,489	108,810	* 11,653	0	* 22,371	18,709
Advertising expenses	16,675	331,632	334,351	155,439	767	* 286	24,292	44,837
Car and truck expenses	53,361	935,523	1,509,839	16,354,046	4,546	* 2,569	3,726,289	9,430,948
Commissions	* 3,565	195,564	192,567	719,002	3,552	0	205,329	343,861
Contract labor	* 4,132	164,038	133,531	2,979,578	15,715	* 445	934,560	1,363,234
Depletion	0	7,822	* 60	8,542	* 100	* [4]	* 2,961	* 5,480
Depreciation	25,070	330,160	302,807	3,656,712	26,646	42,393	1,050,249	2,130,455
Employee benefit programs	* 3,511	38,900	25,315	55,458	* 2,327	* 3,030	19,906	23,503
Insurance	24,627	223,774	101,467	2,276,873	8,068	* 4,239	671,108	1,181,767
Legal and professional services	6,509	104,592	76,955	203,217	14,851	* 1,114	41,024	106,557
Meals and entertainment deducted	2,142	66,657	89,036	1,490,271	15,910	* 675	166,999	1,244,319
Mortgage interest	21,714	105,279	28,531	218,352	* 1,835	* 328	64,291	81,240
Other interest paid on business indebtedness	4,671	112,793	61,118	513,527	8,272	* 5,027	107,210	325,063
Office expenses	6,444	170,911	182,771	257,004	5,982	* 1,890	68,291	115,171
Pension and profit-sharing plans	0	7,264	4,666	3,329	* 1,668	0	* 70	868
Rent paid on machinery and equipment	18,456	65,567	45,616	1,759,229	2,159	* 2,849	324,804	787,511
Rent paid on other business property	120,464	1,051,980	300,659	408,006	8,451	* 180	79,201	141,820
Repairs	7,294	144,967	92,835	3,491,366	17,705	* 3,126	1,010,295	2,143,413
Supplies	14,056	468,379	338,658	923,427	8,136	* 350	242,778	514,923
Salaries and wages	115,715	1,256,674	469,706	1,925,075	16,750	* 13,192	685,292	726,802
Taxes paid	47,202	389,590	158,508	946,339	4,401	* 1,549	269,827	513,959
Travel	10,060	181,437	278,620	539,599	32,420	* 830	136,711	283,625
Utilities	49,529	466,569	241,922	766,067	5,880	* 658	190,312	346,151
Other business deductions	70,946	1,191,747	1,140,412	7,374,467	163,124	48,111	1,590,138	3,869,510
Home office business deductions, total	* 2,273	115,939	178,457	192,547	* 4,933	* 182	57,513	81,380
Depreciation, Form 8829 [3]	0	8,828	20,030	12,772	* 382	* 6	4,188	5,569
Casualty loss, Form 8829 [3]	0	* 3,552	* 3,112	* 3,266	0	0	0	* 278
Excess—casualty depreciations, Form 8829 [3]	0	* 2,669	5,012	* 373	0	0	* 373	0
<b>Net income [1,2]</b>	<b>263,673</b>	<b>4,691,208</b>	<b>4,619,366</b>	<b>13,663,909</b>	<b>333,653</b>	<b>211,584</b>	<b>3,286,407</b>	<b>5,621,941</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,143	79,965	93,521	159,361	* 2,826	* 1,026	30,323	34,842
Business receipts	* 7,628	352,507	382,233	1,353,760	* 46,800	* 4,621	297,904	404,845
Business deductions	* 455	60,544	108,406	149,490	* 730	* 42	33,695	45,146
Net income	* 7,173	291,963	273,827	1,204,270	* 46,071	* 4,579	264,210	359,699

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued							
	Urban transit	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	0	6,933	165,333	19,583	22,932	* 658	11,945	50,663
<b>Business receipts, total [1]</b>	0	46,014	4,995,671	884,658	522,454	* 75,754	290,148	3,469,136
Income from sales and operations [1]	0	46,004	4,923,111	883,863	515,216	* 75,754	282,353	3,366,603
Other business income	0	* 10	72,560	* 795	* 7,237	0	* 7,795	102,533
<b>Business deductions, total [1,2]</b>	0	* 26,884	3,718,723	688,665	471,459	* 95,625	320,334	3,057,821
Cost of sales and operations, total	0	0	71,142	* 126,016	* 16,911	* 13,337	* 11,594	813,173
Inventory, beginning of year	0	0	* 1,308	* 9,724	* 4	0	* 79	44,273
Cost of labor	0	0	* 13,100	* 7,456	0	* 228	0	* 110,387
Purchases	0	0	* 2,157	0	* 7,427	* 18,526	* 391	292,941
Materials and supplies	0	0	* 2,419	* 106,929	* 941	* 73	* 1,132	* 103,943
Other costs	0	0	* 52,486	* 8,342	* 8,614	0	* 10,093	308,428
Inventory, end of year	0	0	* 327	* 6,435	* 74	* 5,489	* 101	46,800
Advertising expenses	0	* 331	49,776	1,688	1,609	0	9,071	31,468
Car and truck expenses	0	* 4,131	805,065	85,945	139,634	* 30,068	35,211	426,723
Commissions	0	* 3,150	116,655	* 25,702	* 173	* 1,000	* 2,675	* 14,243
Contract labor	0	0	34,386	* 18,663	* 12,798	0	1,167	178,036
Depletion	0	0	0	0	0	* [4]	0	0
Depreciation	0	* 1,562	165,299	56,243	22,935	* 23,006	66,319	253,785
Employee benefit programs	0	0	* 2,004	* 2,138	* 1,283	0	* 164	5,122
Insurance	0	0	234,104	37,906	21,962	* 2,540	20,679	127,501
Legal and professional services	0	* 986	15,387	2,724	2,391	* 1,882	2,239	13,420
Meals and entertainment deducted	0	* 968	13,262	2,287	3,287	* 248	925	23,704
Mortgage interest	0	0	43,869	* 13,077	* 57	0	* 3,129	19,660
Other interest paid on business indebtedness	0	* 9	28,291	20,598	* 5,087	* 1,181	6,993	25,304
Office expenses	0	* 1,579	20,247	6,807	5,612	* 40	3,542	24,990
Pension and profit-sharing plans	0	0	* 64	* 34	* 173	0	* 92	561
Rent paid on machinery and equipment	0	0	554,426	* 23,293	* 610	0	* 7,376	68,963
Rent paid on other business property	0	0	75,891	3,715	* 4,513	0	16,768	51,881
Repairs	0	* 150	168,498	31,720	15,220	* 13,315	19,432	106,298
Supplies	0	* 690	51,591	25,441	6,250	* 674	17,557	58,928
Salaries and wages	0	* 161	158,207	57,124	* 53,621	0	13,043	275,263
Taxes paid	0	* 15	74,106	12,819	5,300	0	6,421	64,454
Travel	0	* 222	24,145	20,266	* 2,276	* 232	11,907	16,709
Utilities	0	* 1,677	83,793	13,174	10,587	* 10	5,928	76,294
Other business deductions	0	* 4,362	902,131	93,712	137,662	* 8,077	54,489	372,988
Home office business deductions, total	0	* 6,892	7,931	* 537	* 575	* 15	* 2,342	3,789
Depreciation, Form 8829 [3]	0	* 1,492	* 1,457	* 10	0	0	* 539	* 348
Casualty loss, Form 8829 [3]	0	* 262	* 140	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,215	* 1,087	0	0	0	0	* 146
<b>Net income less deficit [1,2]</b>	0	19,131	1,293,614	197,161	50,994	* -19,872	-28,030	411,338
Net income [1,2]	0	* 22,773	1,427,655	213,044	109,296	* 1	46,401	557,750
Deficit [2]	0	* -3,643	-134,041	-15,883	-58,302	* -19,873	-74,432	-146,412

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued							
	Urban transit	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	0	* 4,963	146,455	17,495	** 14,250	**	5,760	38,244
<b>Business receipts, total [1]</b>	0	* 40,273	4,524,955	781,706	** 350,459	**	141,416	2,643,274
Income from sales and operations [1]	0	* 40,263	4,451,651	781,303	** 350,290	**	141,188	2,592,666
Other business income	0	* 10	73,304	* 402	** 169	**	* 228	50,608
<b>Business deductions, total [1,2]</b>	0	* 17,500	3,100,014	568,662	** 241,162	**	95,015	2,085,547
Cost of sales and operations, total	0	0	* 45,092	* 122,586	** 10,551	**	* 7,611	477,420
Inventory, beginning of year	0	0	0	* 9,694	** 4	**	0	41,773
Cost of labor	0	0	* 5,350	* 7,456	** 0	**	0	* 70,092
Purchases	0	0	* 324	0	** 1,067	**	0	265,838
Materials and supplies	0	0	* 2,092	* 106,929	** 941	**	0	* 91,671
Other costs	0	0	* 37,326	* 4,914	** 8,614	**	* 7,611	53,219
Inventory, end of year	0	0	0	* 6,408	** 74	**	0	45,172
Advertising expenses	0	0	36,280	* 1,253	** 172	**	* 2,401	27,592
Car and truck expenses	0	* 2,065	647,488	68,423	** 63,188	**	* 12,818	280,957
Commissions	0	* 2,264	110,318	* 25,581	** 5	**	* 2,450	* 12,473
Contract labor	0	0	24,191	* 18,405	** 846	**	0	170,864
Depletion	0	0	0	0	** [4]	**	0	0
Depreciation	0	* 1,562	114,470	43,653	** 12,584	**	* 8,685	139,629
Employee benefit programs	0	0	* 209	* 1,762	** 579	**	* 11	3,701
Insurance	0	0	200,481	27,291	** 10,408	**	* 5,849	78,644
Legal and professional services	0	* 460	9,473	1,951	** 392	**	* 441	7,978
Meals and entertainment deducted	0	* 918	12,756	* 1,523	** 115	**	* 395	20,446
Mortgage interest	0	0	43,869	* 10,601	** 57	**	* 2,463	9,639
Other interest paid on business indebtedness	0	* 9	19,066	13,641	** 2,868	**	0	19,153
Office expenses	0	* 1,029	10,361	6,383	** 165	**	* 1,776	15,564
Pension and profit-sharing plans	0	0	* 5	0	** 166	**	0	* 546
Rent paid on machinery and equipment	0	0	499,909	* 23,156	** 112	**	* 31	38,609
Rent paid on other business property	0	0	63,440	* 2,643	** 207	**	* 6,721	43,942
Repairs	0	* 2	147,739	26,093	** 5,298	**	* 3,504	61,490
Supplies	0	* 690	35,191	23,217	** 1,652	**	* 7,890	39,132
Salaries and wages	0	* 161	102,519	* 36,684	** 19,757	**	* 93	227,668
Taxes paid	0	* 15	61,270	10,451	** 1,127	**	* 2,701	52,417
Travel	0	0	19,182	* 17,239	** 518	**	* 3,880	7,610
Utilities	0	* 1,036	73,131	11,378	** 2,828	**	* 1,829	52,521
Other business deductions	0	* 2,305	800,305	67,176	** 106,056	**	* 19,853	289,763
Home office business deductions, total	0	* 4,983	* 4,816	* 537	** 575	**	* 2,342	* 3,223
Depreciation, Form 8829 [3]	0	* 682	* 445	* 10	** 0	**	* 539	* 202
Casualty loss, Form 8829 [3]	0	* 262	* 140	0	** 0	**	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	** 0	**	0	0
<b>Net income [1,2]</b>	0	* 22,773	1,427,655	213,044	** 109,297	**	46,401	557,750
<b>Returns with Schedule C-EZ:</b>								
Number of returns	0	* 999	23,962	* 7,116	* 3,842	0	* 1,291	11,825
Business receipts	0	* 300	190,507	* 37,824	* 7,836	0	* 7,907	113,386
Business deductions	0	0	18,453	* 7,035	* 934	0	* 1,270	* 4,565
Net income	0	* 300	172,054	* 30,788	* 6,902	0	* 6,637	108,821

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued		Information					
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except Internet)	Motion picture and sound recording	Broadcasting (except Internet) and telecommunications	Internet publishing and broadcasting	Internet service providers, Web search portals, and data processing
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>211,571</b>	<b>3,464</b>	<b>351,710</b>	<b>74,591</b>	<b>107,185</b>	<b>43,023</b>	<b>9,242</b>	<b>117,669</b>
<b>Business receipts, total [1]</b>	<b>6,492,314</b>	<b>413,027</b>	<b>10,208,162</b>	<b>2,191,455</b>	<b>3,124,813</b>	<b>2,184,904</b>	<b>238,069</b>	<b>2,468,921</b>
Income from sales and operations [1]	6,432,289	410,438	10,100,927	2,166,158	3,124,018	2,172,112	236,770	2,401,869
Other business income	60,025	2,590	107,235	25,296	795	12,792	* 1,299	67,052
<b>Business deductions, total [1,2]</b>	<b>4,934,243</b>	<b>348,112</b>	<b>7,656,332</b>	<b>1,678,545</b>	<b>2,476,897</b>	<b>1,808,728</b>	<b>217,821</b>	<b>1,474,340</b>
Cost of sales and operations, total	544,849	51,003	1,827,914	518,593	352,284	642,061	* 11,642	303,334
Inventory, beginning of year	* 4,221	* 2,630	226,629	112,939	60,244	* 7,592	* 236	45,618
Cost of labor	298,058	* 7,281	114,926	* 54,785	* 3,897	* 9,536	* 3,001	* 43,707
Purchases	* 161,444	* 41,389	1,014,823	177,872	201,780	498,184	* 4,806	132,181
Materials and supplies	63,970	* 567	163,666	59,075	28,791	* 4,231	* 2,112	69,458
Other costs	* 18,749	* 4,868	531,878	222,723	115,393	138,889	* 1,930	52,944
Inventory, end of year	* 1,593	* 5,731	224,009	108,799	57,820	* 16,372	* 443	40,574
Advertising expenses	18,045	2,505	300,398	24,140	80,245	57,428	31,858	106,727
Car and truck expenses	2,694,335	7,565	615,523	139,249	192,183	132,818	3,247	148,027
Commissions	* 8,808	* 5,461	118,688	16,354	21,318	30,530	* 14,629	35,856
Contract labor	426,444	46,500	333,315	34,892	117,464	108,817	* 20,639	51,502
Depletion	0	0	* 1,035	* 16	* 985	* 28	0	* 6
Depreciation	104,788	19,722	365,258	31,645	217,648	61,833	6,443	47,689
Employee benefit programs	* 236	703	30,967	11,007	10,363	5,546	* 962	3,090
Insurance	95,085	6,485	65,722	18,164	23,327	13,721	1,381	9,130
Legal and professional services	19,383	3,303	137,869	28,661	57,365	19,770	1,877	30,197
Meals and entertainment deducted	34,362	413	97,875	13,685	45,924	9,990	4,551	23,725
Mortgage interest	* 5,392	* 12,313	40,957	5,536	24,016	* 8,258	* 3	* 3,144
Other interest paid on business indebtedness	10,379	7,850	54,973	13,990	13,245	19,462	* 679	7,597
Office expenses	34,207	3,159	166,973	42,092	60,329	20,701	7,216	36,635
Pension and profit-sharing plans	* 1	* 14	5,722	* 3,304	843	* 706	* 184	* 686
Rent paid on machinery and equipment	87,947	5,151	114,680	7,277	39,651	47,505	* 629	19,618
Rent paid on other business property	27,044	41,975	260,729	52,075	96,848	58,871	20,649	32,285
Repairs	75,167	4,981	55,395	18,586	22,219	10,253	* 463	3,874
Supplies	52,430	7,405	258,246	56,562	97,189	51,990	2,627	49,878
Salaries and wages	81,960	28,060	563,461	193,431	152,915	147,632	* 19,285	50,199
Taxes paid	28,494	7,435	84,348	27,092	22,003	20,056	2,235	12,962
Travel	34,797	7,804	275,456	39,119	132,671	30,680	12,601	60,384
Utilities	90,602	12,013	249,840	37,536	90,625	45,502	7,513	68,664
Other business deductions	385,603	66,148	1,350,522	276,807	506,313	246,005	43,336	278,061
Home office business deductions, total	36,267	* 144	235,715	49,219	87,872	13,785	* 3,172	81,667
Depreciation, Form 8829 [3]	1,015	* 41	25,875	5,310	14,330	* 1,375	* 402	4,459
Casualty loss, Form 8829 [3]	* 2,586	0	* 203	0	0	0	0	* 203
Excess—casualty depreciations, Form 8829 [3]	* 2,215	0	35,231	* 1,076	* 31,993	* 5	* 4	* 2,153
<b>Net income less deficit [1,2]</b>	<b>1,559,154</b>	<b>65,136</b>	<b>2,562,634</b>	<b>521,802</b>	<b>648,122</b>	<b>377,497</b>	<b>20,248</b>	<b>994,965</b>
Net income [1,2]	1,755,951	77,452	3,652,581	716,377	1,164,090	518,816	73,592	1,179,707
Deficit [2]	-196,797	-12,316	-1,089,947	-194,575	-515,968	-141,318	-53,344	-184,742

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued		Information					
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except Internet)	Motion picture and sound recording	Broadcasting (except Internet) and tele-communications	Internet publishing and broadcasting	Internet service providers, Web search portals, and data processing
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>171,843</b>	<b>2,565</b>	<b>233,984</b>	<b>50,942</b>	<b>60,910</b>	<b>33,532</b>	<b>4,161</b>	<b>84,439</b>
<b>Business receipts, total [1]</b>	<b>5,939,044</b>	<b>329,235</b>	<b>8,605,326</b>	<b>1,752,419</b>	<b>2,590,179</b>	<b>1,785,661</b>	<b>201,167</b>	<b>2,275,899</b>
Income from sales and operations [1]	5,832,500	327,118	8,484,274	1,718,494	2,574,125	1,781,116	201,161	2,209,379
Other business income	106,545	* 2,117	121,051	33,925	16,055	* 4,546	* 5	66,521
<b>Business deductions, total [1,2]</b>	<b>4,183,093</b>	<b>251,872</b>	<b>4,952,745</b>	<b>1,036,042</b>	<b>1,426,089</b>	<b>1,266,846</b>	<b>127,575</b>	<b>1,096,192</b>
Cost of sales and operations, total	529,053	* 46,317	1,364,584	320,830	224,967	546,624	* 2,464	269,700
Inventory, beginning of year	* 2,977	* 2,285	127,905	71,683	25,316	* 1,668	* 236	* 29,002
Cost of labor	* 291,573	* 4,986	78,660	* 22,334	* 3,897	* 8,767	0	* 43,662
Purchases	* 154,961	* 38,390	768,953	127,431	124,615	* 410,988	* 1,003	104,915
Materials and supplies	63,970	* 557	131,114	* 41,230	* 20,587	* 73	* 816	* 68,408
Other costs	* 16,024	* 4,069	378,472	128,997	69,943	127,153	* 852	* 51,526
Inventory, end of year	* 453	* 3,971	120,519	70,845	19,391	* 2,025	* 443	* 27,815
Advertising expenses	16,968	590	227,992	13,983	51,343	42,101	29,111	91,455
Car and truck expenses	2,112,318	2,437	389,360	90,089	94,884	94,177	* 184	110,027
Commissions	* 8,121	* 5,049	74,833	10,540	13,827	* 7,607	* 11,026	31,833
Contract labor	407,864	43,454	261,041	12,548	86,170	95,315	* 20,617	46,390
Depletion	0	0	* 33	0	0	* 28	0	* 6
Depreciation	78,650	7,737	165,672	19,504	96,734	18,597	2,133	28,705
Employee benefit programs	* 236	* 194	20,820	7,731	8,642	* 1,860	* 557	* 2,030
Insurance	84,386	4,634	42,124	13,173	11,868	8,553	* 1,336	7,194
Legal and professional services	17,312	1,664	66,282	8,728	34,592	6,799	774	15,390
Meals and entertainment deducted	25,977	239	60,191	5,742	28,373	7,018	* 109	18,948
Mortgage interest	* 4,029	0	28,842	* 4,688	* 16,524	* 4,565	0	* 3,065
Other interest paid on business indebtedness	7,623	5,594	21,722	6,388	3,509	8,429	* 657	* 2,739
Office expenses	28,044	2,347	121,770	30,250	40,860	16,576	* 2,520	31,565
Pension and profit-sharing plans	* 1	* 5	4,759	* 3,196	804	* 531	* 184	* 43
Rent paid on machinery and equipment	78,321	* 1,769	70,985	5,230	19,019	40,133	* 105	* 6,498
Rent paid on other business property	27,044	34,357	153,702	28,264	64,983	26,672	* 11,260	22,524
Repairs	68,979	3,721	40,996	16,117	15,630	5,737	* 447	3,065
Supplies	44,597	4,871	171,988	46,767	53,110	37,123	* 907	34,081
Salaries and wages	81,960	14,196	344,913	127,358	105,487	70,128	* 12,283	29,657
Taxes paid	26,499	2,122	50,868	17,634	15,809	8,327	* 1,584	7,515
Travel	30,228	7,356	183,139	21,566	92,043	24,987	* 1,076	43,467
Utilities	75,723	4,620	156,575	28,538	55,280	27,619	1,276	43,862
Other business deductions	359,568	58,557	700,283	140,419	220,240	150,995	24,734	163,896
Home office business deductions, total	32,022	* 42	184,683	37,243	60,509	11,564	* 2,232	73,134
Depreciation, Form 8829 [3]	* 734	* 15	14,080	5,028	3,796	* 1,370	* 400	3,485
Casualty loss, Form 8829 [3]	* 2,586	0	* 203	0	0	0	0	* 203
Excess—casualty depreciations, Form 8829 [3]	0	0	* 701	* 687	0	0	0	* 14
<b>Net income [1,2]</b>	<b>1,755,951</b>	<b>77,452</b>	<b>3,652,581</b>	<b>716,377</b>	<b>1,164,090</b>	<b>518,816</b>	<b>73,592</b>	<b>1,179,707</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	40,656	* 654	64,163	17,710	10,538	10,136	0	25,778
Business receipts	240,871	* 959	431,115	113,946	75,761	67,023	0	174,385
Business deductions	37,620	0	44,752	19,515	11,051	* 4,782	0	9,404
Net income	203,250	* 959	386,363	94,431	64,709	62,241	0	164,980

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Finance and insurance							
	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments					
			Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers	Securities and commodity exchanges	Other financial investment activities (investment advice)
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>726,002</b>	<b>102,497</b>	<b>181,676</b>	<b>5,320</b>	<b>16,657</b>	<b>4,709</b>	<b>1,409</b>	<b>153,579</b>
<b>Business receipts, total [1]</b>	<b>93,984,377</b>	<b>4,910,013</b>	<b>58,505,410</b>	<b>2,089,698</b>	<b>4,050,726</b>	<b>793,477</b>	<b>688,440</b>	<b>50,883,069</b>
Income from sales and operations [1]	91,208,911	4,794,052	56,616,289	1,715,209	3,816,577	789,466	696,566	49,598,472
Other business income	2,775,466	115,961	1,889,121	374,489	234,149	4,012	* -8,126	1,284,598
<b>Business deductions, total [1,2]</b>	<b>73,827,133</b>	<b>3,856,249</b>	<b>51,525,600</b>	<b>1,725,490</b>	<b>3,193,643</b>	<b>779,017</b>	<b>745,715</b>	<b>45,081,734</b>
Cost of sales and operations, total	33,954,191	743,487	32,396,142	1,238,639	1,859,406	400,620	* 661,434	28,236,043
Inventory, beginning of year	444,681	98,815	305,800	* 16,809	* 11,428	* 2,405	* 515	274,642
Cost of labor	149,300	* 25,536	77,915	* 2,487	* 3,916	* 57,026	0	14,486
Purchases	20,964,183	353,884	20,262,300	979,741	1,130,687	343,550	* 586,411	17,221,910
Materials and supplies	1,941,691	56,808	1,846,274	0	* 17	* 29	0	1,846,227
Other costs	10,847,468	323,183	10,106,176	* 259,782	726,243	1,925	* 75,089	9,043,137
Inventory, end of year	393,133	114,739	202,324	* 20,181	* 12,886	* 4,315	* 581	164,360
Advertising expenses	1,170,583	136,917	219,270	4,302	20,053	4,127	0	190,789
Car and truck expenses	2,899,486	344,709	469,959	5,273	53,133	4,425	* 838	406,290
Commissions	3,413,442	360,120	965,697	12,061	108,443	59,394	* 2,530	783,270
Contract labor	1,082,858	174,079	450,089	* 2,364	89,208	32,561	* 1,888	324,068
Depletion	2,622	* 7	2,133	* 3	* 93	* 179	0	1,858
Depreciation	946,648	129,249	268,233	6,939	24,507	7,059	933	228,795
Employee benefit programs	203,809	5,809	56,321	1,286	12,702	* 493	* 82	41,758
Insurance	562,423	44,873	120,400	5,377	15,640	1,595	* 897	96,892
Legal and professional services	753,489	87,178	363,065	10,981	35,815	6,882	2,172	307,216
Meals and entertainment deducted	537,667	53,639	149,371	3,884	20,914	3,835	* 146	120,591
Mortgage interest	200,212	33,111	70,572	* 890	776	* 258	0	68,647
Other interest paid on business indebtedness	557,340	51,001	347,648	19,509	20,363	7,471	29,879	270,425
Office expenses	1,184,256	99,311	301,990	21,818	27,280	6,211	1,155	245,526
Pension and profit-sharing plans	135,118	2,998	58,100	* 2,035	6,102	* 295	* 403	49,265
Rent paid on machinery and equipment	252,981	40,286	82,269	4,383	18,431	2,715	0	56,741
Rent paid on other business property	1,459,668	122,407	452,478	22,260	40,495	27,667	* 430	361,625
Repairs	297,375	27,871	104,158	2,521	10,349	567	* [4]	90,722
Supplies	598,717	71,855	129,081	2,512	16,368	4,570	* 44	105,588
Salaries and wages	4,575,318	352,742	1,670,039	40,951	158,789	29,079	* 2,579	1,438,642
Taxes paid	600,986	55,288	183,775	7,844	16,531	5,943	* 643	152,814
Travel	847,556	76,216	332,884	15,127	17,530	6,161	* 615	293,450
Utilities	1,084,431	123,146	239,497	7,974	35,443	5,703	899	189,477
Other business deductions	15,963,610	609,897	11,967,251	283,812	578,183	160,924	38,008	10,906,324
Home office business deductions, total	443,251	91,412	106,910	2,747	7,064	248	* 139	96,712
Depreciation, Form 8829 [3]	50,043	9,628	10,013	* 70	1,248	* 33	0	8,662
Casualty loss, Form 8829 [3]	* 1,185	* 1,066	* 119	0	* 2	0	0	* 117
Excess—casualty depreciations, Form 8829 [3]	35,482	5,328	10,375	* 146	* 756	* 9	0	9,464
<b>Net income less deficit [1,2]</b>	<b>20,173,777</b>	<b>1,054,445</b>	<b>6,995,452</b>	<b>364,208</b>	<b>857,082</b>	<b>14,460</b>	<b>-57,276</b>	<b>5,816,977</b>
Net income [1,2]	22,908,435	1,469,086	8,539,428	434,559	953,823	189,262	* 9,496	6,952,289
Deficit [2]	-2,734,659	-414,640	-1,543,977	-70,351	-96,740	-174,802	-66,771	-1,135,312

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Finance and insurance							
	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments					
			Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers	Securities and commodity exchanges	Other financial investment activities (investment advice)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	495,376	66,452	106,244	4,312	10,750	2,820	* 14	88,348
<b>Business receipts, total [1]</b>	<b>61,428,063</b>	<b>4,261,253</b>	<b>29,496,099</b>	<b>968,598</b>	<b>2,505,716</b>	<b>666,350</b>	<b>* 138,383</b>	<b>25,217,051</b>
Income from sales and operations [1]	59,779,825	4,182,573	28,569,997	792,503	2,365,547	665,560	* 138,369	24,608,019
Other business income	1,648,238	78,681	926,103	176,096	140,170	790	* 14	609,032
<b>Business deductions, total [1,2]</b>	<b>38,529,452</b>	<b>2,792,168</b>	<b>20,967,232</b>	<b>534,039</b>	<b>1,551,894</b>	<b>477,088</b>	<b>* 128,887</b>	<b>18,275,323</b>
Cost of sales and operations, total	14,627,514	641,573	13,512,189	* 160,347	739,178	255,050	* 122,499	12,235,115
Inventory, beginning of year	227,446	95,735	93,307	* 11,117	* 11,128	* 169	0	70,893
Cost of labor	47,640	* 16,875	18,290	* 2,487	* 3,916	* 1,908	0	* 9,979
Purchases	8,482,613	335,476	8,051,363	* 145,289	410,550	* 252,753	* 122,499	7,120,272
Materials and supplies	391,357	* 56,495	299,464	0	* 17	* 14	0	299,433
Other costs	5,738,125	237,696	5,138,241	* 13,420	325,776	* 216	0	4,798,829
Inventory, end of year	259,666	100,705	88,477	* 11,966	* 12,210	* 11	0	64,291
Advertising expenses	1,002,091	96,962	173,224	3,876	12,142	2,188	0	155,017
Car and truck expenses	2,208,214	234,495	322,965	4,960	38,541	2,934	* 205	276,324
Commissions	2,489,636	277,679	594,085	11,283	85,873	* 45,500	0	451,428
Contract labor	902,134	150,739	333,618	* 534	72,652	* 18,860	* 180	241,392
Depletion	1,812	* 6	1,446	* 3	* 27	* 178	0	1,238
Depreciation	673,423	62,454	165,439	4,945	8,647	1,748	* 269	149,830
Employee benefit programs	172,078	3,397	40,064	* 467	7,532	* 298	* 82	31,685
Insurance	469,491	29,587	87,150	5,180	13,338	492	* 148	67,992
Legal and professional services	532,724	61,363	224,459	7,164	24,757	2,093	* 782	189,664
Meals and entertainment deducted	444,138	44,288	112,024	3,226	12,968	1,081	* 57	94,692
Mortgage interest	91,700	12,220	24,467	* 479	* 656	* 83	0	23,250
Other interest paid on business indebtedness	285,901	32,772	124,937	2,827	13,951	373	* 219	107,567
Office expenses	1,000,158	75,253	248,674	21,141	20,916	4,309	* 11	202,296
Pension and profit-sharing plans	120,794	1,341	46,801	* 1,925	5,645	* 205	* 100	38,927
Rent paid on machinery and equipment	219,456	28,892	69,877	* 3,846	15,178	* 246	0	50,607
Rent paid on other business property	1,210,651	68,747	362,409	19,654	28,933	13,182	* 353	300,287
Repairs	192,659	17,383	34,250	2,219	5,040	* 150	* [4]	26,840
Supplies	504,790	58,226	97,135	2,076	12,136	3,557	* 10	79,357
Salaries and wages	3,842,429	245,647	1,216,568	28,526	127,281	13,251	* 1,629	1,045,882
Taxes paid	490,892	35,921	131,345	6,946	10,195	817	* [4]	113,387
Travel	652,862	38,678	253,738	13,398	12,732	3,000	* 615	223,992
Utilities	896,704	87,014	181,426	7,033	26,457	3,244	* 86	144,606
Other business deductions	5,085,062	407,920	2,519,092	219,663	252,123	104,162	* 1,502	1,941,643
Home office business deductions, total	322,542	62,798	71,904	* 2,319	4,971	* 62	* 139	64,413
Depreciation, Form 8829 [3]	34,360	7,914	4,990	* 13	834	* 2	0	4,142
Casualty loss, Form 8829 [3]	* 1,183	* 1,066	* 117	0	0	0	0	* 117
Excess—casualty depreciations, Form 8829 [3]	4,901	* 509	* 304	0	* 240	0	0	* 64
<b>Net income [1,2]</b>	<b>22,908,435</b>	<b>1,469,086</b>	<b>8,539,428</b>	<b>434,559</b>	<b>953,823</b>	<b>189,262</b>	<b>* 9,496</b>	<b>6,952,289</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	91,661	12,129	18,087	* 14	* 99	* 112	0	17,862
Business receipts	793,140	116,466	301,607	* 723	* 13,609	* 14,572	0	272,703
Business deductions	99,095	18,641	18,268	* [4]	* 24	* 37	0	18,207
Net income	694,044	97,825	283,338	* 723	* 13,585	* 14,535	0	254,496

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing						
	Insurance agents, brokers, and related activities			Total	Real estate		
	Total	Insurance agencies and brokerages	Other insurance related activities		Total	Lessors of real estate (including miniwarehouses and self-storage)	Offices of real estate agents, brokers, property managers, and appraisers
	(87)	(88)	(89)	(90)	(91)	(92)	(93)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>441,829</b>	<b>328,276</b>	<b>113,553</b>	<b>1,393,424</b>	<b>1,336,767</b>	<b>39,944</b>	<b>1,056,026</b>
<b>Business receipts, total [1]</b>	<b>30,568,954</b>	<b>26,335,688</b>	<b>4,233,266</b>	<b>70,954,832</b>	<b>66,927,293</b>	<b>1,341,797</b>	<b>49,007,711</b>
Income from sales and operations [1]	29,798,570	25,609,181	4,189,389	69,206,921	65,323,449	1,242,011	47,966,253
Other business income	770,384	726,507	43,877	1,747,910	1,603,845	99,785	1,041,459
<b>Business deductions, total [1,2]</b>	<b>18,445,284</b>	<b>16,020,031</b>	<b>2,425,254</b>	<b>48,684,628</b>	<b>44,804,616</b>	<b>1,467,285</b>	<b>29,350,772</b>
Cost of sales and operations, total	814,563	663,928	150,635	10,345,529	9,377,250	128,547	2,843,387
Inventory, beginning of year	40,065	37,669	* 2,395	2,785,756	2,673,919	* 11,973	748,482
Cost of labor	45,849	* 37,506	* 8,343	482,557	351,554	* 338	301,895
Purchases	347,999	246,605	101,395	5,519,112	4,909,012	127,196	1,340,456
Materials and supplies	38,609	30,756	* 7,854	1,119,770	1,060,409	* 3,466	453,419
Other costs	418,110	381,803	36,307	3,631,654	3,454,364	47,813	904,206
Inventory, end of year	76,070	70,411	* 5,659	3,193,320	3,072,007	62,239	905,072
Advertising expenses	814,395	759,062	55,333	2,707,090	2,669,836	13,446	2,284,577
Car and truck expenses	2,084,818	1,647,275	437,543	5,839,808	5,693,348	56,370	4,708,135
Commissions	2,087,625	1,812,496	275,129	3,448,320	3,405,609	55,104	2,855,015
Contract labor	458,690	407,244	51,446	1,024,431	918,434	16,057	612,631
Depletion	482	481	* 1	5,551	5,478	* 1,046	3,654
Depreciation	549,166	480,069	69,097	2,767,499	1,712,232	172,846	1,125,125
Employee benefit programs	141,680	130,038	11,642	93,990	88,123	3,290	60,478
Insurance	397,150	354,526	42,624	679,218	601,391	43,322	430,418
Legal and professional services	303,247	257,257	45,990	1,123,262	1,080,112	43,606	748,629
Meals and entertainment deducted	334,657	288,942	45,715	729,090	716,647	7,957	586,356
Mortgage interest	96,529	76,812	19,717	1,031,793	970,762	321,614	394,007
Other interest paid on business indebtedness	158,691	134,778	23,913	661,199	516,979	42,010	220,860
Office expenses	782,955	687,542	95,412	1,319,123	1,294,151	13,475	1,079,801
Pension and profit-sharing plans	74,020	71,956	2,064	39,840	38,968	* 553	31,681
Rent paid on machinery and equipment	130,426	114,645	15,781	516,272	460,539	9,692	389,439
Rent paid on other business property	884,783	820,280	64,503	1,250,986	1,149,118	14,080	877,832
Repairs	165,345	145,892	19,453	720,958	607,250	84,361	353,621
Supplies	397,781	354,545	43,236	1,018,095	928,993	22,124	701,221
Salaries and wages	2,552,536	2,403,098	149,438	1,905,519	1,667,454	62,651	989,252
Taxes paid	361,923	332,087	29,837	815,371	715,483	97,358	433,941
Travel	438,456	338,564	99,892	743,741	711,025	18,816	532,250
Utilities	721,788	631,339	90,449	1,546,761	1,481,924	68,689	1,143,665
Other business deductions	3,386,463	2,911,473	474,990	7,568,449	7,227,222	154,824	5,321,694
Home office business deductions, total	244,929	160,235	84,695	654,687	640,870	12,602	529,054
Depreciation, Form 8829 [3]	30,401	17,329	13,072	94,597	93,762	10,358	68,783
Casualty loss, Form 8829 [3]	0	0	0	* 7,465	* 7,465	* 117	* 6,469
Excess—casualty depreciations, Form 8829 [3]	19,778	11,737	8,041	51,950	51,946	10,846	37,407
<b>Net income less deficit [1,2]</b>	<b>12,123,880</b>	<b>10,314,637</b>	<b>1,809,243</b>	<b>22,335,602</b>	<b>22,158,626</b>	<b>-127,456</b>	<b>19,671,820</b>
Net income [1,2]	12,899,922	10,928,275	1,971,647	27,320,942	26,636,164	276,502	22,251,313
Deficit [2]	-776,042	-613,638	-162,404	-4,985,341	-4,477,538	-403,957	-2,579,493

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing						
	Insurance agents, brokers, and related activities			Total	Real estate		
	Total	Insurance agencies and brokerages	Other insurance related activities		Total	Lessors of real estate (including miniwarehouses and self-storage)	Offices of real estate agents, brokers, property managers, and appraisers
				(87)			
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>322,680</b>	<b>241,816</b>	<b>80,864</b>	<b>908,375</b>	<b>877,660</b>	<b>13,266</b>	<b>711,860</b>
<b>Business receipts, total [1]</b>	<b>27,670,711</b>	<b>23,982,553</b>	<b>3,688,158</b>	<b>60,188,057</b>	<b>57,261,965</b>	<b>697,851</b>	<b>43,920,550</b>
Income from sales and operations [1]	27,027,256	23,369,678	3,657,578	58,923,834	56,049,012	614,032	43,033,052
Other business income	643,455	612,876	30,580	1,264,224	1,212,953	83,819	887,499
<b>Business deductions, total [1,2]</b>	<b>14,770,053</b>	<b>13,055,977</b>	<b>1,714,075</b>	<b>32,879,903</b>	<b>30,637,957</b>	<b>421,349</b>	<b>21,672,389</b>
Cost of sales and operations, total	473,753	429,106	44,646	6,765,810	5,978,415	60,291	2,027,021
Inventory, beginning of year	38,404	37,641	* 763	1,249,801	1,167,142	* 8,071	320,138
Cost of labor	* 12,474	* 8,908	* 3,566	442,524	316,698	* 166	286,070
Purchases	95,774	93,223	* 2,551	3,331,068	2,795,546	* 48,847	828,409
Materials and supplies	35,397	30,709	* 4,688	817,342	761,245	* 3,458	399,265
Other costs	362,188	329,037	33,151	2,253,214	2,173,434	* 7,089	655,802
Inventory, end of year	70,485	70,411	* 73	1,328,140	1,235,650	* 7,339	462,664
Advertising expenses	731,906	693,230	38,676	2,157,586	2,137,861	2,263	1,874,097
Car and truck expenses	1,650,754	1,308,995	341,759	4,347,392	4,239,105	22,381	3,545,925
Commissions	1,617,872	1,445,282	172,590	2,559,690	2,538,964	44,919	2,202,336
Contract labor	417,777	366,760	51,017	732,228	685,103	1,006	507,194
Depletion	359	359	* 1	3,457	3,423	* 6	3,075
Depreciation	445,531	397,292	48,239	1,416,639	996,502	31,974	753,957
Employee benefit programs	128,616	117,198	11,418	70,517	66,453	* 1,321	46,732
Insurance	352,753	318,291	34,462	437,437	396,019	14,623	303,469
Legal and professional services	246,902	215,174	31,728	734,598	720,326	12,238	513,844
Meals and entertainment deducted	287,826	251,211	36,614	588,941	579,616	2,940	482,095
Mortgage interest	55,013	50,203	* 4,810	346,706	324,426	58,276	195,588
Other interest paid on business indebtedness	128,192	106,562	21,631	235,543	187,472	10,487	116,951
Office expenses	676,231	595,183	81,048	1,000,180	986,667	5,122	831,068
Pension and profit-sharing plans	72,652	70,666	1,986	34,625	33,773	* 538	28,919
Rent paid on machinery and equipment	120,687	105,639	15,048	383,751	356,781	4,052	309,666
Rent paid on other business property	779,495	727,869	51,626	835,897	779,817	6,352	600,634
Repairs	141,026	125,156	15,871	415,294	361,732	23,416	258,754
Supplies	349,429	319,675	29,754	734,645	696,102	7,095	536,783
Salaries and wages	2,380,213	2,241,656	138,558	1,361,540	1,188,543	23,278	751,855
Taxes paid	323,626	299,178	24,448	469,542	399,414	22,154	284,623
Travel	360,446	292,567	67,879	516,704	505,916	1,991	394,816
Utilities	628,264	556,027	72,236	1,059,094	1,023,091	24,000	815,838
Other business deductions	2,158,050	1,876,312	281,738	5,034,107	4,829,926	34,730	3,771,091
Home office business deductions, total	187,840	116,767	71,073	512,133	499,292	* 3,065	423,999
Depreciation, Form 8829 [3]	21,455	11,038	10,417	63,422	62,591	* 49	50,190
Casualty loss, Form 8829 [3]	0	0	0	* 6,677	* 6,677	* 4	* 5,943
Excess—casualty depreciations, Form 8829 [3]	4,088	* 2,516	* 1,572	8,114	8,114	0	7,844
<b>Net income [1,2]</b>	<b>12,899,922</b>	<b>10,928,275</b>	<b>1,971,647</b>	<b>27,320,942</b>	<b>26,636,164</b>	<b>276,502</b>	<b>22,251,313</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	61,445	41,613	19,832	107,555	101,911	3,694	73,118
Business receipts	375,067	205,904	169,163	1,078,761	1,036,958	33,403	737,644
Business deductions	62,186	35,467	26,719	128,048	125,417	2,845	94,050
Net income	312,880	170,437	142,444	950,713	911,541	30,558	643,594

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing—continued							
	Real estate —continued	Rental and leasing services						
		Other activities related to real estate	Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Videotape and disc rental	General rental centers and other consumer goods rental
	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>240,797</b>	<b>56,656</b>	<b>17,698</b>	<b>* 10</b>	<b>* 79</b>	<b>3,538</b>	<b>15,820</b>	<b>19,512</b>
<b>Business receipts, total [1]</b>	<b>16,577,785</b>	<b>4,027,538</b>	<b>652,711</b>	<b>* 12,259</b>	<b>* 47,509</b>	<b>544,107</b>	<b>959,760</b>	<b>1,811,193</b>
Income from sales and operations [1]	16,115,185	3,883,473	645,897	* 12,174	* 47,509	544,056	940,836	1,692,999
Other business income	462,601	144,066	6,813	* 84	0	* 51	18,923	118,193
<b>Business deductions, total [1,2]</b>	<b>13,986,560</b>	<b>3,880,012</b>	<b>631,846</b>	<b>* 14,282</b>	<b>* 45,035</b>	<b>491,151</b>	<b>878,605</b>	<b>1,819,094</b>
Cost of sales and operations, total	6,405,316	968,279	134,233	* 1,735	* 17,594	233,527	257,665	323,524
Inventory, beginning of year	1,913,464	111,837	* 18,975	0	0	* 24,233	43,339	25,289
Cost of labor	49,320	131,003	0	0	0	* 1,777	* 74,261	54,966
Purchases	3,441,360	610,100	53,988	* 1,435	* 17,594	226,758	186,738	123,586
Materials and supplies	603,524	59,362	* 3,955	0	0	0	* 985	* 54,421
Other costs	2,502,345	177,290	* 79,067	* 299	0	* 5,573	* 2,269	90,081
Inventory, end of year	2,104,697	121,313	* 21,752	0	0	* 24,814	49,929	24,819
Advertising expenses	371,814	37,253	3,611	* 81	* 1,665	4,789	23,474	3,634
Car and truck expenses	928,843	146,460	58,665	* 40	* 181	16,529	32,946	38,099
Commissions	495,491	42,711	* 12,827	* 403	0	0	* 2,796	26,685
Contract labor	289,746	105,998	12,300	* 1	* 350	* 37	46,415	46,893
Depletion	777	73	* 2	0	0	0	* 1	70
Depreciation	414,261	1,055,267	220,001	* 6,849	* 2,221	* 16,755	164,154	645,287
Employee benefit programs	24,354	5,867	* 221	* 325	0	* 280	2,593	2,449
Insurance	127,652	77,826	13,300	* 119	* 1,189	* 4,521	19,463	39,235
Legal and professional services	287,877	43,151	5,254	* 222	* 353	4,019	14,435	18,867
Meals and entertainment deducted	122,333	12,443	5,304	* 4	0	* 413	2,247	4,475
Mortgage interest	255,142	61,030	14,928	* 263	0	* 4,661	8,085	33,094
Other interest paid on business indebtedness	254,110	144,220	21,171	* 1,531	* 268	* 2,423	16,360	102,466
Office expenses	200,876	24,972	2,199	* 18	* 84	4,288	6,747	11,636
Pension and profit-sharing plans	6,734	* 871	* 8	* 6	0	0	* 128	* 730
Rent paid on machinery and equipment	61,408	55,732	3,796	* 5	0	* 426	12,873	38,631
Rent paid on other business property	257,206	101,868	11,467	* 70	* 3,900	42,205	28,799	15,426
Repairs	169,268	113,709	12,990	* 80	* 364	4,521	19,271	76,482
Supplies	205,649	89,102	594	* 36	* 520	* 5,291	33,483	49,179
Salaries and wages	615,551	238,065	23,115	* 1,366	* 8,554	* 73,745	52,553	78,731
Taxes paid	184,183	99,888	5,512	* 253	* 3,555	17,897	33,419	39,252
Travel	159,960	32,716	566	* 61	* 191	* 88	5,675	26,135
Utilities	269,569	64,837	2,989	* 218	* 1,242	21,875	23,640	14,872
Other business deductions	1,750,704	341,227	65,189	* 596	* 2,803	28,916	64,353	179,370
Home office business deductions, total	99,214	13,817	* 2	0	0	* 3,945	* 6,858	3,013
Depreciation, Form 8829 [3]	14,621	* 835	* 4	0	0	* 51	* 613	* 167
Casualty loss, Form 8829 [3]	* 879	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	3,693	* 4	* 4	0	0	0	0	0
<b>Net income less deficit [1,2]</b>	<b>2,614,262</b>	<b>176,975</b>	<b>26,582</b>	<b>* -2,023</b>	<b>* 2,474</b>	<b>52,956</b>	<b>84,761</b>	<b>12,225</b>
Net income [1,2]	4,108,350	684,778	100,702	* 373	* 3,727	61,572	187,528	330,875
Deficit [2]	-1,494,088	-507,803	-74,121	* -2,395	* -1,253	* -8,616	-102,767	-318,650

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing—continued							
	Real estate —continued	Rental and leasing services						
		Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Videotape and disc rental	General rental centers and other consumer goods rental	Commercial and industrial machinery and equipment rental and leasing
(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>152,534</b>	<b>30,716</b>	<b>** 10,201</b>	<b>**</b>	<b>* 39</b>	<b>3,247</b>	<b>7,882</b>	<b>9,347</b>
<b>Business receipts, total [1]</b>	<b>12,643,564</b>	<b>2,926,092</b>	<b>** 434,917</b>	<b>**</b>	<b>* 47,139</b>	<b>498,508</b>	<b>741,074</b>	<b>1,204,454</b>
Income from sales and operations [1]	12,401,929	2,874,821	** 433,955	**	* 47,139	498,457	740,636	1,154,636
Other business income	241,636	51,271	** 962	**	0	* 51	* 439	49,819
<b>Business deductions, total [1,2]</b>	<b>8,544,219</b>	<b>2,241,946</b>	<b>** 335,940</b>	<b>**</b>	<b>* 43,412</b>	<b>436,936</b>	<b>553,546</b>	<b>872,113</b>
Cost of sales and operations, total	3,891,103	787,395	** 40,322	**	* 17,594	218,394	250,771	260,314
Inventory, beginning of year	838,932	82,659	** 12,334	**	0	* 12,327	* 40,921	* 17,077
Cost of labor	30,462	* 125,827	** 0	**	0	* 1,777	* 74,194	* 49,856
Purchases	1,918,290	535,522	** 37,971	**	* 17,594	216,947	181,560	81,450
Materials and supplies	358,522	* 56,097	** 2,934	**	0	0	* 784	* 52,379
Other costs	1,510,543	79,781	** 2,729	**	0	0	* 375	76,675
Inventory, end of year	765,646	92,490	** 15,647	**	0	* 12,657	* 47,064	* 17,122
Advertising expenses	261,500	19,725	** 1,442	**	* 1,665	* 4,253	10,749	1,616
Car and truck expenses	670,800	108,287	** 50,103	**	* 181	* 14,912	18,836	24,254
Commissions	291,709	20,726	** 5,340	**	0	0	* 42	15,343
Contract labor	176,903	47,125	** 10,928	**	* 350	* 37	32,753	3,056
Depletion	342	* 34	** 2	**	0	0	0	* 32
Depreciation	210,570	420,136	** 100,300	**	* 2,022	* 16,665	57,233	243,916
Employee benefit programs	18,400	4,064	** 155	**	0	* 211	* 2,272	* 1,426
Insurance	77,927	41,419	** 8,164	**	* 1,134	* 4,335	8,589	19,196
Legal and professional services	194,244	14,272	** 2,990	**	* 181	3,330	2,093	5,679
Meals and entertainment deducted	94,581	9,325	** 4,888	**	0	* 404	1,913	2,121
Mortgage interest	70,562	22,280	** 9,646	**	0	* 4,600	* 3,847	4,188
Other interest paid on business indebtedness	60,034	48,070	** 12,339	**	* 268	* 2,423	* 4,391	28,649
Office expenses	150,476	13,513	** 662	**	* 39	* 4,044	4,264	4,505
Pension and profit-sharing plans	4,317	* 852	** 8	**	0	0	* 128	* 717
Rent paid on machinery and equipment	43,063	26,970	** 1,273	**	0	* 407	10,354	14,936
Rent paid on other business property	172,831	56,080	** 275	**	* 3,429	* 35,869	8,932	7,576
Repairs	79,562	53,562	** 10,222	**	* 349	* 4,174	8,545	30,272
Supplies	152,224	38,543	** 459	**	* 462	* 5,128	13,990	18,505
Salaries and wages	413,411	172,997	** 19,685	**	* 8,554	* 56,878	* 35,666	52,213
Taxes paid	92,637	70,128	** 1,218	**	* 3,555	* 12,319	26,182	26,854
Travel	109,108	10,788	** 437	**	* 191	* 53	* 4,546	5,562
Utilities	183,253	36,002	** 285	**	* 1,180	19,621	8,327	6,589
Other business deductions	1,024,106	204,180	** 53,197	**	* 2,257	24,933	32,095	91,699
Home office business deductions, total	72,228	12,841	** 0	**	0	* 3,945	* 6,858	* 2,039
Depreciation, Form 8829 [3]	12,352	* 831	** 0	**	0	* 51	* 613	* 167
Casualty loss, Form 8829 [3]	* 730	0	** 0	**	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 270	0	** 0	**	0	0	0	0
<b>Net income [1,2]</b>	<b>4,108,350</b>	<b>684,778</b>	<b>** 101,075</b>	<b>**</b>	<b>* 3,727</b>	<b>61,572</b>	<b>187,528</b>	<b>330,875</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	25,099	5,644	* 1,723	0	0	0	* 2,039	1,881
Business receipts	265,911	41,803	* 10,323	0	0	0	* 12,520	18,960
Business deductions	28,522	2,631	* 1,600	0	0	0	* 172	* 859
Net income	237,389	39,172	* 8,722	0	0	0	* 12,348	18,102

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services						
	Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services		
					Total	Architectural services	Engineering services
	(102)	(103)	(104)	(105)	(106)	(107)	(108)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>3,234,542</b>	<b>363,321</b>	<b>46,084</b>	<b>330,229</b>	<b>275,602</b>	<b>99,885</b>	<b>97,556</b>
<b>Business receipts, total [1]</b>	<b>169,272,699</b>	<b>38,716,955</b>	<b>4,203,407</b>	<b>8,210,291</b>	<b>16,193,715</b>	<b>7,741,906</b>	<b>5,798,047</b>
Income from sales and operations [1]	166,428,723	38,214,388	4,083,232	8,088,618	15,961,834	7,697,760	5,612,136
Other business income	2,843,976	502,567	120,175	121,673	231,881	44,146	185,911
<b>Business deductions, total [1,2]</b>	<b>97,752,001</b>	<b>22,047,741</b>	<b>2,361,991</b>	<b>5,094,148</b>	<b>10,515,850</b>	<b>5,817,821</b>	<b>3,334,483</b>
Cost of sales and operations, total	19,713,317	1,841,309	39,963	138,792	2,781,620	1,689,380	961,186
Inventory, beginning of year	1,144,267	62,512	* 8,007	* 56,713	73,283	40,618	26,253
Cost of labor	1,772,032	142,743	* 2,735	67,208	531,358	379,221	130,097
Purchases	8,159,185	131,995	* 2,835	22,414	677,724	504,475	119,298
Materials and supplies	2,901,630	48,828	* 13	18,829	721,925	433,444	280,297
Other costs	6,801,386	1,519,958	33,995	20,974	869,621	380,753	444,447
Inventory, end of year	1,065,183	64,727	* 7,621	* 47,347	92,291	49,131	39,206
Advertising expenses	2,296,548	844,057	22,614	98,269	98,554	56,855	23,958
Car and truck expenses	7,372,703	1,029,264	121,758	581,997	811,262	358,932	270,874
Commissions	1,449,557	239,080	* 7,563	154,570	78,665	14,708	39,545
Contract labor	4,344,168	785,558	126,346	236,072	620,286	359,549	177,442
Depletion	12,387	3,285	0	* 846	* 1,635	0	* 1,616
Depreciation	3,932,135	479,147	74,366	218,601	528,014	247,132	177,569
Employee benefit programs	651,284	213,243	67,718	37,548	106,716	34,342	49,021
Insurance	1,629,001	584,349	63,549	81,798	274,591	145,125	83,193
Legal and professional services	2,613,835	752,666	38,602	161,603	291,949	169,883	61,050
Meals and entertainment deducted	1,296,040	214,179	22,147	93,735	77,670	34,501	29,018
Mortgage interest	395,929	98,937	18,144	54,939	29,973	11,374	14,861
Other interest paid on business indebtedness	741,480	156,326	34,861	54,758	56,982	31,233	15,112
Office expenses	3,092,241	1,091,718	116,963	254,532	251,876	110,877	106,190
Pension and profit-sharing plans	335,456	148,626	14,600	10,347	29,749	15,419	13,259
Rent paid on machinery and equipment	916,230	214,968	34,806	51,089	80,045	44,213	29,664
Rent paid on other business property	3,929,938	1,734,106	169,264	260,422	248,713	149,745	68,782
Repairs	940,908	191,126	23,491	76,178	134,785	71,554	41,224
Supplies	3,024,526	407,068	41,502	173,828	453,888	312,263	85,530
Salaries and wages	10,986,174	4,110,482	627,671	775,390	1,388,528	771,663	415,021
Taxes paid	1,787,566	564,328	75,623	109,867	229,228	140,179	59,348
Travel	3,726,242	308,881	36,582	104,067	228,702	76,533	120,012
Utilities	3,152,567	798,862	96,524	239,206	278,661	125,668	85,156
Other business deductions	16,049,322	4,980,284	433,348	851,341	1,166,885	757,420	287,669
Home office business deductions, total	2,830,459	224,528	43,044	205,004	236,863	76,018	105,952
Depreciation, Form 8829 [3]	369,483	22,467	6,140	19,744	29,289	8,332	13,011
Casualty loss, Form 8829 [3]	11,861	* 3,225	0	* 25	0	0	0
Excess—casualty depreciations, Form 8829 [3]	359,886	13,232	* 459	7,223	24,429	* 2,411	* 13,725
<b>Net income less deficit [1,2]</b>	<b>71,608,966</b>	<b>16,676,401</b>	<b>1,841,417</b>	<b>3,117,258</b>	<b>5,682,629</b>	<b>1,924,217</b>	<b>2,467,909</b>
Net income [1,2]	77,705,157	17,450,194	1,903,735	3,445,846	6,055,197	2,117,003	2,580,101
Deficit [2]	-6,096,192	-773,793	-62,318	-328,587	-372,568	-192,786	-112,193

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services						
	Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services		
					Total	Architectural services	Engineering services
	(102)	(103)	(104)	(105)	(106)	(107)	(108)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>2,407,350</b>	<b>268,297</b>	<b>39,361</b>	<b>268,693</b>	<b>213,865</b>	<b>73,057</b>	<b>80,074</b>
<b>Business receipts, total [1]</b>	<b>156,237,690</b>	<b>36,949,264</b>	<b>4,068,821</b>	<b>7,516,589</b>	<b>14,727,736</b>	<b>6,829,921</b>	<b>5,416,534</b>
Income from sales and operations [1]	153,703,359	36,485,597	3,948,812	7,414,876	14,552,548	6,789,715	5,283,377
Other business income	2,534,331	463,667	120,009	101,712	175,188	40,207	133,157
<b>Business deductions, total [1,2]</b>	<b>78,548,547</b>	<b>19,504,801</b>	<b>2,165,086</b>	<b>4,070,743</b>	<b>8,677,254</b>	<b>4,713,000</b>	<b>2,840,777</b>
Cost of sales and operations, total	15,959,539	1,665,126	35,873	109,471	2,180,987	1,239,909	817,313
Inventory, beginning of year	655,801	43,602	* 1,044	* 35,238	24,605	* 1,673	* 22,787
Cost of labor	1,410,399	142,619	* 2,735	52,875	431,475	292,828	117,395
Purchases	6,061,492	127,497	* 2,835	11,057	462,543	291,178	118,756
Materials and supplies	2,350,738	47,118	* 13	* 15,454	498,162	321,020	171,488
Other costs	6,004,928	1,352,518	* 29,904	14,440	802,144	336,870	421,023
Inventory, end of year	523,819	48,226	* 658	* 19,594	37,943	* 3,660	* 34,137
Advertising expenses	1,799,110	754,538	20,436	73,078	76,500	40,396	21,821
Car and truck expenses	5,501,547	844,631	115,686	412,744	635,458	259,408	230,407
Commissions	1,224,488	209,651	* 7,542	145,614	52,268	13,955	36,299
Contract labor	3,742,179	700,698	118,020	206,259	574,822	336,871	155,412
Depletion	9,105	3,093	0	* 775	* 284	0	* 280
Depreciation	2,941,091	412,379	60,660	176,032	431,655	193,238	143,858
Employee benefit programs	544,747	196,363	60,342	33,098	97,403	34,200	45,263
Insurance	1,362,090	523,517	58,013	63,692	229,299	114,510	76,641
Legal and professional services	2,097,419	663,665	33,171	147,047	260,308	151,204	52,617
Meals and entertainment deducted	1,055,830	190,551	21,037	68,724	64,059	28,036	26,559
Mortgage interest	273,492	88,728	18,088	40,412	21,202	10,627	7,563
Other interest paid on business indebtedness	498,084	116,323	31,299	46,931	46,169	23,322	14,624
Office expenses	2,625,246	986,167	110,817	207,115	218,727	95,109	92,736
Pension and profit-sharing plans	307,453	144,010	14,379	10,347	28,248	15,239	11,938
Rent paid on machinery and equipment	722,102	195,839	18,701	28,412	61,578	33,543	22,674
Rent paid on other business property	3,182,973	1,576,078	160,550	200,814	210,070	122,709	62,956
Repairs	702,292	154,354	22,303	67,700	109,971	55,059	36,095
Supplies	2,324,128	350,306	39,415	124,258	375,034	251,510	79,660
Salaries and wages	9,415,449	3,777,422	570,842	684,851	1,207,221	717,566	327,390
Taxes paid	1,533,701	509,004	70,447	98,846	198,859	126,371	49,561
Travel	3,086,415	265,018	34,763	92,675	196,262	58,163	109,052
Utilities	2,483,186	686,633	86,364	191,951	215,749	93,585	72,356
Other business deductions	12,451,209	4,309,035	404,153	650,136	965,792	629,211	243,912
Home office business deductions, total	2,191,932	153,539	41,244	123,613	189,324	56,001	91,563
Depreciation, Form 8829 [3]	271,071	17,435	5,994	14,946	20,910	7,608	8,939
Casualty loss, Form 8829 [3]	10,521	* 3,225	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	28,989	* 1,497	* 110	0	* 4,088	* 853	* 3,235
<b>Net income [1,2]</b>	<b>77,705,157</b>	<b>17,450,194</b>	<b>1,903,735</b>	<b>3,445,846</b>	<b>6,055,197</b>	<b>2,117,003</b>	<b>2,580,101</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	534,873	39,995	6,399	83,025	47,657	16,087	18,923
Business receipts	5,144,919	422,231	61,625	519,981	402,765	109,872	165,458
Business deductions	531,989	31,364	10,942	69,350	30,009	13,256	12,232
Net income	4,612,930	390,867	50,684	450,631	372,756	96,616	153,226

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued			Specialized design services	Computer systems design services	Other professional, scientific, and technical services	
	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories			Total	Management, scientific, and technical consulting services
	(109)	(110)	(111)	(112)	(113)	(114)	(115)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>60,757</b>	<b>13,342</b>	<b>4,062</b>	<b>241,885</b>	<b>254,014</b>	<b>1,723,407</b>	<b>951,886</b>
<b>Business receipts, total [1]</b>	<b>1,696,841</b>	<b>767,444</b>	<b>189,477</b>	<b>9,336,822</b>	<b>9,986,914</b>	<b>82,624,594</b>	<b>46,147,399</b>
Income from sales and operations [1]	1,695,510	767,197	189,232	9,257,163	9,879,668	80,943,820	45,108,461
Other business income	* 1,331	* 248	* 246	79,660	107,245	1,680,774	1,038,938
<b>Business deductions, total [1,2]</b>	<b>797,378</b>	<b>435,517</b>	<b>130,651</b>	<b>7,229,701</b>	<b>5,566,533</b>	<b>44,936,037</b>	<b>20,607,598</b>
Cost of sales and operations, total	60,075	* 15,283	* 55,696	3,929,295	1,910,254	9,072,083	2,516,247
Inventory, beginning of year	* 364	0	* 6,049	354,782	57,374	531,595	249,625
Cost of labor	* 14,002	* 7,249	* 789	208,763	294,162	525,063	241,156
Purchases	* 2,922	* 2,766	* 48,262	2,403,781	785,226	4,135,210	805,903
Materials and supplies	* 6,700	0	* 1,484	698,237	149,221	1,264,577	423,937
Other costs	* 36,449	* 5,268	* 2,705	529,137	680,199	3,147,501	1,010,856
Inventory, end of year	* 360	0	* 3,594	265,406	55,928	531,862	215,230
Advertising expenses	14,274	3,061	* 406	101,537	183,709	947,809	381,783
Car and truck expenses	126,879	47,544	* 7,032	413,891	433,636	3,980,896	2,148,833
Commissions	* 24,003	* 409	0	55,543	35,852	878,285	492,472
Contract labor	14,109	68,464	* 722	199,761	286,453	2,089,692	1,169,640
Depletion	* 19	0	0	* 24	* 411	6,186	3,957
Depreciation	63,658	34,374	* 5,283	210,717	257,734	2,163,556	981,942
Employee benefit programs	* 14,001	* 8,271	* 1,081	12,325	33,770	179,964	75,365
Insurance	27,567	15,380	* 3,326	58,441	47,586	518,686	220,833
Legal and professional services	51,058	7,425	* 2,534	99,572	82,924	1,186,519	775,814
Meals and entertainment deducted	12,918	698	* 535	65,036	61,798	761,475	497,345
Mortgage interest	* 2,892	* 846	0	23,540	17,339	153,057	61,596
Other interest paid on business indebtedness	6,283	2,466	* 1,889	51,088	31,694	355,772	200,898
Office expenses	23,404	9,844	* 1,561	116,024	129,586	1,131,543	628,456
Pension and profit-sharing plans	* 17	* 1,045	* 9	5,908	8,572	117,654	56,184
Rent paid on machinery and equipment	1,703	* 4,458	* 7	39,045	70,500	425,776	224,038
Rent paid on other business property	* 13,918	12,656	* 3,611	193,636	117,678	1,206,119	503,884
Repairs	13,068	6,776	* 2,164	27,814	34,329	453,184	206,295
Supplies	37,796	13,123	* 5,175	212,238	157,719	1,578,283	644,449
Salaries and wages	* 60,193	118,876	* 22,775	250,733	368,117	3,465,252	1,246,437
Taxes paid	11,229	15,896	* 2,575	90,211	65,723	652,586	251,212
Travel	29,231	1,791	* 1,135	123,085	239,625	2,685,300	1,878,276
Utilities	45,727	19,000	* 3,111	168,544	151,758	1,419,012	746,318
Other business deductions	95,833	18,191	* 7,772	523,166	578,074	7,516,225	3,518,249
Home office business deductions, total	43,616	* 9,529	* 1,748	227,437	226,498	1,667,084	991,640
Depreciation, Form 8829 [3]	6,768	* 815	* 363	29,733	23,531	238,579	140,077
Casualty loss, Form 8829 [3]	0	0	0	* 79	* 1,263	7,268	4,111
Excess—casualty depreciations, Form 8829 [3]	* 6,863	* 710	* 721	27,737	8,778	278,027	214,335
<b>Net income less deficit [1,2]</b>	<b>899,800</b>	<b>331,877</b>	<b>58,826</b>	<b>2,112,466</b>	<b>4,424,493</b>	<b>37,754,303</b>	<b>25,573,080</b>
Net income [1,2]	955,172	334,128	68,793	2,668,602	4,780,921	41,400,665	27,576,853
Deficit [2]	-55,372	* -2,251	* -9,967	-556,136	-356,428	-3,646,362	-2,003,773

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued			Specialized design services	Computer systems design services	Other professional, scientific, and technical services	
	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories			Total	Management, scientific, and technical consulting services
	(109)	(110)	(111)	(112)	(113)	(114)	(115)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>47,243</b>	<b>10,780</b>	<b>2,711</b>	<b>165,742</b>	<b>191,706</b>	<b>1,259,685</b>	<b>697,244</b>
<b>Business receipts, total [1]</b>	<b>1,622,533</b>	<b>679,883</b>	<b>178,865</b>	<b>7,903,667</b>	<b>9,211,240</b>	<b>75,860,373</b>	<b>43,565,512</b>
Income from sales and operations [1]	1,621,202	679,635	178,619	7,834,380	9,106,158	74,360,988	42,623,968
Other business income	* 1,331	* 248	* 246	69,287	105,082	1,499,386	941,545
<b>Business deductions, total [1,2]</b>	<b>667,698</b>	<b>345,705</b>	<b>* 110,072</b>	<b>5,235,066</b>	<b>4,430,162</b>	<b>34,465,436</b>	<b>15,994,002</b>
Cost of sales and operations, total	* 58,109	* 15,039	* 50,617	3,090,280	1,659,416	7,218,387	2,120,708
Inventory, beginning of year	* 45	0	* 99	225,800	24,721	300,792	146,777
Cost of labor	* 14,002	* 7,249	* 1	173,826	212,595	394,275	220,519
Purchases	* 2,002	* 2,692	* 47,915	1,684,660	725,092	3,047,809	696,452
Materials and supplies	* 5,654	0	0	625,298	119,895	1,044,798	406,281
Other costs	* 36,449	* 5,097	* 2,705	477,078	612,506	2,716,337	778,705
Inventory, end of year	* 42	0	* 104	96,381	35,394	285,624	128,025
Advertising expenses	10,883	3,052	* 348	62,822	156,082	655,656	278,679
Car and truck expenses	110,483	31,860	* 3,300	257,039	320,898	2,915,091	1,586,162
Commissions	* 1,605	* 409	0	46,557	29,634	733,221	366,353
Contract labor	* 13,992	68,464	* 82	134,255	267,200	1,740,925	1,018,118
Depletion	* 4	0	0	0	* 411	4,542	3,153
Depreciation	57,453	32,617	* 4,489	129,636	192,100	1,538,631	712,991
Employee benefit programs	* 13,991	* 2,868	* 1,081	7,568	26,096	123,876	47,289
Insurance	24,141	10,887	* 3,120	41,508	34,234	411,827	180,858
Legal and professional services	47,881	6,117	* 2,489	63,052	52,723	877,453	572,119
Meals and entertainment deducted	8,444	658	* 362	48,201	50,348	612,910	406,017
Mortgage interest	* 2,284	* 728	0	10,651	6,835	87,576	31,746
Other interest paid on business indebtedness	* 5,018	* 2,466	* 739	14,888	22,325	220,149	104,658
Office expenses	20,425	8,896	* 1,561	81,904	97,110	923,406	519,534
Pension and profit-sharing plans	* 17	* 1,045	* 9	5,722	3,274	101,473	52,204
Rent paid on machinery and equipment	1,023	* 4,332	* 7	22,510	63,261	331,800	184,480
Rent paid on other business property	* 13,918	8,521	* 1,965	92,405	78,717	864,340	354,683
Repairs	12,901	3,911	* 2,005	21,051	22,111	304,802	131,409
Supplies	31,981	10,173	* 1,709	125,883	114,975	1,194,258	444,469
Salaries and wages	* 52,193	87,296	* 22,775	184,483	254,396	2,736,234	902,400
Taxes paid	9,829	10,556	* 2,541	69,449	50,000	537,096	198,647
Travel	26,591	1,791	* 664	87,978	210,720	2,199,000	1,589,480
Utilities	37,142	10,531	* 2,136	106,101	106,349	1,090,038	580,906
Other business deductions	69,239	15,860	* 7,569	313,758	401,399	5,406,936	2,624,690
Home office business deductions, total	34,243	* 7,516	0	186,275	174,355	1,323,582	802,803
Depreciation, Form 8829 [3]	3,786	* 578	0	20,153	19,970	171,663	104,892
Casualty loss, Form 8829 [3]	0	0	0	0	* 1,263	6,034	4,071
Excess—casualty depreciations, Form 8829 [3]	0	0	0	* 2,856	* 3,875	16,564	11,007
<b>Net income [1,2]</b>	<b>955,172</b>	<b>334,128</b>	<b>68,793</b>	<b>2,668,602</b>	<b>4,780,921</b>	<b>41,400,665</b>	<b>27,576,853</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	8,947	* 2,098	* 1,602	38,339	55,139	264,318	127,839
Business receipts	65,968	* 23,891	* 37,576	401,861	563,312	2,773,144	1,825,630
Business deductions	* 3,906	* 1,111	* 504	31,090	35,194	324,039	185,435
Net income	62,062	* 23,780	* 37,072	370,771	528,117	2,449,105	1,640,195

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued				Administrative and support and waste management and remediation services		
	Other professional, scientific, and technical services—continued				Total	Administrative and support services	Waste management and remediation services
	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services			
	(116)	(117)	(118)	(119)	(120)	(121)	(122)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>34,241</b>	<b>120,617</b>	<b>38,676</b>	<b>577,987</b>	<b>2,251,002</b>	<b>2,224,802</b>	<b>26,200</b>
<b>Business receipts, total [1]</b>	<b>1,952,860</b>	<b>7,163,497</b>	<b>1,133,673</b>	<b>26,227,165</b>	<b>60,343,203</b>	<b>58,044,464</b>	<b>2,298,739</b>
Income from sales and operations [1]	1,939,220	7,103,762	1,122,382	25,669,995	59,549,710	57,280,528	2,269,182
Other business income	13,641	59,734	11,291	557,170	793,494	763,936	29,557
<b>Business deductions, total [1,2]</b>	<b>1,375,133</b>	<b>5,126,124</b>	<b>729,135</b>	<b>17,098,047</b>	<b>43,914,195</b>	<b>41,861,545</b>	<b>2,052,650</b>
Cost of sales and operations, total	424,551	1,896,826	197,539	4,036,920	11,076,161	10,681,460	394,701
Inventory, beginning of year	* 59,537	13,744	* 2	208,686	375,225	366,725	* 8,500
Cost of labor	* 24,316	28,169	0	231,422	2,283,408	2,254,725	* 28,683
Purchases	* 309,845	651,126	* 5,473	2,362,862	3,436,507	3,227,995	208,511
Materials and supplies	* 20,700	231,277	* 37,178	551,485	2,259,940	2,208,985	50,955
Other costs	98,181	984,450	* 154,885	899,129	3,067,658	2,957,313	110,345
Inventory, end of year	* 88,028	11,940	0	216,664	346,575	334,283	* 12,293
Advertising expenses	25,049	190,050	4,291	346,636	760,727	730,980	29,747
Car and truck expenses	40,811	339,961	62,167	1,389,123	5,834,308	5,664,546	169,762
Commissions	* 4,857	153,551	* 4,006	223,398	486,957	473,927	13,030
Contract labor	107,523	210,550	50,396	551,582	2,145,281	2,051,169	94,113
Depletion	0	* 20	0	2,208	5,377	4,640	* 738
Depreciation	71,586	156,427	14,618	938,982	2,418,990	2,188,350	230,640
Employee benefit programs	5,030	11,963	* 4,996	82,611	130,740	115,556	15,185
Insurance	8,734	29,654	7,369	252,096	1,090,691	1,012,153	78,538
Legal and professional services	35,162	74,007	11,493	290,041	403,551	387,808	15,743
Meals and entertainment deducted	12,777	50,244	11,221	189,887	318,577	309,090	9,487
Mortgage interest	* 16,892	4,702	* 3,603	66,264	195,486	183,223	12,263
Other interest paid on business indebtedness	3,911	26,497	* 1,334	123,131	340,658	312,929	27,729
Office expenses	17,470	76,418	14,216	394,983	685,645	662,910	22,734
Pension and profit-sharing plans	* 13,125	2,357	* 6,043	39,947	30,358	29,399	* 959
Rent paid on machinery and equipment	7,204	33,691	3,784	157,060	574,509	551,101	23,408
Rent paid on other business property	34,015	102,311	17,971	547,939	735,747	711,980	23,767
Repairs	9,303	29,289	7,761	200,536	978,093	877,500	100,594
Supplies	19,404	87,062	46,084	781,284	2,118,835	2,065,127	53,707
Salaries and wages	131,163	233,396	51,557	1,802,700	4,498,692	4,351,189	147,503
Taxes paid	15,385	43,428	5,274	337,286	750,406	706,554	43,852
Travel	47,605	118,169	44,811	596,438	662,365	647,615	14,750
Utilities	18,652	120,516	20,460	513,067	1,076,267	1,041,226	35,040
Other business deductions	269,667	957,363	115,649	2,655,297	5,426,390	4,936,074	490,317
Home office business deductions, total	20,298	158,982	17,763	478,401	671,832	667,501	4,331
Depreciation, Form 8829 [3]	4,415	27,123	* 884	66,080	91,017	90,718	* 298
Casualty loss, Form 8829 [3]	0	* 1,959	0	* 1,198	* 2,692	* 2,692	0
Excess—casualty depreciations, Form 8829 [3]	* 3,103	17,343	* 438	42,808	54,081	54,081	0
<b>Net income less deficit [1,2]</b>	<b>580,242</b>	<b>2,039,822</b>	<b>404,539</b>	<b>9,156,620</b>	<b>16,485,611</b>	<b>16,239,510</b>	<b>246,101</b>
Net income [1,2]	775,250	2,276,899	494,610	10,277,052	19,554,621	19,225,753	328,868
Deficit [2]	-195,008	-237,077	-90,072	-1,120,432	-3,069,010	-2,986,242	-82,768

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued				Administrative and support and waste management and remediation services		
	Other professional, scientific, and technical services—continued				Total	Administrative and support services	Waste management and remediation services
	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services			
	(116)	(117)	(118)	(119)	(120)	(121)	(122)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>26,842</b>	<b>90,271</b>	<b>26,335</b>	<b>418,993</b>	<b>1,787,855</b>	<b>1,766,210</b>	<b>21,645</b>
<b>Business receipts, total [1]</b>	<b>1,412,635</b>	<b>6,739,828</b>	<b>1,053,548</b>	<b>23,088,850</b>	<b>52,763,362</b>	<b>50,755,416</b>	<b>2,007,946</b>
Income from sales and operations [1]	1,406,130	6,695,250	1,053,473	22,582,166	52,155,522	50,176,911	1,978,611
Other business income	6,505	44,578	* 75	506,683	607,840	578,505	29,336
<b>Business deductions, total [1,2]</b>	<b>637,385</b>	<b>4,462,989</b>	<b>558,938</b>	<b>12,812,122</b>	<b>33,216,485</b>	<b>31,537,408</b>	<b>1,679,078</b>
Cost of sales and operations, total	187,509	1,839,282	* 188,848	2,882,040	9,077,221	8,746,177	331,044
Inventory, beginning of year	* 2,807	3,018	* 2	148,189	258,287	250,517	* 7,770
Cost of labor	* 14,179	25,110	0	134,467	2,017,135	1,989,260	* 27,876
Purchases	* 96,336	639,782	* 2,171	1,613,068	2,873,852	2,703,331	* 170,521
Materials and supplies	* 20,413	221,667	* 34,194	362,243	1,989,949	1,951,030	* 38,919
Other costs	55,491	959,763	* 152,480	769,898	2,156,991	2,058,785	98,206
Inventory, end of year	* 1,716	10,058	0	145,825	218,993	206,746	* 12,248
Advertising expenses	5,058	168,754	1,961	201,204	556,181	530,648	25,532
Car and truck expenses	31,929	266,263	24,768	1,005,969	4,273,645	4,142,013	131,632
Commissions	* 4,711	153,065	* 18	209,075	400,033	387,212	* 12,821
Contract labor	59,255	183,216	* 37,136	443,198	1,727,258	1,660,283	66,974
Depletion	0	0	0	1,389	2,891	2,153	* 738
Depreciation	32,971	122,976	5,400	664,293	1,694,684	1,523,045	171,639
Employee benefit programs	* 1,939	9,959	* 4,996	59,694	106,776	92,019	14,757
Insurance	4,345	23,357	2,417	200,850	816,963	758,605	58,358
Legal and professional services	25,997	60,324	7,461	211,551	273,488	262,543	10,945
Meals and entertainment deducted	11,337	40,900	7,471	147,185	227,634	219,876	7,758
Mortgage interest	* 22	* 3,705	* 73	52,030	84,277	72,988	11,289
Other interest paid on business indebtedness	* 685	23,352	* 302	91,153	221,707	203,767	17,941
Office expenses	11,081	60,127	8,541	324,123	470,988	449,241	21,746
Pension and profit-sharing plans	* 2,125	1,811	* 6,043	39,289	24,765	23,806	* 959
Rent paid on machinery and equipment	7,002	28,999	* 1,537	109,782	409,781	390,345	19,435
Rent paid on other business property	22,413	85,585	11,932	389,726	585,247	563,092	22,155
Repairs	6,711	22,132	2,239	142,310	670,137	589,547	80,590
Supplies	15,076	81,135	40,666	612,911	1,495,932	1,459,690	36,242
Salaries and wages	52,036	211,710	42,712	1,527,376	3,449,645	3,332,081	117,564
Taxes paid	7,071	34,386	4,204	292,789	569,074	536,133	32,941
Travel	32,182	87,987	35,649	453,702	436,521	428,209	8,313
Utilities	12,668	97,604	11,620	387,241	779,685	748,474	31,212
Other business deductions	80,585	714,057	92,351	1,895,252	3,831,267	3,389,106	442,162
Home office business deductions, total	10,697	123,617	15,864	370,601	541,576	537,245	4,331
Depreciation, Form 8829 [3]	2,220	11,269	* 884	52,399	57,335	57,037	* 298
Casualty loss, Form 8829 [3]	0	* 1,959	0	* 4	* 3	* 3	0
Excess—casualty depreciations, Form 8829 [3]	* 545	* 1,746	* 438	* 2,827	11,921	11,921	0
<b>Net income [1,2]</b>	<b>775,250</b>	<b>2,276,899</b>	<b>494,610</b>	<b>10,277,052</b>	<b>19,554,621</b>	<b>19,225,753</b>	<b>328,868</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	10,407	22,553	7,702	95,816	629,915	627,752	* 2,164
Business receipts	122,416	105,988	98,506	620,603	4,108,692	4,103,236	* 5,456
Business deductions	14,958	18,688	* 4,728	100,229	497,550	497,539	* 11
Net income	107,458	87,300	93,778	520,373	3,611,142	3,605,697	* 5,445

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Educational services		Health care and social assistance				
	Total	Total	Ambulatory health care services				
			Total	Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	Offices of chiropractors
	(123)	(124)	(125)	(126)	(127)	(128)	(129)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>596,859</b>	<b>2,016,418</b>	<b>997,226</b>	<b>194,531</b>	<b>31,439</b>	<b>93,114</b>	<b>37,789</b>
<b>Business receipts, total [1]</b>	<b>9,074,803</b>	<b>115,531,863</b>	<b>95,393,542</b>	<b>33,463,588</b>	<b>2,981,198</b>	<b>29,798,435</b>	<b>4,655,464</b>
Income from sales and operations [1]	8,148,842	113,730,022	93,991,594	32,806,108	2,821,114	29,663,589	4,621,783
Other business income	925,961	1,801,841	1,401,948	657,480	160,084	134,846	33,681
<b>Business deductions, total [1,2]</b>	<b>6,199,549</b>	<b>69,484,341</b>	<b>55,709,172</b>	<b>17,721,771</b>	<b>1,209,019</b>	<b>19,498,074</b>	<b>2,927,088</b>
Cost of sales and operations, total	1,344,624	5,754,242	5,076,697	1,279,905	* 24,506	1,811,015	98,259
Inventory, beginning of year	85,950	307,775	286,776	52,891	* 12,185	31,516	* 2,857
Cost of labor	56,399	1,040,583	890,999	200,756	* 12,917	296,914	* 10,440
Purchases	347,174	1,619,763	1,428,649	246,722	* 2,581	219,285	37,131
Materials and supplies	130,133	1,142,460	1,015,753	269,719	* 2,302	454,860	* 32,534
Other costs	865,013	1,943,566	1,730,251	572,005	* 6,882	837,639	* 18,467
Inventory, end of year	140,045	299,904	275,731	62,187	* 12,360	29,199	* 3,170
Advertising expenses	141,824	1,117,776	1,030,954	221,711	15,588	368,736	142,304
Car and truck expenses	638,907	3,286,097	2,094,079	418,261	74,176	186,077	81,714
Commissions	45,203	286,460	245,460	64,189	* 3,930	64,176	* 13,187
Contract labor	231,368	1,765,999	1,443,219	585,304	27,401	316,556	135,795
Depletion	0	4,244	4,240	1,571	0	* 1,636	0
Depreciation	231,761	2,662,152	2,160,202	600,719	46,634	946,400	105,382
Employee benefit programs	21,074	558,767	492,434	189,964	* 1,361	185,596	17,652
Insurance	60,959	2,551,811	2,290,833	1,244,985	71,261	477,758	97,857
Legal and professional services	139,298	1,387,397	1,239,638	512,309	51,367	273,669	73,723
Meals and entertainment deducted	63,193	560,929	347,171	88,838	18,313	72,333	21,447
Mortgage interest	28,359	691,203	343,236	78,947	* 15,240	112,494	38,292
Other interest paid on business indebtedness	41,989	600,645	523,721	120,967	4,531	264,730	33,343
Office expenses	146,822	1,832,035	1,619,491	485,265	47,243	542,730	126,905
Pension and profit-sharing plans	5,363	516,727	512,629	244,231	2,291	213,949	8,864
Rent paid on machinery and equipment	61,148	618,363	524,328	201,483	19,528	113,182	41,793
Rent paid on other business property	495,539	4,996,625	4,459,344	1,359,942	180,032	1,160,022	420,194
Repairs	93,395	951,158	705,719	192,596	18,345	279,935	52,948
Supplies	304,427	4,289,765	3,397,035	1,014,833	45,101	1,538,250	174,243
Salaries and wages	325,109	15,503,040	13,302,025	4,173,902	150,090	6,187,341	510,193
Taxes paid	102,958	2,181,807	1,857,218	578,296	31,431	774,715	87,043
Travel	230,480	835,389	671,569	214,344	37,832	107,537	29,778
Utilities	222,082	2,257,223	1,620,295	402,798	55,650	488,187	139,293
Other business deductions	903,565	12,024,120	9,133,725	3,340,435	232,106	2,963,251	453,421
Home office business deductions, total	192,764	1,882,232	438,474	81,042	31,907	37,668	21,671
Depreciation, Form 8829 [3]	25,599	192,693	53,923	17,495	1,571	3,666	2,903
Casualty loss, Form 8829 [3]	* 383	* 17,028	* 2,226	* [4]	0	0	0
Excess—casualty depreciations, Form 8829 [3]	25,396	140,327	38,840	15,481	* 7	* 1,373	* 2
<b>Net income less deficit [1,2]</b>	<b>2,879,254</b>	<b>46,056,668</b>	<b>39,676,719</b>	<b>15,722,884</b>	<b>1,772,180</b>	<b>10,300,714</b>	<b>1,728,493</b>
Net income [1,2]	3,612,035	48,286,449	41,107,694	16,239,483	1,797,035	10,431,676	1,745,278
Deficit [2]	-732,781	-2,229,782	-1,430,975	-516,599	-24,856	-130,962	-16,785

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Educational services		Health care and social assistance				
	Total	Total	Ambulatory health care services				
			Total	Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	Offices of chiropractors
(123)	(124)	(125)	(126)	(127)	(128)	(129)	
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>466,677</b>	<b>1,677,379</b>	<b>829,480</b>	<b>160,313</b>	<b>28,775</b>	<b>84,992</b>	<b>34,353</b>
<b>Business receipts, total [1]</b>	<b>7,042,678</b>	<b>107,695,993</b>	<b>91,188,521</b>	<b>31,988,061</b>	<b>2,923,924</b>	<b>29,148,584</b>	<b>4,505,208</b>
Income from sales and operations [1]	6,936,392	106,149,905	89,960,753	31,416,013	2,765,306	29,015,824	4,473,896
Other business income	106,286	1,546,088	1,227,769	572,048	158,618	132,760	31,313
<b>Business deductions, total [1,2]</b>	<b>3,433,186</b>	<b>59,402,113</b>	<b>50,072,877</b>	<b>15,730,139</b>	<b>1,126,888</b>	<b>18,716,966</b>	<b>2,759,930</b>
Cost of sales and operations, total	345,315	5,062,174	4,666,561	1,121,754	* 24,387	1,753,556	85,450
Inventory, beginning of year	32,965	255,468	239,363	44,014	* 12,185	28,715	* 2,857
Cost of labor	* 47,495	862,339	763,648	166,394	* 12,917	273,933	* 2,105
Purchases	195,901	1,495,957	1,351,144	229,135	* 2,567	210,457	36,913
Materials and supplies	82,624	1,048,828	973,878	264,554	* 2,302	441,195	* 28,779
Other costs	40,372	1,641,452	1,567,426	465,980	* 6,384	827,552	* 17,966
Inventory, end of year	54,043	241,868	228,899	48,323	* 11,967	28,295	* 3,170
Advertising expenses	91,428	983,770	932,547	199,090	14,679	343,856	139,858
Car and truck expenses	379,480	2,593,177	1,718,090	368,161	69,932	169,820	77,227
Commissions	28,910	196,493	162,523	60,264	* 3,930	37,352	* 13,187
Contract labor	173,771	1,526,129	1,274,076	504,554	27,401	291,841	111,035
Depletion	0	2,374	2,374	704	0	* 1,636	0
Depreciation	127,080	2,136,383	1,858,113	506,913	41,422	871,223	91,759
Employee benefit programs	15,631	516,631	476,120	185,200	* 1,361	182,035	17,581
Insurance	33,443	2,307,177	2,125,171	1,163,387	65,853	459,362	92,720
Legal and professional services	68,193	1,157,322	1,052,134	391,324	48,391	262,458	71,841
Meals and entertainment deducted	41,708	467,465	303,823	80,230	17,680	69,848	20,140
Mortgage interest	17,785	446,978	279,404	68,124	* 12,389	110,974	30,353
Other interest paid on business indebtedness	27,007	492,429	454,510	100,355	4,072	242,641	30,960
Office expenses	89,126	1,643,709	1,495,032	456,715	44,977	528,525	118,549
Pension and profit-sharing plans	3,517	502,698	501,693	234,809	2,291	213,331	8,864
Rent paid on machinery and equipment	30,938	528,516	460,576	174,059	19,528	108,901	41,600
Rent paid on other business property	352,979	4,399,618	4,046,344	1,274,790	172,550	1,126,332	388,324
Repairs	39,269	786,703	629,345	180,619	17,860	266,704	49,908
Supplies	188,175	3,683,161	3,083,502	911,314	40,309	1,474,502	168,839
Salaries and wages	221,359	14,031,545	12,570,324	3,886,477	140,157	6,047,567	505,142
Taxes paid	69,551	1,941,106	1,740,501	544,355	28,469	757,119	82,324
Travel	144,728	657,001	596,919	188,650	35,316	97,898	28,668
Utilities	141,972	1,864,156	1,441,689	362,055	51,516	471,875	128,061
Other business deductions	559,185	9,699,975	7,656,945	2,681,346	207,832	2,783,397	434,080
Home office business deductions, total	115,315	1,419,137	377,706	65,973	31,443	34,081	21,671
Depreciation, Form 8829 [3]	13,825	125,964	40,503	8,531	1,564	3,047	2,903
Casualty loss, Form 8829 [3]	* 359	* 6,315	* 2,226	* [4]	0	0	0
Excess—casualty depreciations, Form 8829 [3]	7,168	11,809	3,955	* 1,000	0	* 122	0
<b>Net income [1,2]</b>	<b>3,612,035</b>	<b>48,286,449</b>	<b>41,107,694</b>	<b>16,239,483</b>	<b>1,797,035</b>	<b>10,431,676</b>	<b>1,745,278</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	188,090	526,861	189,835	32,237	3,374	11,329	* 678
Business receipts	814,177	4,160,031	1,820,630	578,500	41,027	79,067	* 2,665
Business deductions	127,336	368,135	175,437	24,935	* 3,153	10,130	* 1,789
Net income	686,841	3,791,896	1,645,192	553,565	37,874	68,937	* 877

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							Hospitals
	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)	
(130)	(131)	(132)	(133)	(134)	(135)	(136)	(137)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>18,985</b>	<b>174,713</b>	<b>6,388</b>	<b>156,836</b>	<b>31,782</b>	<b>224,827</b>	<b>26,822</b>	<b>8,834</b>
<b>Business receipts, total [1]</b>	<b>3,345,930</b>	<b>8,392,904</b>	<b>1,006,518</b>	<b>5,023,852</b>	<b>1,462,086</b>	<b>4,238,804</b>	<b>1,024,763</b>	<b>469,307</b>
Income from sales and operations [1]	3,337,184	8,328,451	990,144	4,836,205	1,391,874	4,196,341	998,800	467,933
Other business income	8,747	64,452	* 16,374	187,647	70,212	42,462	25,963	* 1,374
<b>Business deductions, total [1,2]</b>	<b>2,424,386</b>	<b>3,910,266</b>	<b>680,334</b>	<b>2,885,427</b>	<b>1,057,135</b>	<b>2,703,128</b>	<b>692,544</b>	<b>215,481</b>
Cost of sales and operations, total	741,111	262,677	35,252	244,025	222,266	235,204	122,477	* 557
Inventory, beginning of year	94,709	30,191	* 9,526	29,970	* 4,952	* 8,502	* 9,477	0
Cost of labor	* 7,500	* 78,654	0	* 17,414	* 82,113	179,593	* 4,698	0
Purchases	513,536	80,657	* 5,387	111,149	91,217	22,554	98,429	* 515
Materials and supplies	93,555	25,990	* 16,444	46,883	42,252	22,427	* 8,788	0
Other costs	110,231	82,879	* 13,285	66,244	* 6,120	* 6,205	* 10,293	* 41
Inventory, end of year	78,420	35,695	* 9,391	27,635	* 4,388	* 4,077	* 9,208	0
Advertising expenses	45,890	51,315	19,272	112,319	9,039	32,844	11,936	311
Car and truck expenses	44,142	359,081	22,163	285,136	74,927	476,662	71,740	3,649
Commissions	* 3,917	60,225	* 2,754	14,849	* 680	14,256	3,295	* 137
Contract labor	35,939	109,946	8,088	63,567	13,402	124,282	22,939	* 8,212
Depletion	* 11	* 4	0	* 19	0	* 999	0	0
Depreciation	80,782	132,250	16,563	123,412	42,437	50,006	15,617	4,605
Employee benefit programs	29,178	27,490	6,490	10,793	7,458	11,747	4,705	* 3,609
Insurance	37,888	116,169	65,997	89,677	21,852	49,790	17,599	7,574
Legal and professional services	31,911	131,684	14,284	83,220	26,479	28,095	12,897	5,699
Meals and entertainment deducted	6,345	42,937	6,127	29,533	7,086	45,496	8,717	5,243
Mortgage interest	3,872	6,757	* 4,315	24,418	5,536	50,033	* 3,331	* 1,337
Other interest paid on business indebtedness	20,908	17,202	4,737	25,582	11,837	16,069	3,815	* 422
Office expenses	46,185	159,272	35,418	90,454	25,936	47,384	12,699	700
Pension and profit-sharing plans	9,756	15,448	* 3,540	5,391	3,310	5,127	* 721	* 21
Rent paid on machinery and equipment	33,716	30,720	3,518	30,138	7,190	33,194	9,866	* 1,601
Rent paid on other business property	179,463	593,835	123,725	259,546	63,671	92,636	26,279	* 5,585
Repairs	20,750	38,426	6,666	31,965	13,627	43,316	7,145	* 1,822
Supplies	66,469	123,532	36,181	199,725	54,367	128,824	15,511	* 3,891
Salaries and wages	555,741	507,162	125,890	282,652	127,455	536,991	144,609	* 69,898
Taxes paid	77,186	92,938	17,345	57,664	49,048	72,934	18,618	* 6,619
Travel	9,901	89,924	8,776	85,234	15,935	55,459	16,851	4,437
Utilities	59,580	176,095	29,777	114,938	34,008	102,459	17,510	2,761
Other business deductions	277,740	618,657	82,425	523,558	191,465	340,177	110,490	68,294
Home office business deductions, total	* 1,988	108,980	* 444	64,074	22,015	63,050	* 5,635	* 3,517
Depreciation, Form 8829 [3]	* 208	14,668	* 105	6,674	* 712	5,252	* 668	* 963
Casualty loss, Form 8829 [3]	0	0	0	* 2,226	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 268	7,076	* 89	* 2,189	* 56	* 10,935	* 1,363	* 680
<b>Net income less deficit [1,2]</b>	<b>921,544</b>	<b>4,482,638</b>	<b>326,184</b>	<b>2,149,463</b>	<b>404,558</b>	<b>1,535,676</b>	<b>332,386</b>	<b>253,826</b>
Net income [1,2]	924,445	4,617,337	352,247	2,413,599	448,923	1,790,438	347,232	255,650
Deficit [2]	* -2,901	-134,699	* -26,063	-264,137	-44,365	-254,762	-14,847	* -1,824

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							Hospitals
	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)	
(130)	(131)	(132)	(133)	(134)	(135)	(136)	(137)	
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	17,661	141,668	4,543	119,980	27,060	186,423	23,712	8,831
<b>Business receipts, total [1]</b>	<b>3,234,129</b>	<b>7,928,102</b>	<b>958,637</b>	<b>4,559,133</b>	<b>1,295,056</b>	<b>3,696,328</b>	<b>951,359</b>	<b>466,059</b>
Income from sales and operations [1]	3,225,389	7,864,278	942,263	4,382,747	1,293,697	3,656,076	925,263	465,744
Other business income	8,740	63,823	* 16,374	176,386	* 1,359	40,252	26,096	* 315
<b>Business deductions, total [1,2]</b>	<b>2,309,684</b>	<b>3,310,765</b>	<b>606,391</b>	<b>2,156,191</b>	<b>845,740</b>	<b>1,905,890</b>	<b>604,293</b>	<b>210,409</b>
Cost of sales and operations, total	729,419	162,819	34,942	195,779	219,985	216,477	121,991	0
Inventory, beginning of year	90,121	30,191	* 9,526	3,209	* 4,952	* 4,116	* 9,477	0
Cost of labor	* 7,500	* 22,850	0	* 14,310	* 82,100	* 176,841	* 4,698	0
Purchases	504,912	75,859	* 5,387	77,496	* 91,172	* 18,819	98,429	0
Materials and supplies	90,547	25,847	* 16,135	41,753	40,674	* 13,474	* 8,617	0
Other costs	110,231	43,767	* 13,285	61,514	* 5,475	* 5,294	* 9,978	0
Inventory, end of year	73,892	35,695	* 9,391	2,503	* 4,388	* 2,067	* 9,208	0
Advertising expenses	44,401	45,066	14,135	88,997	8,776	22,829	10,860	* 256
Car and truck expenses	40,937	300,726	17,912	223,383	58,100	339,767	52,126	3,649
Commissions	* 3,917	15,514	* 2,754	13,691	* 677	8,322	* 2,915	* 137
Contract labor	35,292	108,428	8,088	58,646	12,972	97,047	18,771	* 8,212
Depletion	* 11	* 4	0	* 19	0	0	0	0
Depreciation	68,808	112,198	16,482	74,023	32,086	30,144	13,057	* 2,975
Employee benefit programs	27,903	27,266	6,490	6,209	7,228	10,150	4,697	* 3,566
Insurance	36,207	98,867	61,788	79,998	20,083	32,577	14,327	* 7,571
Legal and professional services	31,414	121,197	12,491	56,480	23,773	21,487	11,277	5,695
Meals and entertainment deducted	6,096	38,321	4,523	25,381	5,235	30,167	6,202	5,243
Mortgage interest	3,624	* 5,038	* 4,315	7,468	* 3,143	33,281	* 694	* 1,337
Other interest paid on business indebtedness	20,903	13,991	4,737	16,550	6,810	9,675	3,815	* 422
Office expenses	44,159	140,985	32,606	61,491	24,067	33,319	9,638	695
Pension and profit-sharing plans	9,756	15,113	* 3,540	4,887	3,266	5,114	* 721	* 21
Rent paid on machinery and equipment	32,704	29,441	2,705	23,886	4,217	14,109	9,425	* 1,601
Rent paid on other business property	167,600	520,958	88,334	202,316	58,828	25,562	20,750	* 5,580
Repairs	18,339	32,926	6,666	25,353	10,844	14,844	5,282	* 1,757
Supplies	64,200	108,209	29,175	139,628	49,127	84,816	13,383	* 3,891
Salaries and wages	534,631	459,375	125,890	219,025	118,465	409,856	123,739	* 69,301
Taxes paid	74,890	82,241	16,148	40,437	45,159	54,559	14,800	* 6,615
Travel	9,633	83,792	8,245	71,740	10,410	46,799	15,769	4,421
Utilities	57,126	151,023	28,691	81,912	29,304	67,694	12,432	2,577
Other business deductions	241,707	509,627	75,287	347,916	65,791	204,590	105,372	66,388
Home office business deductions, total	* 1,988	90,099	* 444	59,407	* 21,290	46,607	* 4,703	* 3,517
Depreciation, Form 8829 [3]	* 208	12,588	* 105	5,850	* 655	4,572	* 479	* 963
Casualty loss, Form 8829 [3]	0	0	0	* 2,226	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 268	* 1,640	* 89	* 835	0	0	0	* 680
<b>Net income [1,2]</b>	<b>924,445</b>	<b>4,617,337</b>	<b>352,247</b>	<b>2,413,599</b>	<b>448,923</b>	<b>1,790,438</b>	<b>347,232</b>	<b>255,650</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,394	18,291	* 300	32,885	11,271	69,304	7,772	6,012
Business receipts	* 12,655	200,511	* 587	308,203	45,898	503,611	47,906	46,307
Business deductions	* 4,020	37,541	* 587	33,539	6,106	46,094	7,545	* 4,982
Net income	* 8,635	162,970	0	274,664	39,793	457,517	40,361	41,325

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(138)	(139)	(140)	(141)	(142)	(143)	(144)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>57,491</b>	<b>154,984</b>	<b>797,883</b>	<b>1,283,267</b>	<b>1,068,030</b>	<b>3,401</b>	<b>211,836</b>
<b>Business receipts, total [1]</b>	<b>4,127,048</b>	<b>3,082,088</b>	<b>12,459,877</b>	<b>31,043,663</b>	<b>23,926,664</b>	<b>29,469</b>	<b>7,087,530</b>
Income from sales and operations [1]	4,091,835	3,070,820	12,107,840	30,149,757	23,266,013	29,469	6,854,275
Other business income	35,213	11,268	352,037	893,906	660,651	0	233,255
<b>Business deductions, total [1,2]</b>	<b>3,765,975</b>	<b>1,913,351</b>	<b>7,880,361</b>	<b>23,451,641</b>	<b>16,546,254</b>	<b>6,298</b>	<b>6,899,089</b>
Cost of sales and operations, total	262,363	187,592	227,033	3,242,248	2,017,833	* 526	1,223,888
Inventory, beginning of year	9,219	* 3,850	* 7,929	702,814	533,334	* 16	169,464
Cost of labor	73,118	* 51,238	25,228	279,691	171,731	* 84	107,877
Purchases	28,941	* 86,432	75,225	1,306,959	748,307	* 152	558,501
Materials and supplies	52,232	* 24,059	50,416	498,809	389,307	0	109,502
Other costs	108,601	* 27,713	76,959	1,168,465	725,083	* 287	443,095
Inventory, end of year	9,750	* 5,700	* 8,724	714,490	549,929	* 11	164,550
Advertising expenses	14,433	23,041	49,036	536,219	355,665	* 69	180,485
Car and truck expenses	182,170	353,146	653,053	1,962,915	1,613,377	* 559	348,979
Commissions	6,790	* 8,950	25,123	637,696	618,686	0	19,009
Contract labor	57,735	22,678	234,154	782,996	544,242	* 10	238,744
Depletion	0	0	* 4	1,961	1,800	0	* 161
Depreciation	142,551	64,040	290,755	1,465,100	1,116,332	* 282	348,485
Employee benefit programs	51,536	* 3,961	7,227	66,020	18,963	0	47,056
Insurance	94,752	33,585	125,067	270,584	155,274	* 37	115,274
Legal and professional services	48,121	31,463	62,477	537,514	474,849	* 125	62,541
Meals and entertainment deducted	14,345	27,166	167,004	352,413	314,381	* 38	37,994
Mortgage interest	169,501	14,249	162,881	107,499	42,850	* 167	64,483
Other interest paid on business indebtedness	40,399	10,901	25,203	224,044	140,882	0	83,161
Office expenses	36,508	50,461	124,875	352,020	286,137	* 258	65,625
Pension and profit-sharing plans	3,869	* 208	0	20,260	17,771	0	2,489
Rent paid on machinery and equipment	21,373	18,262	52,799	224,842	132,997	* 143	91,702
Rent paid on other business property	190,345	120,899	220,452	1,139,292	580,819	* 225	558,248
Repairs	58,958	17,122	167,536	451,562	322,120	* 40	129,402
Supplies	114,284	59,879	714,676	938,388	767,336	* 38	171,014
Salaries and wages	1,011,918	222,567	896,632	1,329,963	705,096	* 150	624,717
Taxes paid	149,672	35,857	132,442	355,191	171,129	* 46	184,016
Travel	22,150	101,921	35,312	1,191,411	1,057,586	* 935	132,890
Utilities	149,296	84,270	400,602	649,539	442,569	52	206,917
Other business deductions	820,438	352,235	1,649,427	5,747,675	3,886,730	1,017	1,859,928
Home office business deductions, total	94,748	43,217	1,302,277	629,265	574,622	0	54,642
Depreciation, Form 8829 [3]	10,925	3,550	123,332	123,487	115,234	0	8,254
Casualty loss, Form 8829 [3]	0	0	* 14,802	* 16	* 16	0	0
Excess—casualty depreciations, Form 8829 [3]	* 9,334	* 1,896	89,578	84,471	75,751	0	8,720
<b>Net income less deficit [1,2]</b>	<b>371,110</b>	<b>1,171,489</b>	<b>4,583,523</b>	<b>7,562,358</b>	<b>7,340,857</b>	<b>23,171</b>	<b>198,330</b>
Net income [1,2]	501,734	1,306,503	5,114,868	11,410,732	10,275,232	25,364	1,110,136
Deficit [2]	-130,624	-135,014	-531,345	-3,848,374	-2,934,375	-2,193	-911,806

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(138)	(139)	(140)	(141)	(142)	(143)	(144)
<b>BUSINESSES WITH NET INCOME</b>							
<b>Number of returns [1]</b>	<b>46,231</b>	<b>117,669</b>	<b>675,168</b>	<b>783,394</b>	<b>649,255</b>	<b>2,711</b>	<b>131,428</b>
<b>Business receipts, total [1]</b>	<b>2,650,615</b>	<b>2,762,097</b>	<b>10,628,701</b>	<b>24,742,954</b>	<b>20,327,153</b>	<b>28,675</b>	<b>4,387,126</b>
Income from sales and operations [1]	2,623,438	2,751,429	10,348,542	24,115,814	19,850,664	28,675	4,236,475
Other business income	27,177	10,668	280,159	627,140	476,489	0	150,651
<b>Business deductions, total [1,2]</b>	<b>2,149,401</b>	<b>1,455,594</b>	<b>5,513,833</b>	<b>13,325,555</b>	<b>10,045,183</b>	<b>* 3,311</b>	<b>3,277,061</b>
Cost of sales and operations, total	155,573	* 127,337	112,703	1,985,390	1,300,323	* 156	684,911
Inventory, beginning of year	* 5,571	* 3,850	* 6,683	194,454	151,452	* 16	42,986
Cost of labor	67,249	* 17,308	* 14,133	163,969	148,034	0	* 15,935
Purchases	24,855	* 85,151	34,806	865,977	519,043	* 152	346,782
Materials and supplies	* 21,316	* 15,935	37,698	256,137	180,693	0	75,444
Other costs	42,103	* 10,374	* 21,549	718,086	469,897	0	248,189
Inventory, end of year	* 5,521	* 5,281	* 2,167	213,233	168,796	* 11	44,425
Advertising expenses	7,973	15,693	27,302	284,233	220,384	* 10	63,839
Car and truck expenses	139,227	267,933	464,279	1,154,658	957,825	* 58	196,775
Commissions	* 5,787	* 8,818	19,228	551,095	540,443	0	10,653
Contract labor	34,687	21,059	188,095	526,829	370,450	0	156,379
Depletion	0	0	0	569	563	0	* 5
Depreciation	80,542	41,030	153,723	660,441	541,237	* 205	118,999
Employee benefit programs	28,418	* 3,434	* 5,093	22,672	10,501	0	12,171
Insurance	59,787	25,095	89,554	144,115	95,522	* 3	48,590
Legal and professional services	26,894	26,777	45,822	337,046	313,126	* 108	23,812
Meals and entertainment deducted	12,799	22,605	122,995	236,336	211,776	* 27	24,532
Mortgage interest	66,991	9,915	89,331	31,838	17,389	0	14,450
Other interest paid on business indebtedness	9,561	8,646	19,290	81,622	55,576	0	26,046
Office expenses	27,744	41,202	79,036	218,960	188,573	* 29	30,358
Pension and profit-sharing plans	776	* 208	0	15,694	14,412	0	1,282
Rent paid on machinery and equipment	14,121	16,361	35,857	135,736	88,421	* 1	47,314
Rent paid on other business property	90,382	107,113	150,199	591,563	329,385	* 53	262,125
Repairs	32,942	11,621	111,038	161,666	120,710	* [4]	40,956
Supplies	62,634	42,236	490,898	509,189	437,110	* 5	72,074
Salaries and wages	588,198	201,729	601,993	661,960	344,841	* 3	317,116
Taxes paid	79,653	32,287	82,049	193,078	111,209	* 1	81,868
Travel	17,600	16,432	21,629	771,103	707,627	* 880	62,597
Utilities	88,642	68,724	262,524	372,953	278,953	* 35	93,966
Other business deductions	459,264	275,795	1,241,582	2,982,418	2,175,591	* 160	806,667
Home office business deductions, total	51,485	37,861	948,568	468,765	433,862	0	34,903
Depreciation, Form 8829 [3]	* 4,774	3,189	76,536	89,979	85,113	0	4,866
Casualty loss, Form 8829 [3]	0	0	* 4,088	* 16	* 16	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 170	* 7,004	12,864	11,046	0	* 1,818
<b>Net income [1,2]</b>	<b>501,734</b>	<b>1,306,503</b>	<b>5,114,868</b>	<b>11,410,732</b>	<b>10,275,232</b>	<b>25,364</b>	<b>1,110,136</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	12,664	39,515	278,835	262,084	207,749	* 2,432	51,903
Business receipts	54,871	230,389	2,007,835	1,244,196	1,059,056	* 15,002	170,138
Business deductions	7,720	25,681	154,314	235,024	186,208	* 1,578	47,238
Net income	47,151	204,707	1,853,521	1,009,172	872,848	* 13,424	122,900

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Accommodation, food services, and drinking places						Other services	
	Total	Accommodation				Food services and drinking places		Total
		Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses			
	(145)	(146)	(147)	(148)	(149)	(150)	(151)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>411,451</b>	<b>50,553</b>	<b>30,966</b>	<b>10,702</b>	<b>8,885</b>	<b>360,898</b>	<b>2,416,229</b>	
<b>Business receipts, total [1]</b>	<b>47,792,244</b>	<b>5,516,079</b>	<b>4,503,414</b>	<b>500,436</b>	<b>512,229</b>	<b>42,276,165</b>	<b>84,794,547</b>	
Income from sales and operations [1]	47,433,683	5,445,824	4,437,867	499,474	508,484	41,987,858	83,934,066	
Other business income	358,562	70,254	65,547	963	* 3,744	288,307	860,481	
<b>Business deductions, total [1,2]</b>	<b>46,564,124</b>	<b>5,579,015</b>	<b>4,551,270</b>	<b>493,937</b>	<b>533,807</b>	<b>40,985,109</b>	<b>65,566,771</b>	
Cost of sales and operations, total	18,678,376	556,551	508,663	23,373	* 24,515	18,121,825	19,909,351	
Inventory, beginning of year	600,792	50,266	37,006	1,624	* 11,636	550,526	1,751,565	
Cost of labor	1,195,793	100,144	95,402	* 1,272	* 3,469	1,095,649	1,890,194	
Purchases	15,590,478	186,110	168,084	16,580	* 1,446	15,404,368	12,015,973	
Materials and supplies	1,386,650	76,369	75,288	* 330	* 751	1,310,281	4,687,159	
Other costs	584,756	189,006	165,101	* 5,235	* 18,670	395,750	1,463,046	
Inventory, end of year	680,093	45,344	32,218	* 1,668	* 11,459	634,749	1,898,587	
Advertising expenses	802,931	118,022	99,686	9,759	8,577	684,909	1,196,558	
Car and truck expenses	865,557	111,050	63,098	23,326	24,626	754,507	4,964,881	
Commissions	167,215	80,302	77,718	* 205	2,379	86,913	663,543	
Contract labor	451,284	63,744	53,342	3,250	* 7,151	387,540	2,342,036	
Depletion	* 3,439	* 3,366	* 3,366	0	0	* 73	18,001	
Depreciation	1,801,909	594,201	501,768	45,992	46,442	1,207,707	2,771,260	
Employee benefit programs	81,447	19,751	15,975	* 956	* 2,820	61,695	115,484	
Insurance	796,664	167,878	130,088	19,406	18,384	628,786	1,284,130	
Legal and professional services	337,992	62,248	51,278	4,692	6,279	275,743	536,250	
Meals and entertainment deducted	93,152	10,723	8,112	1,166	1,445	82,429	313,355	
Mortgage interest	780,849	501,349	414,071	28,406	58,872	279,500	456,261	
Other interest paid on business indebtedness	369,615	115,980	88,612	19,888	* 7,480	253,635	556,406	
Office expenses	214,993	49,193	31,775	10,720	6,699	165,800	846,706	
Pension and profit-sharing plans	12,726	3,025	1,580	* 9	* 1,437	9,701	13,825	
Rent paid on machinery and equipment	408,024	17,076	13,378	1,364	* 2,334	390,948	922,868	
Rent paid on other business property	3,258,012	155,042	146,340	6,229	* 2,474	3,102,969	5,758,461	
Repairs	976,806	277,092	207,685	34,780	34,627	699,714	1,080,499	
Supplies	1,261,419	260,884	203,724	17,335	39,824	1,000,535	4,077,762	
Salaries and wages	6,840,125	689,090	590,845	33,723	64,523	6,151,035	5,252,003	
Taxes paid	2,012,772	389,211	323,044	37,119	29,047	1,623,561	1,473,947	
Travel	109,904	34,027	27,570	4,847	1,611	75,876	522,326	
Utilities	2,805,160	567,263	440,358	65,516	61,389	2,237,897	3,090,637	
Other business deductions	3,322,855	708,336	528,626	100,256	79,453	2,614,519	6,126,434	
Home office business deductions, total	64,574	15,478	14,882	0	* 595	49,096	746,840	
Depreciation, Form 8829 [3]	11,554	3,938	* 3,894	0	* 44	7,616	120,928	
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 1,070	
Excess—casualty depreciations, Form 8829 [3]	26,555	* 21,550	* 21,550	0	0	* 5,005	81,415	
<b>Net income less deficit [1,2]</b>	<b>1,239,437</b>	<b>-52,004</b>	<b>-36,987</b>	<b>6,860</b>	<b>-21,877</b>	<b>1,291,441</b>	<b>19,243,943</b>	
Net income [1,2]	3,964,887	611,072	485,658	59,658	65,755	3,353,816	22,828,669	
Deficit [2]	-2,725,450	-663,075	-522,646	-52,799	-87,631	-2,062,375	-3,584,726	

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Accommodation, food services, and drinking places						Other services	
	Total	Accommodation				Food services and drinking places		Total
		Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses			
	(145)	(146)	(147)	(148)	(149)	(150)	(151)	
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>263,332</b>	<b>27,192</b>	<b>16,211</b>	<b>7,657</b>	<b>3,325</b>	<b>236,140</b>	<b>1,915,583</b>	
<b>Business receipts, total [1]</b>	<b>34,879,565</b>	<b>3,121,187</b>	<b>2,539,278</b>	<b>277,078</b>	<b>304,831</b>	<b>31,758,378</b>	<b>72,514,673</b>	
Income from sales and operations [1]	34,642,624	3,098,879	2,517,546	276,518	304,815	31,543,745	71,824,983	
Other business income	236,941	22,308	21,732	* 561	* 15	214,633	689,690	
<b>Business deductions, total [1,2]</b>	<b>30,914,652</b>	<b>2,510,051</b>	<b>2,053,533</b>	<b>217,420</b>	<b>239,098</b>	<b>28,404,601</b>	<b>49,686,280</b>	
Cost of sales and operations, total	13,526,695	284,398	257,071	* 7,565	* 19,762	13,242,297	15,894,503	
Inventory, beginning of year	371,008	18,788	18,121	* 668	0	352,220	976,772	
Cost of labor	841,381	22,247	18,809	* 44	* 3,393	819,134	1,727,821	
Purchases	11,499,123	120,393	113,174	* 7,219	0	11,378,729	9,709,556	
Materials and supplies	870,533	17,607	16,612	* 244	* 751	852,925	3,461,524	
Other costs	354,075	120,644	104,761	* 265	* 15,618	233,431	1,130,558	
Inventory, end of year	409,425	15,282	14,407	* 875	0	394,143	1,111,729	
Advertising expenses	508,503	49,305	37,854	5,995	5,456	459,198	810,190	
Car and truck expenses	537,676	55,704	30,114	13,350	* 12,240	481,972	3,557,631	
Commissions	114,016	55,037	54,774	* 132	* 132	58,979	501,649	
Contract labor	223,954	29,713	24,503	* 2,397	* 2,813	194,241	1,836,986	
Depletion	* 3,310	* 3,271	* 3,271	0	0	* 38	2,555	
Depreciation	820,132	185,522	156,447	10,888	18,187	634,610	1,790,791	
Employee benefit programs	37,744	3,887	3,551	* 311	* 24	33,857	93,022	
Insurance	494,984	78,766	60,974	9,728	8,064	416,218	956,616	
Legal and professional services	177,754	18,378	12,855	1,636	3,886	159,376	385,675	
Meals and entertainment deducted	51,401	4,352	2,548	* 744	* 1,060	47,049	225,846	
Mortgage interest	343,801	191,321	162,071	* 12,015	* 17,236	152,479	325,971	
Other interest paid on business indebtedness	163,608	41,475	30,991	* 3,685	* 6,799	122,133	349,191	
Office expenses	124,082	22,526	11,508	6,506	* 4,511	101,556	586,589	
Pension and profit-sharing plans	10,622	1,140	* 1,131	* 9	0	9,482	13,493	
Rent paid on machinery and equipment	240,788	8,181	5,136	* 1,241	* 1,805	232,606	722,176	
Rent paid on other business property	2,243,084	73,379	66,559	* 4,600	* 2,220	2,169,704	4,510,472	
Repairs	608,156	137,706	100,634	14,935	22,137	470,450	730,984	
Supplies	722,333	130,847	97,719	11,077	22,051	591,486	3,069,817	
Salaries and wages	4,577,239	331,875	283,076	27,065	* 21,734	4,245,365	4,023,415	
Taxes paid	1,353,306	208,740	174,636	21,945	12,159	1,144,566	1,117,030	
Travel	61,524	8,598	5,649	* 2,712	* 237	52,926	371,738	
Utilities	1,855,258	319,033	251,142	36,871	31,020	1,536,225	2,306,253	
Other business deductions	2,032,484	258,044	213,508	20,389	24,146	1,774,440	4,439,820	
Home office business deductions, total	36,942	* 723	* 127	0	* 595	36,219	538,625	
Depreciation, Form 8829 [3]	3,048	* 52	* 7	0	* 44	2,997	92,968	
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 1,070	
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	0	10,967	
<b>Net income [1,2]</b>	<b>3,964,887</b>	<b>611,072</b>	<b>485,658</b>	<b>59,658</b>	<b>65,755</b>	<b>3,353,816</b>	<b>22,828,669</b>	
<b>Returns with Schedule C-EZ:</b>								
Number of returns	68,632	6,100	* 2,619	* 2,827	* 654	62,532	528,482	
Business receipts	357,345	27,259	* 16,890	* 7,753	* 2,615	330,087	4,065,273	
Business deductions	46,325	* 8,132	* 5,685	* 1,623	* 824	38,194	526,944	
Net income	311,020	19,127	* 11,205	* 6,131	* 1,791	291,893	3,538,328	

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Other services—continued						Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services		
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)				
	(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>396,524</b>	<b>201,736</b>	<b>94,635</b>	<b>100,154</b>	<b>436,413</b>	<b>1,583,292</b>	<b>251,516</b>	<b>527,305</b>
<b>Business receipts, total [1]</b>	<b>24,233,685</b>	<b>11,649,833</b>	<b>7,575,242</b>	<b>5,008,610</b>	<b>16,990,817</b>	<b>43,570,044</b>	<b>3,521,657</b>	<b>5,483,508</b>
Income from sales and operations [1]	24,095,602	11,539,322	7,568,093	4,988,188	16,842,393	42,996,070	3,218,454	5,433,948
Other business income	138,082	110,511	7,149	20,422	148,424	573,974	303,203	49,560
<b>Business deductions, total [1,2]</b>	<b>21,287,519</b>	<b>10,211,848</b>	<b>6,581,232</b>	<b>4,494,438</b>	<b>13,452,326</b>	<b>30,826,926</b>	<b>1,774,666</b>	<b>3,124,297</b>
Cost of sales and operations, total	9,023,050	4,599,547	2,849,289	1,574,213	5,494,444	5,391,856	25,068	518,170
Inventory, beginning of year	734,763	361,896	183,721	189,147	441,404	575,398	* 7,340	62,342
Cost of labor	673,001	354,755	224,286	93,960	412,917	804,275	* 13,982	* 40,825
Purchases	6,094,590	3,323,220	1,633,359	1,138,011	3,272,734	2,648,649	* 1,225	256,203
Materials and supplies	1,774,720	796,288	729,100	249,332	1,620,991	1,291,447	* 3,092	99,763
Other costs	534,841	164,348	265,800	104,693	265,782	662,422	* 6,673	147,908
Inventory, end of year	788,866	400,960	186,976	200,930	519,385	590,335	* 7,243	88,871
Advertising expenses	293,702	129,855	92,219	71,628	181,669	721,187	30,053	58,700
Car and truck expenses	1,167,119	524,227	347,281	295,611	1,414,868	2,382,894	575,054	500,605
Commissions	75,251	57,094	8,107	* 10,050	36,295	551,997	* 27,235	99,940
Contract labor	580,513	235,742	163,368	181,403	510,208	1,251,315	34,591	109,187
Depletion	* 1,220	* 425	0	* 795	* 14,980	1,801	0	117
Depreciation	979,351	447,075	252,715	279,561	549,868	1,242,042	46,864	136,188
Employee benefit programs	50,279	17,761	23,110	9,409	33,977	31,228	* 4,732	1,788
Insurance	509,434	252,046	154,642	102,746	280,553	494,143	16,096	60,442
Legal and professional services	122,588	62,244	35,712	24,632	84,368	329,295	28,949	108,684
Meals and entertainment deducted	62,810	24,178	21,164	17,467	63,408	187,137	45,155	51,224
Mortgage interest	195,346	102,738	39,393	53,215	81,557	179,357	* 9,813	39,049
Other interest paid on business indebtedness	200,592	81,138	45,773	73,680	131,646	224,168	* 1,762	14,459
Office expenses	184,515	89,331	67,843	27,342	146,248	515,943	72,984	59,192
Pension and profit-sharing plans	* 3,101	* 122	* 2,783	* 197	* 2,530	8,194	* 861	* 21
Rent paid on machinery and equipment	229,664	75,341	97,920	56,403	99,824	593,380	8,975	58,330
Rent paid on other business property	905,917	389,114	286,129	230,675	370,432	4,482,112	19,248	80,157
Repairs	349,885	193,926	83,516	72,444	176,317	554,297	15,878	104,694
Supplies	909,229	396,622	296,050	216,557	794,813	2,373,720	82,671	129,829
Salaries and wages	1,918,721	742,864	739,963	435,894	829,913	2,503,368	* 11,518	109,705
Taxes paid	599,135	284,049	181,862	133,224	267,723	607,089	10,144	27,735
Travel	68,549	23,541	24,839	20,168	113,763	340,014	131,585	68,932
Utilities	857,765	395,444	256,167	206,154	425,986	1,806,886	85,688	70,418
Other business deductions	1,813,168	1,013,460	442,413	357,296	1,071,166	3,242,100	414,390	560,357
Home office business deductions, total	90,129	37,098	33,940	19,091	204,938	451,774	26,270	23,157
Depreciation, Form 8829 [3]	10,210	* 2,981	2,913	* 4,316	63,481	47,238	4,430	3,808
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 1,070	0	0
Excess—casualty depreciations, Form 8829 [3]	* 15,862	* 6,633	* 990	* 8,239	14,643	50,910	* 7,915	* 3,115
<b>Net income less deficit [1,2]</b>	<b>2,953,965</b>	<b>1,445,041</b>	<b>994,323</b>	<b>514,601</b>	<b>3,545,184</b>	<b>12,744,795</b>	<b>1,752,897</b>	<b>2,351,330</b>
Net income [1,2]	3,863,109	1,891,915	1,172,160	799,034	4,147,093	14,818,467	2,072,527	2,901,164
Deficit [2]	-909,145	-446,875	-177,837	-284,433	-601,909	-2,073,672	-319,630	-549,834

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Other services—continued							Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services			
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)					
(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)		
<b>BUSINESSES WITH NET INCOME</b>									
<b>Number of returns [1]</b>	<b>305,856</b>	<b>154,941</b>	<b>75,412</b>	<b>75,503</b>	<b>334,471</b>	<b>1,275,256</b>	<b>201,412</b>	<b>443,351</b>	
<b>Business receipts, total [1]</b>	<b>19,928,520</b>	<b>9,543,976</b>	<b>6,440,614</b>	<b>3,943,930</b>	<b>14,826,271</b>	<b>37,759,882</b>	<b>3,292,324</b>	<b>4,785,400</b>	
Income from sales and operations [1]	19,862,171	9,475,887	6,454,598	3,931,686	14,680,959	37,281,853	2,993,296	4,730,527	
Other business income	66,349	68,089	-13,984	12,244	145,312	478,029	299,028	54,873	
<b>Business deductions, total [1,2]</b>	<b>16,065,411</b>	<b>7,652,060</b>	<b>5,268,454</b>	<b>3,144,896</b>	<b>10,679,178</b>	<b>22,941,692</b>	<b>1,222,640</b>	<b>1,884,561</b>	
Cost of sales and operations, total	7,247,844	3,745,017	2,318,321	1,184,506	4,577,647	4,069,012	* 18,890	284,263	
Inventory, beginning of year	428,495	206,375	122,725	99,395	256,780	291,497	* 2,020	* 40,480	
Cost of labor	600,200	348,108	163,789	88,303	374,409	753,211	* 13,982	* 2,975	
Purchases	5,071,337	2,895,040	1,352,711	823,586	2,727,601	1,910,619	* 1,225	125,850	
Materials and supplies	1,195,964	406,288	592,353	197,323	1,299,955	965,605	* 3,092	79,736	
Other costs	434,872	131,987	227,886	74,999	244,100	451,586	* 495	89,950	
Inventory, end of year	483,024	242,782	141,142	99,100	325,199	303,506	* 1,923	* 54,727	
Advertising expenses	223,443	98,180	77,942	47,321	132,203	454,544	14,386	42,603	
Car and truck expenses	828,222	312,626	287,149	228,447	1,060,454	1,668,955	375,887	345,416	
Commissions	47,804	32,203	* 6,641	* 8,960	25,673	428,171	* 16,114	18,841	
Contract labor	413,234	188,930	107,761	116,542	390,890	1,032,862	19,818	95,158	
Depletion	* 1,220	* 425	0	* 795	* 738	* 597	0	* 65	
Depreciation	599,663	292,538	168,877	138,248	409,886	781,242	31,081	95,491	
Employee benefit programs	45,867	15,095	21,720	* 9,052	27,684	19,472	* 4,665	* 1,101	
Insurance	376,985	180,860	127,306	68,819	225,363	354,268	9,263	36,136	
Legal and professional services	99,332	50,464	30,537	18,331	61,187	225,156	16,826	69,493	
Meals and entertainment deducted	43,360	13,941	16,908	12,511	52,096	130,390	33,603	30,189	
Mortgage interest	121,605	74,410	32,874	14,321	71,148	133,218	* 6,847	22,355	
Other interest paid on business indebtedness	117,751	54,449	32,754	30,547	86,955	144,485	* 1,750	7,413	
Office expenses	141,990	65,432	55,577	20,981	117,755	326,845	50,736	34,700	
Pension and profit-sharing plans	* 3,101	* 122	* 2,783	* 197	* 2,527	7,865	* 861	* 7	
Rent paid on machinery and equipment	195,747	52,514	93,620	49,613	85,555	440,874	* 3,732	41,237	
Rent paid on other business property	647,493	267,576	218,149	161,768	243,813	3,619,166	8,608	37,802	
Repairs	200,938	90,755	59,437	50,745	139,552	390,494	9,123	63,570	
Supplies	642,403	246,642	230,695	165,065	589,553	1,837,861	54,390	74,028	
Salaries and wages	1,489,412	543,280	639,115	307,018	728,860	1,805,143	* 9,735	76,422	
Taxes paid	469,052	221,210	153,678	94,164	223,805	424,173	4,994	17,504	
Travel	38,742	18,343	9,208	11,192	90,523	242,472	98,745	47,925	
Utilities	611,771	270,859	209,772	131,140	324,180	1,370,303	48,842	39,040	
Other business deductions	1,299,072	750,156	303,391	245,526	792,839	2,347,909	315,031	256,746	
Home office business deductions, total	62,875	29,165	29,205	* 4,504	147,461	328,290	20,481	19,257	
Depreciation, Form 8829 [3]	6,673	* 2,658	2,473	* 1,542	58,078	28,218	3,078	1,952	
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 1,070	0	0	
Excess—casualty depreciations, Form 8829 [3]	* 4,790	0	* 128	* 4,662	* 284	5,893	* 863	* 1	
<b>Net income [1,2]</b>	<b>3,863,109</b>	<b>1,891,915</b>	<b>1,172,160</b>	<b>799,034</b>	<b>4,147,093</b>	<b>14,818,467</b>	<b>2,072,527</b>	<b>2,901,164</b>	
<b>Returns with Schedule C-EZ:</b>									
Number of returns	84,100	45,930	14,210	23,960	82,952	361,431	66,279	295,954	
Business receipts	760,931	450,169	153,201	157,560	515,170	2,789,172	322,041	1,483,515	
Business deductions	96,485	36,867	35,034	24,584	70,831	359,628	49,080	133,218	
Net income	664,445	413,302	118,167	132,976	444,339	2,429,544	272,961	1,350,296	

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to prevent disclosure of taxpayer information.

[1] Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net incomes, business expenses of \$5,000 or less, used the cash accounting method, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

[2] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

[3] These are selected line items from Form 8829, *Expenses for Business Use of Your Home*, and do not represent the total of the home office business deduction found on Schedule C.

[4] Less than \$500.

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

# Individual Noncash Contributions, 2006

by Pearson Liddell and Janette Wilson

**F**or Tax Year 2006, 24.7 million individual taxpayers who itemized deductions reported \$52.6 billion in deductions for noncash charitable contributions.<sup>1</sup> Of these taxpayers, 6.2 million reported \$46.8 billion in deductions for charitable contributions on Form 8283, Noncash Charitable Contributions. This is the form used by individual taxpayers when the amount of taxpayer deductions for all noncash donations on Schedule A, Itemized Deductions, exceeds \$500. Despite the number of filers of Form 8283 declining by 5.9 percent between Tax Years 2005 and 2006, the amount of donation contributions increased 14.1 percent, from \$41.1 billion in Tax Year 2005.

For Tax Year 2006, corporate stock donations of \$23.0 billion, representing 49.1 percent of the total amount donated by taxpayers, increased 40.7 percent from \$16.3 billion for Tax Year 2005. For Tax Year 2006, there were two tax law changes that affected the deductions allowed for certain noncash contributions. Beginning on August 18, 2006, donations of clothing and household items were required to be in good condition or better in order for taxpayers to claim a deduction. In previous years, taxpayers were allowed to deduct the fair market value of all clothing and household items regardless of condition. While it is not known what effect this had on donations of these items, the amount deducted for clothing and household items declined 10.8 percent and 1.0 percent, respectively, between Tax Years 2005 and 2006. In previous years, from Tax Years 2003 to 2005, there was a steady increase in both clothing and household donations.<sup>2, 3</sup> The other tax law change added restrictions for deductions for façade easements, which took effect in the summer of 2006.<sup>4</sup>

Figure A shows that, for Tax Year 2006, corporate stock donations of \$23.0 billion accounted for the largest percentage of total noncash donations

(49.1 percent), followed by clothing (\$6.3 billion) and household donations (\$3.8 billion), which represented 13.4 percent and 8.2 percent, respectively, of the total amount donated.<sup>5</sup> Figure B shows a similar pattern for Tax Year 2005. Corporate stock donations were the largest at \$16.3 billion, followed by clothing and household item donations (\$7.0 billion and \$3.9 billion, respectively). The amount of corporate stock donations increased by \$6.7 billion, or 40.7 percent, between Tax Years 2005 and 2006, while the amount of clothing donations declined 10.8 percent, or 0.8 billion. The average corporate stock donation increased, from just over \$90,000 in Tax Year 2005 to almost \$123,000 in 2006, whereas the average clothing donation decreased slightly, from nearly \$1,500 in 2005 to just over \$1,450 in Tax Year 2006.

Some other significant changes in other categories for Tax Year 2006 are shown in Figure B. Donations of mutual funds increased 44.2 percent between Tax Years 2005 and 2006, from \$0.7 billion to almost \$1.0 billion. Also, donations of other investments, which represented 4.5 percent of the total donated amount in Tax Year 2006, increased 34.2 percent between Tax Years 2005 and 2006, from \$1.6 to \$2.1 billion. Land donations, which represented 4.8 percent of the amount donated in Tax Year 2006, declined 23.0 percent between 2005 and 2006, from \$2.9 billion to \$2.2 billion. The average land donation per return declined, from nearly \$295,000 in Tax Year 2005 to approximately \$172,000 in 2006.

Figure C shows that those taxpayers in the \$10 million or more adjusted gross income (AGI) category gave the most donations in terms of amount, giving \$17.8 billion, followed by those taxpayers in the \$100 thousand up to \$200 thousand AGI group who gave \$5.5 billion (which represented 38.0 percent and 11.8 percent of all donation amounts, respectively). The average donation of taxpayers in the \$10 million or more AGI category was \$2.9 million, and their noncash donations were 9.5 percent of their AGIs. By comparison, the average donation for those taxpayers in the \$100 under \$200 thousand AGI group was about \$2,700. This group donated

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<sup>1</sup> For further details on Tax Year 2006 individual income and tax statistics, see *Statistics of Income—2006, Individual Income Tax Returns* (IRS Publication 1304).

<sup>2</sup> See Wilson, Janette and Michael Strudler, "Individual Noncash Charitable Contributions, 2003," *Statistics of Income Bulletin*, Spring 2006, Volume 25, Number 4.

<sup>3</sup> See Wilson, Janette and Michael Strudler, "Individual Noncash Charitable Contributions, 2004," *Statistics of Income Bulletin*, Spring 2007, Volume 25, Number 4.

<sup>4</sup> Beginning July 25, 2006, a façade easement donation can be claimed as a deduction only if the contributed interest includes restrictions on preserving the exterior of the building. If a donation of this type is claimed, beginning August 17, 2006, a qualified appraisal and an exterior photograph must be included with the tax return.

<sup>5</sup> The deduction amounts reported in this article include the amount carried to Schedule A for reporting itemized deductions.

# Individual Noncash Contributions, 2006

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**Figure A**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Type of donation	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All donations</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>7,586</b>	<b>2,987</b>	<b>100.0</b>	<b>100.0</b>
Corporate stock	187,325	429,139	22,993,269	122,745	53,580	2.7	49.1
Mutual funds	10,498	16,735	965,673	91,989	57,703	0.1	2.1
Other investments	3,790	6,079	2,116,331	558,436	348,123	[2]	4.5
Real estate	4,550	4,674	1,358,630	298,628	290,699	[2]	2.9
Land	13,028	13,438	2,245,019	172,317	167,067	0.1	4.8
Conservation easements	3,402	3,529	1,489,589	437,895	422,092	[2]	3.2
Façade easements	1,143	1,145	264,575	231,572	231,167	[2]	0.6
Art and collectibles	108,374	147,896	1,222,044	11,276	8,263	0.9	2.6
Intellectual property	50	50	17,652	353,242	353,242	[2]	[2]
Food	156,081	218,370	96,294	617	441	1.4	0.2
Clothing	4,295,574	7,697,930	6,262,697	1,458	814	49.1	13.4
Accessories	40,421	50,637	34,388	851	679	0.3	0.1
Electronics	498,243	587,740	445,376	894	758	3.7	1.0
Household items	2,802,627	4,924,144	3,821,313	1,363	776	31.4	8.2
Cars	296,587	307,080	490,242	1,653	1,596	2.0	1.0
Other vehicles	9,975	11,418	70,395	7,057	6,165	0.1	0.2
Services	9,373	14,513	27,553	2,940	1,898	0.1	0.1
Airline tickets and miles	3,568	3,681	5,988	1,678	1,627	[2]	[2]
Other	846,505	1,243,834	2,914,218	3,443	2,343	7.9	6.2

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Less than 0.05 percent.

2.0 percent of their AGIs. The average donation for all returns with a Form 8283 was just under \$7,600.

Figure D compares the percentage change in donation amounts by AGI group, which for all returns increased 14.1 percent, from \$41.1 billion in Tax Year 2005 to \$46.8 billion in 2006. However, most AGI groups showed declines in the amount of donations reported. There were some exceptions, with those taxpayers with \$10 million or more AGI reporting increased donation amounts of \$17.8 billion in 2006. This represented a 59.9-percent increase, from the \$11.1 billion reported for Tax Year 2005. The amount donated by this AGI group comprised 38.0 percent of total donations. Taxpayers in the \$100,000 under \$200,000 and \$200,000 under \$500,000 groups, combined, represented 21.0 percent of total donations. The donation amount for the latter group fell 6.1 percent in Tax Year 2006, to \$4.3 billion from \$4.6 billion in 2005.

Information on donee organizations is presented in Figures E, F, and G. Figure E shows that, for Tax

Year 2006, most donations were given to foundations, large organizations, and educational institutions (\$15.5 billion, \$8.0, billion, and \$4.8 billion, respectively). This was a slight change from 2005, when the first two categories were the same, but religious organizations were the third largest recipient (see Figure F). Donations to foundations represented 33.2 percent of the total donation amount, and the average donation was almost \$78,700. The second highest average donation was to donor-advised funds (just under \$55,000). However, in contrast to foundation donations, donor-advised fund donations represented only 4.2 percent of the total amount deducted on Schedule A.

Figure F shows that the amount claimed for foundation donations increased by 58.5 percent, from \$9.8 billion in 2005 to \$15.5 billion in Tax Year 2006, even though the number of returns with donations to these organizations decreased 7.8 percent. In addition, donations to the arts, culture, and humanities rose 29.3 percent, from \$1.3 billion in

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**Figure B**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Type of donation	2005		2006		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All donations</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Corporate stock	181,192	16,336,601	187,325	22,993,269	3.4	40.7
Mutual funds	7,736	669,646	10,498	965,673	35.7	44.2
Other investments	4,853	1,577,085	3,790	2,116,331	-21.9	34.2
Real estate	7,654	1,183,888	4,550	1,358,630	-40.6	14.8
Land	9,883	2,915,322	13,028	2,245,019	31.8	-23.0
Conservation easements	2,186	1,815,814	3,402	1,489,589	55.6	-18.0
Façade easements	1,028	307,370	1,143	264,575	11.2	-13.9
Art and collectibles	110,632	1,244,906	108,374	1,222,044	-2.0	-1.8
Intellectual property	1,021	19,932	50	17,652	-95.1	-11.4
Food	195,807	105,870	156,081	96,294	-20.3	-9.0
Clothing	4,692,990	7,021,681	4,295,574	6,262,697	-8.5	-10.8
Accessories	50,691	58,586	40,421	34,388	-20.3	-41.3
Electronics	517,625	474,505	498,243	445,376	-3.7	-6.1
Household items	2,864,635	3,858,494	2,802,627	3,821,313	-2.2	-1.0
Cars	297,070	469,695	296,587	490,242	-0.2	4.4
Other vehicles	12,807	140,621	9,975	70,395	-22.1	-49.9
Services	13,907	47,881	9,373	27,553	-32.6	-42.5
Airline tickets and miles	1,559	2,040	3,568	5,988	128.8	193.6
Other	794,323	2,820,696	846,505	2,914,218	6.6	3.3

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

Tax Year 2005 to \$1.7 billion in 2006, and donations to health and medical research increased 34.4 percent, from \$1.6 billion in Tax Year 2005 to \$2.2 billion in 2006. Figure G shows these data for 2005 and 2006.

Figure H shows that taxpayers age 65 and older gave the most donations in terms of amount deducted on Schedule A, giving 43.9 percent of the total amount, or \$20.6 billion. The average donation for these taxpayers, per return, was over \$25,300, which was more than three times the average of any other age group. In addition, taxpayers in this age group donated 9.9 percent of their AGIs, more than twice the average of any other group.

As shown in Figure I, the amount deducted by these taxpayers increased about 46.4 percent, from \$14.1 billion in Tax Year 2005 to \$20.6 billion in

2006. All other age groups, with the exception of the 55 under 65 group (whose donation amounts increased 9.4 percent, from \$9.8 billion in Tax Year 2005 to \$10.7 billion in 2006), experienced a decline in the amount of donation amounts claimed. Details in Table 4 show that, of the total donations by taxpayers 65 or over, \$15.7 billion were donations of corporate stock, mutual funds, and other investments (up 66.9 percent from the \$9.4 million donated in 2005), followed by \$2.0 billion in real estate and easement donations (up from \$1.7 billion in Tax Year 2005).<sup>6</sup>

### Explanation of selected terms:

*Amount carried to Schedule A*—This is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus

<sup>6</sup> See Wilson, Janette, "Individual Noncash Charitable Contributions, 2005," *Statistics of Income Bulletin*, Spring 2008, Volume 25, Number 4.

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**Figure C**

## Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Size of adjusted gross income	Number of returns	Percent of returns	Adjusted gross income (AGI)	Amount carried to Schedule A	Percentage of amount carried to Schedule A	Donation as percentage of AGI	Average donation per return
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b>	<b>6,174,855</b>	<b>100.0</b>	<b>1,183,135,196</b>	<b>46,841,245</b>	<b>100.0</b>	<b>4.0</b>	<b>7,586</b>
Under \$5,000 (including deficits)	38,175	0.6	-6,464,319	526,719	1.1	-8.1	13,797
\$5,000 under \$10,000	18,239	0.3	144,478	26,990	0.1	18.7	1,480
\$10,000 under \$15,000	31,681	0.5	409,877	109,992	0.2	26.8	3,472
\$15,000 under \$20,000	52,872	0.9	930,995	122,488	0.3	13.2	2,317
\$20,000 under \$25,000	85,246	1.4	1,921,342	176,084	0.4	9.2	2,066
\$25,000 under \$30,000	110,217	1.8	3,020,937	224,808	0.5	7.4	2,040
\$30,000 under \$40,000	287,837	4.7	10,132,638	607,106	1.3	6.0	2,109
\$40,000 under \$50,000	362,952	5.9	16,368,292	790,376	1.7	4.8	2,178
\$50,000 under \$75,000	1,074,988	17.4	67,677,202	2,281,356	4.9	3.4	2,122
\$75,000 under \$100,000	1,086,353	17.6	94,822,640	2,086,296	4.5	2.2	1,920
\$100,000 under \$200,000	2,058,274	33.3	283,090,594	5,548,102	11.8	2.0	2,696
\$200,000 under \$500,000	724,015	11.7	209,330,178	4,293,549	9.2	2.1	5,930
\$500,000 under \$1,000,000	146,248	2.4	99,612,935	2,529,142	5.4	2.5	17,294
\$1,000,000 under \$1,500,000	39,374	0.6	47,699,896	1,653,390	3.5	3.5	41,991
\$1,500,000 under \$2,000,000	17,065	0.3	29,408,762	1,442,228	3.1	4.9	84,514
\$2,000,000 under \$5,000,000	27,336	0.4	82,794,075	3,597,485	7.7	4.3	131,602
\$5,000,000 under \$10,000,000	7,912	0.1	54,695,540	3,008,570	6.4	5.5	380,258
\$10,000,000 or more	6,071	0.1	187,539,134	17,816,565	38.0	9.5	2,934,700

**Figure D**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Size of adjusted gross income	2005		2006		Percentage change	
	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Under \$5,000 (including deficits)	37,402	350,927	38,175	526,719	2.1	50.1
\$5,000 under \$10,000	32,164	56,187	18,239	26,990	-43.3	-52.0
\$10,000 under \$15,000	51,997	85,897	31,681	109,992	-39.1	28.1
\$15,000 under \$20,000	85,630	227,358	52,872	122,488	-38.3	-46.1
\$20,000 under \$25,000	94,313	203,180	85,246	176,084	-9.6	-13.3
\$25,000 under \$30,000	108,225	281,359	110,217	224,808	1.8	-20.1
\$30,000 under \$40,000	338,160	774,975	287,837	607,106	-14.9	-21.7
\$40,000 under \$50,000	404,686	869,751	362,952	790,376	-10.3	-9.1
\$50,000 under \$75,000	1,206,015	2,648,338	1,074,988	2,281,356	-10.9	-13.9
\$75,000 under \$100,000	1,227,279	2,446,824	1,086,353	2,086,296	-11.5	-14.7
\$100,000 under \$200,000	2,066,716	5,451,006	2,058,274	5,548,102	-0.4	1.8
\$200,000 under \$500,000	684,658	4,570,700	724,015	4,293,549	5.7	-6.1
\$500,000 under \$1,000,000	135,385	2,140,922	146,248	2,529,142	8.0	18.1
\$1,000,000 under \$1,500,000	34,558	2,044,341	39,374	1,653,390	13.9	-19.1
\$1,500,000 under \$2,000,000	15,286	1,591,485	17,065	1,442,228	11.6	-9.4
\$2,000,000 under \$5,000,000	24,287	3,717,494	27,336	3,597,485	12.6	-3.2
\$5,000,000 under \$10,000,000	6,995	2,467,162	7,912	3,008,570	13.1	21.9
\$10,000,000 or more	5,385	11,142,727	6,071	17,816,565	12.7	59.9

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### Figure E

#### Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Type of donee	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All donees</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>7,586</b>	<b>2,987</b>	<b>100.0</b>	<b>100.0</b>
Arts, culture, and humanities	265,011	358,420	1,729,915	6,528	4,827	2.3	3.7
Educational institutions	315,232	437,120	4,790,188	15,196	10,959	2.8	10.2
Environment and animal-related organizations	107,455	175,324	2,769,989	25,778	15,799	1.1	5.9
Health and medical research	964,138	1,491,284	2,167,023	2,248	1,453	9.5	4.6
Large organizations	4,592,309	9,159,138	8,003,464	1,743	874	58.4	17.1
Public and societal benefit	1,069,973	1,628,317	2,808,888	2,625	1,725	10.4	6.0
Religious organizations	1,081,541	1,662,865	4,075,699	3,768	2,451	10.6	8.7
Donor-advised funds	20,691	35,686	1,958,349	94,650	54,878	0.2	4.2
Foundations	136,188	197,586	15,547,278	114,160	78,686	1.3	33.2
Other donees	416,941	536,290	2,990,450	7,172	5,576	3.4	6.4

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

### Figure F

#### Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Type of donee	2005		2006		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All donees</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Arts, culture, and humanities	235,690	1,338,311	265,011	1,729,915	12.4	29.3
Educational institutions	343,200	4,160,844	315,232	4,790,188	-8.1	15.1
Environment and animal-related organizations	106,106	3,348,537	107,455	2,769,989	1.3	-17.3
Health and medical research	919,940	1,611,826	964,138	2,167,023	4.8	34.4
Large organizations	4,931,660	8,472,212	4,592,309	8,003,464	-6.9	-5.5
Public and societal benefit	1,266,610	2,746,584	1,069,973	2,808,888	-15.5	2.3
Religious organizations	1,257,036	4,506,943	1,081,541	4,075,699	-14.0	-9.6
Donor-advised funds	17,573	1,614,979	20,691	1,958,349	17.7	21.3
Foundations	147,717	9,811,124	136,188	15,547,278	-7.8	58.5
Other donees	471,373	3,459,273	416,941	2,990,450	-11.5	-13.6

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000). The dollar amounts of donations reported in this article reflect the amounts reported on Form 8283 that are carried to Schedule A for reporting itemized deductions.

*Donor's cost*—Also known as the adjusted basis or tax basis, this is generally the amount the owner paid for the property. If the property was received as a gift, the original cost carries over to the recipient of the gift, increased by any gift tax paid on the appreciated portion of the property. If acquired from a dece-

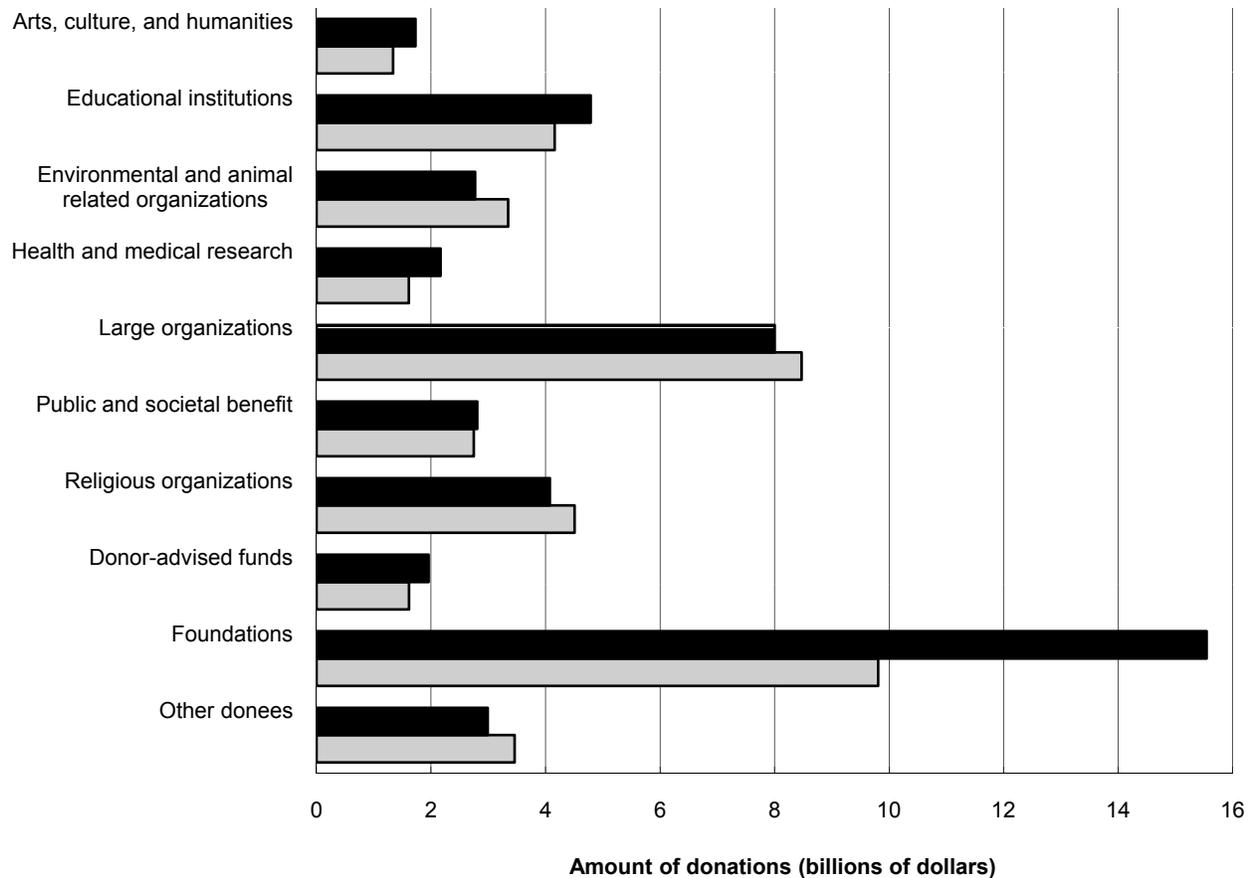
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**Figure G**

## Amount of Individual Noncash Charitable Contributions, by Donee Types, Tax Years 2005 and 2006

Type of donee



■ 2006    □ 2005

dent, the basis is the fair market value of the property used for estate tax purposes.

**Fair Market Value**—The fair market value is the value a willing and knowledgeable buyer would pay a seller in a voluntary situation.

**Number of donations**—For this study, data were collected in the manner they were reported by the taxpayer. For example, if clothing was listed twice even though it was given to the same donee organization, it was counted as two separate donations.

**Number of returns**—This is the number of returns that had a Form 8283 attached in the Individual SOI

sample. For this study, all returns with Form 8283 were counted whether or not the taxpayer carried the Form 8283 amounts to Schedule A.

Please note that the allowable amount of a non-cash deduction depends on whether the property is ordinary income or capital gain property. Ordinary income property is property that if sold would generate ordinary income or short-term capital gain. Examples are clothing, household items, inventory, and capital assets held less than 1 year. Capital gain property results in a long-term gain if sold. Examples of this are real property used for a taxpayer's

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**Figure H**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Donor age	Number of returns	Amount carried to Schedule A	Average amount per return	Adjusted gross income (AGI)	Donation as percentage of AGI	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All ages</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>7,586</b>	<b>1,183,135,195</b>	<b>4.0</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,957,073	3,012	71,764,714	2.7	530,033	1,483,872
35 under 45	1,566,178	4,840,502	3,091	250,576,511	1.9	1,370,872	4,477,510
45 under 55	1,793,726	8,789,705	4,900	361,820,169	2.4	1,645,514	7,524,069
55 under 65	1,352,832	10,675,344	7,891	290,232,522	3.7	1,279,670	7,575,184
65 and older	812,452	20,578,621	25,329	208,741,278	9.9	772,073	8,757,792

**Figure I**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Donor age	2005		2006		Percentage change	
	Number of return	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All ages</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Under 35	793,262	2,231,510	649,666	1,957,073	-18.1	-12.3
35 under 45	1,683,889	6,071,559	1,566,178	4,840,502	-7.0	-20.3
45 under 55	1,873,519	8,949,908	1,793,726	8,789,705	-4.3	-1.8
55 under 65	1,382,485	9,756,707	1,352,832	10,675,344	-2.1	9.4
65 and older	825,984	14,060,948	812,452	20,578,621	-1.6	46.4

business and corporate stock held more than 1 year. The total charitable deduction is generally limited to no more than 50 percent of AGI. This amount can be reduced to 30 percent or 20 percent depending on the type of property donated and the type of charitable organization. The statistics for this article include the entire deduction amount reported by taxpayers and transcribed from Form 8283 to line 16 of Schedule A. The limitations are then applied to the amount reported on line 18 of that schedule.

### Donated property types:

*Accessories*—Includes belts, furs, jewelry, purses, scarves, and watches.

*Art and collectibles*—Includes art works, such as ceramics, drawings, paintings, photographs, and sculptures; and collectibles including coins, books,

historical documents, memorabilia, rare or valuable clothing, jewelry, and stamps.

*Cars*—Includes vehicles designed for road transportation, such as cars, buses, motorcycles, motor homes, SUVs, and trucks.

*Clothing*—Includes apparel for children, men, and women, such as coats, dresses, hats, shoes, and suits. Also, includes sports and school uniforms.

*Conservation easements*—Includes land and right of way easements. Donations of this type must be a qualified real property interest contributed to a qualified organization for conservation purposes.

*Corporate stock*—Includes shares of publicly traded and closely held common and preferred stock, and also stock rights.

*Electronics*—Includes cameras, computer systems, copiers, DVD players, fax machines, stereo systems, televisions, telephones, and video games.

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*Facade easements*—Includes real estate easements and historical preservation or architectural easements.

*Food*—Includes beverages, individual food items or meals, snacks, restaurant coupons, vitamins, and wine.

*Household items*—Includes appliances, books, exercise equipment, furniture, luggage, tools, and toys.

*Intellectual property*—Includes copyrights, patents, trademarks, trade names, trade secrets, and certain types of software.

*Land*—Includes farms, orchards, and open lots.

*Mutual funds*—Includes shares of taxable and nontaxable mutual funds, exchange-traded funds, and unit investment trusts.

*Other investments*—Includes annuities, bonds, CDs, life insurance policies, notes, options, partnership interests, and real estate investment trusts.

*Other vehicles*—Includes all-terrain vehicles, airplanes, and watercraft vehicles, such as boats, canoes, ships, and water-skis.

*Real estate*—Includes apartments, cabins, houses, and other residential and commercial property.

*Services*—Includes audio presentations, catering, healthcare services, transport and travel expenses, tutoring, and other professional services.

*Other*—Includes animals, building materials, cemetery plots, medical equipment, tickets to events, and donated vacations or use of vacation property.

### Donee organizations:

*Arts, culture, and humanities*—Includes organizations involved with the arts, music, history, and cultural activities, such as museums, libraries, science centers, and theaters.

*Donor-advised funds*—A segregated fund within a public charity that permits the donor to have advisory privileges on distributions or investments. Donations to donor-advised funds may be understated because of the difficulty of identifying all such donations.

*Educational institutions*—Includes organizations whose primary function is educational, such as fraternities, schools (including those with religious affiliation), scholarship funds, and universities.

*Environmental and animal organizations*—Includes organizations that protect, promote, or seek to improve the environment or welfare of animals, such as local animal shelters, botanical gardens, and garden clubs.

*Foundations*—A foundation is a type of philanthropic organization set up by individuals or institutions as a legal entity (usually either a corporation or trust) with the purpose of distributing grants to support causes in line with the goal of the foundation. For the purpose of this study, this includes family foundations, which are specific to a person or family, and other private foundations, which are community foundations.

*Health and medical research*—Includes hospitals, medical associations, nursing homes, and hospices.

*Large organizations*—Includes large national and international organizations that have local chapters, such as Goodwill Industries International, The Salvation Army, United Way International, Habitat for Humanity International, and Boy Scouts of America.

*Other*—Includes all other organizations that are not included in any other category.

*Public or societal benefit*—These are organizations that benefit individuals or communities, and do not meet the conditions of other categories, such as education, health, and religion. These include homeless shelters, food banks, and political think tanks.

*Religious organizations*—Includes churches, synagogues, and book stores and thrift stores run by religious organizations.

### Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2007. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes. Returns were then selected at rates ranging from 0.10 percent to 100 percent. The Tax Year

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2006 data are based on a sample of 317,975 returns and an estimated final population of 138,485,446 returns.<sup>7</sup> The number of returns in the sample with Form 8283 was 43,122.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure J shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations later in this issue.

**Figure J**

### Individual Noncash Charitable Contributions: Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006

[Coefficients of variation are in percentages]

Size of adjusted gross income	Number of returns	Donor's cost	Amount carried to Schedule A	Fair market value
	(1)	(2)	(3)	(4)
<b>All returns</b>	<b>1.03</b>	<b>1.65</b>	<b>1.48</b>	<b>1.65</b>
deficits)	5.69	8.67	9.76	13.39
\$25,000 under \$50,000	3.35	5.34	5.24	5.24
\$50,000 under \$75,000	2.80	4.57	5.98	6.11
\$75,000 under \$100,000	2.83	6.16	4.45	4.45
\$100,000 under \$200,000	1.83	3.25	6.86	6.82
\$200,000 under \$500,000	1.79	3.36	10.13	11.68
\$500,000 under \$1,000,000	2.18	7.66	8.12	8.92
\$1,000,000 under \$1,500,000	2.46	10.16	10.17	10.74
\$1,500,000 under \$2,000,000	1.92	8.93	8.11	7.68
\$2,000,000 under \$5,000,000	1.09	6.45	3.90	5.81
\$5,000,000 under \$10,000,000	0.98	2.06	1.79	2.96
\$10,000,000 or more	0.00	0.00	0.00	0.00

<sup>7</sup> For further details on the description of the sample, see *Statistics of Income—2006, Individual Income Tax Returns* (IRS Publication 1304).

# Individual Noncash Contributions, 2006

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**Table 1a. Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with donations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>39,890,034</b>	<b>50,310,197</b>	<b>46,841,245</b>
Under \$25,000 (including deficits)	226,213	485,994	1,240,509	1,129,884	962,272
\$25,000 under \$50,000	761,006	1,554,232	3,760,740	1,622,324	1,622,290
\$50,000 under \$75,000	1,074,988	2,636,151	5,240,753	2,304,642	2,281,356
\$75,000 under \$100,000	1,086,353	2,662,477	5,644,547	2,086,296	2,086,296
\$100,000 under \$200,000	2,058,274	5,609,954	11,776,581	5,633,249	5,548,102
\$200,000 under \$500,000	724,015	2,003,908	5,658,020	4,584,845	4,293,549
\$500,000 under \$1,000,000	146,248	421,224	1,659,616	2,800,403	2,529,142
\$1,000,000 under \$1,500,000	39,374	116,061	726,056	1,848,426	1,653,390
\$1,500,000 under \$2,000,000	17,065	50,831	453,275	1,724,293	1,442,228
\$2,000,000 under \$5,000,000	27,336	86,412	1,105,908	4,575,214	3,597,485
\$5,000,000 under \$10,000,000	7,912	27,555	655,535	3,452,233	3,008,570
\$10,000,000 or more	6,071	27,231	1,968,492	18,548,388	17,816,565

Footnotes at end of table 1j.

**Table 1b. Individual Noncash Charitable Contributions: Returns with Donations of Corporate Stock, Mutual Funds, and Other Investments, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of corporate stock, mutual funds, and other investments				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>201,613</b>	<b>451,953</b>	<b>3,659,955</b>	<b>26,449,932</b>	<b>26,075,272</b>
Under \$25,000 (including deficits)	2,349	7,419	69,051	244,965	244,965
\$25,000 under \$50,000	2,734	4,745	16,300	39,447	39,447
\$50,000 under \$75,000	9,944	12,069	29,881	49,818	49,818
\$75,000 under \$100,000	12,813	14,535	27,014	51,681	51,681
\$100,000 under \$200,000	57,239	112,995	184,667	1,002,975	1,002,975
\$200,000 under \$500,000	53,891	123,492	343,267	1,596,361	1,595,868
\$500,000 under \$1,000,000	27,763	69,034	317,101	1,354,195	1,354,042
\$1,000,000 under \$1,500,000	10,441	29,197	193,071	930,187	927,952
\$1,500,000 under \$2,000,000	5,425	14,345	146,802	837,858	805,488
\$2,000,000 under \$5,000,000	11,080	33,602	488,020	2,628,197	2,452,740
\$5,000,000 under \$10,000,000	4,003	13,425	366,204	2,099,548	2,074,434
\$10,000,000 or more	3,930	17,094	1,478,576	15,614,701	15,475,862

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1c. Individual Noncash Charitable Contributions: Returns with Donations of Real Estate and Easements, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of real estate and easements				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>22,122</b>	<b>22,785</b>	<b>2,272,124</b>	<b>8,256,024</b>	<b>5,357,813</b>
Under \$25,000 (including deficits)	1,540	1,572	79,102	308,131	172,750
\$25,000 under \$50,000	* 643	* 643	* 10,089	* 24,144	* 24,144
\$50,000 under \$75,000	* 2,543	* 2,543	* 75,897	* 154,539	* 154,539
\$75,000 under \$100,000	* 2,133	* 2,133	* 0	* 59,772	* 59,772
\$100,000 under \$200,000	6,197	6,198	349,196	395,390	331,711
\$200,000 under \$500,000	4,235	4,243	239,056	963,894	687,762
\$500,000 under \$1,000,000	1,692	1,798	277,890	839,334	573,181
\$1,000,000 under \$1,500,000	808	816	181,193	645,627	469,761
\$1,500,000 under \$2,000,000	511	637	147,510	645,987	407,436
\$2,000,000 under \$5,000,000	1,006	1,198	368,838	1,477,322	704,534
\$5,000,000 under \$10,000,000	396	482	191,054	981,885	575,630
\$10,000,000 or more	419	521	352,299	1,759,998	1,196,594

Footnotes at end of table 1j.

**Table 1d. Individual Noncash Charitable Contributions: Returns with Donations of Art and Collectibles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of art and collectibles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>108,374</b>	<b>147,896</b>	<b>380,960</b>	<b>1,303,544</b>	<b>1,222,044</b>
Under \$25,000 (including deficits)	3,806	7,763	13,735	107,233	75,011
\$25,000 under \$50,000	10,685	11,287	17,061	28,092	28,092
\$50,000 under \$75,000	15,697	19,847	37,397	31,702	31,702
\$75,000 under \$100,000	14,141	18,435	21,666	33,234	33,234
\$100,000 under \$200,000	41,762	57,769	65,691	157,633	157,633
\$200,000 under \$500,000	14,939	20,893	56,016	122,537	119,888
\$500,000 under \$1,000,000	3,802	5,323	47,823	103,380	101,191
\$1,000,000 under \$1,500,000	1,229	2,406	18,223	40,373	36,808
\$1,500,000 under \$2,000,000	588	809	13,142	37,158	26,258
\$2,000,000 under \$5,000,000	1,055	2,110	24,256	100,447	96,560
\$5,000,000 under \$10,000,000	338	637	15,933	68,282	59,838
\$10,000,000 or more	333	618	50,017	473,473	455,830

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1e. Individual Noncash Charitable Contributions: Returns with Donations of Food, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of food				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>156,081</b>	<b>218,370</b>	<b>99,002</b>	<b>99,890</b>	<b>96,294</b>
Under \$25,000 (including deficits)	3,420	4,448	3,466	3,274	3,274
\$25,000 under \$50,000	12,684	18,839	19,463	12,871	12,871
\$50,000 under \$75,000	20,963	23,212	4,576	7,313	7,313
\$75,000 under \$100,000	27,535	43,209	8,833	8,490	8,490
\$100,000 under \$200,000	63,326	90,079	26,724	33,960	33,920
\$200,000 under \$500,000	20,594	27,730	11,183	11,100	11,100
\$500,000 under \$1,000,000	4,324	6,296	2,645	3,483	3,483
\$1,000,000 under \$1,500,000	1,354	1,700	1,000	1,475	1,436
\$1,500,000 under \$2,000,000	562	748	9,871	1,588	1,588
\$2,000,000 under \$5,000,000	908	1,318	2,348	2,683	2,607
\$5,000,000 under \$10,000,000	246	417	3,030	5,024	4,320
\$10,000,000 or more	165	375	5,864	8,629	5,892

Footnotes at end of table 1j.

**Table 1f. Individual Noncash Charitable Contributions: Returns with Donations of Clothing and Accessories, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of clothing and accessories				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>4,335,995</b>	<b>7,748,567</b>	<b>17,358,689</b>	<b>6,297,942</b>	<b>6,297,085</b>
Under \$25,000 (including deficits)	148,686	233,086	555,916	214,848	214,848
\$25,000 under \$50,000	508,414	798,250	1,968,494	790,776	790,776
\$50,000 under \$75,000	748,935	1,308,507	2,572,750	988,222	988,222
\$75,000 under \$100,000	779,705	1,338,316	2,681,006	1,027,614	1,027,614
\$100,000 under \$200,000	1,495,096	2,831,071	6,073,186	2,125,855	2,125,855
\$200,000 under \$500,000	514,988	976,515	2,655,673	855,190	855,193
\$500,000 under \$1,000,000	92,396	176,172	513,629	162,458	162,458
\$1,000,000 under \$1,500,000	21,659	39,022	142,229	42,400	42,321
\$1,500,000 under \$2,000,000	9,052	16,601	60,935	18,924	18,917
\$2,000,000 under \$5,000,000	12,461	22,735	93,303	34,263	34,263
\$5,000,000 under \$10,000,000	2,993	5,499	24,857	19,870	19,870
\$10,000,000 or more	1,610	2,794	16,711	17,523	16,747

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1g. Individual Noncash Charitable Contributions: Returns with Donations of Electronics, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of electronics				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>498,243</b>	<b>587,740</b>	<b>1,029,513</b>	<b>445,391</b>	<b>445,376</b>
Under \$25,000 (including deficits)	16,044	19,613	24,684	18,148	18,148
\$25,000 under \$50,000	54,515	60,309	107,222	56,283	56,283
\$50,000 under \$75,000	78,543	98,330	153,774	73,882	73,882
\$75,000 under \$100,000	75,915	83,985	170,382	59,338	59,338
\$100,000 under \$200,000	197,751	232,835	398,430	166,161	166,146
\$200,000 under \$500,000	58,668	71,868	123,295	49,487	49,487
\$500,000 under \$1,000,000	11,219	13,713	31,716	13,605	13,605
\$1,000,000 under \$1,500,000	2,745	3,674	9,716	4,144	4,144
\$1,500,000 under \$2,000,000	949	1,119	3,450	1,175	1,175
\$2,000,000 under \$5,000,000	1,364	1,675	4,754	1,954	1,954
\$5,000,000 under \$10,000,000	346	387	1,337	802	802
\$10,000,000 or more	184	232	752	412	412

Footnotes at end of table 1j.

**Table 1h. Individual Noncash Charitable Contributions: Returns with Donations of Household Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of household items				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>2,802,627</b>	<b>4,924,144</b>	<b>10,220,935</b>	<b>3,847,074</b>	<b>3,821,313</b>
Under \$25,000 (including deficits)	92,088	165,573	397,954	162,750	162,750
\$25,000 under \$50,000	331,444	496,256	1,120,956	477,743	477,743
\$50,000 under \$75,000	503,665	897,041	1,685,593	714,525	691,239
\$75,000 under \$100,000	498,648	891,366	1,692,193	606,862	606,862
\$100,000 under \$200,000	974,358	1,735,076	3,332,308	1,214,728	1,214,695
\$200,000 under \$500,000	318,917	589,210	1,479,972	482,947	482,926
\$500,000 under \$1,000,000	53,412	96,222	293,388	99,156	99,156
\$1,000,000 under \$1,500,000	14,139	25,775	98,088	30,470	30,470
\$1,500,000 under \$2,000,000	5,434	9,771	36,446	12,513	12,513
\$2,000,000 under \$5,000,000	7,549	12,947	56,699	22,326	22,151
\$5,000,000 under \$10,000,000	1,871	3,068	16,988	11,096	8,867
\$10,000,000 or more	1,104	1,840	10,350	11,957	11,941

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1i. Individual Noncash Charitable Contributions: Returns with Donations of Cars and Other Vehicles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of cars and other vehicles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>306,563</b>	<b>318,497</b>	<b>2,693,513</b>	<b>593,606</b>	<b>560,637</b>
Under \$25,000 (including deficits)	7,316	8,059	46,906	16,150	16,150
\$25,000 under \$50,000	49,513	51,470	331,620	73,604	73,604
\$50,000 under \$75,000	59,325	60,976	395,186	84,068	84,068
\$75,000 under \$100,000	62,601	65,945	621,475	83,874	83,874
\$100,000 under \$200,000	91,175	94,130	801,313	160,177	138,798
\$200,000 under \$500,000	28,502	29,476	366,792	80,531	72,412
\$500,000 under \$1,000,000	5,493	5,636	58,562	28,803	28,436
\$1,000,000 under \$1,500,000	1,021	1,086	21,131	8,931	8,567
\$1,500,000 under \$2,000,000	443	452	12,571	8,297	8,061
\$2,000,000 under \$5,000,000	811	869	17,958	25,569	23,714
\$5,000,000 under \$10,000,000	206	224	13,611	12,476	12,277
\$10,000,000 or more	156	174	6,388	11,128	10,677

Footnotes at end of table 1j.

**Table 1j. Individual Noncash Charitable Contributions: Returns with Other Donations [3], by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with other donations [3]				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>859,496</b>	<b>1,262,077</b>	<b>2,175,341</b>	<b>3,016,794</b>	<b>2,965,411</b>
Under \$25,000 (including deficits)	30,500	38,462	49,695	54,385	54,377
\$25,000 under \$50,000	90,714	112,433	169,534	119,364	119,330
\$50,000 under \$75,000	153,231	213,625	285,699	200,575	200,575
\$75,000 under \$100,000	146,937	204,551	421,977	155,430	155,430
\$100,000 under \$200,000	281,437	449,802	545,066	376,370	376,370
\$200,000 under \$500,000	107,714	160,482	382,768	422,800	418,913
\$500,000 under \$1,000,000	27,458	47,030	116,863	195,989	193,591
\$1,000,000 under \$1,500,000	8,150	12,384	61,404	144,818	131,930
\$1,500,000 under \$2,000,000	3,803	6,350	22,547	160,792	160,792
\$2,000,000 under \$5,000,000	5,947	9,958	49,733	282,453	258,961
\$5,000,000 under \$10,000,000	1,967	3,417	22,521	253,249	252,532
\$10,000,000 or more	1,639	3,583	47,535	650,568	642,610

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or the amount claimed on Section B (items with a deduction of more than \$5,000).

[3] Other donations includes intellectual property, services, and airline tickets and miles, and other donations.

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**Table 2a. Individual Noncash Charitable Contributions: All Donee Organizations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>39,890,034</b>	<b>50,310,197</b>	<b>46,841,245</b>
Under \$25,000 (including deficits)	226,213	485,994	1,240,509	1,129,884	962,272
\$25,000 under \$50,000	761,006	1,554,232	3,760,740	1,622,324	1,622,290
\$50,000 under \$75,000	1,074,988	2,636,151	5,240,753	2,304,642	2,281,356
\$75,000 under \$100,000	1,086,353	2,662,477	5,644,547	2,086,296	2,086,296
\$100,000 under \$200,000	2,058,274	5,609,954	11,776,581	5,633,249	5,548,102
\$200,000 under \$500,000	724,015	2,003,908	5,658,020	4,584,845	4,293,549
\$500,000 under \$1,000,000	146,248	421,224	1,659,616	2,800,403	2,529,142
\$1,000,000 under \$1,500,000	39,374	116,061	726,056	1,848,426	1,653,390
\$1,500,000 under \$2,000,000	17,065	50,831	453,275	1,724,293	1,442,228
\$2,000,000 under \$5,000,000	27,336	86,412	1,105,908	4,575,214	3,597,485
\$5,000,000 under \$10,000,000	7,912	27,555	655,535	3,452,233	3,008,570
\$10,000,000 or more	6,071	27,231	1,968,492	18,548,388	17,816,565

Footnotes at end of table 2k.

**Table 2b. Individual Noncash Charitable Contributions: Donee Organizations (Arts, Culture, and Humanities), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Arts, culture, and humanities				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>265,011</b>	<b>358,420</b>	<b>541,778</b>	<b>1,842,684</b>	<b>1,729,915</b>
Under \$25,000 (including deficits)	5,996	6,256	21,631	117,714	85,492
\$25,000 under \$50,000	19,823	21,528	36,274	27,147	27,147
\$50,000 under \$75,000	35,095	48,667	22,183	53,295	30,009
\$75,000 under \$100,000	44,827	53,200	27,825	40,170	40,170
\$100,000 under \$200,000	95,842	139,346	120,047	142,526	142,526
\$200,000 under \$500,000	44,850	58,452	88,427	146,047	141,918
\$500,000 under \$1,000,000	9,160	14,054	30,446	116,039	111,105
\$1,000,000 under \$1,500,000	3,288	5,460	51,026	143,800	139,978
\$1,500,000 under \$2,000,000	1,472	2,348	19,512	58,921	48,336
\$2,000,000 under \$5,000,000	2,938	5,397	34,482	189,967	185,705
\$5,000,000 under \$10,000,000	900	1,966	25,132	149,110	137,524
\$10,000,000 or more	820	1,747	64,793	657,947	640,003

Footnotes at end of table 2k.

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**Table 2c. Individual Noncash Charitable Contributions: Donee Organizations (Educational Institutions), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Educational institutions				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>315,232</b>	<b>437,120</b>	<b>1,594,619</b>	<b>5,079,098</b>	<b>4,790,188</b>
Under \$25,000 (including deficits)	7,814	10,482	77,353	180,547	102,932
\$25,000 under \$50,000	20,914	22,152	32,910	18,156	18,156
\$50,000 under \$75,000	34,944	38,151	50,468	47,907	47,907
\$75,000 under \$100,000	39,001	46,761	249,079	39,180	39,180
\$100,000 under \$200,000	116,711	165,124	193,652	256,931	256,931
\$200,000 under \$500,000	56,997	82,284	255,032	653,317	653,317
\$500,000 under \$1,000,000	18,852	33,217	162,802	524,978	465,434
\$1,000,000 under \$1,500,000	6,984	12,778	48,746	274,761	274,055
\$1,500,000 under \$2,000,000	2,990	5,011	41,190	204,978	171,720
\$2,000,000 under \$5,000,000	6,110	11,648	164,121	586,708	514,368
\$5,000,000 under \$10,000,000	2,066	4,479	101,416	550,353	542,375
\$10,000,000 or more	1,850	5,032	217,850	1,741,284	1,703,814

Footnotes at end of table 2k.

**Table 2d. Individual Noncash Charitable Contributions: Donee Organizations (Environmental and Animal-Related Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Environmental and animal-related organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>107,455</b>	<b>175,324</b>	<b>1,128,999</b>	<b>4,210,571</b>	<b>2,769,989</b>
Under \$25,000 (including deficits)	4,443	6,357	56,256	149,124	134,692
\$25,000 under \$50,000	12,242	13,865	17,110	9,147	9,147
\$50,000 under \$75,000	11,296	16,218	44,043	22,565	22,565
\$75,000 under \$100,000	20,705	24,433	17,599	66,026	66,026
\$100,000 under \$200,000	38,043	82,373	261,209	556,504	528,539
\$200,000 under \$500,000	12,394	18,701	102,045	152,411	135,834
\$500,000 under \$1,000,000	4,277	7,187	152,495	385,646	303,972
\$1,000,000 under \$1,500,000	1,277	1,798	28,445	254,792	138,262
\$1,500,000 under \$2,000,000	692	1,000	87,553	363,374	198,630
\$2,000,000 under \$5,000,000	1,239	2,012	142,674	658,094	276,041
\$5,000,000 under \$10,000,000	441	708	79,353	632,929	338,057
\$10,000,000 or more	406	670	140,217	959,958	618,222

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2e. Individual Noncash Charitable Contributions: Donee Organizations (Health and Medical Research), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Health and medical research				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>964,138</b>	<b>1,491,284</b>	<b>3,360,318</b>	<b>2,280,292</b>	<b>2,167,023</b>
Under \$25,000 (including deficits)	25,382	37,812	55,306	40,933	40,933
\$25,000 under \$50,000	102,679	151,914	293,213	166,994	166,994
\$50,000 under \$75,000	159,390	242,557	525,685	289,958	289,958
\$75,000 under \$100,000	167,107	262,815	489,164	170,065	170,065
\$100,000 under \$200,000	352,569	547,344	1,229,137	455,900	455,900
\$200,000 under \$500,000	116,762	184,834	446,566	217,406	217,399
\$500,000 under \$1,000,000	23,844	37,292	116,826	173,401	173,401
\$1,000,000 under \$1,500,000	6,602	10,146	46,088	126,917	107,587
\$1,500,000 under \$2,000,000	3,004	4,937	22,745	34,760	34,735
\$2,000,000 under \$5,000,000	4,531	7,389	57,394	170,534	113,661
\$5,000,000 under \$10,000,000	1,301	2,480	25,532	103,084	91,225
\$10,000,000 or more	967	1,763	52,662	330,340	305,165

Footnotes at end of table 2k.

**Table 2f. Individual Noncash Charitable Contributions: Donee Organizations (Large Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Large organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>4,592,309</b>	<b>9,159,138</b>	<b>21,084,722</b>	<b>8,018,718</b>	<b>8,003,464</b>
Under \$25,000 (including deficits)	153,112	282,063	702,528	267,875	267,875
\$25,000 under \$50,000	554,369	935,533	2,295,584	921,021	921,021
\$50,000 under \$75,000	811,418	1,605,497	3,355,416	1,292,819	1,292,819
\$75,000 under \$100,000	832,696	1,639,227	3,367,957	1,227,040	1,227,040
\$100,000 under \$200,000	1,550,350	3,268,067	7,139,804	2,497,028	2,496,980
\$200,000 under \$500,000	542,532	1,135,678	3,192,829	1,039,273	1,039,280
\$500,000 under \$1,000,000	97,106	196,768	609,396	235,367	235,010
\$1,000,000 under \$1,500,000	23,771	46,077	163,439	75,832	75,832
\$1,500,000 under \$2,000,000	9,219	17,425	70,175	70,715	68,225
\$2,000,000 under \$5,000,000	12,915	24,308	102,352	72,966	72,937
\$5,000,000 under \$10,000,000	3,109	5,439	32,153	77,913	70,176
\$10,000,000 or more	1,712	3,055	53,090	240,867	236,268

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2g. Individual Noncash Charitable Contributions: Donee Organizations (Public and Societal Benefit), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Public and societal benefit				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>1,069,973</b>	<b>1,628,317</b>	<b>3,901,993</b>	<b>3,086,326</b>	<b>2,808,888</b>
Under \$25,000 (including deficits)	39,022	52,260	100,601	69,006	42,850
\$25,000 under \$50,000	123,523	173,056	462,740	184,319	184,319
\$50,000 under \$75,000	175,960	300,247	483,717	209,186	209,186
\$75,000 under \$100,000	175,352	242,403	701,837	198,472	198,472
\$100,000 under \$200,000	376,153	585,026	1,067,375	478,895	457,516
\$200,000 under \$500,000	134,188	204,175	536,910	509,072	507,594
\$500,000 under \$1,000,000	27,626	43,452	160,515	177,226	170,797
\$1,000,000 under \$1,500,000	7,173	10,117	94,642	134,195	109,310
\$1,500,000 under \$2,000,000	3,401	5,355	27,500	62,624	53,311
\$2,000,000 under \$5,000,000	5,006	7,915	81,380	221,325	179,898
\$5,000,000 under \$10,000,000	1,461	2,295	55,479	192,140	158,975
\$10,000,000 or more	1,109	2,017	129,299	649,866	536,659

Footnotes at end of table 2k.

**Table 2h. Individual Noncash Charitable Contributions: Donee Organizations (Religious Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Religious organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>1,081,541</b>	<b>1,662,865</b>	<b>4,177,615</b>	<b>4,272,555</b>	<b>4,075,699</b>
Under \$25,000 (including deficits)	42,414	53,158	141,099	96,621	88,751
\$25,000 under \$50,000	119,203	160,315	438,380	194,603	194,603
\$50,000 under \$75,000	172,585	265,422	587,817	282,322	282,322
\$75,000 under \$100,000	179,614	291,689	587,981	240,520	240,520
\$100,000 under \$200,000	372,011	582,872	1,170,781	680,783	680,783
\$200,000 under \$500,000	139,985	219,142	630,818	875,011	866,376
\$500,000 under \$1,000,000	33,308	51,439	204,518	397,454	366,359
\$1,000,000 under \$1,500,000	9,718	16,374	93,320	223,519	206,916
\$1,500,000 under \$2,000,000	3,983	6,561	58,254	164,887	118,370
\$2,000,000 under \$5,000,000	5,979	10,443	134,495	426,593	375,306
\$5,000,000 under \$10,000,000	1,639	2,981	62,460	233,749	211,543
\$10,000,000 or more	1,102	2,470	67,692	456,493	443,849

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2i. Individual Noncash Charitable Contributions: Donee Organizations (Donor-Advised Funds), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Donor-advised funds				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>20,691</b>	<b>35,686</b>	<b>296,100</b>	<b>1,960,173</b>	<b>1,958,349</b>
Under \$25,000 (including deficits)	* 115	* 119	* 31	* 1,331	* 1,331
\$25,000 under \$50,000	* 631	* 631	* 3,898	* 3,898	* 3,898
\$50,000 under \$75,000	* 998	* 998	* 1,797	* 998	* 998
\$75,000 under \$100,000	0	0	0	0	0
\$100,000 under \$200,000	3,900	5,963	21,800	77,944	77,944
\$200,000 under \$500,000	5,153	8,025	25,397	99,198	99,198
\$500,000 under \$1,000,000	4,451	8,130	38,611	186,359	186,359
\$1,000,000 under \$1,500,000	1,551	2,866	24,817	97,353	97,353
\$1,500,000 under \$2,000,000	892	1,578	9,545	98,411	98,411
\$2,000,000 under \$5,000,000	1,819	3,858	51,040	288,665	288,663
\$5,000,000 under \$10,000,000	623	1,616	35,276	192,183	191,974
\$10,000,000 or more	558	1,902	83,889	913,834	912,220

Footnotes at end of table 2k.

**Table 2j. Individual Noncash Charitable Contributions: Donee Organizations (Foundations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Foundations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>136,188</b>	<b>197,586</b>	<b>2,470,988</b>	<b>16,423,243</b>	<b>15,547,278</b>
Under \$25,000 (including deficits)	1,565	2,549	51,308	138,517	129,200
\$25,000 under \$50,000	13,154	14,778	41,149	12,283	12,283
\$50,000 under \$75,000	17,156	26,345	36,525	27,282	27,282
\$75,000 under \$100,000	20,447	25,118	73,576	20,274	20,274
\$100,000 under \$200,000	44,894	67,167	186,308	195,965	164,139
\$200,000 under \$500,000	18,547	24,876	165,701	515,066	257,340
\$500,000 under \$1,000,000	7,902	11,107	117,107	351,811	345,155
\$1,000,000 under \$1,500,000	3,066	4,606	118,190	357,277	344,141
\$1,500,000 under \$2,000,000	1,934	3,467	85,546	467,588	453,872
\$2,000,000 under \$5,000,000	3,841	7,659	302,536	1,637,201	1,280,737
\$5,000,000 under \$10,000,000	1,646	3,577	207,353	1,095,055	1,047,908
\$10,000,000 or more	2,037	6,338	1,085,687	11,604,924	11,464,947

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2k. Individual Noncash Charitable Contributions: Donee Organizations (Other), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Other donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>416,941</b>	<b>536,290</b>	<b>1,332,901</b>	<b>3,136,537</b>	<b>2,990,450</b>
Under \$25,000 (including deficits)	17,952	34,938	34,396	68,216	68,216
\$25,000 under \$50,000	50,644	60,460	139,481	84,757	84,723
\$50,000 under \$75,000	76,678	92,048	133,104	78,309	78,309
\$75,000 under \$100,000	56,672	76,830	129,529	84,548	84,548
\$100,000 under \$200,000	130,468	166,672	386,469	290,772	286,842
\$200,000 under \$500,000	55,988	67,742	214,295	378,044	375,292
\$500,000 under \$1,000,000	15,136	18,577	66,899	252,123	171,549
\$1,000,000 under \$1,500,000	4,322	5,839	57,342	159,979	159,956
\$1,500,000 under \$2,000,000	2,280	3,149	31,257	198,035	196,616
\$2,000,000 under \$5,000,000	4,168	5,783	35,434	323,162	310,168
\$5,000,000 under \$10,000,000	1,347	2,015	31,383	225,716	218,812
\$10,000,000 or more	1,285	2,237	73,313	992,876	955,418

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

# Individual Noncash Contributions, 2006

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**Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of donation	All donees		Arts, culture, and humanities		Educational institutions
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(1)	(2)	(3)	(4)	(5)
<b>All donations</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>358,420</b>	<b>1,729,915</b>	<b>437,120</b>
Corporate stock, mutual funds, and other investments	451,953	26,075,272	24,989	634,869	93,384
Real estate and easements	22,785	5,357,813	115	109,451	2,231
Art and collectibles	147,896	1,222,044	37,887	780,577	14,497
Food	218,370	96,294	4,297	3,211	19,357
Clothing and accessories	7,748,567	6,297,085	16,526	14,515	63,937
Electronics	587,740	445,376	7,332	5,953	36,873
Household items	4,924,144	3,821,313	224,801	101,642	115,359
Cars and other vehicles	318,497	560,637	2,470	32,633	12,229
Other [2]	1,262,077	2,965,411	40,002	47,065	79,253

Type of donation	Educational institutions—continued	Environment and animal-related organizations		Health and medical research	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(6)	(7)	(8)	(9)	(10)
<b>All donations</b>	<b>4,790,188</b>	<b>175,324</b>	<b>2,769,989</b>	<b>1,491,284</b>	<b>2,167,023</b>
Corporate stock, mutual funds, and other investments	3,865,876	21,025	535,030	24,120	727,896
Real estate and easements	339,830	4,898	2,057,159	1,782	237,006
Art and collectibles	163,703	3,710	5,504	17,103	52,596
Food	5,656	2,170	727	5,501	3,683
Clothing and accessories	54,016	35,560	29,170	815,171	548,481
Electronics	33,057	13,115	7,180	37,771	32,206
Household items	76,558	45,794	28,769	425,837	331,692
Cars and other vehicles	35,309	4,878	16,697	60,139	65,013
Other [2]	216,183	44,175	89,754	103,861	168,450

Type of donation	Large organizations		Public and societal benefit		Religious organizations
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(11)	(12)	(13)	(14)	(15)
<b>All donations</b>	<b>9,159,138</b>	<b>8,003,464</b>	<b>1,628,317</b>	<b>2,808,888</b>	<b>1,662,865</b>
Corporate stock, mutual funds, and other investments	27,650	407,024	20,276	526,262	144,646
Real estate and easements	628	82,279	5,724	1,017,582	3,030
Art and collectibles	28,668	25,246	17,601	37,892	13,216
Food	31,991	22,564	62,195	17,529	74,198
Clothing and accessories	5,248,685	4,408,751	741,091	520,129	629,891
Electronics	320,704	234,834	73,551	59,584	66,697
Household items	2,949,598	2,356,035	508,936	371,982	491,055
Cars and other vehicles	63,589	84,736	72,529	104,846	61,673
Other [2]	487,626	381,995	126,414	153,084	178,461

Type of donation	Religious organizations—continued	Foundations		Other donees [3]	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(16)	(17)	(18)	(19)	(20)
<b>All donations</b>	<b>4,075,699</b>	<b>197,586</b>	<b>15,547,278</b>	<b>571,975</b>	<b>4,948,799</b>
Corporate stock, mutual funds, and other investments	2,317,245	51,106	14,471,077	44,756	2,589,993
Real estate and easements	421,197	2,455	660,373	1,923	432,936
Art and collectibles	20,064	4,750	103,329	10,463	33,131
Food	26,153	2,058	1,589	16,603	15,184
Clothing and accessories	556,270	59,299	36,122	138,408	129,631
Electronics	54,370	9,974	5,878	21,724	12,314
Household items	377,979	39,209	33,828	123,556	142,827
Cars and other vehicles	128,772	15,864	39,861	25,127	52,769
Other [2]	173,648	12,871	195,220	189,415	1,540,013

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, tickets, airline miles, and other donations.

[3] Other donees includes donor-advised funds.

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Total							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All ages</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>50,310,197</b>	<b>46,841,245</b>	<b>6,145,515</b>	<b>46,644,496</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,293,317	2,259,608	1,957,073	644,615	1,953,333	530,033	1,483,872
35 under 45	1,566,178	3,780,046	5,079,973	4,840,502	1,561,668	4,804,572	1,370,872	4,477,510
45 under 55	1,793,726	4,667,891	9,551,528	8,789,705	1,785,100	8,742,838	1,645,514	7,524,069
55 under 65	1,352,832	3,642,245	11,662,652	10,675,344	1,346,226	10,593,012	1,279,670	7,575,184
65 and older	812,452	2,298,531	21,756,437	20,578,621	807,906	20,550,739	772,073	8,757,792
Donor age	Corporate stock, mutual funds, and other investments				Real estate and easements			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All ages</b>	<b>201,613</b>	<b>451,953</b>	<b>26,449,932</b>	<b>26,075,272</b>	<b>22,122</b>	<b>22,785</b>	<b>8,256,024</b>	<b>5,357,813</b>
Under 35	4,602	7,610	506,036	501,972	1,511	1,530	394,313	103,950
35 under 45	18,537	34,584	1,085,189	1,077,591	2,028	2,112	664,691	444,164
45 under 55	41,540	89,701	3,616,581	3,523,615	7,964	8,096	1,860,271	1,208,598
55 under 65	43,411	89,254	5,519,291	5,312,107	4,951	5,179	2,336,676	1,652,790
65 and older	93,522	230,804	15,722,836	15,659,986	5,667	5,868	3,000,072	1,948,310
Donor age	Art and collectibles				Food			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All ages</b>	<b>108,374</b>	<b>147,896</b>	<b>1,303,544</b>	<b>1,222,044</b>	<b>156,081</b>	<b>218,370</b>	<b>99,890</b>	<b>96,294</b>
Under 35	691	697	4,321	4,284	6,060	7,056	2,049	2,049
35 under 45	17,062	17,996	34,323	24,570	27,550	39,277	21,544	20,926
45 under 55	34,037	50,535	198,299	188,792	56,065	79,757	34,253	32,204
55 under 65	28,647	43,053	399,989	360,534	44,195	56,501	28,358	27,515
65 and older	27,938	35,615	666,612	643,864	22,212	35,780	13,686	13,600
Donor age	Clothing and accessories				Electronics			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All ages</b>	<b>4,335,995</b>	<b>7,748,567</b>	<b>6,297,942</b>	<b>6,297,085</b>	<b>498,243</b>	<b>587,740</b>	<b>445,391</b>	<b>445,376</b>
Under 35	449,596	710,225	734,168	734,168	46,737	48,802	56,902	56,902
35 under 45	1,148,302	1,999,077	1,683,520	1,683,524	123,356	142,807	122,738	122,738
45 under 55	1,281,108	2,341,853	1,823,345	1,823,345	144,827	162,456	125,127	125,112
55 under 65	948,563	1,760,886	1,340,236	1,340,171	126,240	157,069	89,246	89,246
65 and older	508,426	936,526	716,673	715,877	57,083	76,606	51,378	51,378

Footnotes at end of table.

# Individual Noncash Contributions, 2006

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Household items				Cars and other vehicles			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All ages</b>	<b>2,802,627</b>	<b>4,924,144</b>	<b>3,847,074</b>	<b>3,821,313</b>	<b>306,563</b>	<b>318,497</b>	<b>593,606</b>	<b>560,637</b>
Under 35	268,719	392,239	382,370	382,370	27,166	27,174	54,966	48,770
35 under 45	718,358	1,229,230	975,525	975,504	71,273	73,911	120,178	120,046
45 under 55	817,859	1,468,448	1,121,018	1,118,800	96,506	97,309	141,305	140,780
55 under 65	641,961	1,142,872	838,052	837,846	72,492	77,567	166,973	141,254
65 and older	355,730	691,355	530,110	506,793	39,126	42,536	110,184	109,786

Donor age	Other [2]				
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	
	(41)	(42)	(43)	(44)	
<b>All ages</b>		<b>859,496</b>	<b>1,262,077</b>	<b>3,016,794</b>	<b>2,965,411</b>
Under 35		72,789	97,984	124,483	122,608
35 under 45		187,631	241,052	372,266	371,437
45 under 55		251,757	369,737	631,329	628,460
55 under 65		209,524	309,864	943,831	913,879
65 and older		137,796	243,441	944,886	929,027

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, and airline tickets and miles.

# Individual Noncash Contributions, 2006

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	All returns							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All ages</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>50,310,197</b>	<b>46,841,245</b>	<b>6,145,515</b>	<b>46,644,496</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,293,317	2,259,608	1,957,073	644,615	1,953,333	530,033	1,483,872
35 under 45	1,566,178	3,780,046	5,079,973	4,840,502	1,561,668	4,804,572	1,370,872	4,477,510
45 under 55	1,793,726	4,667,891	9,551,528	8,789,705	1,785,100	8,742,838	1,645,514	7,524,069
55 under 65	1,352,832	3,642,245	11,662,652	10,675,344	1,346,226	10,593,012	1,279,670	7,575,184
65 and older	812,452	2,298,531	21,756,437	20,578,621	807,906	20,550,739	772,073	8,757,792

Donor age	Arts, culture, and humanities				Educational institutions			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All ages</b>	<b>265,011</b>	<b>358,420</b>	<b>1,842,684</b>	<b>1,729,915</b>	<b>315,232</b>	<b>437,120</b>	<b>5,079,098</b>	<b>4,790,188</b>
Under 35	8,721	8,747	19,073	16,150	10,576	12,216	32,011	31,418
35 under 45	31,633	48,166	52,496	43,177	59,520	69,783	233,761	171,150
45 under 55	69,418	84,464	215,295	210,940	96,927	139,455	737,216	666,160
55 under 65	81,886	111,198	468,322	426,932	73,016	101,423	1,126,433	1,077,799
65 and older	73,352	105,845	1,087,499	1,032,716	75,194	114,242	2,949,676	2,843,661

Donor age	Environmental and animal-related organizations				Health and medical research			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All ages</b>	<b>107,455</b>	<b>175,324</b>	<b>4,210,571</b>	<b>2,769,989</b>	<b>964,138</b>	<b>1,491,284</b>	<b>2,280,292</b>	<b>2,167,023</b>
Under 35	5,426	5,451	320,970	49,694	74,995	110,857	98,435	98,435
35 under 45	19,693	26,672	311,275	210,281	226,043	349,103	288,882	281,782
45 under 55	31,889	43,269	911,016	695,676	293,471	473,783	473,298	432,376
55 under 65	27,850	63,144	1,070,605	631,116	227,316	355,512	458,969	450,824
65 and older	22,597	36,787	1,596,705	1,183,222	142,312	202,029	960,707	903,607

Footnotes at end of table.

# Individual Noncash Contributions, 2006

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Large organizations				Public and societal benefit			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All ages</b>	<b>4,592,309</b>	<b>9,159,138</b>	<b>8,018,718</b>	<b>8,003,464</b>	<b>1,069,973</b>	<b>1,628,317</b>	<b>3,086,326</b>	<b>2,808,888</b>
Under 35	496,749	868,928	922,655	922,280	76,317	109,423	119,653	110,439
35 under 45	1,213,577	2,456,215	2,060,379	2,057,521	257,314	355,100	510,811	497,951
45 under 55	1,380,477	2,773,681	2,319,240	2,311,426	305,812	465,699	596,735	525,753
55 under 65	981,235	2,013,882	1,660,384	1,658,896	259,931	411,089	988,683	881,179
65 and older	520,270	1,046,431	1,056,060	1,053,343	170,598	287,006	870,443	793,566

Donor age	Religious organizations				Donor-advised funds			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All ages</b>	<b>1,081,541</b>	<b>1,662,865</b>	<b>4,272,555</b>	<b>4,075,699</b>	<b>20,691</b>	<b>35,686</b>	<b>1,960,173</b>	<b>1,958,349</b>
Under 35	77,515	121,843	205,499	196,702	567	608	71,527	71,527
35 under 45	213,836	308,726	505,663	485,380	2,951	4,405	206,512	206,512
45 under 55	308,645	498,210	972,630	917,104	5,902	11,155	567,076	566,504
55 under 65	272,555	402,362	1,004,625	907,606	4,751	8,590	589,625	588,374
65 and older	208,991	331,725	1,584,139	1,568,908	6,519	10,928	525,434	525,433

Donor age	Foundations				Other donees			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All ages</b>	<b>136,188</b>	<b>197,586</b>	<b>16,423,243</b>	<b>15,547,278</b>	<b>416,941</b>	<b>536,290</b>	<b>3,136,537</b>	<b>2,990,450</b>
Under 35	10,382	13,005	354,460	354,244	37,851	42,239	115,325	106,184
35 under 45	26,569	43,532	573,591	551,908	98,279	118,344	336,602	334,841
45 under 55	40,212	54,439	2,143,713	1,887,136	96,185	123,735	615,310	576,632
55 under 65	32,168	45,877	3,300,406	3,063,067	105,884	129,166	994,600	989,550
65 and older	26,857	40,733	10,051,073	9,690,922	78,742	122,805	1,074,701	983,243

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

# S Corporation Returns, 2006

by Heather Duffy Parisi

In Tax Year 2006, S corporations accounted for 3.9 million, or 66.3 percent, of the 5.8 million corporate returns filed, continuing to be the most popular type of corporate entity. Despite representing nearly two-thirds of all corporations, S corporations accounted for only 21.2 percent of the \$27.4 trillion of total receipts and 4.2 percent of the \$73.1 trillion of total assets reported on corporate returns. S corporations reported \$5.8 trillion of total receipts and \$3.0 trillion of total assets, increases of 10.7 percent and 11.4 percent, respectively, from 2005. Total net income (less deficit) reported by S corporations increased \$25.2 billion, or 7.0 percent, from \$361.0 billion for 2005 to \$386.2 billion for 2006 (Figure A). The majority of this increase came from net income (less deficit) from trade or business, which grew \$13.0 billion to \$295.9 billion.

The total number of returns filed by S corporations for Tax Year 2006 increased 5.1 percent to 3.9 million, from 3.7 million reported in 2005. Filings of S corporation returns have increased at an average annual rate of 8.2 percent since the enactment of the Tax Reform Act of 1986 (Figure B). During the same time period, taxable corporations have experi-

enced an average annual decline of 1.3 percent. The term “taxable corporations” refers to corporations other than S corporations.<sup>1</sup>

For Tax Year 2006, 349.7 thousand corporations elected subchapter S status for the first time. Of these, 264.0 thousand were newly incorporated businesses. The remaining 85.7 thousand elected to make the conversion from a taxable corporation to an S corporation. Although the number of business electing S corporation status decreased 1.8 percent in 2006, the number of shareholders grew by 5.1 percent, and total assets increased by 11.4 percent (Figure C).

## Income Statement Highlights

Total net income (less deficit) increased for Tax Year 2006. Net income (less deficit) from a trade or business is the largest component of total net income (less deficit), accounting for 76.6 percent of the total. Net income (less deficit) from a trade or business increased by \$13.0 billion, from \$282.9 billion in 2005 to \$295.9 billion in 2006.<sup>2</sup>

Portfolio income (less deficit) distributed to shareholders increased 17.9 percent to \$82.0 bil-

**Figure A**

### S Corporation Total Net Income (Less Deficit), Tax Years 2005-2006

[Money amounts are in thousands of dollars]

Item	2005	2006	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
<b>Total net income (less deficit)</b>	<b>361,042,566</b>	<b>386,202,310</b>	<b>25,159,744</b>	<b>7.0</b>
Net income (less deficit) from trade or business	282,903,509	295,929,473	13,025,964	4.6
Portfolio dividend income	4,892,559	6,471,731	1,579,172	32.3
Portfolio interest income	12,860,347	18,483,014	5,622,667	43.7
Portfolio royalty income	1,085,352	1,360,338	274,986	25.3
Portfolio net short-term capital gain (less loss)	2,064,545	1,508,376	-556,169	-26.9
Portfolio net long-term capital gain (less loss)	48,653,357	54,205,761	5,552,404	11.4
Real estate rental net income (less deficit)	7,299,983	6,832,640	-467,343	-6.4
Net income (less deficit) from other rental activity	1,282,914	1,410,976	128,062	10.0

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

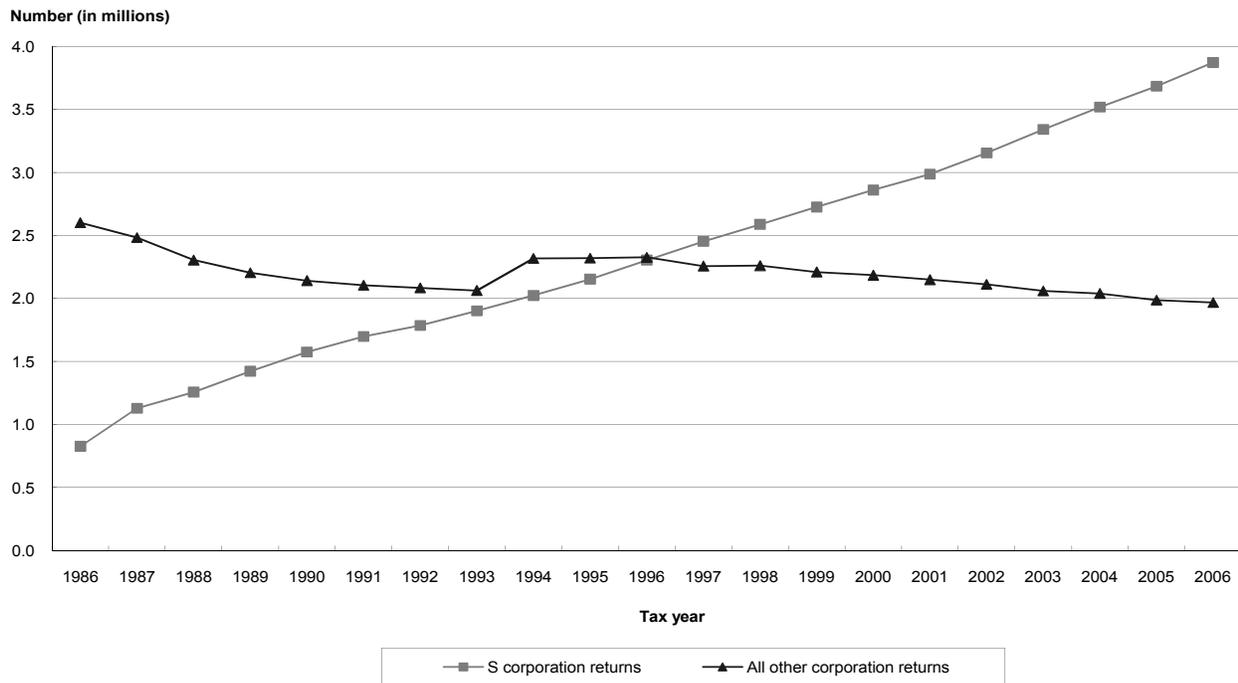
Heather Duffy Parisi is an economist with the Corporation Research Section. This article was prepared under the direction of Ken Szefflinski, Chief.

<sup>1</sup> For the purpose of this article, taxable corporations are corporations that file the following types of returns: Form 1120, Form 1120-A, Form 1120F, Form 1120L, and Form 1120-PC. Form 1120-REIT and Form 1120-RIC, while not filed by taxable corporations, are included in the statistics.

<sup>2</sup> Data for 2005 used in this article are from *Statistics of Income—2005, Corporation Income Tax Returns*. Data for 2006 are from *Statistics of Income—2006, Corporation Income Tax Returns*.

**Figure B**

**Number of Form 1120 Series Returns, by Type of Corporation, Tax Years 1986-2006**



lion, an increase of \$12.5 billion. Portfolio income (less deficit) consists of interest, dividends, annuities, royalties, and gain or loss from the disposition of income-producing or investment property that is not derived in the ordinary course of business. The two major categories of portfolio income that contributed to this increase were interest income, which increased by \$5.6 billion, and higher net long-term capital gains, which accounted for another \$5.6 billion of the increase.

Real estate rental net income (less deficit) decreased by 6.4 percent to \$6.8 billion, and net income (less deficit) from other rental activities increased by 10.0 percent to \$1.4 billion.

The majority of total net income (less deficit) was concentrated in four industrial sectors, representing \$230.2 billion, or 59.6 percent of the total.

The wholesale and retail trade sector represented 19.2 percent of total net income (less deficit), or \$74.2 billion. Manufacturing and construction represented 15.0 percent and 14.3 percent, respectively. Professional, scientific, and technical services accounted for 11.1 percent (Figure D).

Total receipts for S corporations increased \$562.9 billion to \$5.8 trillion, an increase of 10.7 percent from 2005.<sup>3</sup> The largest component of total receipts was business receipts, which increased \$552.8 million to \$5.7 trillion for Tax Year 2006. Total deductions increased \$549.7 billion to \$5.5 trillion, an increase of 11.1 percent. The largest component of total deductions, cost of goods sold, accounted for \$3.6 trillion, or 64.8 percent, of total deductions, an increase of \$352.5 billion over the previous year. The next largest component of total

<sup>3</sup> See Table 1, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 203.

# S Corporation Returns, 2006

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**Figure C**

## S Corporation Annual Percentage Increase or Decrease for Tax Years 1995-2006

Tax year	Number of S corporations	Number of newly elected S corporations <sup>1</sup>	Number of new S corporations <sup>2</sup>	Number of shareholders	Total assets	Total receipts	Total net income (less deficit)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Percentages						
1995	6.4	9.2	8.3	4.3	7.8	8.8	8.1
1996	7.0	-0.4	0.9	5.0	8.1	8.9	26.3
1997	6.4	19.5	18.3	4.9	18.8	10.6	22.2
1998	5.5	-3.3	2.8	3.9	11.3	5.7	18.8
1999	5.3	-2.7	-8.9	4.9	11.9	7.8	6.6
2000	4.9	-3.0	-0.7	2.6	9.9	9.6	2.5
2001	4.4	2.2	-2.6	3.1	5.2	4.0	-5.5
2002	5.6	11.0	18.0	5.8	7.1	4.0	-2.2
2003	5.9	3.7	4.1	2.9	8.4	8.2	16.5
2004	5.3	0.4	4.2	4.1	11.5	11.9	28.9
2005	4.7	3.5	-0.1	4.0	12.3	10.9	31.1
2006	5.1	-1.8	0.3	5.1	11.4	10.7	7.0

[1] Newly elected S corporations included startup businesses and corporations electing to convert to an S corporation.

[2] New S corporations only include corporations that started business within the reported tax year.

deductions, salaries and wages, increased \$50.0 billion to \$588.9 billion, from \$538.9 billion in 2005.

The four industrial sectors that accounted for the majority of net income likewise represented the largest portion of total receipts for all S corporations (Figure E). Wholesale and retail trade represented 40.3 percent of total receipts, or \$2.3 trillion. Construction, with \$941.4 billion in total receipts, represented 16.2 percent of the total, while manufacturing and professional, scientific, and technical services accounted for \$709.0 billion and \$372.0 billion, respectively.

Nearly two-thirds, 65.1 percent, of all S corporations reported positive net income.<sup>4</sup> These 2.5 million S corporations reported \$457.0 billion in positive total net income, an increase of \$35.7 billion over the \$421.3 billion reported in 2005. Total net income from a trade or business increased \$23.5 billion for companies reporting positive net income. Total receipts increased \$389.0 billion, and total deductions increased \$365.2 billion for all S corporations with positive net income.

### Balance Sheet Highlights

Total assets for S corporations increased \$311.8 billion, or 11.4 percent, from the previous year.<sup>5</sup> The largest component of total assets for Tax Year 2006 was net notes and accounts receivable, which accounted for \$709.1 billion, or 23.3 percent of total assets.<sup>6</sup> Net notes and accounts receivable also displayed the largest increase from the previous year, growing \$78.9 billion, or 12.5 percent.

Four industrial sectors combined to account for \$1.8 trillion, or 59.0 percent, of S corporation total assets: wholesale and retail trade; construction; management of companies (holding companies); and manufacturing (Figure F). Wholesale and retail trade held the largest portion of total assets for S corporations, representing \$650.2 billion, or 21.3 percent of total assets for S corporations. S corporations in construction reported \$425.8 billion, or 14.0 percent of total assets. Assets in management of companies totaled \$379.9 billion, or 12.5 percent. Manufacturing held \$342.4 billion of assets, or 11.2 percent.

<sup>4</sup> See Table 2, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 211.

<sup>5</sup> Ibid.

<sup>6</sup> See Table 7, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 242.

# S Corporation Returns, 2006

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**Figure D**

## S Corporation Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2006

[Money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	3,872,766	81,635	22,874	d	555,606	155,771
Total assets	3,048,770,219	59,119,290	51,525,479	d	425,758,506	342,375,747
Total receipts	5,815,389,092	71,596,996	49,301,864	d	941,403,131	708,952,026
Total net income (less deficit)	386,202,310	2,675,677	13,750,761	d	55,158,287	58,015,232
Net income (less deficit) from a trade or business	295,929,473	986,317	11,135,283	d	49,996,092	45,200,576
Portfolio income (less deficit) distributed to shareholders, total	82,029,220	1,417,419	2,513,509	d	4,858,573	12,516,245
Dividend income	6,471,731	77,429	212,417	d	231,795	986,383
Interest income	18,483,014	461,910	491,560	d	2,267,891	1,751,103
Royalty income	1,360,338	120,148	386,611	d	10,407	233,425
Net short-term capital gain (less loss)	1,508,376	7,768	24,722	d	109,436	17,920
Net long-term capital gain (less loss)	54,205,761	750,164	1,398,198	d	2,239,044	9,527,414
Real estate rental net income (less deficit)	6,832,640	194,281	41,614	d	142,297	160,582
Net income (less deficit) from other rental activity	1,410,976	77,660	60,356	d	161,325	137,829

Item	Wholesale and retail trade	Wholesale trade	Retail trade	Wholesale and retail trade not allocable	Transportation and warehousing	Information
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	624,082	220,166	402,267	*1649	124,096	77,671
Total assets	650,243,950	306,133,344	343,817,959	*292,647	74,689,625	62,101,950
Total receipts	2,342,855,340	1,085,996,929	1,256,389,253	*469,158	180,059,093	69,472,637
Total net income (less deficit)	74,190,630	45,112,273	29,086,275	*-7,917	8,032,587	6,752,740
Net income (less deficit) from a trade or business	59,517,746	36,746,176	22,779,528	*-7,958	6,765,978	3,193,458
Portfolio income (less deficit) distributed to shareholders, total	13,773,967	7,897,003	5,876,923	*41	989,608	3,509,237
Dividend income	1,547,295	649,293	898,003	0	66,463	331,176
Interest income	2,890,128	1,276,992	1,613,136	0	393,364	800,168
Royalty income	152,854	140,025	12,829	0	2,421	20,305
Net short-term capital gain (less loss)	46,848	33,846	13,003	0	1,196	41,256
Net long-term capital gain (less loss)	9,136,842	5,796,848	3,339,953	*41	526,164	2,316,333
Real estate rental net income (less deficit)	491,551	198,547	293,004	0	92,750	50,822
Net income (less deficit) from other rental activity	407,366	270,546	136,820	0	184,251	-777

Footnotes at end of table.

# S Corporation Returns, 2006

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## Figure D—Continued

### S Corporation Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in thousands of dollars]

Item	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services
	(13)	(14)	(15)	(16)	(17)
Number of returns	154,850	450,852	585,940	24,601	189,231
Total assets	287,866,628	325,262,297	109,562,597	379,906,613	51,410,922
Total receipts	133,305,193	130,104,289	371,982,165	29,111,848	205,470,157
Total net income (less deficit)	27,040,557	26,155,047	42,846,803	14,591,663	12,749,269
Net income (less deficit) from a trade or business shareholders, total	16,530,945	9,309,316	36,560,921	8,023,866	11,098,140
Dividend income	10,575,568	11,416,864	6,023,332	6,646,113	1,563,206
Interest income	1,259,153	591,674	223,081	665,615	100,942
Royalty income	2,068,575	2,641,312	1,214,821	1,382,736	541,281
Net short-term capital gain (less loss)	42,859	66,987	13,055	75,551	15,648
Net long-term capital gain (less loss)	805,684	167,040	123,597	138,229	-6,902
Real estate rental net income (less deficit)	6,399,297	7,949,851	4,448,778	4,383,982	912,237
Net income (less deficit) from other rental activity	-36,478	5,171,723	200,469	-86,560	57,206
	-29,477	257,143	62,082	8,245	30,718

Item	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services
	(18)	(19)	(20)	(21)	(22)
Number of returns	31,611	264,636	84,206	207,761	233,674
Total assets	6,220,602	51,091,353	32,210,054	92,096,715	41,258,098
Total receipts	14,219,237	213,777,696	43,308,592	181,791,483	118,684,938
Total net income (less deficit)	1,984,455	23,183,112	4,316,358	7,884,353	6,015,757
Net income (less deficit) from a trade or business shareholders, total	1,307,469	21,577,828	3,029,872	6,337,862	4,811,361
Dividend income	672,272	1,496,797	1,198,892	1,395,846	1,154,864
Interest income	2,546	36,427	33,028	69,316	35,736
Royalty income	38,484	350,056	296,680	591,972	208,512
Net short-term capital gain (less loss)	6,523	1,401	161,898	46,869	3,217
Net long-term capital gain (less loss)	6,259	17,165	13,685	3,372	-8,823
Real estate rental net income (less deficit)	618,461	1,091,749	693,601	684,316	916,222
Net income (less deficit) from other rental activity	3,733	104,581	95,164	107,809	39,552
	982	3,905	-7,570	42,835	9,981

\* Estimate should be used with caution because of the small number of returns on which it is based.

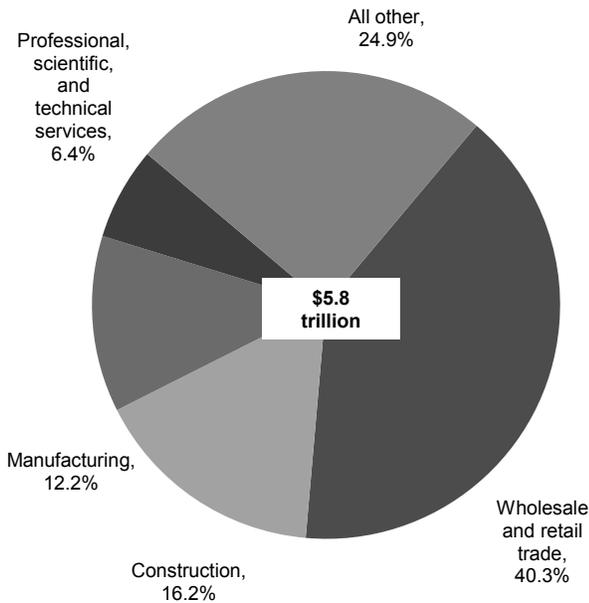
d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Includes returns not allocable by industrial sector, which are not shown separately.

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

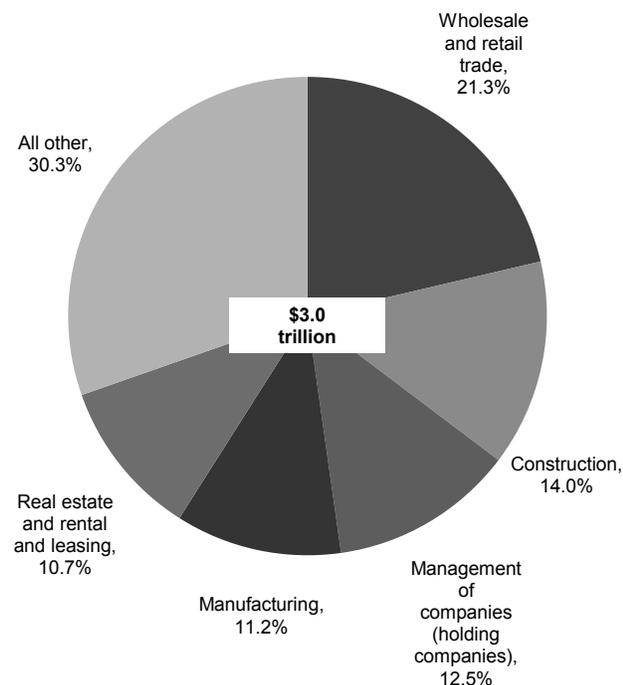
**Figure E**

**S Corporation Total Receipts, by Industrial Sector, Tax Year 2006**



**Figure F**

**S Corporation Total Assets, by Industrial Sector, Tax Year 2006**



The two largest components of total liabilities and equity for Tax Year 2006 were total net worth and mortgages, notes, and bonds payable in 1 year or more. Total net worth accounted for \$863.0 billion of total liabilities, or 28.3 percent. Total net worth represents the shareholders' equity in the corporation and is comprised of capital stock, paid-in capital surplus, retained earnings unappropriated, and adjustment to shareholders' equity, reduced by cost of treasury stock. Retained earnings unappropriated (including adjustments to shareholders' equity) accounted for \$549.3 billion, or 63.7 percent, of total net worth. Mortgages, notes, and bonds payable in 1 year or more accounted for \$599.7 billion of total liabilities, or 19.7 percent.

**Size of Business Receipts<sup>7</sup>**

In Tax Year 2006, over half of all S corporations (2.2 million) reported business receipts of less than \$250 thousand.<sup>8</sup> Even though the majority of S corporations fall into the smaller business receipt classes, there were 14,312 companies with business receipts of \$50 million or greater, and they accounted for \$2.0 trillion, which is over one-third of all business receipts.

The wholesale and retail trade sector accounted for \$2.3 trillion of the \$5.7 trillion in total business receipts reported, or 40.6 percent. Over half of all S corporations with business receipts of \$50 million or more fall into the wholesale and retail trade sector. These companies with business receipts of \$50 million or more accounted for \$1.1 trillion of this sector's business receipts, or 47.1 percent.

**Income from Rental Real Estate**

The number of S corporations reporting rental real estate income on Form 8825, *Rental Real Estate Income and Expenses of a Partnership or an S Corporation*, decreased slightly in Tax Year 2006, down 2.2 percent from Tax Year 2005 to 259.3 thousand.<sup>9</sup> Rental real estate expenses increased \$2.6 billion, or 9.7 percent. Of the rental real estate expenses, interest expense increased most, \$938.1 million to \$7.6 billion for Tax Year 2006. Real estate rental net income (less deficit) decreased by 6.4 percent

<sup>7</sup> Returns for nonfinance industries were classified by size of gross receipts from sales and operations. Returns of industries within the finance and insurance and management holding companies sectors were classified by size of total receipts (the sum of business receipts and investment income).

<sup>8</sup> See Table 4, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 219.

<sup>9</sup> See Table 5, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 239.

# S Corporation Returns, 2006

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**Figure G**

## S Corporations Number of Returns, by Number of Shareholders and Industrial Sector, Tax Year 2006

Industrial sector	Total [1]	Number of shareholders						
		1	2	3	4-10	11-20	21-30	31 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries [2]</b>	<b>3,872,766</b>	<b>2,323,413</b>	<b>1,135,372</b>	<b>199,694</b>	<b>191,717</b>	<b>14,478</b>	<b>4,408</b>	<b>3,684</b>
Agriculture, forestry, fishing, and hunting	81,635	34,138	28,716	6,601	11,315	524	316	25
Mining	22,874	10,489	7,128	1,277	3,000	542	6	433
Utilities	d	1,501	*193	*10	*338	d	d	0
Construction	555,606	328,317	182,930	25,529	18,237	382	125	86
Manufacturing	155,771	74,456	51,595	12,796	15,189	1,124	469	143
Wholesale trade and retail trade [3]	624,082	341,669	212,381	34,898	32,327	2,200	149	458
Transportation and warehousing	124,096	79,518	37,104	4,556	2,783	111	*17	8
Information	77,671	48,429	19,526	5,827	3,525	186	*156	22
Finance and insurance	154,850	105,170	35,299	5,870	6,944	744	548	274
Real estate and rental and leasing	450,852	243,126	128,897	34,854	39,316	3,762	751	147
Professional, scientific, and technical services	585,940	409,756	138,993	21,498	13,739	957	867	131
Management of companies	24,601	10,321	6,111	2,098	4,048	976	176	872
Administrative and support and waste management and remediation services	189,231	114,700	60,453	8,824	4,992	96	*109	*57
Educational services	31,611	22,713	8,063	*762	65	d	0	d
Health care and social assistance	264,636	213,006	37,362	6,426	6,177	1,006	508	151
Arts, entertainment, and recreation	84,206	58,690	16,589	3,394	5,226	273	*22	*12
Accommodation and food services	207,761	96,632	78,539	14,064	16,531	1,089	83	824
Other services	233,674	129,992	85,098	10,409	7,966	*60	d	d

\* Data should be used with caution because of the small number of sample returns on which they are based.

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

[1] Total includes S corporations for which neither a number of shareholders was reported nor a Schedule K-1, *Shareholder's Share of Income, Credits, Deductions, etc.*, was filed.

[2] Includes returns not allocable by industrial sector, which are not shown separately.

[3] This industrial sector includes "Wholesale and Retail Trade Not Allocable," which is not shown separately.

NOTE: Detail may not add to total due to rounding.

to \$6.8 billion for 2006. The real estate and rental and leasing sector accounted for the majority of real estate rental net income (less deficit), reporting \$5.2 billion of the \$6.8 billion reported for all industries. More than two-thirds (69.6 percent) of S corporations reporting income on Form 8825 were classified in this sector.

### Shareholder Data

S corporation shareholders are limited to a few types of entities, including individuals, estates, certain trusts, individuals in bankruptcy, and charitable organizations. The number of S corporation shareholders increased 5.1 percent to 6.7 million for Tax Year 2006.<sup>10</sup> The total number of returns with only one shareholder increased 5.7 percent, from 2.2 million in 2005 to 2.3 million for 2006, representing 60.0 percent of S corporation returns, and 34.9 percent of the total number of shareholders for all S corporations. The professional, scientific, and tech-

nical services sector represented the largest number of returns with one shareholder (Figure G). The number of returns with four or more shareholders increased 3.6 percent from 2005, and the number of shareholders on those returns increased 5.7 percent. S corporations with 10 or fewer shareholders represented 99.4 percent of all S corporations for Tax Year 2006. The wholesale and retail trade sector had the largest number of returns with 10 or fewer shareholders. During the same period, S corporations with more than 30 shareholders increased 11.5 percent to 3,684.

The American Jobs Creation Act of 2004 increased the allowable number of shareholders from 75 to 100 for tax years beginning after 2004. Also, family members (i.e., common ancestor, lineal descendants of the common ancestor, and the spouses, or former spouses, of the lineal descendants or the common ancestor) may elect to be treated as only one shareholder for purposes of meeting the 100

shareholder limit. S corporation returns with more than 75 shareholders increased 133.3 percent, from the 81 reported for Tax Year 2005 to 189 for Tax Year 2006.

## S Corporation Taxation

S corporations generally do not pay income tax, due to their treatment as passthrough entities. However, they may be subject to some types of Federal income taxes, including the built-in gains tax, the excess net passive income tax, the investment credit recapture tax, and the LIFO recapture tax (included in “Adjustments to tax” in Figure H). The built-in gains tax is the most common of the four. The built-in gains tax represented \$583.7 million, or 91.3 percent, of all Federal income tax reported by S corporations for 2006. S corporations that were previously C corporations and made a valid S election after 1986 must pay tax on any realized gain from the sale of certain assets. These assets must be held at the time of election, and the sale must be made within 10 years from the first day of the S corporation’s election for the built-in gains tax to apply. The built-in gains tax is limited to net appreciation occurring prior to a C corporation’s election as an S corporation. An S corporation that never operated as a C corporation is not subject to the built-in gains tax.<sup>11</sup>

The excess net passive income tax, the investment credit recapture tax, and the LIFO recapture tax also apply to corporations that operated as taxable corporations before making their S elections. The excess net passive income tax applies only to S corporations with net passive investment income accounting for more than 25 percent of gross receipts and with subchapter C earnings. S corporations are required to pay the investment credit recapture tax on the recapture amount attributable to credits allowed on the corporation in years prior to the S election. The last-in, first-out (LIFO) recapture tax does not apply to a corporation that made an S election prior to December 18, 1987, and uses the LIFO method to value inventory. A LIFO recapture amount, which is the amount of inventory valued under the first-in, first-out (FIFO) method that exceeds the inventory valued under LIFO, is included in gross income after a corporation converts to an

S corporation. Inventory that is transferred to an S corporation during a tax-free reorganization of a C corporation is also subject to the LIFO recapture tax.

S corporations reported total net income of \$386.2 billion and total tax liability of \$639.4 million during Tax Year 2006. The total tax reported for all S corporations increased 4.6 percent from 2005 to 2006 (Figure H). The excess net passive income tax increased 108.2 percent to \$45.6 million for Tax Year 2006. Of the 3.9 million S corporations that filed in 2006, only 7,074, or 0.2 percent, reported tax liability.

## Summary

The number of S corporations increased 5.1 percent to 3.9 million for Tax Year 2006, representing nearly two-thirds of all corporations. The number of shareholders also increased by 5.1 percent, to 6.7 million. Total net income (less deficit) increased 7.0 percent to \$386.2 billion. The largest component of total net income (less deficit), net income (less deficit) from a trade or business, increased \$13.0 billion to \$295.9 billion, representing 76.6 percent of total net income (less deficit). Nearly two-thirds of all S corporations reported positive net income, accounting for \$457.0 billion of positive total net income. S corporation total assets increased 11.4 percent from the previous year to \$3.0 trillion. Slightly fewer S corporations reported rental real estate income for Tax Year 2006, down 2.2 percent to 259.3 thousand. These companies reported \$6.8 billion of real estate rental net income (less deficit).

## Figure H

### S Corporation Taxes, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Items	2005	2006	Percentage change
	(1)	(2)	(3)
<b>Total tax</b>	<b>611,451</b>	<b>639,428</b>	<b>4.6</b>
Built-in gains tax	554,722	583,670	5.2
Excess net passive income tax	21,908	45,607	108.2
Adjustments to tax	33,370	9,283	-72.2
Investment credit recapture tax	1,006	768	-23.7
Income tax adjustment	445	101	-77.3

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

<sup>11</sup> For further detail, see Internal Revenue Service, Internal Revenue Code, Subchapter S, Section 1374. Also see Gill, Amy, S Corporation Returns, 1992, *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4.

# S Corporation Returns, 2006

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## Data Sources and Limitations

The statistics for Tax Year 2006 are based on a sample of S corporation income tax returns with accounting periods ending July 2006 through June 2007 that posted to the Internal Revenue Service Business Master File from July 2006 through the end of June 2008.

A stratified probability sample was used to produce the statistics. A sample of 33,016 S corporation tax returns was drawn from a population of 4,164,612. The stratification was based on combinations of total assets and ordinary income. Sample rates ranged from 0.25 percent to 100 percent. The sample was selected after administrative processing,

but before audit examination. Based on the 32,458 returns of active S corporations in the sample, the population estimate of S corporation returns was 3,872,766.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of variation (CVs) are used to measure the magnitude of this sampling error. The CV is defined in the section on sampling variability in the SOI Sampling Methodology and Data Limitations later in this publication. Figure I presents the coefficients of variation for S corporations for selected variables, by industrial division. The smaller the coefficient of variation, the more reliable the estimate.

**Figure I**

**Coefficients of Variation for Number of Returns, Number of Shareholders, Total Receipts, Dividends, and Interest Income, by Industrial Sector, Tax Year 2006**

NAICS Sector	Number of returns	Number of shareholders	Total receipts	Dividend income	Interest income
	(1)	(2)	(3)	(4)	(5)
<b>All Industries [1]</b>	0.26	0.85	0.77	3.98	1.34
Agriculture, forestry, fishing, and hunting	4.61	5.90	5.61	14.79	10.86
Mining	10.18	25.20	6.15	4.29	3.66
Utilities	36.53	59.12	10.63	46.58	27.58
Construction	1.19	1.66	1.59	6.32	2.56
Manufacturing	3.63	4.03	1.50	3.99	2.81
Wholesale and retail trade	1.44	2.17	1.33	13.90	2.21
Transportation and warehousing	3.66	4.26	4.84	19.19	7.68
Information	6.07	6.83	6.82	2.64	5.27
Finance and insurance	3.14	5.20	4.89	3.52	3.63
Real estate and rental and leasing	1.46	2.77	5.15	10.15	4.17
Professional, scientific, and technical services	1.44	2.60	4.56	12.88	8.54
Management of companies (holding companies)	10.07	16.30	1.26	15.53	3.04
Administrative and support and waste management and remediation services	3.43	4.04	8.11	34.99	16.36
Educational services	9.61	10.50	12.09	34.08	21.88
Health care and social assistance	1.81	4.67	5.41	16.24	20.05
Arts, entertainment, and recreation	4.84	6.54	6.94	18.66	15.39
Accommodation and food services	2.01	4.60	3.18	3.15	8.26
Other services	2.71	3.36	6.45	16.75	17.78

[1] Includes returns not allocable by NAICS sector, which are not shown separately.

# Foreign-Controlled Domestic Corporations, 2006

by James R. Hobbs

**F**or Tax Year 2006, the 63,951 U.S. domestic corporations, each controlled by a foreign “person,” generated \$3.8 trillion of total receipts with \$9.7 trillion of total assets, based on information reported on corporation income tax returns filed with the Internal Revenue Service (IRS). Both total receipts and total assets increased for 2006, by 9.5 percent and 5.7 percent, respectively, over the previous year.<sup>1</sup> These “foreign-controlled domestic corporation” returns were few in number, just 1.1 percent of the total U.S. corporation income tax returns filed. However, they accounted for 14.0 percent of the receipts and 13.3 percent of the assets reported on all U.S. corporation income tax returns.

The total profits (i.e., “net income (less deficit)”) reported by all foreign-controlled domestic corporations (FCDCs) for tax purposes under the Internal Revenue Code were \$172.6 billion for 2006. This was a 4.5 percent increase over the amount reported for the prior year. Placed in context, the profits reported on all corporation income tax returns decreased by 0.8 percent from the prior year, to \$1.9 trillion for 2006.<sup>2</sup> FCDCs accounted for 8.9 percent of the profits reported by all corporations for 2006, up from 8.5 percent for 2005.

Of all the FCDCs, 30,318 reported positive profits for 2006, totaling \$214.8 billion. This was a 6.6-percent increase over the prior-year amount. These profitable companies for 2006 also reported \$171.3 billion of taxable income (i.e., “income subject to tax”), a significant increase of 11.9 percent over the prior year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDCs was \$50.0 billion for 2006, 17.8 percent more than that of the prior year.

*James R. Hobbs is a management official with the Special Studies Branch. This article was prepared under the direction of Barry W. Johnson, Chief.*

For 2006, there were 3,948 “large” foreign-controlled domestic corporations, each with at least \$250 million of assets or at least \$50 million of receipts. These large FCDCs accounted for most of the key financial items of all FCDCs: 94.5 percent of total assets, 94.9 percent of total receipts, 93.1 percent of taxable income, and 92.3 percent of total income tax after credits. After an overview of all FCDCs, this article focuses on these large foreign-controlled domestic corporations and compares them to other large domestic corporations, i.e., those not controlled by foreign persons.

Tables showing selected balance sheet, income statement, and tax items for FCDCs are included at the end of this article. Table 1 shows historical FCDC data for selected tax years between 1971 and 2006. Tables 2, 3, and 4 concentrate on Tax Year 2006 data. Table 2 includes information for all FCDCs, classified by major industry under the North American Industry Classification System (NAICS). Table 3 also presents data for all FCDCs, classified by country of the foreign owner, as well as age of the corporation. Table 4 presents information on the “large” FCDCs, classified by industrial sector. For comparison purposes, this table also contains data for the large domestic corporations not controlled by foreign persons.

## Foreign Business Activity in the United States

Foreign business activity in the United States can take several forms, including corporations. With regard to corporations, a foreign investor may own stock of a domestic (i.e., United States) company or in a company that operates in the United States as a branch of a foreign corporation.<sup>3,4</sup> This article focuses on domestic corporations that are “controlled” by foreign persons. For the foreign-controlled domestic corporations covered in this article, control

<sup>1</sup> For additional 2006 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16. Additionally, for 2005 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2005,” *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, FCDC data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign-Controlled Domestic Corporations.

<sup>2</sup> Total corporate data referenced throughout this article come from: (1) *Statistics of Income Bulletin*, Publication 1136, Spring 2009, Volume 28, Number 4; (2) *Statistics of Income—Corporation Income Tax Returns*, Publication 16, selected years; (3) *Source Book of Statistics of Income—Corporation Income Tax Returns*, Publication 1053, selected years; and (4) unpublished Statistics of Income tabulations.

<sup>3</sup> Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is “one which is not domestic.”

<sup>4</sup> In addition to the foreign-controlled domestic corporations study discussed in this article, the Statistics of Income program conducts a separate study covering branches of foreign corporations operating in the United States. For the most recent statistics from that study, see Tables 10 and 11 that cover branch operations of foreign corporations with income “effectively connected” with a U.S. trade or business, in *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16 and on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign Corporations with U.S. Business Operations.

## Foreign-Controlled Domestic Corporations, 2006

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is defined as ownership by one foreign “person,” directly or indirectly, of 50 percent or more of the U.S. corporation’s voting stock, or of 50 percent or more of the value of all of the corporation’s stock, at any time during the accounting period.<sup>5, 6</sup> A person is an entity, including an individual, corporation, partnership, estate, or trust. (This is discussed in greater depth in the Explanation of Selected Terms section of this article, under “constructive ownership rules” and “foreign person.”)

The foreign-controlled domestic corporation statistics shown in this article, exclude domestic corporations with only foreign “portfolio” investors. A foreign portfolio investor, having only a minimal interest in a domestic company, exerts no control over the management of the domestic corporation, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. A foreign portfolio investor is primarily seeking dividend payments, an increase in the value of the shares of stock, or both. The Statistics of Income program does not conduct studies covering foreign portfolio investors of domestic corporations.

Foreign-controlled domestic corporations report tax information on: (1) Form 1120, *U.S. Corporation Income Tax Return*; (2) Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; (3) Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; (4) Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and (5) Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. The FCDC statistics shown in this article include all of these return types (unless otherwise stated). Data for all corporation income tax returns discussed in this article include (unless otherwise stated) the five form types listed above, plus two types filed by domestic corporations: Form 1120-A, *U.S. Corporation Short-*

*Form Income Tax Return*, and Form 1120S, *U.S. Income Tax Return for an S Corporation*. Also included in the corporate total is Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, for foreign corporations with income effectively connected with a U.S. trade or business. All of these form types are included in the Statistics of Income Corporate Study, from which FCDC statistics are derived.<sup>7</sup> However, FCDCs cannot file Forms 1120-A, 1120-F, or 1120S.

### Foreign-Controlled Domestic Corporations

#### Growth of Corporations

The estimated numbers of returns filed by FCDCs have remained rather constant during the 10-year period of Tax Years 1997-2006. There were 61,621 returns of foreign-controlled domestic corporations for 1997; 63,951 for 2006. With the rapid increase in the total numbers of U.S. corporation income tax returns, FCDCs generally comprised a slowly decreasing percentage of those returns, from 1.3 percent for 1997 down to 1.1 percent for 2006. The increase in total filings of U.S. corporation income tax returns has largely been due to the growth in the number of Forms 1120S filed by S corporations. For 1997, 1120S returns comprised 52.1 percent of all corporation returns (2,452,254 of the total 4,710,083 returns); for 2006, 66.3 percent of all returns (3,872,766 of the total 5,840,799 returns). FCDCs are not eligible to elect to be treated as S corporations for Federal income tax purposes.

The numbers of corporation income tax returns include consolidated returns. These returns contain the combined financial data of two or more corporations in which a common parent corporation owns at least 80 percent of the stock of at least one member of the group, and at least 80 percent of the stock of each other member of the group is owned within the

<sup>5</sup> This study excludes returns of domestic corporations with stock owned by a single foreign person of 49 percent or less. However, the tax forms filed by domestic corporations do indicate the presence of 25-percent to 49-percent foreign owners, and the Statistics of Income program does separately compile data on these domestic corporations. For 2006, there were only 4,097 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$237.0 billion of assets, \$98.5 billion of receipts, \$8.8 billion of taxable income, and \$2.6 billion of total income tax after credits. All of these amounts were small in comparison to data for the corporations with at least 50-percent foreign ownership.

<sup>6</sup> Returns of certain domestic companies that are effectively controlled by foreign persons, i.e., those public companies in which “control” may be exercised with as little as 10 percent to 20 percent of the stock holdings, are excluded from both the 50-percent-or-more and the 25-percent to 49-percent tabulations. Tax return forms filed by domestic corporations do not include information about foreign persons with less than 25-percent stock holdings.

<sup>7</sup> As a result of the Statistics of Income (SOI) sampling process, data shown in this article for “all corporations” exclude certain out-of-scope returns, such as returns for homeowners’ associations (Form 1120-H) and certain political organizations (Form 1120-POL). For a more complete listing of the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—2006, Corporation Income Tax Returns*. On the other hand, in addition to legally defined corporations, the Internal Revenue Code recognizes many types of businesses as corporations, including joint stock companies and unincorporated associations (e.g., certain partnerships, savings and loan associations, and mutual savings banks). These organizations possess characteristics typical of the corporate form, such as continuity of life, limited liability of owners, and transferability of shares of capital ownership. They filed Forms 1120 and were included in the SOI corporation sample.

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group. A consolidated return filed by a common parent is treated as a unit, with each statistical item being determined on the basis of the combined data of the affiliated group.

FCDCs, like most other corporations, could elect to file consolidated returns for affiliated groups of domestic corporations. For 2006, there were 5,977 consolidated returns filed by FCDCs, 9.3 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they accounted for \$8.8 trillion of assets (90.3 percent of the total for all FCDCs), \$3.4 trillion of receipts (87.8 percent of the total), \$153.8 billion of net income less deficits (89.2 percent of the total), \$151.5 billion of taxable income (88.4 percent of the total), and \$43.8 billion of total income tax after credits (87.7 percent of the total).

To the extent that FCDCs filed consolidated income tax returns, the data included in this article actually represent more corporations than the stated number of returns. The study, however, did not tabulate the number of subsidiary corporations included in the consolidated returns.

In contrast to the numbers of returns, the growth of foreign investment in the United States through foreign-controlled domestic corporations during the last 10 years was evident in most of the financial items.<sup>8</sup> In particular, the share of both total U.S. corporate assets and receipts accounted for by FCDCs increased over the 1997-2006 time period.

The assets of domestic corporations controlled by foreign persons increased by 187.2 percent between 1997 and 2006, as compared to the 121.3-percent increase for the assets reported on all U.S. corporation income tax returns.<sup>9</sup> As a result of these changes, the percentage of total corporate assets ac-

counted for by FCDCs increased from 10.3 percent for 1997 to 13.3 percent for 2006 (see Figure A).

Total receipts of FCDCs increased by 115.5 percent between 1997 and 2006, as compared to the increase of 65.0 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 10.7 percent for 1997 to 14.0 percent for 2006.

The growth of FCDCs can also be measured from the early 1970s, when a question concerning foreign ownership of corporations was first placed on the income tax return. For 1971, the 5,154 FCDCs reported \$36.7 billion of total assets and \$39.2 billion of total receipts. They accounted for just 0.3 percent of the returns, 1.3 percent of the assets, and 2.1 percent of the receipts reported by all corporations for that year (see Table 1).

## Industry Characteristics

For 2006, foreign-controlled domestic corporations were involved in each of the 19 industrial sectors (treating wholesale trade and retail trade as separate sectors) listed in Figure B. However, 42,319 of the 63,951, nearly two-thirds of the total, had primary business activities in one of the following four industrial sectors: (1) wholesale trade (17,438); (2) real estate and rental and leasing (11,906); (3) manufacturing (6,701); and (4) professional, scientific, and technical services (6,274). By comparison, relatively few FCDCs were involved in utilities (63) or educational services (7). The Data Sources and Limitations section discusses how returns were classified by industry.<sup>10</sup>

Companies in different industries often have different financial characteristics. For instance, the relative levels of assets and receipts of companies

<sup>8</sup> For additional information on foreign investment in the United States, see *Survey of Current Business* reports, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). BEA periodically produces several articles related to this subject. Electronic versions of the articles can be obtained from the Internet at [www.bea.gov/international/index.htm](http://www.bea.gov/international/index.htm). The data in these reports may not be directly comparable to the information shown in this article because of definitional differences, such as those relating to time periods covered, levels of foreign ownership, and levels of company consolidation.

<sup>9</sup> The percentage changes in the assets between 1997 and 2006 of domestic corporations controlled by foreign persons, as well as those of all corporations, may overstate the actual "change in investment." Assets are generally reported at book value on tax returns (i.e., the value at the time of acquisition). The book value of newly acquired assets is generally greater than the book value of similar assets they replaced. New corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations may have comprised a different portion of FCDCs than they did for other companies, the comparability of the two percentages may be limited.

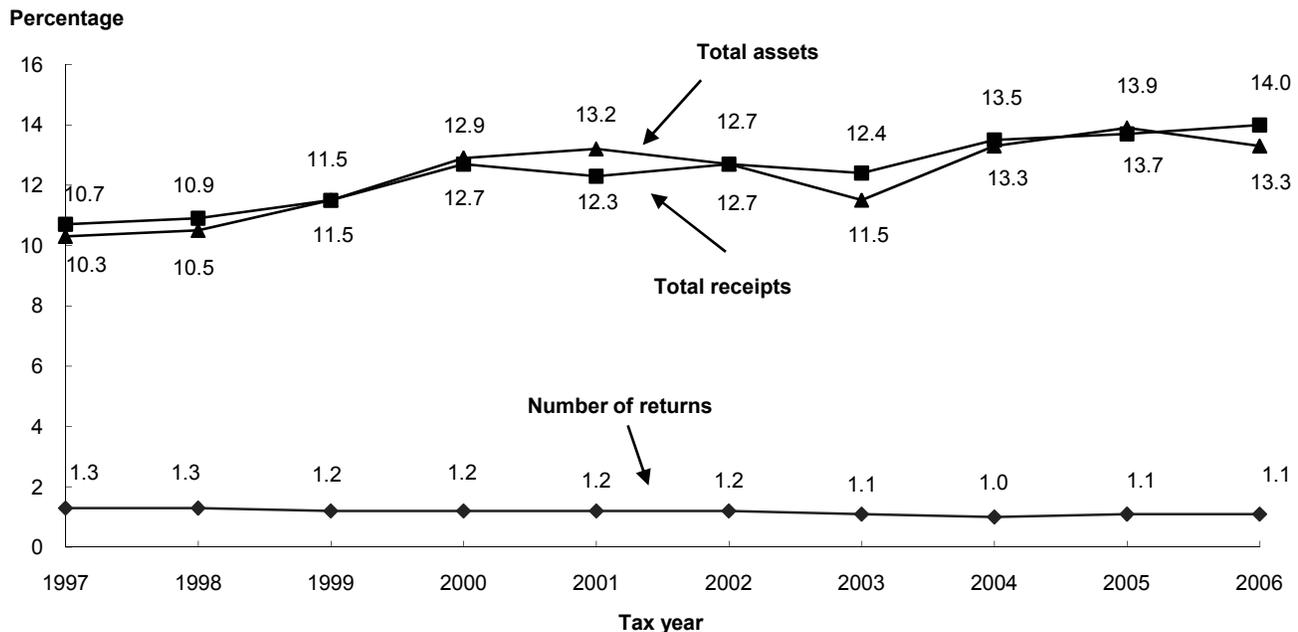
<sup>10</sup> Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 23.5 percent and 21.8 percent of the receipts of all companies classified as manufacturers and wholesalers, respectively. However, these percentages may overstate the FCDC portion of wholesaling and understate the FCDC portion of manufacturing. This is because certain U.S. companies (not foreign-controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of the same product(s) and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many FCDCs acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These foreign-controlled domestic companies were classified in the wholesale trade industrial sector. (See the Data Sources and Limitations section for additional information about industrial classification limitations.)

# Foreign-Controlled Domestic Corporations, 2006

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**Figure A**

**Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1997-2006**



primarily engaged in wholesale trade differ significantly from those primarily engaged in credit intermediation (e.g., commercial banks, credit card issuers, credit unions, mortgage banks, and savings institutions). FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (valued as of the end of their accounting periods), resulting in \$1.74 of receipts for each dollar of end-of-year assets for 2006. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.07 of receipts for each dollar of end-of-year assets. See Table 2.

Corporations classified as wholesalers accounted for 20.9 percent of the receipts for all FCDCs, a significant percentage, as is the 27.3 percent of the total FCDC returns they comprised. However, these companies reported only 4.7 percent of the total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.2 percent of the assets and 0.8 percent of the receipts of all FCDCs. These percentages were both substantially less than the 18.6 percent of the FCDC returns that they filed.

Manufacturing corporations filed 10.5 percent of the FCDC returns for 2006. These capital-intensive goods-producing companies accounted for far greater percentages of the total FCDC assets (23.2 percent) and receipts (46.3 percent). These corporations were often large, with reported average amounts of assets and receipts of \$337.3 million and \$265.3 million, respectively.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.2 percent of the assets and 1.9 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (9.8 percent) of total FCDC returns this services sector represented. These service corporations were generally smaller than those in manufacturing, with reported average amounts of assets and receipts of \$19.0 million and \$11.6 million, respectively.

Two additional sectors warrant discussion. While corporations classified in the finance and insurance industrial sector composed only 4.6 percent of the total returns filed by FCDCs for 2006, they accounted for the largest share (48.0 percent) of the total assets reported for any of the industrial sectors.

# Foreign-Controlled Domestic Corporations, 2006

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**Figure B**

## Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Industrial sector	Returns		Total assets		Total receipts	
	Number	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All industries</b>	<b>63,951</b>	<b>100.0</b>	<b>9,743,225</b>	<b>100.0</b>	<b>3,839,754</b>	<b>100.0</b>
Agriculture, forestry, fishing, and hunting	719	1.1	4,699	[1]	2,650	0.1
Mining	751	1.2	126,846	1.3	66,430	1.7
Utilities	63	0.1	84,237	0.9	34,841	0.9
Construction	2,171	3.4	45,928	0.5	48,298	1.3
Manufacturing	6,701	10.5	2,260,118	23.2	1,777,561	46.3
Wholesale and retail trade	20,308	31.8	567,453	5.8	1,005,722	26.2
Wholesale trade	17,438	27.3	461,074	4.7	803,165	20.9
Retail trade	2,871	4.5	106,379	1.1	202,557	5.3
Transportation and warehousing	2,263	3.5	59,335	0.6	55,632	1.4
Information	2,145	3.4	373,761	3.8	98,465	2.6
Finance and insurance	2,950	4.6	4,677,234	48.0	446,808	11.6
Real estate and rental and leasing	11,906	18.6	113,134	1.2	30,573	0.8
Professional, scientific, and technical services	6,274	9.8	119,047	1.2	72,989	1.9
Management of companies (holding companies)	3,233	5.1	1,160,438	11.9	110,029	2.9
Administrative and support and waste management and remediation services	1,874	2.9	44,258	0.5	37,861	1.0
Educational services	7	[1]	3,942	[1]	1,379	[1]
Health care and social assistance	341	0.5	19,045	0.2	12,080	0.3
Arts, entertainment, and recreation	491	0.8	12,641	0.1	4,400	0.1
Accommodation and food services	949	1.5	65,876	0.7	29,159	0.8
Other services	806	1.3	5,232	0.1	4,876	0.1

[1] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

Additionally, finance and insurance companies accounted for 11.6 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (11.9 percent) of the FCDC total assets. However, this sector accounted for smaller portions of both the number of returns (5.1 percent) filed by FCDCs and the receipts (2.9 percent) reported by them.

While foreign-controlled domestic corporations accounted for 14.0 percent of the \$27.4 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2006, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for manufacturing (23.5 percent), wholesale trade (21.8 percent), and mining (18.1 percent). Conversely, FCDC involvement in a number of other business activities was relatively low and accounted for a small percentage of the receipts for all companies classified in the

following industries: “other” services (2.3 percent), health care and social assistance (2.1 percent), and agriculture, forestry, fishing, and hunting (1.9 percent). See Figure C.

FCDC industrial data at the sector level can be decomposed into more specific industrial classifications for analysis purposes. In general, sectors are composed of major groups, which in turn are composed of minor industries. For 2006, FCDCs in 17 minor industries each reported over \$40 billion of receipts. The largest were petroleum manufacturing refineries (\$604 billion of receipts) and motor vehicles and parts manufacturing (\$298 billion). See Figure D.

### Country Characteristics

Persons (including individuals, corporations, and other entities) resident in any country throughout the world can control U.S. corporations. As reported on the U.S. income tax returns of the foreign-controlled

# Foreign-Controlled Domestic Corporations, 2006

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**Figure C**

## Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Industrial sector	Total receipts		
	All corporations	Foreign-controlled domestic corporations	Percentage
	(1)	(2)	(3)
<b>All industries [1]</b>	<b>27,401,874</b>	<b>3,839,754</b>	<b>14.0</b>
Agriculture, forestry, fishing, and hunting	142,111	2,650	1.9
Mining	366,514	66,430	18.1
Utilities	626,053	34,841	5.6
Construction	1,608,163	48,298	3.0
Manufacturing	7,575,888	1,777,561	23.5
Wholesale and retail trade [2]	7,255,779	1,005,722	13.9
Wholesale trade	3,683,747	803,165	21.8
Retail trade	3,571,557	202,557	5.7
Transportation and warehousing	756,588	55,632	7.4
Information	1,127,995	98,465	8.7
Finance and insurance	3,747,502	446,808	11.9
Real estate and rental and leasing	337,662	30,573	9.1
Professional, scientific, and technical services	928,556	72,989	7.9
Management of companies (holding companies)	1,093,609	110,029	10.1
Administrative and support and waste management and remediation services	461,264	37,861	8.2
Educational services	38,336	1,379	3.6
Health care and social assistance	578,938	12,080	2.1
Arts, entertainment, and recreation	95,018	4,400	4.6
Accommodation and food services	453,708	29,159	6.4
Other services	208,105	4,876	2.3

[1] Includes "Not allocable," which is not shown separately.

[2] Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

domestic corporations, a country represents the geographic location of the foreign owner's place of residence in the case of individuals, and place of incorporation, organization, creation, or administration in the case of corporations or other entities. A foreign corporation, or a chain of related foreign corporations, is frequently the owner of a U.S. subsidiary corporation. Because a foreign corporation in the chain of related companies, which directly owns the stock of a U.S. subsidiary, may be located in a country different from that of the ultimate owner, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.)

For 2006, residents of 40 countries accounted for nearly nine of every ten domestic corporations

classified as 50-percent-or-more controlled by a foreign person. The 56,859 corporations controlled by persons resident in the 40 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.3 percent of total assets, 98.8 percent of total receipts, 98.3 percent of taxable income, and 98.1 percent of total income tax after credits.

From among these 40 countries, domestic corporations controlled by persons from just seven countries produced 80.3 percent of the total receipts of all FCDCs. These top seven countries, in decreasing size of receipts, are the United Kingdom, Japan, Germany, Canada, the Netherlands, France, and Switzerland.

Domestic corporations controlled by persons resident in the United Kingdom reported total receipts of \$889 billion for 2006, an amount larger than that for any other country. These receipts represented

# Foreign-Controlled Domestic Corporations, 2006

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**Figure D**

## Foreign-Controlled Domestic Corporations: Selected Items for Largest Minor Industries, Tax Year 2006

[Money amounts are in millions of dollars]

Minor industry	Number of returns	Total assets	Total receipts	Net income (less deficit)	Net income	Income subject to tax	Total income tax after credits	
							Amount	As a percentage of total receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Petroleum refineries, including integrated (manufacturers)	72	761,564	604,480	31,755	31,772	31,485	7,713	1.3
Motor vehicles and parts (manufacturers)	466	429,118	297,872	3,673	6,831	6,232	2,072	0.7
Motor vehicles and motor vehicle parts and supplies (wholesalers)	830	111,800	166,458	4,760	5,181	4,749	1,512	0.9
Stock life insurance companies	50	849,453	156,300	2,625	4,199	2,107	633	0.4
Electrical goods (wholesalers)	1,244	76,179	155,908	1,287	2,649	1,830	560	0.4
Food and beverage stores (retailers)	41	53,917	124,280	2,527	2,673	2,509	868	0.7
Securities brokerage	311	1,377,074	122,521	4,120	4,133	2,230	717	0.6
Offices of bank holding companies	31	1,098,888	102,775	13,136	13,147	13,017	4,018	3.9
Pharmaceutical and medicine (manufacturers)	121	151,915	101,065	13,327	13,505	13,088	4,104	4.1
Furniture, sports, toys, recycle, jewelry, and other durable goods (wholesalers)	3,096	33,997	77,611	1,386	2,112	1,545	520	0.7
Petroleum and petroleum products (wholesalers)	53	28,044	69,258	395	647	641	234	0.3
Metal and mineral, except petroleum (wholesalers)	578	36,097	55,999	1,577	1,896	1,564	527	0.9
Professional and commercial equipment and supplies (wholesalers)	2,443	30,146	53,976	1,343	1,759	1,529	527	1.0
Machinery, equipment, and supplies (wholesalers)	3,087	33,331	51,431	1,565	1,893	1,616	529	1.0
Stock property and casualty insurance companies	96	371,799	48,917	4,290	5,122	2,735	757	1.5
Investment banking and securities dealing	113	1,112,165	48,592	3,215	3,216	1,700	618	1.3
Cement, concrete, lime, and gypsum products (manufacturers)	96	69,159	44,180	3,969	4,035	3,882	1,296	2.9

NOTES: This figure includes minor industries with at least \$40 billion of total receipts. These industries are listed by decreasing size of total receipts (column 3). Percentages are computed using rounded data.

23.2 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2006 FCDC receipts is substantially larger than its share of 1997 FCDC receipts (i.e., 13.9 percent).

For 2006, domestic corporations with owners resident in Japan (\$618 billion), Germany (\$494 billion), Canada (\$361 billion), the Netherlands (\$290 billion), France (\$243 billion), and Switzerland (\$188 billion) also accounted for significant amounts of receipts. Of these six countries, Germany's portion of total receipts increased the most between 1997 and 2006 (from 9.8 percent to 12.9 percent), while the portion for Japan decreased the most (from 25.7 percent to 16.1 percent).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.5 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Switzerland (\$1.3 trillion), Germany (\$1.3 trillion), Canada (\$1.0 trillion), France (\$0.9 trillion),

the Netherlands (\$0.9 trillion), and Japan (\$0.8 trillion) also accounted for significant amounts of assets.

Although U.K.-controlled domestic corporations accounted for the largest part of the total FCDC receipts and assets for 2006, the U.K. was not responsible for the largest number of returns filed for FCDCs. Canadian-controlled domestic corporations filed the most returns, 10,945. However, U.K.-controlled domestic corporations were second with 4,943 returns, followed by German-controlled domestic corporations with 4,514 returns and Japanese-controlled domestic corporations with 4,488 returns.

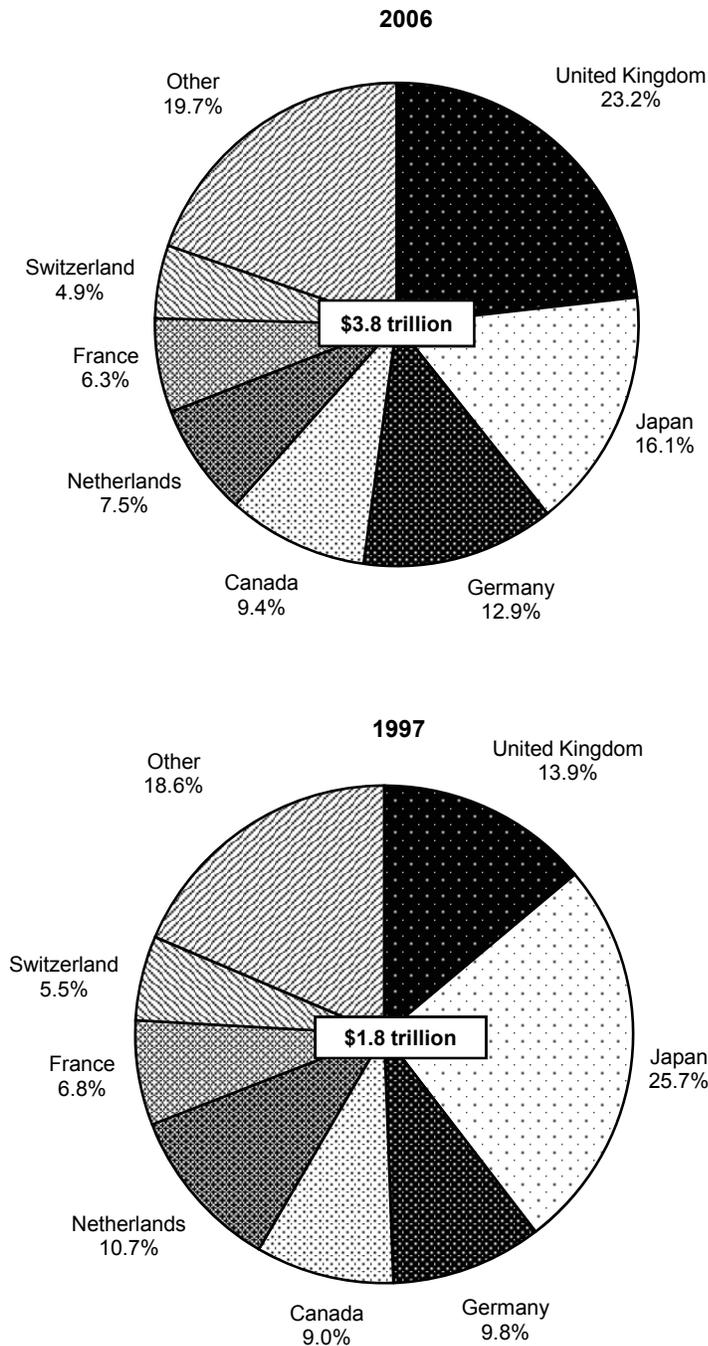
For 2006, the U.S. tax liability of all FCDCs was \$50.0 billion, or 1.3 percent of the \$3.8 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$14.9 billion). Japanese-controlled corporations, with \$7.9 billion of tax liability, followed. For the U.K.-controlled corporations, tax liabilities were 1.7 percent of their \$0.9 trillion of

# Foreign-Controlled Domestic Corporations, 2006

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## Figure E

Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 1997 and 2006



NOTE: All amounts are in current dollars.

# Foreign-Controlled Domestic Corporations, 2006

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receipts. Tax liabilities were somewhat lower at 1.3 percent of their \$0.6 trillion of receipts for the Japanese-controlled corporations. Many factors, including differences in industrial apportionments and age apportionments (discussed later in this article), may have caused the resulting differences between countries in calculating tax as a percentage of receipts.

## Combined Country and Industry Characteristics

There were some similarities, but also important differences among the primary industrial activities of the corporations with owners from the top seven countries. For the United Kingdom, manufacturing was the predominant industrial sector, accounting for 70.6 percent of its total \$889 billion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$500 billion, or 56.2 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$618 billion of receipts: wholesale trade (51.9 percent of the total) and manufacturing (35.4 percent). More specifically, wholesale trade of durable goods was the leading major industrial group, producing 45.7 percent of the total receipts. Japan was the only one of the top seven countries in which manufacturing was not the leading industrial sector in producing receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 56.5 percent of the \$494 billion of receipts for that country coming from corporations in this industrial group. More specifically, transportation equipment manufacturers produced the most receipts of any major group, accounting for 26.9 percent of the total. Finance and insurance (14.7 percent) and wholesale trade (13.0 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounts for 29.5 percent of the \$361 billion of receipts for that country. This sector was followed by finance and insurance (16.6 percent), retail trade (15.9 percent), and wholesale trade (14.5 percent). Insurance carriers reported 12.0 percent of the total receipts,

the only major group in any sector that accounted for at least 10 percent of the total Canadian receipts.

For the Netherlands, manufacturing was again the largest industrial sector with 25.4 percent of the total receipts (\$290 billion). This sector was closely followed by finance and insurance (24.1 percent) and retail trade (19.9 percent). Within manufacturing, chemicals (with 6.1 percent of total receipts for that country), computers and electronic products (5.2 percent), primary metals (4.8 percent), and machinery (3.7 percent) were the leading industries. Insurance carriers reported 17.9 percent of the total receipts. Within the retail trade sector, food, beverage, and liquor stores were the leading industry with 16.6 percent of total receipts for that country.

France and Switzerland had the same three leading industrial sectors as did Germany. For France, manufacturers produced 43.0 percent of the \$243 billion of receipts for that country. This was followed by finance and insurance (23.6 percent) and wholesale trade (13.9 percent). More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group (13.0 percent of the total), followed by insurance carriers (11.7 percent) and securities, commodity contracts, and other financial investments dealers (10.3 percent).

For Switzerland, 42.8 percent of the \$188 billion of receipts came from the manufacturing sector, followed by finance and insurance with 36.4 percent and wholesale trade with 14.0 percent. More specifically, businesses that handled securities and commodity contracts and other financial investments were the leading major industry, accounting for 22.3 percent of the total receipts for the country. Other important major industries were chemical manufacturers (21.0 percent), insurance carriers (13.8 percent), and food manufacturers (10.4 percent).

## Age Characteristics

Table 3 presents data for two groups of FCDCs based on the age of each corporation. A “new” corporation is one defined here as having been incorporated in 2004 or after, as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2003, or with an unknown (i.e., unreported) date of incorporation.<sup>11</sup>

<sup>11</sup> Dates of incorporation are reported on Form 1120, page 1, question C. Forms 1120L, 1120-PC, 1120-REIT, and 1120-RIC also contain this question in different locations on those forms.

## Foreign-Controlled Domestic Corporations, 2006

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The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year that the parent company was incorporated. Another example is the reorganization of an existing corporation into a new corporation, which results in a recent year of incorporation, even though it is an “old” business. An additional limitation is that the year of incorporation is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return, and recourse to other sources is not always practical. Thus, it is subject to higher levels of taxpayer reporting and data entry errors, as compared to statistical items that can be evaluated against other reported items.

For 2006, there were 17,226 FCDCs incorporated in 2004 or after. Wholesalers accounted for the greatest portion of these “new” corporations with 5,159 companies, followed by real estate with 2,736 companies, professional, scientific, and technical services with 2,035 companies, manufacturing with 1,497 companies, and management of companies with 1,067 companies.

Nearly three out of every four foreign-controlled domestic corporations were incorporated prior to 2004, i.e., considered to be “old” corporations. These corporations tended to be larger than the new corporations, accounting for 96.1 percent of the FCDC assets and 95.1 percent of the receipts.

Old corporations were generally more profitable than the newer corporations. New companies may have had more expenses (including startup costs) relative to receipts than the older companies. For 2006, old corporations reported \$168.2 billion of net profits on \$3.7 trillion of receipts, while new corporations reported \$4.4 billion of net profits on \$0.2 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 4.6 percent for old corporations, versus 2.3 percent for new corporations.

As a result of reporting most of the profits, old corporations also accounted for most of U.S. taxable income (94.9 percent) and U.S. tax liabilities (94.7 percent) of all FCDCs. The old corporations had \$47.3 billion of tax liabilities after credits, equaling 1.3 percent of their total receipts. The new corporations had \$2.6 billion of tax liabilities after credits, equaling 1.4 percent of their total receipts.

### Receipts, Deductions, and Profits

Total receipts comprises all of the income “actually” received by corporations. These receipts include business receipts, as well as investment and incidental income. Business receipts are gross receipts from sales and operations and frequently make up most of a corporation’s total receipts. Investment income includes interest, dividends, and gains on the sale or exchange of both capital and noncapital assets. Interest, in turn, includes both taxable interest from all sources and nontaxable interest on State and local government obligations.

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates for total receipts shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Total receipts include the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries.

The receipts and deductions of foreign-controlled domestic corporations that are shown in this article do not include amounts generated by their foreign parent or other related foreign companies. However, FCDCs could have had business transactions with their related foreign companies, and FCDC receipts and deductions stemming from these transactions are included in the statistics.<sup>12</sup>

An FCDC that transacts business with a related foreign company must determine “transfer prices” for those transactions. These transactions include the sale and purchase of tangible goods, fees for ser-

<sup>12</sup> For the most recent detailed information on transactions between “foreign-owned domestic corporations” and their related foreign persons, see Lowe, Mark R., “Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2004,” *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2. The data contained in that article are not completely comparable to the data contained in this article, since they cover different time periods and are for U.S. corporations that were owned, 25 percent or more, by a foreign person. By contrast, the foreign ownership level used for the FCDC statistics shown in this article was 50 percent or more. Additionally, returns included in the “foreign-owned” study showed total receipts of \$500 million or more and reported transactions with related foreign persons on Form 5472, *Information Return of a 25-Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. Neither of these conditions was a requirement for inclusion in the FCDC study.

## Foreign-Controlled Domestic Corporations, 2006

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ances, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined for these transactions may affect the amount of receipts and deductions, as well as profits (i.e., net income or deficit), taxable income, and taxes reported on the U.S. income tax return of an FCDC. Section 482 of the Internal Revenue Code, and the related regulations, provide guidance in determining transfer prices. In general, the objective is to use “arm’s length prices,” which means prices that would be used for transactions between unrelated enterprises and determined by market forces.

Over 86.5 percent of the \$3.8 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). These same companies reported \$3.7 trillion of total deductions. Cost of goods sold was 66.1 percent of that total. (See “business receipts” and “cost of goods sold” in the Explanation of Selected Terms section.)

It is noteworthy to look at the “gross profit” of FCDCs. Gross profit is the difference between business receipts and cost of goods sold. Two important industrial sectors for FCDCs, manufacturing and wholesale trade, accounted for most of the reported amounts of business receipts and cost of goods sold. In manufacturing, FCDCs reported \$.79 of cost of goods sold for every dollar of business receipts, while the amount was \$.72 for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.21 compared to \$.28 for every dollar of business receipts. In wholesale trade, all FCDCs reported \$.83 of cost of goods sold for every dollar of business receipts. The amount was the nearly the same (\$.82) for all other corporations classified in this sector. As a result, FCDCs and other corporations had similar gross profits, \$.17 and \$.18, respectively, for every dollar of business receipts.

After cost of goods sold (and the “other deductions” category), interest paid was the next largest deduction item of FCDCs for Tax Year 2006. Interest paid by FCDCs for that year amounted to \$286.7 billion, 7.5 percent of their total receipts. By comparison, the \$1.8 trillion of interest paid by all corporations that filed U.S. income tax returns was 6.5 percent of their total receipts. At the industrial sector level, the percentage of interest paid to total receipts by manufacturers was 2.7 percent for FCDCs and 3.4 percent for all corporations. In the wholesale trade sector, the percentages were similar, 1.0 for FCDCs and 0.9 for all corporations. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*.

Total receipts less total deductions for FCDCs equaled \$168.7 billion for 2006. By comparison, net income (less deficit) amounted to \$172.6 billion. The statistics for total receipts less total deductions include all income actually received by corporations, while the statistics for net income (less deficit) focus on taxable sources of corporate income, including “constructive” taxable income. Thus, unlike total receipts less total deductions, net income (less deficit) includes two items of constructive taxable income from related foreign corporations, and excludes nontaxable interest on State and local government obligations.<sup>13</sup> The two items of constructive taxable income from related foreign corporations are includable income from foreign corporations owned by U.S. shareholders and foreign dividend gross-up. (See “constructive taxable income from related foreign corporations” in the Explanation of Selected Terms section.) For 2006, FCDCs reported \$5.7 billion of constructive taxable income, and received \$1.8 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations increased from \$165.2 billion

<sup>13</sup> In general, the computation of net income (less deficit) can be shown as follows:

*Begin With:* Total Receipts

(Includes Business Receipts)

*Less:* Total Deductions

(Includes Cost of Goods Sold)

*Equals:* Total Receipts Less Total Deductions

*Plus:* Constructive Taxable Income from Related Foreign Corporations

(Includes Includable Income from Controlled Foreign Corporations and Foreign Dividend Gross-Up)

*Less:* Nontaxable Interest on State and Local Government Obligations

(Included in Total Receipts, above)

*Equals:* Net Income (Less Deficit)

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for 2005, to \$172.6 billion for 2006. This was a 4.5 percent increase. In contrast, net income (less deficit) reported on all corporation income tax returns decreased slightly between 2005 and 2006, by 0.8 percent, to \$1.9 trillion.

The \$172.6 billion of total FCDC net income (less deficit) were the result of 30,318 corporations collectively reporting \$214.8 billion of positive net income and 33,633 companies reporting \$42.3 billion of deficits.<sup>14</sup> Thus, less than one out of every two (47.4 percent) domestic corporations with foreign owners reported a positive net income for 2006. In comparison, 57.7 percent of all corporations filing U.S. income tax returns for the same year reported a positive net income.

The percentage of FCDCs reporting positive net income varied greatly among the different industrial groups. At the industrial sector level, the portion reporting positive net income ranged from a low of 12.8 percent for “other” services, to a high of 81.2 percent for health care and social assistance. For the more predominant sectors of FCDCs, the percentages of profitable companies were 57.0 percent for manufacturing and 50.1 percent for wholesale trade.

The \$42.3 billion of deficits for 2006 could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see “net operating loss deduction” (NOL) in the Explanation of Selected Terms section). Net operating losses carried back to Tax Year 2006 from 2007 and beyond, reported on Forms 1120X and 1139, are not included in the statistics shown in this article.<sup>15</sup> However, NOLs carried forward to Tax Year 2006 from prior years are included in the statistics and discussed in the next section.

### Taxable Income and Taxes

For most corporations, taxable income (i.e., “income subject to tax”) is generally equal to positive net income less statutory special deductions.<sup>16</sup> Statutory special deductions include deductions for net operating loss (NOL) carryovers from prior years and the

special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code. For 2006, the difference between the \$214.8 billion of positive net income and \$171.3 billion of taxable income was, for the most part, the result of statutory special deductions. The net operating loss deduction was \$37.6 billion and accounted for 75.8 percent of the \$49.6 billion of total statutory special deductions. In calculating taxable income for 2006, FCDCs reduced their positive net incomes by 17.5 percent using NOLs carried over from prior years.

For 2006, foreign-controlled domestic corporations reported \$171.3 billion of taxable income. This was the base on which \$59.7 billion of income tax were computed. The \$60.3 billion of total income tax before credits reported by FCDCs consisted primarily of the income tax, plus the alternative minimum tax and certain other taxes. The alternative minimum tax was \$0.6 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$10.4 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$60.3 billion to \$50.0 billion for 2006. The largest credits claimed were \$8.0 billion of foreign tax credits, \$1.4 billion of general business credits, and \$0.9 billion of prior-year minimum tax credits. The \$50.0 billion of total U.S. income tax after credits represent the tax liability as originally reported by taxpayers. However, this amount may differ from the actual income tax collected and the final income tax liability of corporations for Tax Year 2006. The originally reported tax liability does not take into account either: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of tax examination or enforcement activities. Among other reasons, corporations could file amended returns to use carry-back provisions for net operating losses and unused foreign tax and general business credits.

The percentage of FCDCs reporting U.S. tax liabilities (i.e., total income tax after credits) for 2006 was 35.3 percent, nearly the same as for 2005. The

<sup>14</sup> The 33,633 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

<sup>15</sup> When a company carried back a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*.

<sup>16</sup> There were certain exceptions to the relationship of positive net income minus statutory special deductions equaling taxable income. First, in some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. Second, the tax bases of S corporations and life insurance companies were not defined as net income less statutory special deductions. Rather, these types of corporations computed taxable income using special provisions of the Internal Revenue Code. Also, regulated investment companies and real estate investment trusts generally passed their net incomes on to be taxed at the shareholder level; but any taxable amounts not distributed were included in income subject to tax.

amount of tax liability reported by FCDCs increased to \$50.0 billion for 2006 from \$42.4 billion for 2005, a 17.8-percent increase.

## The “Largest” Foreign-Controlled Domestic Corporations

This article defines the largest companies as those with at least \$250 million of total assets, or those that produced at least \$50 million of business receipts. Within the finance and insurance, and management of companies (holding companies) industrial sectors, total receipts were used in place of business receipts for selecting the largest companies.

Both size of assets and size of receipts were used to select the largest companies in order to ensure adequate coverage of all industries. As discussed, financial structure varies across industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year assets. By comparison, credit intermediation corporations generally report large amounts of assets compared to their receipts. If either assets or receipts were used exclusively to select the largest companies, then the largest companies in one of these industrial groups would have been underrepresented in comparison to the other group.

Table 4 shows data for the largest FCDCs apportioned by industrial sectors. This table also contains data for large domestic corporations that were not foreign-controlled. These “other domestic corporations” (ODCs) were not foreign-controlled or owned (i.e., they were either owned by domestic persons, or no separate foreign person owned 25 percent or more of the corporation’s stock). This definition of other large domestic corporations is used throughout this article, including the data shown in Figures F through H. Thus, domestic corporations with a foreign person who owned between 25 percent and 49 percent of the corporation’s stock are not included in either of the two groups shown in Figures F through H, and Table 4.<sup>17</sup> These corporations are identified from Schedule K of Form 1120 during Statistics of Income processing. However, they are neither FCDCs nor ODCs, as defined.

Table 4 shows that there were a total of 19,241 large domestic corporations for 2006. Of this total, foreign persons controlled 3,948 corporations, or 20.5 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 3,948 large foreign-controlled domestic corporations comprised just 6.2 percent of the number of income tax returns filed by FCDCs. However, these large companies accounted for the majority of the key FCDC financial items, reporting 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits, of all FCDCs.

There were 15,293 large domestic corporations that did not have controlling foreign owners for 2006. Similar to FCDCs, these large companies also accounted for a small portion of the total number of income tax returns filed by domestic corporations without foreign owners, but comprised a significant portion of the key financial items reported for these filers.

The largest domestic corporations are primarily “old” corporations, with incorporation dates prior to 2004. Of the 3,948 large FCDCs contained in the Tax Year 2006 study, 90.1 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 91.4 percent of this group of 15,293 corporations. See Figures F1 and F2.

In previous years, the largest companies generally reported larger profits as a percentage of receipts than their smaller counterparts. However, for 2006, this was not the case. The largest FCDCs reported net profits of \$161.7 billion, 4.4 percent of the companies’ receipts. The smaller FCDCs reported net profits of \$10.8 billion, 5.5 percent of the companies’ receipts.

## Industry Characteristics

The industrial makeup of the largest foreign-controlled domestic companies is somewhat different from that of other domestic corporations. For 2006, 37.5 percent of the largest FCDCs were classified

<sup>17</sup> Data for domestic corporations that filed Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations) are excluded from the comparisons between large FCDCs and other large domestic corporations shown in Figures F through H, and Table 4. However, returns filed on these forms are included in the data of other figures and tables contained in this article, as appropriate. While corporations filing these income tax returns report their incomes, they generally have little or no tax liabilities. Through separate special provisions of the Internal Revenue Code applicable to each of these types of corporations, the incomes of these corporations are generally taxed at the shareholder level. The Explanation of Selected Terms section discusses in greater detail the nature of real estate investment trusts (REITs), regulated investment companies (RICs), and S corporations.

# Foreign-Controlled Domestic Corporations, 2006

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**Figure F1**

## "Large" Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total</b>	<b>3,948</b>	<b>100.0</b>	<b>N/A</b>	<b>3,557</b>	<b>90.1</b>	<b>9,209,383</b>	<b>2,333</b>	<b>3,642,030</b>	<b>923</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	4	0.1	0.1	d	d	3,510	878	0	0
Zero percent	1,061	26.9	27.0	911	85.9	891,847	841	582,290	549
Greater than zero and under 0.5 percent	1,059	26.8	53.8	976	92.2	3,624,537	3,423	1,054,436	996
0.5 percent under 1.0 percent	431	10.9	64.7	399	92.6	1,466,612	3,403	743,843	1,726
1.0 percent under 1.5 percent	290	7.3	72.0	271	93.4	384,948	1,327	284,638	982
1.5 percent under 2.0 percent	230	5.8	77.8	212	92.2	493,340	2,145	393,611	1,711
2.0 percent under 3.0 percent	275	7.0	84.8	247	89.8	484,590	1,762	186,504	678
3.0 percent under 4.0 percent	208	5.3	90.1	187	89.9	662,981	3,187	182,983	880
4.0 percent under 5.0 percent	104	2.6	92.7	92	88.5	316,709	3,045	60,269	580
5.0 percent under 7.5 percent	125	3.2	95.9	116	92.8	548,153	4,385	83,068	665
7.5 percent under 10.0 percent	61	1.5	97.4	d	d	56,747	930	26,077	427
10.0 percent or more	100	2.5	100.0	87	87.0	275,411	2,754	44,312	443

Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	
								Amount	Average
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Total</b>	<b>3,484,182</b>	<b>157,849</b>	<b>161,718</b>	<b>191,822</b>	<b>-30,105</b>	<b>159,482</b>	<b>56,297</b>	<b>46,095</b>	<b>12</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	80	-80	-80	0	-80	0	0	0	0
Zero percent	605,439	-23,149	-22,299	5,117	-27,416	1,180	410	0	0
Greater than zero and under 0.5 percent	1,029,246	25,190	25,706	28,301	-2,595	10,912	4,107	1,257	1
0.5 percent under 1.0 percent	711,351	32,492	33,838	33,844	-6	30,190	10,606	6,486	15
1.0 percent under 1.5 percent	272,033	12,605	12,669	12,677	-7	11,338	3,995	3,650	13
1.5 percent under 2.0 percent	372,575	21,035	21,138	21,138	0	19,981	7,000	6,650	29
2.0 percent under 3.0 percent	171,245	15,259	15,450	15,450	0	14,857	5,216	4,610	17
3.0 percent under 4.0 percent	161,920	21,063	21,744	21,744	0	19,268	6,794	6,130	29
4.0 percent under 5.0 percent	51,838	8,432	8,557	8,557	0	8,119	2,820	2,642	25
5.0 percent under 7.5 percent	66,857	16,211	16,165	16,165	0	15,920	5,568	5,197	42
7.5 percent under 10.0 percent	19,464	6,613	6,640	6,640	0	6,624	2,321	2,189	36
10.0 percent or more	22,134	22,178	22,189	22,189	0	21,093	7,461	7,284	73

N/A—Not applicable.

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

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

as manufacturers, while manufacturers made up just 21.4 percent of the largest domestic companies that were not foreign-controlled. Similarly, wholesalers were a larger share of the FCDCs (28.0 percent) than

of the other large domestic corporations (14.8 percent). Conversely, 12.9 percent of the largest ODCs were classified in finance and insurance, while this sector made up just 7.8 percent of the largest FCDCs.

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**Figure F2**

## "Large" Domestic Corporations Not Foreign Controlled: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total</b>	<b>15,293</b>	<b>100.0</b>	<b>N/A</b>	<b>13,971</b>	<b>91.4</b>	<b>44,987,115</b>	<b>2,942</b>	<b>14,479,104</b>	<b>947</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	9	0.1	0.1	5	55.6	19,529	2,170	0	0
Zero percent	3,666	24.0	24.1	3,087	84.2	3,426,070	935	1,731,258	472
Greater than zero and under 0.5 percent	4,018	26.3	50.4	3,795	94.4	4,222,794	1,051	2,618,742	652
0.5 percent under 1.0 percent	1,385	9.1	59.5	1,284	92.7	5,050,437	3,647	1,830,202	1,321
1.0 percent under 1.5 percent	1,005	6.6	66.1	938	93.3	8,461,696	8,420	1,889,531	1,880
1.5 percent under 2.0 percent	747	4.9	71.0	683	91.4	2,385,499	3,193	1,277,247	1,710
2.0 percent under 3.0 percent	1,147	7.5	78.5	1,079	94.1	5,909,998	5,153	1,789,049	1,560
3.0 percent under 4.0 percent	816	5.3	83.8	776	95.1	6,407,480	7,852	1,468,205	1,799
4.0 percent under 5.0 percent	592	3.9	87.7	544	91.9	1,866,238	3,152	636,408	1,075
5.0 percent under 7.5 percent	968	6.3	94.0	906	93.6	5,262,431	5,436	883,334	913
7.5 percent under 10.0 percent	494	3.2	97.2	468	94.7	1,207,560	2,444	208,715	423
10.0 percent or more	445	2.9	100.0	406	91.2	767,382	1,724	146,413	329

Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	
								Amount	Average
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Total</b>	<b>13,475,580</b>	<b>1,003,524</b>	<b>1,068,755</b>	<b>1,158,410</b>	<b>-89,655</b>	<b>1,037,923</b>	<b>367,253</b>	<b>278,815</b>	<b>18</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	47	-47	-44	3	-47	0	0	0	0
Zero percent	1,808,277	-77,019	-70,657	13,775	-84,432	5,476	1,788	0	0
Greater than zero and under 0.5 percent	2,548,313	70,430	81,922	86,698	-4,776	37,936	14,244	3,682	1
0.5 percent under 1.0 percent	1,726,824	103,378	112,691	112,853	-162	95,317	34,216	13,993	10
1.0 percent under 1.5 percent	1,789,754	99,777	109,380	109,522	-142	104,736	36,477	23,047	23
1.5 percent under 2.0 percent	1,201,769	75,478	80,871	80,895	-23	76,785	27,251	22,708	30
2.0 percent under 3.0 percent	1,622,426	166,623	176,781	176,823	-42	165,187	59,044	44,773	39
3.0 percent under 4.0 percent	1,300,899	167,306	170,954	170,954	0	164,124	57,471	48,813	60
4.0 percent under 5.0 percent	541,225	95,182	95,719	95,719	0	90,579	31,704	28,395	48
5.0 percent under 7.5 percent	704,009	179,326	185,285	185,316	-32	174,514	61,906	53,301	55
7.5 percent under 10.0 percent	154,796	53,919	55,210	55,210	0	53,909	18,849	17,432	35
10.0 percent or more	77,241	69,172	70,642	70,642	0	69,361	24,302	22,672	51

N/A—Not applicable.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

Retailers accounted for 11.0 percent of the largest domestic companies that were not foreign-controlled, while only 3.1 percent of the largest FCDCs were similarly classified. See Figure G for other differences in the industrial makeup of these two groups of corporations.

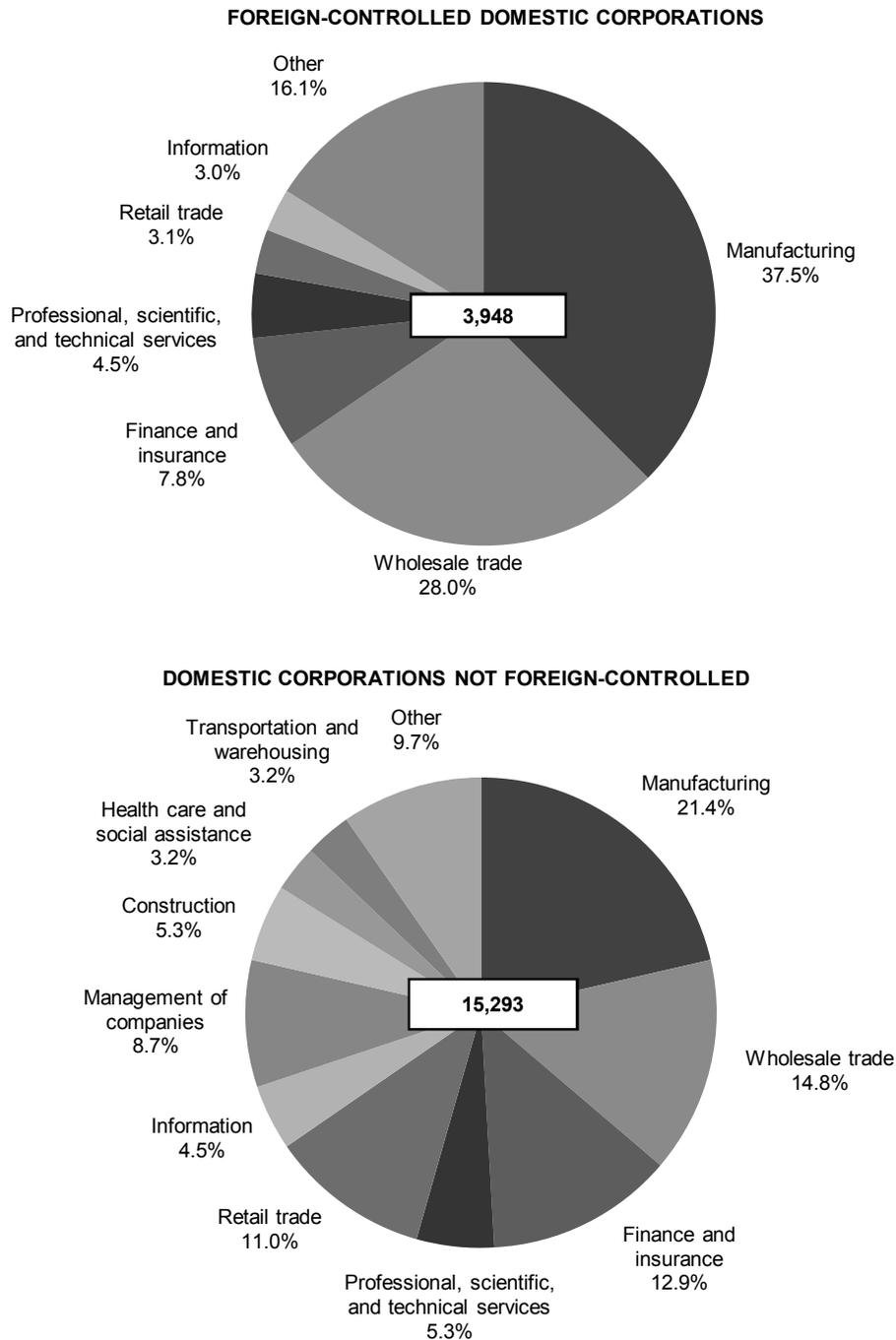
Table 4 presents industrial sector-level data for the largest domestic corporations, both foreign- and nonforeign-controlled. Column 43 of this table shows the percentage of returns that reported profits (i.e., positive net income). While 75.7 percent of large FCDCs reported profits, 78.3 percent of other

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**Figure G**

**Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2006**



NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more. (Total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors.) Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

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large domestic corporations were profitable. There are 19 different industrial sectors shown in the table, treating wholesale trade and retail trade as separate sectors. Other domestic corporations (ODCs) had higher percentages of profitable companies in 10 sectors; FCDCs had higher percentages in the other 9 sectors. For a given sector, the difference in the percentages for FCDCs and ODCs might be large or small. Within each group of corporations, the percentage of corporations that reported a profit varied substantially across the industrial sectors. For this reason, it is important to compare the two types of corporations for a specific industry, rather than for all industries. This will be discussed later in this article, specifically looking at the two key industrial sectors for FCDCs: manufacturing and wholesale trade.

Column 57 of Table 4 shows the ratio of net income (less deficit) to total receipts.<sup>18</sup> Overall, net income (less deficit) as a percentage of receipts for large FCDCs (4.4 percent) was considerably smaller than for ODCs (7.4 percent). Within each group of corporations, the ratio of profits to receipts varied across the industrial sectors. Other domestic corporations had higher ratios of net income (less deficit) to receipts than FCDCs in 12 out of 19 industrial sectors.

The ratio of taxable income (i.e., “income subject to tax”) to total receipts is shown in column 61 of Table 4. This ratio, unlike the ratio of net income (less deficit) to total receipts discussed earlier, excludes deficits, and includes the amount of statutory special deductions reported on tax returns.

FCDCs generally had lower ratios of taxable income to receipts than those of other domestic corporations, 4.4 percent for FCDCs versus 7.2 percent for ODCs for all industries. For each group of large corporations, the ratio of taxable income to receipts varied among the different industrial sectors. Of the

19 different industrial sectors shown in the table, ODCs had higher taxable income as a percentage of receipts in 14 sectors.

Table 4 also includes the ratio of total U.S. income tax after credits to total receipts (column 64).<sup>19</sup> The total income tax after credits reported by both FCDCs (\$46.1 billion) and ODCs (\$278.8 billion) represents the tax liability of these companies as reported on their originally filed U.S. income tax returns (see column 42).

The ratio of tax to receipts shown in column 64 of Table 4 takes into account only the U.S. tax liabilities of the corporations. Additional data, which are beyond the scope of this article, would be required to examine the worldwide tax liabilities of the corporations.<sup>20</sup>

Figures F1 and F2 present 12 categories of U.S. tax liability as a percentage of total receipts, shown separately for large FCDCs and for large ODCs. For 2006, Figure F1 shows that large FCDCs reported \$46.1 billion of total income tax after credits, 1.3 percent of their total receipts. Column 3 of Figure F1 shows that 27.0 percent of FCDCs had no U.S. tax liabilities, 64.7 percent of the companies had tax liabilities of less than 1.0 percent of their receipts, and 90.1 percent of the companies had tax liabilities of less than 4.0 percent of their receipts. By comparison, Figure F2 shows that large domestic corporations not foreign-controlled reported \$278.8 billion of total income tax after credits, 1.9 percent of their total receipts. For these companies, 24.1 percent had no tax liabilities, 59.5 percent had tax liabilities of less than 1.0 percent of their receipts, and 83.8 percent had tax liabilities of less than 4.0 percent of their receipts.

FCDCs claimed smaller amounts of tax credits than ODCs in relative terms. For 2006, large FCDCs

<sup>18</sup> Net profits (i.e., net income (less deficit)) is one of the key factors that affect the amount of retained earnings of corporations. Columns 12-14 of Table 4 show corporate total, appropriated, and unappropriated retained earnings, respectively. The amounts of retained earnings were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as “extraordinary” gains and losses, and prior period adjustments. The amounts are also after reductions for dividends and distributions made to stockholders. (For a more extensive discussion of retained earnings, see *Statistics of Income—2006, Corporation Income Tax Returns*.) Appropriated retained earnings were earnings set aside for specific purposes, such as reserves for plant expansion or bond retirements, and not available for distribution to stockholders. For 2006, the largest FCDCs reported \$11.5 billion of total retained earnings, while other large domestic corporations reported \$4.2 trillion of retained earnings. Retained earnings is a component of net worth and thus affects the ratio of net income (less deficit) to net worth, which is shown in column 56 of Table 4.

<sup>19</sup> In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular income tax and the alternative minimum tax represented over 99 percent of the total income tax for both FCDCs and ODCs.

<sup>20</sup> One focus of this article is U.S. total income tax after credits. The reader might choose to focus instead on total worldwide taxes, which may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. There are limitations in using this procedure, and the foreign tax credit only approximates the foreign tax liabilities of the corporations. Table 4 shows amounts of foreign tax credits in addition to U.S. total income tax after credits. For the most recent statistics covering corporate foreign tax credits in depth, see Luttrell, Scott, “Corporate Foreign Tax Credit, 2004,” in the Summer 2008 issue of the *Statistics of Income Bulletin* (Volume 28, Number 1). In addition, foreign tax credit data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Corporate Foreign Tax Credits.

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claimed \$10.2 billion of credits, equaling 18.1 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$88.4 billion of credits for the same tax year, equaling 24.1 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$7.9 billion by large FCDCs (14.1 percent of their tax liabilities) and \$69.5 billion by other large domestic corporations (18.9 percent of their tax liabilities).

Overall, while large FCDCs reported average tax liabilities after credits of \$1.27 per \$100 of receipts (or 1.27 percent), other domestic corporations reported tax liabilities after credits of \$1.93 per \$100 of receipts (or 1.93 percent). Of the 19 different industrial sectors shown in Table 4, ODCs had higher tax to receipts ratios in 15 sectors.

Table 4 highlights once again the differences in financial characteristics of corporations in different industries. For instance, looking at large FCDCs, finance and insurance companies have a higher ratio of net income (less deficit) to receipts (4.8 percent) than do wholesalers (3.1 percent); see column 57. Because the percentages of companies allocated by principal industrial activities are not the same for the largest FCDCs as they are for ODCs, this, again, illustrates the importance of comparing the two groups of corporations on an industry basis. This article will now look at two specific industrial sectors that are important to FCDCs, manufacturing and wholesale trade.

Manufacturing was a significant industrial sector for large FCDCs, accounting for nearly one-half of the total receipts of the group of corporations. Both large manufacturing FCDCs and ODCs were primarily “old” corporations; 89.9 percent of FCDCs and 89.5 percent of ODCs were incorporated before 2004. Large ODC manufacturers had higher percentages than those of large FCDC manufacturers in each of four calculations. Specifically, the percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 73.3 percent and 72.6 percent, respectively (see column 43 of Table 4). Looking at the actual amounts of those positive profits and also accounting for losses reported by the remaining companies, the percentage of net income (less deficit) to total receipts was significantly higher for ODCs, 7.6 percent, than it was for FCDCs, 4.3 percent (see column 57 of Table 4). Net income (less deficit) as a percentage

of total receipts for Tax Years 1999-2006 is shown in Figure H. The difference in the percentages for large FCDCs and large ODCs for Tax Year 2006 is similar to the differences for each of the 7 previous tax years.

Large manufacturing ODCs reported taxable incomes of 7.6 percent of their receipts, while the percentage for large FCDCs was smaller at 4.4 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.6 percent and 1.2 percent, respectively (see column 64 of Table 4). The relative similarity of these tax to receipts ratios is partially explained by the difference in the amounts of credits that the two groups of corporations reported. ODCs reported larger credits than did the FCDCs, thereby reducing their postcredit tax liabilities by a larger portion. ODCs reported credits equaling 40.8 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 22.0 percent. For both groups of corporations, foreign tax credits accounted for most of the total credits.

Wholesale trade was also a significant industrial sector for large FCDCs, accounting for 20.1 percent of the total receipts of the group of corporations. Most large FCDCs (93.8 percent) and ODCs (94.3 percent) in this sector were “old” corporations, incorporated before 2004. The percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 84.3 percent and 83.1 percent, respectively. Looking at the amounts of both profits and losses across the entire sector, the percentage of net income (less deficit) to total receipts was somewhat higher for ODCs (3.8 percent) than it was for FCDCs (3.1 percent). Figure H shows that the difference in percentages (of net income (less deficit) as a percentage of total receipts) between ODCs and FCDCs was often small for each of the 8 Tax Years 1999-2006. In particular, the differences for Tax Years 1999, 2000, 2002, 2003, and 2005 were small.

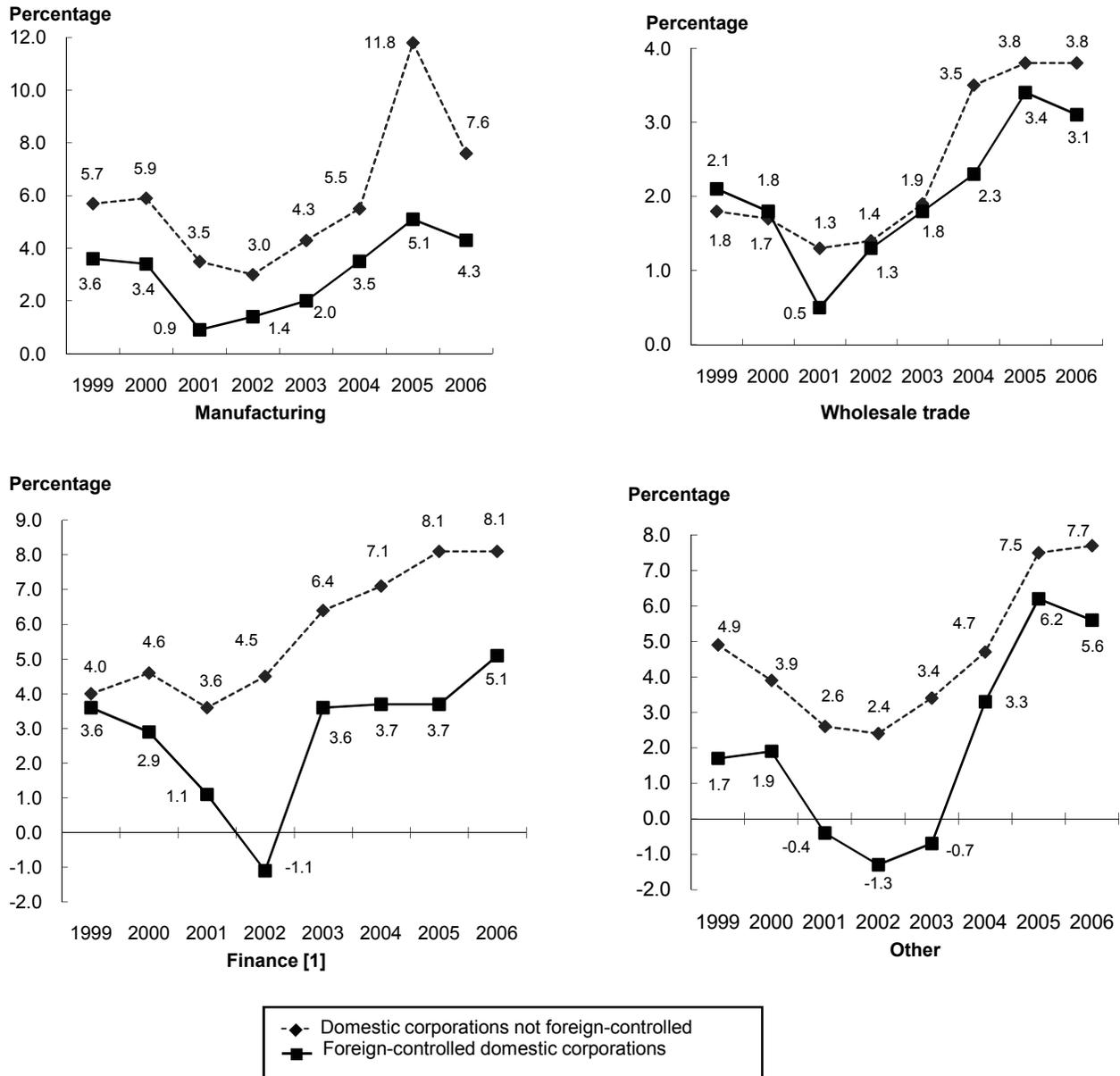
Large wholesale ODCs reported taxable incomes of 3.9 percent of their receipts, while the percentage was 3.1 for FCDCs. The ratio of total income tax after credits to total receipts was virtually identical for ODCs (1.1 percent) and FCDCs (1.0 percent). These percentages are once again impacted by the amount of credits claimed by both groups of corporations. ODCs reported much larger credits than did the FCDCs, thereby reducing their postcredit tax li-

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**Figure H**

**"Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts, by Control Status and Industry, Tax Years 1999-2006**



[1] Includes returns classified in the "finance and insurance" and "real estate and rental and leasing" industrial sectors of the North American Industry Classification System.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more. (Total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors.) Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

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abilities by a larger portion. ODCs reported credits equaling 15.0 percent of their precredit income tax liabilities. For FCDCs, the percentage was much smaller, at just 6.7 percent. For both groups of corporations, the foreign tax credit was the largest credit.

## Summary

The number of income tax returns filed by FCDCs increased by 3.4 percent for 2006, to 63,951. FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for the year. This percentage is much smaller than the percentages of receipts (14.0 percent) and assets (13.3 percent) that FCDCs produced.

FCDC assets grew for 2006, as did the assets for all corporations. FCDC assets totaled \$9.7 trillion for 2006, a 5.7-percent increase from the previous year. By comparison, all corporations reported a total of \$73.1 trillion of assets for 2006, a 10.0-percent increase over the previous year. FCDCs accounted for 13.3 percent of total corporate assets for 2006, down from 13.9 percent for the previous year.

Foreign business activity in the United States through FCDCs grew for Tax Year 2006. FCDCs reported \$3.8 trillion of total receipts for the year, a 9.5-percent increase over the 2005 level. Total receipts reported on all U.S. corporation income tax returns increased comparatively less, by 7.4 percent from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs increased from 13.7 percent to 14.0 percent.

Two industrial sectors, manufacturing and wholesale trade, generated more than two-thirds of the \$3.8 trillion of total FCDC receipts. Manufacturers produced \$1.8 trillion of receipts, while wholesalers accounted for an additional \$0.8 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$0.9 trillion, 23.2 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (16.1 percent), Germany (12.9 percent), Canada (9.4 percent), the Netherlands (7.5 percent), France (6.3 percent), and

Switzerland (4.9 percent) accounted for significant portions of receipts.

FCDC profits were somewhat larger, by 4.5 percent, than those of the previous year. The collective net income (less deficit) reported by foreign-controlled domestic corporations increased from \$165.2 billion for 2005 to \$172.6 billion for 2006. To place the performance of FCDCs in context, total corporate profits decreased slightly, by 0.8 percent, remaining at \$1.9 trillion for 2006.

The U.S. tax liability of FCDCs (i.e., total income tax after credits) moved in the same direction as did profits, increasing from \$42.4 billion for 2005 to \$50.0 billion for 2006, or by 17.8 percent. To place this in perspective, the 2006 U.S. tax liabilities of all corporations were 13.1 percent more than the previous year.

Of the 63,951 foreign-controlled domestic corporations, the 3,948 “largest” companies accounted for most of the total amounts of key financial items (e.g., 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits).

In comparing the 3,948 large foreign-controlled domestic corporations to the 15,293 other large domestic companies on the basis of industry, FCDCs had lower performances than ODCs in most sectors using each of the following four criteria: (1) percentage of corporations that reported profits, (2) percentage of net income (less deficit) to total receipts, (3) percentage of taxable income to total receipts, and (4) percentage of total income tax after credits to total receipts.<sup>21</sup>

## Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive definitions, see *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16.

*Alternative minimum tax*—This tax was designed to ensure that a taxpayer with substantial economic income would have at least a minimum amount of income tax liability in spite of the legitimate use

<sup>21</sup> While this article has been able to compare several key ratios related to the profits and taxes reported by foreign-controlled domestic corporations and other domestic corporations on the same bases of size and industry, additional research is needed to explain the differences in those ratios. For additional information on this subject, see “Tax Administration: Comparison of the Reported Tax Liabilities of Foreign- and U.S.-Controlled Corporations, 1998-2005,” U.S. Government Accountability Office, GAO-08-957, July 2008. Also, see Grubert, Harry, “Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States,” U.S. Department of the Treasury, Office of Tax Analysis, Paper 74, 1997; and Mataloni, Raymond J., Jr., “An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies,” U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, March 2000.

of exclusions, deductions, and credits. In effect, it provided a second tax system that curtailed or eliminated many of the means of reducing taxes allowed in the regular tax system and taxed the resulting alternative taxable income at a reduced rate. The AMT is included in the amounts reported for both total income tax before (and after) credits.

*Balance sheets*—The balance sheet data presented in this article were the amounts reported by the taxpayer as of the end of the taxpayer’s accounting year. Taxpayers were instructed to provide data that agreed with their books of account but were given very few other guidelines. Thus, the statistics for balance sheets contained more reporting variability than those for income statement and tax computation items. Since balance sheet data were from the taxpayer’s books, they were generally governed by general accounting principles rather than the special rules of tax accounting. A number of steps were taken during statistical processing to reduce the variability due to taxpayer reporting practices. Misreported amounts were transferred to their proper accounts. Missing balance sheets were either supplied from reference books or statistically imputed based on other data and the company’s characteristics. Some balance sheets were suppressed for final returns of corporations going out of existence and for most part-year returns (because the same company’s end-of-year data could have been subject to inclusion from its full-year return).

*Business receipts*—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. They represented all of a corporation’s receipts except investment and incidental income. Business receipts also exclude gains from the sale of assets. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of “cost of goods sold” or as “taxes paid”); others reported their receipts after adjustment for these taxes. Business receipts include rents reported by real estate operators and other corporations for which rent made up a significant portion of income. The latter corporations included manufacturers that rented their products, lessors of public utility facilities, and companies engaged in rental

services, such as lodging places and the rental of automobiles. Business receipts include such banking items as fees, commissions, and credit card income. Interest, the principal operating income of banking and other financial institutions, was excluded from business receipts; rather, it was included in the separate statistics for interest received. Also, premium income of most insurance companies was included in business receipts. Security dealers included profits from security trades in business receipts.

*Constructive ownership rules*—The constructive ownership rules of Internal Revenue Code (IRC) section 318 apply in determining if a U.S. corporation is foreign-owned. However, if a corporation is owned by two or more “unrelated” foreign persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion. See also, Foreign Person, defined below.

*Constructive taxable income from related foreign corporations*—This item is the sum of includable income from Controlled Foreign Corporations (CFCs) and foreign dividend gross-up. IRC sections 951-964 (“Subpart F”) created an exception to the general rule that the earnings and profits of CFCs were subject to U.S. taxation only when the income was actually distributed to U.S. shareholders.<sup>22</sup> Under Subpart F, some types of foreign income are required to be included in the income of the U.S. shareholders, although not actually distributed. This includable income comprises passive investment income, income from sources thought especially easy to shift between tax jurisdictions, and income from sources contrary to public policy. Foreign dividend gross-up is constructive taxable income to corporations that claim a foreign tax credit. A U.S. corporation could claim a foreign tax credit for a share of the foreign taxes actually paid by its related foreign corporations. The share of foreign taxes was treated as deemed paid by the U.S. corporation. In order to receive credit against U.S. tax, the foreign taxes deemed paid need to be included in the corporation’s worldwide income. The dividend gross-up, which is the equivalent amount of the foreign taxes deemed

<sup>22</sup> For the most recent statistics covering CFCs, see Mahony, Lee and Miller, Randy, “Controlled Foreign Corporations, 2004,” *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, CFC data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Controlled Foreign Corporations.

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paid by the U.S. corporation, is included as income of the U.S. corporation. Constructive taxable income from related foreign corporations is not included in the statistics for total receipts.

*Cost of goods sold*—This item generally consisted of the costs incurred by corporations in producing the goods or providing the services that generated the business receipts. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and a share of overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories.

*Current and noncurrent assets*—In this article, current assets plus noncurrent assets equal total assets. Table 4 of this article includes separate data for current assets and noncurrent assets. Current assets include cash, notes and accounts receivable (less the allowance for bad debts), inventories, investments in government obligations, tax-exempt securities, and other current assets, such as short-term prepaid expenses and nontrade receivables. Noncurrent assets include loans to stockholders, mortgage and real estate loans, other investments, depreciable assets (less accumulated depreciation), depletable assets (less accumulated depletion), land, intangible assets (less accumulated amortization), and other assets, including those not identified on the tax return as either current or long-term.

*Current and noncurrent liabilities*—In this article, current liabilities include accounts payable; mortgages, notes, and bonds payable in less than 1 year; and other current liabilities, such as accrued taxes, payrolls, and other expenses. Noncurrent liabilities include loans from stockholders; mortgages, notes, and bonds payable in 1 year or more; and other liabilities, including those not identified on the tax return as either current or long-term.

*Dividends received from domestic corporations*—These dividends represented most distributions from the earnings and profits of companies incorporated in the United States. They were generally used in computing the special deduction from net in-

come for dividends received. Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts.

*Dividends received from foreign corporations*—These were dividends paid from the earnings and profits of companies incorporated in foreign countries. This item does not include constructive taxable income from related foreign corporations (discussed above) because it was not an actual receipt. Dividends received from foreign corporations out of U.S. source earnings and profits or from Foreign Sales Corporations were usually eligible for the dividends received deduction. Not eligible were dividends out of foreign-source earnings and profits.

*Foreign person*—A foreign person (or entity) includes: (1) a foreign citizen or nonresident alien, (2) an individual who is a citizen of a U.S. possession (but who is not a U.S. citizen or resident), (3) a foreign corporation, (4) a foreign partnership, (5) a foreign estate or trust within the meaning of IRC section 7701(a)(31), and (6) a foreign government (or one of its agencies or instrumentalities) to the extent that it is engaged in the conduct of a commercial activity as described in IRC section 892.

*Foreign tax credit*—Although the United States taxes the worldwide income of U.S. persons (including corporations), foreign source income is often taxed as well by the country where the income is earned. The foreign tax credit provisions were enacted to mitigate the potential impact of the double taxation of foreign-source income. U.S. persons are allowed a credit against U.S. income tax for income taxes paid (or accrued) to foreign countries or U.S. possessions, subject to a limitation that prevented corporations from using foreign tax credits to reduce U.S. tax liability on U.S.-sourced income. A corporation that claimed the foreign tax credit could not also claim a business deduction for the same foreign taxes paid. The foreign tax credit was not allowed for taxes paid to certain foreign countries whose governments were not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, or which provided support for international terrorism.

*Income subject to tax*—For most corporations, income subject to tax, i.e., taxable income, consisted of (positive) net income minus certain statutory special deductions. However, there were special provisions in the Internal Revenue Code for determining

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the taxable income of S corporations and insurance companies.

*Income tax*—This item was the amount of a corporation's tax liability calculated at the regular corporate tax rates. It is included in the amounts reported for both total income tax before (and after) credits. A small number of corporations without net income had an income tax liability under special life insurance rules.

*Interest*—This item is taxable interest, a component of total receipts. It includes interest on U.S. Government obligations, loans, notes, mortgages, corporate bonds, bank deposits, and dividends from savings and loans and mutual savings banks. This item does not include interest received from certain government obligations not subject to U.S. income tax, including those issued by States, local governments, the District of Columbia, and U.S. possessions.

*Net income (or deficit)*—This is a company's net profit or loss from taxable sources of income reduced by deductions allowed by the Internal Revenue Code. It reflects not only actual receipts, but "constructive" receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend "gross-up"). Tax-exempt interest on State and local government obligations is excluded from this item, but is included in "total receipts." The deductions include ordinary and necessary business deductions, but do not include statutory special deductions. The statistics for (positive) net income are generally larger than those for "income subject to tax" because the latter is reduced by the amount of statutory special deductions, including the net operating loss deduction. In this article, for a group of returns, this item may be referred to as either "profits" (i.e., net income exceeds deficits) or "losses" (deficits exceed net income). On Form 1120, net income (or deficit) was reported on page 1, line 28, entitled "Taxable income before net operating loss deduction and special deductions."

*Net operating loss deduction (NOLD)*—A statutory "net operating loss" (NOL) for a given tax year could be carried back, in general, 2 years to reduce the taxable income of those years. Similarly, any amount of the NOL not offset against income during that time could be carried forward to offset income for a period not exceeding 20 years. A "net operating loss" is calculated using the laws and IRS regulations in effect for a given tax year, and is the excess of al-

lowable deductions over taxable income, with certain adjustments. The amount of the deduction included in the statistics of this article, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (2006) tax year. Losses incurred after Tax Year 2006 and carried back to that year at a later date were not reported on the tax returns used for this article. Net operating losses on which the 2006 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed in a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

*Net worth*—This item represented the stockholders' equity in the corporation, i.e., total assets less the claims of creditors. It is the net sum of capital stock, additional paid-in capital, appropriated retained earnings, and unappropriated retained earnings (including adjustments to shareholders' equity), minus the cost of treasury stock. Adjustments to shareholders' equity could be either positive or negative, and included unrealized gains and losses on securities held "available for sale." Treasury stock is common or preferred stock originally issued by the corporation that has been reacquired and held at the end of the accounting period by the issuing corporation.

*Number of returns*—The data contained in this article include the number of returns filed by "active" corporations (i.e., those reporting at least one item of income or deductions) for Tax Year 2006. For simplicity, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit.

*Real estate investment trusts*—Domestic corporations, trusts, and associations that meet certain ownership, purpose, income, and diversification requirements may elect to be taxed as real estate investment trusts (REITs). Foreign-controlled domestic corporations can be REITs. However, REITs played a

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much larger role for ODCs than for FCDCs.<sup>23</sup> REITs generally invest in real estate and mortgages. A beneficial ownership of the trust is established through transferable shares or transferable certificates of beneficial interest. Among the income requirements, at least 95 percent of the total gross income of a REIT must come from dividends; interest; rents from real property; and gains from the sale of stock, securities, and real property; etc. Additionally, at least 75 percent of total gross income must be derived from rents from real property; interest on mortgages on real property; gains from sales of real property and mortgages; and dividends and gains from the sale of transferable shares in other REITs; etc. The tax liability of REITs is generally very low. This is because, through a statutory special deduction for dividends paid, REITs are not taxed on amounts distributed to shareholders. In general, REITs must distribute to their shareholders at least 90 percent of their taxable incomes. Such distributions are taxed to the shareholders (i.e., beneficiaries).

*Regulated investment companies*—A regulated investment company (RIC) is a domestic corporation registered with the Securities and Exchange Commission as a management company, business development company, unit investment trust, common trust fund, or a similar fund. Typically, it is a mutual fund. Foreign-controlled domestic corporations can be RICs. However, RICs played a much larger role for ODCs than for FCDCs.<sup>23</sup> A RIC must meet certain Internal Revenue Code requirements, including deriving at least 90 percent of its gross income from dividends, interest, payments related to securities loans, and gains from the sale of stock or securities, foreign currencies, or other income related to its business of investing in such stock, securities, or currencies. The tax liability of RICs is generally very low. This is because, through a statutory special deduction for dividends paid, RICs are not taxed on amounts distributed to shareholders. In general, RICs must distribute to their shareholders at least 90 percent of their taxable incomes. Such distributions are taxed at the shareholder level.

*S corporations*—An S corporation has elected to be taxed through its shareholders under Internal Revenue Code section 1362. The IRC contains re-

strictive criteria that a company must meet in order to qualify as an S corporation, which include the number and types of shareholders. These companies are involved in numerous industrial activities. They report corporate income and deductions from their conduct of trades and businesses, but generally allocate any income or loss to their shareholders to be taxed only at the individual level. S corporations comprise a very large part of the corporate population. However, foreign-controlled domestic corporations cannot elect to be treated as S corporations.<sup>23</sup>

*Statutory special deductions*—In general, net income less statutory special deductions equals income subject to tax. This item is the sum of: (1) deductions for net operating loss carryovers from prior years, and (2) special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code, which includes: (a) dividends received deductions, (b) deductions for dividends paid on certain stock of public utilities, (c) deductions for dividends paid by regulated investment companies and real estate investment trusts, (d) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts, and (e) Code section 806(a) small life insurance company deductions. These deductions were in addition to ordinary and necessary business deductions.

*Total assets*—This item represented those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts.

*Total income tax before and after credits*—For 2006, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (99.0 percent of the total tax). The alternative minimum tax accounted for 1.0 percent of the total. A small number of corporation income tax returns without net income reported amounts of income tax. The income tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture

<sup>23</sup> Shown in Appendix A of this article are Tax Year 2006 data for all REITs, RICs, and S corporations, regardless of size, filed by foreign-controlled domestic corporations (FCDCs) and by other domestic corporations (ODCs).

taxes. Thus, a small number of corporations without net income and income tax may have reported such taxes on their income tax returns. These taxes were included in the statistics for total income tax. Also included in total income tax were personal holding company taxes and the taxes on undistributed net capital gains of regulated investment companies. Total income tax included an adjustment that could be either positive or negative. This adjustment was used for write-in amounts on the tax computation schedule (e.g., Schedule J of Form 1120), as well as for differences in total tax reported on the tax computation schedule and reported on the tax and payments section of the tax return (e.g., Page 1 of Form 1120). For 2006, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (77.4 percent of the \$10.4 billion of total credits), the general business credit (13.7 percent), and the prior-year minimum tax credit (8.7 percent), as well as small amounts of the U.S. possessions tax credit and the qualified zone academy bond credit.

*Total receipts*—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts, before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries. However, total receipts exclude certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Long-term capital gains of regulated investment companies, as well as both short-term and long-term capital gains of S corporations, are also excluded.

*Total receipts less total deductions*—This item differs from the “net income (less deficit)” shown in the statistics in that it includes nontaxable interest received on State and local government obligations, and excludes constructive taxable income from related foreign corporations.

## Data Sources and Limitations

### Time Period Covered

Data for Tax Year 2006 are based on returns with accounting periods that ended between July 2006 and June 2007. These accounting periods were 12 months in length, or less for part-year accounting periods. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include accounting periods that began and ended within a 23-month span. For Tax Year 2006, that span was from August 2005 through June 2007. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2006. Of the 63,951 FCDC returns filed for Tax Year 2006, 42,527 had accounting periods that ended in December 2006, 66 percent of the total. These returns accounted for 77 percent of both the receipts and deductions reported by all FCDCs, as well as 86 percent of the FCDC assets.

The sampling frame for the 2006 statistics consisted, in general, of tax returns with accounting periods that ended between July 2006 and June 2007, and that posted to the IRS Business Master File between July 2006 and June 2008. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2007. Second, while corporation returns must be filed within 2 1/2 months after the close of the accounting period, many corporations requested and received filing extensions of 6 months. Third, normal administrative processing time lags required that the sampling process remained open until June 2008.

### Returns Covered

The number of returns shown in this article represents returns of “active” corporations, i.e., those that reported any income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with the Internal Revenue Service were for active corporations. Nonprofit corporations, exempt farmers’ cooperatives, and certain other incorporated organizations did not file corporation income tax returns and are not included in the statistics shown in this article. Part-year returns, those filed

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for accounting periods of less than 12 months, were included in the number of returns and other data shown in this article. Continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations filed such returns. To avoid double counting, data from the balance sheets of part-year returns were not included in the statistics, except for those from initial returns of newly incorporated businesses.

## Sample

This article presents statistical estimates based on a stratified sample of over 8,200 unaudited tax returns selected from nearly 64,000 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2006. The statistics for FCDCs are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition, the statistics for all FCDCs include data from the small numbers of other domestic corporation income tax returns filed on Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). For Tax Year 2006, FCDCs filed only 41 Forms 1120L, 274 Forms 1120-RIC, 91 Forms 1120-REIT, and 40 Forms 1120-PC.<sup>24</sup> FCDCs could not file Forms 1120-A, 1120-F, and 1120S. The statistics for the largest FCDCs shown in Figures F through H, and in Table 4, exclude Forms 1120-RIC and 1120-REIT.

Form 1120 sampled returns were stratified based on the size of total assets and the size of “proceeds” (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of “cash flow,” i.e., net income plus depreciation plus depletion). Forms 1120L, 1120-RIC, 1120-REIT, and 1120-PC were sampled based solely on the size of total assets.

For 2006, the sampling rates for Forms 1120 alone (the majority of returns included in the sample) ranged from less than 1 percent to 100 percent. In

general, Form 1120 returns with assets of \$50 million or more, or with “proceeds” of \$10 million or more, were selected for the Statistics of Income study at the 100-percent sampling rate. Thus, most if not all of the “largest” FCDCs (and other domestic corporations as well) were selected at the 100-percent rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data shown in this article. For additional information on the sampling rates, see *Statistics of Income--2006, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure I shows CVs for selected financial data of selected industrial sectors and selected countries of the foreign owners. For a general discussion of sampling procedures, see SOI Sampling Methodology and Data Limitations located near the back of this issue of the *Statistics of Income Bulletin*.

## Nonsampling Limitations

Nonsampling errors can be categorized as coverage errors, nonresponse errors, processing errors, or response errors. These errors can be the result of the inability to obtain information about all returns in the sample, differing interpretations of tax concepts or instructions by the taxpayer, inability of a corporation to provide accurate information at the time of filing (data are collected before auditing), inability to obtain all tax schedules and attachments, errors in recording or coding the data, errors in collecting or cleaning the data, errors made in estimating for missing data, and failure to represent all population units.

Returns were selected for this study based on taxpayers’ responses to two questions that appeared on the various types of Form 1120. The first question asked whether one “foreign person” owned, directly or indirectly, 25 percent or more of the filing corporation’s voting stock or of the total value of all the corporation’s stock, at any time during the tax year. If this question was answered “Yes,” then

<sup>24</sup> The counts of 41 Forms 1120L and 40 Forms 1120-PC do not include returns of life insurance companies and property/casualty insurance companies, respectively, that were filed as part of consolidated returns under IRC section 1504(c). Under this section, a nonlife insurance parent company could include a domestic life insurance subsidiary in a consolidated return. For 2006, there were 125 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 58 returns had a property/casualty insurance company as the largest subsidiary, another 58 returns had a noninsurance company as the largest subsidiary, and 9 returns had a life insurance company as the largest subsidiary.

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**Figure I**

## Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sector and Selected Country of Foreign Owner, Tax Year 2006

Selected industrial sector or country	Coefficients of variation (percentages)						
	Number of returns	Total assets	Total receipts	Net income	Deficit	Income subject to tax	Total income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>4.14</b>	<b>0.03</b>	<b>0.15</b>	<b>0.14</b>	<b>0.66</b>	<b>0.15</b>	<b>0.17</b>
<b>Selected industrial sector:</b>							
Construction	27.25	0.94	1.72	2.59	5.03	2.08	1.98
Finance and insurance	13.11	0.01	0.17	0.21	1.47	0.35	0.37
Information	20.59	0.13	0.98	0.63	2.74	0.74	0.72
Management of companies (holding companies)	21.06	0.05	0.12	0.36	5.04	0.31	0.33
Manufacturing	9.74	0.05	0.12	0.15	0.89	0.16	0.19
Professional, scientific, and technical services	14.80	0.55	1.57	1.86	4.03	2.13	2.24
Real estate and rental and leasing	9.03	0.89	1.43	1.77	4.12	1.80	1.76
Retail trade	20.79	0.45	0.48	1.01	7.93	1.05	1.02
Wholesale trade	8.00	0.28	0.48	0.50	2.64	0.53	0.54
<b>Selected country of foreign owner:</b>							
Bermuda	20.27	0.11	0.39	0.55	1.93	0.50	0.68
Canada	11.47	0.10	0.70	0.62	2.65	0.88	0.83
France	19.66	0.05	0.30	0.41	0.88	0.49	0.51
Germany	15.25	0.06	0.30	0.52	1.39	0.71	0.86
Japan	11.31	0.14	0.44	0.41	1.41	0.41	0.42
Netherlands	21.68	0.05	0.29	0.35	2.04	0.41	0.81
South Korea, Republic of	27.06	1.42	1.46	2.81	10.68	4.04	3.94
Sweden	48.14	0.45	0.76	1.54	13.93	1.68	1.66
Switzerland	20.21	0.04	0.67	0.37	2.49	0.40	0.41
United Kingdom	14.53	0.03	0.17	0.15	2.45	0.14	0.16
Venezuela	35.85	0.93	0.75	0.38	48.13	0.37	0.24

a second question asked for the percentage owned.<sup>25</sup> If the first question was answered “Yes,” and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics. Taxpayers sometimes incorrectly answered these questions or did not answer them at all.<sup>26</sup> However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 2005 and 2006, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. The North American Industry Classification System (NAICS) was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may summarize the activity of a company engaged in several businesses or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated

<sup>25</sup> On Form 1120, Page 3, Schedule K, the actual questions were: “(7) At any time during the tax year, did one foreign person own, directly or indirectly, at least 25 percent of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?” and “(7a) If ‘Yes,’ enter percentage owned.” There was an additional question used for the country distribution of these statistics, which was: “(7b) If ‘Yes,’ enter owner’s country.”

<sup>26</sup> The FCDC statistics include data from returns in which the first question (see footnote 25) was answered “Yes,” and the second question covering percentage owned was not answered. There were 2,316 returns for Tax Year 2006 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$24.2 billion of assets and \$40.4 billion of receipts.

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(and nonconsolidated) returns covered corporations that were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, those FCDCs that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies were classified as wholesalers. However, other domestic corporations that were also distributors may have been included in consolidated returns covering both the manufacture and distribution of similar products and classified as manufacturers.

Each return was assigned a foreign country code during statistical processing that identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate foreign parent, the country data may be related to the holding company and, thus, not be related to the foreign country of the ultimate parent.

## Appendix A

### REITs, RICs, and S Corporations Filed by Foreign-Controlled Domestic Corporations (FCDCs) and Other Domestic Corporations (ODCs), Tax Year 2006

[Money amounts are in millions of dollars]

Type of corporation and item	FCDCs	ODCs
<b>Real estate investment trusts (REITs):</b>		
Number of returns	91	1,318
Total assets	50,908	1,449,019
Total receipts	2,984	140,462
Net income (less deficit)	1,837	85,904
Income subject to tax	0	63
Total income tax after credits	0	61
<b>Regulated investment companies (RICs):</b>		
Number of returns	274	11,203
Total assets	245,009	11,978,848
Total receipts	6,621	402,693
Net income (less deficit)	5,102	296,727
Income subject to tax	0	4
Total income tax after credits	0	61
<b>S corporations:</b>		
Number of returns	0	3,872,766
Total assets	0	3,048,770
Total receipts	0	5,815,389
Total net income (less deficit)	0	386,202
Income subject to tax	0	1,603
Total income tax after credits	0	639

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**Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971-2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	1971	1990	1997	2000	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ALL CORPORATIONS</b>								
Number of returns, total	1,733,332	3,716,650	4,710,083	5,045,274	5,401,237	5,557,965	5,671,257	5,840,799
Number with net income	1,063,940	1,910,670	2,647,474	2,819,153	2,932,115	3,116,468	3,324,260	3,367,313
Total assets	2,889,221	18,190,058	33,029,652	47,026,872	53,644,785	60,117,759	66,445,430	73,080,647
Total receipts	1,906,008	11,409,520	16,609,707	20,605,808	20,689,574	22,711,864	25,504,789	27,401,874
Business receipts	1,763,760	9,860,442	14,460,929	17,636,551	18,264,394	19,975,876	21,800,290	23,310,310
Interest received [1]	65,596	942,238	1,140,011	1,576,101	1,132,675	1,337,626	1,712,271	2,242,464
Total deductions	1,824,063	11,032,575	15,704,242	19,691,592	19,940,595	21,636,156	23,612,766	25,501,558
Cost of goods sold	1,241,282	6,610,770	9,114,246	11,135,288	11,318,645	12,497,905	13,816,464	14,799,599
Interest paid	64,697	825,372	866,474	1,271,679	818,017	938,790	1,287,098	1,787,104
Total receipts less total deductions	81,945	376,945	905,465	914,216	748,980	1,075,708	1,892,024	1,900,316
Net income (less deficit)	79,700	370,633	915,397	927,526	779,989	1,111,693	1,948,655	1,933,374
Net income	96,688	552,527	1,117,825	1,336,620	1,175,609	1,455,797	2,234,882	2,239,614
Deficit	-16,988	-181,894	-202,428	-409,094	-395,620	-344,104	-286,227	-306,240
Income subject to tax	83,165	366,353	683,793	760,404	699,337	857,392	1,201,325	1,291,431
Total income tax before credits	37,510	128,186	239,394	266,282	243,823	299,555	419,209	453,082
Income tax	37,143	119,434	235,325	262,233	241,275	296,200	416,324	450,168
Total income tax after credits	30,220	96,403	184,153	204,044	177,517	224,435	312,086	353,084
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
Number of returns, total	5,154	44,113	61,621	60,609	58,945	57,935	61,820	63,951
Number with net income	2,575	17,360	29,504	26,519	27,269	29,233	30,870	30,318
Total assets	36,674	1,652,255	3,392,051	6,071,994	6,170,122	7,971,399	9,218,983	9,743,225
Total receipts	39,181	1,060,295	1,781,382	2,612,072	2,569,302	3,056,503	3,505,629	3,839,754
Business receipts	38,043	950,083	1,582,576	2,253,215	2,329,930	2,733,472	3,058,260	3,323,274
Interest received [1]	420	67,315	114,610	180,006	102,179	154,954	235,304	304,577
Total deductions	38,050	1,056,921	1,730,418	2,549,986	2,542,193	2,969,718	3,345,178	3,671,102
Cost of goods sold	28,804	709,052	1,119,276	1,584,513	1,652,622	1,964,224	2,239,966	2,425,660
Interest paid	733	77,562	112,219	186,835	109,453	129,530	199,877	286,668
Total receipts less total deductions	1,132	3,374	50,964	62,085	27,109	86,785	160,450	168,652
Net income (less deficit)	1,111	3,966	52,365	66,312	31,952	90,846	165,188	172,560
Net income	1,496	29,410	79,352	118,598	92,846	138,010	201,597	214,812
Deficit	-384	-25,444	-26,987	-52,287	-60,895	-47,165	-36,409	-42,252
Income subject to tax	1,344	23,704	61,798	97,515	73,521	104,740	153,007	171,251
Total income tax before credits	650	8,719	22,492	34,650	25,971	37,058	53,820	60,313
Income tax	631	8,008	21,589	33,950	25,607	36,451	53,137	59,693
Total income tax after credits	610	7,438	19,730	28,073	19,121	29,932	42,415	49,953
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS</b>								
Number of returns, total	0.30	1.19	1.31	1.20	1.09	1.04	1.09	1.09
Number with net income	0.24	0.91	1.11	0.94	0.93	0.94	0.93	0.90
Total assets	1.27	9.08	10.27	12.91	11.50	13.26	13.87	13.33
Total receipts	2.06	9.29	10.72	12.68	12.42	13.46	13.74	14.01
Business receipts	2.16	9.64	10.94	12.78	12.76	13.68	14.03	14.26
Interest received [1]	0.64	7.14	10.05	11.42	9.02	11.58	13.74	13.58
Total deductions	2.09	9.58	11.02	12.95	12.75	13.73	14.17	14.40
Cost of goods sold	2.32	10.73	12.28	14.23	14.60	15.72	16.21	16.39
Interest paid	1.13	9.40	12.95	14.69	13.38	13.80	15.53	16.04
Total receipts less total deductions	1.38	0.90	5.63	6.79	3.62	8.07	8.48	8.87
Net income (less deficit)	1.39	1.07	5.72	7.15	4.10	8.17	8.48	8.93
Net income	1.55	5.32	7.10	8.87	7.90	9.48	9.02	9.59
Deficit	2.26	13.99	13.33	12.78	15.39	13.71	12.72	13.80
Income subject to tax	1.62	6.47	9.04	12.82	10.51	12.22	12.74	13.26
Total income tax before credits	1.73	6.80	9.40	13.01	10.65	12.37	12.84	13.31
Income tax	1.70	6.70	9.17	12.95	10.61	12.31	12.76	13.26
Total income tax after credits	2.02	7.72	10.71	13.76	10.77	13.34	13.59	14.15

[1] Excludes nontaxable interest received on State and local government obligations.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data. See *Statistics of Income—Corporation Income Tax Returns*, selected years, for discussions of changes affecting the comparability of the data over time.

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries [1]</b>	<b>63,951</b>	<b>30,318</b>	<b>22,591</b>	<b>9,743,225</b>	<b>2,035,800</b>	<b>3,839,754</b>	<b>3,323,274</b>	<b>3,671,102</b>
Agriculture, forestry, fishing, and hunting	719	463	180	4,699	2,132	2,650	2,103	2,470
Agricultural production	618	422	140	3,802	1,963	2,201	1,889	2,075
Forestry and logging	*38	*37	*37	*436	*205	*216	*137	*180
Support activities and fishing, hunting, and trapping	*62	*3	d	*461	*-36	*233	*76	*215
Mining	751	378	177	126,846	64,574	66,430	60,994	55,704
Utilities	63	42	42	84,237	26,537	34,841	32,807	33,987
Construction	2,171	1,075	873	45,928	12,862	48,298	46,410	46,736
Construction of buildings	464	402	373	20,636	6,484	30,220	29,232	29,266
Heavy and civil engineering construction	1,094	121	94	20,609	5,202	12,071	11,262	11,684
Specialty trade contractors	613	551	407	4,682	1,176	6,007	5,915	5,786
Manufacturing	6,701	3,819	3,098	2,260,118	597,904	1,777,561	1,681,237	1,705,105
Food manufacturing	500	139	129	59,467	13,621	53,699	52,153	51,892
Beverage and tobacco product manufacturing	304	28	27	29,533	4,861	21,965	20,793	20,539
Textile mills and textile product mills	176	84	80	5,814	2,938	6,547	6,418	6,577
Apparel manufacturing	35	22	22	1,256	689	1,793	1,746	1,702
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	142	109	109	6,301	1,122	7,882	7,736	7,895
Paper manufacturing	125	74	67	20,208	7,621	22,954	22,221	22,619
Printing and related support activities	103	31	31	6,119	1,020	7,003	6,798	6,980
Petroleum and coal products manufacturing	103	22	21	762,728	116,283	606,362	585,311	575,707
Chemical manufacturing	455	296	282	301,882	112,678	225,072	207,850	207,629
Plastics and rubber products manufacturing	601	244	143	42,826	9,491	55,063	53,099	54,097
Nonmetallic mineral product manufacturing	173	141	135	104,293	37,980	61,462	58,812	57,037
Primary metal manufacturing	147	97	92	52,114	19,560	68,586	67,089	63,652
Fabricated metal product manufacturing	528	310	238	39,384	14,138	38,644	37,462	38,007
Machinery manufacturing	805	591	582	137,859	45,036	108,254	101,680	105,354
Computer and electronic product manufacturing	1,173	881	510	148,821	64,202	95,940	91,080	95,121
Electrical equipment, appliance, and component manufacturing	254	94	75	38,057	16,530	31,052	30,075	30,613
Transportation equipment manufacturing	547	367	284	457,991	113,908	324,818	292,541	320,455
Furniture and related product manufacturing	56	12	11	2,137	-117	3,965	3,946	3,973
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	20,308	10,079	7,385	567,453	170,288	1,005,722	976,514	977,629
Wholesale trade	17,438	8,732	6,503	461,074	136,464	803,165	777,785	780,092
Wholesale trade, durable goods	11,994	6,614	4,744	338,220	92,212	587,148	572,204	574,582
Wholesale trade, nondurable goods	5,116	2,113	1,754	122,314	44,233	215,928	205,517	205,413
Wholesale electronic markets and agents and brokers	*328	*5	*5	*541	*18	*89	*64	*98
Retail trade	2,871	1,346	882	106,379	33,825	202,557	198,729	197,537
Motor vehicle dealers and parts dealers	60	37	22	2,983	666	7,500	7,237	7,410
Furniture and home furnishings stores	132	13	13	4,720	601	5,081	4,988	4,970
Electronics and appliance stores	387	296	153	2,129	392	3,848	3,727	3,558
Building material and garden equipment and supplies dealers	48	32	32	634	285	1,186	1,160	1,153
Food, beverage and liquor stores	41	13	13	53,917	17,946	124,280	123,010	121,753
Health and personal care stores	73	35	34	8,741	3,194	15,447	15,237	15,183
Gasoline stations	*244	*240	*4	*3,248	*861	*10,655	*10,538	*10,501
Clothing and clothing accessories stores	395	195	177	14,586	7,451	15,018	14,068	14,133
Sporting goods, hobby, book, and music stores	633	69	69	886	398	1,322	1,295	1,304
General merchandise stores	*30	*0	*0	*57	*25	*182	*178	*203
Miscellaneous store retailers	147	53	42	6,655	-1,309	8,305	8,039	8,207
Nonstore retailers	681	363	321	7,823	3,316	9,733	9,250	9,161

Footnotes at end of table.

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Transportation and warehousing	2,263	1,424	1,263	59,335	19,045	55,632	53,644	55,794
Air, rail, and water transportation	155	115	52	17,829	3,750	12,096	11,516	11,737
Truck transportation	615	302	302	2,142	410	3,698	3,654	3,753
Transit and ground passenger transportation	*3	*0	*0	*2,373	*1,540	*1,968	*1,952	*2,006
Pipeline transportation	*13	*12	*12	*2,422	*1,285	*2,375	*2,305	*2,336
Other transportation and support activities	1,146	682	595	26,651	7,534	32,490	31,585	33,302
Warehousing and storage	332	313	303	7,919	4,525	3,005	2,632	2,660
Information	2,145	900	592	373,761	202,865	98,465	83,102	93,049
Publishing industries	769	402	187	76,603	13,839	37,741	32,748	37,042
Motion picture and sound recording industries	603	115	107	49,444	19,240	11,894	8,526	11,438
Broadcasting (except Internet)	54	39	7	3,561	2,024	912	813	1,073
Internet publishing and broadcasting	*15	d	d	*15,052	*3,416	*8,927	*8,423	*8,422
Telecommunications	462	170	132	210,577	158,153	31,594	26,048	27,839
Internet service providers, Web search portals, and data processing services	188	135	124	7,233	1,644	2,125	1,836	2,170
Other information services	53	d	d	11,290	4,548	5,274	4,708	5,065
Finance and insurance	2,950	1,685	1,203	4,677,234	693,609	446,808	203,554	418,506
Credit intermediation	376	246	225	299,192	22,106	22,254	9,124	21,227
Depository credit intermediation	51	48	47	104,236	7,531	5,655	601	5,050
Nondepository credit intermediation	325	198	178	194,956	14,575	16,599	8,523	16,177
Securities, commodity contracts, and other financial investments and related activities	1,499	653	518	2,781,476	129,794	198,327	40,410	187,047
Insurance carriers and related activities	317	258	244	1,251,330	268,416	213,863	154,017	205,505
Funds, trusts, and other financial vehicles	758	528	215	345,236	273,293	12,364	3	4,727
Real estate and rental and leasing	11,906	4,502	3,453	113,134	35,759	30,573	19,745	25,723
Real estate	11,719	4,381	3,334	79,984	30,739	14,791	6,401	11,035
Rental and leasing services	181	115	114	33,027	4,938	15,734	13,338	14,670
Lessors of nonfinancial intangible assets (except copyrighted works)	*6	*6	*5	*124	*82	*48	*6	*18
Professional, scientific, and technical services	6,274	3,025	2,012	119,047	44,492	72,989	67,440	71,573
Management of companies (holding companies)	3,233	1,262	941	1,160,438	116,470	110,029	16,323	93,727
Administrative and support and waste management and remediation services	1,874	702	662	44,258	12,097	37,861	35,829	42,184
Administrative and support services	1,862	697	656	37,396	9,568	33,770	31,921	33,675
Waste management and remediation services	*13	*6	*6	*6,862	*2,529	*4,092	*3,909	*8,510
Educational services	7	5	4	3,942	695	1,379	1,270	1,334
Health care and social assistance	341	277	277	19,045	8,954	12,080	11,027	10,958
Offices of health practitioners and outpatient care centers	*262	*262	*262	*14,619	*7,509	*7,799	*7,333	*7,015
Miscellaneous health care and social assistance	72	11	11	2,200	705	1,677	1,594	1,625
Hospitals, nursing, and residential care facilities	7	5	5	2,226	739	2,605	2,099	2,319
Arts, entertainment, and recreation	491	169	71	12,641	2,445	4,400	3,388	4,193
Amusement, gambling, and recreation industries	88	55	37	9,593	1,779	1,867	1,492	1,862
Other arts, entertainment, and recreation	403	114	34	3,047	666	2,533	1,896	2,331
Accommodation and food services	949	409	273	65,876	23,478	29,159	23,326	27,886
Accommodation	276	199	157	50,074	21,627	9,308	5,015	8,475
Food services and drinking places	673	209	117	15,802	1,851	19,851	18,311	19,412
Other services	806	103	86	5,232	1,594	4,876	4,563	4,543
Repair and maintenance	332	87	70	2,473	988	3,255	3,088	3,154
Personal and laundry services	474	16	16	2,759	606	1,621	1,475	1,389

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All industries [1]</b>	<b>2,425,660</b>	<b>168,652</b>	<b>172,560</b>	<b>214,812</b>	<b>-42,252</b>	<b>171,251</b>	<b>60,313</b>	<b>49,953</b>
Agriculture, forestry, fishing, and hunting	1,342	180	189	324	-135	159	54	49
Agricultural production	1,183	126	125	245	-120	121	41	36
Forestry and logging	*109	*36	*36	*38	*-1	*35	*12	*12
Support activities and fishing, hunting, and trapping	*51	*18	*27	*41	*-14	*3	*1	d
Mining	30,002	10,726	10,910	12,871	-1,961	9,951	3,643	1,834
Utilities	21,449	854	889	1,086	-197	877	315	222
Construction	38,611	1,563	1,570	2,156	-586	1,911	667	656
Construction of buildings	26,174	954	962	1,064	-103	1,024	358	353
Heavy and civil engineering construction	8,466	387	388	765	-377	639	226	220
Specialty trade contractors	3,972	221	220	326	-106	248	84	84
Manufacturing	1,321,660	72,456	75,074	88,056	-12,982	78,076	27,442	21,504
Food manufacturing	32,122	1,808	1,825	2,234	-408	1,595	572	542
Beverage and tobacco product manufacturing	10,807	1,425	1,444	1,534	-90	1,271	444	410
Textile mills and textile product mills	5,033	-30	-32	222	-254	185	64	62
Apparel manufacturing	1,123	91	97	114	-18	91	33	32
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	6,320	-14	-13	146	-159	98	34	32
Paper manufacturing	17,681	335	378	863	-485	416	148	94
Printing and related support activities	5,160	23	23	89	-66	45	16	16
Petroleum and coal products manufacturing	529,960	30,655	31,825	31,884	-59	31,580	11,054	7,744
Chemical manufacturing	122,165	17,442	18,116	19,241	-1,124	17,562	6,174	5,011
Plastics and rubber products manufacturing	39,485	966	1,009	1,459	-450	762	279	219
Nonmetallic mineral product manufacturing	37,733	4,425	4,483	4,809	-326	4,585	1,604	1,517
Primary metal manufacturing	54,458	4,934	4,940	5,240	-300	4,858	1,707	1,145
Fabricated metal product manufacturing	28,223	637	687	1,922	-1,235	1,493	522	502
Machinery manufacturing	76,341	2,900	3,102	3,817	-715	2,412	853	659
Computer and electronic product manufacturing	68,535	818	996	3,084	-2,088	1,483	545	477
Electrical equipment, appliance, and component manufacturing	21,544	439	496	1,441	-945	1,052	373	273
Transportation equipment manufacturing	239,249	4,362	4,382	7,861	-3,479	6,867	2,414	2,259
Furniture and related product manufacturing	2,816	-8	-8	54	-62	44	15	14
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	788,435	28,093	28,330	34,260	-5,930	29,264	10,245	9,665
Wholesale trade	646,255	23,072	23,324	28,369	-5,044	24,425	8,545	8,009
Wholesale trade, durable goods	479,583	12,567	12,715	16,398	-3,683	13,687	4,781	4,472
Wholesale trade, nondurable goods	166,673	10,515	10,618	11,966	-1,348	10,735	3,763	3,536
Wholesale electronic markets and agents and brokers	*0	*-9	*-9	*4	*-13	*4	*1	*1
Retail trade	142,179	5,021	5,006	5,892	-886	4,839	1,700	1,656
Motor vehicle dealers and parts dealers	6,324	90	90	146	-57	114	39	38
Furniture and home furnishings stores	2,890	110	108	172	-64	168	58	58
Electronics and appliance stores	2,323	290	290	308	-18	116	41	38
Building material and garden equipment and supplies dealers	915	33	35	46	-11	45	15	14
Food, beverage and liquor stores	91,365	2,527	2,527	2,673	-147	2,509	882	868
Health and personal care stores	9,563	264	264	393	-129	386	135	128
Gasoline stations	*9,039	*153	*153	*157	*-5	*148	*52	*47
Clothing and clothing accessories stores	6,794	885	885	1,063	-178	565	204	199
Sporting goods, hobby, book, and music stores	936	18	18	53	-35	33	11	11
General merchandise stores	*136	*-22	*-22	*0	*-22	*0	*0	*0
Miscellaneous store retailers	5,290	99	98	233	-134	134	47	44
Nonstore retailers	6,604	572	559	647	-88	621	216	210

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Transportation and warehousing	23,802	-162	-144	2,064	-2,208	1,553	548	507
Air, rail, and water transportation	4,880	358	371	622	-251	537	198	175
Truck transportation	1,822	-54	-54	41	-95	11	3	3
Transit and ground passenger transportation	*1,011	*-38	*-38	*0	*-38	*0	*0	*0
Pipeline transportation	*2,130	*40	*40	*66	*-27	*65	*22	*22
Other transportation and support activities	13,441	-813	-807	959	-1,766	765	264	246
Warehousing and storage	518	344	345	376	-31	175	61	60
Information	31,086	5,416	5,557	8,514	-2,957	4,604	1,620	1,522
Publishing industries	13,311	699	731	2,123	-1,392	710	251	203
Motion picture and sound recording industries	3,975	456	541	836	-295	82	28	26
Broadcasting (except Internet)	301	-162	-177	39	-215	23	8	6
Internet publishing and broadcasting	*2,469	*505	*505	d	d	d	d	d
Telecommunications	9,645	3,755	3,764	4,453	-690	2,898	1,041	1,028
Internet service providers, Web search portals, and data processing services	716	-45	-45	182	-228	132	45	44
Other information services	669	208	239	d	d	d	d	d
Finance and insurance	104,647	28,302	28,515	32,225	-3,711	15,980	5,675	4,976
Credit intermediation	162	1,027	839	1,417	-578	1,271	450	426
Depository credit intermediation	0	605	596	602	-6	562	197	195
Nondepository credit intermediation	162	422	243	816	-572	710	254	231
Securities, commodity contracts, and other financial investments and related activities	380	11,280	11,490	11,764	-274	7,477	2,657	2,422
Insurance carriers and related activities	104,106	8,358	8,546	11,084	-2,537	6,461	2,297	1,956
Funds, trusts, and other financial vehicles	0	7,637	7,639	7,960	-321	771	271	171
Real estate and rental and leasing	4,621	4,850	4,622	6,369	-1,748	5,062	1,774	1,757
Real estate	891	3,755	3,733	5,021	-1,288	4,028	1,403	1,390
Rental and leasing services	3,723	1,064	859	1,319	-459	1,012	363	359
Lessors of nonfinancial intangible assets (except copyrighted works)	*7	*30	*30	*30	*0	*22	*8	*8
Professional, scientific, and technical services	23,514	1,416	1,464	4,434	-2,970	3,192	1,110	969
Management of companies (holding companies)	1,076	16,302	16,557	17,577	-1,019	16,762	5,871	5,132
Administrative and support and waste management and remediation services	16,958	-4,323	-4,309	780	-5,088	554	191	168
Administrative and support services	16,304	95	109	771	-663	551	190	167
Waste management and remediation services	*654	*-4,418	*-4,417	*8	*-4,426	*3	*1	*1
Educational services	466	46	48	68	-19	44	15	6
Health care and social assistance	5,011	1,122	1,120	1,186	-66	949	333	328
Offices of health practitioners and outpatient care centers	*4,404	*784	*783	*783	*0	*604	*211	*210
Miscellaneous health care and social assistance	586	52	51	98	-47	50	18	18
Hospitals, nursing, and residential care facilities	21	286	286	305	-19	294	103	101
Arts, entertainment, and recreation	1,104	207	213	390	-177	226	80	75
Amusement, gambling, and recreation industries	457	5	7	127	-120	100	35	31
Other arts, entertainment, and recreation	647	203	206	263	-56	126	45	43
Accommodation and food services	9,950	1,272	1,594	2,011	-417	1,681	589	468
Accommodation	615	833	1,151	1,245	-94	990	348	253
Food services and drinking places	9,335	439	443	766	-323	692	241	215
Other services	1,926	333	360	441	-81	405	141	116
Repair and maintenance	1,685	101	107	147	-39	130	45	43
Personal and laundry services	242	232	253	294	-42	275	96	74

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

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

[1] Includes "Not allocable," which is not shown separately.

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

# Foreign-Controlled Domestic Corporations, 2006

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**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Age of corporation and selected country of foreign owner	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All foreign-controlled domestic corporations</b>	<b>63,951</b>	<b>30,318</b>	<b>22,591</b>	<b>9,743,225</b>	<b>2,035,800</b>	<b>3,839,754</b>	<b>3,323,274</b>	<b>3,671,102</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	46,725	25,139	17,840	9,366,985	1,890,139	3,650,508	3,148,609	3,485,667
Percentage of all corporations	73.06	82.92	78.97	96.14	92.85	95.07	94.74	94.95
New corporations:								
Number or amount	17,226	5,180	4,751	376,240	145,661	189,245	174,665	185,435
Percentage of all corporations	26.94	17.09	21.03	3.86	7.15	4.93	5.26	5.05
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	56,859	27,157	20,584	9,675,447	2,018,388	3,795,072	3,283,668	3,628,752
Percentage of all countries	88.91	89.57	91.12	99.30	99.14	98.84	98.81	98.85
Selected countries:								
Australia	1,369	774	613	108,403	31,711	42,664	37,942	37,222
Austria	533	195	170	8,485	3,208	11,149	10,878	10,770
Bahamas	553	142	139	6,841	773	2,766	2,251	2,509
Belgium	339	210	169	84,626	13,611	42,401	36,021	40,431
Bermuda	286	136	110	234,118	73,167	68,391	59,981	65,901
Brazil	963	877	577	7,464	1,058	6,611	6,074	6,673
British Virgin Islands [1]	3,480	776	640	25,862	6,810	19,940	18,228	19,692
Canada	10,945	6,105	4,918	950,149	282,023	360,552	315,843	344,666
Cayman Islands	1,790	463	417	103,640	44,492	31,108	26,338	28,657
China	695	225	157	5,204	1,841	7,200	6,962	6,982
China (Taiwan)	1,566	319	229	14,424	4,317	23,896	23,288	23,620
Colombia	1,036	326	326	390	-67	550	512	589
Denmark	489	401	162	12,870	4,425	15,898	15,442	15,273
Finland	71	36	36	18,046	6,734	22,604	21,413	21,917
Former Soviet Union [2]	348	75	48	2,188	450	7,939	7,788	7,915
France	2,064	841	679	928,149	257,584	242,709	190,657	231,803
Germany	4,514	2,045	1,281	1,282,999	244,261	494,461	410,275	482,096
Hong Kong	1,404	605	442	8,334	2,084	12,014	11,559	11,771
India	1,312	568	391	6,333	1,290	9,721	9,584	9,504
Ireland	533	148	129	35,179	5,214	21,599	19,466	20,607
Israel	912	485	340	30,999	5,075	16,432	14,815	15,993
Italy	1,396	754	639	41,220	12,192	26,625	25,103	25,235
Japan	4,488	2,798	2,232	753,445	187,564	618,035	575,808	596,122
Liechtenstein	173	43	12	2,844	1,186	5,202	5,086	5,146
Luxembourg	338	203	126	65,789	27,065	35,016	31,660	33,180
Mexico	1,385	825	514	22,197	8,416	28,256	25,999	24,794
Netherlands	1,667	669	481	883,042	151,293	289,889	235,439	280,447
Netherlands Antilles	334	207	202	12,830	5,690	10,299	9,049	8,631
Norway	291	180	149	14,937	6,971	15,961	15,322	15,764
Panama	775	268	235	14,957	2,015	5,236	4,981	6,154
Puerto Rico	22	17	7	28,614	2,591	2,304	377	2,233
Saudi Arabia	158	37	19	4,985	2,694	10,792	9,732	10,068
Singapore	136	100	68	15,442	6,191	12,836	12,330	12,640
South Africa, Republic of	163	60	32	4,360	785	6,357	6,270	6,449
South Korea, Republic of	1,537	489	462	31,539	5,908	71,734	70,253	70,969
Spain	841	187	182	27,712	9,666	14,051	12,730	13,616
Sweden	527	184	126	50,788	8,589	53,476	50,374	51,797
Switzerland	1,584	980	529	1,294,851	88,102	188,179	143,163	174,964
United Kingdom	4,943	2,739	1,993	2,508,070	496,819	889,017	756,939	838,304
Venezuela	899	665	603	23,122	4,590	51,202	47,736	47,648

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Age of corporation and selected country of foreign owner	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All foreign-controlled domestic corporations</b>	<b>2,425,660</b>	<b>168,652</b>	<b>172,560</b>	<b>214,812</b>	<b>-42,252</b>	<b>171,251</b>	<b>60,313</b>	<b>49,953</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	2,308,808	164,841	168,187	203,994	-35,806	162,534	57,231	47,312
Percentage of all corporations	95.18	97.74	97.47	94.96	84.74	94.91	94.89	94.71
New corporations:								
Number or amount	116,852	3,810	4,372	10,818	-6,446	8,718	3,082	2,641
Percentage of all corporations	4.82	2.26	2.53	5.04	15.26	5.09	5.11	5.29
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	2,395,332	166,322	170,224	211,136	-40,907	168,333	59,304	48,980
Percentage of all countries	98.75	98.62	98.65	98.29	96.82	98.30	98.33	98.05
Selected countries:								
Australia	21,991	5,441	5,304	6,491	-1,187	5,568	1,953	596
Austria	8,222	378	378	448	-70	409	145	141
Bahamas	1,100	257	257	359	-103	212	74	50
Belgium	26,083	1,970	2,069	2,245	-175	2,086	733	667
Bermuda	34,644	2,490	2,721	4,690	-1,969	2,968	1,052	741
Brazil	5,342	-61	-62	158	-220	154	52	51
British Virgin Islands [1]	14,086	248	248	1,007	-758	694	241	232
Canada	225,784	15,886	15,913	19,778	-3,864	12,166	4,455	4,180
Cayman Islands	14,500	2,451	2,682	3,902	-1,220	3,186	1,112	888
China	5,676	218	216	344	-128	327	114	65
China (Taiwan)	20,988	276	276	634	-358	361	127	122
Colombia	410	-39	-39	34	-73	32	8	8
Denmark	10,005	625	635	749	-114	542	191	169
Finland	16,467	688	702	861	-159	437	162	140
Former Soviet Union [2]	7,187	24	24	143	-119	139	48	40
France	130,898	10,906	11,150	17,655	-6,506	12,916	4,533	4,154
Germany	288,799	12,365	12,904	17,863	-4,959	11,302	3,997	3,165
Hong Kong	9,643	244	242	368	-126	281	98	89
India	5,686	217	210	376	-166	235	79	79
Ireland	13,312	992	992	1,177	-185	829	294	290
Israel	11,310	439	484	978	-494	805	279	207
Italy	15,108	1,390	1,444	2,010	-566	1,561	547	460
Japan	448,792	21,914	21,977	27,781	-5,804	24,257	8,507	7,879
Liechtenstein	3,913	56	54	100	-46	75	26	25
Luxembourg	19,308	1,836	1,872	2,334	-463	1,837	646	516
Mexico	18,114	3,462	3,456	4,022	-565	2,590	905	401
Netherlands	165,798	9,442	10,620	13,273	-2,653	9,627	3,420	1,626
Netherlands Antilles	3,328	1,669	1,695	1,750	-55	1,668	582	555
Norway	12,340	196	197	576	-378	409	145	137
Panama	4,796	-917	-909	189	-1,098	124	42	42
Puerto Rico	85	71	68	93	-25	88	31	31
Saudi Arabia	9,301	724	723	757	-34	740	263	263
Singapore	8,370	196	192	334	-141	232	82	71
South Africa, Republic of	4,848	-92	-92	120	-212	114	40	39
South Korea, Republic of	63,167	765	763	1,219	-456	749	262	256
Spain	9,222	435	454	1,032	-578	890	312	303
Sweden	38,637	1,678	1,679	1,893	-214	1,537	540	509
Switzerland	72,241	13,215	13,118	14,503	-1,385	11,174	3,935	3,675
United Kingdom	580,073	50,713	52,054	55,295	-3,240	51,452	18,029	14,875
Venezuela	45,758	3,554	3,553	3,595	-41	3,560	1,243	1,243

[1] Includes domestic corporations with owners from Saint Christopher, Nevis, and Anguilla.

[2] Includes domestic corporations with owners from Russia, Armenia, Uzbekistan, Ukraine, Turkmenistan, Tajikistan, Sakhalin Island, Moldova, Kyrgyzstan, Azerbaijan, Kazakhstan, Kurile Islands, Georgia, Belarus, and Estonia.

NOTES: "New" corporations were those with dates of incorporation between 2004 and 2007; "old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Countries shown in this table are those in which one or more of the following were present: (a) at least 500 returns, (b) at least \$10 billion of total assets, or (c) at least \$5 billion of total receipts. Detail may not add to totals because of rounding.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006**

[Money amounts are in millions of dollars]

Control status and industrial sector	Number of returns			Assets			
	Total	With net income	With total income tax after credits	Total	Current	Noncurrent	
						Total	Loans to stockholders
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,948</b>	<b>2,988</b>	<b>2,882</b>	<b>9,209,383</b>	<b>4,709,769</b>	<b>4,499,614</b>	<b>43,701</b>
Agriculture, forestry, fishing, and hunting	10	9	9	1,751	613	1,138	0
Mining	85	55	54	119,037	34,312	84,724	12
Utilities	29	21	22	83,036	12,858	70,178	127
Construction	73	50	50	38,790	22,269	16,521	201
Manufacturing	1,479	1,073	1,024	2,219,876	1,078,816	1,141,060	16,057
Wholesale and retail trade	1,231	1,019	986	521,269	284,244	237,025	2,029
Wholesale trade	1,106	919	889	420,901	250,310	170,591	1,528
Retail trade	124	100	97	100,368	33,934	66,433	501
Transportation and warehousing	102	57	59	54,810	11,437	43,373	89
Information	120	82	76	364,721	52,649	312,071	4,473
Finance and insurance	308	252	252	4,356,989	2,383,010	1,973,979	18,533
Real estate and rental and leasing	70	50	49	69,320	20,205	49,114	23
Professional, scientific, and technical services	176	128	120	104,092	30,622	73,470	37
Management of companies (holding companies)	86	66	64	1,138,099	751,648	386,450	726
Administrative and support and waste management and remediation services	93	68	65	40,420	13,593	26,827	143
Educational services	6	4	3	3,881	1,319	2,562	0
Health care and social assistance	17	13	13	18,428	3,567	14,861	0
Arts, entertainment, and recreation	12	7	6	10,711	2,197	8,514	1,075
Accommodation and food services	39	29	25	60,654	5,402	55,252	168
Other services	11	5	5	3,499	1,005	2,494	9
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>15,293</b>	<b>11,972</b>	<b>11,618</b>	<b>44,987,115</b>	<b>17,512,732</b>	<b>27,474,383</b>	<b>389,493</b>
Agriculture, forestry, fishing, and hunting	101	73	73	29,198	9,822	19,376	91
Mining	237	170	177	424,424	84,877	339,547	3,067
Utilities	185	128	129	1,334,706	264,170	1,070,536	9
Construction	815	705	715	190,476	126,082	64,394	118
Manufacturing	3,272	2,399	2,282	6,979,545	2,501,786	4,477,759	43,348
Wholesale and retail trade	3,948	3,208	3,086	1,944,032	708,949	1,235,083	3,413
Wholesale trade	2,263	1,908	1,841	993,090	345,075	648,015	2,766
Retail trade	1,686	1,300	1,246	950,942	363,874	587,068	648
Transportation and warehousing	497	339	337	457,660	106,451	351,209	2,094
Information	687	437	416	2,721,934	493,913	2,228,021	1,334
Finance and insurance	1,972	1,652	1,620	16,030,851	5,729,400	10,301,451	7,964
Real estate and rental and leasing	189	132	130	213,756	50,647	163,109	132
Professional, scientific, and technical services	815	630	604	341,925	151,570	190,355	707
Management of companies (holding companies)	1,324	1,255	1,260	13,711,165	7,150,222	6,560,943	325,303
Administrative and support and waste management and remediation services	306	219	204	129,196	40,715	88,481	55
Educational services	61	37	38	16,242	5,012	11,230	3
Health care and social assistance	482	312	280	155,517	39,033	116,484	69
Arts, entertainment, and recreation	69	47	42	44,566	7,357	37,209	1,679
Accommodation and food services	252	175	173	229,260	36,399	192,861	101
Other services	79	53	51	32,660	6,325	26,335	6

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Liabilities			Net worth			
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from stockholders		Total	Appropriated	Unappropriated
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>4,743,771</b>	<b>2,759,702</b>	<b>146,077</b>	<b>1,705,910</b>	<b>11,535</b>	<b>10,587</b>	<b>948</b>
Agriculture, forestry, fishing, and hunting	273	576	0	902	-152	0	-152
Mining	19,752	36,764	2,094	62,521	3,299	[2]	3,298
Utilities	14,261	42,658	2,166	26,117	-7,451	0	-7,451
Construction	17,356	10,539	1,830	10,895	-1,781	2	-1,783
Manufacturing	961,940	669,785	74,703	588,151	-20,090	388	-20,479
Wholesale and retail trade	218,978	142,872	6,074	159,419	17,891	32	17,859
Wholesale trade	185,036	108,662	5,733	127,203	12,735	31	12,704
Retail trade	33,942	34,210	341	32,216	5,156	1	5,156
Transportation and warehousing	11,073	26,416	582	17,321	-4,193	6	-4,199
Information	64,635	96,114	27,785	203,971	-20,355	498	-20,853
Finance and insurance	2,512,566	1,416,970	19,958	427,453	39,528	9,649	29,879
Real estate and rental and leasing	17,359	32,144	1,215	19,817	965	0	965
Professional, scientific, and technical services	31,244	32,393	2,504	40,455	-17,642	5	-17,647
Management of companies (holding companies)	852,292	182,836	2,241	102,971	36,864	0	36,864
Administrative and support and waste management and remediation services	9,285	20,139	1,543	10,997	-16,103	[2]	-16,104
Educational services	1,357	1,851	26	673	-175	0	-175
Health care and social assistance	3,256	6,375	71	8,797	451	0	451
Arts, entertainment, and recreation	1,019	7,646	2,901	2,046	25	0	25
Accommodation and food services	6,179	32,003	256	22,473	-394	[2]	-395
Other services	946	1,620	128	933	849	5	844
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>22,446,275</b>	<b>12,289,353</b>	<b>209,559</b>	<b>10,251,487</b>	<b>4,183,249</b>	<b>139,799</b>	<b>4,043,450</b>
Agriculture, forestry, fishing, and hunting	5,359	16,947	778	6,893	1,915	4	1,911
Mining	72,024	156,564	183	195,836	94,970	136	94,835
Utilities	285,446	714,660	2,401	334,600	42,739	755	41,984
Construction	60,652	56,596	614	73,228	54,999	241	54,758
Manufacturing	2,193,674	2,182,917	40,706	2,602,953	1,260,073	5,385	1,254,688
Wholesale and retail trade	584,133	488,101	4,998	871,798	533,843	3,201	530,642
Wholesale trade	274,240	215,029	3,714	503,820	314,636	3,090	311,546
Retail trade	309,893	273,071	1,284	367,978	219,207	112	219,096
Transportation and warehousing	106,202	233,571	2,683	117,888	41,221	88	41,133
Information	558,699	1,011,889	22,492	1,151,345	-104,844	144	-104,989
Finance and insurance	8,550,285	5,176,240	7,114	2,304,326	1,300,691	123,195	1,177,496
Real estate and rental and leasing	46,529	101,223	2,196	66,004	15,215	73	15,142
Professional, scientific, and technical services	124,905	89,246	1,591	127,774	-27,685	75	-27,760
Management of companies (holding companies)	9,733,701	1,749,083	120,606	2,228,381	907,549	5,560	901,990
Administrative and support and waste management and remediation services	34,294	52,808	153	42,095	11,773	104	11,668
Educational services	4,824	4,726	22	6,692	2,294	0	2,294
Health care and social assistance	30,558	91,786	162	33,173	-1,228	14	-1,243
Arts, entertainment, and recreation	9,440	29,083	1,830	6,043	-3,125	11	-3,136
Accommodation and food services	40,817	115,143	797	73,300	50,878	752	50,126
Other services	4,733	18,768	233	9,158	1,972	61	1,912

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Receipts						Dividends received from:	
	Total	Business receipts	Interest [1]	Rents	Royalties	Domestic corporations	Foreign corporations	
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
<b>All industries</b>	<b>3,642,030</b>	<b>3,155,255</b>	<b>297,796</b>	<b>17,060</b>	<b>13,410</b>	<b>5,743</b>	<b>5,627</b>	
Agriculture, forestry, fishing, and hunting	1,217	1,151	12	1	1	0	36	
Mining	64,026	58,930	1,033	110	171	1,184	148	
Utilities	34,410	32,490	911	93	0	60	24	
Construction	44,395	42,951	387	61	16	10	1	
Manufacturing	1,734,109	1,639,255	25,824	11,321	5,388	915	3,228	
Wholesale and retail trade	929,044	901,704	6,283	1,304	2,455	951	450	
Wholesale trade	733,482	709,670	5,592	891	1,911	913	326	
Retail trade	195,563	192,034	691	413	544	38	124	
Transportation and warehousing	46,938	45,398	432	171	13	36	5	
Information	89,874	75,085	2,916	134	3,770	436	347	
Finance and insurance	431,049	200,142	181,002	1,498	12	1,548	769	
Real estate and rental and leasing	21,289	16,042	990	430	6	109	2	
Professional, scientific, and technical services	58,969	55,212	991	82	768	166	105	
Management of companies (holding companies)	107,226	16,268	75,741	1,718	31	168	379	
Administrative and support and waste management and remediation services	34,140	32,450	363	7	15	30	70	
Educational services	1,356	1,249	47	2	45	5	5	
Health care and social assistance	11,515	10,670	40	3	19	0	7	
Arts, entertainment, and recreation	3,066	2,257	136	48	53	71	2	
Accommodation and food services	26,096	20,849	657	76	596	54	11	
Other services	3,310	3,152	31	1	51	0	38	
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>								
<b>All industries</b>	<b>14,479,104</b>	<b>11,781,946</b>	<b>1,582,345</b>	<b>71,623</b>	<b>141,150</b>	<b>24,699</b>	<b>65,848</b>	
Agriculture, forestry, fishing, and hunting	19,256	18,079	189	85	54	7	1	
Mining	227,005	200,560	3,644	346	926	325	2,094	
Utilities	576,409	538,783	9,333	2,614	76	180	1,191	
Construction	262,771	253,059	1,838	708	227	46	12	
Manufacturing	4,715,964	4,201,543	153,357	19,540	92,170	3,320	42,416	
Wholesale and retail trade	3,051,096	2,951,530	19,071	5,465	9,716	1,324	5,399	
Wholesale trade	1,332,901	1,290,361	10,740	2,848	3,860	1,092	3,313	
Retail trade	1,718,195	1,661,169	8,331	2,617	5,856	232	2,086	
Transportation and warehousing	425,002	389,743	4,419	1,380	2,196	135	337	
Information	890,754	727,876	43,588	12,351	21,117	996	4,053	
Finance and insurance	2,459,247	1,500,969	720,679	6,422	920	13,469	5,074	
Real estate and rental and leasing	98,771	82,573	2,803	688	2,320	10	573	
Professional, scientific, and technical services	263,367	245,633	5,579	244	4,235	159	1,040	
Management of companies (holding companies)	929,874	158,747	610,886	19,976	273	4,570	2,409	
Administrative and support and waste management and remediation services	146,385	139,320	1,302	196	688	37	374	
Educational services	14,615	14,112	79	21	111	1	0	
Health care and social assistance	167,211	157,942	1,356	491	62	26	316	
Arts, entertainment, and recreation	26,328	23,116	548	163	111	8	59	
Accommodation and food services	182,642	157,099	3,240	896	5,800	75	464	
Other services	22,408	21,259	434	39	147	11	36	

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Deductions						
	Total	Cost of goods sold	Compensation of officers	Salaries and wages	Interest paid	Taxes paid	Depreciation
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,484,182</b>	<b>2,318,217</b>	<b>11,923</b>	<b>211,675</b>	<b>281,204</b>	<b>42,875</b>	<b>82,669</b>
Agriculture, forestry, fishing, and hunting	1,143	833	10	44	36	17	52
Mining	52,780	29,133	174	2,889	1,921	1,077	2,486
Utilities	33,632	21,340	46	974	2,147	767	1,695
Construction	43,008	36,309	245	1,503	762	352	337
Manufacturing	1,661,752	1,291,395	3,956	70,090	47,686	18,088	43,214
Wholesale and retail trade	901,282	731,045	1,906	44,970	9,871	7,898	14,565
Wholesale trade	710,893	592,827	1,672	25,944	7,574	5,067	11,466
Retail trade	190,388	138,218	234	19,025	2,296	2,830	3,099
Transportation and warehousing	47,388	19,486	230	6,814	1,274	1,197	1,590
Information	84,013	27,731	685	12,327	7,636	1,695	4,683
Finance and insurance	410,428	103,972	2,927	30,692	154,106	4,244	5,825
Real estate and rental and leasing	18,656	3,940	163	2,669	2,229	659	4,058
Professional, scientific, and technical services	57,119	19,497	843	13,584	1,866	2,594	859
Management of companies (holding companies)	91,897	1,060	351	9,783	48,252	1,207	1,992
Administrative and support and waste management and remediation services	38,408	15,843	222	7,221	976	1,411	508
Educational services	1,314	466	34	276	139	36	17
Health care and social assistance	10,389	4,891	19	1,485	522	419	199
Arts, entertainment, and recreation	2,929	953	27	452	283	98	164
Accommodation and food services	25,020	9,204	65	5,277	1,388	1,043	393
Other services	3,025	1,119	20	624	109	73	32
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>13,475,580</b>	<b>7,409,377</b>	<b>78,023</b>	<b>1,306,291</b>	<b>1,296,646</b>	<b>261,415</b>	<b>341,939</b>
Agriculture, forestry, fishing, and hunting	18,704	14,635	138	815	560	278	402
Mining	193,267	105,859	2,156	9,814	7,779	8,116	9,420
Utilities	541,975	314,997	1,684	21,894	31,927	20,954	33,152
Construction	246,766	192,990	2,245	10,536	3,391	3,753	2,114
Manufacturing	4,413,569	3,066,978	18,150	271,603	195,011	72,378	108,199
Wholesale and retail trade	2,922,487	2,275,610	10,501	239,475	33,594	39,157	34,133
Wholesale trade	1,284,906	1,083,756	6,299	65,191	15,433	12,178	10,568
Retail trade	1,637,580	1,191,854	4,202	174,284	18,160	26,979	23,565
Transportation and warehousing	406,945	114,706	1,909	79,016	11,385	13,446	21,521
Information	797,761	150,381	5,977	127,538	68,839	21,664	52,038
Finance and insurance	2,259,269	927,417	15,212	213,623	492,911	33,361	21,020
Real estate and rental and leasing	93,963	17,361	806	17,627	7,136	2,762	15,631
Professional, scientific, and technical services	252,637	81,955	5,765	67,027	7,598	7,250	4,252
Management of companies (holding companies)	796,127	1,900	8,007	105,881	416,102	13,740	24,084
Administrative and support and waste management and remediation services	139,763	60,595	1,353	29,172	3,835	7,092	3,300
Educational services	13,447	1,519	255	4,727	397	421	337
Health care and social assistance	161,240	17,893	1,402	58,397	5,640	6,201	3,768
Arts, entertainment, and recreation	25,147	4,601	387	5,175	1,661	2,011	1,352
Accommodation and food services	171,042	50,185	1,873	40,331	7,867	8,025	6,617
Other services	21,472	9,794	203	3,639	1,015	804	600

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit	Statutory special deductions	
						Total	Net operating loss deduction
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>157,849</b>	<b>5,560</b>	<b>161,718</b>	<b>191,822</b>	<b>-30,105</b>	<b>37,891</b>	<b>33,138</b>
Agriculture, forestry, fishing, and hunting	75	0	75	101	-26	45	9
Mining	11,246	187	11,431	12,571	-1,141	2,821	1,867
Utilities	777	40	812	990	-178	196	147
Construction	1,387	12	1,398	1,757	-360	192	182
Manufacturing	72,357	2,833	74,945	85,505	-10,560	9,489	8,550
Wholesale and retail trade	27,763	331	28,004	31,435	-3,431	4,355	3,400
Wholesale trade	22,589	330	22,846	25,954	-3,108	3,442	2,627
Retail trade	5,174	1	5,158	5,480	-322	913	772
Transportation and warehousing	-450	14	-437	1,491	-1,928	456	426
Information	5,861	248	5,997	8,037	-2,041	3,686	3,332
Finance and insurance	20,621	643	20,830	23,795	-2,964	14,137	13,242
Real estate and rental and leasing	2,633	0	2,421	3,026	-605	510	428
Professional, scientific, and technical services	1,850	95	1,903	3,219	-1,316	892	731
Management of companies (holding companies)	15,328	776	15,580	15,889	-309	316	190
Administrative and support and waste management and remediation services	-4,267	29	-4,257	591	-4,848	198	170
Educational services	41	3	44	64	-19	24	19
Health care and social assistance	1,127	0	1,125	1,147	-22	222	215
Arts, entertainment, and recreation	137	4	141	245	-104	114	43
Accommodation and food services	1,077	324	1,399	1,625	-226	221	168
Other services	286	20	306	334	-27	19	19
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>1,003,524</b>	<b>91,149</b>	<b>1,068,755</b>	<b>1,158,410</b>	<b>-89,655</b>	<b>127,518</b>	<b>100,022</b>
Agriculture, forestry, fishing, and hunting	552	87	633	995	-362	93	87
Mining	33,739	1,175	34,855	36,643	-1,788	5,399	5,071
Utilities	34,434	1,002	35,062	41,164	-6,101	9,169	9,008
Construction	16,004	36	15,990	16,910	-920	386	349
Manufacturing	302,395	62,788	357,271	390,477	-33,206	34,874	23,797
Wholesale and retail trade	128,610	5,446	133,256	138,047	-4,791	6,730	5,525
Wholesale trade	47,995	3,218	50,949	53,137	-2,188	2,722	1,895
Retail trade	80,615	2,228	82,307	84,910	-2,603	4,007	3,630
Transportation and warehousing	18,057	577	18,539	23,723	-5,184	2,731	2,513
Information	92,993	3,605	95,997	109,129	-13,132	35,732	34,902
Finance and insurance	199,978	11,374	202,552	212,272	-9,720	16,630	7,938
Real estate and rental and leasing	4,808	131	4,893	7,144	-2,251	2,151	2,090
Professional, scientific, and technical services	10,730	1,008	11,516	16,010	-4,494	4,324	3,772
Management of companies (holding companies)	133,747	2,998	130,176	130,961	-785	5,931	1,737
Administrative and support and waste management and remediation services	6,622	241	6,711	7,812	-1,101	1,238	1,208
Educational services	1,168	7	1,131	1,379	-249	31	30
Health care and social assistance	5,971	99	5,951	9,603	-3,652	811	792
Arts, entertainment, and recreation	1,182	23	1,187	1,784	-598	482	476
Accommodation and food services	11,599	535	12,089	13,175	-1,086	606	535
Other services	936	14	946	1,181	-235	201	193

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Income subject to tax	Total income tax before credits	Income tax	Alternative minimum tax	Total credits	Foreign tax credit	Total income tax after credits
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>159,482</b>	<b>56,297</b>	<b>55,733</b>	<b>557</b>	<b>10,203</b>	<b>7,922</b>	<b>46,095</b>
Agriculture, forestry, fishing, and hunting	56	19	19	0	4	1	15
Mining	9,751	3,573	3,412	160	1,799	1,633	1,773
Utilities	810	292	283	7	88	0	203
Construction	1,631	573	570	3	10	10	562
Manufacturing	76,152	26,781	26,640	139	5,905	4,975	20,876
Wholesale and retail trade	27,111	9,533	9,470	63	570	240	8,963
Wholesale trade	22,544	7,924	7,873	51	529	223	7,395
Retail trade	4,567	1,609	1,597	12	41	18	1,568
Transportation and warehousing	1,036	376	362	13	34	30	342
Information	4,351	1,534	1,484	50	83	37	1,451
Finance and insurance	14,883	5,295	5,205	89	688	481	4,607
Real estate and rental and leasing	2,515	896	880	16	6	1	890
Professional, scientific, and technical services	2,340	823	814	9	114	39	710
Management of companies (holding companies)	15,616	5,470	5,465	2	722	359	4,748
Administrative and support and waste management and remediation services	413	146	143	3	21	6	124
Educational services	40	14	14	0	9	9	4
Health care and social assistance	925	324	323	1	4	1	320
Arts, entertainment, and recreation	132	47	46	1	5	5	42
Accommodation and food services	1,405	494	491	2	117	70	377
Other services	315	110	110	0	23	22	87
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>1,037,923</b>	<b>367,253</b>	<b>364,405</b>	<b>2,795</b>	<b>88,438</b>	<b>69,528</b>	<b>278,815</b>
Agriculture, forestry, fishing, and hunting	903	316	314	2	8	6	308
Mining	31,439	11,120	11,001	119	2,896	2,391	8,223
Utilities	32,419	11,649	11,344	300	1,996	172	9,653
Construction	16,522	5,781	5,763	10	118	31	5,663
Manufacturing	356,495	125,064	124,740	311	50,979	44,764	74,085
Wholesale and retail trade	132,366	45,991	45,852	167	4,592	3,896	41,399
Wholesale trade	51,451	17,650	17,553	120	2,643	2,370	15,006
Retail trade	80,915	28,341	28,300	47	1,948	1,527	26,393
Transportation and warehousing	21,100	7,406	7,378	28	703	434	6,704
Information	77,119	28,131	27,671	459	4,105	3,299	24,026
Finance and insurance	196,182	70,865	69,738	1,104	11,849	7,692	59,015
Real estate and rental and leasing	4,991	1,896	1,745	141	89	72	1,807
Professional, scientific, and technical services	11,703	4,142	4,083	59	749	509	3,393
Management of companies (holding companies)	124,677	43,612	43,578	23	8,513	5,224	35,099
Administrative and support and waste management and remediation services	7,009	2,469	2,458	11	479	216	1,990
Educational services	1,349	471	471	0	1	0	470
Health care and social assistance	8,798	3,084	3,074	10	145	93	2,939
Arts, entertainment, and recreation	1,303	462	455	6	27	9	435
Accommodation and food services	12,568	4,449	4,400	43	1,162	707	3,287
Other services	980	345	341	3	25	14	320

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages					
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	Total liabilities divided by net worth
	Divided by total number of returns		Divided by total assets			
	(43)	(44)	(45)	(46)	(47)	(48)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>75.68</b>	<b>73.00</b>	<b>51.51</b>	<b>29.97</b>	<b>18.52</b>	<b>439.85</b>
Agriculture, forestry, fishing, and hunting	90.00	90.00	15.59	32.90	51.51	94.12
Mining	64.71	63.53	16.59	30.88	52.52	90.40
Utilities	72.41	75.86	17.17	51.37	31.45	217.94
Construction	68.49	68.49	44.74	27.17	28.09	256.03
Manufacturing	72.55	69.24	43.33	30.17	26.49	277.43
Wholesale and retail trade	82.78	80.10	42.01	27.41	30.58	226.98
Wholesale trade	83.09	80.38	43.96	25.82	30.22	230.89
Retail trade	80.65	78.23	33.82	34.08	32.10	211.55
Transportation and warehousing	55.88	57.84	20.20	48.20	31.60	216.44
Information	68.33	63.33	17.72	26.35	55.93	78.81
Finance and insurance	81.82	81.82	57.67	32.52	9.81	919.29
Real estate and rental and leasing	71.43	70.00	25.04	46.37	28.59	249.80
Professional, scientific, and technical services	72.73	68.18	30.02	31.12	38.86	157.30
Management of companies (holding companies)	76.74	74.42	74.89	16.07	9.05	1,005.26
Administrative and support and waste management and remediation services	73.12	69.89	22.97	49.82	27.21	267.56
Educational services	66.67	50.00	34.97	47.69	17.34	476.67
Health care and social assistance	76.47	76.47	17.67	34.59	47.74	109.48
Arts, entertainment, and recreation	58.33	50.00	9.51	71.38	19.10	423.51
Accommodation and food services	74.36	64.10	10.19	52.76	37.05	169.90
Other services	45.45	45.45	27.04	46.30	26.66	275.03
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>78.28</b>	<b>75.97</b>	<b>49.89</b>	<b>27.32</b>	<b>22.79</b>	<b>338.84</b>
Agriculture, forestry, fishing, and hunting	72.28	72.28	18.35	58.04	23.61	323.60
Mining	71.73	74.68	16.97	36.89	46.14	116.72
Utilities	69.19	69.73	21.39	53.54	25.07	298.90
Construction	86.50	87.73	31.84	29.71	38.44	160.11
Manufacturing	73.32	69.74	31.43	31.28	37.29	168.14
Wholesale and retail trade	81.26	78.17	30.05	25.11	44.84	122.99
Wholesale trade	84.31	81.35	27.61	21.65	50.73	97.11
Retail trade	77.11	73.90	32.59	28.72	38.70	158.42
Transportation and warehousing	68.21	67.81	23.21	51.04	25.76	288.22
Information	63.61	60.55	20.53	37.18	42.30	136.41
Finance and insurance	83.77	82.15	53.34	32.29	14.37	595.69
Real estate and rental and leasing	69.84	68.78	21.77	47.35	30.88	223.85
Professional, scientific, and technical services	77.30	74.11	36.53	26.10	37.37	167.60
Management of companies (holding companies)	94.79	95.17	70.99	12.76	16.25	515.30
Administrative and support and waste management and remediation services	71.57	66.67	26.54	40.87	32.58	206.92
Educational services	60.66	62.30	29.70	29.10	41.20	142.71
Health care and social assistance	64.73	58.09	19.65	59.02	21.33	368.81
Arts, entertainment, and recreation	68.12	60.87	21.18	65.26	13.56	637.48
Accommodation and food services	69.44	68.65	17.80	50.22	31.97	212.77
Other services	67.09	64.56	14.49	57.46	28.04	256.62

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued					
	Total receipts divided by total assets	Cost of goods sold divided by business receipts	Interest paid divided by total receipts	Total receipts less total deductions divided by		
				Total assets	Net worth	Total receipts
	(49)	(50)	(51)	(52)	(53)	(54)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>39.55</b>	<b>73.47</b>	<b>7.72</b>	<b>1.71</b>	<b>9.25</b>	<b>4.33</b>
Agriculture, forestry, fishing, and hunting	69.50	72.37	2.96	4.28	8.31	6.16
Mining	53.79	49.44	3.00	9.45	17.99	17.56
Utilities	41.44	65.68	6.24	0.94	2.98	2.26
Construction	114.45	84.54	1.72	3.58	12.73	3.12
Manufacturing	78.12	78.78	2.75	3.26	12.30	4.17
Wholesale and retail trade	178.23	81.07	1.06	5.33	17.42	2.99
Wholesale trade	174.26	83.54	1.03	5.37	17.76	3.08
Retail trade	194.85	71.98	1.17	5.16	16.06	2.65
Transportation and warehousing	85.64	42.92	2.71	-0.82	-2.60	-0.96
Information	24.64	36.93	8.50	1.61	2.87	6.52
Finance and insurance	9.89	51.95	35.75	0.47	4.82	4.78
Real estate and rental and leasing	30.71	24.56	10.47	3.80	13.29	12.37
Professional, scientific, and technical services	56.65	35.31	3.16	1.78	4.57	3.14
Management of companies (holding companies)	9.42	6.52	45.00	1.35	14.89	14.30
Administrative and support and waste management and remediation services	84.46	48.82	2.86	-10.56	-38.80	-12.50
Educational services	34.94	37.31	10.25	1.06	6.09	3.02
Health care and social assistance	62.49	45.84	4.53	6.12	12.81	9.79
Arts, entertainment, and recreation	28.62	42.22	9.23	1.28	6.70	4.47
Accommodation and food services	43.02	44.15	5.32	1.78	4.79	4.13
Other services	94.60	35.50	3.29	8.17	30.65	8.64
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>32.19</b>	<b>62.89</b>	<b>8.96</b>	<b>2.23</b>	<b>9.79</b>	<b>6.93</b>
Agriculture, forestry, fishing, and hunting	65.95	80.95	2.91	1.89	8.01	2.87
Mining	53.49	52.78	3.43	7.95	17.23	14.86
Utilities	43.19	58.46	5.54	2.58	10.29	5.97
Construction	137.95	76.26	1.29	8.40	21.86	6.09
Manufacturing	67.57	73.00	4.14	4.33	11.62	6.41
Wholesale and retail trade	156.95	77.10	1.10	6.62	14.75	4.22
Wholesale trade	134.22	83.99	1.16	4.83	9.53	3.60
Retail trade	180.68	71.75	1.06	8.48	21.91	4.69
Transportation and warehousing	92.86	29.43	2.68	3.95	15.32	4.25
Information	32.73	20.66	7.73	3.42	8.08	10.44
Finance and insurance	15.34	61.79	20.04	1.25	8.68	8.13
Real estate and rental and leasing	46.21	21.03	7.22	2.25	7.28	4.87
Professional, scientific, and technical services	77.02	33.36	2.88	3.14	8.40	4.07
Management of companies (holding companies)	6.78	1.20	44.75	0.98	6.00	14.38
Administrative and support and waste management and remediation services	113.30	43.49	2.62	5.13	15.73	4.52
Educational services	89.98	10.76	2.72	7.19	17.45	7.99
Health care and social assistance	107.52	11.33	3.37	3.84	18.00	3.57
Arts, entertainment, and recreation	59.08	19.90	6.31	2.65	19.56	4.49
Accommodation and food services	79.67	31.94	4.31	5.06	15.82	6.35
Other services	68.61	46.07	4.53	2.87	10.22	4.18

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(55)	(56)	(57)	(58)	
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>				
<b>All industries</b>	<b>1.76</b>	<b>9.48</b>	<b>4.44</b>	<b>17.28</b>
Agriculture, forestry, fishing, and hunting	4.28	8.31	6.16	8.91
Mining	9.60	18.28	17.85	14.85
Utilities	0.98	3.11	2.36	14.85
Construction	3.60	12.83	3.15	10.36
Manufacturing	3.38	12.74	4.32	10.00
Wholesale and retail trade	5.37	17.57	3.01	10.82
Wholesale trade	5.43	17.96	3.11	10.12
Retail trade	5.14	16.01	2.64	14.09
Transportation and warehousing	-0.80	-2.52	-0.93	28.57
Information	1.64	2.94	6.67	41.46
Finance and insurance	0.48	4.87	4.83	55.65
Real estate and rental and leasing	3.49	12.22	11.37	14.14
Professional, scientific, and technical services	1.83	4.70	3.23	22.71
Management of companies (holding companies)	1.37	15.13	14.53	1.20
Administrative and support and waste management and remediation services	-10.53	-38.71	-12.47	28.76
Educational services	1.13	6.54	3.24	29.69
Health care and social assistance	6.10	12.79	9.77	18.74
Arts, entertainment, and recreation	1.32	6.89	4.60	17.55
Accommodation and food services	2.31	6.23	5.36	10.34
Other services	8.75	32.80	9.24	5.69
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>				
<b>All industries</b>	<b>2.38</b>	<b>10.43</b>	<b>7.38</b>	<b>8.63</b>
Agriculture, forestry, fishing, and hunting	2.17	9.18	3.29	8.74
Mining	8.21	17.80	15.35	13.84
Utilities	2.63	10.48	6.08	21.88
Construction	8.39	21.84	6.09	2.06
Manufacturing	5.12	13.73	7.58	6.09
Wholesale and retail trade	6.85	15.29	4.37	4.00
Wholesale trade	5.13	10.11	3.82	3.57
Retail trade	8.66	22.37	4.79	4.28
Transportation and warehousing	4.05	15.73	4.36	10.59
Information	3.53	8.34	10.78	31.98
Finance and insurance	1.26	8.79	8.24	3.74
Real estate and rental and leasing	2.29	7.41	4.95	29.26
Professional, scientific, and technical services	3.37	9.01	4.37	23.56
Management of companies (holding companies)	0.95	5.84	14.00	1.33
Administrative and support and waste management and remediation services	5.19	15.94	4.58	15.46
Educational services	6.96	16.90	7.74	2.18
Health care and social assistance	3.83	17.94	3.56	8.25
Arts, entertainment, and recreation	2.66	19.64	4.51	26.68
Accommodation and food services	5.27	16.49	6.62	4.06
Other services	2.90	10.33	4.22	16.34

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

Statistics of Income Bulletin | Summer 2009

**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
(59)	(60)	(61)	(62)	(63)	(64)	
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>1.73</b>	<b>9.35</b>	<b>4.38</b>	<b>0.50</b>	<b>2.70</b>	<b>1.27</b>
Agriculture, forestry, fishing, and hunting	3.20	6.21	4.60	0.86	1.66	1.23
Mining	8.19	15.60	15.23	1.49	2.84	2.77
Utilities	0.98	3.10	2.35	0.24	0.78	0.59
Construction	4.20	14.97	3.67	1.45	5.16	1.27
Manufacturing	3.43	12.95	4.39	0.94	3.55	1.20
Wholesale and retail trade	5.20	17.01	2.92	1.72	5.62	0.96
Wholesale trade	5.36	17.72	3.07	1.76	5.81	1.01
Retail trade	4.55	14.18	2.34	1.56	4.87	0.80
Transportation and warehousing	1.89	5.98	2.21	0.62	1.97	0.73
Information	1.19	2.13	4.84	0.40	0.71	1.61
Finance and insurance	0.34	3.48	3.45	0.11	1.08	1.07
Real estate and rental and leasing	3.63	12.69	11.81	1.28	4.49	4.18
Professional, scientific, and technical services	2.25	5.78	3.97	0.68	1.76	1.20
Management of companies (holding companies)	1.37	15.17	14.56	0.42	4.61	4.43
Administrative and support and waste management and remediation services	1.02	3.76	1.21	0.31	1.13	0.36
Educational services	1.03	5.94	2.95	0.10	0.59	0.29
Health care and social assistance	5.02	10.51	8.03	1.74	3.64	2.78
Arts, entertainment, and recreation	1.23	6.45	4.31	0.39	2.05	1.37
Accommodation and food services	2.32	6.25	5.38	0.62	1.68	1.44
Other services	9.00	33.76	9.52	2.49	9.32	2.63
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>2.31</b>	<b>10.12</b>	<b>7.17</b>	<b>0.62</b>	<b>2.72</b>	<b>1.93</b>
Agriculture, forestry, fishing, and hunting	3.09	13.10	4.69	1.05	4.47	1.60
Mining	7.41	16.05	13.85	1.94	4.20	3.62
Utilities	2.43	9.69	5.62	0.72	2.88	1.67
Construction	8.67	22.56	6.29	2.97	7.73	2.16
Manufacturing	5.11	13.70	7.56	1.06	2.85	1.57
Wholesale and retail trade	6.81	15.18	4.34	2.13	4.75	1.36
Wholesale trade	5.18	10.21	3.86	1.51	2.98	1.13
Retail trade	8.51	21.99	4.71	2.78	7.17	1.54
Transportation and warehousing	4.61	17.90	4.96	1.46	5.69	1.58
Information	2.83	6.70	8.66	0.88	2.09	2.70
Finance and insurance	1.22	8.51	7.98	0.37	2.56	2.40
Real estate and rental and leasing	2.33	7.56	5.05	0.85	2.74	1.83
Professional, scientific, and technical services	3.42	9.16	4.44	0.99	2.66	1.29
Management of companies (holding companies)	0.91	5.59	13.41	0.26	1.58	3.77
Administrative and support and waste management and remediation services	5.43	16.65	4.79	1.54	4.73	1.36
Educational services	8.31	20.16	9.23	2.89	7.02	3.22
Health care and social assistance	5.66	26.52	5.26	1.89	8.86	1.76
Arts, entertainment, and recreation	2.92	21.56	4.95	0.98	7.20	1.65
Accommodation and food services	5.48	17.15	6.88	1.43	4.48	1.80
Other services	3.00	10.70	4.37	0.98	3.49	1.43

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$25.9 billion for large domestic corporations not foreign-controlled, and \$1.7 billion for large foreign-controlled domestic corporations.

[2] Less than \$500,000.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance and insurance, and management of companies sectors). Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Percentages shown in table were calculated using rounded data. Detail may not add to totals because of rounding.

# Corporate Foreign Tax Credit, 2005

by Melissa Costa

**F**or Tax Year 2005, 5,837 U.S. corporations claimed over \$84 billion in foreign tax credits, reducing their U.S. tax on worldwide income by 30.3 percent, from \$278.2 billion to \$194 billion. They reported a total of about \$402 billion in foreign-source taxable income, slightly more than 50 percent of total worldwide income. Due in part to the one-time repatriation tax holiday, foreign-source taxable income for corporations claiming a foreign tax credit (in constant 2005 dollars) rose 61 percent from 2004, while the foreign tax credit increased 43.9 percent.<sup>1</sup>

The one-time repatriation tax holiday allowed taxpayers to deduct 85 percent of qualifying dividends received from their controlled foreign corporations from taxable income.<sup>2</sup> Taxpayers claiming the foreign tax credit reported their repatriated dividends, as well as the 85-percent deduction for qualifying dividends, on Form 1118, *Computation of Foreign Tax Credit-Corporation*, and were required to reduce their foreign taxes eligible for credit by the amount of taxes paid or deemed paid on their qualifying dividends. Taxpayers could take advantage of the repatriation tax holiday for tax years ending between October 22, 2004, and October 22, 2006, but most claimed it for Tax Year 2005.

As a result, U.S. corporations with a foreign tax credit reported \$397.8 billion in dividends in foreign-source gross income, an increase of about 346 percent (in constant 2005 dollars) from 2004. They claimed \$277.3 billion dollars in dividends qualifying for the reduction. Likewise, gross income grew from \$485.4 billion for Tax Year 2004 (in constant 2005 dollars) to \$914.7 billion for 2005. Overall, foreign taxes paid or deemed paid rose from \$63.2 billion (in constant 2005 dollars) to \$111.6 billion, and the reduction of taxes eligible for credit increased from \$4.6 billion to \$24.2 billion (in constant 2005 dollars).

Corporations whose primary business was manufacturing accounted for about 68 percent of the total foreign-source taxable income from corporations

claiming a foreign tax credit and reported 69 percent of the total foreign tax credit. Within this industry, corporations engaged in the manufacturing of petroleum and coal products were responsible for 18 percent of the total foreign-source taxable income and 29 percent of the foreign tax credit. As the pharmaceutical manufacturing industry brought home almost one-third of the dividends repatriated under the one-time repatriation tax holiday provisions, it is not surprising that foreign-source taxable income for corporations in this industrial sector rose from an inflation-adjusted \$19.0 billion in 2004 to \$49.3 billion in 2005, an increase of 160 percent. The major industry group responsible for the second largest share of foreign-source taxable income was the finance, insurance, real estate, and rental and leasing industry, with 9.3 percent of the total foreign-source taxable income and 7.9 percent of the foreign tax credit.

A little more than half of the foreign-source taxable income came from Europe, with nearly 40 percent from European Union (EU) countries. The top three EU countries included the United Kingdom, which accounted for 12.5 percent of the total taxable income, followed by the Netherlands, with 9.2 percent, and Ireland, with 5.6 percent. Of the countries outside the EU, Canada and Japan accounted for the largest percentage of foreign-source taxable income, with 7.8 percent and 4.6 percent, respectively.

The United Kingdom accounted for the largest percentage, 11.3 percent, of foreign taxes paid or deemed paid. Other countries responsible for a noticeable share of foreign taxes paid or deemed paid included the Netherlands (11.0 percent), Canada (9.4 percent), Norway (6.7 percent), Japan (5.6 percent), and Switzerland, (4.0 percent).

For 2005, U.S. corporations computed their total foreign tax credit by first computing a separate foreign tax credit for each defined group of statutory categories of foreign-source income or “baskets” that applied and then adding the credits together. Since the reduction of statutory categories passed in the American Jobs Creation Act of 2004 did not take effect until Tax Year 2007, there were still multiple categories for Tax Year 2005. Those included in these statistics were passive income, high withholding tax interest, financial services income, shipping income,

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<sup>1</sup> Adjustments to constant 2005 dollars are based on the consumer price index.

<sup>2</sup> For more information, see Redmiles, Melissa, “The One-Time Received Dividend Deduction,” *Statistics of Income Bulletin*, Spring 2008, Volume 27, Number 4.

dividends from a domestic international sales corporation (DISC) or former DISC, certain distributions from a foreign sales corporation (FSC) or former FSC, section 901(j) income, income re-sourced by treaty, and general limitation income.<sup>3</sup> Most foreign-source taxable income (80.3 percent) and foreign taxes available for credit (83.5 percent) fell into the general limitation category. The financial services income basket comprised the second largest share, with 15.5 percent of the foreign-source taxable income and 14.0 percent of the taxes.

## Summary

Corporations reported over \$84 billion in foreign tax credits, an increase of 43.9 percent from 2004 (in constant 2005 dollars). This can be attributed, to a certain extent, to the one-time repatriation tax holiday. The manufacturing industry still accounted for the largest percentage of foreign-source taxable income. Together, the United Kingdom, the Netherlands, Canada, Ireland, and Switzerland accounted for approximately 40 percent of the foreign-source taxable income reported in 2005.

## Data Sources and Limitations

Internal Revenue Code section 901 specifies the provisions for the foreign tax credit. Corporations report the foreign income and taxes related to the credit on *Form 1118, Computation of Foreign Tax Credit-Corporations* and attach it to their corporate tax returns. The statistics in this data release are based on information reported on Forms 1118 and related corporate tax forms for those corporation income tax returns with a foreign tax credit that were included in the 2005 Statistics of Income sample of returns with accounting periods ending between July 2005 and June 2006. These returns were selected after administrative processing but prior to any amendments or audit examination. The 2005 corporation income tax return sample included Forms 1120, 1120-F, 1120-L, 1120-PC, and 1120-REIT. The statistics in this data release do not include any foreign tax credit data filed specifically for the computation of the alternative minimum tax (AMT), even if the corporation reported both the regular and AMT foreign tax credits.

There are small discrepancies between the more complete foreign tax credit data presented in

this data release and those published in *Statistics of Income—2005, Corporation Income Tax Returns*. Some of the differences can be attributed to returns selected for the Statistics of Income sample that were received too late to be included in the corporation income tax statistics. Also, additional data were requested for the foreign tax credit statistics from some corporations that submitted preliminary data on their original returns because they lacked complete information on their foreign operations at the time of filing.

Foreign income and taxes available for credit are understated to the extent that they were not reported on the Form 1118 filed with the Form 1120. Because amended returns are not included, these statistics do not contain foreign taxes carried back from subsequent tax years. Likewise, corporations that could not claim a foreign tax credit because they did not have a U.S. tax liability are not included. Finally, some corporations may have deducted their foreign taxes from gross income rather than claim a foreign tax credit.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of Variation (CVs) are used to measure the magnitude of this sampling error. The CV concept is defined in the section on sampling variability in the SOI Sampling Methodology and Data Limitations appendix of this publication. Figure A presents CVs for foreign tax credits by selected North American Industry Classification System (NAICS) divisions and industrial sectors. The smaller the CV, the more reliable the estimate is judged to be.

## Description of Tables 1-3

Table 1, columns 2 through 15, presents statistics on assets, receipts, income, and taxes reported on the basic corporation income tax returns for those corporations claiming a foreign tax credit. Columns 17 through 52 contain statistics from Form 1118. Although the amount of oil and gas income and deductions (columns 24 and 36, respectively) are included in columns 17 through 23 and 27 through 35, these amounts are also reported separately on Form 1118 (*Schedule I, Reduction of Oil and Gas Extraction Taxes*) because oil and gas extraction income is subject to special rules under Internal Revenue Code

<sup>3</sup> See explanation of terms for the definition of each basket.

# Corporate Foreign Tax Credit, 2005

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**Figure A**

## Coefficients of Variation for Foreign Tax Credit, by Selected Sector or Group, Tax Year 2005

Selected sector or group	Coefficients of variation for foreign tax credit (percentages)
<b>All industries</b>	<b>0.03</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>5.59</b>
<b>Mining</b>	<b>0.17</b>
<b>Utilities</b>	<b>0.10</b>
<b>Construction</b>	<b>9.84</b>
<b>Manufacturing</b>	<b>0.01</b>
Food manufacturing	0.02
Petroleum and coal products manufacturing	[1]
Chemical manufacturing	0.02
Pharmaceutical and medicine manufacturing	[1]
Fabricated metal products	0.25
Machinery manufacturing	0.12
Computer and electronic product manufacturing	0.07
Electrical equipment, appliance and component manufacturing	0.07
Transportation equipment manufacturing	0.08
<b>Wholesale and retail trade</b>	<b>0.40</b>
<b>Transportation and warehousing</b>	<b>0.18</b>
<b>Information</b>	<b>0.16</b>
Publishing (except internet), motion picture and sound recording	0.14
<b>Finance, insurance, real estate, rental and leasing</b>	<b>0.07</b>
Finance and Insurance	0.05
Securities, commodity contracts, etc.	0.05
Insurance and related activities	[1]
<b>Services</b>	<b>0.11</b>
Management of holding companies	0.13

[1] less than 0.005 percent

section 907, which effectively requires a separate limitation calculation for taxes related to oil and gas extraction income. Foreign branch income (column 25) is also contained in the summary columns but reported separately on Form 1118 (Schedule F, *Gross Income and Definitely Allocable Deductions for Foreign Branches*).

Table 2 includes foreign income, deductions, and taxes paid, accrued, or deemed paid from Form 1118, by major industrial groups and by separate income basket, while Table 3 presents similar statistics, by selected geographic region and country.

## Explanation of Selected Terms

*Adjustments to taxable income*—Foreign-source taxable income is adjusted, when applicable by the allocation of current-year foreign losses, recharacterization of income due to prior-year loss allocations, adjustments related to overall foreign losses, including recapture of prior overall foreign losses, and allocations of current-year U.S. losses. See Table 1, column 38 and Table 2, column 23.

*Carryover of foreign taxes*—Corporations can carry taxes paid in excess of the limitation back up to 2 years or forward up to 5 years. The 2005 statistics in this data release include only foreign taxes carried forward from prior years. The American Jobs Creation Act of 2004 extended the carryover period to ten years and reduced the carryback period to one year, effective for tax years beginning after October 22, 2004. The 2005 statistics in this data release include only foreign taxes carried forward from prior years.

*Controlled foreign corporations (CFCs)*—As defined in Internal Revenue Code section 957(a), any foreign corporation in which U.S. shareholders own directly, indirectly, or constructively, more than 50 percent of either the total combined voting power or total value of all stock on any day of the taxable year of the corporation.

*Deemed dividends*—Certain types of income earned by controlled foreign corporations (CFCs) are recognized under Subpart F of the Internal Revenue Service Code as current-year income of the U.S. corporation, even if no income is actually received from the CFC in the current tax year. In such cases, the U.S. corporation is deemed to have received a pro rata share of this income and required to report it as a deemed dividend on Form 1118.

*Dividend gross-up*—U.S. corporations that satisfy ownership and other requirements are permitted to take an indirect foreign tax credit for taxes paid on profits from which dividends were distributed. Under Internal Revenue Code section 78, these taxes are “deemed paid” by U.S. corporations under Internal Revenue Code sections 902 and 960(a). Consequently, the dividend income is “grossed-up” by the amount of taxes deemed paid on the income from which the dividend was paid.

*Financial services income*—This separate limitation income applies to certain income from financial

services activities. It includes all income, including “passive income” (see below) that is generated from banking, insurance, financing, or similar activities, and from certain types of insurance investments. Financial services income excludes “high withholding tax interest” (see below) and certain types of export financing interest.

*Foreign sales corporation (FSC)*—A company incorporated abroad and usually controlled by a U.S. person. A portion of the FSC’s “foreign trade income” is exempt from U.S. taxation. Congress repealed FSC provisions in 1999. Transition rules exempting transactions that were part of a binding contract with a FSC before September 17, 2003, were repealed in May 2006.

*Foreign-source taxable income*—Gross income (less loss) less deductions from sources outside the United States, including U.S. possessions. It is included in the taxable income of U.S. corporations.

*General limitation income*—This separate limitation category contains all foreign income not included in any other separate limitation category.

*High withholding tax interest*—This separate limitation category includes interest income subject to a withholding tax of 5 percent or more, with the exception of interest received from the financing of certain export activities.

*Income resourced by bilateral tax treaty*—This separate limitation category includes certain U.S.-source income which has been subject to tax in another country pursuant to a bilateral income tax treaty. In order to appropriately relieve double taxation, these items of income are reclassified by a treaty provision as arising from foreign sources. A separate foreign tax credit limitation has to be computed for each amount resourced by a tax treaty.

*Interest charge domestic international sales corporation (IC-DISC)*—A corporation whose “qualified export receipts” constitute at least 95 percent of its gross receipts and which can classify at least 95 percent of its assets as “qualified export assets” can

claim IC-DISC status. A small portion of the IC-DISC’s income is deemed distributed to the shareholder. The rest is not subject to U.S. taxation until it is actually distributed, although interest on the tax must be paid annually.

*Passive income*—This separate limitation category is comprised of dividends, interest (except interest subject to a high withholding tax—see above), rents, royalties, annuities, and net capital gains, as well as commodity transactions not connected with the active conduct of a trade or business. Passive income subject to a foreign tax rate that exceeds the highest applicable U.S. tax rate is excluded from this separate limitation category and included in general limitation income.

*Section 901(j) income*—This separate limitation category includes income and taxes paid to countries sanctioned by the United States. Internal Revenue Code section 901(j) denies credit for taxes paid or accrued to these countries. For 2005, countries subject to these restrictions included Cuba, Iran, Libya, North Korea, Sudan, and Syria. A separate limitation credit is computed for each section 901(j) country for informational purposes.

*Shipping income*—This separate limitation category applies to certain income from shipping-related activities. It includes the following: (1) all income from the use (or leasing for use) of a vessel or aircraft in foreign commerce, (2) income from services directly related to the use of a vessel or aircraft, (3) gains on the sale or exchange of a vessel or aircraft used in the performance of such services, and (4) income generated from other space and oceanic activities not included elsewhere.

*Specifically allocable income*—Internal Revenue Code section 863 provides special rules for determining taxable income from sources outside the United States with respect to gross income derived partly from within and partly from outside the United States.

*Tax deemed paid*—See dividend gross-up.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All industries</b>	<b>5,837</b>	<b>31,194,533,974</b>	<b>8,982,340,529</b>	<b>64,469,989</b>	<b>277,307,509</b>	<b>19,158</b>	<b>58,522,229</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>150</b>	<b>5,338,015</b>	<b>2,951,245</b>	<b>4,677</b>	<b>121,733</b>	<b>0</b>	<b>53</b>
<b>Mining</b>	<b>127</b>	<b>189,549,013</b>	<b>122,082,412</b>	<b>4,494,376</b>	<b>1,373,634</b>	<b>0</b>	<b>973,680</b>
Oil and gas extraction, coal mining	90	110,955,588	80,163,139	3,349,417	1,321,109	0	106,875
Metal ore mining	*9	*42,844,162	*20,645,144	*1,131,499	*37,695	*0	*539,668
Nonmetallic minerals	10	10,186,638	7,103,905	9,945	14,830	0	64
Support activities for mining	18	25,562,625	14,170,224	3,514	0	0	327,072
<b>Utilities</b>	<b>12</b>	<b>65,241,353</b>	<b>36,624,437</b>	<b>93,239</b>	<b>136,073</b>	<b>0</b>	<b>19,722</b>
<b>Construction</b>	<b>336</b>	<b>46,085,822</b>	<b>59,781,941</b>	<b>130,008</b>	<b>44,370</b>	<b>0</b>	<b>55,677</b>
Construction of buildings	45	32,437,638	42,027,510	124,924	0	0	1,458
Heavy and civil engineering construction	130	11,068,680	12,921,727	2,548	41,406	0	54,189
Special trade contractors	160	2,579,505	4,832,705	2,537	2,965	0	30
<b>Manufacturing</b>	<b>1,267</b>	<b>7,902,868,161</b>	<b>4,284,340,032</b>	<b>43,340,560</b>	<b>236,309,929</b>	<b>8,289</b>	<b>42,851,536</b>
Food manufacturing	76	502,314,755	241,469,616	3,945,682	16,157,889	162	3,621,148
Beverage and tobacco products	18	93,218,615	79,600,062	1,806,518	6,713,825	0	327,698
Tobacco manufacturing	*5	*19,929,333	*15,928,222	*7,148	*168,935	*0	*594
Textile mills and textile product mills	*5	*1,267,280	*1,007,193	*58,191	*25,463	*0	*17,895
Apparel manufacturing	13	14,904,079	18,484,851	78,361	173,330	0	42,542
Leather and allied product manufacturing	11	2,407,119	3,157,499	39,442	41,185	0	9,162
Wood product manufacturing	24	104,681,518	29,244,674	11,375	1,160,423	0	68,726
Paper manufacturing	23	103,814,515	68,523,698	1,159,907	4,698,216	409	417,847
Printing and related support activities	17	8,191,421	7,820,249	12,129	142,586	0	8,308
Petroleum and coal products manufacturing	19	1,725,376,215	1,154,673,816	9,793,764	339,789	0	11,806,681
Chemical manufacturing	155	1,337,949,387	661,396,968	9,214,108	117,534,458	764	10,057,897
Pharmaceutical and medicine manufacturing	47	846,158,972	370,807,736	4,480,226	97,429,850	0	5,986,143
Other chemical manufacturing	108	491,790,415	290,589,231	4,733,882	20,104,607	764	4,071,754
Plastics and rubber products manufacturing	50	26,008,531	20,070,664	97,947	599,094	0	68,137
Nonmetallic mineral product manufacturing	52	47,391,058	35,716,849	80,763	1,306,239	0	20,779
Primary metal manufacturing	48	144,920,096	77,545,772	343,182	430,521	74	320,834
Fabricated metal products	83	212,303,267	88,635,862	810,016	4,435,952	850	294,247
Machinery manufacturing	178	286,247,154	206,308,877	2,008,554	4,440,174	1,439	1,345,082
Computer and electronic product manufacturing	212	433,897,916	457,182,928	5,537,353	54,670,405	686	6,928,889
Electrical equipment, appliance and component manufacturing	85	1,311,326,207	228,374,966	3,319,787	3,974,711	2,114	2,481,542
Transportation equipment manufacturing	88	1,393,402,420	778,049,717	3,746,323	9,340,113	0	3,737,043
Motor vehicles and related manufacturing	58	1,120,118,665	528,317,526	3,106,868	5,661,616	0	3,046,027
Other transportation equipment manufacturing	30	273,283,755	249,732,190	639,455	3,678,497	0	691,016
Furniture and related products	21	22,194,307	24,513,379	98,610	50,181	0	13,691
Miscellaneous manufacturing and manufacturing not allocable	89	131,052,301	102,562,392	1,178,546	10,075,376	1,792	1,263,389
<b>Wholesale and retail trade</b>	<b>635</b>	<b>1,124,235,402</b>	<b>1,439,553,132</b>	<b>3,366,477</b>	<b>11,108,428</b>	<b>144</b>	<b>3,478,279</b>
Wholesale trade	453	674,326,678	629,001,296	2,638,556	7,488,469	131	2,282,816
Durable goods	281	131,322,252	207,755,689	462,314	4,371,188	131	451,107
Machinery, equipment, and supplies	80	11,377,541	19,374,345	10,103	63,075	0	1,008
Other miscellaneous durable goods	201	119,944,711	188,381,344	452,211	4,308,113	131	450,099
Nondurable goods	172	543,004,426	421,245,607	2,176,243	3,117,281	0	1,831,709
Drugs, chemicals, and allied products	41	71,476,556	166,503,561	242,088	1,204,243	0	332,985
Groceries and related products	12	324,140,443	78,473,454	227,205	762	0	79,809
Petroleum and petroleum products	13	52,663,514	73,944,419	434,442	607,791	0	536,624
Other miscellaneous nondurable goods	105	94,723,913	102,324,173	1,272,508	1,304,486	0	882,291

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Retail trade</b>	<b>182</b>	<b>449,908,724</b>	<b>810,551,836</b>	<b>727,920</b>	<b>3,619,959</b>	<b>12</b>	<b>1,195,463</b>
Motor vehicle, parts dealers, and gas stations	20	9,196,967	25,987,853	6,176	0	0	108,990
Furniture and home furnishings stores	*4	*6,372,928	*10,488,594	*3,218	*24,200	*0	*0
Building materials, garden equipment, and supplies	28	77,461,449	78,429,249	1,001	0	12	254,083
Food and beverages stores	13	14,986,497	39,627,754	296,755	500,000	0	157,580
Apparel and accessory stores	26	44,734,034	76,290,704	124,396	1,106,751	0	403,089
General merchandise stores	*9	*219,025,449	*420,740,444	*111,967	*500,000	*0	*234,132
Miscellaneous retail trade	83	78,131,400	158,987,238	184,406	1,489,008	0	37,589
<b>Transportation and warehousing</b>	<b>78</b>	<b>174,899,344</b>	<b>162,282,056</b>	<b>163,514</b>	<b>670,572</b>	<b>0</b>	<b>210,845</b>
Air, rail, and water transportation	13	86,152,278	38,431,440	72,719	402,018	0	67,628
Water transportation	*6	*8,472,903	*6,480,823	*22,074	*291,683	*0	*45,043
Air and rail transportation	*7	*77,679,375	*31,950,617	*50,646	*110,335	*0	*22,584
Other transportation and warehousing	65	88,747,066	123,850,616	90,795	268,554	0	143,217
<b>Information</b>	<b>327</b>	<b>823,447,580</b>	<b>352,612,417</b>	<b>2,267,450</b>	<b>5,697,682</b>	<b>0</b>	<b>1,905,365</b>
Publishing (except internet), motion picture, and sound recording	190	221,033,423	136,501,550	1,431,278	5,011,693	0	1,165,635
Broadcasting, internet publishing	53	147,385,939	66,745,738	299,629	296,245	0	277,738
Telecommunications	36	362,726,445	119,689,254	312,163	86,858	0	33,857
Internet service providers, web search portals, and data processing services	*6	*79,236,662	*23,801,308	*196,050	*238,878	*0	*405,249
Other information services	43	13,065,109	5,874,567	28,330	64,007	0	22,885
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>1,063</b>	<b>10,628,883,006</b>	<b>1,582,270,882</b>	<b>5,180,602</b>	<b>9,226,706</b>	<b>607</b>	<b>5,538,007</b>
Finance and insurance	601	10,604,472,943	1,570,589,455	5,151,255	8,921,818	607	5,510,818
Commercial banking and other depository credit agencies	25	370,034,932	34,052,926	217,084	0	0	74,931
Nondepository credit intermediation	31	347,616,603	61,010,952	228,861	0	0	295,128
Securities, commodity contracts, and other	147	4,179,942,278	291,108,582	1,574,027	6,247,579	607	1,984,517
Insurance and related activities	322	5,662,626,119	1,182,154,819	3,089,046	2,674,240	0	3,080,653
Insurance agencies and brokerages	27	74,670,113	20,283,279	613,206	741,991	0	201,421
Funds, trusts, and other financial vehicles	76	44,253,011	2,262,176	42,237	0	0	75,591
Real estate and rental and leasing	461	24,410,063	11,681,427	29,346	304,888	0	27,189
Real estate	335	9,359,689	3,604,939	26,348	0	0	26,274
Rentals and leasing	127	15,050,374	8,076,488	2,999	304,888	0	915
<b>Services</b>	<b>1,842</b>	<b>10,233,986,279</b>	<b>939,841,973</b>	<b>5,429,086</b>	<b>12,618,382</b>	<b>10,118</b>	<b>3,489,066</b>
Professional, scientific, and technical services	678	163,477,845	117,594,293	283,684	1,850,099	1	388,968
Management of holding companies	963	9,741,884,713	618,895,515	4,290,492	6,730,886	4	2,905,963
Administrative and support and waste management and remediation	63	55,708,757	42,011,881	155,697	94,222	0	74,714
Education services, health care, and social assistance	38	55,374,923	34,957,707	65,758	168,101	0	3,280
Arts, entertainment, and recreation	28	7,815,761	4,568,429	5,535	1,717	10,113	0
Accommodation and food services	51	204,161,442	116,771,519	594,132	3,770,685	0	113,764
Accommodation	18	124,024,187	40,684,976	159,807	107,222	0	69,317
Food services and drinking places	33	80,137,255	76,086,543	434,325	3,663,463	0	44,447
Other services	22	5,562,838	5,042,630	33,787	* 2,673	0	2,377
Repair and maintenance services	14	607,305	736,164	465	0	0	675
Personal services	*5	*4,881,770	*4,212,340	*33,319	*0	*0	*1,702
Religious, grantmaking, civic, professional, and similar organizations	*3	*73,763	*94,126	*3	*2,673	*0	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
<b>All industries</b>	<b>56,376,158</b>	<b>1,062,226,848</b>	<b>792,789,034</b>	<b>278,171,235</b>	<b>278,147,860</b>	<b>84,210,634</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>3,815</b>	<b>482,792</b>	<b>351,909</b>	<b>122,236</b>	<b>122,236</b>	<b>9,332</b>
<b>Mining</b>	<b>2,158,290</b>	<b>30,426,793</b>	<b>27,241,271</b>	<b>9,758,110</b>	<b>9,758,041</b>	<b>4,453,874</b>
Oil and gas extraction, coal mining	1,563,824	19,045,821	17,441,547	6,103,678	6,103,678	2,228,484
Metal ore mining	*439,583	*7,610,445	*6,450,284	*2,482,368	*2,482,368	*2,030,357
Nonmetallic minerals	5,500	727,229	724,490	253,497	253,497	7,387
Support activities for mining	149,383	3,043,298	2,624,950	918,568	918,499	187,646
<b>Utilities</b>	<b>49,562</b>	<b>79,952</b>	<b>1,550,192</b>	<b>542,857</b>	<b>542,488</b>	<b>92,705</b>
<b>Construction</b>	<b>54,759</b>	<b>4,609,558</b>	<b>4,465,278</b>	<b>1,560,591</b>	<b>1,559,189</b>	<b>93,551</b>
Construction of buildings	51,860	3,110,351	3,105,403	1,087,119	1,086,076	54,335
Heavy and civil engineering construction	2,123	1,174,956	1,051,266	367,060	367,043	34,222
Special trade contractors	776	324,250	308,609	106,411	106,071	4,994
<b>Manufacturing</b>	<b>41,347,454</b>	<b>597,460,932</b>	<b>382,653,958</b>	<b>134,050,216</b>	<b>134,032,590</b>	<b>58,219,536</b>
Food manufacturing	2,814,953	40,709,755	26,792,961	9,376,934	9,376,719	3,422,361
Beverage and tobacco products	995,734	18,136,272	12,112,393	4,239,282	4,239,282	1,241,156
Tobacco manufacturing	*3,230	*2,595,003	*2,255,031	*789,261	*789,261	*12,652
Textile mills and textile product mills	*35,248	*227,328	*138,581	*48,356	*48,356	*40,636
Apparel manufacturing	60,708	1,841,160	1,547,614	541,389	541,389	75,565
Leather and allied product manufacturing	17,571	271,099	235,342	82,095	82,095	15,647
Wood product manufacturing	74,491	2,332,867	1,340,990	469,154	469,154	48,000
Paper manufacturing	922,854	12,691,022	8,696,350	3,040,321	3,040,428	1,093,460
Printing and related support activities	14,611	681,301	534,012	186,636	186,636	17,826
Petroleum and coal products manufacturing	10,632,053	119,084,160	118,409,336	41,446,337	41,442,908	24,741,352
Chemical manufacturing	10,779,238	184,401,854	80,992,425	28,364,209	28,363,716	12,132,883
Pharmaceutical and medicine manufacturing	5,925,837	135,087,927	50,739,468	17,760,256	17,760,155	6,653,668
Other chemical manufacturing	4,853,401	49,313,928	30,252,957	10,603,953	10,603,561	5,479,216
Plastics and rubber products manufacturing	103,761	1,539,421	989,960	348,435	348,332	106,167
Nonmetallic mineral product manufacturing	117,742	3,982,008	2,598,695	933,416	933,375	99,232
Primary metal manufacturing	267,499	5,809,557	4,830,122	1,702,243	1,702,243	672,492
Fabricated metal products	562,521	12,348,796	8,361,396	2,923,972	2,924,457	792,784
Machinery manufacturing	1,600,826	20,814,096	16,207,356	5,675,589	5,673,916	1,956,945
Computer and electronic product manufacturing	6,955,758	93,309,931	43,499,749	15,252,236	15,251,140	4,939,380
Electrical equipment, appliance and component manufacturing	1,397,960	13,893,675	10,422,577	3,650,037	3,650,032	2,387,933
Transportation equipment manufacturing	2,983,588	42,787,647	31,712,831	11,143,132	11,129,519	3,189,529
Motor vehicles and related manufacturing	2,338,336	26,609,392	20,397,231	7,148,242	7,139,374	2,320,327
Other transportation equipment manufacturing	645,252	16,178,255	11,315,600	3,994,891	3,990,145	869,203
Furniture and related products	86,873	1,824,796	1,765,956	615,136	617,783	67,740
Miscellaneous manufacturing and manufacturing not allocable	923,466	20,774,188	11,465,312	4,011,307	4,011,111	1,178,447
<b>Wholesale and retail trade</b>	<b>2,891,277</b>	<b>86,710,275</b>	<b>75,076,890</b>	<b>26,275,097</b>	<b>26,267,772</b>	<b>3,326,230</b>
Wholesale trade	2,166,211	36,483,543	28,657,713	10,028,054	10,026,502	2,363,588
Durable goods	418,528	11,054,241	7,211,666	2,523,681	2,523,611	444,413
Machinery, equipment, and supplies	3,414	1,376,644	1,307,178	458,372	455,828	14,812
Other miscellaneous durable goods	415,114	9,677,597	5,904,488	2,065,308	2,067,783	429,601
Nondurable goods	1,747,683	25,429,302	21,446,047	7,504,373	7,502,891	1,919,175
Drugs, chemicals, and allied products	237,788	5,016,629	3,848,178	1,346,593	1,346,317	367,150
Groceries and related products	76,312	6,281,063	5,456,841	1,910,000	1,909,595	101,037
Petroleum and petroleum products	621,818	6,123,730	5,304,769	1,856,729	1,856,729	526,014
Other miscellaneous nondurable goods	811,765	8,007,880	6,836,259	2,391,050	2,390,250	924,974

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
Retail trade	725,066	50,226,731	46,419,177	16,247,043	16,241,270	962,642
Motor vehicle, parts dealers, and gas stations	53,721	914,318	911,948	318,554	318,834	62,874
Furniture and home furnishings stores	*2,547	*913,629	*917,091	*320,852	*320,852	*3,723
Building materials, garden equipment, and supplies	136,906	9,599,179	9,597,522	3,359,245	3,359,245	178,206
Food and beverages stores	27,293	1,197,636	659,074	230,407	230,407	12,148
Apparel and accessory stores	148,886	7,574,298	6,526,656	2,279,570	2,279,570	254,187
General merchandise stores	*238,111	*20,213,652	*19,186,017	*6,721,141	*6,715,089	*299,968
Miscellaneous retail trade	117,603	9,814,019	8,620,869	3,017,274	3,017,274	151,536
<b>Transportation and warehousing</b>	<b>157,390</b>	<b>13,607,688</b>	<b>12,669,538</b>	<b>4,435,761</b>	<b>4,435,346</b>	<b>357,782</b>
Air, rail, and water transportation	39,054	3,746,928	3,065,631	1,075,324	1,075,204	120,932
Water transportation	*19,796	*741,532	*237,036	*85,316	*85,196	*42,962
Air and rail transportation	*19,258	*3,005,396	*2,828,595	*990,008	*990,008	*77,970
Other transportation and warehousing	118,336	9,860,760	9,603,908	3,360,437	3,360,142	236,850
<b>Information</b>	<b>1,624,951</b>	<b>50,606,618</b>	<b>43,871,452</b>	<b>15,376,713</b>	<b>15,386,924</b>	<b>2,852,903</b>
Publishing (except internet), motion picture, and sound recording	808,944	32,460,630	26,565,652	9,321,873	9,332,156	1,947,960
Broadcasting, internet publishing	262,033	6,378,909	6,266,569	2,192,767	2,192,736	445,439
Telecommunications	92,544	7,280,023	6,951,440	2,431,190	2,431,150	158,583
Internet service providers, web search portals, and data processing services	*439,793	*3,365,811	*3,136,719	*1,097,883	*1,097,883	*270,229
Other information services	21,637	1,121,246	951,073	332,999	332,999	30,693
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>3,121,878</b>	<b>131,795,878</b>	<b>112,816,498</b>	<b>39,793,210</b>	<b>39,824,651</b>	<b>6,645,313</b>
Finance and insurance	3,104,579	129,799,738	111,218,986	39,237,887	39,269,433	6,605,187
Commercial banking and other depository credit agencies	16	3,992,392	3,716,518	1,299,779	1,299,779	166,184
Nondepository credit intermediation	107,138	6,874,411	6,747,363	2,361,693	2,361,245	263,356
Securities, commodity contracts, and other	1,523,070	37,016,743	30,472,415	10,671,929	10,671,849	2,512,239
Insurance and related activities	1,387,427	80,565,983	68,944,156	24,436,570	24,468,644	3,259,672
Insurance agencies and brokerages	400,814	3,557,997	2,856,391	999,417	999,352	464,069
Funds, trusts, and other financial vehicles	86,927	1,350,207	1,338,534	467,917	467,917	403,737
Real estate and rental and leasing	17,298	1,996,141	1,597,511	555,323	555,218	40,126
Real estate	16,433	800,069	724,086	250,707	250,602	26,015
Rentals and leasing	865	1,196,071	873,426	304,616	304,616	14,112
<b>Services</b>	<b>4,966,780</b>	<b>146,446,363</b>	<b>132,092,047</b>	<b>46,256,444</b>	<b>46,218,622</b>	<b>8,159,408</b>
Professional, scientific, and technical services	220,026	9,778,028	7,684,005	2,687,960	2,686,360	462,467
Management of holding companies	4,106,823	109,044,906	101,534,232	35,561,846	35,530,483	6,590,630
Administrative and support and waste management and remediation	122,554	6,131,469	5,712,761	1,998,177	1,998,177	168,733
Education services, health care, and social assistance	17,758	4,563,380	4,359,228	1,524,410	1,524,410	25,635
Arts, entertainment, and recreation	3,333	635,753	558,782	195,232	195,232	49,910
Accommodation and food services	477,255	15,855,729	11,828,525	4,143,998	4,139,139	835,982
Accommodation	92,482	4,502,927	4,388,368	1,540,510	1,535,654	139,058
Food services and drinking places	384,773	11,352,802	7,440,157	2,603,489	2,603,485	696,924
Other services	19,032	437,098	414,514	144,822	144,822	26,050
Repair and maintenance services	647	42,719	29,843	10,207	10,207	1,281
Personal services	*18,385	*390,203	*382,745	*133,960	*133,960	*24,685
Religious, grantmaking, civic, professional, and similar organizations	*0	*4,176	*1,926	*655	*655	*85

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
<b>All industries</b>	<b>311,976</b>	<b>9,596,890</b>	<b>177,025,748</b>	<b>914,741,013</b>	<b>397,776,032</b>	<b>60,552,267</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>22</b>	<b>1,690</b>	<b>110,960</b>	<b>239,515</b>	<b>126,600</b>	<b>3,815</b>
<b>Mining</b>	<b>0</b>	<b>88,750</b>	<b>5,040,979</b>	<b>21,117,992</b>	<b>6,735,164</b>	<b>2,262,503</b>
Oil and gas extraction, coal mining	0	66,194	3,720,011	10,262,755	4,713,603	1,665,854
Metal ore mining	*0	*6,656	*391,474	*9,339,492	*1,667,243	*439,583
Nonmetallic minerals	0	834	237,853	85,259	23,730	7,683
Support activities for mining	0	15,066	691,640	1,430,486	330,587	149,383
<b>Utilities</b>	<b>0</b>	<b>167</b>	<b>308,432</b>	<b>893,292</b>	<b>247,300</b>	<b>53,250</b>
<b>Construction</b>	<b>0</b>	<b>3,141</b>	<b>1,341,686</b>	<b>782,759</b>	<b>229,284</b>	<b>63,507</b>
Construction of buildings	0	201	911,916	269,718	126,410	51,860
Heavy and civil engineering construction	0	1,966	330,233	426,355	97,325	10,871
Special trade contractors	0	974	99,536	86,686	5,548	776
<b>Manufacturing</b>	<b>304,310</b>	<b>5,060,336</b>	<b>67,431,552</b>	<b>582,378,386</b>	<b>320,541,406</b>	<b>44,442,264</b>
Food manufacturing	2,234	106,694	5,724,538	33,798,765	23,611,097	3,168,136
Beverage and tobacco products	79,349	11,001	2,905,979	14,786,764	8,841,982	997,071
Tobacco manufacturing	*4,659	*780	*769,697	*934,300	*176,081	*3,230
Textile mills and textile product mills	*0	*557	*6,838	*169,423	*101,505	*35,248
Apparel manufacturing	0	802	465,022	588,876	293,073	79,578
Leather and allied product manufacturing	641	1,704	64,103	239,681	89,789	25,254
Wood product manufacturing	0	1,654	392,605	1,369,328	1,224,756	74,491
Paper manufacturing	0	46,574	1,683,617	9,910,468	6,275,955	1,091,101
Printing and related support activities	0	1,696	166,398	338,089	162,868	15,421
Petroleum and coal products manufacturing	0	620,516	15,539,090	91,425,733	21,926,880	10,631,543
Chemical manufacturing	187,356	1,023,461	14,812,647	188,700,917	136,484,565	12,410,170
Pharmaceutical and medicine manufacturing	185,853	833,829	9,963,730	140,813,796	107,487,360	6,830,540
Other chemical manufacturing	1,504	189,633	4,848,917	47,887,121	28,997,205	5,579,630
Plastics and rubber products manufacturing	215	10,898	225,973	1,297,101	764,807	180,707
Nonmetallic mineral product manufacturing	0	6,392	799,406	1,825,346	1,407,400	117,742
Primary metal manufacturing	0	5,841	935,266	5,129,848	1,087,708	275,520
Fabricated metal products	0	72,377	2,026,707	9,477,282	5,346,708	787,008
Machinery manufacturing	0	269,482	3,366,939	17,667,149	7,682,254	1,737,733
Computer and electronic product manufacturing	0	980,409	8,268,755	119,736,571	65,126,422	7,217,756
Electrical equipment, appliance and component manufacturing	34,516	75,205	938,038	24,864,191	10,756,808	1,497,562
Transportation equipment manufacturing	0	1,612,626	6,049,480	40,463,757	16,684,430	3,013,365
Motor vehicles and related manufacturing	0	1,310,715	3,331,650	31,106,741	11,636,076	2,314,525
Other transportation equipment manufacturing	0	301,910	2,717,830	9,357,016	5,048,353	698,840
Furniture and related products	0	12,858	531,236	392,914	162,529	88,999
Miscellaneous manufacturing and manufacturing not allocable	0	199,588	2,528,914	20,196,184	12,509,871	997,857
<b>Wholesale and retail trade</b>	<b>3,307</b>	<b>427,337</b>	<b>22,389,917</b>	<b>37,644,808</b>	<b>17,860,826</b>	<b>3,477,378</b>
Wholesale trade	0	241,243	7,345,784	27,148,622	12,353,108	2,576,676
Durable goods	0	31,845	2,007,215	10,746,159	5,272,290	784,377
Machinery, equipment, and supplies	0	669	441,460	408,727	76,086	6,174
Other miscellaneous durable goods	0	31,176	1,565,755	10,337,432	5,196,203	778,202
Nondurable goods	0	209,398	5,338,569	16,402,462	7,080,819	1,792,299
Drugs, chemicals, and allied products	0	117,468	850,842	4,606,251	1,778,134	237,145
Groceries and related products	0	31,845	1,777,118	2,277,111	307,774	76,312
Petroleum and petroleum products	0	33,828	1,277,533	2,534,899	1,578,857	628,758
Other miscellaneous nondurable goods	0	26,256	1,433,076	6,984,201	3,416,053	850,084

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
<b>Retail trade</b>	3,307	186,094	15,044,132	10,496,186	5,507,718	900,702
Motor vehicle, parts dealers, and gas stations	0	4,015	239,606	225,209	115,179	53,721
Furniture and home furnishings stores	*0	*1,352	*315,777	*117,982	*27,416	*2,547
Building materials, garden equipment, and supplies	0	6,397	3,174,642	596,648	255,107	136,906
Food and beverages stores	0	4,079	202,930	1,068,136	954,335	45,628
Apparel and accessory stores	0	19,208	1,981,726	2,660,867	1,608,261	188,862
General merchandise stores	*3,307	*116,467	*6,301,400	*2,907,391	*840,732	*348,023
Miscellaneous retail trade	0	34,576	2,828,051	2,919,953	1,706,688	125,016
<b>Transportation and warehousing</b>	<b>0</b>	<b>55,999</b>	<b>3,800,488</b>	<b>15,893,694</b>	<b>977,643</b>	<b>177,195</b>
Air, rail, and water transportation	0	2,577	733,507	1,944,715	498,976	39,054
Water transportation	*0	*129	*40,925	*1,441,352	*320,079	*19,796
Air and rail transportation	*0	*2,449	*692,582	*503,364	*178,897	*19,258
Other transportation and warehousing	0	53,421	3,066,981	13,948,978	478,668	138,140
<b>Information</b>	<b>0</b>	<b>325,823</b>	<b>12,018,017</b>	<b>45,865,657</b>	<b>9,810,117</b>	<b>1,603,509</b>
Publishing (except internet), motion picture, and sound recording	0	179,178	7,162,306	32,204,036	7,550,717	749,887
Broadcasting, internet publishing	0	5,269	1,741,833	6,340,721	861,680	299,665
Telecommunications	0	126,083	1,999,235	3,993,106	447,556	92,551
Internet service providers, web search portals, and data processing services	*0	*11,185	*816,444	*2,776,510	*834,941	*439,768
Other information services	0	4,107	298,199	551,285	115,222	21,637
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>4</b>	<b>1,170,733</b>	<b>29,604,160</b>	<b>101,443,988</b>	<b>19,701,444</b>	<b>3,360,772</b>
Finance and insurance	4	1,167,350	29,115,010	100,594,558	19,343,418	3,343,476
Commercial banking and other depository credit agencies	0	76,083	1,014,485	807,921	291,786	16
Nondepository credit intermediation	0	98,331	1,997,149	8,829,349	443,970	107,138
Securities, commodity contracts, and other	0	267,622	7,205,743	41,158,297	9,716,340	1,644,026
Insurance and related activities	4	716,304	18,843,783	47,750,891	8,773,428	1,505,368
Insurance agencies and brokerages	0	792	507,020	3,196,839	1,552,300	400,887
Funds, trusts, and other financial vehicles	0	9,010	53,850	2,048,100	117,893	86,927
Real estate and rental and leasing	0	3,383	489,150	849,430	358,026	17,296
Real estate	0	522	221,824	198,542	48,104	16,433
Rentals and leasing	0	2,861	267,326	650,888	309,922	863
<b>Services</b>	<b>4,332</b>	<b>2,462,915</b>	<b>34,979,558</b>	<b>108,480,924</b>	<b>21,546,249</b>	<b>5,108,074</b>
Professional, scientific, and technical services	0	163,289	2,023,258	12,172,238	2,495,558	256,565
Management of holding companies	0	1,994,755	26,549,352	81,316,820	14,012,119	4,187,633
Administrative and support and waste management and remediation	0	34,669	1,764,363	2,792,236	314,738	145,516
Education services, health care, and social assistance	0	21,069	1,477,703	467,410	236,923	17,758
Arts, entertainment, and recreation	0	9,759	128,787	747,082	7,270	3,333
Accommodation and food services	4,332	235,615	2,921,122	10,708,554	4,443,374	478,236
Accommodation	725	69,693	1,197,362	2,187,619	301,624	92,321
Food services and drinking places	3,606	165,922	1,723,760	8,520,934	4,141,750	385,915
Other services	0	3,759	114,971	276,583	36,269	19,032
Repair and maintenance services	0	72	8,845	14,717	1,141	647
Personal services	*0	*3,687	*105,556	*260,518	*35,021	*18,385
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*570	*1,348	*107	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						Deductions Total
	Gross income (less loss)—continued						
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>All industries</b>	<b>84,522,193</b>	<b>98,517,129</b>	<b>28,708,344</b>	<b>244,665,047</b>	<b>67,647,545</b>	<b>122,056,453</b>	<b>512,833,409</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>4,462</b>	<b>10,646</b>	<b>17,118</b>	<b>76,874</b>	<b>0</b>	<b>4,170</b>	<b>186,095</b>
<b>Mining</b>	<b>403,256</b>	<b>265,971</b>	<b>829,862</b>	<b>10,621,236</b>	<b>6,635,893</b>	<b>1,699,467</b>	<b>6,049,651</b>
Oil and gas extraction, coal mining	84,798	39,241	158,755	3,600,504	6,635,893	876,962	2,487,494
Metal ore mining	*264,470	*76,890	*116,040	*6,775,265	*0	*248,711	*2,765,116
Nonmetallic minerals	6,349	1,570	16,353	29,574	0	42,314	57,621
Support activities for mining	47,639	148,270	538,714	215,892	0	531,480	739,420
<b>Utilities</b>	<b>8,486</b>	<b>0</b>	<b>48,940</b>	<b>535,316</b>	<b>501,424</b>	<b>650,806</b>	<b>431,886</b>
<b>Construction</b>	<b>7,633</b>	<b>49,085</b>	<b>237,201</b>	<b>196,049</b>	<b>0</b>	<b>128,851</b>	<b>316,742</b>
Construction of buildings	30	29,853	48,546	13,018	0	9,616	70,545
Heavy and civil engineering construction	7,300	16,188	155,799	138,871	0	88,855	180,843
Special trade contractors	303	3,044	32,855	44,160	0	30,380	65,354
<b>Manufacturing</b>	<b>11,004,385</b>	<b>57,206,732</b>	<b>4,780,776</b>	<b>144,402,823</b>	<b>58,243,501</b>	<b>36,909,215</b>	<b>310,333,950</b>
Food manufacturing	744,621	1,313,383	111,350	4,850,177	0	1,927,391	19,821,532
Beverage and tobacco products	202,906	1,759,352	361,356	2,624,096	0	1,539,518	3,764,121
Tobacco manufacturing	*7,756	*101,086	*0	*646,147	*0	*316,732	*597,226
Textile mills and textile product mills	*690	*20,789	*345	*10,846	*0	*3,067	*47,787
Apparel manufacturing	27,947	151,572	1,849	34,856	0	23,115	127,625
Leather and allied product manufacturing	541	54,131	50,469	19,498	0	48,003	75,773
Wood product manufacturing	29,735	21,151	1,416	17,779	0	64,646	1,113,288
Paper manufacturing	157,002	716,172	948	1,669,291	0	1,033,338	4,299,004
Printing and related support activities	1,725	15,745	28,577	113,753	0	85,795	244,487
Petroleum and coal products manufacturing	2,382,619	343,366	315	56,141,009	58,243,501	10,060,569	19,046,870
Chemical manufacturing	894,116	17,078,337	776,054	21,057,676	0	7,271,875	118,990,266
Pharmaceutical and medicine manufacturing	527,285	12,431,900	485,325	13,051,386	0	4,275,786	91,471,872
Other chemical manufacturing	366,831	4,646,437	290,729	8,006,289	0	2,996,089	27,518,394
Plastics and rubber products manufacturing	17,729	155,360	4,621	173,876	0	34,850	675,526
Nonmetallic mineral product manufacturing	61,872	27,167	49,280	161,884	0	103,948	1,206,929
Primary metal manufacturing	631,292	1,689,652	73,549	1,372,127	0	2,095,011	2,830,512
Fabricated metal products	163,091	598,142	91,036	2,491,297	0	1,729,225	6,060,402
Machinery manufacturing	494,908	2,057,529	340,138	5,354,586	0	2,627,880	9,083,765
Computer and electronic product manufacturing	841,833	17,404,698	2,283,809	26,862,053	0	5,060,670	72,694,326
Electrical equipment, appliance and component manufacturing	2,117,467	2,761,333	56,465	7,674,555	0	385,294	15,744,775
Transportation equipment manufacturing	2,086,007	8,165,191	483,679	10,031,085	0	1,586,513	21,546,335
Motor vehicles and related manufacturing	1,749,072	6,986,014	29,809	8,391,244	0	1,186,525	16,249,531
Other transportation equipment manufacturing	336,935	1,179,176	453,870	1,639,841	0	399,988	5,296,803
Furniture and related products	15,601	11,924	5,238	108,624	0	30,943	173,432
Miscellaneous manufacturing and manufacturing not allocable	132,684	2,861,737	60,281	3,633,753	0	1,197,563	12,787,195
<b>Wholesale and retail trade</b>	<b>777,996</b>	<b>6,057,511</b>	<b>474,004</b>	<b>8,997,093</b>	<b>2,137,280</b>	<b>4,972,629</b>	<b>18,092,903</b>
Wholesale trade	616,027	4,494,895	379,060	6,728,857	2,137,280	3,713,502	12,969,035
Durable goods	121,282	2,602,320	74,459	1,891,431	0	645,556	4,822,182
Machinery, equipment, and supplies	9,690	18,610	15,897	282,270	0	89,841	209,571
Other miscellaneous durable goods	111,592	2,583,710	58,562	1,609,161	0	555,715	4,612,610
Nondurable goods	494,744	1,892,575	304,601	4,837,425	2,137,280	3,067,946	8,146,853
Drugs, chemicals, and allied products	21,206	1,332,141	13,169	1,224,456	0	937,809	2,909,281
Groceries and related products	139,853	61,210	157,095	1,534,868	0	1,433,932	1,159,976
Petroleum and petroleum products	12,699	3,754	0	310,831	2,137,280	253,421	829,117
Other miscellaneous nondurable goods	320,987	495,470	134,336	1,767,271	0	442,784	3,248,480

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						Deductions
	Gross income (less loss)—continued						
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Retail trade</b>	161,970	1,562,616	94,944	2,268,236	0	1,259,127	5,123,868
Motor vehicle, parts dealers, and gas stations	27,651	5,153	1,795	21,711	0	7,722	15,755
Furniture and home furnishings stores	*1,112	*8,542	*69,938	*8,428	*0	*80,478	*94,869
Building materials, garden equipment, and supplies	33,541	156,665	0	14,429	0	12,161	68,776
Food and beverages stores	5,570	61,050	0	1,553	0	0	463,887
Apparel and accessory stores	26,684	391,089	2,555	443,416	0	194,714	1,324,974
General merchandise stores	*17,733	*735,809	*0	*965,095	*0	*617,395	*1,026,518
Miscellaneous retail trade	49,680	204,308	20,657	813,605	0	346,657	2,129,089
<b>Transportation and warehousing</b>	<b>135,052</b>	<b>333,239</b>	<b>7,896,563</b>	<b>6,374,002</b>	<b>4,328</b>	<b>3,953,379</b>	<b>12,878,854</b>
Air, rail, and water transportation	12,527	139,786	167,561	1,086,812	0	16,832	1,227,249
Water transportation	*1,307	*238	*112,898	*987,034	*0	*237	*960,945
Air and rail transportation	*11,220	*139,547	*54,663	*99,778	*0	*16,595	*266,304
Other transportation and warehousing	122,525	193,453	7,729,002	5,287,190	4,328	3,936,547	11,651,605
<b>Information</b>	<b>675,579</b>	<b>22,926,289</b>	<b>2,033,527</b>	<b>8,816,637</b>	<b>0</b>	<b>6,201,829</b>	<b>25,940,623</b>
Publishing (except internet), motion picture, and sound recording	372,710	17,174,890	150,366	6,205,466	0	5,415,396	15,777,515
Broadcasting, internet publishing	171,431	5,087,910	154,778	-234,744	0	32,191	4,700,771
Telecommunications	110,709	84,213	836,938	2,421,138	0	623,798	3,236,036
Internet service providers, web search portals, and data processing services	*20,430	*305,552	*887,355	*288,464	*0	*23,677	*1,870,035
Other information services	299	273,723	4,091	136,313	0	106,767	356,265
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>35,918,625</b>	<b>4,399,381</b>	<b>2,663,913</b>	<b>35,399,853</b>	<b>0</b>	<b>21,416,112</b>	<b>64,090,250</b>
Finance and insurance	35,909,030	4,063,665	2,654,929	35,280,040	0	21,410,534	63,498,775
Commercial banking and other depository credit agencies	512,522	0	0	3,596	0	0	101,398
Nondepository credit intermediation	1,295,466	1,033,382	480,113	5,469,279	0	2,087,856	7,526,650
Securities, commodity contracts, and other	19,298,843	854,712	363,025	9,281,350	0	2,526,613	28,352,039
Insurance and related activities	13,080,706	2,175,687	1,799,682	20,416,020	0	16,796,066	26,740,231
Insurance agencies and brokerages	192,917	8,616	234,763	807,356	0	680,945	1,209,865
Funds, trusts, and other financial vehicles	1,721,493	-116	12,109	109,794	0	0	778,456
Real estate and rental and leasing	9,595	335,716	8,984	119,813	0	5,577	591,476
Real estate	7,540	40,507	738	85,220	0	0	84,291
Rentals and leasing	2,055	295,209	8,246	34,593	0	5,577	507,185
<b>Services</b>	<b>35,586,719</b>	<b>7,268,274</b>	<b>9,726,441</b>	<b>29,245,165</b>	<b>125,119</b>	<b>46,119,997</b>	<b>74,512,455</b>
Professional, scientific, and technical services	150,193	1,390,038	6,756,297	1,123,587	0	2,823,975	8,745,882
Management of holding companies	34,933,302	3,355,787	1,889,765	22,938,215	125,119	39,232,474	55,053,647
Administrative and support and waste management and remediation	45,949	358,366	517,179	1,410,489	0	596,291	1,973,089
Education services, health care, and social assistance	2,407	43,787	83,088	83,447	0	79,699	308,541
Arts, entertainment, and recreation	10,159	161,364	262,645	302,312	0	12,094	513,828
Accommodation and food services	436,127	1,888,001	208,744	3,254,072	0	3,252,097	7,750,600
Accommodation	153,784	363,460	189,730	1,086,700	0	1,018,749	1,606,768
Food services and drinking places	282,343	1,524,541	19,014	2,167,372	0	2,233,347	6,143,832
Other services	* 8,583	70,932	8,723	133,044	0	* 123,367	166,868
Repair and maintenance services	0	0	1,979	10,950	0	0	10,908
Personal services	*8,583	*69,702	*6,744	*122,082	*0	*123,367	*154,889
Religious, grantmaking, civic, professional, and similar organizations	*0	*1,230	*0	*12	*0	*0	*1,072

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>All industries</b>	<b>355,845,039</b>	<b>1,996,507</b>	<b>6,800,267</b>	<b>17,642,897</b>	<b>329,405,368</b>	<b>156,988,370</b>	<b>21,701,747</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>153,634</b>	<b>451</b>	<b>0</b>	<b>10,279</b>	<b>142,904</b>	<b>32,461</b>	<b>0</b>
<b>Mining</b>	<b>4,989,917</b>	<b>135,892</b>	<b>259,001</b>	<b>397,672</b>	<b>4,197,351</b>	<b>1,059,734</b>	<b>5,805</b>
Oil and gas extraction, coal mining	2,144,822	20,636	22,415	40,344	2,061,427	342,672	441
Metal ore mining	*2,202,610	*91,113	*188,293	*634	*1,922,569	*562,506	*3,017
Nonmetallic minerals	45,727	0	2,275	10,619	32,833	11,894	1,498
Support activities for mining	596,758	24,143	46,018	346,075	180,521	142,662	850
<b>Utilities</b>	<b>290,900</b>	<b>1,451</b>	<b>3,916</b>	<b>14,059</b>	<b>271,474</b>	<b>140,986</b>	<b>134</b>
<b>Construction</b>	<b>270,305</b>	<b>306</b>	<b>773</b>	<b>139,587</b>	<b>129,638</b>	<b>46,437</b>	<b>404</b>
Construction of buildings	64,191	0	0	56,839	7,353	6,353	0
Heavy and civil engineering construction	141,442	306	773	53,083	87,280	39,401	0
Special trade contractors	64,671	0	0	29,666	35,005	683	404
<b>Manufacturing</b>	<b>244,821,284</b>	<b>484,751</b>	<b>745,427</b>	<b>784,635</b>	<b>242,806,471</b>	<b>65,512,667</b>	<b>19,681,327</b>
Food manufacturing	16,842,847	55	1,366	0	16,841,426	2,978,684	203,602
Beverage and tobacco products	1,980,873	2,227	1,017	1,967	1,975,662	1,783,248	7,113
Tobacco manufacturing	*544,640	*0	*1,017	*0	*543,623	*52,586	*5,034
Textile mills and textile product mills	*28,170	*0	*0	*0	*28,170	*19,617	*636
Apparel manufacturing	73,314	2,849	12,804	1,793	55,867	54,312	0
Leather and allied product manufacturing	63,286	0	34	63,252	0	12,487	6,230
Wood product manufacturing	984,570	0	0	846	983,724	128,718	544
Paper manufacturing	3,452,103	399	57	175	3,451,473	846,901	350,559
Printing and related support activities	189,724	0	0	26,840	162,885	54,763	1,611
Petroleum and coal products manufacturing	15,753,822	0	27	52	15,753,743	3,293,048	126,687
Chemical manufacturing	103,549,223	84,555	216,849	124,257	103,123,562	15,441,042	7,474,294
Pharmaceutical and medicine manufacturing	82,367,837	860	1,458	1,247	82,364,272	9,104,034	5,274,669
Other chemical manufacturing	21,181,386	83,694	215,391	123,010	20,759,291	6,337,008	2,199,625
Plastics and rubber products manufacturing	457,108	74	5,837	1,950	449,247	218,418	20,661
Nonmetallic mineral product manufacturing	1,120,383	18	0	5,996	1,114,368	86,546	4,532
Primary metal manufacturing	1,599,939	369,891	4,828	6,742	1,218,478	1,230,573	59,887
Fabricated metal products	5,212,085	4,170	220,068	67,059	4,920,788	848,317	100,407
Machinery manufacturing	5,045,465	9,843	28,347	207,488	4,799,787	4,038,300	917,066
Computer and electronic product manufacturing	54,679,781	878	129,597	206,111	54,343,194	18,014,546	8,461,855
Electrical equipment, appliance and component manufacturing	8,570,211	1,279	32,488	3,303	8,533,142	7,174,564	383,861
Transportation equipment manufacturing	14,579,103	3,020	34,472	29,357	14,512,254	6,967,231	967,337
Motor vehicles and related manufacturing	10,514,496	3,020	14,111	4,298	10,493,067	5,735,035	470,088
Other transportation equipment manufacturing	4,064,607	0	20,361	25,059	4,019,187	1,232,196	497,249
Furniture and related products	92,657	0	0	5,128	87,529	80,776	4,169
Miscellaneous manufacturing and manufacturing not allocable	10,546,619	5,494	57,636	32,319	10,451,171	2,240,575	590,274
<b>Wholesale and retail trade</b>	<b>14,181,960</b>	<b>58,638</b>	<b>948,992</b>	<b>198,197</b>	<b>12,976,132</b>	<b>3,910,943</b>	<b>151,797</b>
Wholesale trade	9,736,135	52,849	882,637	116,253	8,684,396	3,232,900	137,412
Durable goods	4,117,045	23,188	447,747	30,955	3,615,155	705,137	13,672
Machinery, equipment, and supplies	162,798	2,113	8,273	6,870	145,542	46,773	3,043
Other miscellaneous durable goods	3,954,247	21,075	439,474	24,084	3,469,613	658,364	10,629
Nondurable goods	5,619,090	29,661	434,890	85,299	5,069,241	2,527,763	123,740
Drugs, chemicals, and allied products	2,140,339	559	328,348	4,262	1,807,170	768,942	59,634
Groceries and related products	1,003,269	20,043	72,549	10,739	899,938	156,707	2,255
Petroleum and petroleum products	601,111	0	0	0	601,111	228,005	618
Other miscellaneous nondurable goods	1,874,371	9,058	33,993	70,297	1,761,022	1,374,109	61,233

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
(27)	(28)	(29)	(30)	(31)	(32)	(33)	
Retail trade	4,445,824	5,789	66,355	81,944	4,291,736	678,043	14,385
Motor vehicle, parts dealers, and gas stations	10,919	1,142	1,721	1,458	6,597	4,836	0
Furniture and home furnishings stores	*94,368	*2,323	*0	*64,452	*27,593	*501	*0
Building materials, garden equipment, and supplies	9,886	39	0	0	9,847	58,890	0
Food and beverages stores	432,140	0	6,917	0	425,222	31,747	0
Apparel and accessory stores	1,233,873	1,232	42,269	272	1,190,101	91,101	4,448
General merchandise stores	*792,516	*961	*2,774	*0	*788,780	*234,003	*0
Miscellaneous retail trade	1,872,124	93	12,674	15,762	1,843,595	256,966	9,937
<b>Transportation and warehousing</b>	<b>12,579,831</b>	<b>14,468</b>	<b>29,458</b>	<b>6,541,547</b>	<b>5,994,358</b>	<b>299,023</b>	<b>25,154</b>
Air, rail, and water transportation	1,140,472	11,463	19,804	7,976	1,101,229	86,777	345
Water transportation	*946,654	*0	*0	*400	*946,254	*14,292	*0
Air and rail transportation	*193,819	*11,463	*19,804	*7,577	*154,975	*72,485	*345
Other transportation and warehousing	11,439,359	3,005	9,654	6,533,571	4,893,129	212,246	24,809
<b>Information</b>	<b>17,921,532</b>	<b>61,490</b>	<b>3,336,150</b>	<b>1,709,685</b>	<b>12,814,206</b>	<b>8,019,091</b>	<b>1,499,214</b>
Publishing (except internet), motion picture, and sound recording	9,107,778	15,536	295,121	45,865	8,751,255	6,669,737	1,302,031
Broadcasting, internet publishing	3,954,112	45,537	3,021,958	99,358	787,259	746,659	2,038
Telecommunications	2,986,461	0	19,071	613,238	2,354,153	249,575	12,012
Internet service providers, web search portals, and data processing services	*1,615,706	*0	*0	*950,550	*665,156	*254,329	*173,754
Other information services	257,474	416	0	675	256,383	98,791	9,380
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>29,243,475</b>	<b>324,993</b>	<b>591,515</b>	<b>1,740,111</b>	<b>26,586,854</b>	<b>34,846,776</b>	<b>11,302</b>
Finance and insurance	28,678,349	255,716	417,185	1,739,090	26,266,357	34,820,426	11,302
Commercial banking and other depository credit agencies	14,082	0	11	70	14,001	87,316	0
Nondepository credit intermediation	4,781,662	19,868	12,447	277,063	4,472,284	2,744,988	0
Securities, commodity contracts, and other	11,589,120	217,788	158,397	425,578	10,787,357	16,762,920	1,958
Insurance and related activities	12,277,038	18,060	232,564	1,036,380	10,990,034	14,463,193	9,344
Insurance agencies and brokerages	921,941	0	748	179,279	741,915	287,923	1,496
Funds, trusts, and other financial vehicles	16,449	0	13,766	0	2,682	762,008	0
Real estate and rental and leasing	565,126	69,277	174,330	1,021	320,497	26,350	0
Real estate	74,147	116	28,622	16	45,393	10,144	0
Rentals and leasing	490,979	69,161	145,708	1,005	275,104	16,206	0
<b>Services</b>	<b>31,392,203</b>	<b>914,066</b>	<b>885,034</b>	<b>6,107,123</b>	<b>23,485,979</b>	<b>43,120,252</b>	<b>326,610</b>
Professional, scientific, and technical services	7,510,665	4,924	397,950	5,194,216	1,913,576	1,235,217	174,062
Management of holding companies	15,483,639	902,381	192,737	320,232	14,068,290	39,570,008	120,299
Administrative and support and waste management and remediation	903,675	3,511	98,299	373,111	428,754	1,069,414	20,977
Education services, health care, and social assistance	273,443	47	12,662	32,839	227,894	35,098	343
Arts, entertainment, and recreation	439,484	0	68,069	151,210	220,205	74,344	6,264
Accommodation and food services	6,644,621	3,203	106,752	28,772	6,505,894	1,105,979	4,665
Accommodation	1,277,712	1,220	0	15,855	1,260,636	329,056	0
Food services and drinking places	5,366,909	1,983	106,752	12,917	5,245,258	776,923	4,665
Other services	136,676	0	8,567	* 6,744	121,365	30,192	0
Repair and maintenance services	9,766	0	5,734	0	4,033	1,141	0
Personal services	*126,909	*0	*2,833	*6,744	*117,332	*27,979	*0
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*0	*0	*0	*1,072	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]			
	Interest	Other				
(34)	(35)	(36)	(37)	(38)	(39)	
<b>All industries</b>	<b>69,458,050</b>	<b>64,730,679</b>	<b>12,595,373</b>	<b>401,907,604</b>	<b>57,152,027</b>	<b>344,755,578</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>15,342</b>	<b>15,683</b>	<b>0</b>	<b>53,419</b>	<b>4,794</b>	<b>48,626</b>
<b>Mining</b>	<b>453,912</b>	<b>596,696</b>	<b>858,910</b>	<b>15,068,341</b>	<b>659,115</b>	<b>14,409,226</b>
Oil and gas extraction, coal mining	196,814	144,871	858,910	7,775,260	383,567	7,391,694
Metal ore mining	*168,827	*390,662	*0	*6,574,376	*231,241	*6,343,135
Nonmetallic minerals	2,588	7,691	0	27,639	1,007	26,631
Support activities for mining	85,682	53,472	0	691,066	43,300	647,766
<b>Utilities</b>	<b>109,339</b>	<b>31,513</b>	<b>167,190</b>	<b>461,406</b>	<b>166,931</b>	<b>294,474</b>
<b>Construction</b>	<b>8,195</b>	<b>29,084</b>	<b>0</b>	<b>466,017</b>	<b>157,876</b>	<b>308,141</b>
Construction of buildings	3,639	2,714	0	199,173	30,353	168,820
Heavy and civil engineering construction	4,534	26,370	0	245,512	127,523	117,990
Special trade contractors	22	0	0	21,331	[2]	21,331
<b>Manufacturing</b>	<b>22,747,605</b>	<b>22,332,556</b>	<b>10,820,119</b>	<b>272,044,435</b>	<b>43,422,476</b>	<b>228,621,960</b>
Food manufacturing	2,056,642	713,113	0	13,977,233	1,255,593	12,721,640
Beverage and tobacco products	434,546	1,341,589	0	11,022,643	4,632,371	6,390,272
Tobacco manufacturing	*25,480	*22,072	*0	*337,074	*70,583	*266,491
Textile mills and textile product mills	*8,833	*10,148	*0	*121,636	*354	*121,282
Apparel manufacturing	24,760	26,007	0	461,250	209	461,041
Leather and allied product manufacturing	3,990	2,266	0	163,908	49,208	114,700
Wood product manufacturing	119,917	8,190	0	256,041	88,485	167,556
Paper manufacturing	275,160	221,182	0	5,611,464	106,970	5,504,494
Printing and related support activities	4,227	41,143	0	93,602	14,390	79,212
Petroleum and coal products manufacturing	2,136,299	1,023,641	10,820,119	72,378,862	27,441	72,351,422
Chemical manufacturing	3,695,398	4,241,504	0	69,710,652	14,048,231	55,662,421
Pharmaceutical and medicine manufacturing	1,639,943	2,182,209	0	49,341,925	12,453,204	36,888,721
Other chemical manufacturing	2,055,456	2,059,294	0	20,368,727	1,595,027	18,773,699
Plastics and rubber products manufacturing	95,567	98,949	0	621,574	249,172	372,402
Nonmetallic mineral product manufacturing	47,428	23,530	0	618,417	126,593	491,824
Primary metal manufacturing	709,519	146,064	0	2,299,335	160,112	2,139,223
Fabricated metal products	391,230	200,638	0	3,416,880	159,852	3,257,028
Machinery manufacturing	1,182,102	1,905,953	0	8,583,384	1,240,153	7,343,231
Computer and electronic product manufacturing	1,159,712	8,256,633	0	47,042,245	12,580,802	34,461,443
Electrical equipment, appliance and component manufacturing	5,630,864	1,152,111	0	9,119,416	445,014	8,674,402
Transportation equipment manufacturing	4,217,516	1,772,492	0	18,917,422	7,422,235	11,495,188
Motor vehicles and related manufacturing	3,556,602	1,700,066	0	14,857,210	6,748,881	8,108,329
Other transportation equipment manufacturing	660,914	72,426	0	4,060,212	673,353	3,386,859
Furniture and related products	55,128	21,478	0	219,482	17,348	202,133
Miscellaneous manufacturing and manufacturing not allocable	498,766	1,125,925	0	7,408,989	797,941	6,611,048
<b>Wholesale and retail trade</b>	<b>1,430,613</b>	<b>2,262,513</b>	<b>722,602</b>	<b>19,551,905</b>	<b>5,633,245</b>	<b>13,918,660</b>
Wholesale trade	1,032,906	2,039,046	722,602	14,179,587	4,323,149	9,856,438
Durable goods	232,677	442,241	0	5,923,978	3,868,401	2,055,577
Machinery, equipment, and supplies	1,637	35,949	0	199,156	93,871	105,285
Other miscellaneous durable goods	231,040	406,292	0	5,724,821	3,774,530	1,950,292
Nondurable goods	800,230	1,596,805	722,602	8,255,609	454,748	7,800,861
Drugs, chemicals, and allied products	92,860	614,285	0	1,696,970	107,893	1,589,078
Groceries and related products	131,746	22,381	0	1,117,135	3,667	1,113,469
Petroleum and petroleum products	114,677	112,692	722,602	1,705,783	766	1,705,017
Other miscellaneous nondurable goods	460,947	847,447	0	3,735,721	342,423	3,393,298

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]			
	Interest	Other				
(34)	(35)	(36)	(37)	(38)	(39)	
Retail trade	397,707	223,467	0	5,372,318	1,310,096	4,062,222
Motor vehicle, parts dealers, and gas stations	331	4,505	0	209,454	[2]	209,454
Furniture and home furnishings stores	*399	*0	*0	*23,113	*6,192	*16,921
Building materials, garden equipment, and supplies	48,235	10,655	0	527,872	0	527,872
Food and beverages stores	156	1,494	0	604,249	475,135	129,114
Apparel and accessory stores	21,533	54,646	0	1,335,893	52,596	1,283,297
General merchandise stores	*225,362	*8,641	*0	*1,880,873	*663,421	*1,217,453
Miscellaneous retail trade	101,693	143,526	0	790,864	112,752	678,112
<b>Transportation and warehousing</b>	<b>141,260</b>	<b>123,128</b>	<b>231</b>	<b>3,014,840</b>	<b>440,677</b>	<b>2,574,162</b>
Air, rail, and water transportation	50,033	36,399	0	717,466	294,915	422,551
Water transportation	*9,806	*4,485	*0	*480,406	*294,915	*185,491
Air and rail transportation	*40,226	*31,913	*0	*237,060	[2]	*237,060
Other transportation and warehousing	91,227	86,729	231	2,297,373	145,762	2,151,611
<b>Information</b>	<b>953,451</b>	<b>5,531,173</b>	<b>0</b>	<b>19,925,035</b>	<b>1,591,787</b>	<b>18,333,247</b>
Publishing (except internet), motion picture, and sound recording	451,092	4,883,280	0	16,426,521	1,433,457	14,993,063
Broadcasting, internet publishing	233,657	510,206	0	1,639,949	[2]	1,639,949
Telecommunications	208,610	28,953	0	757,070	65,657	691,413
Internet service providers, web search portals, and data processing services	*56,105	*24,470	*0	*906,475	*47,303	*859,171
Other information services	3,987	84,264	0	195,020	45,370	149,650
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>20,374,631</b>	<b>14,291,945</b>	<b>0</b>	<b>37,353,738</b>	<b>3,691,225</b>	<b>33,662,513</b>
Finance and insurance	20,366,983	14,281,311	0	37,095,784	3,671,755	33,424,029
Commercial banking and other depository credit agencies	76,764	9,203	0	706,523	0	706,523
Nondepository credit intermediation	1,068,077	1,631,220	0	1,302,699	186,832	1,115,867
Securities, commodity contracts, and other	15,275,926	1,478,328	0	12,806,257	1,462,913	11,343,345
Insurance and related activities	3,461,518	10,885,731	0	21,010,660	2,000,150	19,010,510
Insurance agencies and brokerages	203,425	82,996	0	1,986,974	366,114	1,620,861
Funds, trusts, and other financial vehicles	484,698	276,829	0	1,269,644	21,860	1,247,784
Real estate and rental and leasing	7,649	10,634	0	257,954	19,471	238,484
Real estate	6,917	2,930	0	114,251	2,381	111,870
Rentals and leasing	731	7,704	0	143,703	17,090	126,613
<b>Services</b>	<b>23,223,704</b>	<b>19,516,388</b>	<b>26,320</b>	<b>33,968,469</b>	<b>1,383,901</b>	<b>32,584,568</b>
Professional, scientific, and technical services	365,756	676,315	0	3,426,356	1,184,159	2,242,197
Management of holding companies	22,099,248	17,328,781	26,320	26,263,173	101,328	26,161,845
Administrative and support and waste management and remediation	84,715	958,184	0	819,148	12,457	806,691
Education services, health care, and social assistance	24,995	8,696	0	158,870	44,148	114,721
Arts, entertainment, and recreation	21,586	46,493	0	233,254	1	233,253
Accommodation and food services	609,535	487,808	0	2,957,954	40,376	2,917,578
Accommodation	227,450	97,652	0	580,851	8,466	572,384
Food services and drinking places	382,085	390,157	0	2,377,103	31,910	2,345,193
Other services	* 17,869	* 10,110	0	109,715	* 1,432	108,283
Repair and maintenance services	0	0	0	3,809	0	3,809
Personal services	*17,869	*10,110	*0	*105,629	*1,432	*104,198
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*0	*277	*0	*277

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Foreign taxes available for credit						
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued		
					Total	Taxes withheld at source on—	
					Dividends	Interest	
	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>All industries</b>	<b>111,616,128</b>	<b>24,232,579</b>	<b>24,239,310</b>	<b>111,609,398</b>	<b>38,973,691</b>	<b>3,150,287</b>	<b>1,071,103</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>21,249</b>	<b>1</b>	<b>12,250</b>	<b>9,000</b>	<b>5,185</b>	<b>39</b>	<b>40</b>
<b>Mining</b>	<b>5,629,064</b>	<b>480,084</b>	<b>961,345</b>	<b>5,147,804</b>	<b>2,872,863</b>	<b>695,092</b>	<b>30,053</b>
Oil and gas extraction, coal mining	2,473,723	314,582	270,377	2,517,928	839,636	32,854	708
Metal ore mining	*2,813,268	*163,319	*546,962	*2,429,626	*1,990,043	*661,744	*27,699
Nonmetallic minerals	9,997	2,183	3,198	8,981	1,299	116	587
Support activities for mining	332,076	0	140,808	191,268	41,885	378	1,059
<b>Utilities</b>	<b>119,750</b>	<b>3,688</b>	<b>993</b>	<b>122,445</b>	<b>69,195</b>	<b>19</b>	<b>3,782</b>
<b>Construction</b>	<b>123,769</b>	<b>9,856</b>	<b>11,355</b>	<b>122,270</b>	<b>57,655</b>	<b>1,193</b>	<b>170</b>
Construction of buildings	61,643	0	524	61,119	9,258	1,058	1
Heavy and civil engineering construction	53,444	8,921	7,394	54,970	43,926	105	148
Special trade contractors	8,683	935	3,437	6,181	4,470	31	22
<b>Manufacturing</b>	<b>80,948,593</b>	<b>20,726,997</b>	<b>20,120,416</b>	<b>81,555,174</b>	<b>26,680,883</b>	<b>1,662,896</b>	<b>179,153</b>
Food manufacturing	3,537,039	806,705	247,783	4,095,960	555,896	254,592	8,030
Beverage and tobacco products	1,276,492	5,568	16,766	1,265,294	267,981	40,775	1,653
Tobacco manufacturing	*20,808	*242	*538	*20,512	*17,041	*734	*0
Textile mills and textile product mills	*48,536	*0	*6,625	*41,911	*6,663	*5,096	*0
Apparel manufacturing	82,041	24,547	299	106,289	22,186	7,202	1,509
Leather and allied product manufacturing	28,861	7,683	7,628	28,916	3,662	362	30
Wood product manufacturing	98,517	276,150	17,155	357,512	6,894	4,588	150
Paper manufacturing	1,116,591	594,380	14,666	1,696,304	205,167	80,121	3,907
Printing and related support activities	23,824	23,914	6,220	41,518	2,994	648	288
Petroleum and coal products manufacturing	34,939,324	5,863,578	11,864,543	28,938,360	18,304,174	21,104	27,526
Chemical manufacturing	15,461,228	7,521,521	2,859,746	20,123,004	2,476,030	437,968	18,234
Pharmaceutical and medicine manufacturing	8,558,453	5,015,759	1,960,207	11,614,005	1,357,075	185,612	2,691
Other chemical manufacturing	6,902,775	2,505,762	899,539	8,508,998	1,118,955	252,356	15,543
Plastics and rubber products manufacturing	189,938	86,814	69,058	207,694	18,809	6,621	552
Nonmetallic mineral product manufacturing	160,996	507,089	15,216	652,868	52,171	39,520	6,743
Primary metal manufacturing	902,135	132,623	133,494	901,264	602,929	23,188	8,103
Fabricated metal products	1,020,263	492,037	160,695	1,351,605	302,251	48,576	10,606
Machinery manufacturing	2,739,924	367,844	671,922	2,435,846	447,362	79,949	20,198
Computer and electronic product manufacturing	9,840,919	1,646,456	1,915,480	9,571,895	1,284,006	277,755	6,895
Electrical equipment, appliance and component manufacturing	2,548,447	436,768	59,315	2,925,900	1,162,549	80,765	25,135
Transportation equipment manufacturing	5,360,559	1,353,838	1,749,689	4,964,708	667,833	158,388	33,142
Motor vehicles and related manufacturing	3,996,226	868,107	1,259,797	3,604,536	422,588	114,253	31,468
Other transportation equipment manufacturing	1,364,333	485,731	489,892	1,360,172	245,245	44,136	1,674
Furniture and related products	153,073	18,301	63,236	108,138	3,250	1,269	502
Miscellaneous manufacturing and manufacturing not allocable	1,419,885	561,183	240,879	1,740,188	288,074	94,408	5,951
<b>Wholesale and retail trade</b>	<b>4,305,781</b>	<b>1,393,571</b>	<b>863,936</b>	<b>4,835,416</b>	<b>849,127</b>	<b>147,286</b>	<b>61,318</b>
Wholesale trade	3,072,977	1,132,743	734,399	3,471,322	522,325	86,076	19,156
Durable goods	787,189	471,950	203,869	1,055,270	165,374	25,386	10,604
Machinery, equipment, and supplies	18,548	20,858	2,945	36,461	9,429	350	1,015
Other miscellaneous durable goods	768,641	451,092	200,924	1,018,809	155,946	25,036	9,589
Nondurable goods	2,285,788	660,793	530,529	2,416,052	356,951	60,690	8,552
Drugs, chemicals, and allied products	438,421	170,832	114,142	495,112	89,881	19,138	1,458
Groceries and related products	104,833	336	2,187	102,983	26,670	4,321	2,183
Petroleum and petroleum products	668,808	349,061	301,047	716,822	88,065	9,981	545
Other miscellaneous nondurable goods	1,073,726	140,564	113,154	1,101,136	152,335	27,249	4,366

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry— Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Foreign taxes available for credit				Foreign taxes paid or accrued		
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on—	
						Dividends	Interest
(40)	(41)	(42)	(43)	(44)	(45)	(46)	
<b>Retail trade</b>	<b>1,232,803</b>	<b>260,828</b>	<b>129,538</b>	<b>1,364,094</b>	<b>326,802</b>	<b>61,211</b>	<b>42,162</b>
Motor vehicle, parts dealers, and gas stations	66,307	0	4,318	61,989	8,269	1,158	2,986
Furniture and home furnishings stores	*5,031	*4,794	*0	*9,824	*2,483	*0	*100
Building materials, garden equipment, and supplies	178,206	0	36	178,170	41,262	6,172	7,580
Food and beverages stores	33,179	18,335	405	51,109	5,481	610	30
Apparel and accessory stores	271,101	85,955	26,209	330,846	91,984	5,697	6,563
General merchandise stores	*401,759	*61,294	*4,885	*458,168	*110,145	*20,037	*15,573
Miscellaneous retail trade	277,220	90,451	93,685	273,987	67,177	27,537	9,331
<b>Transportation and warehousing</b>	<b>437,532</b>	<b>87,769</b>	<b>121,549</b>	<b>403,753</b>	<b>167,498</b>	<b>23,619</b>	<b>4,427</b>
Air, rail, and water transportation	168,894	21,364	92,969	97,289	39,985	9,746	105
Water transportation	*66,790	*1,104	*35,278	*32,617	*12,821	*6,784	*72
Air and rail transportation	*102,103	*20,260	*57,691	*64,672	*27,164	*2,962	*34
Other transportation and warehousing	268,639	66,405	28,580	306,464	127,513	13,873	4,322
<b>Information</b>	<b>3,606,331</b>	<b>290,931</b>	<b>540,631</b>	<b>3,356,631</b>	<b>1,574,306</b>	<b>44,223</b>	<b>2,858</b>
Publishing (except internet), motion picture, and sound recording	2,291,217	222,480	293,464	2,220,234	1,359,999	28,915	2,019
Broadcasting, internet publishing	453,196	0	3,806	449,390	149,725	2,900	280
Telecommunications	172,345	14,708	60,521	126,532	19,280	146	154
Internet service providers, web search portals, and data processing services	*638,497	*33,796	*167,901	*504,392	*30,803	*8,754	*395
Other information services	51,075	19,947	14,939	56,083	14,499	3,508	10
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>7,226,599</b>	<b>331,972</b>	<b>623,509</b>	<b>6,935,063</b>	<b>3,497,336</b>	<b>283,314</b>	<b>533,117</b>
Finance and insurance	7,172,099	330,105	605,764	6,896,440	3,476,009	282,535	532,414
Commercial banking and other depository credit agencies	176,925	0	0	176,925	176,909	74,849	102,056
Nondepository credit intermediation	287,718	0	13,048	274,670	167,532	4,268	8,900
Securities, commodity contracts, and other	2,661,087	146,963	198,956	2,609,093	941,248	62,894	121,289
Insurance and related activities	3,626,505	183,142	369,088	3,440,559	1,882,055	140,517	39,588
Insurance agencies and brokerages	532,355	2,071	63,575	470,851	67,967	10,085	0
Funds, trusts, and other financial vehicles	419,864	0	24,671	395,192	308,265	8	260,581
Real estate and rental and leasing	54,501	1,867	17,745	38,623	21,327	779	703
Real estate	30,797	1,232	4,964	27,065	10,632	312	696
Rentals and leasing	23,703	636	12,781	11,558	10,695	467	7
<b>Services</b>	<b>9,197,459</b>	<b>907,709</b>	<b>983,326</b>	<b>9,121,841</b>	<b>3,199,644</b>	<b>292,605</b>	<b>256,184</b>
Professional, scientific, and technical services	736,366	114,526	181,385	669,508	329,487	23,715	5,679
Management of holding companies	7,090,240	158,983	563,359	6,685,863	2,377,644	253,892	219,515
Administrative and support and waste management and remediation	205,081	23,830	33,636	195,274	48,891	893	1,136
Education services, health care, and social assistance	40,391	30,672	15,680	55,383	6,953	923	123
Arts, entertainment, and recreation	57,378	405	11,060	46,722	43,058	274	868
Accommodation and food services	1,040,079	579,293	174,008	1,445,365	388,918	12,299	28,667
Accommodation	204,496	28,367	42,557	190,306	69,458	5,769	6,309
Food services and drinking places	835,583	550,926	131,451	1,255,058	319,460	6,530	22,358
Other services	27,924	0	4,198	23,726	4,694	608	* 195
Repair and maintenance services	2,770	0	1,254	1,516	869	39	0
Personal services	*24,689	*0	*2,612	*22,077	*3,692	*558	*195
Religious, grantmaking, civic, professional, and similar organizations	*466	*0	*332	*134	*134	*11	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Foreign taxes available for credit					
	Foreign taxes paid or accrued					Taxes deemed paid
	Taxes withheld at source on--	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
(47)	(48)	(49)	(50)	(51)	(52)	
<b>All industries</b>	<b>3,702,391</b>	<b>6,544,113</b>	<b>70,312</b>	<b>536,332</b>	<b>23,899,153</b>	<b>72,635,706</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>292</b>	<b>1,939</b>	<b>0</b>	<b>361</b>	<b>2,513</b>	<b>3,815</b>
<b>Mining</b>	<b>15,658</b>	<b>267,111</b>	<b>1,338</b>	<b>19,319</b>	<b>1,844,291</b>	<b>2,274,941</b>
Oil and gas extraction, coal mining	3,771	177,629	0	4,719	619,956	1,678,292
Metal ore mining	*5,731	*73,844	*0	*2,918	*1,218,107	*439,583
Nonmetallic minerals	296	41	0	127	132	7,683
Support activities for mining	5,859	15,598	1,338	11,556	6,096	149,383
<b>Utilities</b>	<b>0</b>	<b>59,201</b>	<b>0</b>	<b>0</b>	<b>6,193</b>	<b>53,250</b>
<b>Construction</b>	<b>12,690</b>	<b>4,083</b>	<b>0</b>	<b>30,170</b>	<b>9,349</b>	<b>64,615</b>
Construction of buildings	6,357	280	0	1,175	388	51,860
Heavy and civil engineering construction	6,188	391	0	28,147	8,948	11,044
Special trade contractors	146	3,412	0	847	13	1,711
<b>Manufacturing</b>	<b>2,466,159</b>	<b>2,206,827</b>	<b>49,385</b>	<b>98,527</b>	<b>20,017,936</b>	<b>54,874,292</b>
Food manufacturing	60,264	204,415	0	716	27,879	3,540,065
Beverage and tobacco products	35,535	172,095	425	800	16,698	997,313
Tobacco manufacturing	*799	*13,790	*0	*0	*1,717	*3,472
Textile mills and textile product mills	*611	*905	*0	*51	*0	*35,248
Apparel manufacturing	10,046	3,016	0	0	412	84,103
Leather and allied product manufacturing	3,042	165	0	61	2	25,254
Wood product manufacturing	1,084	403	0	0	669	350,618
Paper manufacturing	53,948	4,890	7,994	6,792	47,515	1,491,137
Printing and related support activities	268	1,119	0	311	360	38,524
Petroleum and coal products manufacturing	20,777	326,073	0	29	17,908,665	10,634,185
Chemical manufacturing	809,757	580,678	2,745	31,783	594,863	17,646,974
Pharmaceutical and medicine manufacturing	584,740	181,476	2,745	7,390	392,421	10,256,931
Other chemical manufacturing	225,017	399,203	0	24,394	202,442	7,390,043
Plastics and rubber products manufacturing	10,884	287	30	177	258	188,885
Nonmetallic mineral product manufacturing	2,412	3,135	0	360	1	600,697
Primary metal manufacturing	450,191	103,882	0	1,508	16,057	298,335
Fabricated metal products	16,721	180,839	803	2,074	42,631	1,049,355
Machinery manufacturing	53,881	202,967	3,236	9,797	77,336	1,988,484
Computer and electronic product manufacturing	682,629	179,472	25,798	22,651	88,805	8,287,889
Electrical equipment, appliance and component manufacturing	17,793	11,044	0	1,635	1,026,177	1,763,350
Transportation equipment manufacturing	128,192	164,438	8,244	19,071	156,359	4,296,875
Motor vehicles and related manufacturing	94,074	113,379	3,933	9,578	55,904	3,181,948
Other transportation equipment manufacturing	34,118	51,059	4,311	9,493	100,455	1,114,927
Furniture and related products	852	458	0	0	169	104,888
Miscellaneous manufacturing and manufacturing not allocable	107,271	66,544	110	711	13,080	1,452,114
<b>Wholesale and retail trade</b>	<b>181,990</b>	<b>324,022</b>	<b>771</b>	<b>9,064</b>	<b>124,677</b>	<b>3,986,289</b>
Wholesale trade	111,213	208,565	771	7,734	88,811	2,948,997
Durable goods	64,639	33,818	0	3,303	27,624	889,895
Machinery, equipment, and supplies	1,792	5,200	0	193	878	27,033
Other miscellaneous durable goods	62,847	28,618	0	3,110	26,746	862,863
Nondurable goods	46,574	174,746	771	4,430	61,187	2,059,101
Drugs, chemicals, and allied products	19,415	47,844	771	98	1,157	405,231
Groceries and related products	3,378	13,341	0	111	3,336	76,312
Petroleum and petroleum products	236	71,710	0	0	5,593	628,758
Other miscellaneous nondurable goods	23,545	41,852	0	4,221	51,101	948,801

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Foreign taxes available for credit					
	Foreign taxes paid or accrued					Taxes deemed paid
	Taxes withheld at source on--	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
(47)	(48)	(49)	(50)	(51)	(52)	
Retail trade	70,777	115,457	0	1,330	35,866	1,037,292
Motor vehicle, parts dealers, and gas stations	237	987	0	19	2,882	53,721
Furniture and home furnishings stores	*738	*1,646	*0	*0	*0	*7,341
Building materials, garden equipment, and supplies	18,956	7,730	0	0	825	136,908
Food and beverages stores	4,842	0	0	0	0	45,628
Apparel and accessory stores	8,703	57,347	0	631	13,043	238,863
General merchandise stores	*32,260	*26,086	*0	*0	*16,189	*348,023
Miscellaneous retail trade	5,042	21,661	0	681	2,926	206,809
<b>Transportation and warehousing</b>	<b>22,478</b>	<b>63,270</b>	<b>1,607</b>	<b>38,103</b>	<b>13,992</b>	<b>236,255</b>
Air, rail, and water transportation	13,501	165	1,597	3,820	11,051	57,305
Water transportation	*0	*0	*1,597	*265	*4,103	*19,796
Air and rail transportation	*13,501	*165	*0	*3,555	*6,948	*37,508
Other transportation and warehousing	8,977	63,106	10	34,284	2,941	178,951
<b>Information</b>	<b>751,802</b>	<b>450,272</b>	<b>12,750</b>	<b>13,274</b>	<b>299,127</b>	<b>1,782,325</b>
Publishing (except internet), motion picture, and sound recording	634,204	423,737	12,750	963	257,411	860,235
Broadcasting, internet publishing	98,163	0	0	7,261	41,121	299,665
Telecommunications	5,776	13,203	0	0	1	107,252
Internet service providers, web search portals, and data processing services	*7,619	*9,155	*0	*4,880	*0	*473,589
Other information services	6,040	4,177	0	170	595	41,584
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>46,247</b>	<b>1,437,876</b>	<b>4,402</b>	<b>105,057</b>	<b>1,087,323</b>	<b>3,437,727</b>
Finance and insurance	32,866	1,436,540	4,402	103,452	1,083,802	3,420,431
Commercial banking and other depository credit agencies	0	0	0	0	4	16
Nondepository credit intermediation	20,245	98,566	0	34,186	1,366	107,138
Securities, commodity contracts, and other	432	116,418	0	23,951	616,264	1,667,845
Insurance and related activities	12,188	1,202,777	4,402	41,982	440,602	1,558,503
Insurance agencies and brokerages	44	50,817	0	523	6,497	402,884
Funds, trusts, and other financial vehicles	0	18,778	0	3,332	25,566	86,927
Real estate and rental and leasing	13,381	1,336	0	1,606	3,521	17,296
Real estate	6,037	0	0	113	3,475	16,433
Rentals and leasing	7,345	1,336	0	1,493	46	863
<b>Services</b>	<b>205,076</b>	<b>1,729,512</b>	<b>59</b>	<b>222,457</b>	<b>493,751</b>	<b>5,922,197</b>
Professional, scientific, and technical services	32,435	96,134	0	148,446	23,079	340,021
Management of holding companies	33,704	1,393,758	0	55,840	420,934	4,308,219
Administrative and support and waste management and remediation	13,576	18,322	0	1,359	13,604	146,384
Education services, health care, and social assistance	2,247	594	0	1,905	1,161	48,430
Arts, entertainment, and recreation	4,936	8,338	59	6,510	22,072	3,664
Accommodation and food services	116,121	211,612	0	7,962	12,257	1,056,447
Accommodation	17,407	20,936	0	7,833	11,203	120,849
Food services and drinking places	98,713	190,676	0	129	1,055	935,598
Other services	2,058	*754	0	436	644	19,032
Repair and maintenance services	0	0	0	296	533	647
Personal services	*1,935	*754	*0	*140	*110	*18,385
Religious, grantmaking, civic, professional, and similar organizations	*123	*0	*0	*0	[2]	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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## Footnotes

\* Data should be used with caution because of the small number of sample returns on which they were based.

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Less than \$500.

[3] Includes adjustments and recapture of certain tax credits not included in column 12.

[4] In addition to the credits shown in columns 13-15, this is after reduction by other credits, such as the jobs credit and the investment credit, which are not shown separately in this table.

[5] Included in gross income (less loss), columns 17-23. See notes below.

[6] Column 32 exceeds the sum of columns 33 through 35 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[7] Included in deductions, columns 26-35. See notes below.

NOTES: Detail may not add to totals because of rounding. Columns 2 through 16 present statistics on assets, receipts, income, and taxes reported on Form 1120 (Corporation Income Tax Return) series for corporations claiming a foreign tax credit. Columns 17 through 52 present statistics from Form 1118, Foreign Tax Credit--Corporations. Schedule references indicate the schedule of Form 1118 from which the data were obtained. Columns 17 through 36 present statistics on foreign income (i.e., income from sources outside the United States) and deductions reported primarily on Schedule A, Form 1118. Although the amounts of oil and gas income and deductions (columns 24 and 36, respectively) are contained in the summary columns (i.e., columns 17 through 23 and 26 through 35), these amounts are also reported separately (on Schedule I) because oil and gas income is subject to special rules under Internal Revenue Code section 907, which may result in a reduction of foreign taxes available for credit. Foreign branch income and code section 863(b) income (income partly within and partly without the United States) also are included in the summary amounts reported in columns 17 through 23. Foreign branch income also is reported separately on Schedule F, shown in column 25. Total foreign-source gross income (column 17) less total foreign deductions (column 26) is equal to foreign-source taxable income (less loss) before adjustments (column 37).

Adjustments to foreign-source taxable income (reported in column 38) include allocations of current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments. These adjustments (reported on Schedule J) affect the numerator of the limitation fraction used to compute the foreign tax credit. The foreign-source taxable income (less loss) after adjustments (the numerator of the limitation fraction) is reported in column 39. The limitation fraction, which represents the ratio of foreign-source taxable income after adjustments to total (U.S. and foreign) taxable income after adjustments, is applied to the total U.S. tax against which the credit is allowed to determine any limitation on the foreign tax credit.

Statistics on foreign taxes are reported in columns 40 through 52. Data on foreign taxes paid, accrued, and deemed paid (through related foreign corporations or their subsidiaries) from Schedule B, Form 1118, are reported in columns 43 through 52. Total foreign taxes paid or accrued (column 44) are the sum of columns 45 through 51 (any differences are due to taxpayer reporting practices). Total foreign taxes paid, accrued, and deemed paid (column 43) are equal to the sum of total taxes paid or accrued (column 44) and taxes deemed paid (column 52). Total foreign taxes paid, accrued, and deemed paid are then adjusted for certain items (e.g., reductions of foreign taxes under Code section 907 related to oil and gas income), which are reported in column 41, as well as carryovers of foreign taxes not credited in prior years, which are reported in column 42. Thus, total foreign taxes available for credit (column 40) are equal to total foreign taxes paid, accrued, and deemed paid (column 43) less certain foreign taxes (column 41), plus any carryover of prior-year foreign taxes (column 42).

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIES</b>						
All income types	5,837	914,741,013	397,776,032	60,552,267	84,522,193	98,517,129
Passive income	2,826	18,962,301	8,952,780	1,005,688	5,886,740	1,349,195
High withholding tax interest	239	1,135,385	13,217	23,740	1,098,428	0
Financial services income	398	182,453,435	35,302,827	7,553,915	70,019,386	6,989,647
Shipping income	37	9,031,094	557,185	129,994	217,556	901,414
Dividends from an IC-DISC or former DISC [1]	47	1,218	1,218	0	0	0
Miscellaneous separately calculated limitation income	*9	*147,717	*137,560	*0	*0	*142
Distributions from a FSC or former FSC [2]	*9	*1,657,421	*1,657,421	*0	*0	*0
General limitation income	3,175	700,699,944	350,791,303	51,783,192	7,292,537	89,267,631
Section 901(j) income	23	220,085	17,479	[7]	7,188	1,807
Income resourced by treaty	33	432,413	345,042	55,738	357	7,292
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>						
All income types	150	239,515	126,600	3,815	4,462	10,646
Passive income	94	3,691	465	110	2,523	367
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	58	235,824	126,136	3,705	1,938	10,278
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MINING</b>						
All income types	127	21,117,992	6,735,164	2,262,503	403,256	265,971
Passive income	82	1,199,452	324,018	60,494	191,145	2,889
High withholding tax interest	*6	*11,384	*0	*0	*11,384	*0
Financial services income	*5	*3,750	*1,809	*0	*121	*0
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	72	19,748,010	6,409,336	2,202,009	200,606	263,082
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
<b>UTILITIES</b>						
All income types	12	893,292	247,300	53,250	8,486	0
Passive income	*6	*12,951	*6,338	*1,759	*4,854	*0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*9	*880,341	*240,962	*51,491	*3,632	*0
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CONSTRUCTION</b>						
All income types	336	782,759	229,284	63,507	7,633	49,085
Passive income	158	64,093	36,422	165	4,301	316
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	28	15	15	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	155	708,640	192,847	63,342	3,319	48,769
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MANUFACTURING</b>						
All income types	1,267	582,378,386	320,541,406	44,442,264	11,004,385	57,206,732
Passive income	501	11,460,684	6,401,046	673,777	2,852,172	976,844
High withholding tax interest	61	317,814	7,331	1,355	309,127	0
Financial services income	46	8,967,025	3,369,137	262,340	2,648,794	682,854
Shipping income	14	1,510,251	337,298	46,606	19,820	675,710
Dividends from an IC-DISC or former DISC [1]	13	1,085	1,085	0	0	0
Miscellaneous separately calculated limitation income	*5	*50,549	*50,394	*0	*0	*138
Distributions from a FSC or former FSC [2]	*3	*1,246,092	*1,246,092	*0	*0	*0
General limitation income	1,059	558,506,424	308,874,710	43,436,705	5,167,284	54,862,179
Section 901(j) income	15	43,440	17,479	[7]	7,188	1,715
Income resourced by treaty	16	275,022	236,834	21,481	0	7,292
<b>WHOLESALE AND RETAIL TRADE</b>						
All income types	635	37,644,808	17,860,826	3,477,378	777,996	6,057,511
Passive income	225	1,084,879	529,035	66,987	140,874	231,739
High withholding tax interest	37	41,115	0	0	41,115	0
Financial services income	16	2,516,035	644,715	139,973	181,720	251
Shipping income	*3	*28,157	*9,556	*1,076	*24	[7]
Dividends from an IC-DISC or former DISC [1]	*3	*12	*12	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	449	33,845,739	16,591,323	3,237,400	413,905	5,825,517
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*9	*128,866	*86,185	*31,941	*357	[7]
<b>TRANSPORTATION AND WAREHOUSING</b>						
All income types	78	15,893,694	977,643	177,195	135,052	333,239
Passive income	26	61,203	48,073	4,661	7,135	895
High withholding tax interest	10	12,290	0	0	12,290	0
Financial services income	*4	*35,687	*9	*0	*241	*0
Shipping income	*8	*6,862,644	*205,283	*82,116	*77,493	*148,240
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	56	8,921,869	724,278	90,418	37,893	184,104
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>INFORMATION</b>						
All income types	327	45,865,657	9,810,117	1,603,509	675,579	22,926,289
Passive income	148	1,551,310	1,045,584	162,404	227,869	74,275
High withholding tax interest	*7	*13,665	*0	*0	*13,665	*0
Financial services income	34	93,242	0	0	0	51,515
Shipping income	*4	*107,600	*312	*13	*16,717	*77,465
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	190	44,075,011	8,739,698	1,441,092	417,328	22,723,036
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>						
All income types	1,063	101,443,988	19,701,444	3,360,772	35,918,625	4,399,381
Passive income	691	2,851,579	312,481	3,622	2,351,913	28,139
High withholding tax interest	55	334,241	4,190	978	329,074	0
Financial services income	168	92,342,555	18,490,964	3,233,574	32,708,639	2,995,940
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	250	5,432,918	876,553	121,663	425,497	1,375,302
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
<b>SERVICES</b>						
All income types	1,842	108,480,924	21,546,249	5,108,074	35,586,719	7,268,274
Passive income	896	672,460	249,320	31,709	103,953	33,730
High withholding tax interest	62	404,863	1,696	21,407	381,760	0
Financial services income	125	78,495,140	12,796,192	3,918,028	34,479,871	3,259,088
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*3	*105	*105	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*3	*386,806	*386,806	*0	*0	*0
General limitation income	877	28,345,169	8,015,460	1,135,367	621,135	3,975,364
Section 901(j) income	*3	*21,112	*0	*0	*0	*92
Income resourced by treaty	*5	*10,959	*5,563	*1,382	*0	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>ALL INDUSTRIES</b>					
All income types	28,708,344	244,665,047	67,647,545	122,056,453	512,833,409
Passive income	-3,853	1,771,751	0	336,948	4,431,330
High withholding tax interest	0	[7]	0	91	449,547
Financial services income	3,639,529	58,948,130	0	61,452,417	120,349,206
Shipping income	171,166	7,053,779	0	3,888,642	8,193,873
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	146
Miscellaneous separately calculated limitation income	*10,015	*0	*0	*0	*12,690
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,273,576
General limitation income	24,864,348	176,700,934	67,647,545	56,351,667	377,804,572
Section 901(j) income	21,020	172,590	0	21,020	183,265
Income resourced by treaty	6,119	17,865	0	5,669	135,205
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>					
All income types	17,118	76,874	0	4,170	186,095
Passive income	0	226	0	0	717
High withholding tax interest	0	0	0	0	0
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	17,118	76,648	0	4,170	185,379
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0
<b>MINING</b>					
All income types	829,862	10,621,236	6,635,893	1,699,467	6,049,651
Passive income	0	620,906	0	115,781	106,717
High withholding tax interest	*0	*0	*0	*0	*52
Financial services income	*0	*1,820	*0	*1,870	*2,141
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	829,862	9,843,114	6,635,893	1,581,816	5,779,902
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0
<b>UTILITIES</b>					
All income types	48,940	535,316	501,424	650,806	431,886
Passive income	*0	*0	*0	*169	*3,232
High withholding tax interest	0	0	0	0	0
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	*48,940	*535,316	*501,424	*650,637	*428,654
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>CONSTRUCTION</b>					
All income types	237,201	196,049	0	128,851	316,742
Passive income	0	22,889	0	513	1,481
High withholding tax interest	d	d	d	d	d
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	227,203	173,160	0	128,337	305,286
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0
<b>MANUFACTURING</b>					
All income types	4,780,776	144,402,823	58,243,501	36,909,215	310,333,950
Passive income	0	556,845	0	150,411	2,997,800
High withholding tax interest	0	0	0	0	99,995
Financial services income	31,753	1,972,147	0	366,340	6,564,803
Shipping income	730	430,087	0	0	1,335,482
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	62
Miscellaneous separately calculated limitation income	*17	*0	*0	*0	*2,715
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,245,029
General limitation income	4,746,201	141,419,345	58,243,501	36,392,464	297,961,802
Section 901(j) income	0	17,058	0	0	3,358
Income resourced by treaty	2,075	7,340	0	0	122,904
<b>WHOLESALE AND RETAIL TRADE</b>					
All income types	474,004	8,997,093	2,137,280	4,972,629	18,092,903
Passive income	130	116,114	0	7,334	289,040
High withholding tax interest	0	0	0	0	4,232
Financial services income	124,873	1,424,502	0	1,420,575	985,211
Shipping income	*15,558	*1,942	*0	*15,559	*51,050
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d
General limitation income	333,413	7,444,181	2,137,280	3,523,493	16,757,925
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	*29	*10,354	*0	*5,669	*5,428
<b>TRANSPORTATION AND WAREHOUSING</b>					
All income types	7,896,563	6,374,002	4,328	3,953,379	12,878,854
Passive income	0	440	0	344	3,379
High withholding tax interest	0	0	0	0	2,762
Financial services income	*35,409	*28	*0	*0	*31,340
Shipping income	*154,878	*6,194,634	*0	*3,765,901	*5,865,203
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	7,706,277	178,900	4,328	187,133	6,976,171
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>INFORMATION</b>					
All income types	2,033,527	8,816,637	0	6,201,829	25,940,623
Passive income	-1	41,179	0	152	284,916
High withholding tax interest	*0	*0	*0	*0	*19,916
Financial services income	0	41,727	0	0	45,093
Shipping income	*0	*13,092	*0	*0	*75,500
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d
General limitation income	2,033,528	8,720,331	0	6,201,677	25,490,611
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>					
All income types	2,663,913	35,399,853	0	21,416,112	64,090,250
Passive income	0	155,423	0	335	636,993
High withholding tax interest	0	0	0	0	146,791
Financial services income	1,952,301	32,961,137	0	20,702,579	58,555,256
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	711,612	1,922,290	0	609,697	3,925,189
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d
<b>SERVICES</b>					
All income types	9,726,441	29,245,165	125,119	46,119,997	74,512,455
Passive income	-3,982	257,729	0	61,909	107,055
High withholding tax interest	0	[7]	0	91	175,799
Financial services income	1,495,193	22,546,768	0	38,961,052	54,165,361
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*84
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*4,020
General limitation income	8,210,194	6,387,648	125,119	7,072,243	19,993,653
Section 901(j) income	*21,020	*0	*0	*21,020	*19,002
Income resourced by treaty	*4,015	*0	*0	*0	*6,873

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions					Deductions not allocable to specific types of income
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	
(12)	(13)	(14)	(15)	(16)	(17)	
<b>ALL INDUSTRIES</b>						
All income types	355,845,039	1,996,507	6,800,267	17,642,897	329,405,368	156,988,370
Passive income	1,619,766	35,226	77,886	751	1,505,903	2,811,564
High withholding tax interest	55,224	0	184	0	55,040	394,322
Financial services income	44,318,818	921,986	496,026	1,165,082	41,735,723	76,030,388
Shipping income	7,554,187	237,419	130,194	35,221	7,151,353	639,686
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	146
Miscellaneous separately calculated limitation income	*159	*129	*0	*0	*30	*12,531
Distributions from a FSC or former FSC [2]	*1,272,435	*0	*0	*0	*1,272,435	*1,141
General limitation income	300,746,059	801,459	6,095,937	16,418,884	277,429,779	77,058,513
Section 901(j) income	179,330	269	40	18,613	160,408	3,935
Income resourced by treaty	99,060	18	0	4,345	94,696	36,145
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>						
All income types	153,634	451	0	10,279	142,904	32,461
Passive income	21	0	0	0	21	696
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	153,613	451	0	10,279	142,883	31,766
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MINING</b>						
All income types	4,989,917	135,892	259,001	397,672	4,197,351	1,059,734
Passive income	16,685	0	963	0	15,722	90,032
High withholding tax interest	*0	*0	*0	*0	*0	*52
Financial services income	*587	*0	*0	*0	*587	*1,554
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	4,812,382	135,892	258,039	397,672	4,020,779	967,521
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
<b>UTILITIES</b>						
All income types	290,900	1,451	3,916	14,059	271,474	140,986
Passive income	*0	*0	*0	*0	*0	*3,232
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*290,900	*1,451	*3,916	*14,059	*271,474	*137,754
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions					Deductions not allocable to specific types of income
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	
(12)	(13)	(14)	(15)	(16)	(17)	
<b>CONSTRUCTION</b>						
All income types	270,305	306	773	139,587	129,638	46,437
Passive income	739	0	687	0	53	742
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	269,565	306	86	139,587	129,586	35,720
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MANUFACTURING</b>						
All income types	244,821,284	484,751	745,427	784,635	242,806,471	65,512,667
Passive income	1,236,962	3,067	4,551	253	1,229,091	1,760,838
High withholding tax interest	23,895	0	[7]	0	23,895	76,100
Financial services income	2,603,069	0	[7]	[7]	2,603,068	3,961,734
Shipping income	903,696	0	0	0	903,696	431,786
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	62
Miscellaneous separately calculated limitation income	*159	*129	*0	*0	*30	*2,556
Distributions from a FSC or former FSC [2]	*1,245,029	*0	*0	*0	*1,245,029	*0
General limitation income	238,713,901	481,286	740,836	782,509	236,709,271	59,247,901
Section 901(j) income	417	269	40	0	108	2,942
Income resourced by treaty	94,155	0	0	1,873	92,282	28,749
<b>WHOLESALE AND RETAIL TRADE</b>						
All income types	14,181,960	58,638	948,992	198,197	12,976,132	3,910,943
Passive income	187,261	26,960	4,239	79	155,982	101,779
High withholding tax interest	-1	0	0	0	-1	4,233
Financial services income	859,259	0	64,890	0	794,369	125,952
Shipping income	*44,942	*0	*0	*0	*44,942	*6,108
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	13,089,210	31,677	879,863	198,118	11,979,552	3,668,714
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*1,288	*0	*0	*0	*1,288	*4,139
<b>TRANSPORTATION AND WAREHOUSING</b>						
All income types	12,579,831	14,468	29,458	6,541,547	5,994,358	299,023
Passive income	28	0	1	0	27	3,351
High withholding tax interest	0	0	0	0	0	2,762
Financial services income	*31,309	*0	*0	*31,298	*11	*31
Shipping income	*5,739,074	*11,463	*0	*35,221	*5,692,390	*126,129
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	6,809,420	3,005	29,457	6,475,028	301,930	166,751
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					Deductions not allocable to specific types of income
	Definitely allocable deductions					
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [5]
	(12)	(13)	(14)	(15)	(16)	(17)
<b>INFORMATION</b>						
All income types	17,921,532	61,490	3,336,150	1,709,685	12,814,206	8,019,091
Passive income	97,179	223	60,317	320	36,320	187,737
High withholding tax interest	*0	*0	*0	*0	*0	*19,916
Financial services income	34,146	0	0	0	34,146	10,947
Shipping income	*60,346	*33,988	*15,975	*0	*10,383	*15,154
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	17,705,338	27,279	3,259,859	1,709,365	12,708,835	7,785,273
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>						
All income types	29,243,475	324,993	591,515	1,740,111	26,586,854	34,846,776
Passive income	62,573	4,864	4,719	70	52,919	574,421
High withholding tax interest	9,729	0	93	0	9,636	137,062
Financial services income	25,903,150	43,508	245,048	1,103,709	24,510,885	32,652,106
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	2,500,155	84,654	227,436	636,333	1,551,733	1,425,034
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
<b>SERVICES</b>						
All income types	31,392,203	914,066	885,034	6,107,123	23,485,979	43,120,252
Passive income	18,318	112	2,410	29	15,768	88,737
High withholding tax interest	21,601	0	91	0	21,510	154,198
Financial services income	14,887,298	878,478	186,088	30,076	13,792,656	39,278,063
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*84
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*2,883	*0	*0	*0	*2,883	*1,136
General limitation income	16,401,574	35,458	696,445	6,055,933	9,613,738	3,592,079
Section 901(j) income	*18,650	*0	*0	*18,613	*37	*351
Income resourced by treaty	*3,616	*18	*0	*2,472	*1,126	*3,257

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
(18)	(19)	(20)	(21)	(22)	(23)	
<b>ALL INDUSTRIES</b>						
All income types	21,701,747	69,458,050	64,730,679	12,595,373	401,907,604	57,152,027
Passive income	204,993	1,731,284	860,384	0	14,530,970	1,111,726
High withholding tax interest	476	292,989	92,431	0	685,839	527
Financial services income	172,300	45,670,030	30,055,715	0	62,104,229	4,602,125
Shipping income	4,259	553,977	81,449	0	837,221	-332,317
Dividends from an IC-DISC or former DISC [1]	0	0	62	0	1,072	-345
Miscellaneous separately calculated limitation income	*2,086	*470	*9,975	*0	*135,027	*-119,881
Distributions from a FSC or former FSC [2]	*0	*0	*1,141	*0	*383,845	*-309
General limitation income	21,317,345	21,177,249	33,622,071	12,595,373	322,895,372	51,889,912
Section 901(j) income	29	2,845	1,061	0	36,820	-7,111
Income resourced by treaty	260	29,206	6,390	0	297,209	7,700
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>						
All income types	0	15,342	15,683	0	53,419	4,794
Passive income	0	0	696	0	2,974	0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	0	15,342	14,987	0	50,445	4,794
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MINING</b>						
All income types	5,805	453,912	596,696	858,910	15,068,341	659,115
Passive income	0	39,148	50,818	0	1,092,734	6,197
High withholding tax interest	*0	*52	*0	*0	*11,332	[7]
Financial services income	*4	*1,034	*516	*0	*1,609	*-17,431
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	5,801	413,102	545,362	858,910	13,968,108	675,790
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
<b>UTILITIES</b>						
All income types	134	109,339	31,513	167,190	461,406	166,931
Passive income	*0	*2,626	*606	*0	*9,719	*391
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*134	*106,713	*30,907	*167,190	*451,686	*166,541
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
	(18)	(19)	(20)	(21)	(22)	(23)
<b>CONSTRUCTION</b>						
All income types	404	8,195	29,084	0	466,017	157,876
Passive income	0	633	108	0	62,612	1,087
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	15	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	404	7,562	19,001	0	403,354	156,789
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MANUFACTURING</b>						
All income types	19,681,327	22,747,605	22,332,556	10,820,119	272,044,435	43,422,476
Passive income	191,493	1,222,435	338,978	0	8,462,884	751,503
High withholding tax interest	421	64,688	6,293	0	217,819	1,625
Financial services income	44,418	3,710,721	206,595	0	2,402,222	310,361
Shipping income	4	416,008	15,774	0	174,769	-2,828
Dividends from an IC-DISC or former DISC [1]	0	0	62	0	1,023	-345
Miscellaneous separately calculated limitation income	*2,086	*470	*0	*0	*47,834	*-119,888
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,063	*-110
General limitation income	19,442,633	17,306,454	21,760,554	10,820,119	260,544,622	42,475,704
Section 901(j) income	12	2,255	675	0	40,082	-1,565
Income resourced by treaty	260	24,574	3,625	0	152,118	8,019
<b>WHOLESALE AND RETAIL TRADE</b>						
All income types	151,797	1,430,613	2,262,513	722,602	19,551,905	5,633,245
Passive income	3,233	78,018	16,870	0	795,839	161,354
High withholding tax interest	0	833	391	0	36,883	7,976
Financial services income	[7]	118,044	7,909	0	1,530,823	203,785
Shipping income	[7]	*4,831	*1,277	*0	*-22,893	*-28,532
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*12	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	148,564	1,227,499	2,233,299	722,602	17,087,815	5,288,503
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*0	*1,375	*2,765	*0	*123,439	*372
<b>TRANSPORTATION AND WAREHOUSING</b>						
All income types	25,154	141,260	123,128	231	3,014,840	440,677
Passive income	0	2,721	630	0	57,824	35,462
High withholding tax interest	0	2,544	107	0	9,529	1,215
Financial services income	*0	*30	[7]	*0	*4,348	*0
Shipping income	*4,256	*59,911	*61,962	*0	*997,442	*29,754
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	20,899	76,053	60,429	231	1,945,697	374,246
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
	(18)	(19)	(20)	(21)	(22)	(23)
<b>INFORMATION</b>						
All income types	1,499,214	953,451	5,531,173	0	19,925,035	1,591,787
Passive income	9,268	104,174	73,728	0	1,266,394	30,082
High withholding tax interest	*0	*19,813	*25	*0	*-6,251	*-8,965
Financial services income	133	10,810	4	0	48,149	32,971
Shipping income	*0	*14,889	*265	*0	*32,100	*27,397
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	1,489,801	803,765	5,457,099	0	18,584,400	1,510,329
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>						
All income types	11,302	20,374,631	14,291,945	0	37,353,738	3,691,225
Passive income	0	246,596	326,442	0	2,214,585	37,682
High withholding tax interest	0	114,675	21,856	0	187,451	411
Financial services income	11,302	19,843,632	12,670,331	0	33,787,299	4,068,607
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	0	111,575	1,273,314	0	1,507,729	-47,016
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
<b>SERVICES</b>						
All income types	326,610	23,223,704	19,516,388	26,320	33,968,469	1,383,901
Passive income	1,000	34,933	51,508	0	565,404	87,967
High withholding tax interest	55	90,385	63,758	0	229,064	-1,735
Financial services income	116,442	21,985,758	17,170,360	0	24,329,779	3,833
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*22	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*1,136	*0	*382,787	*0
General limitation income	209,109	1,109,185	2,227,118	26,320	8,351,516	1,284,233
Section 901(j) income	*5	*11	*336	*0	*2,111	*6
Income resourced by treaty	*0	*3,257	*0	*0	*4,086	*-814

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>ALL INDUSTRIES</b>							
All income types	344,755,578	111,616,128	24,232,579	24,239,310	111,609,398	38,973,691	3,150,287
Passive income	13,419,244	1,959,830	62,549	263,987	1,758,392	715,786	82,822
High withholding tax interest	685,312	198,744	0	38,175	160,569	136,829	34
Financial services income	57,502,104	13,931,650	477,387	1,226,327	13,182,709	5,452,141	509,931
Shipping income	1,169,538	311,762	0	80,968	230,795	100,455	6,174
Dividends from an IC-DISC or former DISC [1]	1,417	14	0	[7]	14	14	14
Miscellaneous separately calculated limitation income	*254,908	*7,310	*0	*7,293	*17	*17	*0
Distributions from a FSC or former FSC [2]	*384,154	*0	*0	*0	*0	*0	*0
General limitation income	271,005,460	95,131,671	23,692,595	22,614,745	96,209,522	32,557,358	2,551,017
Section 901(j) income	43,931	6,012	0	1	6,011	6,009	0
Income resourced by treaty	289,509	69,135	49	7,814	61,369	5,081	294
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>							
All income types	48,626	21,249	1	12,250	9,000	5,185	39
Passive income	2,974	350	0	169	182	72	36
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	45,652	20,898	1	12,081	8,818	5,113	3
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MINING</b>							
All income types	14,409,226	5,629,064	480,084	961,345	5,147,804	2,872,863	695,092
Passive income	1,086,537	119,424	0	2,503	116,921	56,427	1,933
High withholding tax interest	*11,332	*1,570	*0	*456	*1,115	*1,115	*0
Financial services income	*19,040	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	13,292,317	5,502,344	480,084	958,387	5,024,042	2,809,595	693,159
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0	0
<b>UTILITIES</b>							
All income types	294,474	119,750	3,688	993	122,445	69,195	19
Passive income	*9,329	*1,989	*0	*210	*1,778	*19	*19
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	*285,145	*117,762	*3,688	*783	*120,667	*69,176	*0
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>CONSTRUCTION</b>							
All income types	308,141	123,769	9,856	11,355	122,270	57,655	1,193
Passive income	61,525	16,020	935	2,372	14,584	13,484	69
High withholding tax interest	d	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	15	1	0	0	1	1	1
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	246,566	107,746	8,921	8,983	107,684	44,169	1,123
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MANUFACTURING</b>							
All income types	228,621,960	80,948,593	20,726,997	20,120,416	81,555,174	26,680,883	1,662,896
Passive income	7,711,380	1,019,886	34,790	235,332	819,344	131,969	22,125
High withholding tax interest	216,194	54,072	0	12,791	41,281	39,926	0
Financial services income	2,091,861	729,004	136	149,669	579,470	316,044	9,655
Shipping income	177,598	69,278	0	11,531	57,747	10,795	0
Dividends from an IC-DISC or former DISC [1]	1,367	1	0	0	1	1	1
Miscellaneous separately calculated limitation income	*167,722	*42	*0	*25	*16	*16	*0
Distributions from a FSC or former FSC [2]	*1,172	*0	*0	*0	*0	*0	*0
General limitation income	218,068,918	79,046,854	20,692,023	19,705,742	80,033,135	26,179,984	1,630,824
Section 901(j) income	41,647	286	0	1	285	283	0
Income resourced by treaty	144,099	29,171	49	5,324	23,895	1,865	291
<b>WHOLESALE AND RETAIL TRADE</b>							
All income types	13,918,660	4,305,781	1,393,571	863,936	4,835,416	849,127	147,286
Passive income	634,485	116,988	20,716	7,275	130,429	48,314	9,946
High withholding tax interest	28,907	5,354	0	515	4,838	4,838	0
Financial services income	1,327,038	137,953	61,294	13,938	185,309	44,363	17,846
Shipping income	*5,639	*1,489	*0	*0	*1,489	*412	*0
Dividends from an IC-DISC or former DISC [1]	*12	*2	*0	*0	*2	*2	*2
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	11,799,312	4,008,677	1,311,562	841,914	4,478,325	748,114	119,489
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	*123,067	*35,318	*0	*295	*35,023	*3,083	*3
<b>TRANSPORTATION AND WAREHOUSING</b>							
All income types	2,574,162	437,532	87,769	121,549	403,753	167,498	23,619
Passive income	22,362	3,583	1,738	2	5,319	658	130
High withholding tax interest	8,314	2,240	0	173	2,067	2,067	0
Financial services income	*4,348	*4	*0	*2	*1	*1	*1
Shipping income	*967,687	*231,698	*0	*61,995	*169,702	*87,586	*4,814
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	1,571,451	200,008	86,031	59,376	226,663	77,185	18,673
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>INFORMATION</b>							
All income types	18,333,247	3,606,331	290,931	540,631	3,356,631	1,574,306	44,223
Passive income	1,236,312	170,545	2,089	3,233	169,401	6,597	42
High withholding tax interest	*2,714	*619	*0	*327	*293	*293	*0
Financial services income	15,178	57	0	0	57	57	0
Shipping income	*4,703	*13	*0	*0	*13	*0	*0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	17,074,071	3,426,245	288,842	528,221	3,186,867	1,567,359	44,181
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>							
All income types	33,662,513	7,226,599	331,972	623,509	6,935,063	3,497,336	283,314
Passive income	2,176,903	431,412	3	3,922	427,494	423,739	34,868
High withholding tax interest	187,039	70,796	0	23,660	47,136	46,159	34
Financial services income	29,718,692	6,418,074	300,744	551,291	6,167,526	2,872,644	240,954
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	1,554,745	299,754	31,225	39,309	291,670	154,493	7,459
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d	d
<b>SERVICES</b>							
All income types	32,584,568	9,197,459	907,709	983,326	9,121,841	3,199,644	292,605
Passive income	477,437	79,633	2,277	8,970	72,940	34,507	13,654
High withholding tax interest	230,799	64,092	0	255	63,837	42,430	0
Financial services income	24,325,946	6,646,558	115,213	511,427	6,250,344	2,219,032	241,474
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*22	*11	*0	[7]	*11	*11	*11
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*382,787	*0	*0	*0	*0	*0	*0
General limitation income	7,067,283	2,401,382	790,218	459,949	2,731,652	902,171	36,105
Section 901(j) income	*2,105	*0	*0	*0	*0	*0	*0
Income resourced by treaty	*4,900	*2,127	*0	*612	*1,515	*134	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
<b>ALL INDUSTRIES</b>							
All income types	1,071,103	3,702,391	6,544,113	70,312	536,332	23,899,153	72,635,706
Passive income	443,192	48,968	15,558	0	607	124,639	1,042,606
High withholding tax interest	136,796	0	0	0	0	0	23,740
Financial services income	281,598	62,721	2,846,252	0	108,283	1,643,356	7,730,568
Shipping income	1,265	11,757	57,526	1,597	212	21,923	130,339
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*0	*15	*0	*0	*3	*0	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	208,252	3,577,990	3,621,752	68,714	427,222	22,102,411	63,652,164
Section 901(j) income	0	283	0	0	0	5,726	2
Income resourced by treaty	0	657	3,025	0	6	1,099	56,288
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>							
All income types	40	292	1,939	0	361	2,513	3,815
Passive income	13	13	0	0	0	9	110
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	27	278	1,939	0	361	2,504	3,705
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MINING</b>							
All income types	30,053	15,658	267,111	1,338	19,319	1,844,291	2,274,941
Passive income	19,526	74	1,594	0	0	33,300	60,494
High withholding tax interest	*1,115	*0	*0	*0	*0	*0	*0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	9,412	15,584	265,517	1,338	19,319	1,805,266	2,214,447
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0	0
<b>UTILITIES</b>							
All income types	3,782	0	59,201	0	0	6,193	53,250
Passive income	*1	*0	*0	*0	*0	*0	*1,759
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	*3,782	*0	*59,201	*0	*0	*6,193	*51,491
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
<b>CONSTRUCTION</b>							
All income types	170	12,690	4,083	0	30,170	9,349	64,615
Passive income	96	6,175	0	0	0	7,143	1,100
High withholding tax interest	d	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	73	6,515	4,083	0	30,170	2,205	63,515
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MANUFACTURING</b>							
All income types	179,153	2,466,159	2,206,827	49,385	98,527	20,017,936	54,874,292
Passive income	34,431	11,576	9,107	0	54	54,675	687,375
High withholding tax interest	39,926	0	0	0	0	0	1,355
Financial services income	9,111	200	45,611	0	1,689	249,777	263,427
Shipping income	[7]	0	0	0	212	10,584	46,952
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*0	*14	*0	*0	*3	*0	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	95,685	2,453,428	2,151,192	49,385	96,570	19,702,900	53,853,151
Section 901(j) income	0	283	0	0	0	0	2
Income resourced by treaty	0	657	917	0	0	0	22,031
<b>WHOLESALE AND RETAIL TRADE</b>							
All income types	61,318	181,990	324,022	771	9,064	124,677	3,986,289
Passive income	7,453	19,604	93	0	24	11,193	82,114
High withholding tax interest	4,838	0	0	0	0	0	0
Financial services income	1,827	0	14,796	0	0	9,893	140,947
Shipping income	*0	*0	[7]	*0	*0	*412	*1,076
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	47,198	162,384	307,158	771	9,034	102,080	3,730,210
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	*0	*0	*1,975	*0	*6	*1,099	*31,941
<b>TRANSPORTATION AND WAREHOUSING</b>							
All income types	4,427	22,478	63,270	1,607	38,103	13,992	236,255
Passive income	183	98	0	0	0	246	4,661
High withholding tax interest	2,067	0	0	0	0	0	0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	*1,265	*11,757	*57,526	*1,597	*0	*10,626	*82,116
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	912	10,622	5,744	10	38,103	3,119	149,478
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						Taxes deemed paid
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income		
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
<b>INFORMATION</b>							
All income types	2,858	751,802	450,272	12,750	13,274	299,127	1,782,325
Passive income	354	5,453	719	0	0	29	162,804
High withholding tax interest	*293	*0	*0	*0	*0	*0	*0
Financial services income	0	57	0	0	0	0	0
Shipping income	*0	*0	*0	*0	*0	*0	*13
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	2,211	746,291	449,554	12,750	13,274	299,098	1,619,507
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>							
All income types	533,117	46,247	1,437,876	4,402	105,057	1,087,323	3,437,727
Passive income	376,007	3,332	1	0	0	9,531	3,755
High withholding tax interest	46,125	0	0	0	0	0	978
Financial services income	95,834	29,541	1,397,124	0	61,365	1,047,826	3,294,882
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	15,151	13,374	40,751	4,402	43,692	29,664	137,177
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d	d
<b>SERVICES</b>							
All income types	256,184	205,076	1,729,512	59	222,457	493,751	5,922,197
Passive income	5,127	2,642	4,044	0	528	8,512	38,433
High withholding tax interest	42,430	0	0	0	0	0	21,407
Financial services income	174,826	32,922	1,388,721	0	45,229	335,859	4,031,313
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	33,801	169,512	336,614	59	176,700	149,380	1,829,481
Section 901(j) income	*0	*0	*0	*0	*0	*0	*0
Income resourced by treaty	*0	*0	*134	*0	*0	*0	*1,382

\* Data should be used with caution because of the small number of sample returns on which they were based.

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

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Foreign Sales Corporation (FSC).

[3] Number of returns from each income type does not sum to the amount for all income types as corporations can have more than one income type.

[4] Included in gross income (less loss) shown in columns 2-8.

[5] Column 32 exceeds the sum of columns 33 through 35 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[6] Included in deductions shown in columns 11-20.

[7] Less than \$500.

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

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
<b>All geographic areas</b>	<b>5,837</b>	<b>914,741,013</b>	<b>397,776,032</b>	<b>60,552,267</b>	<b>84,522,193</b>	<b>98,517,129</b>
<b>Canada</b>	<b>1,919</b>	<b>64,438,322</b>	<b>28,659,604</b>	<b>6,584,409</b>	<b>6,116,519</b>	<b>6,815,250</b>
<b>Latin America, total</b>	<b>1,374</b>	<b>69,259,510</b>	<b>24,066,567</b>	<b>5,448,784</b>	<b>8,785,252</b>	<b>9,728,309</b>
Mexico	1,000	15,458,900	4,761,556	1,469,664	1,284,059	3,285,360
Central America, total	298	2,065,050	1,002,011	79,882	280,814	227,436
Costa Rica	152	354,661	171,308	10,390	25,498	94,624
El Salvador	119	170,382	45,567	5,066	50,274	25,869
Guatemala	140	313,215	84,585	16,788	33,710	31,082
Honduras	116	158,786	81,465	11,864	22,353	9,456
Nicaragua	64	27,604	123	56	4,831	4,327
Panama (including Canal Zone)	181	1,031,308	617,957	35,592	142,334	61,529
Other Central American countries	38	9094	1005	126	1814	550
Caribbean countries, total	379	22,767,424	13,389,208	2,425,955	3,940,925	563,061
Barbados	97	1,132,402	1,025,740	9,535	12,345	49,289
Cayman Islands (British)	216	18,833,959	12,003,900	2,365,935	3,712,274	412,257
Dominican Republic	167	338,432	118,810	3,895	92,113	26,549
Haiti	39	46,695	166	31	6,740	828
Jamaica	101	208,841	4,816	2,239	49,768	15,407
Trinidad and Tobago	124	2,168,743	235,072	44,319	67,602	56,081
Other Caribbean countries	40	38,351	704	0	84	2,649
South America, total	853	28,905,496	4,913,791	1,473,283	3,278,757	5,646,364
Argentina	331	5,455,736	725,161	433,081	580,169	2,100,976
Bolivia	84	92,780	14,432	2,352	4,188	3,402
Brazil	592	7,973,592	2,120,774	487,198	1,375,962	1,282,284
Chile	367	5,358,581	842,682	129,491	636,972	147,185
Colombia	368	1,793,879	147,066	75,560	171,331	190,082
Ecuador	199	827,260	56,209	17,127	26,316	25,833
Paraguay	63	63,680	34,814	14,845	8,259	2,421
Peru	229	3,099,443	298,795	67,369	123,333	1,668,228
Uruguay	110	190,575	56,621	4,476	54,398	20,309
Venezuela	264	3,884,927	568,609	215,697	292,206	203,859
Other South American countries	40	165,042	48,628	26,087	5,623	1,786
Latin America not allocable	*8	*62,641	*0	*0	*696	*6,088
<b>Other Western Hemisphere, total</b>	<b>360</b>	<b>44,973,630</b>	<b>36,760,814</b>	<b>2,467,524</b>	<b>1,573,359</b>	<b>1,963,364</b>
Bahamas	125	3,961,339	2,199,381	1,095,585	397,765	21,043
Bermuda	246	31,543,837	26,149,362	1,128,358	887,272	1,909,192
British Virgin Islands	98	5,331,226	4,734,805	120,057	100,214	4,946
Netherlands Antilles	92	3,948,124	3,606,812	117,937	166,630	13,943
All other Western Hemisphere	102	189,105	70,454	5,588	21,478	14,241
<b>Europe, total</b>	<b>2,129</b>	<b>462,001,208</b>	<b>254,440,062</b>	<b>33,597,241</b>	<b>40,878,388</b>	<b>40,020,054</b>
European Union, total	2,041	385,124,507	212,328,281	28,076,023	38,235,069	35,264,759
Austria	231	2,307,307	670,298	106,030	82,452	723,544
Belgium	337	7,583,049	1,980,444	565,592	549,746	887,478
Czech Republic	159	2,917,143	220,205	105,478	36,528	2,125,700
Denmark	245	3,215,380	817,337	823,453	126,336	243,979
Finland	277	1,171,535	415,208	174,168	109,157	222,784
France	636	12,686,432	3,507,348	1,017,704	1,614,096	2,904,195
Germany	654	24,635,711	5,135,882	1,636,112	1,506,170	6,061,502
Greece	182	401,645	133,893	62,372	22,249	131,788

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	173	1,592,618	886,930	43,835	33,679	529,481
Ireland	333	43,723,717	32,936,486	990,108	397,438	6,944,895
Italy	486	7,405,082	1,772,149	952,749	401,048	1,601,868
Luxembourg	193	32,307,503	26,292,773	3,976,946	1,288,184	282,246
Netherlands	886	113,940,989	97,615,742	7,014,996	2,137,137	3,764,594
Poland	233	1,118,764	413,149	136,422	89,189	233,777
Portugal (including Azores)	211	2,106,564	1,143,661	576,702	31,463	170,413
Spain (including Canary Islands)	443	11,447,085	6,498,437	2,311,304	231,236	1,081,017
Sweden	318	4,585,432	2,232,434	161,633	255,205	1,457,488
United Kingdom and Northern Ireland	1,189	111,036,358	29,072,507	7,366,104	29,287,751	5,788,958
Other European Union countries	171	942,194	583,395	54,313	36,003	109,050
Other European countries, total	621	76,876,701	42,111,781	5,521,218	2,643,319	4,755,295
Jersey	32	1,797,538	435,594	19,781	389,958	11,919
Kazakhstan	76	3,703,809	14,689	3,042	257,247	8,508
Norway	217	14,656,351	888,356	1,776,190	887,044	108,328
Romania	101	237,718	88,297	21,784	4,393	35,483
Russia	203	2,553,640	67,927	10,896	261,612	247,867
Switzerland	460	50,381,902	39,206,151	3,573,624	450,348	3,708,931
Turkey	190	1,059,838	286,843	76,506	252,571	43,447
Ukraine	71	188,539	19,464	11,352	31,456	24,379
Other European countries	203	2,297,366	1,104,460	28,041	108,690	566,433
<b>Africa, total</b>	<b>454</b>	<b>17,885,584</b>	<b>3,631,623</b>	<b>1,486,702</b>	<b>1,093,962</b>	<b>478,693</b>
Algeria	39	98,506	15,190	0	19,058	824
Angola	51	3,296,773	2,080,237	1,029,781	801	105
Chad	13	984,453	211,720	8,629	7,037	440
Egypt	140	1,419,141	40,235	12,487	125,513	80,424
Equatorial Guinea	15	3,044,026	180,111	15,493	20	4,033
Gabon	18	222,354	84,087	26,136	6,686	200
Mauritius	70	192,322	66,772	4,274	33,361	16,183
Nigeria	89	5,023,363	87,166	64,315	515,593	12,743
South Africa	294	2,191,940	636,290	273,956	280,583	264,546
Other African countries	205	1,412,705	229,816	51,630	105,310	99,197
<b>Asia, total</b>	<b>1,574</b>	<b>132,742,389</b>	<b>35,529,867</b>	<b>8,955,255</b>	<b>10,100,874</b>	<b>22,640,426</b>
Middle East, total	430	11,723,360	1,103,866	106,196	750,806	542,678
Bahrain	73	430,544	12,480	297	254,477	4,429
Iraq	34	880,533	0	0	510	40,567
Israel	300	1,187,976	617,643	63,252	154,553	118,383
Kuwait	82	506,636	202,584	2,118	189	69,962
Lebanon	78	30,071	1,628	64	8,141	8,742
Qatar	83	1,710,045	4,391	0	97,399	32,049
Saudi Arabia	152	4,184,261	70,196	4,403	90,891	124,038
United Arab Emirates	142	1,676,610	105,492	16,674	135,169	94,033
Yemen	23	848,357	71,709	18,947	225	4,225
Other Middle East countries	104	268,327	17,743	440	9,252	46,248

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	820	40,796,614	15,977,634	2,297,127	3,332,373	4,114,319
Bangladesh	35	74,263	841	1,037	17,115	1,244
India	406	3,336,431	887,208	218,356	854,812	272,964
Indonesia	232	6,218,701	663,706	351,761	404,701	136,018
Malaysia	317	7,707,017	3,562,434	127,015	187,707	1,431,309
Pakistan	97	522,211	19,557	18,064	102,128	6,318
Philippines	263	3,418,405	1,276,335	268,514	425,211	181,582
Singapore	493	15,436,220	8,240,420	881,240	769,496	1,757,163
Sri Lanka	52	66,642	17,087	3,647	14,138	5,693
Thailand	345	3,453,933	1,297,096	426,584	526,914	254,609
Vietnam	84	116,726	4,248	630	21,483	13,020
Other Southern and Southeast Asian countries	88	446,065	8,703	278	8,668	54,401
Eastern Asia, total	1,294	79,000,787	18,414,990	6,548,566	5,370,699	17,488,466
China	519	13,438,712	3,438,102	201,096	446,927	6,128,565
Hong Kong	447	12,493,931	5,441,050	430,397	1,535,278	602,657
Japan (including Okinawa and Ryukyu Islands)	921	38,028,230	6,336,759	5,057,327	1,897,548	8,475,184
South Korea, Republic of	461	5,722,078	1,640,215	457,738	472,356	1,446,388
Taiwan	403	9,222,062	1,558,863	402,008	1,018,351	766,927
Other Eastern Asian countries	46	95,775	0	0	239	68,746
Asia not allocable	14	124,628	39,141	3,366	1,914	48,982
<b>Oceania, total</b>	<b>767</b>	<b>19,114,918</b>	<b>6,340,811</b>	<b>1,279,816</b>	<b>3,074,646</b>	<b>2,046,194</b>
Australia	672	16,795,504	5,534,706	1,119,182	2,515,911	1,874,774
New Zealand	334	1,960,210	606,623	158,889	547,009	167,899
Other countries of Oceania	94	359,205	199,483	1,745	11,726	3,521
<b>Puerto Rico and U.S. Possessions, total</b>	<b>499</b>	<b>17,449,466</b>	<b>4,519,792</b>	<b>110,103</b>	<b>1,297,945</b>	<b>7,526,338</b>
Puerto Rico	445	16,810,606	4,468,952	97,756	1,141,079	7,502,276
U.S. Possessions, total	170	638,860	50,840	12,347	156,866	24,062
American Samoa	21	11,306	1,462	747	6,083	575
Guam	121	371,761	34,686	8,866	112,203	9,395
Virgin Islands, U.S.	96	231,835	13,084	2,700	19,469	13,303
Other U.S. Possessions	18	23,958	1,606	34	19,112	789
<b>Country not stated</b>	<b>2,591</b>	<b>47,766,441</b>	<b>2,162,490</b>	<b>622,434</b>	<b>12,205,472</b>	<b>7,698,956</b>
<b>Section 863 income [1]</b>	<b>311</b>	<b>38,547,906</b>	<b>0</b>	<b>0</b>	<b>40,859</b>	<b>45,524</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*9</b>	<b>*1,657,421</b>	<b>*1,657,421</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>47</b>	<b>1,218</b>	<b>1,218</b>	<b>0</b>	<b>0</b>	<b>0</b>

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
(7)	(8)	(9)	(10)	(11)	(12)	
<b>All geographic areas</b>	<b>28,708,344</b>	<b>244,665,047</b>	<b>67,647,545</b>	<b>122,056,453</b>	<b>512,833,409</b>	<b>12,595,373</b>
<b>Canada</b>	<b>2,117,596</b>	<b>14,144,945</b>	<b>3,338,491</b>	<b>7,411,248</b>	<b>33,220,889</b>	<b>934,317</b>
<b>Latin America, total</b>	<b>1,765,131</b>	<b>19,465,467</b>	<b>6,995,258</b>	<b>9,096,034</b>	<b>35,167,785</b>	<b>1,643,301</b>
Mexico	711,730	3,946,530	80	2,011,798	6,812,120	63
Central America, total	52,420	422,488	8	156,982	1,236,045	-16
Costa Rica	6,924	45,917	0	24,356	214,601	0
El Salvador	5,962	37,643	0	11,256	92,770	0
Guatemala	23,680	123,372	0	20,772	233,865	-16
Honduras	2,837	30,811	0	6,406	81,302	0
Nicaragua	839	17,429	0	132	8,645	0
Panama (including Canal Zone)	7,663	166,232	8	92,539	599,440	0
Other Central American countries	4514	1085	0	1521	5421	0
Caribbean countries, total	155,396	2,292,878	2,174,805	535,014	13,470,547	498,367
Barbados	2,214	33,279	258	8,887	861,659	0
Cayman Islands (British)	40,058	299,535	945,397	203,137	11,093,323	32,662
Dominican Republic	5,685	91,379	0	98,837	232,667	0
Haiti	5,366	33,565	0	34,263	32,559	0
Jamaica	76,982	59,629	0	87,775	215,848	0
Trinidad and Tobago	8,829	1,756,840	1,229,150	104,364	901,419	465,705
Other Caribbean countries	16,264	18,651	0	-2,250	133,073	0
South America, total	845,585	12,747,715	4,820,364	6,387,306	13,604,276	1,144,886
Argentina	73,599	1,542,750	1,529,057	724,191	3,999,155	577,166
Bolivia	3,447	64,959	1,032	12,938	81,457	37
Brazil	329,108	2,378,268	103,740	1,161,010	3,939,774	45,154
Chile	26,808	3,575,443	13,976	598,480	1,978,069	0
Colombia	213,041	996,799	477,778	242,443	960,732	182,962
Ecuador	40,324	661,450	31,954	96,388	333,291	50,824
Paraguay	325	3,017	0	6,387	16,736	0
Peru	100,483	841,235	279,495	1,898,664	1,093,984	5,936
Uruguay	6,166	48,604	0	67,210	122,615	0
Venezuela	41,832	2,562,724	2,383,331	1,518,052	969,975	282,807
Other South American countries	10,452	72,466	0	61,545	108,488	0
Latin America not allocable	*0	*55,856	*0	*4,935	*44,797	*0
<b>Other Western Hemisphere, total</b>	<b>189,056</b>	<b>2,019,513</b>	<b>416,602</b>	<b>1,322,350</b>	<b>26,738,167</b>	<b>31,965</b>
Bahamas	4,697	242,868	92,551	1,202,385	1,253,243	206
Bermuda	146,751	1,322,902	324,052	51,664	18,962,103	31,760
British Virgin Islands	588	370,615	0	37,395	2,832,729	0
Netherlands Antilles	14,421	28,381	0	7,661	3,570,127	0
All other Western Hemisphere	22,598	54,747	0	23,245	119,965	0
<b>Europe, total</b>	<b>11,701,493</b>	<b>81,363,971</b>	<b>33,348,372</b>	<b>56,575,908</b>	<b>257,979,255</b>	<b>5,841,365</b>
European Union, total	11,009,413	60,210,963	19,618,053	48,929,518	221,118,453	3,506,899
Austria	43,579	681,404	11	385,696	2,040,800	17
Belgium	179,644	3,420,145	14	994,481	4,425,683	134
Czech Republic	32,167	397,065	0	351,430	915,555	0
Denmark	39,104	1,165,170	1,792,397	298,232	875,032	52,724
Finland	33,332	216,885	62	122,619	410,010	61
France	943,382	2,699,707	7,525	1,456,515	7,472,390	7,310
Germany	2,793,704	7,502,341	787	7,405,804	16,086,483	375
Greece	82,168	-30,826	43	33,093	308,464	42

Footnotes at end of table.

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
(7)	(8)	(9)	(10)	(11)	(12)	
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	16,182	82,511	9	54,841	539,922	9
Ireland	318,828	2,135,963	59	721,733	21,242,797	0
Italy	972,120	1,705,149	7,160	1,232,612	4,039,186	2,375
Luxembourg	1,747	465,607	1,030,512	291,427	16,724,766	0
Netherlands	403,518	3,005,001	486,662	1,948,721	77,156,744	121,925
Poland	40,400	205,826	0	241,223	508,321	0
Portugal (including Azores)	17,969	166,355	1,178,909	102,384	424,485	27,167
Spain (including Canary Islands)	309,192	1,015,897	1,302,240	705,411	3,598,882	2,739
Sweden	65,282	413,390	28	315,506	2,921,759	27
United Kingdom and Northern Ireland	4,695,432	34,825,606	13,811,634	32,141,055	60,768,211	3,291,988
Other European Union countries	21,664	137,769	0	126,736	658,964	7
Other European countries, total	692,080	21,153,009	13,730,319	7,646,390	36,860,802	2,334,467
Jersey	0	940,286	0	1,538,310	971,471	0
Kazakhstan	104,223	3,316,100	3,277,365	15,015	634,316	256,902
Norway	76,393	10,920,040	10,276,675	2,516,083	3,051,846	2,021,734
Romania	31,271	56,489	914	61,941	113,707	888
Russia	92,178	1,873,160	64,292	1,719,078	1,926,598	52,436
Switzerland	274,169	3,168,678	39	1,378,543	27,694,464	69
Turkey	19,119	381,352	535	253,413	515,919	561
Ukraine	5,194	96,695	0	49,457	111,078	0
Other European countries	89,533	400,209	110,499	114,549	1,841,402	1,877
<b>Africa, total</b>	<b>579,200</b>	<b>10,615,403</b>	<b>11,880,595</b>	<b>2,327,032</b>	<b>4,373,627</b>	<b>1,910,649</b>
Algeria	3,080	60,355	222	23,382	53,284	726
Angola	33,732	152,118	3,207,214	27,732	243,288	164,456
Chad	227	756,400	937,004	9,665	204,747	192,270
Egypt	107,282	1,053,201	692,999	326,379	908,728	415,528
Equatorial Guinea	8,745	2,835,624	2,893,914	467,029	829,485	591,639
Gabon	86,173	19,073	177,432	109,642	35,404	15,153
Mauritius	985	70,746	0	65	118,098	0
Nigeria	27,336	4,316,210	3,709,688	192,154	564,898	410,693
South Africa	80,497	656,068	132	723,896	819,651	128
Other African countries	231,143	695,610	261,990	447,087	596,044	120,056
<b>Asia, total</b>	<b>4,493,641</b>	<b>51,022,326</b>	<b>9,784,786</b>	<b>34,127,875</b>	<b>71,336,675</b>	<b>1,889,345</b>
Middle East, total	1,390,499	7,829,315	3,126,560	1,628,067	5,125,480	519,238
Bahrain	59,353	99,507	-1,326	44,379	300,286	-3,815
Iraq	736,634	102,822	0	182,688	713,295	0
Israel	102,497	131,648	0	301,893	954,559	15,339
Kuwait	103,401	128,380	38,651	54,218	196,415	18,800
Lebanon	703	10,792	0	9,546	32,255	0
Qatar	71,107	1,505,099	1,029,445	59,639	375,808	113,223
Saudi Arabia	137,703	3,757,031	1,449,758	220,312	906,777	142,420
United Arab Emirates	42,201	1,283,041	223,181	594,456	1,205,231	107,260
Yemen	165	753,086	386,838	97,741	260,465	125,856
Other Middle East countries	136,735	57,908	14	63,194	180,388	154

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	1,129,466	13,945,695	5,985,324	6,097,454	21,080,740	898,874
Bangladesh	565	53,461	0	45,491	52,078	0
India	190,037	913,054	34	1,330,848	2,019,887	32
Indonesia	36,419	4,626,097	1,989,789	759,936	2,360,287	520,467
Malaysia	30,742	2,367,810	1,228,248	220,744	4,295,603	184,338
Pakistan	10,431	365,713	119,888	167,540	273,433	41,242
Philippines	51,767	1,214,996	1,596,504	631,623	1,038,748	24,620
Singapore	422,696	3,365,206	1,420	2,179,286	8,922,789	1,386
Sri Lanka	1,967	24,109	0	22,052	31,477	0
Thailand	65,376	883,355	1,049,104	641,238	1,654,510	127,414
Vietnam	6,289	71,056	335	36,757	116,784	-626
Other Southern and Southeast Asian countries	313,176	60,840	1	61,940	315,145	1
Eastern Asia, total	1,972,514	29,205,553	672,902	26,341,814	44,050,339	122,192
China	335,869	2,888,153	661,567	2,089,314	6,458,386	111,950
Hong Kong	530,408	3,954,140	227	2,675,758	8,819,004	178
Japan (including Okinawa and Ryukyu Islands)	383,928	15,877,484	8,453	15,025,792	19,702,308	7,485
South Korea, Republic of	327,528	1,377,853	2,656	968,564	2,403,146	2,580
Taiwan	393,580	5,082,333	0	5,581,279	6,608,303	0
Other Eastern Asian countries	1,201	25,590	0	1,106	59,192	0
Asia not allocable	1,720	29,505	0	8,563	36,124	0
<b>Oceania, total</b>	<b>419,382</b>	<b>5,954,069</b>	<b>1,843,477</b>	<b>3,209,163</b>	<b>9,326,745</b>	<b>248,635</b>
Australia	392,926	5,358,006	1,740,023	2,941,194	8,236,348	240,116
New Zealand	25,025	454,765	0	158,146	1,047,297	5
Other countries of Oceania	1,431	141,299	103,454	109,824	43,100	8,514
<b>Puerto Rico and U.S. Possessions, total</b>	<b>478,236</b>	<b>3,517,052</b>	<b>9</b>	<b>3,490,746</b>	<b>10,281,310</b>	<b>9</b>
Puerto Rico	395,845	3,204,698	9	3,114,700	9,819,694	9
U.S. Possessions, total	82,390	312,354	0	376,046	461,615	0
American Samoa	750	1,689	0	5,546	5,336	0
Guam	44,470	162,141	0	227,108	250,783	0
Virgin Islands, U.S.	35,399	147,880	0	125,033	191,093	0
Other U.S. Possessions	1,771	645	0	18,360	14,403	0
<b>Country not stated</b>	<b>5,793,055</b>	<b>19,284,035</b>	<b>39,956</b>	<b>4,535,450</b>	<b>42,473,990</b>	<b>444,827</b>
<b>Section 863 income [1]</b>	<b>1,170,998</b>	<b>37,290,524</b>	<b>0</b>	<b>12,625</b>	<b>21,705,238</b>	<b>0</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*1,273,576</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>0</b>

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on:		
				Dividends	Interest	Rents, royalties, and license fees
(13)	(14)	(15)	(16)	(17)	(18)	
<b>All geographic areas</b>	<b>401,907,604</b>	<b>111,609,398</b>	<b>38,973,691</b>	<b>3,150,287</b>	<b>1,071,103</b>	<b>3,702,391</b>
<b>Canada</b>	<b>31,217,434</b>	<b>10,493,302</b>	<b>2,506,884</b>	<b>573,070</b>	<b>138,259</b>	<b>181,387</b>
<b>Latin America, total</b>	<b>34,091,725</b>	<b>10,869,117</b>	<b>5,098,303</b>	<b>684,429</b>	<b>121,978</b>	<b>1,093,822</b>
Mexico	8,646,779	2,379,410	727,218	21,270	37,415	199,163
Central America, total	829,005	142,731	49,737	1,910	1,215	17,927
Costa Rica	140,059	24,951	8,565	1,355	51	4,731
El Salvador	77,612	9,145	4,041	58	85	1,804
Guatemala	79,350	45,663	22,084	109	215	6,227
Honduras	77,484	16,023	4,159	99	495	1,534
Nicaragua	18,960	1,739	1,683	0	0	732
Panama (including Canal Zone)	431,867	44,884	9,006	138	368	2,898
Other Central American countries	3673	324	198	150	0	0
Caribbean countries, total	9,296,877	3,138,292	619,164	10,936	4,084	4,980
Barbados	270,743	16,169	6,015	1,918	9	66
Cayman Islands (British)	7,740,636	2,456,971	114	23	54	0
Dominican Republic	105,765	22,956	18,491	601	2,325	2,472
Haiti	14,137	7,200	7,168	32	92	21
Jamaica	-7,006	21,811	18,510	1,004	1,599	714
Trinidad and Tobago	1,267,324	613,027	568,708	7,359	5	1,707
Other Caribbean countries	-94,722	157	157	0	0	0
South America, total	15,301,220	5,207,963	3,701,463	650,313	79,264	871,117
Argentina	1,456,582	838,280	399,640	468	6,766	180,239
Bolivia	11,322	6,344	3,692	726	114	374
Brazil	4,033,818	985,919	494,226	41,672	33,570	145,681
Chile	3,380,513	1,073,225	940,066	555,463	6,380	28,857
Colombia	833,147	353,577	270,325	8,007	20,462	43,506
Ecuador	493,969	131,942	114,815	1,962	863	5,965
Paraguay	46,945	17,652	2,807	1,149	529	173
Peru	2,005,459	797,674	721,559	34,513	2,743	456,132
Uruguay	67,960	13,398	8,819	0	0	1,776
Venezuela	2,914,952	781,081	563,352	2,687	7,838	8,412
Other South American countries	56,554	208,870	182,161	3,665	0	0
Latin America not allocable	*17,843	*721	*721	*0	*0	*635
<b>Other Western Hemisphere, total</b>	<b>18,235,463</b>	<b>3,124,529</b>	<b>62,146</b>	<b>49,929</b>	<b>260</b>	<b>243</b>
Bahamas	2,708,096	1,120,615	342	0	1	0
Bermuda	12,581,734	1,412,801	1,407	27	0	0
British Virgin Islands	2,498,497	192,858	42,320	41,820	211	18
Netherlands Antilles	377,997	376,575	2,249	199	0	4
All other Western Hemisphere	69,139	21,680	15,827	7,883	47	221
<b>Europe, total</b>	<b>204,021,953</b>	<b>57,689,182</b>	<b>15,213,021</b>	<b>1,001,546</b>	<b>574,039</b>	<b>395,874</b>
European Union, total	164,006,054	44,374,457	7,917,634	692,872	561,535	366,218
Austria	266,507	191,073	40,472	7,292	79	1,319
Belgium	3,157,367	804,645	168,747	18,871	2,114	1,859
Czech Republic	2,001,589	152,132	45,309	7,340	1	4,944
Denmark	2,340,347	1,248,284	388,302	2,118	9	512
Finland	761,524	197,333	22,644	4,022	28	9,109
France	5,214,042	1,768,767	460,192	103,185	16,749	52,352
Germany	8,549,227	2,805,814	754,410	54,346	23,907	28,885
Greece	93,181	86,546	16,760	113	1,987	1,595

Footnotes at end of table.

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on:		
	Dividends	Interest	Rents, royalties, and license fees			
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	1,052,696	61,763	9,719	6,584	307	1
Ireland	22,480,921	2,516,333	420,992	4,020	520	722
Italy	3,365,896	1,283,464	331,181	53,300	16,557	100,123
Luxembourg	15,582,737	4,372,407	98,985	6,010	319	7,693
Netherlands	36,784,245	12,285,306	397,321	74,534	1,464	2,489
Poland	610,443	192,457	53,665	25,910	899	18,792
Portugal (including Azores)	1,682,080	637,354	49,965	19,616	4,179	12,110
Spain (including Canary Islands)	7,848,202	2,653,470	234,543	76,193	37,570	69,227
Sweden	1,663,672	467,257	18,623	2,354	552	333
United Kingdom and Northern Ireland	50,268,148	12,572,534	4,385,176	224,924	454,106	47,012
Other European Union countries	283,230	77,518	20,630	2,137	188	7,139
Other European countries, total	40,015,899	13,314,725	7,295,386	308,675	12,504	29,655
Jersey	826,067	32,350	12,569	0	0	0
Kazakhstan	3,069,492	930,067	927,025	734	11,126	85
Norway	11,604,505	7,475,489	5,695,772	3,273	147	39
Romania	124,012	38,405	16,478	6,513	0	4,815
Russia	627,042	130,725	119,583	1,823	19	689
Switzerland	22,687,438	4,454,644	390,316	279,949	449	3,861
Turkey	543,919	133,434	56,927	10,970	637	13,215
Ukraine	77,460	16,593	5,241	820	13	1,539
Other European countries	455,964	103,017	71,475	4,593	114	5,413
<b>Africa, total</b>	<b>13,511,957</b>	<b>5,552,549</b>	<b>4,047,478</b>	<b>6,294</b>	<b>12,863</b>	<b>16,755</b>
Algeria	45,222	14,761	14,761	0	0	0
Angola	3,053,485	1,035,949	6,168	0	0	0
Chad	779,706	61,345	52,716	82	0	20
Egypt	510,413	194,001	180,273	78	237	3,349
Equatorial Guinea	2,214,542	595,596	580,102	0	0	4
Gabon	186,951	63,218	37,083	0	0	0
Mauritius	74,223	20,176	15,901	0	12,605	3
Nigeria	4,458,465	2,890,747	2,826,431	131	14	4,803
South Africa	1,372,289	352,654	74,037	3,458	0	1,023
Other African countries	816,661	324,103	260,007	2,545	7	7,553
<b>Asia, total</b>	<b>61,405,714</b>	<b>18,140,178</b>	<b>8,577,234</b>	<b>615,386</b>	<b>96,078</b>	<b>1,041,000</b>
Middle East, total	6,597,879	2,490,291	2,360,134	45,336	7,668	23,330
Bahrain	130,258	322	24	0	3	2
Iraq	167,238	0	0	0	0	0
Israel	233,417	372,900	296,191	42,239	4,185	14,355
Kuwait	310,220	22,544	20,427	315	0	3,413
Lebanon	-2,185	881	816	0	0	225
Qatar	1,334,238	309,462	309,462	0	0	910
Saudi Arabia	3,277,483	1,433,063	1,417,681	2,149	3,481	3,987
United Arab Emirates	471,379	82,686	66,487	631	0	11
Yemen	587,892	261,485	242,538	0	0	0
Other Middle East countries	87,939	6,948	6,508	2	0	426

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on:		
			Dividends	Interest	Rents, royalties, and license fees	
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	19,715,874	5,782,648	3,260,896	213,801	54,749	217,268
Bangladesh	22,185	19,259	18,222	381	899	14
India	1,316,544	469,311	236,586	12,486	6,138	31,871
Indonesia	3,858,414	1,937,933	1,586,125	119,215	11,040	11,263
Malaysia	3,411,414	839,734	688,516	3,018	1,224	69,816
Pakistan	248,779	94,759	76,687	793	707	202
Philippines	2,379,658	401,635	134,015	35,786	11,639	15,002
Singapore	6,513,432	1,282,598	247,153	6,869	3,575	63,105
Sri Lanka	35,165	12,735	5,066	0	353	70
Thailand	1,799,423	713,846	258,960	35,167	16,555	25,37f
Vietnam	-59	5,599	4,969	0	2,617	341
Other Southern and Southeast Asian countries	130,920	5,240	4,596	86	0	214
Eastern Asia, total	34,950,448	9,812,911	2,905,243	355,740	33,660	771,519
China	6,980,326	702,417	342,865	1,121	1,001	266,973
Hong Kong	3,674,926	832,635	271,776	4,184	6,439	16,525
Japan (including Okinawa and Ryukyu Islands)	18,325,922	6,226,446	1,156,437	69,973	5,999	36,898
South Korea, Republic of	3,318,932	972,664	501,900	108,200	4,308	253,639
Taiwan	2,613,759	1,078,465	631,982	172,261	15,912	197,200
Other Eastern Asian countries	36,583	283	283	0	0	283
Asia not allocable	88,504	4,573	1,206	0	1	8
<b>Oceania, total</b>	<b>9,788,174</b>	<b>2,635,160</b>	<b>1,095,760</b>	<b>51,607</b>	<b>73,909</b>	<b>69,532</b>
Australia	8,559,156	2,306,972	947,060	20,221	63,529	57,447
New Zealand	912,913	279,130	102,019	31,251	9,821	11,867
Other countries of Oceania	316,105	49,058	46,681	135	559	218
<b>Puerto Rico and U.S. Possessions, total</b>	<b>7,168,157</b>	<b>1,091,904</b>	<b>981,574</b>	<b>19,090</b>	<b>3,865</b>	<b>672,904</b>
Puerto Rico	6,990,912	1,013,685	921,338	15,715	3,786	665,170
U.S. Possessions, total	177,245	78,218	60,236	3,374	79	7,734
American Samoa	5,970	1,199	451	1	0	0
Guam	120,978	62,584	48,055	2,613	79	7,642
Virgin Islands, U.S.	40,742	13,423	10,723	761	0	93
Other U.S. Possessions	9,555	1,013	1,007	0	0	0
<b>Country not stated</b>	<b>5,292,451</b>	<b>1,992,906</b>	<b>1,370,720</b>	<b>149,431</b>	<b>49,851</b>	<b>259,749</b>
<b>Section 863 income [1]</b>	<b>16,842,667</b>	<b>70,312</b>	<b>70,312</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*383,845</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>1,072</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				
	Foreign taxes paid or accrued				Taxes deemed paid
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(19)	(20)	(21)	(22)	(23)	
<b>All geographic areas</b>	<b>6,544,113</b>	<b>70,312</b>	<b>536,332</b>	<b>23,899,153</b>	<b>72,635,706</b>
<b>Canada</b>	<b>571,250</b>	<b>0</b>	<b>32,578</b>	<b>1,010,341</b>	<b>7,986,418</b>
<b>Latin America, total</b>	<b>674,341</b>	<b>0</b>	<b>95,763</b>	<b>2,427,971</b>	<b>5,770,813</b>
Mexico	312,807	0	33,107	123,456	1,652,191
Central America, total	12,304	0	2,640	13,742	92,994
Costa Rica	1,092	0	522	814	16,386
El Salvador	586	0	602	906	5,104
Guatemala	6,984	0	774	7,774	23,580
Honduras	11	0	124	1,895	11,864
Nicaragua	35	0	26	890	56
Panama (including Canal Zone)	3,595	0	543	1,464	35,878
Other Central American countries	0	0	48	0	126
Caribbean countries, total	37,164	0	1,483	560,517	2,519,128
Barbados	3,667	0	227	129	10,155
Cayman Islands (British)	0	0	0	37	2,456,856
Dominican Republic	11,093	0	591	1,410	4,465
Haiti	3,409	0	24	3,590	31
Jamaica	13,475	0	79	1,639	3,302
Trinidad and Tobago	5,520	0	563	553,554	44,319
Other Caribbean countries	0	0	0	157	0
South America, total	312,067	0	58,533	1,730,169	1,506,500
Argentina	47,921	0	11,808	152,438	438,640
Bolivia	1,260	0	299	920	2,652
Brazil	77,882	0	15,652	179,769	491,693
Chile	17,953	0	8,049	323,363	133,159
Colombia	56,084	0	1,985	140,281	83,251
Ecuador	4,298	0	4,412	97,314	17,127
Paraguay	443	0	9	505	14,845
Peru	22,620	0	4,172	201,379	76,115
Uruguay	5,204	0	1,775	63	4,579
Venezuela	62,952	0	10,324	471,140	217,728
Other South American countries	15,451	0	47	162,998	26,709
Latin America not allocable	*0	*0	*0	*87	*0
<b>Other Western Hemisphere, total</b>	<b>7,897</b>	<b>0</b>	<b>170</b>	<b>3,647</b>	<b>3,062,383</b>
Bahamas	152	0	0	189	1,120,273
Bermuda	0	0	5	1,375	1,411,394
British Virgin Islands	226	0	37	8	150,538
Netherlands Antilles	0	0	25	2,021	374,326
All other Western Hemisphere	7,519	0	102	55	5,852
<b>Europe, total</b>	<b>2,127,458</b>	<b>0</b>	<b>252,058</b>	<b>10,862,046</b>	<b>42,476,161</b>
European Union, total	1,627,929	0	244,529	4,424,552	36,456,823
Austria	15,362	0	101	16,319	150,601
Belgium	99,691	0	3,460	42,751	635,898
Czech Republic	27,874	0	738	4,412	106,823
Denmark	22,981	0	482	362,199	859,983
Finland	7,291	0	442	1,752	174,689
France	189,772	0	2,774	95,359	1,308,575
Germany	375,966	0	159,885	111,421	2,051,404
Greece	1,057	0	6,988	5,018	69,786

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				
	Foreign taxes paid or accrued				Taxes deemed paid
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)
<b>Europe, total—continued</b>					
European Union, total—continued					
Hungary	2,761	0	0	65	52,044
Ireland	9,312	0	586	405,831	2,095,341
Italy	90,405	0	8,431	62,365	952,283
Luxembourg	72,870	0	1	12,091	4,273,423
Netherlands	116,775	0	1,314	200,745	11,887,985
Poland	7,759	0	40	264	138,792
Portugal (including Azores)	9,851	0	404	3,803	587,390
Spain (including Canary Islands)	21,390	0	849	29,313	2,418,927
Sweden	13,699	0	387	1,298	448,634
United Kingdom and Northern Ireland	536,755	0	56,699	3,065,680	8,187,358
Other European Union countries	6,356	0	946	3,864	56,888
Other European countries, total	499,529	0	7,528	6,437,494	6,019,338
Jersey	9,188	0	0	3,381	19,781
Kazakhstan	250,847	0	4,536	659,698	3,042
Norway	6,787	0	222	5,685,304	1,779,717
Romania	4,798	0	236	117	21,927
Russia	84,974	0	86	31,992	11,142
Switzerland	75,181	0	1,009	29,867	4,064,328
Turkey	12,659	0	503	18,944	76,506
Ukraine	86	0	14	2,770	11,352
Other European countries	55,010	0	922	5,422	31,543
<b>Africa, total</b>	<b>373,353</b>	<b>0</b>	<b>8,397</b>	<b>3,629,817</b>	<b>1,505,071</b>
Algeria	14,152	0	0	609	0
Angola	887	0	2,150	3,131	1,029,781
Chad	3,368	0	0	49,246	8,629
Egypt	19,654	0	868	156,087	13,728
Equatorial Guinea	47,644	0	2,620	529,834	15,493
Gabon	5,480	0	0	31,603	26,136
Mauritius	3,242	0	0	51	4,274
Nigeria	17,156	0	694	2,803,632	64,315
South Africa	42,344	0	493	26,719	278,618
Other African countries	219,427	0	1,571	28,905	64,096
<b>Asia, total</b>	<b>2,013,296</b>	<b>0</b>	<b>72,897</b>	<b>4,738,577</b>	<b>9,562,944</b>
Middle East, total	386,576	0	5,486	1,891,737	130,157
Bahrain	19	0	0	0	297
Iraq	0	0	0	0	0
Israel	230,680	0	3,432	1,302	76,709
Kuwait	7,619	0	1,012	8,067	2,118
Lebanon	458	0	5	127	64
Qatar	93	0	205	308,254	0
Saudi Arabia	88,341	0	647	1,319,075	15,383
United Arab Emirates	28,585	0	4	37,255	16,199
Yemen	24,921	0	0	217,617	18,947
Other Middle East countries	5,859	0	181	40	440

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				
	Foreign taxes paid or accrued				Taxes deemed paid
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(19)	(20)	(21)	(22)	(23)	
<b>Asia, total—continued</b>					
Southern and Southeast Asia, total	493,504	0	25,489	2,256,085	2,521,752
Bangladesh	16,020	0	0	908	1,037
India	132,778	0	15,234	38,079	232,725
Indonesia	83,475	0	1,136	1,359,996	351,808
Malaysia	9,373	0	1,082	604,001	151,218
Pakistan	23,689	0	2	51,294	18,072
Philippines	41,135	0	707	29,746	267,620
Singapore	115,378	0	2,514	55,713	1,035,445
Sri Lanka	3,683	0	13	947	7,669
Thailand	62,482	0	4,479	114,905	454,886
Vietnam	1,253	0	299	459	630
Other Southern and Southeast Asian countries	4,237	0	23	37	643
Eastern Asia, total	1,122,935	0	41,921	579,468	6,907,668
China	40,965	0	7,206	25,598	359,552
Hong Kong	84,770	0	1,449	158,409	560,859
Japan (including Okinawa and Ryukyu Islands)	788,624	0	5,692	249,250	5,070,009
South Korea, Republic of	43,711	4 0	10,845	81,197	470,764
Taiwan	164,864	0	16,730	65,014	446,484
Other Eastern Asian countries	0	0	0	0	0
Asia not allocable	0	0	0	1,197	3,366
<b>Oceania, total</b>	<b>225,745</b>	<b>0</b>	<b>40,231</b>	<b>634,736</b>	<b>1,539,400</b>
Australia	161,226	0	40,165	604,472	1,359,912
New Zealand	21,900	0	58	27,122	177,111
Other countries of Oceania	42,619	0	8	3,142	2,377
<b>Puerto Rico and U.S. Possessions, total</b>	<b>220,802</b>	<b>0</b>	<b>16,781</b>	<b>48,132</b>	<b>110,330</b>
Puerto Rico	178,881	0	13,643	44,143	92,347
U.S. Possessions, total	41,921	0	3,138	3,989	17,983
American Samoa	444	0	4	2	747
Guam	32,776	0	2,001	2,944	14,530
Virgin Islands, U.S.	7,694	0	1,133	1,042	2,700
Other U.S. Possessions	1,007	0	0	0	6
<b>Country not stated</b>	<b>340,253</b>	<b>0</b>	<b>17,459</b>	<b>553,977</b>	<b>622,186</b>
<b>Section 863 income [1]</b>	<b>0</b>	<b>70,312</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Data should be used with caution because of the small number of sample returns on which they are based.

[1] Section 863 income and dividends from an Interest-Charge Domestic International Sales Corporation or a Foreign Sales Corporation were not reported for specific foreign countries.

[2] Included in gross income (less loss), columns 2-8.

[3] Included in total deductions, column 11.

NOTES: Detail may not add to totals because of rounding. Number of returns does not add to total because a return could include more than one country.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

by Janette Wilson and Pearson Liddell

Over the 5 years of this study (1999-2003), taxpayers in the Sales of Capital Assets (SOCA) panel realized the highest net capital gains in Tax Year 2000. Net gains less losses peaked at \$574.1 billion, with capital gains of \$929.8 billion and losses of \$355.7 billion. Net capital gains less losses of \$131.9 billion reported in Tax Year 2002 were the lowest amount reported for all tax years. Detailed transaction data show that net gains less losses for corporate stock, passthrough gains or losses, and real estate showed the most significant changes over the 5-year period.

In Tax Years 1999 and 2000, corporate stock sales represented the largest share of net gains less losses realized. In Tax Year 1999, corporate stock represented 42.7 percent of all gains or \$224.4 billion, and in 2000, 41.2 percent or \$236.3 billion. In Tax Year 2001, passthrough gains or losses represented the most in terms of percentage of gains less losses, having 43.2 percent or \$84.9 billion of all gains less losses, while the corporate stock share declined to 15.9 percent or \$31.3 billion. By Tax Year 2002, real estate sales realized the most gains of all transaction types, having 60.6 percent or \$79.9 billion of all gains, while sales of corporate stock and mutual funds resulted in net capital losses.

This article presents SOCA panel data for Tax Years 1999 through 2003. The estimates in this article were based on a sample of individual tax returns filed for Tax Year 1999, which were then followed for each ensuing year.

In 1999, the Statistics of Income (SOI) individual cross-section sample included 176,966 returns. From these returns, a SOCA cross-section sample of 121,053 taxpayers was selected.<sup>1</sup> A stratified subsample of 83,432 returns was selected from the SOCA cross-section as the base year for the SOCA panel.

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This article presents data on Tax Year 1999, the base year, through Tax Year 2003. Tables 1, 2, 3, and 5 show data in current dollar amounts, Table 4 in constant dollars.

Figure A presents a comparison of the number of tax returns in the SOI Individual Cross-Section and those in the SOI Individual Panel. The figure shows that the number of panel filers decreased between Tax Years 1999 and 2003. Panel attrition may be explained by death, decreases in income below filing requirements, and filing status changes.

**Figure A**

### Comparison of Number of Returns in the Statistics of Income (SOI) Cross-Section and SOI Individual Panel, Tax Years 1999-2003

[Number of returns are in millions]

Tax year	Number of returns in individual cross section	Number of returns in individual panel	Panel as a percentage of cross section [1]
	(1)	(2)	(3)
1999	127.1	127.0	100.0
2000	129.4	120.4	93.1
2001	130.3	116.8	89.7
2002	130.1	113.1	87.0
2003	130.4	109.1	83.6

[1] Percentages based on unrounded data.

Although panel data show interesting results, any extrapolation from the panel to the entire population should be made with extreme caution.<sup>2</sup> As Figure A shows, in Tax Year 1999, there were 127.1 million returns in the SOI Cross-Section and 127.0 million returns in the SOI Individual Panel. In Tax Year 2000, these numbers were 129.4 million and 120.4 million, respectively, and the panel represented 93.1 percent of the population.

As shown, the percentage of the population represented by the panel declined between Base Year 1999 and Tax Year 2003. By Tax Year 2003, the panel represented 83.6 percent of Cross-Section filers.

Capital gains, losses, and net capital gains less losses for each tax year are presented in Figure B. The highest amount of capital gains and losses realized was reported in Tax Year 2000. Capital gains of

<sup>1</sup> See Wilson, Janette, "Sales of Capital Assets Reported on Individual Income Tax Returns, 1999," *Statistics of Income Bulletin*, Summer 2003, Volume 23, Number 1.

<sup>2</sup> See Bryant, Victoria, "Attrition in the Individual Income Tax Return Panel, Tax Years 1999-2005," American Statistical Association, August 2007.

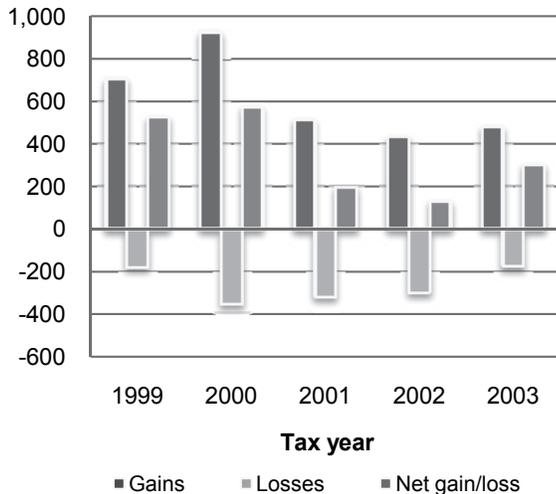
## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure B**

### Gains and Losses from Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

Billions of dollars



\$929.8 billion were reported, an increase of approximately 31.2 percent from the Tax Year 1999 amount of \$708.7 billion. Losses increased almost 94 percent in Tax Year 2000 to \$355.7 billion, from \$183.6 billion in 1999.

Gains and losses both decreased between Tax Years 2000 and 2002. In Tax Year 2003, gains rose

to \$482.5 billion, while losses decreased to \$178.7 billion. Tax Year 2002 showed the lowest capital gains of \$431.9 billion and the lowest capital gains less losses of \$131.9 billion.

Details on net gains less losses for select asset types are shown in Figure C. In Tax Year 1999, corporate stock represented 42.7 percent (\$224.4 billion) of the total net gains less losses of \$525.1 billion. Passthrough gains or losses were the next highest, having 25.2 percent of the total, or \$132.5 billion. In Tax Year 2001, this pattern changed with passthrough gains or losses representing 43.2 percent of all gains, followed by real estate having 36.1 percent (\$84.9 and \$70.9 billion, respectively).<sup>3</sup> Corporate stock fell to 15.9 percent of the total. In Tax Year 2002, real estate represented the highest percentage of gains, having 60.6 percent of all net gains less losses, followed by passthrough gains or losses having 52.5 percent.

As Figure C shows, over the 5-year period, corporate stock, as a percentage of total gains less losses, was highest in Tax Year 1999 and declined to a low of a net loss of \$7.5 billion in 2002. By Tax Year 2003, corporate stock gains had increased to 26.1 percent, or \$79.1 billion, of the total amount of gains of \$303.8 billion. Real estate represented 11.1 percent of all gains in Tax Years 1999 and 2000 and increased to 60.6 percent in 2002. A decline followed in Tax Year 2003, when real estate represented 31.5 percent of total gains.

**Figure C**

### Net Capital Gains Less Losses from Sales of Capital Assets for Select Asset Types, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in billions of dollars]

Type of asset	1999		2000		2001		2002		2003	
	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Total</b>	<b>525.1</b>	<b>100.0</b>	<b>574.1</b>	<b>100.0</b>	<b>196.5</b>	<b>100.0</b>	<b>131.9</b>	<b>100.0</b>	<b>303.8</b>	<b>100.0</b>
Corporate stock	224.4	42.7	236.3	41.2	31.3	15.9	-7.5	-5.7	79.1	26.1
Real estate [1]	58.1	11.1	63.5	11.1	70.9	36.1	79.9	60.6	95.8	31.5
Passthrough gains or losses	132.5	25.2	142.6	24.8	84.9	43.2	69.2	52.5	109.2	35.9
Capital gain distributions	61.7	11.8	82.6	14.4	13.0	6.6	4.9	3.7	4.7	1.5
Mutual funds, including tax-exempt bond funds	14.1	2.7	9.4	1.6	-28.8	-14.7	-40.4	-30.6	-18.1	-6.0
Other [2]	34.3	6.5	39.7	6.9	25.3	12.9	25.7	19.5	33.1	10.9

[1] Real estate includes residential rental property, farmland, other land, business real property and residences.

[2] Other includes U.S. Government obligations, State and local government obligations, other bonds, notes and debentures, options and futures, gains and losses from partnerships, S corporations and estates and trusts, livestock, timber, involuntary conversions, depreciable business personal property, other assets, and unidentifiable assets.

<sup>3</sup> The real estate category is a combination of several asset types and includes residential rental property, farmland, other land, business real property, and residences.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure D**

## Gross Sales Price Amounts from Sales of Capital Assets for Select Asset Types, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in billions of dollars]

Type of asset	1999		2000			2001		
	Sales price	Percentage of total	Sales price	Percentage of total	Percentage change from 1999	Sales price	Percentage of total	Percentage change from 2000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b>	<b>3,692.3</b>	<b>100.0</b>	<b>5,088.2</b>	<b>100.0</b>	<b>37.8</b>	<b>2,834.7</b>	<b>100.0</b>	<b>-44.3</b>
Corporate stock	2,039.0	55.2	3,259.8	64.1	59.9	1,441.5	50.9	-55.8
U.S. and State and local Government obligations	251.2	6.8	239.1	4.7	-4.8	258.7	9.1	8.2
Other bonds, notes, and debentures	31.1	0.8	25.1	0.5	-19.4	29.9	1.1	18.9
Options and futures	48.6	1.3	75.1	1.5	54.7	36.9	1.3	-50.9
Mutual funds, including tax-exempt bond funds	559.5	15.2	418.1	8.2	-25.3	323.0	11.4	-22.7
Partnership, S corporation, and estate or trust interests	50.8	1.4	227.9	4.5	348.5	83.2	2.9	-63.5
Residential rental property	112.5	3.0	117.3	2.3	4.3	111.5	3.9	-5.0
Depreciable business property—real and personal	58.1	1.6	65.5	1.3	12.7	66.9	2.4	2.1
Farmland	11.0	0.3	9.5	0.2	-14.3	6.0	0.2	-36.6
Other land	40.6	1.1	37.3	0.7	-8.0	34.6	1.2	-7.2
Residences	37.3	1.0	44.5	0.9	19.5	76.0	2.7	70.6
Other [1]	452.6	12.3	569.0	11.2	25.7	366.5	12.9	-35.6

Type of asset	2002			2003		
	Sales price	Percentage of total	Percentage change from 2001	Sales price	Percentage of total	Percentage change from 2002
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total</b>	<b>2,867.5</b>	<b>100.0</b>	<b>1.2</b>	<b>3,081.4</b>	<b>100.0</b>	<b>7.5</b>
Corporate stock	1,384.3	48.3	-4.0	1,472.2	47.8	6.3
U.S. and State and local Government obligations	290.4	10.1	12.2	327.4	10.6	12.7
Other bonds, notes, and debentures	61.5	2.1	105.9	114.3	3.7	86.1
Options and futures	25.7	0.9	-30.2	27.3	0.9	6.2
Mutual funds, including tax-exempt bond funds	310.5	10.8	-3.9	316.3	10.3	1.9
Partnership, S corporation, and estate or trust interests	55.4	1.9	-33.5	51.6	1.7	-6.8
Residential rental property	147.9	5.2	32.7	165.1	5.4	11.6
Depreciable business property—real and personal	73.5	2.6	9.8	69.6	2.3	-5.3
Farmland	7.3	0.3	21.1	5.4	0.2	-26.0
Other land	42.9	1.5	24.0	58.5	1.9	36.3
Residences	69.8	2.4	-8.2	102.0	3.3	46.1
Other [1]	397.9	13.9	8.6	371.7	12.1	-6.6

[1] Other includes livestock, timber, inventory conversions, unidentifiable, and other asset types. Passthrough gains or losses and capital gain distributions are not included in this figure.

Gross sales price amounts for select asset types are shown in Figure D and in more detail in Table 1. Corporate stock and mutual fund sales amounts represented the highest percentage of total sales amounts for all tax years from 1999 through 2002 for those sales that could be categorized. Corporate stock represented 55.2 percent of the total in Tax Year 1999 and 64.1 percent in Tax Year 2000 (\$2.0 trillion and \$3.3 trillion, respectively). Mutual funds represented 15.2 percent in 1999 but fell to 8.2 percent in Tax Year 2000 (\$559.5 billion and \$418.1 billion, respectively).

In Tax Year 2001, corporate stock and mutual funds remained highest in terms of sales price amounts, but the corporate stock sales amount declined by 55.8 percent to \$1.4 trillion, and mutual funds declined 22.7 percent to \$323.0 billion but still represented 11.4 percent of total sales. Both categories showed a small decline, as a percentage of the total sales price, in Tax Years 2002 and 2003.

From Tax Year 1999 through 2002, U.S. Government and State and local bonds were the third largest category in terms of percentage of overall sales price. For 1999, these represented 6.8 percent of total sales.

## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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This category declined in 2000 to 4.7 percent but increased between Tax Years 2001 and 2003 (representing 9.1 percent, 10.1 percent, and 10.6 percent, respectively). For Tax Year 2003, this category was slightly higher than the amount of 10.3 percent represented by mutual funds.

Detailed data on real estate sales in Table 1 shows that, in all tax years, sales of residential rental property reported the highest sales price and net gains less losses of all types of real estate transactions. In Tax Year 1999, the sales amount of residential rental property was \$112.5 billion, and net gains less losses were \$24.8 billion. This represented 44.9 percent of the total real estate sales amount of \$250.7 billion and 42.7 percent of the total net gains less losses of \$58.1 billion.

In subsequent years, the percentage of total sales price represented by residential real estate was 37.4 percent, 40.9 percent, and 43.5 percent in Tax Years 2000, 2001, and 2002, respectively. In 2003, this asset type represented 35.5 percent of real estate net gains less losses, or almost \$34.0 billion.

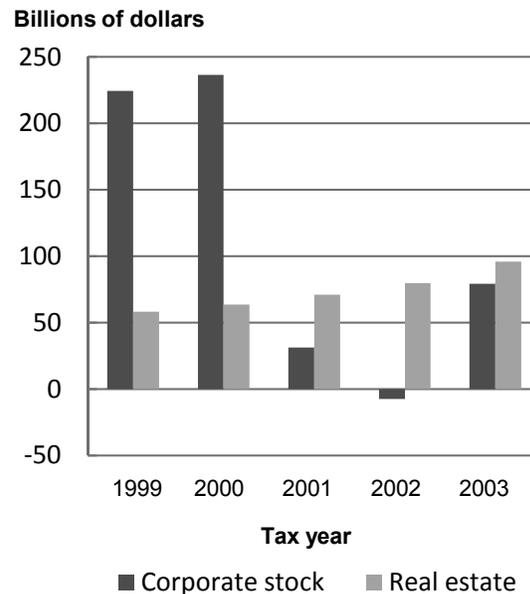
As shown in Figures E and F, comparing net gains less losses and gross sales price amounts for corporate stock and real estate provides an interesting contrast. In Tax Year 1999, taxpayers reported gains of \$224.4 billion in corporate stock sales and \$58.1 billion in real estate sales. Net gains from corporate stock peaked in 2000 and then dropped dramatically to \$31.3 billion the next year. Net losses were reported from stock in Tax Year 2002. In contrast, real estate net gains less losses steadily increased each year from 1999 to reach \$63.5 billion for Tax Year 2000, \$79.9 billion for Tax Year 2002, and \$95.8 billion for Tax Year 2003.

Tax Year 2000 showed an increase in gross sales of corporate stock of 57.9 percent (shown in Figure F), from \$2.0 trillion in 1999 to \$3.3 trillion in Tax Year 2000. Sales price for this asset type then fell in Tax Year 2001 to \$1.4 trillion, an almost 60-percent decline. The gross sales amount of real estate was \$250.7 billion in Tax Year 1999, and, like net gains from the sales of real estate (and unlike corporate stock), the sales amount increased steadily each year until 2003, when it was \$387.8 billion.

As shown in Figure G, taxpayers in all adjusted gross income (AGI) classes realized the least capital gains less losses in Tax Years 2001 and 2002. Figure H shows the patterns of increases and decreases in net capital gains realized over the 5-year period.

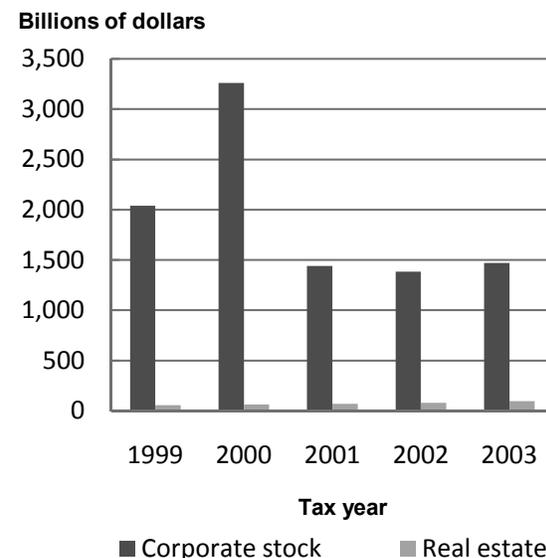
**Figure E**

### Net Gains Less Losses from Sales of Capital Assets: Corporate Stock and Real Estate, SOI Individual Panel, Tax Years 1999-2003



**Figure F**

### Gross Sales Price of Sales of Capital Assets: Corporate Stock and Real Estate, SOI Individual Panel, Tax Years 1999-2003



## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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From taxpayers in the under \$20,000 group to those in the \$100,000 and under \$200,000 AGI group, all experienced a decline in net capital gains between Tax Year 1999 and Tax Year 2000. Taxpayers in the other two (higher income) groups experienced increases in net gains in those years.

Figure I shows that those taxpayers in the AGI group \$100,000 under \$200,000 reported the highest amount of sales in Tax Year 1999, with sales of \$600.3 billion. While this amount increased to \$690.1 billion for Tax Year 2000, those taxpayers in the \$200,000 under \$500,000 group reported the highest amount, having \$723.1 billion in sales. This was the highest amount reported by any income group for the 5-year period. For 2001, the \$100,000 under \$200,000 AGI group once again had the highest sales (\$546.5 billion), and, for 2003, the \$200,000 under \$500,000 group had the highest sales (\$444.1 billion). However, for 2002, the highest sales were reported by those taxpayers in the under \$20,000 AGI group. Their sales totaled \$523.1 billion for that year.

A comparison of the number of short-term and long-term transaction sales is shown in Figure J.

With 132.8 million short-term sales reported by taxpayers in Tax Year 2000, this was the highest number of asset sales for all tax years, and a 41.6-percent increase from 93.8 million in Tax Year 1999. The number of short-term sales then dropped to 94.5 million in 2001, a 28.9-percent decrease. In comparison, the number of long-term sales remained relatively stable over the 5 tax years, the highest being 96.8 million in Tax Year 2000, the lowest being 89.3 million in Tax Year 2003.

Figure K shows short- and long-term net capital gains and losses for each tax year. Overall, net short-term gains less losses were negative in 3 of the 5 tax years, whereas they were positive for all years for long-term transactions. Taxpayers reported short-term losses of \$56.0 billion in Tax Year 2000, \$78.5 billion in Tax Year 2001, and \$38.5 billion in Tax Year 2002. Between Tax Years 1999 and 2000, long-term capital gains realized increased almost 30 percent, from \$486.3 billion to \$630.1 billion. They then fell by over 56 percent to \$275.0 billion in 2001.

The percentage of total gross sales price amount and net gains less losses are shown in Figure L. For

### Figure G

#### Net Gains Less Losses from Sales of Capital Assets, by Adjusted Gross Income Group and Tax Year from Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in thousands]

Adjusted gross income	Tax year				
	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>525,135,482</b>	<b>574,082,059</b>	<b>196,542,380</b>	<b>131,871,820</b>	<b>303,754,272</b>
Under \$5,000 [1]	3,584,304	850,341	-9,332,893	-9,180,503	1,960,640
\$5,000 under \$10,000	1,910,578	992,449	-2,800,378	-3,175,941	-1,516,937
\$10,000 under \$15,000	1,876,549	1,059,248	-2,845,828	-3,908,135	-246,613
\$15,000 under \$20,000	2,714,908	1,730,258	-1,414,843	-4,048,246	-925,297
\$20,000 under \$25,000	2,422,171	2,910,950	-1,460,974	-1,351,414	147,195
\$25,000 under \$30,000	2,595,291	1,922,799	319,687	-2,455,033	132,454
\$30,000 under \$40,000	7,439,243	5,744,018	-2,393,313	-5,184,507	3,675,172
\$40,000 under \$50,000	6,568,703	6,028,234	-501,309	-3,819,178	1,350,893
\$50,000 under \$75,000	20,384,663	16,883,445	-2,590,264	-3,899,206	3,416,949
\$75,000 under \$100,000	23,408,632	19,552,935	4,073,387	-2,005,899	7,133,988
\$100,000 under \$200,000	63,262,519	57,382,491	16,986,968	10,480,028	30,480,137
\$200,000 under \$500,000	75,493,907	79,171,925	21,370,954	23,766,128	48,441,235
\$500,000 under \$1,000,000	47,595,595	48,586,295	25,124,901	18,559,667	33,720,334
\$1,000,000 under \$1,500,000	28,349,003	31,357,673	11,982,843	10,211,532	29,434,538
\$1,500,000 under \$2,000,000	19,864,336	20,006,227	11,502,567	3,626,552	15,905,405
\$2,000,000 under \$5,000,000	60,649,518	90,841,925	33,353,000	21,968,369	35,225,109
\$5,000,000 under \$10,000,000	39,919,829	45,580,063	20,640,592	15,769,473	20,412,770
\$10,000,000 or more	117,095,733	143,480,783	74,527,283	66,518,133	75,006,300

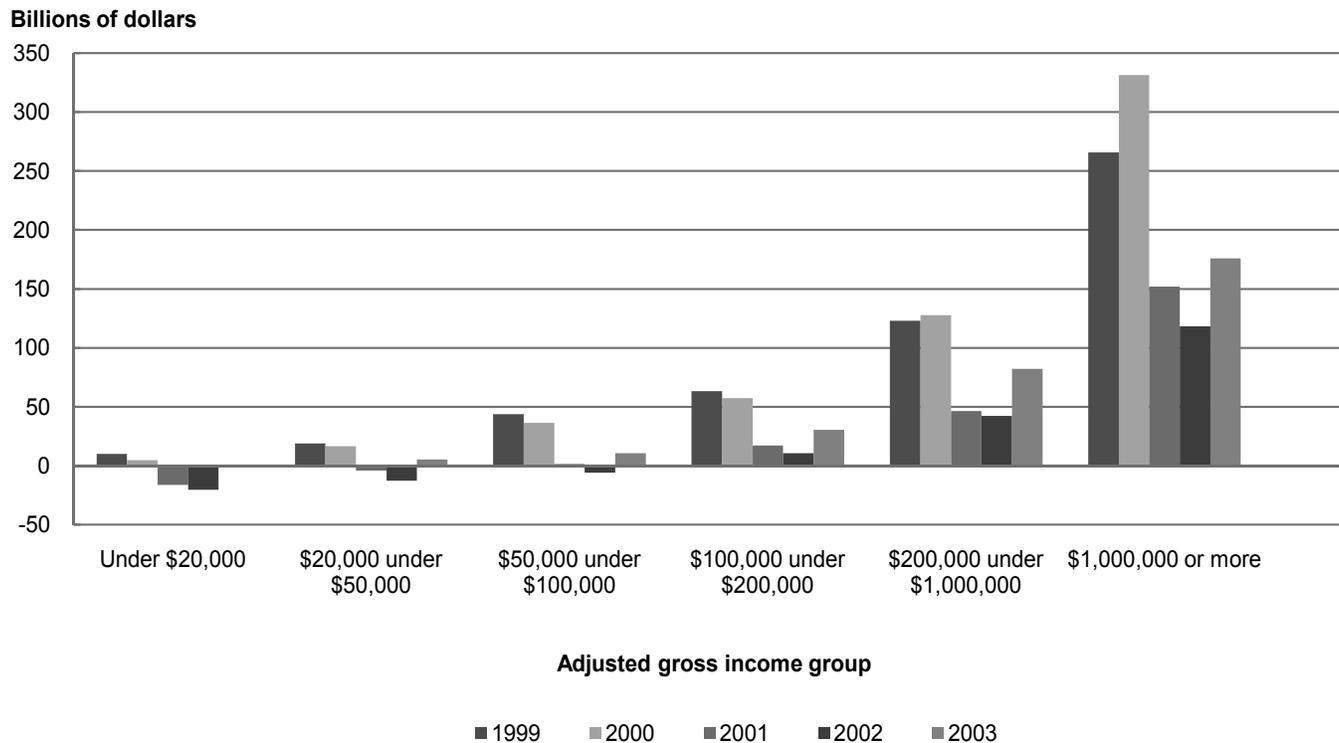
[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure H**

## Gains Less Losses from Sales of Capital Assets, by Adjusted Gross Income Group, SOI Individual Panel, Tax Years 1999-2003



**Figure I**

## Gross Sales Price from Sales of Capital Assets, by Adjusted Gross Income Group, SOI Individual Panel, Tax Years 1999-2003

[Numbers are in thousands of dollars]

Adjusted gross income	Tax year				
	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>3,692,260,460</b>	<b>5,088,224,593</b>	<b>2,834,718,905</b>	<b>2,867,517,621</b>	<b>3,081,431,987</b>
deficit under \$20,000 [1]	177,576,017	381,329,561	424,036,917	523,107,793	387,575,898
\$20,000 under \$50,000	265,121,460	322,389,739	224,064,118	222,186,310	374,110,489
\$50,000 under \$75,000	179,749,672	581,375,919	239,465,040	220,410,843	211,800,252
\$75,000 under \$100,000	195,360,474	253,752,658	167,153,875	161,200,289	175,026,557
\$100,000 under \$200,000	600,303,958	689,951,074	546,538,631	444,257,349	432,199,831
\$200,000 under \$500,000	519,608,724	722,667,737	375,796,488	515,784,712	444,111,998
\$500,000 under \$1,000,000	504,038,470	342,136,690	184,281,010	194,008,381	211,913,870
\$1,000,000 under \$1,500,000	172,866,535	250,751,343	110,700,977	93,840,853	175,555,929
\$1,500,000 under \$2,000,000	268,366,416	507,075,019	92,842,261	51,114,950	67,774,013
\$2,000,000 under \$5,000,000	333,812,444	400,558,204	174,890,544	144,084,336	229,385,251
\$5,000,000 under \$10,000,000	179,832,470	287,108,302	84,402,670	76,160,411	84,634,916
\$10,000,000 or more	295,623,820	349,128,347	210,546,374	221,361,394	287,342,983

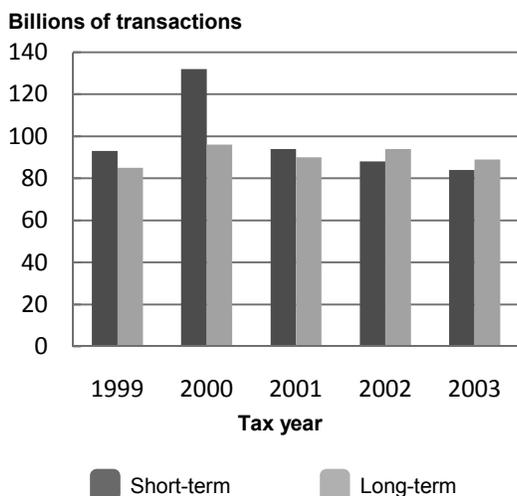
[1] Includes adjusted gross deficit

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure J**

**Number of Short-Term and Long-Term Transaction Sales from Sales of Capital Assets SOI Individual Panel, Tax Years 1999-2003**



all transactions, those with a holding period of less than 1 month were the highest in terms of percentage of sales price for all tax years. In Tax Year 1999, assets held under 1 month represented 53.4 percent of all short-term sales, and this fell slightly in Tax Years 2000 and 2001 (to 50.5 percent and 48.7 percent, respectively) but rose again in Tax Years 2002 and 2003 to 56.3 percent and 56.9 percent, respectively.

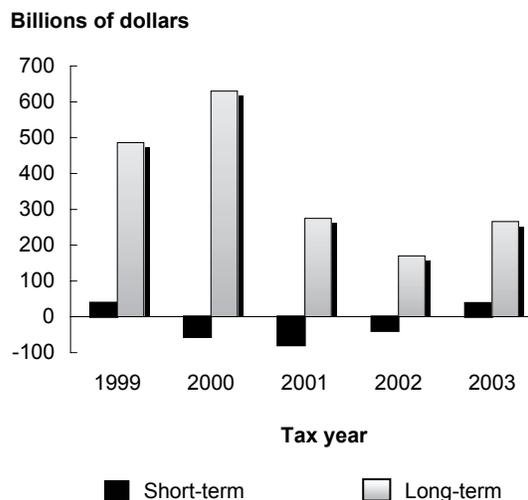
Table 4 shows the distribution of net gains and losses realized over the 5-year period by average AGI class.<sup>4</sup> Table 4a shows numbers and amounts for those taxpayers who realized a net gain or loss for 1 or more tax years. Table 4b shows those taxpayers who realized a net capital gain for 1 or more tax years, and Table 4c shows those who realized losses for 1 or more tax years.

Table 4a shows that 381.6 million tax returns were filed by taxpayers who realized no net gains or losses between Tax Years 1999 and 2003. The number of tax returns filed with a net gain or loss realization for 1 year was 53.7 million, and these taxpayers realized \$70.8 billion.

A comparison of taxpayers who realized a net gain or loss for 1, 2, 3, and 4 years shows that the

**Figure K**

**Net Gains Less Losses for Short-Term and Long-Term Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003**



number of tax returns decreased from 53.7 million with realizations of net gain or loss for 1 year, to 28.6 million with gain or loss for 4 years. However, the amount realized for these taxpayers increased from \$70.8 billion for those who reported a gain or loss for 1 year, to \$175.0 billion for those who reported a gain or loss for 4 years. The number of tax returns which realized a net gain or loss for all 5 years increased to 60.7 million, and these taxpayers realized \$1.5 trillion.

Table 5 shows cross-section data for Tax Years 1999 through 2003. Tax Year 1999 was the base year of the study, and, for subsequent years, panel data were used with an added replenishment from the SOI Continuous Work History Sample (CWHS) to make a cross-section for each tax year. These CWHS returns represent the random sample portion of the SOI Individual Panel and were part of the base year. However, any primary taxpayer from this group who did not file a return in 1999 was added to the panel (see Data Source and Limitation for further explanation).

Figure M and Table 5 show a comparison of number of transactions, sales price, basis, and net capital gains less losses for those returns in the cross-

<sup>4</sup> To calculate AGI return, AGI amounts were indexed to make a constant amount. All constant AGIs were summed and then averaged.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure L**

## Percentage of Total Sales Price Amount and Net Capital Gains Less Losses, by Length of Time Held, Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

Type of transaction, length of time held	1999		2000		2001		2002		2003	
	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Short-term transactions</b>										
Under 1 month	53.4	66.3	50.5	-19.5	48.7	-2.5	56.3	-0.8	56.9	38.7
1 month under 2 months	10.5	18.6	9.0	10.6	9.8	5.8	10.3	4.5	8.6	6.3
2 months under 3 months	5.6	9.3	5.4	12.3	5.6	3.8	5.0	7.1	5.4	7.0
3 months under 4 months	4.2	3.9	4.1	8.7	6.1	7.7	5.3	10.6	4.5	7.6
4 months under 5 months	3.5	-6.0	2.8	8.8	3.6	9.4	3.6	9.3	3.6	6.9
5 months under 6 months	2.8	-1.8	2.8	9.6	3.1	9.3	3.3	9.2	3.2	6.2
6 months under 7 months	3.1	5.9	3.0	8.4	3.5	9.4	3.0	11.7	3.7	5.2
7 months under 8 months	3.3	2.5	2.1	10.9	2.9	8.8	2.5	12.0	2.8	7.0
8 months under 9 months	2.1	2.8	1.9	13.0	2.4	8.2	2.2	6.5	2.2	3.1
9 months under 10 months	1.9	1.5	1.9	15.3	2.3	9.0	2.1	7.9	1.9	3.6
10 months under 11 months	1.7	0.5	1.6	11.3	2.9	11.7	2.0	8.7	2.2	6.9
11 months under 12 months	2.0	-0.6	7.7	7.8	3.1	14.0	2.1	7.9	2.0	0.8
1 year or more [1]	5.9	-3.0	7.2	2.8	6.2	5.5	2.1	5.3	3.0	0.8
<b>Long-term transactions</b>										
Under 18 months [2]	17.0	6.8	19.3	8.6	17.8	-17.6	14.4	-16.3	15.6	6.4
18 months under 2 years	10.8	5.6	11.3	7.3	10.8	-8.8	10.2	-18.9	9.4	2.0
2 years under 3 years	13.7	10.2	14.8	10.4	16.1	2.5	15.6	-32.1	14.6	-2.4
3 years under 4 years	9.4	9.8	9.0	9.6	9.4	7.6	9.3	-6.9	9.9	-2.7
4 years under 5 years	7.5	7.6	7.3	8.6	7.0	8.9	7.4	4.7	6.7	2.9
5 years under 10 years	19.6	20.3	16.8	18.7	18.5	34.7	20.6	47.9	22.2	30.0
10 years under 15 years	8.6	13.2	10.1	13.0	8.5	20.1	8.5	30.5	9.6	20.4
15 years under 20 years	4.9	8.6	4.7	8.5	4.9	22.0	5.5	30.1	4.8	15.5
20 years or more	8.5	17.9	6.7	15.2	7.0	30.6	8.5	61.1	7.3	28.0

[1] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[2] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTE: Sales with indeterminable dates (these were dates that were unreadable or not included with the sale description) were subtracted from the total number of sales.

section that were created by adding CWHS returns, and those just in the SOI Individual Panel. Tax Year 1999 data are the same for both cross-section and panel, as 1999 is the base year for the panel. For all tax years, the cross-section estimates are higher than the panel numbers, except in Tax Year 2002, when the net gains less loss amount is higher for panel returns. In Tax Year 2000, the number of transactions, sales price, basis, and net gains less losses are all slightly higher for the cross-section than the panel (3.1 percent, 2.7 percent, 2.8 percent, and 1.4 percent, respectively).

Interestingly, Tax Year 2001 shows the greatest overall discrepancy between cross-section and panel data, with differences of more than 6.0 percent for most categories. Subsequent years show a somewhat smaller difference between the estimates. Figure M also shows (for comparison purposes) published data for net capital gains less losses from the SOI

Individual Cross-Section for each tax year. For Tax Years 1999 through 2001, these data are comparable. However, the estimates for 2002 and 2003 differ from published data by more than 15 percent.

### Detailed Tables

Tables 1 through 5 show detailed data on sales of capital assets for 1999 through 2003. Table 1 shows aggregated data from transactions reported on the following tax forms: Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099B); Form 4797 (Gains and Losses from Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions); Form 6252 (Installment Sales); Form 8824 (Like-Kind Exchanges); Form 4684 (Casualties and Thefts); Form 2439 (Undistributed Long-Term Capital Gains); and Form 6781 (Gains and Losses from Section 1256 Contracts and Straddles).

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure M**

## Comparison of Statistics of Income (SOI) Cross-Section and SOI Individual Panel, Tax Years 1999-2003

[Money amounts are in thousands of dollars]

Tax year	All transactions: Panel [1]				All transactions: Cross-Section [2]				SOI Individual Cross-Section [3]
	Number	Sales price	Basis	Net gain less loss	Number	Sales price	Basis	Net gain less loss	Net gain less loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1999	179,036,504	3,692,260,458	3,345,549,329	525,135,483	179,036,504	3,692,260,458	3,345,549,329	525,135,483	531,170,093
2000	229,620,553	5,088,224,593	4,709,938,089	574,082,057	236,874,553	5,231,772,567	4,847,795,479	582,445,853	585,650,240
2001	185,159,297	2,834,718,909	2,715,813,938	196,542,379	197,379,297	3,016,425,527	2,896,539,270	205,947,701	206,824,931
2002	182,763,750	2,867,517,618	2,783,223,597	131,871,818	193,597,750	2,990,876,736	2,908,395,593	127,071,094	106,479,084
2003	173,413,092	3,081,431,990	2,855,551,806	303,754,273	186,689,092	3,206,959,002	2,975,950,410	310,491,092	269,659,181

[1] Estimates based on 1999-2003 SOCA panel data.

[2] Estimates based on Statistics of Income 1999-2003 SOCA cross-section data.

[3] Estimates based on Statistics of Income—1999-2003, Individual Income Tax Returns (IRS Publication 1304).

Capital gains and losses reported on other forms and carried to Schedule D were also included. Table 2 shows data on gains and losses by AGI. Table 3 shows data on holding periods and months of sale, and Table 4 shows data on the distribution and amounts of net gains and losses realized over the 5 years of this study. Returns are classified by the number of years that they reported gains and/or losses on sales of capital assets. Table 5 shows cross-section data for Tax Years 2000 through 2003.

### Explanation of Selected Terms

#### Categories of assets

*Corporate stock*—Includes shares of publicly traded and closely held common and preferred stock, stock rights, and stock warrants. In addition, short sales of corporate stock were included.

*U.S. Government obligations*—Includes bonds, notes, bills, and other certificates of indebtedness issued by, backed, or guaranteed by the U.S. Government or Federal agencies.

*State and local government obligations*—Includes bonds, notes, bills, and other certificates of indebtedness issued by, backed, or guaranteed by States, cities, or local governments.

*Other bonds, notes, and debentures*—Includes bonds and other debt obligations issued by corporations and all other types of debt obligations.

*Put and call options*—A call gives the holder the right to buy the underlying asset by a certain date for a certain price. A put option gives the right to sell

an asset by a certain date for a certain price. This category includes put and call options, straddles, and futures contracts on corporate stock.

*Futures contracts*—Includes futures contracts on commodities, foreign currency, interest rates, stock price indexes, and other financial derivatives and instruments.

*Tax-exempt bond mutual funds*—Includes sale of shares of mutual funds and investment trusts invested in bonds and other debt instruments of State and local governments.

*Partnerships, S corporations, and estates and trusts*—Includes sales of partnership interests and S corporations. S corporations allocate earnings to shareholders and are taxed at the individual shareholder level.

*Mutual funds, except tax-exempt bond funds*—Includes sales of shares of mutual funds and real estate investment trusts.

*Livestock*—Includes cattle and other animals held for work, breeding, bearing fur, and depreciable animals.

*Timber*—Includes cut or standing timber, and timber sales that qualify for 1231 treatment.

*Involuntary conversions*—Includes involuntary conversions resulting from destruction, theft, condemnation, or eminent domain.

*Residential rental property*—Includes apartments, duplexes, motels, nursing homes, and similar residential properties.

*Depreciable business personal property*—Includes property used in business, such as equipment, machinery, and vehicles.

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*Depreciable business real property*—Includes office buildings, shopping malls, factory buildings, warehouses, and similar real property.

*Farmland*—Includes farm and ranch land, farms, and ranches.

*Other land*—Includes undeveloped land other than farmland.

*Residences*—Principal residences and secondary homes.

*Other assets*—Includes other assets not included in the above categories, such as collectibles, bad debts, and copyrights.

*Unidentifiable*—Includes assets where the description is unreadable, unidentifiable, or not present.

*Passthrough gains and losses*—Includes capital gains on assets sold by partnerships, S corporations, and estates and trusts, and distributed to be taxed at the individual partner, shareholder, and beneficiary level.

*Capital gain distributions*—Distributions by mutual funds to shareholders of capital gains from sales of assets by mutual funds.

### Other terms

*Basis*—The original cost of the investment adjusted by adding the cost of expenses of the sale or any improvement costs. In addition, depreciation, amortization, and depletion deductions are subtracted.

*Sales price*—The gross selling price of the asset, including the cash or fair market value of other property received.

*Capital asset*—Property owned and used for investment, personal, or pleasure uses.

*Gain (or loss)*—The difference between the sales price and the cost or other basis, less any depreciation.

*Net capital gains*—Capital gains less capital losses.

*Short-term*—The holding period for short-term capital gains and losses is 1 year or less.

*Long-term*—The holding period for long-term capital gains and losses is more than 1 year.

### Data Sources and Limitations

The statistics in this report are estimates from a probability sample. The target population consists of all

individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronic returns) filed by U.S. citizens and residents for Tax Year 1999. The SOCA base year sample was selected from the 1999 SOI individual return sample. To study SOCA in more detail and collect SOCA data for longitudinal analyses, a subsample was selected from the 1999 individual return sample. It served as the base year SOCA panel sample.

The yearly SOI individual return sample is a stratified random sample.<sup>5</sup> The stratification is achieved by the return type code and income code. Income code is determined by income groupings, and “degree of interest.”

In Tax Year 1999, the individual return sample of 176,966 returns was drawn from the population of 127,321,626 returns. The Tax Year 1999 SOCA panel sample was also a stratified random sample. However, the strata were defined using the income code only (see Figure N).

The 1999 SOCA panel sample was designed to represent all Tax Year 1999 returns, including late returns, while the 1999 individual return sample and 1999 SOCA cross-section sample were designed to represent all returns filed in Calendar Year 2000. Therefore, the 1999 SOCA panel sample of 83,432 returns was drawn from the 1999 individual return sample and supplemented with the 2000 and 2001 individual return samples in order to include returns that were filed up to 2 years late.

The sampled panel returns were followed in subsequent years. In each subsequent year, a selected panel return stayed in the panel if at least one of the taxpayer’s SSNs (primary or secondary) filed in that year, regardless of the marital status. The panel data collected were used for both longitudinal analyses and cross-section estimations.

In every subsequent year, a small refreshment sample was added to the panel sample for cross-section estimation purposes only. This small refreshment sample is a 1 in 2,000 random sample adding only those returns not already included in the sample. Therefore, each of these returns received a weight of 2,000.

Since the estimates here are based on a sample, they may differ from figures that would have been

<sup>5</sup> See Testa, V. and J. Scali (2005), “Description of the Sample,” *Statistics of Income—2005, Individual Income Tax Returns*, Internal Revenue Service, Washington, DC.

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obtained if a complete census of all income tax returns had been taken. The particular sample used for estimates is one of the many possible samples that could have been selected using the same sample design. Estimates calculated from these different samples would vary, which causes the sampling error.

To properly use the statistical data, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. They measure the spread of estimates from possible samples and evaluate the precision of estimates based on samples. In addition to

sampling error, nonsampling error can also affect the estimates. For example, there may be errors in keying and cleaning the data, or misinterpretations of tax instructions by taxpayers.

Weights were applied to each sampled return when calculating estimates to account for the selection probabilities and other factors that might lead to differences between the sample and the population. Weights were calculated by dividing the population count of returns in a stratum by the number of sample returns for that stratum, and adjusted for misclassified and missing returns.

**Figure N**

**Number of Returns Sampled and Population Counts in the Statistics of Income (SOI) Individual Panel, Base Tax Year 1999**

Income code	Income range	Degree of interest	Sample	Population
	<b>Negative income</b>		<b>83,432</b>	<b>127,042,158</b>
0	\$20,000,000 or more	All	345	345
1	\$10,000,000-\$20,000,000	All	245	535
2	\$5,000,000-\$10,000,000	All	291	1,399
3	\$2,000,000-\$5,000,000	All	246	5,633
4	\$1,000,000-\$2,000,000	All	179	12,216
5	\$500,000-\$1,000,000	All	192	30,785
6	\$250,000-\$500,000	All	101	73,512
7	\$120,000-\$250,000	All	90	161,189
8	\$60,000-\$120,000	All	101	216,825
9	Under \$60,000	All	311	664,982
	<b>Positive income</b>			
10	Under \$30,000	1	13,258	26,746,335
11	Under \$30,000	2	15,640	30,966,933
12	Under \$30,000	3-4	5,548	11,086,103
13	\$30,000-\$60,000	1-2	11,110	22,600,734
14	\$30,000-\$60,000	3-4	4,828	9,689,145
15	\$60,000-\$120,000	1-3	6,204	12,591,564
16	\$60,000-\$120,000	4	2,651	5,222,146
17	\$120,000-\$250,000	1-3	1,210	2,423,918
18	\$120,000-\$250,000	4	1,211	2,520,320
19	\$250,000-\$500,000	All	2,460	1,368,698
20	\$500,000-\$1,000,000	All	2,562	435,344
21	\$1,000,000-\$2,000,000	All	2,515	141,596
22	\$2,000,000-\$5,000,000	All	3,430	59,284
23	\$5,000,000-\$10,000,000	All	2,731	14,307
24	\$10,000,000-\$20,000,000	All	3,053	5,391
25	\$20,000,000 or more	All	2,920	2,920

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1a. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>179,036,504</b>	<b>3,692,260,458</b>	<b>3,345,549,329</b>	<b>525,135,483</b>
Corporate stock	102,768,793	2,038,969,949	1,815,854,215	224,438,833
U.S. Government obligations	1,661,647	136,905,104	136,676,681	17,443
State and local government obligations	2,980,945	114,293,571	114,475,074	-175,052
Other bonds, notes, and debentures	852,341	31,126,824	30,885,344	251,093
Put and call options	6,203,471	41,561,030	40,538,987	1,189,119
Futures contracts	332,496	6,991,249	8,728,099	-1,695,952
Mutual funds, except tax-exempt bond funds	26,728,492	495,326,399	480,076,650	15,316,879
Tax-exempt bond mutual funds	4,885,932	64,156,065	65,391,107	-1,248,039
Partnership, S corporation, and estate or trust interests	1,523,705	50,808,957	33,700,723	17,832,301
Livestock	825,981	2,903,702	1,097,194	1,398,095
Timber	98,622	2,454,789	649,700	1,713,105
Involuntary conversions	74,990	301,438	11,373	58,568
Residential rental property	1,619,598	112,506,150	79,640,017	24,820,154
Depreciable business personal property	1,314,253	8,853,932	5,699,227	1,213,814
Depreciable business real property	713,197	49,269,177	34,304,699	13,862,743
Farmland	118,533	11,035,200	5,179,127	2,887,856
Other land	1,070,696	40,584,545	26,023,533	12,973,849
Residences	296,953	37,285,813	31,428,680	3,542,186
Other assets	2,864,540	392,248,875	384,503,626	7,461,794
Unidentifiable	632,747	54,677,688	50,685,274	5,006,526
Passthrough gains or losses	4,520,381	N/A	N/A	132,546,389
Capital gain distributions	16,948,193	N/A	N/A	61,723,778

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1b. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>229,620,553</b>	<b>5,088,224,593</b>	<b>4,709,938,089</b>	<b>574,082,057</b>
Corporate stock	151,268,257	3,259,750,463	3,015,536,827	236,282,420
U.S. Government obligations	1,188,054	127,506,933	127,368,312	215,967
State and local government obligations	2,756,320	111,636,782	112,243,800	-773,134
Other bonds, notes, and debentures	763,745	25,103,210	25,437,252	-328,354
Put and call options	7,529,383	65,171,724	62,367,390	2,788,491
Futures contracts	418,080	9,945,852	7,678,423	2,265,710
Mutual funds, except tax-exempt bond funds	29,261,549	364,599,916	355,092,655	9,431,260
Tax-exempt bond mutual funds	2,980,274	53,457,967	55,184,074	-1,732,553
Partnership, S corporation, and estate or trust interests	1,230,789	227,892,099	211,464,136	16,977,257
Livestock	787,326	4,306,092	1,153,696	2,444,655
Timber	131,616	3,473,755	923,826	2,551,604
Involuntary conversions	126,205	103,823	-99,703	-96,270
Residential rental property	1,551,589	117,294,249	85,734,165	23,737,018
Depreciable business personal property	1,335,287	12,902,933	8,709,845	1,947,281
Depreciable business real property	732,230	52,624,769	33,111,133	15,475,859
Farmland	122,424	9,457,697	6,124,273	3,002,006
Other land	915,513	37,319,661	19,457,977	16,400,048
Residences	293,250	44,547,963	36,263,172	4,928,275
Other assets	3,637,166	253,468,965	239,651,678	12,551,800
Unidentifiable	698,366	307,659,742	306,535,159	873,266
Passthrough gains or losses	4,627,516	N/A	N/A	142,587,031
Capital gain distributions	17,265,615	N/A	N/A	82,552,418

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1c. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, by SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>185,159,297</b>	<b>2,834,718,909</b>	<b>2,715,813,938</b>	<b>196,542,379</b>
Corporate stock	118,283,317	1,441,548,555	1,408,747,661	31,308,482
U.S. Government obligations	1,684,344	136,341,374	135,272,816	1,062,074
State and local government obligations	2,859,184	122,407,275	121,494,824	847,057
Other bonds, notes, and debentures	1,143,236	29,851,191	30,273,356	-490,286
Put and call options	4,358,018	31,393,021	30,161,400	1,293,690
Futures contracts	218,961	5,488,700	3,733,640	1,775,484
Mutual funds, except tax-exempt bond funds	26,786,661	273,571,352	302,045,963	-28,437,011
Tax-exempt bond mutual funds	2,304,731	49,379,995	49,764,090	-401,075
Partnership, S corporation, and estate or trust interests	1,131,180	83,188,812	72,408,217	11,334,921
Livestock	809,687	3,805,253	1,199,967	2,078,931
Timber	94,569	2,401,434	897,649	1,503,370
Involuntary conversions	157,714	203,479	-79,691	-105,920
Residential rental property	1,401,593	111,468,994	76,360,302	28,973,685
Depreciable business personal property	1,167,012	9,544,869	6,717,575	828,845
Depreciable business real property	737,351	57,360,539	36,547,806	18,334,060
Farmland	114,925	5,991,600	3,710,957	2,153,081
Other land	825,985	34,630,317	19,444,685	13,957,124
Residences	385,104	76,009,728	60,812,737	7,502,531
Other assets	3,728,118	254,886,658	253,739,680	980,724
Unidentifiable	561,456	105,245,761	102,560,306	4,208,218
Passthrough gains or losses	4,427,620	N/A	N/A	84,883,407
Capital gain distributions	11,978,530	N/A	N/A	12,950,990

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1d. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>182,763,750</b>	<b>2,867,517,618</b>	<b>2,783,223,597</b>	<b>131,871,818</b>
Corporate stock	118,356,341	1,384,292,338	1,390,905,176	-7,490,158
U.S. Government obligations	1,531,498	148,038,359	147,272,943	574,747
State and local government obligations	3,384,153	142,332,857	141,455,523	815,971
Other bonds, notes, and debentures	1,064,952	61,451,600	62,592,457	-1,161,716
Put and call options	3,578,314	16,784,229	16,376,689	713,867
Futures contracts	227,910	8,964,583	5,809,461	3,208,610
Mutual funds, except tax-exempt bond funds	28,716,335	266,932,379	307,326,154	-40,476,841
Tax-exempt bond mutual funds	2,532,645	43,525,761	43,368,224	121,507
Partnership, S corporation, and estate or trust interests	1,287,993	55,357,121	41,567,558	14,203,376
Livestock	685,089	3,472,020	1,729,859	1,267,261
Timber	97,873	2,306,229	791,248	1,514,765
Involuntary conversions	197,240	270,377	188,288	695
Residential rental property	1,522,646	147,884,030	105,867,471	34,730,944
Depreciable business personal property	1,410,595	11,088,570	8,660,048	719,166
Depreciable business real property	694,150	62,397,933	38,724,926	19,190,829
Farmland	127,457	7,256,151	4,116,613	3,360,808
Other land	903,624	42,935,507	27,341,354	14,895,529
Residences	348,454	69,805,000	51,697,335	7,690,077
Other assets	3,571,000	343,508,610	339,323,584	4,152,636
Unidentifiable	704,052	48,369,501	48,108,685	-315,400
Passthrough gains or losses	4,482,154	N/A	N/A	69,222,442
Capital gain distributions	7,339,276	N/A	N/A	4,932,704

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1e. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>173,413,092</b>	<b>3,081,431,990</b>	<b>2,855,551,806</b>	<b>303,754,273</b>
Corporate stock	111,245,622	1,472,159,091	1,393,612,662	79,139,211
U.S. Government obligations	2,122,064	157,761,873	157,364,388	393,911
State and local government obligations	4,189,345	169,620,167	168,070,347	1,525,899
Other bonds, notes, and debentures	1,550,030	114,336,816	113,437,440	873,024
Put and call options	3,581,915	22,457,233	21,409,716	1,271,486
Futures contracts	348,318	4,875,926	4,120,752	790,594
Mutual funds, except tax-exempt bond funds	23,926,496	259,045,534	277,093,229	-18,121,719
Tax-exempt bond mutual funds	2,878,613	57,293,284	57,275,660	10,533
Partnership, S corporation, and estate or trust interests	1,702,544	51,596,778	37,334,785	14,227,701
Livestock	747,985	3,670,414	1,245,494	1,699,107
Timber	95,681	1,550,553	596,587	953,066
Involuntary conversions	227,348	328,894	-65,579	92,686
Residential rental property	1,561,443	165,085,418	116,874,189	33,968,633
Depreciable business personal property	1,647,172	12,807,802	8,242,902	1,788,633
Depreciable business real property	610,295	56,777,272	32,679,018	22,399,511
Farmland	109,868	5,366,353	3,411,503	1,768,139
Other land	891,929	58,534,878	31,090,768	24,087,603
Residences	423,454	102,007,602	77,304,166	13,568,292
Other assets	2,814,027	202,964,519	195,281,713	5,382,656
Unidentifiable	891,188	163,191,584	159,172,066	4,076,272
Passthrough gains or losses	4,798,213	N/A	N/A	109,181,430
Capital gain distributions	7,049,540	N/A	N/A	4,677,605

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2a. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>27,858,908</b>	<b>3,692,260,460</b>	<b>3,345,549,327</b>	<b>525,135,482</b>
Under \$5,000 [1]	2,160,172	89,204,857	85,992,214	3,584,304
\$5,000 under \$10,000	1,325,767	23,075,422	22,095,028	1,910,578
\$10,000 under \$15,000	1,191,209	40,713,202	39,957,846	1,876,549
\$15,000 under \$20,000	1,298,694	24,582,536	23,644,033	2,714,908
\$20,000 under \$25,000	1,181,964	29,422,290	28,424,890	2,422,171
\$25,000 under \$30,000	1,091,699	20,812,907	19,253,522	2,595,291
\$30,000 under \$40,000	2,379,872	106,919,853	101,339,840	7,439,243
\$40,000 under \$50,000	2,187,606	107,966,410	103,652,504	6,568,703
\$50,000 under \$75,000	5,075,534	179,749,672	168,421,415	20,384,663
\$75,000 under \$100,000	3,476,454	195,360,474	180,251,342	23,408,632
\$100,000 under \$200,000	4,418,243	600,303,958	554,270,856	63,262,519
\$200,000 under \$500,000	1,551,689	519,608,724	462,635,793	75,493,907
\$500,000 under \$1,000,000	323,577	504,038,470	471,334,875	47,595,595
\$1,000,000 under \$1,500,000	83,587	172,866,535	153,044,428	28,349,003
\$1,500,000 under \$2,000,000	35,436	268,366,416	254,543,186	19,864,336
\$2,000,000 under \$5,000,000	55,266	333,812,444	294,096,761	60,649,518
\$5,000,000 under \$10,000,000	13,663	179,832,470	154,715,802	39,919,829
\$10,000,000 or more	8,476	295,623,820	227,874,992	117,095,733

[1] Includes adjusted gross deficit.

**Table 2b. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>29,542,416</b>	<b>5,088,224,593</b>	<b>4,709,938,092</b>	<b>574,082,059</b>
Under \$5,000 [1]	1,841,129	227,779,667	221,424,000	850,341
\$5,000 under \$10,000	1,347,767	56,684,417	56,717,684	992,449
\$10,000 under \$15,000	1,316,813	53,512,891	54,137,122	1,059,248
\$15,000 under \$20,000	1,279,684	43,352,586	43,430,504	1,730,258
\$20,000 under \$25,000	1,225,689	91,238,634	89,940,656	2,910,950
\$25,000 under \$30,000	1,165,901	34,155,859	33,855,949	1,922,799
\$30,000 under \$40,000	2,453,516	84,199,557	80,064,631	5,744,018
\$40,000 under \$50,000	2,418,513	112,795,689	110,450,497	6,028,234
\$50,000 under \$75,000	5,232,741	581,375,919	573,961,498	16,883,445
\$75,000 under \$100,000	3,829,896	253,752,658	243,444,668	19,552,935
\$100,000 under \$200,000	5,024,754	689,951,074	655,386,436	57,382,491
\$200,000 under \$500,000	1,824,650	722,667,737	667,928,569	79,171,925
\$500,000 under \$1,000,000	352,197	342,136,690	311,064,630	48,586,295
\$1,000,000 under \$1,500,000	93,899	250,751,343	224,323,760	31,357,673
\$1,500,000 under \$2,000,000	39,114	507,075,019	492,681,028	20,006,227
\$2,000,000 under \$5,000,000	71,061	400,558,204	333,384,974	90,841,925
\$5,000,000 under \$10,000,000	15,287	287,108,302	251,720,456	45,580,063
\$10,000,000 or more	9,806	349,128,347	266,021,030	143,480,783

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2c. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>25,812,464</b>	<b>2,834,718,905</b>	<b>2,715,813,937</b>	<b>196,542,380</b>
Under \$5,000 [1]	1,779,331	298,877,581	306,643,727	-9,332,893
\$5,000 under \$10,000	1,068,250	42,945,002	46,360,457	-2,800,378
\$10,000 under \$15,000	1,074,197	48,353,160	51,252,326	-2,845,828
\$15,000 under \$20,000	1,166,390	33,861,174	35,501,902	-1,414,843
\$20,000 under \$25,000	1,050,239	30,740,985	32,528,527	-1,460,974
\$25,000 under \$30,000	1,081,803	43,766,779	44,150,537	319,687
\$30,000 under \$40,000	2,161,550	79,617,486	81,381,711	-2,393,313
\$40,000 under \$50,000	2,050,021	69,938,868	69,668,724	-501,309
\$50,000 under \$75,000	4,543,353	239,465,040	242,820,173	-2,590,264
\$75,000 under \$100,000	3,210,593	167,153,875	164,242,111	4,073,387
\$100,000 under \$200,000	4,552,751	546,538,631	529,578,649	16,986,968
\$200,000 under \$500,000	1,579,785	375,796,488	361,783,175	21,370,954
\$500,000 under \$1,000,000	310,468	184,281,010	166,927,767	25,124,901
\$1,000,000 under \$1,500,000	77,199	110,700,977	100,407,742	11,982,843
\$1,500,000 under \$2,000,000	41,382	92,842,261	85,142,614	11,502,567
\$2,000,000 under \$5,000,000	47,898	174,890,544	152,676,291	33,353,000
\$5,000,000 under \$10,000,000	11,096	84,402,670	73,959,306	20,640,592
\$10,000,000 or more	6,158	210,546,374	170,788,198	74,527,283

[1] Includes adjusted gross deficit.

**Table 2d. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>23,482,026</b>	<b>2,867,517,621</b>	<b>2,783,223,597</b>	<b>131,871,820</b>
Under \$5,000 [1]	1,659,000	377,961,088	385,192,172	-9,180,503
\$5,000 under \$10,000	935,836	39,627,734	43,034,967	-3,175,941
\$10,000 under \$15,000	1,064,931	60,158,896	63,293,900	-3,908,135
\$15,000 under \$20,000	1,113,438	45,360,075	49,623,525	-4,048,246
\$20,000 under \$25,000	961,029	37,097,780	38,948,910	-1,351,414
\$25,000 under \$30,000	970,098	33,953,586	35,236,961	-2,455,033
\$30,000 under \$40,000	1,925,619	64,514,837	69,027,923	-5,184,507
\$40,000 under \$50,000	1,806,610	86,620,107	90,645,933	-3,819,178
\$50,000 under \$75,000	4,104,286	220,410,843	223,203,926	-3,899,206
\$75,000 under \$100,000	2,956,277	161,200,289	161,754,376	-2,005,899
\$100,000 under \$200,000	4,108,441	444,257,349	434,278,159	10,480,028
\$200,000 under \$500,000	1,443,025	515,784,712	497,540,482	23,766,128
\$500,000 under \$1,000,000	275,579	194,008,381	177,699,008	18,559,667
\$1,000,000 under \$1,500,000	73,983	93,840,853	85,560,675	10,211,532
\$1,500,000 under \$2,000,000	25,606	51,114,950	49,104,137	3,626,552
\$2,000,000 under \$5,000,000	40,765	144,084,336	130,459,077	21,968,369
\$5,000,000 under \$10,000,000	11,940	76,160,411	65,431,130	15,769,473
\$10,000,000 or more	5,561	221,361,394	183,188,336	66,518,133

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2e. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>21,651,534</b>	<b>3,081,431,987</b>	<b>2,855,551,805</b>	<b>303,754,272</b>
Under \$5,000 [1]	1,503,741	250,492,435	251,003,945	1,960,640
\$5,000 under \$10,000	856,074	43,800,948	44,542,383	-1,516,937
\$10,000 under \$15,000	954,271	62,397,208	60,307,695	-246,613
\$15,000 under \$20,000	1,043,472	30,885,307	31,309,951	-925,297
\$20,000 under \$25,000	887,089	137,421,588	135,856,813	147,195
\$25,000 under \$30,000	823,550	33,828,138	32,958,862	132,454
\$30,000 under \$40,000	1,680,672	108,345,797	102,884,722	3,675,172
\$40,000 under \$50,000	1,750,747	94,514,966	90,795,667	1,350,893
\$50,000 under \$75,000	3,540,633	211,800,252	206,575,632	3,416,949
\$75,000 under \$100,000	2,765,043	175,026,557	166,626,425	7,133,988
\$100,000 under \$200,000	3,933,976	432,199,831	399,825,245	30,480,137
\$200,000 under \$500,000	1,427,732	444,111,998	405,588,677	48,441,235
\$500,000 under \$1,000,000	305,266	211,913,870	187,139,820	33,720,334
\$1,000,000 under \$1,500,000	83,360	175,555,929	151,912,333	29,434,538
\$1,500,000 under \$2,000,000	34,445	67,774,013	59,454,758	15,905,405
\$2,000,000 under \$5,000,000	44,553	229,385,251	208,046,940	35,225,109
\$5,000,000 under \$10,000,000	11,082	84,634,916	75,333,761	20,412,770
\$10,000,000 or more	5,827	287,342,983	245,388,176	75,006,300

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3a. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total</b>	<b>56,278,618</b>	<b>1,629,577,463</b>	<b>1,500,094,730</b>	<b>151,384,735</b>	<b>37,527,247</b>	<b>967,825,949</b>	<b>1,072,494,816</b>	<b>-112,572,191</b>
Under 1 month	21,906,948	505,446,026	467,239,296	38,070,249	12,023,320	226,664,520	247,999,216	-21,372,251
1 month under 2 months	5,719,128	102,787,609	87,728,162	15,173,090	3,714,635	41,456,385	51,998,141	-10,487,791
2 months under 3 months	3,513,013	51,850,020	43,488,544	8,355,138	2,479,363	25,396,163	31,413,291	-6,016,821
3 months under 4 months	2,746,662	35,220,535	28,299,441	6,926,654	2,284,244	22,920,015	28,864,914	-5,945,641
4 months under 5 months	2,297,810	28,143,257	22,492,759	5,655,199	1,958,003	20,074,415	27,273,674	-7,162,427
5 months under 6 months	1,894,808	21,114,627	16,672,911	4,428,932	1,685,069	17,007,078	21,868,583	-4,869,711
6 months under 7 months	1,879,869	28,059,306	23,107,892	4,949,195	1,537,833	15,034,374	18,491,163	-3,458,571
7 months under 8 months	1,702,413	28,502,662	23,872,897	4,589,877	1,442,807	17,004,672	20,961,053	-3,958,451
8 months under 9 months	1,409,492	18,443,227	14,721,904	3,719,478	1,288,366	10,048,776	13,066,837	-3,015,061
9 months under 10 months	1,289,889	15,255,265	12,233,111	3,083,332	1,148,776	11,145,670	13,849,719	-2,704,251
10 months under 11 months	1,235,907	12,851,906	9,919,787	2,930,056	1,152,997	10,307,096	13,097,959	-2,795,491
11 months under 12 months	1,180,179	16,729,027	14,027,544	2,716,522	1,025,803	10,062,785	12,941,684	-2,876,231
1 year or more [2]	482,854	19,704,636	18,251,353	1,486,466	411,659	60,861,281	63,095,832	-2,236,231
Holding period not determinable	9,019,646	745,469,360	718,039,129	49,300,547	5,374,372	479,842,719	507,572,750	-35,673,221
<b>Long-term transactions</b>								
<b>Total</b>	<b>63,670,827</b>	<b>877,350,118</b>	<b>493,062,665</b>	<b>557,307,623</b>	<b>21,559,818</b>	<b>217,506,932</b>	<b>279,897,116</b>	<b>-70,984,681</b>
Under 18 months [3]	6,417,221	84,419,936	58,451,149	25,914,863	4,976,970	45,824,812	57,671,576	-12,351,941
18 months under 2 years	3,697,462	59,723,191	40,252,039	19,169,464	2,894,863	23,593,423	31,440,808	-7,847,601
2 years under 3 years	5,355,010	80,266,130	49,955,276	29,590,698	3,056,182	25,334,902	34,513,281	-9,187,291
3 years under 4 years	3,485,701	57,330,373	32,460,642	23,744,318	1,545,443	14,752,326	18,889,120	-4,160,521
4 years under 5 years	2,430,487	47,709,734	29,032,297	18,115,942	927,442	9,922,707	12,724,187	-2,803,421
5 years under 10 years	5,879,245	123,364,112	72,218,381	47,128,418	2,333,829	26,963,368	33,400,418	-6,457,851
10 years under 15 years	1,900,903	59,947,494	29,618,198	29,027,549	473,819	6,142,672	8,689,621	-2,548,161
15 years under 20 years	1,007,142	34,887,073	12,838,414	18,688,312	137,431	2,533,339	3,918,837	-1,385,741
20 years or more	1,173,384	63,464,111	20,168,402	36,755,158	90,141	2,056,591	2,992,725	-973,641
Holding period not determinable	32,324,272	266,237,964	148,067,867	309,172,901	5,123,698	60,382,792	75,656,543	-23,268,461

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3b. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>69,850,903</b>	<b>2,079,439,849</b>	<b>1,899,956,226</b>	<b>202,469,549</b>	<b>62,993,854</b>	<b>1,664,538,861</b>	<b>1,889,910,846</b>	<b>-258,494,873</b>
Under 1 month	31,370,437	676,708,224	630,154,953	47,050,029	19,423,094	324,579,466	363,861,314	-39,389,630
1 month under 2 months	7,352,207	107,612,686	89,007,498	18,683,738	7,008,365	69,962,765	92,783,187	-22,846,596
2 months under 3 months	4,093,111	66,021,206	52,578,128	13,469,412	4,765,023	40,970,554	59,264,168	-18,302,285
3 months under 4 months	3,504,995	46,943,430	37,189,526	9,750,499	3,882,058	33,445,641	46,586,057	-13,145,142
4 months under 5 months	2,530,039	32,733,045	25,496,970	7,164,695	3,340,487	23,569,981	34,118,588	-10,617,324
5 months under 6 months	2,162,544	35,905,317	29,478,427	6,643,989	2,909,891	20,228,340	30,487,093	-10,417,272
6 months under 7 months	2,269,747	29,637,129	23,462,649	6,187,072	2,740,790	30,370,623	39,807,589	-9,483,543
7 months under 8 months	1,918,321	22,025,608	16,665,536	5,355,879	2,669,534	20,568,218	30,168,818	-9,612,104
8 months under 9 months	1,632,360	19,975,897	14,740,930	5,213,553	2,438,453	17,638,287	27,958,104	-10,323,715
9 months under 10 months	1,598,427	18,973,601	13,242,120	5,738,851	2,488,667	17,785,681	29,525,888	-11,750,313
10 months under 11 months	1,432,590	16,805,056	12,138,628	4,698,641	1,998,464	15,303,080	24,418,333	-9,119,428
11 months under 12 months	1,349,293	124,821,523	120,194,747	4,668,990	1,842,378	27,755,508	35,459,717	-7,708,377
1 year or more [2]	595,998	30,627,524	27,610,665	3,028,559	676,135	112,791,782	117,002,049	-4,124,008
Holding period not determinable	8,040,834	850,649,603	807,995,449	64,815,642	6,810,515	909,568,935	958,469,941	-81,655,136
<b>Long-term transactions</b>								
<b>Total:</b>	<b>68,923,730</b>	<b>1,076,524,102</b>	<b>563,802,165</b>	<b>727,353,134</b>	<b>27,852,075</b>	<b>267,721,782</b>	<b>356,268,851</b>	<b>-97,245,752</b>
Under 18 months [3]	7,930,157	122,280,550	74,478,403	47,720,590	6,776,656	53,937,980	78,157,807	-25,039,539
18 months under 2 years	4,484,188	71,332,200	40,105,966	31,105,544	4,067,098	31,561,332	43,259,697	-11,728,903
2 years under 3 years	6,059,734	98,391,675	57,496,468	38,909,069	4,405,593	36,936,125	48,328,965	-11,332,012
3 years under 4 years	3,632,996	64,694,325	32,750,511	31,387,028	1,975,167	17,305,495	23,309,188	-6,004,999
4 years under 5 years	2,791,138	55,881,539	28,126,479	25,601,912	1,133,359	10,428,555	13,430,575	-2,981,991
5 years under 10 years	5,454,144	130,763,786	71,095,019	56,105,439	2,007,014	23,073,284	29,775,086	-6,698,457
10 years under 15 years	2,109,410	85,010,362	43,052,573	37,039,076	539,449	7,315,589	9,978,926	-2,666,624
15 years under 20 years	1,119,796	40,627,995	14,761,689	23,509,849	195,383	2,725,714	3,891,023	-1,165,316
20 years or more	1,478,967	59,490,458	15,881,222	40,633,506	146,711	1,468,799	1,920,331	-451,712
Holding period not determinable	33,863,200	348,051,212	186,053,835	395,341,121	6,605,645	82,968,909	104,217,253	-29,176,199

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3c. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>43,152,387</b>	<b>915,852,620</b>	<b>850,019,654</b>	<b>81,084,594</b>	<b>51,328,949</b>	<b>767,592,726</b>	<b>907,320,496</b>	<b>-159,536,9</b>
Under 1 month	18,476,739	297,155,060	278,485,164	18,698,062	12,919,772	189,560,049	206,738,203	-17,245,4
1 month under 2 months	4,590,631	61,849,210	55,765,965	6,097,553	4,745,921	35,930,055	45,308,614	-9,384,1
2 months under 3 months	2,612,542	32,265,255	27,592,738	4,641,782	3,554,186	23,226,663	30,024,799	-6,804,4
3 months under 4 months	2,165,541	37,504,237	34,375,819	3,101,070	3,636,544	23,185,806	30,710,066	-7,518,8
4 months under 5 months	1,792,506	18,721,388	16,463,994	2,310,638	3,121,174	17,358,446	25,059,254	-7,678,5
5 months under 6 months	1,465,354	15,531,270	13,636,504	1,898,698	2,865,170	15,057,849	22,258,179	-7,197,9
6 months under 7 months	1,312,307	20,204,933	18,188,334	1,766,812	2,649,606	15,011,117	22,119,736	-7,111,2
7 months under 8 months	1,222,592	14,213,627	12,499,641	1,742,518	2,309,438	15,052,713	21,802,376	-6,756,0
8 months under 9 months	1,158,427	12,695,279	10,962,277	1,745,277	2,180,810	11,577,931	17,991,782	-6,415,2
9 months under 10 months	1,023,152	11,925,272	10,307,141	1,611,283	2,087,452	10,667,177	17,413,618	-6,746,9
10 months under 11 months	1,046,955	16,735,677	15,018,626	1,715,287	2,186,858	12,093,794	20,475,927	-8,377,6
11 months under 12 months	922,117	14,397,976	12,640,892	1,768,656	2,206,576	16,116,414	25,858,187	-9,744,9
1 year or more [2]	582,172	18,657,621	17,203,689	1,450,293	845,858	42,850,921	47,461,764	-4,582,8
Holding period not determinable	4,781,352	343,995,815	326,878,870	32,536,665	6,019,584	339,903,791	374,097,991	-53,972,5
<b>Long-term transactions</b>								
<b>Total:</b>	<b>54,225,957</b>	<b>865,002,522</b>	<b>536,383,275</b>	<b>435,403,208</b>	<b>36,452,014</b>	<b>286,271,041</b>	<b>422,090,347</b>	<b>-160,408,5</b>
Under 18 months [3]	5,836,186	89,878,643	71,032,617	19,140,114	9,973,547	51,423,383	88,368,559	-37,734,7
18 months under 2 years	3,760,218	57,434,475	44,486,884	12,728,710	5,805,780	28,887,122	50,894,422	-22,017,6
2 years under 3 years	5,241,272	85,232,472	63,353,298	19,809,048	5,315,109	42,768,047	59,926,656	-17,206,8
3 years under 4 years	3,030,914	55,964,120	40,329,740	14,814,168	2,380,165	19,052,950	25,740,426	-6,753,9
4 years under 5 years	2,369,374	44,457,819	30,776,132	12,915,946	1,210,026	11,086,989	14,614,260	-3,575,3
5 years under 10 years	5,898,646	125,513,230	76,171,356	43,044,704	2,219,340	21,663,619	28,088,947	-6,468,1
10 years under 15 years	1,748,578	62,545,192	36,235,719	22,877,160	427,595	5,114,164	6,737,204	-1,629,4
15 years under 20 years	873,114	37,842,687	11,187,078	24,134,172	162,569	1,326,393	2,212,197	-885,8
20 years or more	1,257,832	52,662,592	15,689,781	34,373,053	166,692	2,884,040	4,934,638	-2,054,9
Holding period not determinable	24,209,823	253,471,292	147,120,670	231,566,133	8,791,191	102,064,334	140,573,038	-62,081,4

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3d. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>39,698,802</b>	<b>842,979,025</b>	<b>795,912,701</b>	<b>57,080,927</b>	<b>48,672,140</b>	<b>864,198,223</b>	<b>947,509,087</b>	<b>-95,531,779</b>
Under 1 month	16,241,454	341,714,178	329,724,229	12,019,998	12,263,659	204,436,158	216,212,602	-11,800,847
1 month under 2 months	4,196,086	60,970,200	56,623,371	4,351,457	4,747,547	38,849,752	44,500,415	-5,652,606
2 months under 3 months	2,363,845	25,965,809	23,672,435	2,327,252	3,342,525	22,943,931	27,327,837	-4,385,788
3 months under 4 months	2,085,203	33,216,695	31,068,325	2,148,034	3,297,837	18,152,349	23,308,683	-5,209,083
4 months under 5 months	1,764,060	19,797,407	17,982,746	1,833,718	2,824,017	15,442,236	19,943,611	-4,506,676
5 months under 6 months	1,460,059	15,411,235	13,734,529	1,643,915	2,640,662	16,609,060	20,906,750	-4,295,242
6 months under 7 months	1,225,688	14,619,155	13,303,974	1,339,876	2,624,317	14,669,681	19,383,871	-4,715,509
7 months under 8 months	1,103,115	10,898,460	9,804,266	1,195,245	2,332,236	13,462,051	18,126,911	-4,665,350
8 months under 9 months	1,176,777	11,928,761	10,255,619	1,670,251	2,051,724	9,295,149	12,813,457	-3,545,299
9 months under 10 months	954,580	9,628,886	8,550,101	1,069,855	2,051,205	10,700,837	14,049,835	-3,349,419
10 months under 11 months	820,176	9,260,387	8,249,993	1,002,519	1,983,483	10,245,557	13,749,304	-3,504,564
11 months under 12 months	826,798	12,253,173	11,176,848	1,008,644	1,597,224	8,576,065	11,863,497	-3,287,502
1 year or more [2]	430,285	6,817,290	5,854,258	981,352	689,985	13,992,249	16,608,704	-2,517,303
Holding period not determinable	5,050,676	270,497,389	255,912,007	24,488,811	6,225,719	466,823,148	488,713,610	-34,096,591
<b>Long-term transactions</b>								
<b>Total</b>	<b>46,678,522</b>	<b>842,212,042</b>	<b>538,526,947</b>	<b>374,902,166</b>	<b>47,714,297</b>	<b>318,128,330</b>	<b>501,274,861</b>	<b>-204,579,497</b>
Under 18 months [3]	4,455,193	68,577,345	56,158,006	13,165,025	9,197,628	48,399,747	72,598,636	-24,383,502
18 months under 2 years	2,803,565	53,074,127	42,066,832	10,260,873	6,752,665	29,413,240	52,678,742	-23,282,945
2 years under 3 years	4,597,112	86,435,693	69,032,949	15,825,555	9,235,236	40,098,376	77,995,720	-37,908,515
3 years under 4 years	2,830,120	51,403,893	39,192,418	10,558,335	4,281,603	24,008,950	39,336,325	-15,334,211
4 years under 5 years	2,166,033	44,320,415	30,998,975	12,009,166	2,353,607	15,507,401	24,292,457	-8,785,893
5 years under 10 years	6,045,747	139,941,554	91,840,066	43,359,216	3,483,142	27,543,751	37,937,567	-10,419,111
10 years under 15 years	1,999,451	61,540,140	34,872,206	23,231,985	542,936	7,560,852	9,836,009	-2,280,266
15 years under 20 years	969,920	42,863,931	14,427,381	22,184,365	209,811	1,930,956	3,391,491	-1,460,534
20 years or more	1,390,508	67,544,039	18,908,194	43,406,243	280,549	1,794,370	3,098,866	-1,363,351
Holding period not determinable	19,420,873	226,510,905	141,029,920	180,901,403	11,377,120	121,870,687	180,109,048	-79,361,169

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3e. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
<b>Short-term transactions</b>								
<b>Total:</b>	<b>52,527,265</b>	<b>1,150,821,580</b>	<b>1,088,411,962</b>	<b>79,498,791</b>	<b>31,550,040</b>	<b>703,990,005</b>	<b>740,583,596</b>	<b>-41,928,777</b>
Under 1 month	17,597,373	374,393,459	358,657,381	15,858,712	10,122,724	228,151,271	236,537,295	-8,346,724
1 month under 2 months	5,042,972	59,682,900	54,346,715	5,364,863	3,149,892	31,475,295	35,612,615	-4,142,691
2 months under 3 months	3,587,349	40,463,658	36,821,356	3,608,283	2,097,672	16,566,564	18,814,941	-2,247,184
3 months under 4 months	3,275,035	34,059,708	30,485,789	3,376,773	1,719,570	13,853,680	15,751,790	-1,891,644
4 months under 5 months	2,700,040	25,150,826	22,392,495	2,760,649	1,386,650	12,885,736	14,309,464	-1,423,601
5 months under 6 months	2,537,303	24,364,554	22,073,086	2,289,436	1,280,987	9,738,691	10,827,770	-1,093,081
6 months under 7 months	2,446,000	23,960,536	21,674,650	2,283,874	1,175,699	14,902,458	16,178,063	-1,277,351
7 months under 8 months	1,910,642	21,739,924	18,372,366	2,484,789	1,025,333	7,541,260	8,677,867	-1,133,061
8 months under 9 months	1,837,261	12,130,791	10,380,846	1,756,057	1,182,734	11,299,399	12,457,570	-1,158,371
9 months under 10 months	1,643,529	15,384,797	13,600,587	1,817,613	997,193	5,186,318	6,305,659	-1,119,681
10 months under 11 months	1,579,709	18,151,057	15,540,793	2,575,514	1,216,223	5,604,982	6,836,077	-1,231,261
11 months under 12 months	1,438,310	14,066,704	12,562,744	1,545,978	1,275,190	6,850,159	8,245,095	-1,394,931
1 year or more [2]	570,973	11,409,178	10,073,238	1,347,741	493,280	20,520,944	21,735,025	-1,188,741
Holding period not determinable	6,360,769	475,863,488	461,429,916	32,428,509	4,426,893	319,413,248	328,294,365	-14,280,421
<b>Long-term transactions</b>								
<b>Total</b>	<b>48,257,663</b>	<b>947,659,232</b>	<b>629,385,366</b>	<b>402,976,826</b>	<b>41,078,136</b>	<b>278,961,173</b>	<b>397,170,885</b>	<b>-136,792,571</b>
Under 18 months [3]	6,633,293	101,175,155	82,524,687	17,904,872	7,094,865	37,980,081	47,301,725	-9,490,441
18 months under 2 years	3,741,630	58,474,488	47,760,397	10,437,723	5,039,141	25,695,618	33,463,426	-7,773,641
2 years under 3 years	4,454,012	93,209,002	74,474,838	15,314,236	7,027,645	36,689,032	55,059,597	-18,479,141
3 years under 4 years	3,185,949	65,824,992	49,594,422	15,854,868	4,872,930	22,404,782	41,836,421	-19,441,821
4 years under 5 years	2,018,460	44,430,880	30,711,434	10,923,211	2,473,695	15,198,548	22,284,747	-7,120,921
5 years under 10 years	6,057,110	172,809,214	113,071,536	49,778,841	3,476,711	24,993,951	34,979,955	-10,025,931
10 years under 15 years	2,084,451	78,652,642	43,939,262	30,558,375	608,872	7,026,976	10,492,809	-3,576,881
15 years under 20 years	848,967	40,588,233	15,929,370	21,425,723	227,959	2,120,601	3,045,656	-926,591
20 years or more	1,129,434	63,613,243	18,447,892	37,806,661	157,057	1,587,282	2,337,490	-810,241
Holding period not determinable	18,104,357	228,881,383	152,931,528	192,972,316	10,099,261	105,264,302	146,369,059	-59,146,931

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 4a. Distribution of Number of Returns and Amount for Returns with Net Gains or Losses Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	Number of returns with no net gains or losses all years		Returns with net gains or losses for 1 year		Returns with net gains or losses for 2 years		Returns with net gains or losses for 3 years		Returns with net gains or losses for 4 years		Returns with net gains or losses for 5 years		
	(1)	(2)	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
<b>Total</b>	<b>381,617,614</b>	<b>53,666,982</b>	<b>70,785,420</b>	<b>33,038,050</b>	<b>73,530,503</b>	<b>29,238,608</b>	<b>114,588,432</b>	<b>28,594,898</b>	<b>174,945,726</b>	<b>60,735,719</b>	<b>1,502,108,244</b>		
Under \$5,000 [1]	27,092,081	2,307,185	2,037,071	2,146,688	3,886,633	2,275,692	3,223,242	1,644,163	2,812,828	2,760,694	21,401,697		
\$5,000 under \$10,000	53,641,043	3,666,930	1,764,809	1,888,835	1,448,163	1,524,985	1,410,874	1,365,582	1,145,075	2,184,138	2,923,989		
\$10,000 under \$15,000	57,610,228	4,217,261	2,778,244	2,414,436	2,159,316	1,852,426	2,289,281	1,489,280	1,286,158	2,667,581	4,836,397		
\$15,000 under \$20,000	48,666,954	4,410,528	2,653,172	2,127,960	1,745,935	1,477,407	1,433,576	1,521,880	1,988,748	2,690,590	6,364,851		
\$20,000 under \$25,000	39,941,184	4,401,893	4,515,999	2,235,550	2,206,653	1,793,616	1,752,943	1,411,889	2,430,534	2,698,279	7,456,319		
\$25,000 under \$30,000	31,225,005	4,427,316	3,901,602	2,191,015	2,511,977	1,901,794	2,755,309	1,547,902	3,037,737	2,684,563	9,923,732		
\$30,000 under \$40,000	44,823,451	6,964,000	6,761,694	4,123,598	5,883,319	3,238,084	5,353,384	3,152,257	8,375,420	5,304,509	16,703,123		
\$40,000 under \$50,000	29,873,392	6,202,568	7,789,520	3,770,490	5,192,028	3,042,694	5,758,069	3,086,764	10,131,482	5,063,175	20,089,842		
\$50,000 under \$75,000	34,390,328	10,371,457	12,788,712	6,511,987	11,234,275	5,768,893	13,051,971	5,706,710	20,036,148	11,368,154	59,303,131		
\$75,000 under \$100,000	9,593,598	3,895,691	8,698,525	2,790,267	5,463,598	3,048,276	10,535,491	3,165,671	16,797,472	7,071,431	61,756,980		
\$100,000 under \$200,000	4,389,508	2,424,241	9,132,600	2,451,113	11,498,860	2,656,962	19,675,496	3,466,995	27,290,309	10,164,799	158,587,148		
\$200,000 under \$500,000	336,843	348,476	2,684,088	315,265	6,104,552	577,625	27,083,943	861,473	32,051,947	4,494,544	230,643,417		
\$500,000 under \$1,000,000	30,779	22,784	1,002,512	40,922	3,326,208	60,559	3,688,543	120,135	19,626,727	986,345	171,268,775		
\$1,000,000 under \$1,500,000	2,345	3,222	621,015	13,243	6,858,946	7,797	2,367,492	23,945	5,095,632	255,622	88,284,489		
\$1,500,000 under \$2,000,000	474	1,609	107,844	13,228	1,656,640	2,766	1,158,789	16,183	3,735,607	108,119	58,584,655		
\$2,000,000 under \$5,000,000	345	723	313,417	3,025	775,687	7,839	1,774,763	9,026	6,186,098	182,773	204,746,104		
\$5,000,000 under \$10,000,000	37	1,037	2,497,704	365	151,342	877	951,451	1,392	3,109,740	40,525	123,751,178		
\$10,000,000 or more	20	61	737,092	64	1,426,373	296	10,323,814	651	9,808,066	19,880	255,482,417		

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 4b. Distribution of Number of Returns and Amount for Returns with Net Gains Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	(1) Number of returns with no net gains realized all years		(2) Returns with net gains realized for 1 year		(3) Returns with net gains realized for 1 year		(4) Returns with net gains realized for 2 years		(5) Returns with net gains realized for 2 years		(6) Returns with net gains realized for 3 years		(7) Returns with net gains realized for 3 years		(8) Returns with net gains realized for 4 years		(9) Returns with net gains realized for 4 years		(10) Returns with net gains realized for 5 years		(11) Returns with net gains realized for 5 years	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
<b>Total</b>	<b>412,560,970</b>	<b>183,423,223</b>	<b>65,232,932</b>	<b>183,423,223</b>	<b>46,400,570</b>	<b>385,149,595</b>	<b>32,470,954</b>	<b>412,477,647</b>	<b>17,782,566</b>	<b>399,449,225</b>	<b>12,443,879</b>	<b>586,953,766</b>										
Under \$5,000 [1]	28,701,335	3,640,170	2,983,380	3,640,170	3,085,649	6,905,170	2,072,390	7,828,730	833,965	8,598,664	549,784	8,806,303										
\$5,000 under \$10,000	55,394,515	1,795,701	3,910,817	1,795,701	2,395,195	2,684,281	1,561,776	2,615,347	609,125	1,789,640	403,086	1,523,364										
\$10,000 under \$15,000	59,519,042	2,964,324	4,595,600	2,964,324	2,785,058	3,641,970	1,766,141	3,517,115	950,521	2,176,892	644,853	2,639,900										
\$15,000 under \$20,000	50,646,823	2,903,547	4,760,824	2,903,547	2,410,891	3,652,440	1,607,844	3,039,774	805,367	2,642,683	663,569	3,476,659										
\$20,000 under \$25,000	41,997,590	5,064,668	4,677,797	5,064,668	2,572,071	4,085,737	1,688,232	4,745,842	962,526	3,208,655	584,194	3,065,016										
\$25,000 under \$30,000	33,368,348	6,613,434	4,640,404	6,613,434	2,617,834	5,211,390	1,930,567	5,775,978	872,762	3,799,604	542,680	3,608,038										
\$30,000 under \$40,000	48,768,568	7,836,539	7,731,360	7,836,539	4,802,139	11,037,328	3,427,819	10,742,487	1,729,464	8,672,204	1,146,550	8,255,573										
\$40,000 under \$50,000	33,142,988	11,485,620	7,250,796	11,485,620	4,619,313	11,467,452	3,077,324	10,059,848	1,766,159	9,912,863	1,182,503	9,078,455										
\$50,000 under \$75,000	40,572,401	19,498,845	12,422,644	19,498,845	9,207,163	28,313,039	6,274,542	29,753,606	3,317,791	21,271,884	2,312,988	23,560,767										
\$75,000 under \$100,000	12,386,299	15,425,198	5,663,923	15,425,198	4,578,193	24,825,166	3,405,461	22,657,212	2,072,214	22,460,011	1,458,846	20,741,738										
\$100,000 under \$200,000	6,952,549	25,670,285	4,957,964	25,670,285	5,227,856	39,878,304	4,012,153	55,401,748	2,633,324	48,497,949	1,769,769	60,396,715										
\$200,000 under \$500,000	934,316	23,181,004	1,306,327	23,181,004	1,590,213	57,192,719	1,311,287	67,377,297	915,089	63,703,152	876,994	88,324,435										
\$500,000 under \$1,000,000	126,763	20,230,029	232,439	20,230,029	322,808	51,042,909	207,756	31,356,016	191,816	42,871,755	179,942	53,623,688										
\$1,000,000 under \$1,500,000	27,251	6,049,148	43,448	6,049,148	80,435	27,284,667	65,412	25,488,448	46,292	20,117,886	43,336	24,376,627										
\$1,500,000 under \$2,000,000	9,085	4,143,211	22,947	4,143,211	40,143	11,265,925	23,374	12,847,637	22,518	14,420,551	24,331	22,588,083										
\$2,000,000 under \$5,000,000	10,333	9,736,373	25,371	9,736,373	53,634	36,220,772	35,666	46,883,250	35,910	41,665,788	42,814	79,314,889										
\$5,000,000 under \$10,000,000	1,802	6,469,779	5,073	6,469,779	8,060	22,714,380	9,738	26,279,320	8,876	28,870,991	10,684	46,131,407										
\$10,000,000 or more	963	11,712,350	1,818	11,712,350	3,915	37,725,945	3,471	46,137,893	3,847	54,768,053	6,956	127,436,110										

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 4c. Distribution of Number of Returns and Amount for Returns with Losses Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	Number of returns with no net gains realized all years		Returns with net losses realized for 1 year		Returns with net losses realized for 2 years		Returns with net losses realized for 3 years		Returns with net losses realized for 4 years		Returns with net losses realized for 5 years	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
												Number
<b>Total</b>	<b>475,354,817</b>	<b>45,930,003</b>	<b>389,312,576</b>	<b>28,647,119</b>	<b>313,543,230</b>	<b>20,252,123</b>	<b>287,558,079</b>	<b>10,799,159</b>	<b>61,774,508</b>	<b>5,908,650</b>	<b>-15,591,248</b>	
Under \$5,000 [1]	32,863,402	1,986,987	7,891,119	1,315,311	4,018,077	1,085,501	2,217,491	519,497	579,764	485,807	-1,264,362	
\$5,000 under \$10,000	59,114,743	2,186,403	1,239,189	1,450,564	787,331	899,258	167,055	326,919	-278,945	296,626	-778,784	
\$10,000 under \$15,000	64,481,912	2,670,527	1,986,349	1,507,624	913,229	844,544	507,627	514,488	-497,646	232,119	-552,090	
\$15,000 under \$20,000	54,908,804	2,854,894	2,252,440	1,499,897	1,011,817	881,609	871,075	556,434	-342,565	193,691	-515,144	
\$20,000 under \$25,000	46,492,117	2,909,799	3,090,721	1,429,634	2,219,567	908,142	754,632	472,009	-202,546	270,710	-685,054	
\$25,000 under \$30,000	37,852,670	2,780,084	3,361,289	1,666,674	3,076,783	907,661	1,636,505	452,014	538,118	318,492	-843,701	
\$30,000 under \$40,000	55,823,851	5,346,957	6,546,490	3,093,319	5,866,031	1,762,997	2,253,676	929,151	-680,822	649,628	-1,763,170	
\$40,000 under \$50,000	40,210,122	4,936,709	7,856,232	2,801,166	5,840,718	1,596,800	5,084,934	964,858	-283,232	529,429	-1,376,483	
\$50,000 under \$75,000	52,123,310	9,400,304	22,328,792	5,500,277	18,732,563	4,010,229	10,893,875	1,975,570	1,234,893	1,097,839	-2,923,752	
\$75,000 under \$100,000	17,517,328	4,722,723	21,831,829	3,023,360	13,655,511	2,491,017	15,172,376	1,273,854	3,252,674	536,633	-1,411,917	
\$100,000 under \$200,000	11,346,879	4,551,392	46,378,571	3,868,080	39,157,139	3,125,833	25,220,357	1,815,159	9,160,546	846,272	-2,269,966	
\$200,000 under \$500,000	2,130,914	1,275,166	64,238,626	1,158,729	47,770,418	1,258,654	47,453,968	757,846	11,000,372	352,917	-941,215	
\$500,000 under \$1,000,000	307,156	213,633	44,467,204	198,000	26,134,852	314,151	53,834,827	164,734	10,040,645	63,850	-170,397	
\$1,000,000 under \$1,500,000	69,362	46,397	19,057,956	65,353	24,873,682	70,036	19,537,763	37,754	4,179,999	17,272	-48,152	
\$1,500,000 under \$2,000,000	42,205	23,700	15,371,154	21,421	11,619,054	37,445	10,630,888	10,352	2,130,311	7,276	-20,113	
\$2,000,000 under \$5,000,000	49,579	41,601	42,789,798	35,124	43,975,492	46,468	34,293,902	23,138	9,019,931	7,820	-20,695	
\$5,000,000 under \$10,000,000	13,028	8,806	28,351,125	9,303	24,987,127	7,941	22,313,811	3,741	3,681,123	1,412	-3,843	
\$10,000,000 or more	7,436	3,921	50,471,692	3,275	38,903,839	3,836	34,713,318	1,642	9,241,918	859	-2,410	

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 5a. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>179,036,504</b>	<b>3,692,260,458</b>	<b>3,345,549,329</b>	<b>525,135,483</b>
Corporate stock	102,768,793	2,038,969,949	1,815,854,215	224,438,833
U.S. Government obligations	1,661,647	136,905,104	136,676,681	17,443
State and local government obligations	2,980,945	114,293,571	114,475,074	-175,052
Other bonds, notes, and debentures	852,341	31,126,824	30,885,344	251,093
Put and call options	6,203,471	41,561,030	40,538,987	1,189,119
Futures contracts	332,496	6,991,249	8,728,099	-1,695,952
Mutual funds, except tax-exempt bond funds	26,728,492	495,326,399	480,076,650	15,316,879
Tax-exempt bond mutual funds	4,885,932	64,156,065	65,391,107	-1,248,039
Partnership, S corporation, and estate or trust interests	1,523,705	50,808,957	33,700,723	17,832,301
Livestock	825,981	2,903,702	1,097,194	1,398,095
Timber	98,622	2,454,789	649,700	1,713,105
Involuntary conversions	74,990	301,438	11,373	58,568
Residential rental property	1,619,598	112,506,150	79,640,017	24,820,154
Depreciable business personal property	1,314,253	8,853,932	5,699,227	1,213,814
Depreciable business real property	713,197	49,269,177	34,304,699	13,862,743
Farmland	118,533	11,035,200	5,179,127	2,887,856
Other land	1,070,696	40,584,545	26,023,533	12,973,849
Residences	296,953	37,285,813	31,428,680	3,542,186
Other assets	2,864,540	392,248,875	384,503,626	7,461,794
Unidentifiable	632,747	54,677,688	50,685,274	5,006,526
Passthrough gains or losses	4,520,381	N/A	N/A	132,546,389
Capital gain distributions	16,948,193	N/A	N/A	61,723,778

N/A—Passthrough gain or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 5b. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>236,874,553</b>	<b>5,231,772,567</b>	<b>4,847,795,479</b>	<b>582,445,853</b>
Corporate stock	155,530,257	3,296,603,089	3,049,647,705	239,021,813
U.S. Government obligations	1,464,053	129,631,605	129,524,054	184,897
State and local government obligations	2,876,321	113,418,570	114,018,445	-765,990
Other bonds, notes, and debentures	789,745	25,503,174	25,790,440	-281,578
Put and call options	7,563,383	65,498,076	62,657,672	2,824,561
Futures contracts	424,080	9,978,072	7,743,129	2,233,224
Mutual funds, except tax-exempt bond funds	30,235,548	370,800,174	360,935,930	9,788,242
Tax-exempt bond mutual funds	3,064,274	55,517,909	57,274,747	-1,763,283
Partnership, S corporation, and estate or trust interests	1,272,789	228,274,641	212,037,270	16,786,665
Livestock	835,326	4,477,178	1,241,920	2,481,511
Timber	139,616	3,867,121	964,012	2,904,784
Involuntary conversions	146,205	103,823	-104,041	-100,608
Residential rental property	1,609,588	121,090,403	89,216,479	23,915,984
Depreciable business personal property	1,391,287	13,413,775	8,932,031	2,110,295
Depreciable business real property	774,230	59,712,721	39,619,143	15,906,070
Farmland	126,424	9,537,941	6,189,049	3,017,474
Other land	957,513	40,845,505	22,032,453	17,351,415
Residences	319,250	49,211,301	40,615,868	5,046,505
Other assets	3,785,165	326,269,639	312,574,310	12,480,104
Unidentifiable	704,366	308,017,852	306,884,864	881,670
Passthrough gains or losses	4,741,515	N/A	N/A	144,202,612
Capital gain distributions	18,123,615	N/A	N/A	84,219,484

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5c. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>197,379,297</b>	<b>3,016,425,527</b>	<b>2,896,539,270</b>	<b>205,947,701</b>
Corporate stock	126,775,316	1,544,798,671	1,509,233,759	34,078,164
U.S. Government obligations	1,828,344	169,895,071	168,026,685	1,551,902
State and local government obligations	3,047,184	125,645,493	124,663,821	916,277
Other bonds, notes, and debentures	1,189,235	30,383,107	30,802,076	-487,090
Put and call options	4,426,018	39,902,661	38,758,107	1,206,621
Futures contracts	230,961	5,502,890	3,817,330	1,705,984
Mutual funds, except tax-exempt bond funds	28,392,661	283,764,350	313,435,821	-29,630,647
Tax-exempt bond mutual funds	2,518,731	50,646,538	50,732,142	-349,163
Partnership, S corporation, and estate or trust interests	1,163,180	83,957,288	73,600,497	10,911,117
Livestock	827,687	3,903,511	1,219,549	2,144,994
Timber	96,569	2,402,174	897,648	1,504,110
Involuntary conversions	171,714	203,479	-79,691	-105,920
Residential rental property	1,471,594	119,041,492	84,218,352	28,667,879
Depreciable business personal property	1,211,013	10,044,078	6,985,469	1,018,427
Depreciable business real property	773,351	59,111,786	40,479,500	18,686,477
Farmland	122,925	6,109,100	3,834,950	2,146,587
Other land	851,984	35,775,068	20,340,271	14,206,287
Residences	399,103	79,642,028	63,588,751	7,715,888
Other assets	3,962,118	257,853,924	256,718,346	957,310
Unidentifiable	595,456	107,842,816	105,265,886	4,100,138
Passthrough gains or losses	4,599,620	N/A	N/A	90,585,641
Capital gain distributions	12,724,530	N/A	N/A	14,416,716

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5d. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>193,597,750</b>	<b>2,990,876,736</b>	<b>2,908,395,593</b>	<b>127,071,094</b>
Corporate stock	124,306,341	1,447,095,542	1,460,100,055	-13,928,182
U.S. Government obligations	1,663,497	150,132,961	149,351,693	590,599
State and local government obligations	3,594,153	146,698,985	145,869,727	767,241
Other bonds, notes, and debentures	1,146,952	62,402,286	63,543,567	-1,162,139
Put and call options	3,884,315	17,539,120	17,286,049	528,137
Futures contracts	249,911	9,010,387	5,824,958	3,238,918
Mutual funds, except tax-exempt bond funds	31,108,335	282,008,662	324,977,480	-43,044,441
Tax-exempt bond mutual funds	2,626,645	44,421,399	44,265,464	119,905
Partnership, S corporation, and estate or trust interests	1,353,993	56,745,261	42,856,646	14,302,558
Livestock	719,089	3,509,518	1,741,988	1,286,228
Timber	109,873	2,600,535	814,512	1,785,806
Involuntary conversions	223,239	349,867	185,080	65,621
Residential rental property	1,676,647	162,404,122	115,550,775	34,516,051
Depreciable business personal property	1,496,595	11,487,204	8,939,526	772,141
Depreciable business real property	742,149	66,768,703	42,601,976	19,655,648
Farmland	139,456	7,690,987	4,490,263	3,421,982
Other land	953,623	45,245,580	28,772,669	15,774,287
Residences	386,454	76,660,848	57,363,299	8,878,573
Other assets	3,823,000	349,043,425	345,132,810	3,560,692
Unidentifiable	726,051	48,516,881	48,727,058	-785,837
Passthrough gains or losses	4,770,154	N/A	N/A	71,350,611
Capital gain distributions	7,897,276	N/A	N/A	5,376,692

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5e. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>186,689,092</b>	<b>3,206,959,002</b>	<b>2,975,950,410</b>	<b>310,491,092</b>
Corporate stock	119,233,623	1,518,730,831	1,438,856,940	79,901,422
U.S. Government obligations	2,416,064	161,865,429	161,407,686	431,111
State and local government obligations	4,655,345	179,894,247	178,253,168	1,560,015
Other bonds, notes, and debentures	1,784,029	116,234,014	115,226,204	962,594
Put and call options	3,679,916	22,961,577	21,754,506	1,431,041
Futures contracts	364,319	4,983,237	4,215,742	802,915
Mutual funds, except tax-exempt bond funds	26,192,496	272,789,674	292,278,479	-19,557,307
Tax-exempt bond mutual funds	3,178,613	61,430,191	61,361,246	61,853
Partnership, S corporation, and estate or trust interests	1,772,544	54,063,144	39,529,762	14,499,089
Livestock	783,985	3,738,580	1,337,384	1,663,153
Timber	103,681	1,653,225	616,537	1,035,789
Involuntary conversions	247,348	331,844	-64,868	91,924
Residential rental property	1,693,443	179,329,730	128,945,687	35,426,243
Depreciable business personal property	1,755,172	13,599,126	9,017,684	1,761,241
Depreciable business real property	658,295	60,469,766	34,879,270	23,913,007
Farmland	117,868	5,791,886	3,754,707	1,850,467
Other land	957,930	61,324,098	33,015,854	24,973,536
Residences	447,454	107,323,582	82,217,290	13,641,545
Other assets	3,060,027	217,224,155	210,163,899	4,824,792
Unidentifiable	905,188	163,220,668	159,183,230	4,095,517
Passthrough gains or losses	5,080,213	N/A	N/A	112,172,300
Capital gain distributions	7,601,540	N/A	N/A	4,948,849

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# SOI Sampling Methodology and Data Limitations

**T**his article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

## Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

## Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

## SOI Sampling Methodology and Data Limitations

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

the tabulated estimates, the weighted data are summed to produce the published statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample

design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

## SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

### Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (\*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

# Public Release of SOI Information

## Goals for Public Release of SOI Information

Statistics of Income program and year	End of tax year	Close of filing period—		Close of sampling period	Tentative release date for final data
		Regular	With extensions of time		
	(1)	(2)	(3)	(4)	(5)
<b>Individual income tax returns:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Nonfarm sole proprietorships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Partnerships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	July 2009
2008	December 2008	April 2009	October 2009	December 2009	July 2010
<b>Corporations [1]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	February 2009
2007	June 2008	September 2008	March 2009	June 2009	February 2010
<b>Corporation foreign tax credit [2]:</b>					
2005	June 2006	September 2006	March 2007	June 2007	October 2008
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Controlled foreign corporations [2]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Tax-exempt organizations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Private foundations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Tax-exempt organization unrelated business income [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	October 2009
2007	November 2008	April 2009	October 2009	December 2009	October 2010
<b>Estate tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Split-interest trusts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Gift tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Nonresident alien estate tax returns:</b>					
2007	[4]	[4]	[4]	December 2008	June 2009
2009	[4]	[4]	[4]	December 2009	June 2010
<b>Fiduciary extracts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Tax-exempt bonds:</b>					
2007	[6]	[6]	[6]	December 2008	May 2009
2008	[6]	[6]	[6]	December 2009	May 2010

[1] Corporation statistics for 2005 represent accounting periods ended July 2005 through June 2006. Study Year 2006 is similarly defined.

[2] Data for 2005 represent accounting periods ending July 2005 through June 2006. Data for Study Year 2006 are similarly defined.

[3] Data for 2006 represent tax years ending between December 2006 and November 2007. Study Year 2007 is similarly defined.

[4] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

[6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty studies are conducted biennially, for tax years ending in odd numbers.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

<b>Projects*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Americans Living Abroad:</b> 2006 Program	Scott Hollenbeck Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
<b>Controlled Foreign Corporations:</b> 2006 Program	Jason Wenrich	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
<b>Controlled Foreign Partnerships:</b> 2008 Program	Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
<b>Corporation Foreign Tax Credit:</b> 2006 Program 2007 Program	Scott Luttrell Lissa Costa	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
<b>Corporation Income Tax Returns:</b> 2007 Program 2008 Program	Bill Rush Heather Parisi Bill Rush	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Entity Classification Election:</b>	John Comisky	This annual study provides data from all Entity Classification Elections, including the type of election and whether the entity is foreign or domestic.
<b>Estate Tax:</b> 2004-2006 Program 2007-2009 Program	Brian Raub Joseph Newcomb	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2007.
<b>Excise Taxes:</b>	Ruth Schwartz	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by fiscal year for 1998-2005 and quarterly for more recent years.

## SOI Projects and Contacts

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Projects*	Primary Analysts	Frequency and Program Content
<b>Farm Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Kevin Pierce Mary Jezek	This study provides farm income and expenses classified by industry and gross farm income reported by individuals on Schedule F, <i>Profit or Loss from Farming</i> .
<b>Foreign-Controlled Domestic Corporations:</b> 2006 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
<b>Foreign Recipients of U.S. Income:</b> 2006 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Trusts:</b> 2006 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2002.
<b>Gift Tax:</b> 2007 Program 2008 Program 2009 Program	Darien Jacobson Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. Most recent data are for Filing Year 2007.
<b>Individual Income Tax Return Public-Use File:</b>	Mike Weber	Microdata on CD-ROMs are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
<b>Individual Income Tax Returns:</b> 2007 Program 2008 Program 2009 Program	Maureen Keenan Kahr Scott Hollenbeck	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
<b>Individual Income Tax Returns Special Tabulations:</b>	Mike Parisi	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISCs):</b> 2006 Program 2008 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 4 years. The most recent study is for Tax Year 2004.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov**

Projects*	Primary Analysts	Frequency and Program Content
<b>International Boycott Reports:</b> 2006 Program 2007 Program	Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
<b>Migration Flow and County Income Data:</b>	Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2006-2007.
<b>Noncash Charitable Contributions:</b>	Janette Wilson	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .
<b>Occupation Studies:</b>	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
<b>Partnership Returns of Income:</b>	Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 2006 Program	Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 2004 Program 2007 Program	Brian Raub Joseph Newcomb	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.
<b>S Corporations:</b> 2007 Program 2008 Program	Eurry Kim	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
<b>Sales of Capital Assets:</b>	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
<b>Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Jeff Curry	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, <i>Profit or Loss From Business</i> , for nonfarm proprietors, classified by industry group.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Split-Interest Trust Information:</b> 2007 Program 2008 Program 2009 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2007.
<b>Tax-Exempt Bond Issues:</b> 2006 Program 2007 Program 2008 Program	Emily Shammass	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Tax Year 2007 public purpose bonds and private activity bonds.
<b>Tax-Exempt Organizations (Except Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Paul Arnsberger	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, (Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Cynthia Belmonte	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, Unrelated Business Income:</b> 2005 Program 2006 Program 2007 Program	Melissa Ludlum Jael Jackson	This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2005 returns filed in Calendar Years 2006-2007.
<b>Transactions of Foreign-Controlled Corporations:</b>	Mark Lowe	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
<b>ZIP Code Area Data:</b>	Mary Jezek	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004-2006 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: <a href="http://www.irs.gov/taxstats/article/0,,id=96947,00.html">http://www.irs.gov/taxstats/article/0,,id=96947,00.html</a> .

\* Many of the data release dates are published in each issue of the *SOI Bulletin* (see "Public Release of SOI Information"). For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

# SOI Products and Services

**S**tatistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

**Statistical Information Services** (sis@irs.gov)  
Statistics of Income Division  
Internal Revenue Service  
P.O. Box 2608 • Washington, DC 20013-2608  
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

## Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, more than 9,300 files reside there.

**Web site:** [www.irs.gov/taxstats](http://www.irs.gov/taxstats)

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: [www.fedstats.gov](http://www.fedstats.gov).

### Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

### Business Tax Statistics

Corporations • International • Partnerships  
Nonfarm Sole Proprietorships  
S Corporations • All Topics

### Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File  
Private Foundations • Trusts  
Tax-Exempt Bonds • All Topics

### Individual Tax Statistics

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Tax • International Personal  
Wealth • All Topics

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## Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

## SOI Products and Services

### Corporation Income Tax Returns

#### Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2006 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2006 *Source Books* are also available at no charge from the Tax Stats Web site at: [www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html](http://www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html).

### Individual Income Tax Returns

#### Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

#### County-to-County Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1984-2007. Price is \$200 per year for the entire United States or \$10 per State per year. All years for the entire United States are also available for \$500.

#### State-to-State Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by State for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross

income." Available for Filing Years 1989-2007. Price is \$50 per year for the entire United States or \$10 per State per year.

#### County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2006 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year.

#### ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2006 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to [www.irs.gov](http://www.irs.gov), select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

### Tax-Exempt Organizations

#### Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-ex-

empt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

### **Microdata Records for Tax Year 2006**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,736 Internal Revenue Code section 501(c)(3) organizations and 7,180 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

### **Microdata Records for Tax Years 1992-2005**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

## **Private Foundations (and Charitable Trusts)**

### **Microdata Records for Tax Year 2006**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,523 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

### **Microdata Records for Tax Years 1992-2005**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Mi-

crodata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

## **Publications**

### **Statistics of Income—2006, Corporation Source Book**

*Publication 1053, Price: \$175, plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2006, is also for sale at \$175 per year, plus \$10 for shipping and handling.

### **Compendium of Federal Estate Tax and Personal Wealth Studies**

*Publication 1773, Price: \$26, plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

## SOI Products and Services

### Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

#### Superintendent of Documents

P.O. Box 371954  
Pittsburgh, PA 15250-7954

\* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

#### Statistics of Income—2006, Corporation Income Tax Returns

*Publication 16, Stock No. 048-004-02515-9*  
*Single copy price: \$44 International: \$61.60*

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2006 through June 2007. Data are classified by industry, size of total assets, and size of business receipts

In addition, the 2006 report is available on SOI's Tax Stats Web site.

#### IRS Data Book, 2008

*Annually, Publication 55B, Stock No. 048-004-02501-9*  
*Price: \$13.50 International: \$18.90*

This volume pertains to Fiscal Year (FY) 2008—October 1, 2007, through September 30, 2008. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2009 issue of the Data Book will be available in late March 2010.

#### Statistics of Income Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00099-4*  
*Subscription price: \$67 International: \$93.80*  
*Single copy price: \$44 International: \$61.60*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.

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# SOI Bulletin

Statistics of Income

# 2009

## FALL

*Volume 29, Number 2*

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# SOI BULLETIN

*A Quarterly Statistics of Income Report*

**Volume 29 , Number 2**

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in February, May, August, and November, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers, and tax administrators. Selected historical and other data tables, previously published in every issue of the *SOI Bulletin*, now are published only in the spring issue of the *Bulletin*. These tables are also available on SOI's pages of the IRS Web site ([www.irs.gov/taxstats](http://www.irs.gov/taxstats)).

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI's Statistical Information Services (202-874-0410), or by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

The *SOI Bulletin* is prepared under the direction of Martha Eller Gangi, Chief, Communications and Data Dissemination Section. Paul Bastuscheck (layout and graphics), James Dalton (writer-editor), Clay Moulton (layout and graphics), Lisa Smith (layout and graphics editor), Camille Swick (layout and graphics), Bobbie Vaira (publishing services coordinator), and Dorothy Wallace (layout and graphics) are the editorial staff who prepare the manuscript. Jim Hobbs and Emily Gross also made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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## Inside this Issue

### Individual Income Tax Returns, 2007

by Justin Bryan

Taxpayers filed 143.0 million individual income tax returns for Tax Year (TY) 2007, an increase of 3.3 percent from the 138.4 million returns filed for TY 2006. The adjusted gross income (AGI) less deficit reported on these returns totaled \$8.7 trillion, an 8.2-percent increase from the previous year. Several income items increased appreciably during 2007, including taxable interest, ordinary dividends, taxable IRA distributions, and net capital gains (less loss), which increased 20.4 percent, 18.9 percent, 18.6 percent, and 16.4 percent, respectively.

Several items decreased between 2006 and 2007, including total rental and royalty net income (less loss), partnership and S corporation net income (less loss), and business or professional net income (less loss), which decreased 11.9 percent, 2.5 percent, and 0.6 percent, respectively. Taxable unemployment rose for the first time since 2003, increasing 10.9 percent to \$29.4 billion. Taxable income also increased 8.7 percent from 2006, to \$6.1 trillion.

Statutory income tax rates remained constant for the fourth straight year, following 3 consecutive years of reductions. Total income tax rose 9.0 percent to \$1.1 trillion. This was the fourth consecutive year that total income tax increased. For 2007, itemized deductions increased by 8.4 percent to \$1,333.0 billion. Interest paid, the largest itemized deduction, increased 11.5 percent to \$524.8 billion. Taxes paid, the second largest itemized deduction, increased 7.6 percent to \$465.9 billion.

Casualty and theft losses decreased to \$2.3 billion in 2007 from \$5.1 billion in 2006. This was the second consecutive year that casualty and theft losses decreased after an historic increase in 2005. The \$15.0 billion in casualty and theft losses for 2005 were due in large part to special tax treatment for damage from Hurricanes Katrina, Wilma, and Rita.

### Partnership Returns, 2007

by Tim Wheeler and Nina Shumofsky

The number of partnerships increased 5.1 percent, from 2,947,116 for Tax Year 2006 to 3,096,334 for Tax Year 2007. The number of partners increased 10.7 percent, from 16,727,803 for 2006 to 18,515,694 for 2007. Total partnership net income

(loss) increased by 2.5 percent, from \$666.7 billion for 2006 to \$683.4 billion for 2007.

Partnerships classified in the finance and insurance sector accounted for a \$41.0-billion increase in total partnership net income (loss). Total net income (loss) for all partnerships increased only \$16.6 billion, due to losses in other sectors. Real estate, rental, and leasing had the largest losses, \$20.5 billion, followed by construction, \$15.1 billion.

Total receipts increased from \$5.1 trillion for 2006 to \$5.9 trillion for 2007. The finance and insurance sector alone reported 54.9 percent of the increase, followed by the manufacturing sector reporting 11.3 percent of the increase. Total assets for all partnerships increased from \$17.1 trillion for 2006 to \$20.4 trillion for 2007.

For the second time in history, partners classified as corporations surpassed partners classified as individuals as the top income (loss) recipients. Partners classified as corporations received \$433.7 billion of the total income (loss) allocated. Partners classified as individuals received only \$374.8 billion.

For the first time, corporate limited partners received the largest portion of income (loss) allocated to partners, receiving \$317.3 billion. The next largest group, also for the first time, was partnership limited partners, which received \$298.8 billion. For the last 4 years, individual limited partners had been the largest recipient, but, for 2007, this group only received \$290.4 billion.

### Partnerships and Sole Proprietorships, by State, for Tax Year 2007

by Linda Morey

California, Florida, New York and Texas, with a combined 32.5 percent of the nation's population, together filed 31.9 percent of all partnership returns for Tax Year 2007. While Texas and New York together account for 14.4 percent of the nation's population, the two states—Texas with gross receipts of \$783.8 billion and New York with gross receipts of \$700.1 billion—accounted for 35.4 percent of partnership gross receipts in the United States. California, Florida, New York, and Texas also accounted for 34.9 percent of all sole proprietorship returns. They had both the highest gross receipts and the highest net profits, with a combined share of 36.7 percent and 38.7 percent, respectively.

**Tax-Exempt Bonds, 2007**

*by Emily Shammass*

More than 25,000 tax-exempt governmental bonds were issued in Calendar Year 2007, raising \$379.3 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$316.3 billion of long-term governmental bonds issued, \$200.1 billion were used to finance new projects. The remaining \$116.1 billion refunded prior governmental bond issues.

More than 4,300 tax-exempt private activity bonds were also issued in 2007, for a total \$137.4 billion. These tax-exempt private activity bond proceeds financed qualified private facilities such as residential rental facilities, single family housing, and airports, as well as Internal Revenue Code section 501(c)(3) organizations like hospitals and private universities. Of the \$136.6 billion in long-term private activity bonds issued, \$86.6 billion were used to finance new projects. The remaining \$50.0 billion in proceeds refunded prior tax-exempt private activity bond issues.

**Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006**

*by Mark R. Lowe*

The total value of nonloan transactions between large foreign-owned domestic corporations and related foreign parties totaled \$1.86 trillion, a 64-percent increase since the previous high of \$1.134 trillion in 2004. The total amounts received, excluding loan balances, rose 75.9 percent between 2004 and 2006, from \$439 billion to \$772 billion. A similar rise occurred in the total amounts paid. The average amounts received and paid are at their highest since 1988, when data were first collected. Interest received more than tripled between 2004 and 2006, from \$6.17 billion to \$22.9 billion.

There was a 21.8-percent increase in the number of large foreign parent corporations between 2004 and 2006, rising from 774 to 943. The number of related persons increased from 16,565 to 19,191. For 2006, the 943 large foreign-owned domestic corporations that filed Forms 5472 comprised only 1.39 percent of all 25-percent-or-more foreign-owned domestic corporations but accounted for 80.4 percent of the total assets and 79.2 percent of the total receipts.

These large corporations accounted for 10.98 percent of the total assets and 11.4 percent of the total receipts reported by all domestic corporations for 2006.

**Foreign Trusts, 2006**

*by Daniel S. Holik*

The Statistics of Income (SOI) Division's study of 2006 foreign trust information returns, Forms 3520 and 3520-A, is consistent with substantial and increasing interest in foreign investment by U.S. taxpayers. Between tax years 1990 and 2006, the number of Form 3520 returns reporting foreign trust transactions and certain foreign gifts increased from 133 to 7,956, while the number of Form 3520-A foreign grantor trust returns increased from 291 to 3,819.

The total value of property transferred, as reported on Form 3520, increased from \$273 million for 1990 to \$1,642 million for 2006. During the same period, net income reported by foreign grantor trusts increased from \$3 million to \$1,941 million, while total assets in these trusts increased from \$154 million to \$31,888 million. U.S. persons also reported \$2,878 million in distributions from foreign non-grantor trusts and \$2,891 million in foreign gifts and bequests for 2006.

**Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006**

*by Paul Arnsberger*

For 2006, nonprofit charitable organizations tax-exempt under section 501(c)(3), excluding private foundations, reported \$2.5 trillion in total assets and \$1.4 trillion in revenue. The number of returns filed by these organizations totaled 301,214, including both Forms 990 and the shorter 990-EZ.

Program service revenue, the fees received for charitable programs conducted by tax-exempt organizations, was \$920.2 billion for Tax Year 2006 and represents nearly two-thirds of the total revenue reported by charitable organizations. A second source of revenue—contributions, gifts, and grants—which totaled \$303.1 billion, accounted for more than half of the total revenue of organizations with asset holdings of less than \$1.0 million dollars, but for a much smaller share of the total revenue of larger organizations.

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Business leagues and other organizations exempt under IRC section 501(c)(6) filed 30,705 information returns, on which they reported \$60.2 billion in assets and \$37.9 billion in revenue. Eighty-three percent of the returns filed by 501(c)(6) organizations came from business leagues, chambers of commerce, and professional associations. Insurance-related organizations, while few in number, accounted for more than 25 percent of the assets reported for Tax Year 2006.

### Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

by Cynthia Belmonte

There was a 3-percent increase in the number of private foundations that filed Form 990-PF annually between Tax Years 2004 and 2006. Nonoperating private foundations, which provide grants to other charitable organizations, accounted for the majority of Form 990-PF filers and their financial activity. The newly organized Bill and Melinda Gates Foundation Trust was the largest foundation, based on asset size, while the Bill and Melinda Gates Foundation remained the biggest grantmaker, based on contributions, gifts, and grants disbursed, for Tax Year 2006.

In real terms, between Tax Years 2005 and 2006, investment assets increased by 15 percent for private foundations and only 2 percent for nonexempt charitable trusts. In current dollars, investment assets totaled \$515.8 billion for private foundations and \$5.7 billion for nonexempt charitable trusts in Tax Year 2005, and \$609.7 billion for private foundations and \$6.0 billion for nonexempt charitable trusts in Tax Year 2006. The aggregate amount of net investment income received increased by 22 percent for private foundations and 19 percent for nonexempt charitable trusts between 2005 and 2006. The excise tax on this income, imposed under IRC section 4940, was \$796 million for private foundations and \$7 million for nonexempt charitable trusts.

Net investment income yields and rates of total return for private foundations suggest that foundations received higher rates of realized income from investment assets for both Tax Years 2005 and 2006, but experienced a significant decline in unrealized investment growth for Tax Year 2005 and an increase for 2006. Both net investment income yields and rates of total return were highest for large private foundations.

### A Look at Estate Tax Returns Filed for Wealthy Decedents Since 2001

by Brian G. Raub

Between 2001 and 2007, the total number of estate tax returns filed fell significantly, due primarily to increases in the estate tax exemption enacted as part of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001. However, the number of returns filed for wealthy decedents, those with at least \$3.5 million in gross estate, increased between the two years, from almost 9,500 to just over 14,200. The exemption amount for deaths in 2001 was \$675,000, while the amount was \$2.0 million for deaths in 2007. Estates of wealthy decedents experienced significant fluctuations in the composition of asset portfolios between 2001 and 2007, based in large part on the performance of the equity and real estate markets. During this period, the percentage of wealthy decedents who left charitable bequests declined slightly, but the proportion of gross estate bequeathed to charity by those who left charitable bequests did not decline significantly. Philanthropic organizations, including private foundations, remained the largest beneficiary of charitable bequests made by wealthy decedents throughout this period.

### In the Next Issue

The following articles are tentatively planned for inclusion in the winter 2010 issue of the *Statistics of Income Bulletin*, scheduled to be published in February 2010:

- Individual income tax rates and tax shares, Tax Year 2007;
- Split-interest trusts, Filing Year 2008;
- Projections of tax return filings;
- Interest-charge domestic sales corporations (IC-DISC) data, Tax Year 2006;
- Unrelated business income tax returns, Tax Year 2006;
- Sales of capital assets cross-section data, Tax Year 2007; and
- Foreign recipients of U.S. income, Tax Year 2006.

# Individual Income Tax Returns, 2007

by Justin Bryan

**T**axpayers filed 143.0 million individual income tax returns for Tax Year (TY) 2007, an increase of 3.3 percent from the 138.4 million returns filed for TY 2006. The adjusted gross income (AGI) less deficit reported on these returns totaled \$8.7 trillion, an 8.2-percent increase from the previous year.

Several income items increased appreciably during 2007, including taxable interest, ordinary dividends, taxable IRA distributions, and net capital gains (less loss), which increased 20.4 percent, 18.9 percent, 18.6 percent, and 16.4 percent, respectively. Several items decreased during 2007, including total rental and royalty net income (less loss), partnership and S corporation net income (less loss), and business or professional net income (less loss), which decreased 11.9 percent, 2.5 percent, and 0.6 percent, respectively.

Taxable unemployment compensation rose for the first time since 2003, increasing 10.9 percent to \$29.4 billion. Taxable income increased 8.7 percent from 2006, to \$6.1 trillion.

Statutory income tax rates remained constant for 2007 (although the tax brackets were widened due to inflation indexing) for the fourth straight year, following 3 consecutive years of being lowered. Total income tax rose 9.0 percent to \$1.1 trillion. This was the fourth year in a row that total income tax increased.

For the fifth straight year, the alternative minimum tax (AMT) showed a substantial increase in amount, increasing \$2.5 billion (11.8 percent) to \$24.1 billion. The number of returns with AMT liability increased to 4.1 million (3.6 percent) from 4.0 million in 2006. This marks the fifth time in the previous 6 years that the number of returns with AMT liability has increased.

For 2007, itemized deductions increased by 8.4 percent to \$1,333.0 billion. Interest paid, the largest itemized deduction, increased 11.5 percent to \$524.8 billion. Taxes paid, the second largest itemized deduction, increased 7.6 percent to \$465.9 billion. Casualty and theft losses fell to \$2.3 billion from \$5.1 billion in 2006. This was the second year in a row that casualty and theft losses decreased after their

historic increase in 2005. The \$15.0 billion in casualty and theft losses for 2005 were due in large part to damage from Hurricanes Katrina, Wilma, and Rita that occurred in August, September, and October of 2005 and the more liberal, special tax treatment for that damage.

## Adjusted Gross Income and Selected Sources of Income

As shown in Figure A, adjusted gross income (AGI) increased 8.2 percent to \$8.7 trillion for 2007. As shown in Figure B, the largest component of AGI, salaries and wages, increased 6.8 percent from almost \$5.5 trillion to over \$5.8 trillion. With larger percentage increases in other components of AGI, the share of salaries and wages in AGI decreased to 67.2 percent for 2007, down from 68.1 percent for 2006.

The largest nonwage component of AGI was net capital gains (less loss). With \$907.7 billion of net capital gains (less loss) reported for 2007, 16.4 percent more than for 2006 (Figure B), this marked the fifth year in a row of double-digit percentage growth in capital gains since falling from TY 2000 to TY 2002. One component of net capital gains, capital gain distributions (reported on either Schedule D with other sales of capital assets or alone on the 1040 or 1040A) rose 45.4 percent to \$86.4 billion.

Several other components of AGI also increased for 2007, including taxable interest, ordinary dividends, and taxable Social Security benefits, which increased by 20.4 percent, 18.9 percent, and 15.8 percent, respectively. In general, all retirement income items increased appreciably for 2007. The taxable portions of Individual Retirement Account (IRA) distributions and pensions and annuities rose by 18.6 percent and 8.9 percent, respectively.

Business income mostly declined in 2007, with business or professional net income (less loss) decreasing slightly by \$1.8 billion or 0.6 percent; total rental and royalty net income (less loss) fell by almost \$2.8 billion, or 11.9 percent; and partnership and S corporation net income (less loss) fell by \$414.7 billion or 2.5 percent. The latter represented the fourth largest item in AGI after wages, capital gains, and taxable pensions and annuities.

Taxable unemployment compensation income increased for the first time since 2003 to \$29.4 billion from \$26.5 billion (10.9 percent) in 2006. Table 1 shows detailed information for the components of AGI.

*Justin Bryan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

# Individual Income Tax Returns, 2007

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**Figure A**

## Adjusted Gross Income, Taxable Income, and Total Income Tax, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change in amount
	Number of returns	Amount	Number of returns	Amount	
	(5)	(2)	(3)	(4)	
<b>Adjusted gross income (less deficit)</b>	<b>138,395</b>	<b>8,030,843</b>	<b>142,979</b>	<b>8,687,719</b>	<b>8.2</b>
Exemptions [1]	275,257	891,912	282,613	943,171	5.7
Taxable income	106,667	5,579,145	110,533	6,063,264	8.7
Total income tax	92,741	1,023,920	96,270	1,115,602	9.0
Alternative minimum tax	3,967	21,565	4,109	24,110	11.8

[1] The number of returns columns represent the number of exemptions.

### Losses

Total negative income includes net negative income line items from individual income tax returns.<sup>1</sup> Total negative income, i.e., net loss, included in AGI increased 13.6 percent to \$390.0 billion for 2007 (Figure C). The increases in business or professional net loss, farm net loss, total rental and royalty net loss, partnership and S corporation net loss, and net operating loss, combined, accounted for the majority of the \$46.8-billion increase in net loss for 2007.<sup>2</sup>

The largest dollar increase in net loss from 2006 to 2007 was \$29.9 billion for partnership and S corporations. These losses represented 34.0 percent of all losses in AGI. For 2007, partnership and S corporation net losses also represented the largest percentage increase in losses at 29.1 percent.

Estate and trust net losses had the second largest percentage increase at 29.0 percent. However, they accounted for only 0.6 percent of total net losses. Net capital loss (12.0 percent) and other net loss (27.8 percent) were the only two items to decrease.<sup>3</sup> With respect to net capital losses, decreases in this item for 2003 through 2007 followed a period of increases from 1997 through 2002.

### Statutory Adjustments

Statutory adjustments, which are subtracted from total income in the computation of AGI, increased

8.1 percent to \$123.0 billion for 2007 (Figure D).

All of the statutory adjustments increased for 2007, except the penalty on early withdrawal of savings category and the moving expenses adjustment, which decreased 18.0 percent and 8.1 percent, respectively. The largest increase in statutory adjustments was the domestic production activities deduction, which increased 105.3 percent to \$6.8 billion. This was mostly due to a change in law that increased the amount of qualified income a taxpayer could deduct, from 3 percent in 2006 to 6 percent in 2007.

The largest statutory adjustment was the self-employment tax deduction, representing 20.1 percent of the total. This adjustment increased 3.5 percent to \$24.8 billion for 2007. Payments to self-employed retirement (Keogh) plans increased 1.1 percent to \$22.3 billion, while the self-employed health insurance deduction increased 4.8 percent to \$21.3 billion. These were the second and third largest statutory adjustments for 2007.

### Deductions

The total standard deduction claimed on 2007 individual income tax returns, i.e., the basic standard deduction plus the additional standard deduction for age or blindness, increased 7.7 percent to \$654.2 billion (Figure E). Total deductions—the sum of the

<sup>1</sup> For purposes of this article, total negative income is a sum of all income items on individual income tax returns (Forms 1040, 1040A, 1040EZ, and electronically filed returns) for which a net loss for an income category was reported by the taxpayer. In particular, the Form 1040 income tax return entry for Schedule E, Supplemental Income and Loss (from rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.), was separated into the following components: rent and royalty net income or loss, partnership and S corporation net income or loss, and estate and trust net income or loss. When any one of these components was negative on a return, the corresponding loss (rather than the netted total amount from Schedule E) was included in the statistics for total net loss. For example, if a return showed estate and trust net income of \$20,000 and rent and royalty net loss of \$12,000, total net loss would include the \$12,000 of rent and royalty net loss.

<sup>2</sup> Net operating loss is a carryover of the loss from a business when taxable income for a prior year was less than zero. A loss could be applied to the AGI for the current year and carried forward for up to 15 years. Net operating loss is included in other income (loss) on individual income tax returns but edited separately for Statistics of Income purposes.

<sup>3</sup> No more than \$3,000 per return of net capital loss is allowed. For married persons filing separate returns, this loss is limited to \$1,500. Any excess is carried forward to future years.

# Individual Income Tax Returns, 2007

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**Figure B**

## Total and Selected Sources of Adjusted Gross Income, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Change in amount	Percentage change in amount
	Number of returns	Amount	Number of returns	Amount		
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income (less deficit) [1]</b>	<b>138,395</b>	<b>8,030,843</b>	<b>142,979</b>	<b>8,687,719</b>	<b>656,876</b>	<b>8.2</b>
Salaries and wages	116,379	5,469,370	120,845	5,842,270	372,900	6.8
Taxable interest	62,401	222,707	64,505	268,058	45,351	20.4
Ordinary dividends	31,620	199,359	32,006	237,052	37,693	18.9
Qualified dividends	26,584	137,196	27,145	155,872	18,676	13.6
Business or profession net income (less loss)	21,656	281,527	22,629	279,736	-1,791	-0.6
Net capital gain (less loss)	26,668	779,462	27,156	907,656	128,194	16.4
Capital gain distributions [2]	14,511	59,417	15,714	86,397	26,980	45.4
Sales of property other than capital assets, net gain (less loss)	1,779	4,202	1,751	4,357	155	3.7
Sales of property other than capital assets, net gain	895	14,021	893	15,113	1,092	7.8
Taxable Social Security benefits	13,749	144,404	15,012	167,187	22,783	15.8
Total rental and royalty net income (less loss) [3]	9,988	23,427	10,334	20,639	-2,788	-11.9
Partnership and S corporation net income (less loss)	7,619	425,477	7,945	414,705	-10,772	-2.5
Estate and trust net income (less loss)	596	17,183	591	18,107	923	5.4
Farm net income (less loss)	1,958	-15,331	1,978	-14,693	638	4.2
Farm net income	552	7,684	556	9,931	2,247	29.2
Unemployment compensation	7,378	26,524	7,622	29,415	2,891	10.9
Taxable pensions and annuities	24,098	450,454	25,181	490,581	40,127	8.9
Taxable Individual Retirement Account distributions	9,965	124,706	10,683	147,959	23,254	18.6
Other net income (less loss) [4]	N/A	29,938	N/A	36,140	6,202	20.7
Gambling earnings	1,871	27,902	2,009	30,139	2,237	8.0

N/A—Not available.

[1] Sources of adjusted gross income shown are not comprehensive and, therefore, do not add to total adjusted gross income.

[2] Includes both Schedule D and non-Schedule D capital gain distributions.

[3] Includes farm rental net income (less loss).

[4] Other net income (less loss) represents data reported on Form 1040, line 21, except net operating losses, foreign-earned income exclusions, and gambling earnings (shown separately in this figure). See footnote 2 of Table 1.

total standard deduction and total itemized deduction (after limitation)—increased by 8.2 percent to \$2.0 trillion. The number of returns claiming a standard deduction increased 4.5 percent for 2007, accounting for 63.3 percent of all returns filed. The average standard deduction rose by \$212 from the 2006 average, to \$7,228.

Statistics for returns with itemized deductions are presented in Figure E and Table 3. Itemized deductions were claimed on 35.4 percent of all returns filed and represented 67.1 percent of the total deduction amount.<sup>4</sup> The average for total itemized deduction (after limitation) was \$26,374, up \$1,351 from the average for 2006.

Total itemized deductions (before limitation) increased for 2007 by 8.5 percent, and the number

of taxpayers itemizing increased by 2.9 percent from 2006 levels. Interest paid, the largest itemized deduction for 2007 (38.2 percent of the total), increased 11.5 percent to \$524.8 billion. The number of returns and the amount reported for the largest component of the interest paid deduction, home mortgage interest, increased by 2.4 percent and 10.9 percent, respectively, for 2007.

The total deduction for State and local income and sales taxes, combined, increased by 8.5 percent to \$287.9 billion for 2007. The general sales tax deduction portion of this was claimed by 11.9 million taxpayers, for a total of \$18.5 billion, down 2.1 percent from 2006. These were included in taxes paid, the second largest itemized deduction, which increased 7.6 percent to \$465.9 billion for 2007.

<sup>4</sup> Of the 142,978,806 total returns filed, 1.3 percent did not need to claim either a standard deduction or itemized deductions because no positive AGI was reported.

# Individual Income Tax Returns, 2007

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## Figure C

### Sources of Net Losses Included in Adjusted Gross Income, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total net losses</b>	<b>N/A</b>	<b>343,271</b>	<b>N/A</b>	<b>390,035</b>	<b>13.6</b>
Business or profession net loss	5,447	48,738	5,697	54,849	12.5
Net capital loss [1]	8,642	18,752	7,558	16,508	-12.0
Net loss, sales of property other than capital assets	884	9,819	858	10,756	9.5
Total rental and royalty net loss [2]	4,658	49,927	4,886	56,288	12.7
Partnership and S corporation net loss	2,597	102,747	2,799	132,696	29.1
Estate and trust net loss	45	1,942	47	2,505	29.0
Farm net loss	1,406	23,015	1,422	24,625	7.0
Net operating loss [3]	917	80,796	923	86,369	6.9
Other net loss [4]	347	7,535	228	5,438	-27.8

N/A—Not available.

[1] Includes only the portion of capital losses allowable in the calculation of adjusted gross income. Only \$3,000 of net capital loss per return (\$1,500 for married persons filing separately) are allowed to be included in negative total income. Any excess is carried forward to future years.

[2] Includes farm rental net loss.

[3] See footnote 2 of this article for a definition of net operating loss.

[4] Other net loss represents losses reported on Form 1040, line 21, except net operating loss (shown separately in this figure) and the foreign-earned income exclusion.

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

## Figure D

### Statutory Adjustments, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total statutory adjustments</b>	<b>33,981</b>	<b>113,845</b>	<b>36,050</b>	<b>123,020</b>	<b>8.1</b>
Payments to an Individual Retirement Account	3,231	12,534	3,300	12,877	2.7
Educator expenses deduction	3,167	806	3,654	926	14.9
Certain business expenses of reservists, performing artists, etc.	120	368	135	421	14.3
Moving expenses adjustment	1,083	3,159	1,119	2,903	-8.1
Student loan interest deduction	8,541	6,157	9,091	7,464	21.2
Tuition and fees deduction	4,016	9,621	4,543	10,579	10.0
Health savings account deduction	359	869	593	1,501	72.8
Self-employment tax deduction	17,075	23,925	17,840	24,760	3.5
Self-employed health insurance deduction	3,804	20,303	3,839	21,283	4.8
Payments to a self-employed retirement (Keogh) plan	1,228	22,012	1,191	22,262	1.1
Penalty on early withdrawal of savings	1,164	430	1,164	353	-18.0
Alimony paid	585	9,116	600	9,497	4.2
Domestic production activities deduction	421	3,303	479	6,780	105.3
Other adjustments [1]	N/A	1,245	N/A	1,415	13.7

N/A—Not available.

[1] Includes foreign housing adjustment, Medical Savings Accounts deduction, and other adjustments for 2006 and 2007.

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

**Figure E**

## Selected Itemized Deductions and the Standard Deduction, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change	
	Number of returns [1]	Amount	Number of returns [1]	Amount	Number of returns [1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total itemized deductions before limitation</b>	<b>49,124</b>	<b>1,264,390</b>	<b>50,544</b>	<b>1,372,138</b>	<b>2.9</b>	<b>8.5</b>
Medical and dental expenses after 7.5 percent AGI limitation	10,209	70,704	10,520	76,347	3.1	8.0
Taxes paid [2]	48,661	432,774	50,119	465,881	3.0	7.6
State and local income taxes	35,666	246,382	36,683	269,351	2.9	9.3
State and local general sales taxes	11,249	18,924	11,936	18,522	6.1	-2.1
Interest paid [3]	40,285	470,475	41,283	524,790	2.5	11.5
Home mortgage interest	39,831	443,152	40,777	491,432	2.4	10.9
Charitable contributions	41,438	186,647	41,119	193,604	-0.8	3.7
Other than cash contributions	24,748	52,631	23,854	58,747	-3.6	11.6
Casualty and theft losses	206	5,136	107	2,337	-47.9	-54.5
Miscellaneous deductions after 2 percent AGI limitation	12,314	76,666	12,734	85,218	3.4	11.2
Gambling losses and other unlimited miscellaneous deductions	1,606	21,988	1,692	23,961	5.4	9.0
Itemized deductions in excess of limitation	6,789	35,152	7,131	39,102	5.0	11.2
<b>Total itemized deductions after limitation</b>	<b>49,124</b>	<b>1,229,237</b>	<b>50,544</b>	<b>1,333,037</b>	<b>2.9</b>	<b>8.4</b>
<b>Total standard deduction</b>	<b>86,584</b>	<b>607,464</b>	<b>90,511</b>	<b>654,182</b>	<b>4.5</b>	<b>7.7</b>
<b>Total deductions (after itemized deduction limitation)</b>	<b>135,707</b>	<b>1,836,701</b>	<b>141,055</b>	<b>1,987,218</b>	<b>3.9</b>	<b>8.2</b>

[1] Returns with no adjusted gross income are excluded from the deduction counts. For this reason, the sum of the number of returns with total itemized deductions and the number of returns with total standard deduction is less than the total number of returns for all filers.

[2] Includes real estate taxes, personal property taxes, and other taxes not shown separately.

[3] Includes investment interest, deductible mortgage "points," and qualified mortgage interest premiums (2007 only) not shown separately.

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

The third largest itemized deduction, charitable contributions, increased 3.7 percent for 2007, to \$193.6 billion. Most of this increase was from other than cash contributions, which went up by 11.6 percent from 2006 to \$58.7 billion. Itemized deductions for medical and dental expenses in excess of 7.5 percent of AGI rose 8.0 percent to \$76.3 billion for 2007. Miscellaneous itemized deductions subject to a 2-percent of AGI floor, including unreimbursed employee business expenses and tax preparation fees, increased 11.2 percent to \$85.2 billion, while unlimited miscellaneous deductions (such as gambling losses) increased 9.0 percent to \$24.0 billion for 2007.

The casualty and theft loss deduction was the only other item to decrease besides the general sales tax deduction, dropping 54.5 percent to \$2.3 billion. This decrease comes 2 years after the historic

increase in the number and amount of casualty and theft loss deductions in 2005 of over 300 percent to \$15.0 billion. Those increases were largely attributable to the casualty losses from Hurricanes Katrina, Wilma, and Rita, as well as the more liberal deduction rules applicable to those losses.<sup>5,6</sup>

The AGI threshold for the limitation of itemized deductions increased to \$156,400 (\$78,200 if married filing separately) for 2007. Due to this limitation, over 7.1 million higher-income taxpayers were unable to deduct \$39.1 billion in itemized deductions, 11.2 percent more than for 2006.

### Taxable Income and Total Income Tax

Taxable income, which is the result of AGI less exemptions and deductions, rose 8.7 percent to \$6.1 trillion for 2007 (Figure A). With the large increase

<sup>5</sup> The National Weather Service, National Hurricane Center, Costliest U.S. Hurricanes 1900-2006 (unadjusted). Also, [http://www.nhc.noaa.gov/Deadliest\\_Costliest.shtml](http://www.nhc.noaa.gov/Deadliest_Costliest.shtml).

<sup>6</sup> Marcia, Sean and Justin Bryan, "Individual Income Tax Returns: 2005," *Statistics of Income Bulletin*, Fall 2007, Volume 27, Number 2, pp. 5-68.

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in taxable income and no reduction in tax rates (other than the indexing of tax brackets for the effects of inflation) for 2007, total income tax rose 9.0 percent to \$1.1 trillion. This was the fourth year in a row that total income tax increased. In each of the 3 years prior to 2004, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) had lowered tax rates each year.

For the sixth year in a row, the alternative minimum tax increased. For 2007, the AMT liability increased by \$2.5 billion, or 11.8 percent, to \$24.1 billion. The number of returns with AMT liability increased after decreasing slightly in 2006. The number of returns rose to 4.1 million (3.6 percent), from 4.0 million in 2006. This marks the fifth year in the previous 6 years that the number of returns has increased (with 2006 being the exception).

Average AGI reported on all 2007 individual income tax returns was \$60,762, and average taxable income was \$54,855.<sup>7</sup> These amounts represent increases of 4.7 percent and 4.9 percent, respectively, from the 2006 amounts of \$58,029 and \$52,304.

Figure F shows that the average tax rate for 2007 (i.e., total income tax divided by AGI reported on all returns, taxable and nontaxable) was 12.8 percent, an increase of 0.1 percentage point from 2006. Although the average tax rate went up 0.1 percentage point overall, every income-size class had the same or lower average tax rate for 2007.

The declines in the average tax rate ranged from 0.1 percentage point (each class from \$10,000 under \$100,000 and \$1,500,000 to \$2,000,000) to 0.4 percentage points (\$2,000,000 under \$5,000,000 and \$10,000,000 and over). The overall average rate increased despite this decline in each AGI class because individuals tended to move to higher income classes, which, in turn, faced higher tax rates. For example, for 2007, the number of returns reporting AGI of \$1 million or more increased by 10.8 percent from 2006.

For 2007, average tax rates increased for each income category as incomes went up to AGI of \$2 million or less. The average tax rate peaked at 24.1

percent for returns in the \$1 million to \$1.5 million and \$1.5 million under \$2 million AGI classes. For each class above this level, average tax rates declined, to a low of 19.7 percent for taxpayers with AGI of \$10 million or more.

The main reason for this decline was that individuals in each class above \$2 million or more tended to report long-term capital gains (in excess of short-term losses) and qualified dividends as higher percentages of their AGI than individuals in the lower AGI classes. For these taxpayers, this income was taxed at a 15-percent rate as opposed to up to a 35-percent rate for ordinary income. For example, while individuals reporting AGI of \$1.5 million under \$2.0 million averaged 29.0 percent of their incomes as capital gains and dividends, this share increased in each succeeding class, reaching 56.2 percent for those individuals reporting AGI of \$10 million or more.

## Tax Credits

For 2007, total tax credits (excluding the “refundable” portions of the child tax credit, minimum tax credit, and the earned income credit (EIC), and any EIC used to offset any other taxes) increased 8.2 percent to \$63.8 billion. Statistics for tax credits, including EIC, are shown in Tables 2 and 4 and summarized in Figures G and H.

Credits that showed an increase for 2007 included the foreign tax credit, the minimum tax credit, the retirement savings contribution credit, the residential energy credit, and EIC used to offset income tax before credits. The child tax credit decreased 0.6 percent to \$31.6 billion, but was still, by far, the largest credit, accounting for 49.5 percent of total tax credits reported for 2007. Although the child tax credit decreased, the additional child tax credit (shown in Table 2) increased \$0.5 billion, or 2.7 percent, to \$16.7 billion.<sup>8</sup>

The credits that showed the largest increase for 2007 were the foreign tax credit and EIC used to offset income tax before credits. These credits were claimed by 7.6 million and 3.4 million taxpayers for a total of \$15.4 billion and \$0.9 billion, increases of

<sup>7</sup> Average AGI is defined as the amount of AGI divided by the number of returns filed. Average taxable income is defined as the amount of taxable income divided by the number of returns with taxable income. Average total income tax is defined as the amount of total income tax divided by the number of taxable returns. Taxable returns are defined as returns with “total income tax” (the sum of income tax after credits and tax on Form 4970, Tax on Accumulation Distribution of Trusts, less EIC used to offset other taxes, less any refundable minimum tax credit, limited to zero) present.

<sup>8</sup> Bryan, Justin, “Individual Income Tax Returns: 2006,” *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2, pp. 5-69.

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**Figure F**

## Number of Returns, Adjusted Gross Income, Capital Gains and Dividends, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income		
		Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$20,000
	(1)	(2)	(3)	(4)
<b>Tax Year 2007:</b>				
Number of returns	142,979	1,908	24,045	22,976
Capital gains plus dividends subject to reduced rate	985,038	0	2,106	4,199
Adjusted gross income (less deficit)	8,687,719	-110,782	122,455	342,106
Total income tax	1,115,602	97	733	6,825
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	11.3	[2]	1.7	1.2
Tax as a percentage of adjusted gross income (less deficit)	12.8	[2]	0.6	2.0
<b>Tax Year 2006:</b>				
Number of returns	138,395	2,676	23,420	22,649
Capital gains plus dividends subject to reduced rate	860,962	0	1,862	3,853
Adjusted gross income (less deficit)	8,030,843	-91,197	118,997	337,396
Total income tax	1,023,920	181	743	7,132
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	10.7	[2]	1.6	1.1
Tax as a percentage of adjusted gross income (less deficit)	12.7	[2]	0.6	2.1
Change in percentage points, tax as a percentage of adjusted gross income (less deficit), 2007 over 2006	0.1	[3]	0.0	-0.1
Tax year, item	Size of adjusted gross income—continued			
	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000
	(5)	(6)	(7)	(8)
<b>Tax Year 2007:</b>				
Number of returns	18,969	25,892	31,195	13,458
Capital gains plus dividends subject to reduced rate	6,285	14,148	57,085	94,739
Adjusted gross income (less deficit)	470,883	1,012,384	2,210,446	1,793,040
Total income tax	17,599	61,368	190,715	228,688
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	1.3	1.4	2.6	5.3
Tax as a percentage of adjusted gross income (less deficit)	3.7	6.1	8.6	12.8
<b>Tax Year 2006:</b>				
Number of returns	18,662	24,839	29,995	12,088
Capital gains plus dividends subject to reduced rate	5,634	13,917	54,119	84,772
Adjusted gross income (less deficit)	463,115	970,954	2,119,228	1,606,323
Total income tax	17,898	59,803	184,463	209,381
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	1.2	1.4	2.6	5.3
Tax as a percentage of adjusted gross income (less deficit)	3.9	6.2	8.7	13.0
Change in percentage points, tax as a percentage of adjusted gross income (less deficit), 2007 over 2006	-0.1	-0.1	-0.1	-0.3

Footnotes at end of figure.

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## Figure F—Continued

### Number of Returns, Adjusted Gross Income, Capital Gains and Dividends, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2006 and 2007—Continued

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Size of adjusted gross income—continued			
	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$1,500,000	\$1,500,000 under \$2,000,000
	(9)	(10)	(11)	(12)
<b>Tax Year 2007:</b>				
Number of returns	3,492	651	166	71
Capital gains plus dividends subject to reduced rate	122,065	90,586	51,701	35,328
Adjusted gross income (less deficit)	1,004,659	441,439	200,786	121,768
Total income tax	196,381	103,163	48,354	29,351
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	12.1	20.5	25.7	29.0
Tax as a percentage of adjusted gross income (less deficit)	19.5	23.4	24.1	24.1
<b>Tax Year 2006:</b>				
Number of returns	3121.5	589.3	150.4	64.0
Capital gains plus dividends subject to reduced rate	114,329	82,477	47,700	32,583
Adjusted gross income (less deficit)	895,151	399,609	182,044	110,212
Total income tax	177,041	94,214	44,125	26,721
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	12.8	20.6	26.2	29.6
Tax as a percentage of adjusted gross income (less deficit)	19.8	23.6	24.2	24.2
Change in percentage points, tax as a percentage of adjusted gross income (less deficit), 2007 over 2006	-0.2	-0.2	-0.2	-0.1

Tax year, item	Size of adjusted gross income—continued		
	\$2,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(13)	(14)	(15)
<b>Tax Year 2007:</b>			
Number of returns	109	28	18
Capital gains plus dividends subject to reduced rate	109,727	81,187	315,881
Adjusted gross income (less deficit)	324,593	192,328	561,613
Total income tax	77,555	43,930	110,843
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	33.8	42.2	56.2
Tax as a percentage of adjusted gross income (less deficit)	23.9	22.8	19.7
<b>Tax Year 2006:</b>			
Number of returns	99	25	16
Capital gains plus dividends subject to reduced rate	97,902	71,279	250,536
Adjusted gross income (less deficit)	295,129	171,408	452,475
Total income tax	71,647	39,557	91,014
Capital gains plus dividends subject to reduced rate as a percentage of adjusted gross income (less deficit)	33.2	41.6	55.4
Tax as a percentage of adjusted gross income (less deficit)	24.3	23.1	20.1
Change in percentage points, tax as a percentage of adjusted gross income (less deficit), 2007 over 2006	-0.4	-0.2	-0.4

[1] Includes returns with adjusted gross deficit.

[2] Percentage not computed.

[3] Difference not computed.

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

**Figure G**

## Selected Tax Credits, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total tax credits [1]</b>	<b>46,092</b>	<b>58,939</b>	<b>48,091</b>	<b>63,779</b>	<b>4.3</b>	<b>8.2</b>
Child care credit	6,467	3,487	6,492	3,483	0.4	-0.1
Earned income credit [2]	2,960	797	3,420	934	15.5	17.2
Foreign tax credit	6,418	10,958	7,643	15,435	19.1	40.9
General business credit	387	1,302	231	846	-40.3	-35.1
Prior-year minimum tax credit [3]	359	1,032	395	1,035	10.1	0.2
Child tax credit [4]	25,742	31,742	25,889	31,556	0.6	-0.6
Education credits	7,725	7,022	7,435	6,910	-3.8	-1.6
Retirement savings contribution credit	5,192	894	5,862	977	12.9	9.3
Residential energy credits	4,344	1,000	4,326	1,008	-0.4	0.7

[1] Includes credits not shown separately. See Table 2.

[2] Represents portion of earned income credit used to offset income tax before credits.

[3] Excludes refundable portion, which totaled \$508.1 million for 2007 only.

[4] Excludes refundable portion, which totaled \$16.2 billion for 2006 and \$16.7 billion for 2007.

40.9 percent and 17.2 percent from 2006, respectively. The retirement savings contribution credit rose for 2007 by 9.3 percent, to a total of \$1.0 billion.

Four credits fell for 2007: the child care credit; the general business credit; the child tax credit; and the education credits. They showed declines of 0.1 percent, 35.1 percent, 0.6 percent, and 1.6 percent, respectively. The education credit was comprised of the Hope credit (for the first 2 years of college) and the Lifetime Learning credit (all other years). The share of the total tentative credits reported on Form 8863 for these two credits was virtually equal for 2007 (49.4-percent Hope credit and 50.6-percent Lifetime Learning credit). Also, when the additional child tax credit was included, child tax credits actually increased slightly (0.5 percent) from 2006 levels. For 2007, the combined total of these two (\$48.2 billion) approached the levels of total EIC (\$48.5 billion).

Both the EIC and the additional child tax credit may offset income tax before credits, all other taxes, and may even be refundable. The second part of the EIC, the portion used to offset all other taxes besides income tax, was \$5.1 billion for 2007 (12.8 percent more than for 2006). The refundable portion, the largest component of the EIC, was treated as a refund and paid directly to taxpayers who had no tax against which to apply the credit or whose EIC exceeded income tax (and

other income-related taxes). The refundable portion of the EIC totaled \$42.5 billion for 2007, an increase of 8.8 percent from 2006 (Figure H).

Over 24.6 million taxpayers claimed the earned income credit for 2007, an increase of 6.7 percent from 2006. The total earned income credit increased 9.4 percent to \$48.5 billion. The number of returns receiving the credit but having no qualifying children increased 17.0 percent for 2007. The number of returns having one qualifying child and receiving the credit increased 5.1 percent, while the number of returns having two or more qualifying children and receiving the credit increased 2.9 percent. The amount of EIC claimed for returns with no qualifying children increased 19.8 percent. Returns with one qualifying child reported an increase in EIC of 9.9 percent, and returns with two or more qualifying children showed an increase of 8.6 percent.

The number of returns claiming the refundable portion of the EIC increased 6.6 percent for 2007, while the amount of the refundable portion of the EIC increased 8.8 percent. The number of returns with the refundable portion of the EIC and without any qualifying children increased 21.0 percent, while the corresponding figure for the number of returns with one qualifying child increased by 4.9 percent, and the number of returns with two or more qualifying children increased by 3.0 percent. The amount of refundable EIC claimed on returns with no qualifying

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**Figure H**

## Earned Income Credit, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Item	2006		2007		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total earned income credit (EIC)</b>	<b>23,042</b>	<b>44,388</b>	<b>24,584</b>	<b>48,540</b>	<b>6.7</b>	<b>9.4</b>
EIC for returns with no qualifying children	4,811	1,142	5,627	1,368	17.0	19.8
EIC for returns with one qualifying child	8,747	16,078	9,192	17,676	5.1	9.9
EIC for returns with two or more qualifying children	9,485	27,168	9,765	29,496	2.9	8.6
<b>Refundable earned income credit (EIC)</b>	<b>20,269</b>	<b>39,072</b>	<b>21,608</b>	<b>42,508</b>	<b>6.6</b>	<b>8.8</b>
EIC for returns with no qualifying children	3,220	777	3,894	948	21.0	22.0
EIC for returns with one qualifying child	7,971	13,994	8,359	15,276	4.9	9.2
EIC for returns with two or more qualifying children	9,078	24,301	9,354	26,284	3.0	8.2
<b>EIC used to offset income tax before credits</b>	<b>2,960</b>	<b>797</b>	<b>3,420</b>	<b>934</b>	<b>15.5</b>	<b>17.2</b>
EIC for returns with no qualifying children	1,030	78	1,209	99	17.4	26.2
EIC for returns with one qualifying child	1,595	586	1,818	687	14.0	17.2
EIC for returns with two or more qualifying children	335	132	393	148	17.4	11.7
<b>EIC used to offset all other taxes</b>	<b>4,874</b>	<b>4,518</b>	<b>5,308</b>	<b>5,098</b>	<b>8.9</b>	<b>12.8</b>
EIC for returns with no qualifying children	1,158	286	1,266	321	9.3	12.1
EIC for returns with one qualifying child	1,528	1,497	1,741	1,713	13.9	14.4
EIC for returns with two or more qualifying children	2,188	2,735	2,302	3,064	5.2	12.0

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

children increased 22.0 percent for 2007. The amount of refundable EIC claimed on returns with one qualifying child increased 9.2 percent, while the amount on returns with two or more qualifying children increased 8.2 percent.

### Historical Trends in Constant Dollars

As shown in Figure I, AGI, salaries and wages, and real gross domestic product (GDP) rose in constant dollars for 2007.<sup>9</sup> The 5.2-percent growth in real AGI marked the fifth year in a row of growth in real AGI.

As shown in Figure J, real total income tax rose continually from \$599.8 billion for 1991 to its high of \$1,106.2 billion for 2000, but then declined each year through 2003 when it was \$794.9 billion. For 2007, for the fourth straight year, real total income tax increased (rising to \$1,050.3 billion in 2005 dollars), still 5.3 percent lower than its high in 2000.

Tax as a percentage of real GDP behaved similarly. During the mid- to late 1990s, tax as a percentage of real GDP increased. Part of this

increase was attributable to the substantial increase in realizations of net capital gains and, thus, income taxes on those capital gains. The income taxes on these capital gains are included in the numerator of the income tax-to-GDP ratio, but, by definition of GDP, the capital gains are not included in the denominator.

However, from 2000 to 2003, the ratio of income tax to GDP fell from 9.9 percent to 6.7 percent in conjunction with an overall decline in reported net capital gains for all years except 2003 (income tax rates also decreased over these years). For 2003, although capital gains increased by 20.5 percent in real terms, this was accompanied by a significant decrease in tax rates, especially those on long-term capital gains. For 2007, real net capital gain (less loss) increased 13.2 percent.<sup>10</sup> Since 2002, real net capital gain (less loss) has increased 229.8 percent (see Figure K). Concurrently, the ratio of income tax to GDP increased every year since 2003 to 7.9 percent in 2007, still well below the 9.9 percent cited above for Tax Year 2000.

<sup>9</sup> AGI, salaries and wages, and total income tax are shown in constant dollars, calculated using the U.S. Department of Commerce, Bureau of Economic Analysis GDP implicit price deflator (2005=100). GDP is based on chained 2005 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, June 2009.

<sup>10</sup> U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. The Consumer Price Index (CPI-U) approximates the prices of goods and services purchased by typical urban consumers. CPI-U for each calendar year represents an annual average of monthly indices. (1982-84=100); 2007=207.342; 2006=201.6. See [ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt](http://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt) for previous years.

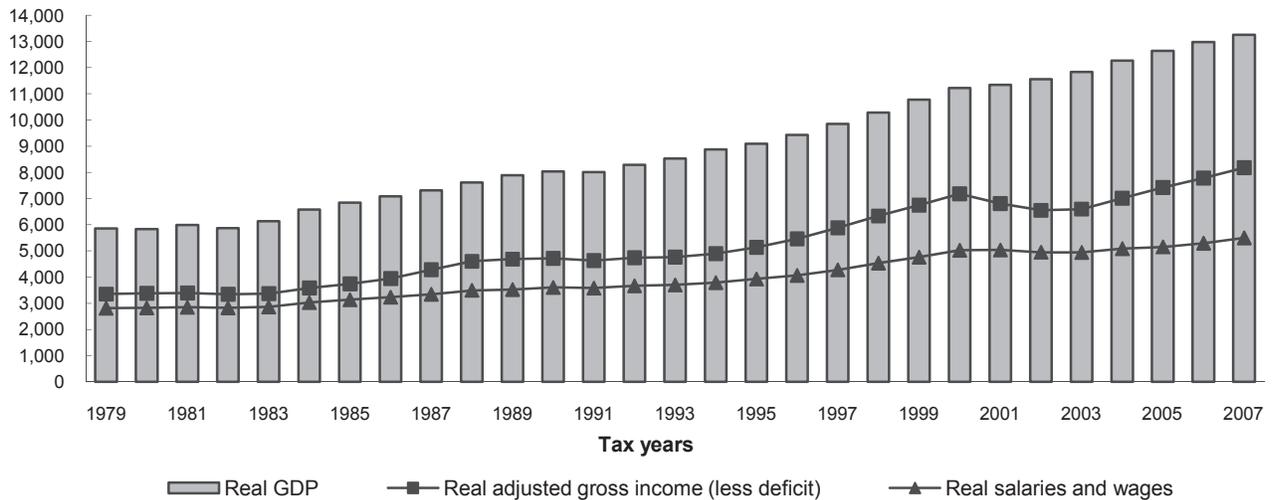
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**Figure I**

## Real Adjusted Gross Income, Salaries and Wages, and Gross Domestic Product, Tax Years 1979-2007 [1]

Constant dollars (billions) [2][3]

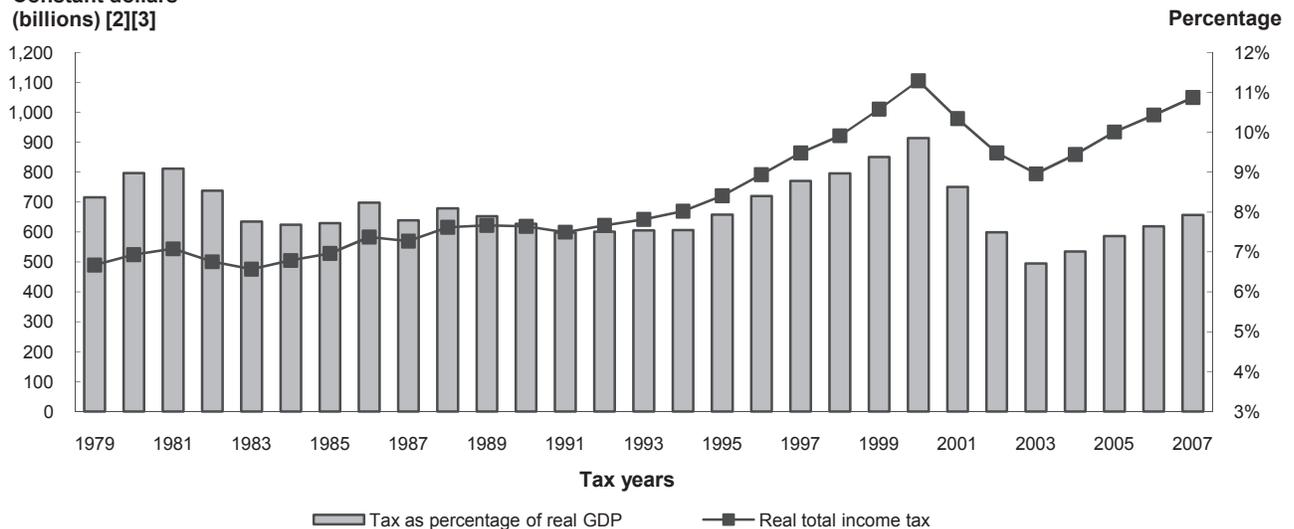


[1] The definition of adjusted gross income (less deficit) (AGI) changed beginning in Tax Year 1987. Therefore, AGI should be examined separately from 1979 to 1986 and from 1987 to 2007. Real gross domestic product (GDP) does not include capital gains, while AGI does include capital gains.  
 [2] AGI and salaries and wages are shown in constant dollars, calculated using the U.S. Department of Commerce, Bureau of Economic Analysis GDP implicit price deflator (2005=100).  
 [3] GDP is based on chained 2005 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, June 2009.

**Figure J**

## Real Total Income Tax and Tax as a Percentage of Real Gross Domestic Product, Tax Years 1979-2007 [1]

Constant dollars (billions) [2][3]



[1] Real GDP does not include capital gains, while adjusted gross income and taxable income (thus affecting income tax) do include these gains.  
 [2] Total income tax is shown in constant dollars, calculated using the U.S. Department of Commerce, Bureau of Economic Analysis GDP implicit price deflator (2005=100).  
 [3] GDP is based on chained 2005 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, June 2009.

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**Figure K**

## Net Capital Gains and Capital Gain Distributions from Mutual Funds, Tax Years 1988-2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year	Net capital gain (less loss) [1]				Capital gain distributions [3]			
	Number of returns	Current dollars	Constant 1982-84 dollars [2]		Number of returns	Current dollars	Constant 1982-84 dollars [2]	
			Amount	Percentage change			Amount	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1988	14,309	153,768	129,981	N/A	4,274	3,879	3,279	N/A
1989	15,060	145,631	117,444	-9.6	5,191	5,483	4,422	34.9
1990	14,288	114,231	87,400	-25.6	5,069	3,905	2,988	-32.4
1991	15,009	102,776	75,460	-13.7	5,796	4,665	3,425	14.6
1992	16,491	118,230	84,269	11.7	5,917	7,426	5,293	54.5
1993	18,409	144,172	99,773	18.4	9,998	11,995	8,301	56.8
1994	18,823	142,288	96,011	-3.8	9,803	11,322	7,640	-8.0
1995	19,963	170,415	111,821	16.5	10,744	14,391	9,443	23.6
1996	22,065	251,817	160,495	43.5	12,778	24,722	15,757	66.9
1997	24,240	356,083	221,859	38.2	14,969	45,132	28,120	78.5
1998	25,690	446,084	273,671	23.4	16,070	46,147	28,311	0.7
1999	27,701	542,758	325,785	19.0	17,012	59,473	35,698	26.1
2000	29,521	630,542	366,169	12.4	17,546	79,079	45,923	28.6
2001	25,956	326,527	184,375	-49.6	12,216	13,609	7,685	-83.3
2002	24,189	238,789	132,734	-28.0	7,567	5,343	2,970	-61.4
2003	22,985	294,354	159,975	20.5	7,265	4,695	2,552	-14.1
2004	25,267	473,662	250,747	56.7	10,733	15,336	8,119	218.1
2005	26,196	668,015	342,046	36.4	13,393	35,581	18,219	124.4
2006	26,668	779,462	386,638	13.0	14,511	59,417	29,473	61.8
2007	27,156	907,656	437,758	13.2	15,714	86,397	41,669	41.4

N/A—Not applicable.

[1] Losses were limited to a maximum of \$3,000 per return (\$1,500 for married persons filing separately).

[2] Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 10 of this article for further details.

[3] Capital gain distributions are included in net capital gain (less loss). For 1988-1996, and 1999-2007, capital gain distributions from mutual funds were the sum of the amounts reported on Form 1040 and Schedule D. For 1997 and 1998, capital gain distributions were reported entirely on Schedule D.

Net capital gain (less loss) is the sum of gains and losses from the sale of capital assets. Figure K shows that, in constant dollars, net capital gain (less loss) increased 13.2 percent for 2007. TY 2003 through TY 2007 reverted to the trend of large annual increases for real net capital gain (less loss) which occurred during most of the 1990s.

From 1991 to 2000, real net capital gains increased almost five fold, from a low of \$75.5 billion for 1991 to a high of \$366.2 billion for 2000. During that period, capital gain (less loss) was affected by both tax law changes and a rising stock market.

Due to several significant tax law changes enacted during the 1990s (including the Omnibus Budget Reconciliation Act of 1993—OBRA93—and the Taxpayer Relief Act of 1997), the maximum differential between ordinary income and long-term capital gain income increased from 3 percentage points for 1991 and 1992 to 19.6

percentage points for 1997 through 2000. For 2003 through 2007, this differential was 20.0 percentage points. With 2007 being the fifth straight year of double-digit growth, real net capital gain (less loss) was \$437.8 billion, surpassing the all-time high set the previous year.

Along with net capital gain (less loss), the constant-dollar amount of capital gain distributions from mutual funds increased tremendously during the 1990s, reaching a high of \$45.9 billion in TY 2000. Capital gain distributions declined greatly between 2000 and 2003. The decline of reported capital gain distributions over this period brought them to \$2.6 billion for 2003, below the 1990 inflation-adjusted level of just under \$3.0 billion. For 2007, real capital gain distributions increased to \$41.7 billion, their highest amount since 2000.

Figure L presents constant dollar data for selected income, deduction, and tax items for 1988 to 2007. Real taxable interest income fluctuated

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**Figure L**

## Selected Sources of Income, Deductions, and Tax Items, in Constant Dollars, Tax Years 1988-2007

[Money amounts are in millions of dollars]

Tax year	Taxable interest		Ordinary dividends		Business or profession net income (less loss)		Taxable Individual Retirement Account distributions		Taxable Social Security benefits		Taxable pensions and annuities	
	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1988	158,057	N/A	65,367	N/A	106,782	N/A	9,398	N/A	12,140	N/A	117,317	N/A
1989	177,432	12.3	65,572	0.3	107,047	0.2	11,190	19.1	13,990	15.2	118,837	1.3
1990	173,744	-2.1	61,338	-6.5	108,210	1.1	13,431	20.0	15,062	7.7	121,878	2.6
1991	153,753	-11.5	56,743	-7.5	104,159	-3.7	15,145	12.8	15,682	4.1	129,590	6.3
1992	115,712	-24.7	55,542	-2.1	109,766	5.4	18,726	23.6	16,493	5.2	132,924	2.6
1993	90,755	-21.6	55,176	-0.7	107,754	-1.8	18,741	0.1	17,059	3.4	134,266	1.0
1994	85,134	-6.2	55,607	0.8	112,148	4.1	22,339	19.2	26,072	52.8	138,625	3.2
1995	101,562	19.3	62,068	11.6	111,118	-0.9	24,486	9.6	29,997	15.1	145,048	4.6
1996	105,591	4.0	66,447	7.1	112,749	1.5	29,024	18.5	33,909	13.0	152,190	4.9
1997	106,978	1.3	75,074	13.0	116,350	3.2	34,382	18.5	38,354	13.1	161,813	6.3
1998	109,407	2.3	72,687	-3.2	124,172	6.7	45,457	32.2	42,149	9.9	172,178	6.4
1999	105,447	-3.6	79,511	9.4	125,098	0.7	52,306	15.1	45,065	6.9	182,660	6.1
2000	115,750	9.8	85,359	7.4	124,196	-0.7	57,472	9.9	52,244	15.9	189,215	3.6
2001	111,902	-3.3	67,495	-20.9	122,401	-1.4	53,262	-7.3	52,829	1.1	191,274	1.1
2002	82,838	-26.0	57,388	-15.0	122,726	0.3	49,038	-7.9	51,951	-1.7	198,911	4.0
2003	68,959	-16.8	62,441	8.8	124,542	1.5	47,904	-2.3	53,020	2.1	202,240	1.7
2004	66,424	-3.7	77,734	24.5	130,872	5.1	53,823	12.4	58,477	10.3	208,727	3.2
2005	83,171	25.2	85,244	9.7	138,096	5.5	57,490	6.8	63,917	9.3	215,128	3.1
2006	110,470	32.8	98,888	16.0	139,646	1.1	61,858	7.6	71,629	12.1	223,440	3.9
2007	129,283	17.0	114,329	15.6	134,915	-3.4	71,360	15.4	80,633	12.6	236,605	5.9

Tax year	Total rental and royalty net income (less loss) [2]		Partnership and S corporation net income (less loss)		Total itemized deductions in taxable income [3]		Charitable contributions deduction		Alternative minimum tax		Total earned income credit	
	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change	Amount (constant 1982-84 dollars) [1]	Percentage change
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1988	-1,081	N/A	48,250	N/A	334,080	N/A	43,068	N/A	869	N/A	4,984	N/A
1989	-1,160	-7.3	50,881	5.5	347,563	4.0	44,725	3.8	670	-22.9	5,319	6.7
1990	2,880	[4]	51,279	0.8	350,792	0.9	43,797	-2.1	635	-5.2	5,771	8.5
1991	3,814	32.4	46,395	-9.5	343,382	-2.1	44,474	1.5	891	40.3	7,676	33.0
1992	6,878	80.3	62,474	34.7	343,511	[5]	45,505	2.3	967	8.5	8,682	13.1
1993	9,280	34.9	64,269	2.9	339,380	-1.2	47,304	4.0	1,421	46.9	10,752	23.8
1994	10,774	16.1	77,183	20.1	333,100	-1.9	47,601	0.6	1,493	5.1	14,241	32.4
1995	11,281	4.7	82,515	6.9	346,046	3.9	49,207	3.4	1,503	0.7	17,031	19.6
1996	13,107	16.2	93,550	13.4	364,908	5.5	54,914	11.6	1,793	19.3	18,372	7.9
1997	13,935	6.3	104,874	12.1	386,798	6.0	61,802	12.5	2,495	39.2	18,934	3.1
1998	13,767	-1.2	114,941	9.6	415,006	7.3	67,018	8.4	3,076	23.3	19,381	2.4
1999	15,388	11.8	126,694	10.2	445,004	7.2	75,510	12.7	3,888	26.4	19,148	-1.2
2000	16,356	6.3	123,643	-2.4	477,561	7.3	81,697	8.2	5,575	43.4	18,755	-2.1
2001	18,574	13.6	127,109	2.8	499,451	4.6	78,623	-3.8	3,815	-31.6	18,846	0.5
2002	16,112	-13.3	132,277	4.1	499,193	-0.1	78,139	-0.6	3,810	-0.1	21,233	12.7
2003	15,850	-1.6	137,775	4.2	489,081	-2.0	79,014	1.1	5,135	34.8	20,964	-1.3
2004	14,497	-8.5	167,281	21.4	528,448	8.0	87,647	10.9	6,897	34.3	21,188	1.1
2005	14,458	-0.3	206,004	23.1	574,404	8.7	93,902	7.1	8,920	29.3	21,715	2.5
2006	11,621	-19.6	211,050	2.4	609,741	6.2	92,583	-1.4	10,697	19.9	22,018	1.4
2007	9,954	-14.3	200,010	-5.2	642,917	5.4	93,374	0.9	11,628	8.7	23,411	6.3

N/A—Not applicable.

[1] Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 10 of this article for further details.

[2] Includes farm rental net income (less loss).

[3] Itemized deductions for 1991 and later years were limited if adjusted gross income exceeded specified levels.

[4] Percentage not calculated.

[5] Less than 0.05 percent.

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over the period. Having decreased from 1990 to 1994, it rebounded 19.3 percent to \$101.6 billion for 1995. For 2000, it jumped again, by 9.8 percent.

The 17.0-percent increase for 2007 marked the third year of double-digit percentage increases after 4 straight years of declines. Despite this growth, in real terms, taxable interest for 2007 was only 72.9 percent of the level reported for 1989. Dividends had increased for 6 years of the previous 7 years before 2001, and then had 2 consecutive years of large decreases for 2001 and 2002. For the past 5 years, however, dividends have increased appreciably. For 2007, dividends increased 15.6 percent (in real terms) to \$114.3 billion, besting the previous all-time set the previous year.

Constant-dollar business or professional net income (less loss) decreased 3.4 percent to \$134.9 billion for 2007. This was the first decline in real terms after 5 years of increases and was the largest percentage decrease since 1991. Partnership and S corporation net income (less loss) saw its first decline in real terms after 6 years of increases, falling 5.2 percent to \$200.0 billion. As with sole proprietorship net income, this represented the largest percentage decrease since 1991.

However, as with taxable interest and dividends, many other sources of income showed significant increases for 2007 in real terms. These included taxable Individual Retirement Account distributions, taxable Social Security benefits, and taxable pensions and annuities, which increased 15.4 percent, 12.6 percent, and 5.9 percent, respectively. The inflation-adjusted amount of total itemized deductions increased 5.4 percent for 2007, marking the fourth year in a row of increases. Real charitable contributions increased by 0.9 percent for 2007. This was a reversal from a decrease in real terms for 2006, but it marks the fourth year out of 5 years that real charitable contributions have increased.

Much of the fluctuation in alternative minimum tax (AMT) liability shown for 1988 through 2007 reflects changes in law. The large increases in the real AMT for 1991 and 1993 were the result of increases in the rates at which alternative minimum taxable income was taxed. After a large decline in AMT for 2001, partially resulting from a statutory increase in the AMT exemption, there was virtually no change in constant-dollar AMT for 2002.

However, for 2003, while AMT tax rates were stable, other tax rates declined significantly. Thus,

despite the fact that there was another increase in AMT exemption amounts, real AMT increased by 34.8 percent. Constant-dollar AMT increased by 34.3 percent and 29.3 percent for 2004 and 2005, respectively, with the AMT exemption amounts and all tax rates remaining the same for both years.

For 2006, exemption amounts were increased, but, despite this, the AMT liability increased 19.9 percent. For 2007, the AMT exemption amounts were again increased but AMT again increased, this time by 8.7 percent. The 2007 level was the highest ever and was over thirteen times higher (in real terms) than the AMT liability for 1988.

The real value of the total EIC increased each year between 1988 and 1998, exhibiting double-digit growth for several of these years. Beginning with Tax Year 1991, the EIC consisted of three components, with the maximum amount of the credit for 1991 being more than twice the maximum for 1990.

Later, the Omnibus Budget Reconciliation Act of 1993 modified the EIC by expanding the eligibility requirements to allow some taxpayers without children to qualify for the credit and eliminating the health insurance credit and extra credit components of the EIC. In addition, the income eligibility levels and the maximum amounts of the credit increased. The EIC increased 6.3 percent in constant dollars for 2007, thus exceeding the previous high set the preceding year.

## Changes in Law

The definitions used in this article are generally the same as those in *Statistics of Income—2007, Individual Income Tax Returns* (IRS Publication 1304). The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2007 data presented in this article.

*Additional child tax credits*—Modifications were made to the additional child tax credit for 2007. In Tax Year 2006, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$11,300. For 2007, the limit was 15 percent of a taxpayer's earned income that exceeded \$11,750.

*Alternative minimum tax (AMT)*—For Tax Year 2007, the minimum exemption rose to \$66,250 for a married couple filing a joint return, up from \$62,550 in 2006, to \$44,350 for singles and heads of household, up from \$42,500, and to \$33,125 for a married person filing separately, up from \$31,275.

*Domestic production activities deduction*—For Tax Year 2007, the amount of qualified domestic production activities income that could have been deducted increased to 6 percent from 3 percent in 2006.

*Earned income credit*—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased to \$2,900 from \$2,800. The maximum credit for taxpayers with no qualifying children increased to \$428 from \$412. For these taxpayers, earned income and AGI had to be less than \$12,590 (\$14,590 if married filing jointly) to get any EIC.

For taxpayers with one qualifying child, the maximum credit increased \$106 to \$2,853, and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,716 from \$4,536. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$33,241 (\$35,241 for married filing jointly) for one qualifying child, or less than \$37,783 (\$39,783 for married filing jointly) for two or more qualifying children.

*Exemption amount*—For Tax Year 2007, the exemption amount increased by \$100 to \$3,400. Taxpayers could have lost a portion of their exemption benefits if their adjusted gross incomes were above certain amounts (\$117,300 for married persons filing separately; \$156,400 for single individuals; \$195,500 for heads of household; and \$234,600 for married persons filing jointly or qualifying widow(er)s). For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of his or her exemption, so that the amount of each exemption could not be reduced to less than \$1,133. For 2005 and previous years, exemption amounts could be reduced to zero. The exemption for housing a person displaced by Hurricane Katrina did not apply for Tax Year 2007.

*Health savings account deduction*—For Tax Year 2007, contributions were not limited to the taxpayer's annual health plan deductible. The maximum HSA deduction increased by \$150 to \$2,850 (\$5,650, if family coverage, up \$200 from \$5,450). These limits were \$800 higher if the taxpayer was 55 or older (\$1,600 if both spouses were 55 or older). There were also changes that allowed qualified HSA dis-

tributions for Tax Year 2007 from flexible spending accounts and individual retirement accounts.

*Indexing*—The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. Also, the maximum amount of earnings subject to self-employment Social Security tax increased, based on the percentage change in average covered earnings.

*Individual retirement arrangement deduction*—The phaseout range for IRA deductions for those covered by a retirement plan began at income of \$83,000 if married filing jointly or a qualifying widow(er), up from \$75,000 in 2006. The phaseout was \$52,000 for a single person or head of household, up from \$50,000 in 2006, and \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she participated in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

*Itemized deductions*—Taxpayers who had adjusted gross incomes above \$156,400 (\$78,200 if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2006 amounts of \$150,500 (\$75,250 if married filing separately). For Tax Year 2007 and 2006, the amount by which the deduction was reduced was only two-thirds of the amount of the reduction that would have otherwise applied (for 2005 and previous years).

*Refundable prior-year minimum tax credit*—New for 2007, a refundable credit was available to a taxpayer who had any unused minimum tax credit carryforward from 2004 or earlier years. The taxpayer could have qualified for the refundable credit for part or the entire unused amount, even if the total amount of the 2007 credit exceeded the tax liability amount. This credit was only available for individual taxpayers.

*Standard deduction amount increased*—The standard deduction for taxpayers who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2007 than it was in 2006. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person.

For 2007, the standard deduction increased to \$10,700 for joint filers, up from \$10,300 in 2006. For

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single filers and married persons filing separately, the deduction amount increased to \$5,350 from \$5,150. For heads of households, the deduction was up \$300 to \$7,850. The additional standard deduction for being 65 or older or blind was also increased by \$50 for single taxpayer or head of household returns.

## Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2008. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes.<sup>11</sup>

Returns were then selected at rates ranging from 0.10 percent to 100 percent. The 2007 data are based on a sample of 336,226 returns and an estimated final population of 153,832,380 returns. The corresponding sample and population for the 2006 data were 321,006 and 138,485,335 returns, respectively.<sup>12,13</sup>

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude.

Figure M shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations, later in this issue.

<sup>11</sup> Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, Foreign Earned Income; Form 1116, Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual); Schedule C, Profit or Loss from Business (Sole Proprietorship); and Schedule F, Profit or Loss from Farming.

<sup>12</sup> For further details on the description of the sample, see *Statistics of Income—2007, Individual Income Tax Returns* (IRS Publication 1304).

<sup>13</sup> This population includes an estimated 10,853,574 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling or were filed to receive a stimulus payment only. Individuals filing for the stimulus payment only who would not ordinarily have a legal requirement to file a federal income tax return had to show on their returns at least \$3,000 of qualifying income (defined as wages, self-employment income, Social Security income, Railroad Retirement benefits, certain Veterans Affairs benefits, and nontaxable combat pay). In addition, they could not be claimed as a dependent on someone else's federal tax return.

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**Figure M**

## Coefficients of Variation for Selected Items, Tax Year 2007

[Money amounts are in thousands of dollars—coefficients of variation are percentages]

Item	Number of returns	Coefficient of variation	Amount	Coefficient of variation
	(1)	(2)	(3)	(4)
Adjusted gross income (less deficit)	142,978,806	0.06	8,687,718,769	0.08
Salaries and wages	120,844,802	0.11	5,842,269,820	0.16
Business or profession:				
Net income	16,932,476	0.34	334,585,650	0.75
Net loss	5,696,992	0.95	54,849,389	1.36
Net capital gain (less loss):				
Net gain	14,585,572	0.58	912,182,379	0.32
Net loss	7,558,240	0.89	16,508,394	0.96
Taxable Individual Retirement Account distributions	10,683,225	0.80	147,959,327	1.31
Taxable pensions and annuities	25,180,637	0.48	490,581,465	0.72
Partnership and S corporation:				
Net income	5,146,366	0.94	547,401,480	0.56
Net loss	2,798,624	1.40	132,696,270	0.90
Estate and trust:				
Net income	543,776	3.15	20,612,089	2.60
Net loss	46,935	10.15	2,505,195	2.90
Unemployment compensation	7,622,280	1.04	29,415,079	1.39
Taxable Social Security benefits	15,011,961	0.62	167,186,633	0.75
Other income:				
Net income	6,378,944	1.03	41,578,697	2.05
Net loss	228,414	5.13	5,438,442	5.83
Payments to an Individual Retirement Account	3,299,773	1.50	12,876,504	1.70
Moving expenses adjustment	1,119,044	2.77	2,903,022	4.17
Self-employment tax deduction	17,840,382	0.38	24,759,998	0.69
Self-employed health insurance deduction	3,838,721	1.09	21,283,306	1.21
Total statutory adjustments	36,050,434	0.35	123,020,191	0.64
Taxable income	110,533,209	0.13	6,063,263,892	0.11

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns [1]	Adjusted gross income (less deficit)	Salaries and wages		Taxable interest	
			Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns, total</b>	<b>142,978,806</b>	<b>8,687,718,769</b>	<b>120,844,802</b>	<b>5,842,269,820</b>	<b>64,505,131</b>	<b>268,058,182</b>
No adjusted gross income	1,907,835	-110,781,565	635,883	17,378,003	867,407	7,845,981
\$1 under \$5,000	11,930,752	31,801,165	9,211,632	29,315,390	2,789,336	1,553,436
\$5,000 under \$10,000	12,114,741	90,653,578	9,667,212	70,545,033	2,726,263	2,781,183
\$10,000 under \$15,000	11,914,564	148,907,608	9,214,593	108,304,296	3,028,771	4,876,124
\$15,000 under \$20,000	11,061,903	193,198,281	9,095,607	150,929,521	2,922,814	5,279,070
\$20,000 under \$25,000	9,963,693	223,679,496	8,599,801	183,812,167	2,772,656	5,021,444
\$25,000 under \$30,000	9,005,338	247,203,999	7,865,276	204,615,764	2,766,808	4,579,785
\$30,000 under \$40,000	14,740,806	512,920,308	13,097,548	425,047,007	5,522,723	9,933,963
\$40,000 under \$50,000	11,150,798	499,464,110	9,924,196	407,111,308	5,207,276	9,174,796
\$50,000 under \$75,000	19,450,744	1,195,768,325	17,170,387	937,641,859	11,684,490	25,447,415
\$75,000 under \$100,000	11,744,132	1,014,677,916	10,481,514	784,707,536	8,506,585	22,205,520
\$100,000 under \$200,000	13,457,876	1,793,040,262	12,030,320	1,331,113,250	11,399,712	42,240,013
\$200,000 under \$500,000	3,492,353	1,004,658,689	2,999,587	610,744,491	3,281,828	33,247,835
\$500,000 under \$1,000,000	651,049	441,439,447	535,532	212,455,114	639,331	16,955,063
\$1,000,000 under \$1,500,000	166,362	200,785,834	134,847	79,181,289	164,498	9,003,544
\$1,500,000 under \$2,000,000	70,733	121,767,964	56,226	43,307,852	70,263	5,606,523
\$2,000,000 under \$5,000,000	108,641	324,592,983	87,293	104,025,009	108,012	15,726,672
\$5,000,000 under \$10,000,000	28,090	192,327,659	22,663	51,770,096	28,010	10,126,120
\$10,000,000 or more	18,394	561,612,712	14,683	90,264,836	18,348	36,453,697
<b>Taxable returns, total</b>	<b>96,269,751</b>	<b>8,072,293,831</b>	<b>83,251,168</b>	<b>5,222,890,647</b>	<b>53,153,294</b>	<b>245,186,664</b>
<b>Nontaxable returns, total</b>	<b>46,709,055</b>	<b>615,424,937</b>	<b>37,593,634</b>	<b>619,379,173</b>	<b>11,351,838</b>	<b>22,871,518</b>

Size of adjusted gross income	Tax-exempt interest		Ordinary dividends		Qualified dividends	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
<b>All returns, total</b>	<b>6,321,596</b>	<b>79,351,341</b>	<b>32,006,152</b>	<b>237,052,127</b>	<b>27,145,274</b>	<b>155,872,285</b>
No adjusted gross income	77,257	1,333,011	507,495	2,720,785	416,761	1,513,020
\$1 under \$5,000	112,188	197,960	1,343,623	1,002,031	1,116,904	505,554
\$5,000 under \$10,000	118,904	253,091	1,169,199	1,508,506	954,655	717,785
\$10,000 under \$15,000	126,042	434,379	1,209,383	2,037,153	991,630	992,559
\$15,000 under \$20,000	121,620	449,197	1,201,912	2,348,337	958,767	1,194,296
\$20,000 under \$25,000	124,913	518,864	1,087,571	2,239,941	888,020	1,127,813
\$25,000 under \$30,000	138,406	590,528	1,108,275	2,283,321	897,138	1,192,255
\$30,000 under \$40,000	279,157	1,367,910	2,152,285	4,350,071	1,761,373	2,159,718
\$40,000 under \$50,000	318,435	1,361,733	2,122,841	4,990,674	1,751,650	2,695,110
\$50,000 under \$75,000	862,983	4,262,888	5,293,207	15,310,397	4,394,961	8,593,449
\$75,000 under \$100,000	784,824	4,221,761	4,257,461	15,537,375	3,599,031	9,062,226
\$100,000 under \$200,000	1,660,641	12,035,439	7,014,349	39,656,414	6,127,914	24,692,743
\$200,000 under \$500,000	1,021,448	14,555,277	2,607,091	37,950,759	2,405,192	25,217,122
\$500,000 under \$1,000,000	316,918	8,910,105	568,679	21,379,689	535,383	14,879,806
\$1,000,000 under \$1,500,000	96,268	4,512,515	149,978	10,406,431	142,373	7,504,126
\$1,500,000 under \$2,000,000	45,755	2,971,396	65,621	6,451,470	62,479	4,573,998
\$2,000,000 under \$5,000,000	77,427	7,640,602	102,133	18,155,142	97,626	13,137,831
\$5,000,000 under \$10,000,000	22,490	4,569,436	27,033	11,503,912	25,977	8,392,147
\$10,000,000 or more	15,921	9,165,251	18,016	37,219,720	17,439	27,720,727
<b>Taxable returns, total</b>	<b>5,818,478</b>	<b>75,687,329</b>	<b>27,712,095</b>	<b>226,595,483</b>	<b>23,716,563</b>	<b>150,117,408</b>
<b>Nontaxable returns, total</b>	<b>503,119</b>	<b>3,664,012</b>	<b>4,294,057</b>	<b>10,456,644</b>	<b>3,428,711</b>	<b>5,754,877</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession	
	Number of returns	Amount	Number of returns	Amount	Net income	
					(13)	(14)
<b>All returns, total</b>	<b>23,592,999</b>	<b>27,046,648</b>	<b>457,308</b>	<b>8,759,334</b>	<b>16,932,476</b>	<b>334,585,650</b>
No adjusted gross income	83,935	265,391	3,559	62,262	252,154	3,345,437
\$1 under \$5,000	78,820	44,749	* 3,884	* 17,673	1,400,397	4,202,976
\$5,000 under \$10,000	164,889	77,351	24,242	122,990	1,874,458	12,532,594
\$10,000 under \$15,000	237,238	140,140	35,486	276,275	1,820,938	18,023,244
\$15,000 under \$20,000	348,661	180,295	43,942	362,010	1,177,440	13,653,812
\$20,000 under \$25,000	460,251	235,260	35,427	316,968	799,477	10,255,372
\$25,000 under \$30,000	599,328	314,329	34,860	363,283	758,179	9,746,470
\$30,000 under \$40,000	1,690,074	912,371	64,414	773,421	1,246,089	16,999,222
\$40,000 under \$50,000	2,097,413	1,313,266	53,193	837,951	1,100,726	16,614,685
\$50,000 under \$75,000	5,568,080	4,055,409	94,106	2,123,931	2,147,815	34,665,299
\$75,000 under \$100,000	4,617,470	3,974,389	24,183	575,103	1,472,936	29,604,931
\$100,000 under \$200,000	6,067,263	6,909,002	29,255	1,591,830	2,001,720	66,776,106
\$200,000 under \$500,000	1,202,833	2,626,987	8,757	937,285	681,592	58,032,958
\$500,000 under \$1,000,000	206,841	1,225,781	** 1,999	** 398,351	129,680	18,466,837
\$1,000,000 under \$1,500,000	65,404	703,227	**	**	30,225	6,613,741
\$1,500,000 under \$2,000,000	30,267	456,662	**	**	12,186	3,147,292
\$2,000,000 under \$5,000,000	50,110	1,238,285	**	**	18,633	6,124,839
\$5,000,000 under \$10,000,000	14,146	698,938	**	**	4,870	2,518,882
\$10,000,000 or more	9,976	1,674,816	**	**	2,960	3,260,950
<b>Taxable returns, total</b>	<b>21,248,453</b>	<b>24,910,115</b>	<b>346,411</b>	<b>7,749,702</b>	<b>9,587,061</b>	<b>262,587,314</b>
<b>Nontaxable returns, total</b>	<b>2,344,546</b>	<b>2,136,534</b>	<b>110,898</b>	<b>1,009,632</b>	<b>7,345,414</b>	<b>71,998,336</b>

Size of adjusted gross income	Business or profession—continued		Capital gain distributions		Sales of capital assets reported on Form 1040, Schedule D	
	Net loss				Taxable net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(19)	(20)	(21)	(22)	(23)	(24)	
<b>All returns, total</b>	<b>5,696,992</b>	<b>54,849,389</b>	<b>5,012,429</b>	<b>11,981,884</b>	<b>14,585,572</b>	<b>912,182,379</b>
No adjusted gross income	436,347	13,466,061	29,940	46,579	189,513	13,715,457
\$1 under \$5,000	137,064	906,002	371,069	357,975	466,786	770,770
\$5,000 under \$10,000	214,744	1,530,337	233,652	336,503	494,345	1,571,276
\$10,000 under \$15,000	234,934	1,949,957	210,156	297,294	454,673	1,913,296
\$15,000 under \$20,000	303,875	2,620,114	187,804	363,429	466,396	2,370,832
\$20,000 under \$25,000	309,913	2,133,358	190,224	304,110	419,788	2,376,358
\$25,000 under \$30,000	315,650	2,184,085	185,061	340,098	425,733	2,472,194
\$30,000 under \$40,000	532,785	3,304,503	388,451	586,275	831,603	4,811,258
\$40,000 under \$50,000	478,180	3,278,062	405,784	831,199	826,798	5,372,556
\$50,000 under \$75,000	976,099	5,816,058	889,372	1,976,195	2,178,159	19,049,792
\$75,000 under \$100,000	659,800	3,794,586	674,246	1,624,227	1,911,753	21,563,646
\$100,000 under \$200,000	815,382	6,224,006	984,141	3,260,455	3,547,733	73,590,143
\$200,000 under \$500,000	214,426	2,967,392	230,225	1,218,118	1,646,524	104,479,671
\$500,000 under \$1,000,000	40,680	1,282,933	25,674	303,057	424,339	81,504,528
\$1,000,000 under \$1,500,000	9,992	533,272	3,887	63,105	119,709	47,374,674
\$1,500,000 under \$2,000,000	4,692	296,089	1,146	15,395	54,075	33,047,642
\$2,000,000 under \$5,000,000	8,134	880,268	1,359	47,228	86,711	103,869,935
\$5,000,000 under \$10,000,000	2,424	611,126	191	8,153	24,141	78,253,187
\$10,000,000 or more	1,871	1,071,181	46	2,489	16,791	314,075,163
<b>Taxable returns, total</b>	<b>3,928,266</b>	<b>30,311,000</b>	<b>4,429,309</b>	<b>11,340,510</b>	<b>12,927,580</b>	<b>887,118,143</b>
<b>Nontaxable returns, total</b>	<b>1,768,727</b>	<b>24,538,389</b>	<b>583,120</b>	<b>641,375</b>	<b>1,657,992</b>	<b>25,064,236</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Taxable net loss		Short-term capital gain		Short-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns, total</b>	<b>7,558,240</b>	<b>16,508,394</b>	<b>5,579,953</b>	<b>67,748,602</b>	<b>5,113,403</b>	<b>133,274,335</b>
No adjusted gross income	438,493	1,075,245	79,735	1,271,425	228,478	12,267,268
\$1 under \$5,000	334,940	609,850	151,810	103,274	181,289	2,565,435
\$5,000 under \$10,000	289,830	594,669	177,386	187,084	142,410	2,460,155
\$10,000 under \$15,000	294,924	618,778	160,945	331,994	150,567	2,405,176
\$15,000 under \$20,000	284,061	614,108	150,391	320,909	139,455	3,609,347
\$20,000 under \$25,000	254,327	556,165	141,129	253,649	124,199	2,392,476
\$25,000 under \$30,000	259,839	553,376	139,749	290,437	138,617	2,073,316
\$30,000 under \$40,000	492,693	1,013,888	292,752	559,928	249,488	4,863,873
\$40,000 under \$50,000	466,390	1,013,220	298,903	559,438	227,349	4,541,312
\$50,000 under \$75,000	1,130,830	2,433,459	783,260	1,855,252	662,413	10,356,712
\$75,000 under \$100,000	913,510	1,962,004	690,062	2,025,652	613,804	10,925,520
\$100,000 under \$200,000	1,549,831	3,391,047	1,426,729	6,040,289	1,211,290	24,317,256
\$200,000 under \$500,000	665,152	1,590,298	742,486	7,899,553	702,776	21,219,641
\$500,000 under \$1,000,000	122,368	314,658	195,152	5,131,496	198,712	9,934,942
\$1,000,000 under \$1,500,000	29,490	79,901	56,684	2,716,558	57,366	4,064,980
\$1,500,000 under \$2,000,000	11,529	31,748	26,532	2,005,043	25,570	2,435,109
\$2,000,000 under \$5,000,000	15,697	43,728	43,611	6,426,794	41,640	5,194,955
\$5,000,000 under \$10,000,000	3,013	8,507	12,949	4,946,069	10,992	3,240,937
\$10,000,000 or more	1,323	3,747	9,690	24,823,756	6,989	4,405,927
<b>Taxable returns, total</b>	<b>5,869,129</b>	<b>12,756,047</b>	<b>4,963,891</b>	<b>64,707,554</b>	<b>4,228,483</b>	<b>101,408,982</b>
<b>Nontaxable returns, total</b>	<b>1,689,110</b>	<b>3,752,348</b>	<b>616,062</b>	<b>3,041,048</b>	<b>884,920</b>	<b>31,865,353</b>

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)
<b>All returns, total</b>	<b>1,723,928</b>	<b>98,287,936</b>	<b>5,478,118</b>	<b>37,398,462</b>	<b>3,710,912</b>	<b>35,445,280</b>
No adjusted gross income	159,706	10,221,733	89,304	1,000,217	92,807	2,099,728
\$1 under \$5,000	86,255	2,164,436	162,454	141,735	102,533	432,748
\$5,000 under \$10,000	68,339	2,155,081	178,497	396,396	84,134	498,435
\$10,000 under \$15,000	63,953	2,044,916	166,617	355,736	96,676	406,477
\$15,000 under \$20,000	61,562	2,311,166	154,307	377,078	84,873	1,341,054
\$20,000 under \$25,000	41,207	1,757,373	134,511	248,274	89,057	641,772
\$25,000 under \$30,000	49,581	1,780,384	127,295	289,882	98,249	325,669
\$30,000 under \$40,000	79,946	3,740,126	288,966	555,185	175,491	1,163,651
\$40,000 under \$50,000	80,291	3,681,083	303,162	628,439	158,928	929,273
\$50,000 under \$75,000	195,475	8,204,643	758,451	1,985,936	490,694	2,402,458
\$75,000 under \$100,000	179,400	8,294,062	668,776	2,084,590	470,944	2,707,712
\$100,000 under \$200,000	352,682	18,809,925	1,399,884	6,067,777	937,164	6,039,242
\$200,000 under \$500,000	208,003	16,662,448	737,840	7,761,149	547,222	5,168,243
\$500,000 under \$1,000,000	58,211	6,901,462	180,850	3,893,610	159,803	2,959,412
\$1,000,000 under \$1,500,000	16,344	2,558,286	51,189	1,735,958	46,663	1,427,506
\$1,500,000 under \$2,000,000	7,344	1,489,539	22,952	1,128,990	21,628	902,732
\$2,000,000 under \$5,000,000	11,219	2,641,415	36,057	2,853,906	36,627	2,368,211
\$5,000,000 under \$10,000,000	2,795	1,633,804	10,039	1,857,920	10,377	1,334,251
\$10,000,000 or more	1,616	1,236,053	6,967	4,035,684	7,044	2,296,706
<b>Taxable returns, total</b>	<b>1,237,403</b>	<b>72,552,415</b>	<b>4,826,686</b>	<b>34,194,494</b>	<b>3,239,513</b>	<b>28,752,239</b>
<b>Nontaxable returns, total</b>	<b>486,525</b>	<b>25,735,521</b>	<b>651,432</b>	<b>3,203,968</b>	<b>471,400</b>	<b>6,693,042</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8824)		Net short-term partnership/S corporation gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)
<b>All returns, total</b>	<b>218,248</b>	<b>6,218,118</b>	<b>174,639</b>	<b>1,464,431</b>	<b>714,835</b>	<b>32,511,294</b>
No adjusted gross income	5,097	74,299	7,120	82,411	14,784	709,007
\$1 under \$5,000	* 1,838	* 90	2,244	6,178	7,050	3,993
\$5,000 under \$10,000	1,923	2,622	1,498	921	10,803	14,970
\$10,000 under \$15,000	8,084	22,462	* 1,779	* 11,852	9,760	33,560
\$15,000 under \$20,000	* 1,766	* 998	1,014	2,691	9,230	4,191
\$20,000 under \$25,000	2,470	3,544	2,882	5,730	12,759	50,540
\$25,000 under \$30,000	4,126	4,367	4,093	3,017	17,293	34,710
\$30,000 under \$40,000	3,917	16,442	3,347	10,650	18,803	54,484
\$40,000 under \$50,000	3,499	1,620	7,541	11,592	17,106	38,904
\$50,000 under \$75,000	19,506	68,035	16,700	49,553	69,475	160,867
\$75,000 under \$100,000	16,503	45,385	13,197	56,112	69,192	168,373
\$100,000 under \$200,000	50,091	185,582	28,186	116,990	150,243	721,427
\$200,000 under \$500,000	42,582	312,435	31,724	226,597	137,737	1,262,386
\$500,000 under \$1,000,000	22,502	348,177	18,103	79,782	75,445	1,637,302
\$1,000,000 under \$1,500,000	9,290	266,168	8,644	53,112	28,399	1,069,939
\$1,500,000 under \$2,000,000	5,400	195,547	5,417	47,384	15,636	948,867
\$2,000,000 under \$5,000,000	11,367	682,403	11,618	153,493	31,051	3,702,025
\$5,000,000 under \$10,000,000	4,223	472,771	4,938	147,230	10,862	3,207,743
\$10,000,000 or more	4,063	3,515,173	4,597	399,136	9,207	18,688,005
<b>Taxable returns, total</b>	<b>194,629</b>	<b>6,050,151</b>	<b>155,052</b>	<b>1,231,948</b>	<b>658,958</b>	<b>31,407,665</b>
<b>Nontaxable returns, total</b>	<b>23,619</b>	<b>167,967</b>	<b>19,587</b>	<b>232,483</b>	<b>55,877</b>	<b>1,103,629</b>

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Net short-term partnership/S corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total</b>	<b>391,740</b>	<b>6,456,356</b>	<b>13,995,522</b>	<b>875,392,934</b>	<b>6,139,514</b>	<b>192,754,164</b>
No adjusted gross income	9,772	375,493	198,195	13,837,678	361,424	21,359,417
\$1 under \$5,000	6,322	4,616	453,957	799,657	285,448	4,224,071
\$5,000 under \$10,000	9,485	32,622	456,073	1,560,995	249,505	5,083,382
\$10,000 under \$15,000	5,055	21,695	430,920	1,859,094	250,078	5,132,644
\$15,000 under \$20,000	7,595	15,793	444,817	2,238,454	246,905	4,790,607
\$20,000 under \$25,000	8,572	36,311	398,185	2,338,274	202,426	4,559,728
\$25,000 under \$30,000	6,600	2,767	402,626	2,368,938	206,281	3,798,590
\$30,000 under \$40,000	14,486	15,628	768,466	4,637,644	392,223	8,408,157
\$40,000 under \$50,000	10,919	28,888	774,789	5,187,786	375,628	8,549,180
\$50,000 under \$75,000	33,660	59,645	2,054,355	18,449,639	920,564	22,748,848
\$75,000 under \$100,000	36,638	140,331	1,828,776	21,134,973	725,650	18,070,218
\$100,000 under \$200,000	83,489	285,597	3,417,401	71,798,305	1,239,118	35,168,824
\$200,000 under \$500,000	80,967	598,770	1,628,126	102,154,547	540,713	27,750,084
\$500,000 under \$1,000,000	35,233	741,879	430,876	80,128,598	95,706	10,135,443
\$1,000,000 under \$1,500,000	13,798	381,584	122,155	46,567,986	23,397	3,836,783
\$1,500,000 under \$2,000,000	7,586	263,814	55,212	32,213,587	9,142	1,911,163
\$2,000,000 under \$5,000,000	13,479	843,377	88,802	100,428,389	12,151	3,874,558
\$5,000,000 under \$10,000,000	4,509	718,028	24,715	74,960,536	2,215	1,447,588
\$10,000,000 or more	3,573	1,889,518	17,075	292,727,854	939	1,904,880
<b>Taxable returns, total</b>	<b>355,399</b>	<b>5,817,534</b>	<b>12,407,622</b>	<b>850,206,649</b>	<b>4,765,771</b>	<b>144,148,777</b>
<b>Nontaxable returns, total</b>	<b>36,341</b>	<b>638,822</b>	<b>1,587,900</b>	<b>25,186,285</b>	<b>1,373,743</b>	<b>48,605,388</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)
<b>All returns, total</b>	<b>10,389,691</b>	<b>394,475,546</b>	<b>4,003,018</b>	<b>45,367,295</b>	<b>4,586,812</b>	<b>185,854,582</b>
No adjusted gross income	162,451	4,616,366	131,186	3,232,960	294,848	20,251,660
\$1 under \$5,000	337,033	586,502	142,533	555,184	223,096	4,030,260
\$5,000 under \$10,000	343,148	1,129,314	147,544	950,633	169,446	4,615,866
\$10,000 under \$15,000	344,742	1,453,413	123,509	891,603	191,294	4,991,196
\$15,000 under \$20,000	327,463	1,334,507	151,082	722,132	162,093	4,608,544
\$20,000 under \$25,000	276,345	1,300,840	110,465	900,626	145,173	3,961,614
\$25,000 under \$30,000	281,736	1,476,698	130,813	796,249	132,725	3,449,717
\$30,000 under \$40,000	551,053	2,736,466	247,848	1,547,099	258,223	7,790,065
\$40,000 under \$50,000	551,664	2,901,334	252,934	2,215,873	250,023	7,295,251
\$50,000 under \$75,000	1,519,108	10,259,046	626,734	5,466,260	622,115	19,564,379
\$75,000 under \$100,000	1,344,986	11,473,148	492,275	4,199,037	525,932	16,154,744
\$100,000 under \$200,000	2,558,055	41,438,744	905,691	7,207,201	955,412	34,783,763
\$200,000 under \$500,000	1,231,802	54,518,617	406,392	7,052,924	489,590	28,066,788
\$500,000 under \$1,000,000	323,706	41,013,016	83,355	2,738,161	105,364	11,358,451
\$1,000,000 under \$1,500,000	92,995	22,368,971	21,466	1,010,390	28,045	4,394,674
\$1,500,000 under \$2,000,000	42,400	14,844,892	9,025	759,952	11,500	2,193,325
\$2,000,000 under \$5,000,000	68,672	43,626,508	14,120	1,864,302	16,375	4,470,698
\$5,000,000 under \$10,000,000	19,093	29,176,365	3,673	1,152,359	3,624	1,784,029
\$10,000,000 or more	13,240	108,220,798	2,374	2,104,350	1,934	2,089,557
<b>Taxable returns, total</b>	<b>9,179,896</b>	<b>382,261,084</b>	<b>3,365,132</b>	<b>37,397,151</b>	<b>3,550,307</b>	<b>140,615,714</b>
<b>Nontaxable returns, total</b>	<b>1,209,796</b>	<b>12,214,462</b>	<b>637,885</b>	<b>7,970,143</b>	<b>1,036,505</b>	<b>45,238,868</b>

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued					
	Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8824)		Net long-term partnership/S corporation gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(55)	(56)	(57)	(58)	(59)	(60)
<b>All returns, total</b>	<b>2,338,099</b>	<b>230,194,973</b>	<b>140,615</b>	<b>1,772,862</b>	<b>1,619,444</b>	<b>221,134,805</b>
No adjusted gross income	81,958	7,610,599	6,044	111,834	29,603	3,853,220
\$1 under \$5,000	28,450	133,271	* 2,236	* 9,262	23,093	43,507
\$5,000 under \$10,000	47,161	232,974	1,498	1,381	28,972	127,911
\$10,000 under \$15,000	61,980	427,333	* 1,770	* 15,624	21,293	98,538
\$15,000 under \$20,000	63,638	504,143	982	3,959	21,131	161,350
\$20,000 under \$25,000	52,710	550,225	* 2,840	* 10,164	28,373	94,012
\$25,000 under \$30,000	65,132	500,960	4,093	4,499	25,481	127,129
\$30,000 under \$40,000	128,773	984,829	3,136	5,858	51,966	242,386
\$40,000 under \$50,000	111,981	1,120,440	5,539	11,999	64,569	330,297
\$50,000 under \$75,000	272,536	3,752,743	14,558	68,359	152,180	1,170,662
\$75,000 under \$100,000	282,563	4,601,529	12,249	79,040	174,891	1,377,568
\$100,000 under \$200,000	512,103	15,637,193	26,496	199,424	380,630	5,157,423
\$200,000 under \$500,000	355,078	28,029,705	26,368	309,285	315,910	11,921,553
\$500,000 under \$1,000,000	134,905	23,394,519	12,642	98,754	140,929	12,594,633
\$1,000,000 under \$1,500,000	48,131	14,283,401	5,651	53,565	52,353	8,682,544
\$1,500,000 under \$2,000,000	23,800	9,298,790	3,249	59,378	27,624	7,572,316
\$2,000,000 under \$5,000,000	42,666	29,576,350	6,632	176,076	50,154	26,320,457
\$5,000,000 under \$10,000,000	13,743	21,363,504	2,495	122,818	16,817	24,501,368
\$10,000,000 or more	10,792	68,192,464	2,137	431,583	13,476	116,757,927
<b>Taxable returns, total</b>	<b>1,997,476</b>	<b>219,340,018</b>	<b>122,767</b>	<b>1,443,350</b>	<b>1,496,991</b>	<b>216,211,685</b>
<b>Nontaxable returns, total</b>	<b>340,623</b>	<b>10,854,955</b>	<b>17,848</b>	<b>329,511</b>	<b>122,452</b>	<b>4,923,120</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D—continued				Sale of property other than capital assets	
	Net long-term partnership/ S corporation loss		Schedule D capital gain distributions		Net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)
<b>All returns, total</b>	<b>370,217</b>	<b>4,615,831</b>	<b>10,701,459</b>	<b>74,415,564</b>	<b>893,377</b>	<b>15,112,589</b>
No adjusted gross income	14,364	676,501	186,824	671,031	53,378	1,118,981
\$1 under \$5,000	5,094	11,896	365,179	418,910	13,893	94,709
\$5,000 under \$10,000	3,716	5,544	333,192	560,837	18,923	78,435
\$10,000 under \$15,000	7,304	12,463	311,494	658,052	25,391	93,365
\$15,000 under \$20,000	10,266	29,266	307,304	811,748	29,035	193,867
\$20,000 under \$25,000	8,866	99,619	279,120	805,491	30,605	141,282
\$25,000 under \$30,000	8,863	55,271	283,178	771,296	29,873	178,268
\$30,000 under \$40,000	12,718	66,693	546,239	1,675,521	61,576	375,284
\$40,000 under \$50,000	9,078	77,149	550,735	1,886,806	46,509	297,149
\$50,000 under \$75,000	42,212	290,531	1,520,345	5,907,869	129,700	1,066,060
\$75,000 under \$100,000	47,368	266,728	1,354,532	6,312,058	96,145	786,122
\$100,000 under \$200,000	88,760	506,099	2,684,081	17,092,607	152,846	2,018,839
\$200,000 under \$500,000	62,008	565,888	1,371,442	15,929,472	112,358	1,857,419
\$500,000 under \$1,000,000	27,269	351,957	356,452	7,538,310	43,068	1,192,609
\$1,000,000 under \$1,500,000	9,201	215,856	100,531	3,070,772	15,836	463,977
\$1,500,000 under \$2,000,000	4,026	159,154	45,591	1,758,235	8,638	325,396
\$2,000,000 under \$5,000,000	6,405	350,688	72,136	3,884,191	15,698	1,033,147
\$5,000,000 under \$10,000,000	1,656	240,243	19,812	1,771,159	5,367	561,086
\$10,000,000 or more	1,041	634,286	13,272	2,891,200	4,539	3,236,595
<b>Taxable returns, total</b>	<b>322,121</b>	<b>3,537,337</b>	<b>9,574,039</b>	<b>71,210,187</b>	<b>714,742</b>	<b>13,233,613</b>
<b>Nontaxable returns, total</b>	<b>48,096</b>	<b>1,078,494</b>	<b>1,127,421</b>	<b>3,205,377</b>	<b>178,635</b>	<b>1,878,977</b>

Size of adjusted gross income	Sale of property other than capital assets—continued		Taxable IRA distributions		Pensions and annuities	
	Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(67)	(68)	(69)	(70)	(71)	(72)
<b>All returns, total</b>	<b>857,758</b>	<b>10,755,848</b>	<b>10,683,225</b>	<b>147,959,327</b>	<b>27,678,148</b>	<b>851,528,103</b>
No adjusted gross income	84,804	4,452,804	87,517	1,445,637	254,705	5,703,260
\$1 under \$5,000	16,932	107,739	167,604	431,337	614,138	4,761,177
\$5,000 under \$10,000	20,931	186,121	397,153	1,504,690	1,144,380	9,761,213
\$10,000 under \$15,000	24,482	223,908	638,207	2,855,287	1,868,518	19,484,513
\$15,000 under \$20,000	20,993	55,259	623,412	3,637,146	1,811,535	24,304,626
\$20,000 under \$25,000	16,868	165,105	574,515	3,647,407	1,528,378	25,086,734
\$25,000 under \$30,000	24,397	139,398	556,538	3,796,973	1,508,568	26,514,133
\$30,000 under \$40,000	45,431	265,207	996,496	7,268,058	2,682,446	51,299,269
\$40,000 under \$50,000	42,444	147,386	865,106	8,187,950	2,308,699	51,732,288
\$50,000 under \$75,000	77,852	356,037	2,038,923	23,372,053	5,061,726	144,575,641
\$75,000 under \$100,000	82,939	378,285	1,434,542	22,941,364	3,453,854	127,908,865
\$100,000 under \$200,000	161,783	953,072	1,743,168	43,196,642	4,172,303	225,011,172
\$200,000 under \$500,000	131,167	1,000,257	444,361	17,937,371	1,008,536	92,930,909
\$500,000 under \$1,000,000	56,498	612,134	75,843	4,425,866	163,762	23,103,529
\$1,000,000 under \$1,500,000	18,865	264,079	17,517	1,311,501	41,185	6,855,892
\$1,500,000 under \$2,000,000	8,574	213,218	7,209	549,574	17,078	3,177,874
\$2,000,000 under \$5,000,000	15,040	441,749	10,721	840,564	26,584	5,634,254
\$5,000,000 under \$10,000,000	4,418	264,010	2,743	325,483	7,132	1,912,044
\$10,000,000 or more	3,339	530,081	1,651	284,424	4,621	1,770,710
<b>Taxable returns, total</b>	<b>654,240</b>	<b>5,135,614</b>	<b>9,049,133</b>	<b>137,684,669</b>	<b>22,812,884</b>	<b>790,255,469</b>
<b>Nontaxable returns, total</b>	<b>203,518</b>	<b>5,620,233</b>	<b>1,634,092</b>	<b>10,274,658</b>	<b>4,865,263</b>	<b>61,272,634</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Pensions and annuities—continued		Rent			
	Taxable		Net income		Net loss (includes nondeductible loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(73)	(74)	(75)	(76)	(77)	(78)
<b>All returns, total</b>	<b>25,180,637</b>	<b>490,581,465</b>	<b>4,024,356</b>	<b>56,510,400</b>	<b>5,525,203</b>	<b>74,090,927</b>
No adjusted gross income	173,263	1,969,937	84,003	1,294,067	307,331	10,209,217
\$1 under \$5,000	545,545	1,562,339	79,312	247,409	91,214	1,092,452
\$5,000 under \$10,000	1,090,238	5,776,585	141,355	585,381	147,203	1,392,180
\$10,000 under \$15,000	1,809,371	14,567,923	170,491	823,329	197,220	1,861,492
\$15,000 under \$20,000	1,750,620	17,743,542	199,263	1,244,824	196,591	2,069,635
\$20,000 under \$25,000	1,464,142	17,590,263	169,479	1,108,579	190,894	1,928,120
\$25,000 under \$30,000	1,421,612	18,629,473	158,253	1,070,757	201,551	1,917,893
\$30,000 under \$40,000	2,502,999	37,597,081	292,725	1,983,096	439,892	4,506,321
\$40,000 under \$50,000	2,157,648	36,929,862	287,369	2,197,097	419,653	4,109,975
\$50,000 under \$75,000	4,632,037	96,167,410	618,840	5,555,293	967,318	10,444,172
\$75,000 under \$100,000	3,097,654	77,693,393	507,542	4,771,380	689,329	7,268,378
\$100,000 under \$200,000	3,557,760	119,243,650	785,254	11,461,046	1,119,848	14,453,161
\$200,000 under \$500,000	790,483	35,562,867	375,478	11,410,552	415,187	7,713,515
\$500,000 under \$1,000,000	117,022	5,227,180	91,691	4,949,578	86,630	2,383,908
\$1,000,000 under \$1,500,000	29,629	1,487,283	25,552	2,072,546	23,852	844,890
\$1,500,000 under \$2,000,000	12,703	690,147	11,675	1,168,030	9,903	412,830
\$2,000,000 under \$5,000,000	19,287	1,220,416	18,217	2,402,548	14,965	801,141
\$5,000,000 under \$10,000,000	5,151	427,417	4,838	998,861	3,980	299,090
\$10,000,000 or more	3,476	494,699	3,018	1,166,028	2,641	382,555
<b>Taxable returns, total</b>	<b>20,725,413</b>	<b>456,107,357</b>	<b>3,234,754</b>	<b>50,367,143</b>	<b>4,140,188</b>	<b>49,544,606</b>
<b>Nontaxable returns, total</b>	<b>4,455,225</b>	<b>34,474,108</b>	<b>789,603</b>	<b>6,143,258</b>	<b>1,385,015</b>	<b>24,546,321</b>

Size of adjusted gross income	Royalty				Farm rental	
	Net income		Net loss		Net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(79)	(80)	(81)	(82)	(83)	(84)
<b>All returns, total</b>	<b>1,554,920</b>	<b>17,875,464</b>	<b>40,577</b>	<b>235,788</b>	<b>428,089</b>	<b>3,988,998</b>
No adjusted gross income	29,549	561,447	1,169	20,601	9,321	103,507
\$1 under \$5,000	35,727	59,017	* 634	* 9,464	7,768	31,111
\$5,000 under \$10,000	35,263	112,736	* 1,288	* 639	15,525	62,290
\$10,000 under \$15,000	44,851	109,433	* 976	* 650	22,315	110,348
\$15,000 under \$20,000	67,258	226,743	* 638	* 6,262	23,029	150,752
\$20,000 under \$25,000	56,042	159,057	* 3,991	* 4,026	21,831	130,918
\$25,000 under \$30,000	51,738	119,286	** 6,404	** 53,310	17,068	63,669
\$30,000 under \$40,000	102,041	225,072	**	**	32,750	233,368
\$40,000 under \$50,000	82,589	491,884	**	**	28,421	225,318
\$50,000 under \$75,000	215,252	861,501	* 3,389	* 5,377	71,504	504,892
\$75,000 under \$100,000	180,207	1,059,007	7,059	28,988	69,352	728,459
\$100,000 under \$200,000	345,379	2,837,668	6,135	6,277	77,246	884,021
\$200,000 under \$500,000	175,914	3,544,250	5,071	27,442	23,808	566,666
\$500,000 under \$1,000,000	62,429	2,247,534	1,611	13,640	** 8,149	** 193,679
\$1,000,000 under \$1,500,000	20,817	907,825	666	13,688	**	**
\$1,500,000 under \$2,000,000	11,280	537,922	340	6,805	**	**
\$2,000,000 under \$5,000,000	22,855	1,778,901	657	25,477	**	**
\$5,000,000 under \$10,000,000	8,336	644,516	276	7,403	**	**
\$10,000,000 or more	7,392	1,391,666	272	5,738	**	**
<b>Taxable returns, total</b>	<b>1,356,432</b>	<b>16,579,796</b>	<b>34,667</b>	<b>192,961</b>	<b>364,417</b>	<b>3,618,322</b>
<b>Nontaxable returns, total</b>	<b>198,488</b>	<b>1,295,669</b>	<b>5,911</b>	<b>42,827</b>	<b>63,672</b>	<b>370,677</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Farm rental—continued		Total rental and royalty			
	Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(85)	(86)	(87)	(88)	(89)	(90)
<b>All returns, total</b>	<b>116,379</b>	<b>587,605</b>	<b>5,448,163</b>	<b>76,926,346</b>	<b>4,886,331</b>	<b>56,287,538</b>
No adjusted gross income	3,131	41,894	107,992	1,854,292	309,637	8,791,898
\$1 under \$5,000	* 1,935	* 16,079	113,658	313,198	87,406	942,253
\$5,000 under \$10,000	7,138	33,484	180,687	731,035	149,583	1,330,691
\$10,000 under \$15,000	8,498	26,780	222,341	1,027,913	195,661	1,658,466
\$15,000 under \$20,000	5,430	28,417	267,407	1,592,806	188,363	1,727,612
\$20,000 under \$25,000	8,852	49,451	221,871	1,361,506	195,595	1,772,937
\$25,000 under \$30,000	6,428	30,464	208,821	1,181,472	201,664	1,701,866
\$30,000 under \$40,000	9,330	35,010	401,633	2,348,871	425,805	3,758,335
\$40,000 under \$50,000	8,799	49,278	370,364	2,845,702	408,916	3,728,231
\$50,000 under \$75,000	17,302	50,864	835,349	6,764,046	942,724	9,216,791
\$75,000 under \$100,000	16,080	63,247	689,893	6,412,295	673,953	6,450,387
\$100,000 under \$200,000	14,602	65,733	1,077,156	14,934,246	859,731	8,254,860
\$200,000 under \$500,000	** 7,648	** 70,711	499,010	15,202,030	162,561	3,518,446
\$500,000 under \$1,000,000	**	**	136,683	7,176,507	49,110	1,496,892
\$1,000,000 under \$1,500,000	448	10,556	40,876	2,997,402	14,301	534,783
\$1,500,000 under \$2,000,000	268	3,634	19,870	1,696,701	6,303	284,766
\$2,000,000 under \$5,000,000	347	8,182	35,107	4,297,372	9,927	569,170
\$5,000,000 under \$10,000,000	95	2,173	11,020	1,641,949	2,987	232,010
\$10,000,000 or more	47	1,649	8,426	2,547,004	2,105	317,144
<b>Taxable returns, total</b>	<b>90,185</b>	<b>411,227</b>	<b>4,479,695</b>	<b>69,418,515</b>	<b>3,516,472</b>	<b>35,344,223</b>
<b>Nontaxable returns, total</b>	<b>26,194</b>	<b>176,378</b>	<b>968,469</b>	<b>7,507,831</b>	<b>1,369,859</b>	<b>20,943,315</b>

Size of adjusted gross income	Partnership and S corporation				Estate and trust	
	Net income		Net loss		Net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(91)	(92)	(93)	(94)	(95)	(96)
<b>All returns, total</b>	<b>5,146,366</b>	<b>547,401,480</b>	<b>2,798,624</b>	<b>132,696,270</b>	<b>543,776</b>	<b>20,612,089</b>
No adjusted gross income	71,078	2,755,080	309,025	52,279,407	9,337	159,905
\$1 under \$5,000	67,687	388,059	55,311	1,151,723	9,917	18,459
\$5,000 under \$10,000	78,262	538,271	64,689	816,081	15,109	43,357
\$10,000 under \$15,000	113,294	878,853	74,062	1,066,622	12,676	56,073
\$15,000 under \$20,000	119,280	1,139,978	78,578	1,056,143	10,968	69,229
\$20,000 under \$25,000	124,774	1,432,909	88,636	1,179,487	10,380	71,438
\$25,000 under \$30,000	129,234	1,722,642	77,130	889,111	19,080	144,590
\$30,000 under \$40,000	253,720	3,873,429	172,295	1,949,951	25,540	209,221
\$40,000 under \$50,000	268,435	4,598,222	150,530	2,086,117	26,357	185,400
\$50,000 under \$75,000	658,957	12,960,817	386,708	5,196,967	72,944	869,885
\$75,000 under \$100,000	603,834	14,722,344	307,452	3,646,917	55,234	894,163
\$100,000 under \$200,000	1,234,679	50,378,977	556,994	9,055,339	150,036	2,724,930
\$200,000 under \$500,000	910,764	99,759,184	312,158	9,960,104	80,500	3,014,925
\$500,000 under \$1,000,000	298,204	80,740,285	85,485	6,397,683	23,451	1,911,309
\$1,000,000 under \$1,500,000	89,062	44,730,637	27,353	3,124,608	7,214	1,126,671
\$1,500,000 under \$2,000,000	39,113	28,626,476	13,190	2,063,951	3,811	726,265
\$2,000,000 under \$5,000,000	60,367	73,864,851	24,346	6,796,367	6,920	2,204,331
\$5,000,000 under \$10,000,000	15,582	38,598,544	8,095	4,988,200	2,312	1,550,969
\$10,000,000 or more	10,040	85,691,923	6,587	18,991,492	1,990	4,630,969
<b>Taxable returns, total</b>	<b>4,467,905</b>	<b>535,085,554</b>	<b>2,008,083</b>	<b>69,755,390</b>	<b>489,495</b>	<b>20,179,327</b>
<b>Nontaxable returns, total</b>	<b>678,461</b>	<b>12,315,926</b>	<b>790,542</b>	<b>62,940,881</b>	<b>54,281</b>	<b>432,762</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

Statistics of Income Bulletin | Fall 2009

**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Estate and trust—continued		Farm			
	Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(97)	(98)	(99)	(100)	(101)	(102)
<b>All returns, total</b>	<b>46,935</b>	<b>2,505,195</b>	<b>555,923</b>	<b>9,931,284</b>	<b>1,422,020</b>	<b>24,624,543</b>
No adjusted gross income	3,026	783,949	18,352	313,683	108,409	4,662,554
\$1 under \$5,000	* 1,301	* 708	29,042	74,564	41,235	480,467
\$5,000 under \$10,000	* 645	* 1,195	29,824	140,696	46,737	529,541
\$10,000 under \$15,000	* 1,596	* 2,702	28,053	236,815	53,014	645,344
\$15,000 under \$20,000	* 32	* 25	26,118	290,998	72,577	1,098,614
\$20,000 under \$25,000	** 3,314	** 1,551	23,151	170,811	63,248	789,431
\$25,000 under \$30,000	**	**	26,720	341,176	64,763	693,039
\$30,000 under \$40,000	* 92	* 4,178	60,714	741,714	115,789	1,296,137
\$40,000 under \$50,000	* 1,298	* 5,991	46,866	628,347	127,533	1,526,464
\$50,000 under \$75,000	6,625	17,265	101,760	1,631,012	261,502	3,263,710
\$75,000 under \$100,000	4,026	65,114	62,648	1,162,310	180,673	2,241,171
\$100,000 under \$200,000	9,744	26,366	71,291	2,135,678	197,122	3,267,723
\$200,000 under \$500,000	7,423	83,001	23,410	1,264,055	63,043	1,902,352
\$500,000 under \$1,000,000	3,017	79,916	** 7,972	** 799,425	15,144	818,113
\$1,000,000 under \$1,500,000	976	53,899	**	**	4,344	313,097
\$1,500,000 under \$2,000,000	660	44,280	**	**	2,004	192,135
\$2,000,000 under \$5,000,000	1,496	249,678	**	**	3,309	421,763
\$5,000,000 under \$10,000,000	730	155,963	**	**	896	192,378
\$10,000,000 or more	933	929,416	**	**	679	290,510
<b>Taxable returns, total</b>	<b>39,231</b>	<b>1,656,188</b>	<b>388,208</b>	<b>8,211,729</b>	<b>1,031,905</b>	<b>15,961,307</b>
<b>Nontaxable returns, total</b>	<b>7,704</b>	<b>849,006</b>	<b>167,715</b>	<b>1,719,555</b>	<b>390,115</b>	<b>8,663,236</b>

Size of adjusted gross income	Unemployment compensation		Social Security benefits			
			Total		Taxable	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(103)	(104)	(105)	(106)	(107)	(108)
<b>All returns, total</b>	<b>7,622,280</b>	<b>29,415,079</b>	<b>22,587,781</b>	<b>382,324,621</b>	<b>15,011,961</b>	<b>167,186,633</b>
No adjusted gross income	29,139	122,199	519,845	7,371,536	1,354	3,724
\$1 under \$5,000	171,227	369,292	1,259,825	15,953,745	11,936	36,440
\$5,000 under \$10,000	496,447	1,364,401	1,631,173	22,997,564	17,643	80,853
\$10,000 under \$15,000	712,956	2,325,828	2,187,526	32,756,039	43,525	135,905
\$15,000 under \$20,000	810,873	2,983,697	1,899,408	29,623,331	399,421	384,751
\$20,000 under \$25,000	699,844	2,842,380	1,451,443	23,312,030	996,766	1,514,561
\$25,000 under \$30,000	588,686	2,347,866	1,266,856	20,588,064	1,173,976	3,194,685
\$30,000 under \$40,000	941,925	3,838,093	2,067,687	34,724,519	2,066,054	10,382,370
\$40,000 under \$50,000	675,685	2,757,856	1,660,425	26,775,484	1,660,425	14,140,791
\$50,000 under \$75,000	1,239,741	5,193,432	3,498,707	59,666,407	3,496,067	45,260,098
\$75,000 under \$100,000	630,395	2,494,861	2,103,953	41,017,644	2,103,952	34,731,901
\$100,000 under \$200,000	548,111	2,383,383	2,225,151	47,759,212	2,225,137	40,509,122
\$200,000 under \$500,000	68,039	341,536	618,963	14,754,941	618,940	12,541,416
\$500,000 under \$1,000,000	** 9,212	** 50,253	119,959	3,009,675	119,913	2,557,845
\$1,000,000 under \$1,500,000	**	**	31,772	807,477	31,770	686,336
\$1,500,000 under \$2,000,000	**	**	13,906	360,765	13,906	306,650
\$2,000,000 under \$5,000,000	**	**	21,551	574,238	21,547	488,066
\$5,000,000 under \$10,000,000	**	**	5,820	161,287	5,819	137,069
\$10,000,000 or more	**	**	3,809	110,663	3,809	94,052
<b>Taxable returns, total</b>	<b>5,127,650</b>	<b>20,511,108</b>	<b>16,532,119</b>	<b>288,913,122</b>	<b>14,223,875</b>	<b>163,633,212</b>
<b>Nontaxable returns, total</b>	<b>2,494,630</b>	<b>8,903,972</b>	<b>6,055,662</b>	<b>93,411,499</b>	<b>788,085</b>	<b>3,553,421</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Foreign-earned income exclusion		Other income [2]			
			Net income		Net loss	
	Number of returns (109)	Amount (110)	Number of returns (111)	Amount (112)	Number of returns (113)	Amount (114)
<b>All returns, total</b>	<b>343,077</b>	<b>19,888,233</b>	<b>6,378,944</b>	<b>41,578,697</b>	<b>228,414</b>	<b>5,438,442</b>
No adjusted gross income	71,449	3,100,831	93,251	1,207,791	37,756	1,813,062
\$1 under \$5,000	50,898	2,512,288	286,386	481,883	5,349	80,897
\$5,000 under \$10,000	26,542	1,330,864	284,926	758,413	4,289	132,077
\$10,000 under \$15,000	9,614	481,127	295,955	1,003,687	3,902	89,163
\$15,000 under \$20,000	11,741	738,432	266,273	866,460	9,980	136,537
\$20,000 under \$25,000	17,067	937,969	250,377	869,886	6,006	107,685
\$25,000 under \$30,000	10,992	683,407	250,083	862,275	8,695	49,437
\$30,000 under \$40,000	14,708	864,651	466,939	1,440,369	12,471	148,273
\$40,000 under \$50,000	6,946	426,198	445,636	1,376,383	13,096	181,653
\$50,000 under \$75,000	24,829	1,641,519	1,036,384	3,183,287	30,356	352,279
\$75,000 under \$100,000	18,682	1,216,335	807,667	3,156,127	18,143	283,953
\$100,000 under \$200,000	33,521	2,230,698	1,238,365	6,151,653	34,055	367,625
\$200,000 under \$500,000	31,109	2,461,234	433,726	6,936,089	27,042	650,326
\$500,000 under \$1,000,000	8,908	753,960	121,263	3,514,765	9,683	319,764
\$1,000,000 under \$1,500,000	2,456	209,542	36,624	1,449,509	2,852	97,586
\$1,500,000 under \$2,000,000	1,190	102,573	17,306	873,550	1,380	91,147
\$2,000,000 under \$5,000,000	1,772	144,600	30,758	2,838,120	2,174	158,996
\$5,000,000 under \$10,000,000	389	30,667	9,582	1,253,168	620	107,393
\$10,000,000 or more	263	21,338	7,443	3,355,282	566	270,590
<b>Taxable returns, total</b>	<b>155,725</b>	<b>10,120,382</b>	<b>5,174,443</b>	<b>36,606,309</b>	<b>159,419</b>	<b>2,944,370</b>
<b>Nontaxable returns, total</b>	<b>187,352</b>	<b>9,767,851</b>	<b>1,204,501</b>	<b>4,972,388</b>	<b>68,995</b>	<b>2,494,072</b>

Size of adjusted gross income	Net operating loss		Gambling earnings		Cancellation of debt	
	Number of returns (115)	Amount (116)	Number of returns (117)	Amount (118)	Number of returns (119)	Amount (120)
	<b>All returns, total</b>	<b>922,895</b>	<b>86,369,141</b>	<b>2,008,658</b>	<b>30,139,091</b>	<b>271,290</b>
No adjusted gross income	504,445	75,296,485	20,631	238,707	6,084	264,424
\$1 under \$5,000	58,424	736,933	38,064	75,325	* 5,340	* 8,778
\$5,000 under \$10,000	71,126	736,206	59,611	178,819	7,527	13,705
\$10,000 under \$15,000	41,680	564,938	91,657	286,605	15,414	59,257
\$15,000 under \$20,000	37,474	439,443	99,477	348,814	13,964	46,255
\$20,000 under \$25,000	26,394	241,868	100,369	393,027	13,312	30,797
\$25,000 under \$30,000	22,262	299,677	91,992	345,105	14,640	101,932
\$30,000 under \$40,000	28,857	536,755	182,667	795,157	31,203	100,843
\$40,000 under \$50,000	24,277	422,833	169,021	851,662	27,097	91,931
\$50,000 under \$75,000	33,980	672,949	396,435	2,276,226	59,334	315,112
\$75,000 under \$100,000	20,714	469,867	267,995	1,983,957	26,204	176,108
\$100,000 under \$200,000	29,005	1,074,932	353,092	4,909,396	37,538	295,332
\$200,000 under \$500,000	14,524	1,023,608	102,885	5,776,072	6,929	143,627
\$500,000 under \$1,000,000	5,473	900,349	21,830	2,635,573	2,250	60,843
\$1,000,000 under \$1,500,000	1,490	399,164	5,326	1,437,289	1,023	20,044
\$1,500,000 under \$2,000,000	809	257,977	2,453	887,721	505	11,285
\$2,000,000 under \$5,000,000	1,236	787,434	3,614	1,956,086	1,369	43,423
\$5,000,000 under \$10,000,000	420	454,131	993	1,149,801	722	39,025
\$10,000,000 or more	308	1,053,592	546	3,613,748	834	59,127
<b>Taxable returns, total</b>	<b>179,611</b>	<b>16,220,366</b>	<b>1,613,350</b>	<b>26,780,905</b>	<b>207,079</b>	<b>1,376,878</b>
<b>Nontaxable returns, total</b>	<b>743,284</b>	<b>70,148,775</b>	<b>395,308</b>	<b>3,358,186</b>	<b>64,211</b>	<b>504,969</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Statutory adjustments					
	Total		IRA payments		Student loan interest deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(121)	(122)	(123)	(124)	(125)	(126)
<b>All returns, total</b>	<b>36,050,434</b>	<b>123,020,191</b>	<b>3,299,773</b>	<b>12,876,504</b>	<b>9,091,081</b>	<b>7,463,755</b>
No adjusted gross income	505,612	1,893,525	23,487	64,635	83,379	73,477
\$1 under \$5,000	1,635,787	1,789,360	20,990	51,190	139,814	111,935
\$5,000 under \$10,000	2,438,569	2,843,336	40,220	109,634	234,530	173,096
\$10,000 under \$15,000	2,475,896	3,186,721	75,424	175,494	337,357	214,463
\$15,000 under \$20,000	1,928,344	3,100,284	130,087	326,810	429,974	320,684
\$20,000 under \$25,000	1,721,800	3,063,006	159,916	467,821	552,426	409,835
\$25,000 under \$30,000	1,730,700	3,164,134	180,192	522,250	585,104	451,835
\$30,000 under \$40,000	3,260,629	6,321,890	366,798	1,161,254	1,247,145	1,023,381
\$40,000 under \$50,000	2,992,008	6,857,424	358,130	1,235,547	1,103,736	973,042
\$50,000 under \$75,000	5,958,186	14,594,376	735,985	2,875,141	1,989,832	1,581,570
\$75,000 under \$100,000	4,012,495	11,761,140	480,976	1,928,773	1,352,672	1,354,149
\$100,000 under \$200,000	5,486,954	26,133,133	583,141	2,869,847	1,035,113	776,288
\$200,000 under \$500,000	1,359,290	19,758,989	108,718	817,239	0	0
\$500,000 under \$1,000,000	325,121	7,990,742	23,111	174,131	0	0
\$1,000,000 under \$1,500,000	89,045	2,788,644	5,551	43,020	0	0
\$1,500,000 under \$2,000,000	39,303	1,513,507	2,568	19,690	0	0
\$2,000,000 under \$5,000,000	62,068	3,057,251	3,504	26,661	0	0
\$5,000,000 under \$10,000,000	16,795	1,234,637	652	4,865	0	0
\$10,000,000 or more	11,834	1,968,094	323	2,502	0	0
<b>Taxable returns, total</b>	<b>25,570,531</b>	<b>104,709,035</b>	<b>2,851,139</b>	<b>11,576,425</b>	<b>7,507,398</b>	<b>6,261,130</b>
<b>Nontaxable returns, total</b>	<b>10,479,903</b>	<b>18,311,157</b>	<b>448,633</b>	<b>1,300,078</b>	<b>1,583,683</b>	<b>1,202,625</b>

Size of adjusted gross income	Statutory adjustments—continued					
	Educator expenses deduction		Tuition and fees deduction		Domestic production activities deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(127)	(128)	(129)	(130)	(131)	(132)
<b>All returns, total</b>	<b>3,654,214</b>	<b>925,997</b>	<b>4,543,382</b>	<b>10,578,961</b>	<b>478,999</b>	<b>6,780,483</b>
No adjusted gross income	6,361	1,550	143,951	472,709	684	1,147
\$1 under \$5,000	9,281	2,021	265,562	767,787	2,135	101
\$5,000 under \$10,000	23,567	5,177	352,046	965,025	2,123	594
\$10,000 under \$15,000	53,342	11,701	210,672	461,956	5,975	3,132
\$15,000 under \$20,000	76,309	17,918	162,415	362,649	1,621	1,197
\$20,000 under \$25,000	91,160	20,528	158,800	341,792	6,716	6,375
\$25,000 under \$30,000	107,327	25,345	135,878	315,005	9,193	11,070
\$30,000 under \$40,000	343,406	81,796	208,465	436,874	20,997	24,989
\$40,000 under \$50,000	354,759	85,675	270,691	538,746	18,243	19,966
\$50,000 under \$75,000	781,837	195,207	715,754	1,475,144	46,327	78,949
\$75,000 under \$100,000	750,323	191,904	409,371	862,867	49,014	123,159
\$100,000 under \$200,000	933,931	255,768	1,509,778	3,578,408	110,198	361,020
\$200,000 under \$500,000	110,219	28,359	0	0	107,762	934,708
\$500,000 under \$1,000,000	** 12,391	** 3,047	0	0	43,608	807,601
\$1,000,000 under \$1,500,000	**	**	0	0	17,591	558,440
\$1,500,000 under \$2,000,000	**	**	0	0	9,470	408,514
\$2,000,000 under \$5,000,000	**	**	0	0	17,556	1,288,423
\$5,000,000 under \$10,000,000	**	**	0	0	5,577	746,426
\$10,000,000 or more	**	**	0	0	4,210	1,404,675
<b>Taxable returns, total</b>	<b>3,310,301</b>	<b>842,385</b>	<b>3,132,618</b>	<b>6,850,200</b>	<b>443,121</b>	<b>6,715,498</b>
<b>Nontaxable returns, total</b>	<b>343,913</b>	<b>83,612</b>	<b>1,410,764</b>	<b>3,728,761</b>	<b>35,878</b>	<b>64,985</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Statutory adjustments—continued					
	Health savings account deduction		One-half of deduction for self-employment tax		Moving expenses adjustment	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(133)	(134)	(135)	(136)	(137)	(138)
<b>All returns, total</b>	<b>592,526</b>	<b>1,500,881</b>	<b>17,840,382</b>	<b>24,759,998</b>	<b>1,119,044</b>	<b>2,903,022</b>
No adjusted gross income	7,038	21,469	254,752	248,544	7,066	20,709
\$1 under \$5,000	* 1,327	* 3,256	1,244,753	318,928	11,811	17,006
\$5,000 under \$10,000	6,392	5,696	1,880,521	918,609	24,722	45,013
\$10,000 under \$15,000	10,182	11,237	1,831,236	1,331,239	53,319	100,665
\$15,000 under \$20,000	15,132	25,330	1,183,622	1,013,204	59,552	123,689
\$20,000 under \$25,000	15,057	19,579	828,889	803,026	67,460	123,066
\$25,000 under \$30,000	17,725	32,266	788,741	790,236	77,638	149,955
\$30,000 under \$40,000	41,101	65,393	1,302,578	1,411,678	141,346	249,311
\$40,000 under \$50,000	40,774	60,986	1,136,466	1,372,044	138,395	326,627
\$50,000 under \$75,000	92,325	165,157	2,276,801	2,926,638	202,018	488,269
\$75,000 under \$100,000	89,434	215,219	1,571,424	2,445,050	112,439	311,555
\$100,000 under \$200,000	143,181	415,578	2,243,918	5,000,078	172,176	639,422
\$200,000 under \$500,000	80,445	318,365	917,493	3,467,613	44,555	252,024
\$500,000 under \$1,000,000	22,228	93,940	230,500	1,227,992	4,686	36,949
\$1,000,000 under \$1,500,000	5,030	23,822	60,375	423,321	1,016	9,278
\$1,500,000 under \$2,000,000	1,879	8,710	26,572	227,296	348	3,095
\$2,000,000 under \$5,000,000	2,549	11,764	41,935	437,098	396	4,602
\$5,000,000 under \$10,000,000	510	2,185	11,455	146,790	75	1,455
\$10,000,000 or more	217	930	8,350	250,614	29	332
<b>Taxable returns, total</b>	<b>523,706</b>	<b>1,364,512</b>	<b>10,542,960</b>	<b>19,204,135</b>	<b>956,350</b>	<b>2,494,933</b>
<b>Nontaxable returns, total</b>	<b>68,820</b>	<b>136,368</b>	<b>7,297,423</b>	<b>5,555,863</b>	<b>162,695</b>	<b>408,089</b>

Size of adjusted gross income	Statutory adjustments—continued					
	Payments to a Keogh plan		Penalty on early withdrawal of savings		Alimony paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(139)	(140)	(141)	(142)	(143)	(144)
<b>All returns, total</b>	<b>1,191,135</b>	<b>22,262,415</b>	<b>1,164,446</b>	<b>352,592</b>	<b>599,587</b>	<b>9,496,674</b>
No adjusted gross income	7,109	43,354	21,629	6,880	14,393	349,175
\$1 under \$5,000	4,353	10,927	47,624	8,338	10,859	103,804
\$5,000 under \$10,000	6,536	37,532	69,538	20,330	5,579	47,961
\$10,000 under \$15,000	9,824	40,557	70,654	18,524	11,276	103,318
\$15,000 under \$20,000	12,310	90,061	59,297	18,902	10,898	107,273
\$20,000 under \$25,000	12,322	46,297	56,460	12,102	13,032	99,901
\$25,000 under \$30,000	15,303	67,316	61,713	20,645	14,933	116,080
\$30,000 under \$40,000	29,835	189,150	106,984	25,546	37,189	250,359
\$40,000 under \$50,000	37,221	346,221	100,481	19,655	59,415	546,304
\$50,000 under \$75,000	112,920	909,681	203,179	67,148	116,263	1,107,474
\$75,000 under \$100,000	130,502	1,215,860	148,996	43,356	85,346	848,887
\$100,000 under \$200,000	369,417	5,613,576	165,209	43,070	134,041	1,935,362
\$200,000 under \$500,000	308,279	8,046,722	41,305	27,915	58,695	1,880,586
\$500,000 under \$1,000,000	87,350	3,322,546	7,034	11,283	16,244	909,345
\$1,000,000 under \$1,500,000	21,367	992,851	1,877	2,482	4,446	307,719
\$1,500,000 under \$2,000,000	8,902	443,259	746	1,889	2,160	203,043
\$2,000,000 under \$5,000,000	12,835	642,558	1,227	2,665	3,223	313,948
\$5,000,000 under \$10,000,000	2,830	121,755	285	893	922	133,092
\$10,000,000 or more	1,918	82,191	210	969	671	133,045
<b>Taxable returns, total</b>	<b>1,137,192</b>	<b>21,931,392</b>	<b>895,445</b>	<b>277,977</b>	<b>536,466</b>	<b>8,569,459</b>
<b>Nontaxable returns, total</b>	<b>53,944</b>	<b>331,024</b>	<b>269,001</b>	<b>74,615</b>	<b>63,120</b>	<b>927,214</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Statutory adjustments—continued					
	Self-employed health insurance deduction		Medical Savings Account deduction		Certain business expenses of reservists, performing artists, etc.	
	Number of returns (145)	Amount (146)	Number of returns (147)	Amount (148)	Number of returns (149)	Amount (150)
<b>All returns, total</b>	<b>3,838,721</b>	<b>21,283,306</b>	<b>10,972</b>	<b>21,748</b>	<b>135,102</b>	<b>420,756</b>
No adjusted gross income	119,007	557,811	* 16	* 32	* 1,407	* 2,442
\$1 under \$5,000	112,326	360,901	0	0	* 3,941	* 11,280
\$5,000 under \$10,000	136,861	446,172	0	0	* 4,771	* 35,008
\$10,000 under \$15,000	180,530	642,368	0	0	* 8,997	* 23,855
\$15,000 under \$20,000	180,379	662,861	0	0	* 3,654	* 8,589
\$20,000 under \$25,000	174,133	655,495	0	0	8,907	18,443
\$25,000 under \$30,000	159,113	624,786	0	0	* 5,306	* 6,972
\$30,000 under \$40,000	287,051	1,274,043	** 10,956	** 21,715	12,909	35,172
\$40,000 under \$50,000	279,657	1,223,425	0	0	10,179	55,226
\$50,000 under \$75,000	515,812	2,448,058	**	**	29,722	119,260
\$75,000 under \$100,000	374,358	2,071,575	**	**	16,059	35,526
\$100,000 under \$200,000	677,052	4,380,276	**	**	23,960	54,957
\$200,000 under \$500,000	427,983	3,644,884	**	**	5,207	13,825
\$500,000 under \$1,000,000	125,346	1,312,782	**	**	* 51	* 83
\$1,000,000 under \$1,500,000	37,708	397,456	**	**	* 8	* 11
\$1,500,000 under \$2,000,000	16,415	183,284	**	**	0	0
\$2,000,000 under \$5,000,000	24,817	273,988	**	**	* 19	* 61
\$5,000,000 under \$10,000,000	6,047	68,779	**	**	** 6	** 47
\$10,000,000 or more	4,124	54,362	**	**	**	**
<b>Taxable returns, total</b>	<b>2,890,621</b>	<b>17,099,314</b>	<b>10,655</b>	<b>21,011</b>	<b>110,351</b>	<b>351,027</b>
<b>Nontaxable returns, total</b>	<b>948,100</b>	<b>4,183,992</b>	<b>* 316</b>	<b>* 737</b>	<b>24,751</b>	<b>69,729</b>

Size of adjusted gross income	Statutory adjustments—continued		Basic standard deduction		Additional standard deduction	
	Other adjustments [3]		Number of returns (153)	Amount (154)	Number of returns (155)	Amount (156)
	Number of returns (151)	Amount (152)				
<b>All returns, total</b>	<b>139,569</b>	<b>1,295,091</b>	<b>90,510,904</b>	<b>635,824,934</b>	<b>11,703,100</b>	<b>18,356,722</b>
No adjusted gross income	1,006	18,183	0	0	0	0
\$1 under \$5,000	* 2,193	* 21,686	11,584,608	52,358,260	828,852	1,192,522
\$5,000 under \$10,000	* 3,599	* 33,490	11,551,250	71,005,029	1,129,197	1,655,549
\$10,000 under \$15,000	* 5,786	* 29,110	10,895,549	72,551,678	1,594,077	2,357,715
\$15,000 under \$20,000	* 3,814	* 17,088	9,807,592	68,383,443	1,329,864	2,078,556
\$20,000 under \$25,000	* 7,982	* 38,747	8,499,833	60,611,995	934,526	1,508,378
\$25,000 under \$30,000	10,239	30,375	7,213,443	52,139,536	784,134	1,217,348
\$30,000 under \$40,000	18,427	91,793	10,432,015	77,887,560	1,186,095	1,906,757
\$40,000 under \$50,000	14,806	53,955	6,621,552	52,259,343	887,413	1,388,376
\$50,000 under \$75,000	** 41,366	** 240,825	8,670,135	77,201,024	1,617,169	2,607,438
\$75,000 under \$100,000	**	**	3,217,944	31,517,945	762,857	1,311,272
\$100,000 under \$200,000	18,605	194,846	1,764,546	17,495,413	554,530	969,202
\$200,000 under \$500,000	** 10,838	** 398,483	195,868	1,868,288	75,638	131,267
\$500,000 under \$1,000,000	**	**	39,926	384,580	14,095	24,186
\$1,000,000 under \$1,500,000	383	23,705	8,805	86,132	2,618	4,659
\$1,500,000 under \$2,000,000	190	10,085	3,218	30,852	900	1,588
\$2,000,000 under \$5,000,000	244	47,402	3,751	35,654	913	1,552
\$5,000,000 under \$10,000,000	49	7,572	610	5,764	168	267
\$10,000,000 or more	43	37,745	259	2,439	53	88
<b>Taxable returns, total</b>	<b>109,515</b>	<b>1,090,792</b>	<b>52,700,214</b>	<b>368,860,932</b>	<b>8,415,457</b>	<b>13,170,942</b>
<b>Nontaxable returns, total</b>	<b>30,054</b>	<b>204,298</b>	<b>37,810,690</b>	<b>266,964,002</b>	<b>3,287,643</b>	<b>5,185,780</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 1. All Returns: Sources of Income, Adjustments, Deductions and Exemptions, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions		Exemptions	
	Number of returns	Amount	Number of exemptions	Amount
	(157)	(158)	(159)	(160)
<b>All returns, total</b>	<b>50,544,470</b>	<b>1,333,036,542</b>	<b>282,613,371</b>	<b>943,171,372</b>
No adjusted gross income	0	0	2,967,396	10,032,779
\$1 under \$5,000	344,143	5,745,355	9,271,415	31,425,415
\$5,000 under \$10,000	560,836	8,685,213	14,816,817	50,262,604
\$10,000 under \$15,000	1,015,734	15,368,011	19,758,736	67,016,439
\$15,000 under \$20,000	1,251,029	19,163,804	19,970,946	67,762,118
\$20,000 under \$25,000	1,461,861	22,361,623	18,922,604	64,235,406
\$25,000 under \$30,000	1,791,895	27,312,503	17,655,929	59,942,971
\$30,000 under \$40,000	4,307,792	67,360,195	29,212,726	99,180,308
\$40,000 under \$50,000	4,529,246	74,965,251	22,987,758	78,068,072
\$50,000 under \$75,000	10,779,607	202,158,928	45,371,172	154,097,290
\$75,000 under \$100,000	8,525,889	185,113,573	30,943,950	105,134,519
\$100,000 under \$200,000	11,693,315	334,451,497	37,753,793	128,061,349
\$200,000 under \$500,000	3,296,436	159,050,386	9,981,674	24,571,769
\$500,000 under \$1,000,000	611,121	55,931,192	1,884,579	2,122,798
\$1,000,000 under \$1,500,000	157,556	22,510,912	474,088	535,589
\$1,500,000 under \$2,000,000	67,514	13,318,367	200,346	226,004
\$2,000,000 under \$5,000,000	104,883	33,942,828	308,122	347,674
\$5,000,000 under \$10,000,000	27,479	20,035,862	79,096	89,303
\$10,000,000 or more	18,135	65,561,042	52,225	58,967
<b>Taxable returns, total</b>	<b>43,550,711</b>	<b>1,160,862,496</b>	<b>179,851,609</b>	<b>594,531,469</b>
<b>Nontaxable returns, total</b>	<b>6,993,759</b>	<b>172,174,046</b>	<b>102,761,762</b>	<b>348,639,903</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] The total number of returns does not include the returns filed by individuals who only receive the economic stimulus payment and who had no other reason to file.

[2] Other income includes all items reported on line 21 of Form 1040, such as prizes, awards, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in the previous year, and any other income subject to tax for which no specific line was provided on the form. Any foreign-earned income exclusion or net operating loss in an earlier year (that was not carried forward and deducted for 2007) was entered as a negative amount on line 21 by the taxpayer but was edited into separate fields during Statistics of Income (SOI) processing. Gambling earnings entered on line 21 by the taxpayer were also edited into a separate field during SOI processing.

[3] Other adjustments does not include the foreign housing adjustment.

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

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns [1]	Taxable income		Alternative minimum tax	
		Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)
<b>All returns, total</b>	<b>142,978,806</b>	<b>110,533,209</b>	<b>6,063,263,892</b>	<b>4,108,964</b>	<b>24,109,512</b>
No adjusted gross income	1,907,835	0	0	6,169	106,219
\$1 under \$5,000	11,930,752	945,538	1,069,449	** 1,466	** 2,865
\$5,000 under \$10,000	12,114,741	3,815,166	6,730,843	**	**
\$10,000 under \$15,000	11,914,564	6,705,085	25,897,067	3,836	1,772
\$15,000 under \$20,000	11,061,903	7,866,604	52,585,503	4,378	4,336
\$20,000 under \$25,000	9,963,693	8,700,303	82,521,450	3,667	4,821
\$25,000 under \$30,000	9,005,338	8,414,824	111,236,608	1,999	3,809
\$30,000 under \$40,000	14,740,806	14,209,462	271,345,505	5,115	8,850
\$40,000 under \$50,000	11,150,798	10,951,496	295,081,892	7,134	12,879
\$50,000 under \$75,000	19,450,744	19,274,902	762,129,063	74,106	83,941
\$75,000 under \$100,000	11,744,132	11,694,809	692,808,575	136,851	192,099
\$100,000 under \$200,000	13,457,876	13,427,695	1,313,152,027	956,648	1,929,652
\$200,000 under \$500,000	3,492,353	3,486,354	819,889,431	2,461,091	12,215,802
\$500,000 under \$1,000,000	651,049	649,555	383,494,908	335,677	3,974,004
\$1,000,000 under \$1,500,000	166,362	166,028	177,818,365	49,455	1,057,662
\$1,500,000 under \$2,000,000	70,733	70,606	108,291,334	19,446	560,120
\$2,000,000 under \$5,000,000	108,641	108,384	290,542,207	28,581	1,399,165
\$5,000,000 under \$10,000,000	28,090	28,027	172,395,312	7,927	775,175
\$10,000,000 or more	18,394	18,370	496,274,351	5,416	1,776,340
<b>Taxable returns, total</b>	<b>96,269,751</b>	<b>96,247,999</b>	<b>5,942,759,558</b>	<b>4,096,728</b>	<b>24,094,708</b>
<b>Nontaxable returns, total</b>	<b>46,709,055</b>	<b>14,285,210</b>	<b>120,504,334</b>	<b>12,236</b>	<b>14,804</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Income tax before credits		Tax credits			
			Total		Child care credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(6)	(7)	(8)	(9)	(10)	(11)
<b>All returns, total</b>	<b>110,547,299</b>	<b>1,179,538,578</b>	<b>48,090,578</b>	<b>63,778,784</b>	<b>6,491,844</b>	<b>3,483,152</b>
No adjusted gross income	7,385	106,312		7,271	* 14	* 8
\$1 under \$5,000	944,870	102,644	164,861	3,824	0	0
\$5,000 under \$10,000	3,806,958	673,345	647,283	38,976	0	0
\$10,000 under \$15,000	6,709,136	2,581,174	1,932,692	344,116	25,939	3,671
\$15,000 under \$20,000	7,863,268	5,516,153	3,019,835	928,528	231,489	57,236
\$20,000 under \$25,000	8,699,981	9,417,412	4,135,168	2,062,470	383,521	189,759
\$25,000 under \$30,000	8,413,384	13,214,799	3,880,991	2,970,640	443,379	271,893
\$30,000 under \$40,000	14,210,687	33,603,212	6,035,683	5,749,995	727,838	466,317
\$40,000 under \$50,000	10,952,695	39,003,074	4,820,749	5,488,519	578,244	302,694
\$50,000 under \$75,000	19,276,905	109,492,536	8,581,762	12,610,140	1,321,159	688,787
\$75,000 under \$100,000	11,700,022	103,806,259	6,110,997	9,972,261	1,073,020	575,079
\$100,000 under \$200,000	13,430,805	236,213,288	6,437,566	7,458,662	1,397,676	770,904
\$200,000 under \$500,000	3,488,858	199,687,592	1,628,600	3,218,418	269,107	132,536
\$500,000 under \$1,000,000	650,488	105,542,005	408,671	2,378,925	29,020	17,277
\$1,000,000 under \$1,500,000	166,210	49,629,119	112,551	1,274,861	6,076	3,591
\$1,500,000 under \$2,000,000	70,665	30,185,317	50,445	834,050	2,129	1,349
\$2,000,000 under \$5,000,000	108,543	79,963,188	80,978	2,408,947	2,510	1,544
\$5,000,000 under \$10,000,000	28,057	45,283,723	22,253	1,354,034	446	312
\$10,000,000 or more	18,383	115,517,427	15,666	4,674,148	276	194
<b>Taxable returns, total</b>	<b>96,269,751</b>	<b>1,166,138,636</b>	<b>33,813,030</b>	<b>50,387,837</b>	<b>4,451,217</b>	<b>2,331,269</b>
<b>Nontaxable returns, total</b>	<b>14,277,548</b>	<b>13,399,942</b>	<b>14,277,548</b>	<b>13,390,947</b>	<b>2,040,627</b>	<b>1,151,883</b>

Size of adjusted gross income	Tax credits—continued					
	Credit for the elderly and disabled		Child tax credit [2]		Education credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(12)	(13)	(14)	(15)	(16)	(17)
<b>All returns, total</b>	<b>89,767</b>	<b>12,469</b>	<b>25,889,333</b>	<b>31,556,282</b>	<b>7,435,044</b>	<b>6,910,412</b>
No adjusted gross income	556	537	2,678	2,480	348	358
\$1 under \$5,000	0	0	* 1,864	* 332	* 3	* 1
\$5,000 under \$10,000	0	0	* 1,425	* 295	46,470	2,893
\$10,000 under \$15,000	51,650	7,939	167,280	17,356	499,480	163,828
\$15,000 under \$20,000	26,538	2,312	1,274,682	316,792	608,393	369,737
\$20,000 under \$25,000	11,022	1,681	1,969,344	976,071	613,252	480,615
\$25,000 under \$30,000	0	0	2,263,247	1,560,707	611,049	544,775
\$30,000 under \$40,000	0	0	3,742,035	3,611,085	1,133,312	1,051,997
\$40,000 under \$50,000	0	0	3,049,981	3,849,961	917,454	946,541
\$50,000 under \$75,000	0	0	6,016,480	9,582,317	1,462,871	1,561,652
\$75,000 under \$100,000	0	0	4,124,983	7,060,031	1,314,720	1,636,151
\$100,000 under \$200,000	0	0	** 3,275,336	** 4,578,854	227,692	151,863
\$200,000 under \$500,000	0	0	**	**	0	0
\$500,000 under \$1,000,000	0	0	0	0	0	0
\$1,000,000 under \$1,500,000	0	0	0	0	0	0
\$1,500,000 under \$2,000,000	0	0	0	0	0	0
\$2,000,000 under \$5,000,000	0	0	0	0	0	0
\$5,000,000 under \$10,000,000	0	0	0	0	0	0
\$10,000,000 or more	0	0	0	0	0	0
<b>Taxable returns, total</b>	<b>42,966</b>	<b>6,306</b>	<b>16,091,481</b>	<b>23,844,556</b>	<b>5,382,345</b>	<b>5,150,186</b>
<b>Nontaxable returns, total</b>	<b>46,801</b>	<b>6,162</b>	<b>9,797,852</b>	<b>7,711,726</b>	<b>2,052,698</b>	<b>1,760,227</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax credits—continued					
	Retirement savings contribution credit		Residential energy credits		Adoption credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)
<b>All returns, total</b>	<b>5,862,206</b>	<b>976,846</b>	<b>4,326,398</b>	<b>1,007,577</b>	<b>94,128</b>	<b>396,039</b>
No adjusted gross income	214	286	**	**	* 4	* 13
\$1 under \$5,000	* 1,009	* 148	0	0	0	0
\$5,000 under \$10,000	29,314	1,840	** 671	** 12	0	0
\$10,000 under \$15,000	253,333	57,372	48,994	6,221	0	0
\$15,000 under \$20,000	692,247	95,935	53,541	9,816	0	0
\$20,000 under \$25,000	1,193,089	190,457	81,487	15,448	* 1,637	* 800
\$25,000 under \$30,000	849,471	163,337	130,542	29,388	* 644	* 252
\$30,000 under \$40,000	1,426,996	239,059	363,574	78,375	* 8,628	* 15,421
\$40,000 under \$50,000	1,126,509	178,701	395,071	89,152	11,281	21,197
\$50,000 under \$75,000	290,024	49,711	1,070,509	234,685	35,479	115,602
\$75,000 under \$100,000	0	0	851,517	190,305	16,345	64,059
\$100,000 under \$200,000	0	0	1,054,235	270,179	19,558	173,915
\$200,000 under \$500,000	0	0	230,675	67,186	524	4,598
\$500,000 under \$1,000,000	0	0	** 45,583	** 16,810	* 8	* 89
\$1,000,000 under \$1,500,000	0	0	**	**	* 17	* 85
\$1,500,000 under \$2,000,000	0	0	**	**	** 4	** 8
\$2,000,000 under \$5,000,000	0	0	**	**	0	0
\$5,000,000 under \$10,000,000	0	0	**	**	**	**
\$10,000,000 or more	0	0	**	**	0	0
<b>Taxable returns, total</b>	<b>3,639,168</b>	<b>548,568</b>	<b>4,046,635</b>	<b>942,840</b>	<b>26,609</b>	<b>119,220</b>
<b>Nontaxable returns, total</b>	<b>2,223,038</b>	<b>428,277</b>	<b>279,763</b>	<b>64,737</b>	<b>67,519</b>	<b>276,819</b>

Size of adjusted gross income	Tax credits—continued					
	Earned income credit used to offset income tax before credits		Prior-year minimum tax credit		Foreign tax credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)
<b>All returns, total</b>	<b>3,420,158</b>	<b>933,968</b>	<b>395,359</b>	<b>1,034,675</b>	<b>7,642,644</b>	<b>15,435,196</b>
No adjusted gross income	* 3	* 7	0	0	488	31
\$1 under \$5,000	0	0	* 644	* 24	161,348	3,211
\$5,000 under \$10,000	462,708	30,279	* 1,002	* 99	107,838	3,347
\$10,000 under \$15,000	822,388	79,353	* 544	* 37	137,812	6,626
\$15,000 under \$20,000	213,057	63,807	* 635	* 421	138,595	10,068
\$20,000 under \$25,000	365,352	190,951	* 1,884	* 373	171,092	12,368
\$25,000 under \$30,000	796,480	370,324	* 1,305	* 798	177,601	21,154
\$30,000 under \$40,000	760,172	199,247	8,807	8,796	359,945	50,316
\$40,000 under \$50,000	0	0	5,502	9,228	366,972	49,595
\$50,000 under \$75,000	0	0	29,275	26,092	1,082,618	234,729
\$75,000 under \$100,000	0	0	36,132	43,059	1,018,168	278,441
\$100,000 under \$200,000	0	0	178,667	178,499	2,114,584	956,555
\$200,000 under \$500,000	0	0	62,933	103,684	1,199,128	2,602,608
\$500,000 under \$1,000,000	0	0	40,619	139,858	350,931	2,069,221
\$1,000,000 under \$1,500,000	0	0	12,685	132,895	99,785	995,737
\$1,500,000 under \$2,000,000	0	0	4,801	62,193	45,647	681,137
\$2,000,000 under \$5,000,000	0	0	6,799	164,213	74,490	2,017,039
\$5,000,000 under \$10,000,000	0	0	1,864	79,755	20,782	1,144,685
\$10,000,000 or more	0	0	1,263	84,651	14,819	4,298,328
<b>Taxable returns, total</b>	<b>1,330,254</b>	<b>337,568</b>	<b>368,890</b>	<b>965,883</b>	<b>7,383,876</b>	<b>14,288,137</b>
<b>Nontaxable returns, total</b>	<b>2,089,904</b>	<b>596,400</b>	<b>26,469</b>	<b>68,791</b>	<b>258,768</b>	<b>1,147,059</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax credits—continued					
	General business credit		Empowerment zone and community renewal credit		Renewable electric and Indian coal credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)
<b>All returns, total</b>	<b>230,821</b>	<b>845,539</b>	<b>29,219</b>	<b>116,603</b>	<b>2,121</b>	<b>11,238</b>
No adjusted gross income	0	0	26	153	**	**
\$1 under \$5,000	* 632	* 88	0	0	0	0
\$5,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$15,000	* 2,641	* 507	0	0	0	0
\$15,000 under \$20,000	* 4,563	* 1,299	0	0	0	0
\$20,000 under \$25,000	* 2,400	* 887	0	0	0	0
\$25,000 under \$30,000	5,502	4,545	0	0	0	0
\$30,000 under \$40,000	8,828	10,959	* 1,001	* 1,593	0	0
\$40,000 under \$50,000	9,600	11,237	* 624	* 493	0	0
\$50,000 under \$75,000	28,381	39,209	** 5,703	** 11,221	0	0
\$75,000 under \$100,000	32,610	49,635	**	**	** 1,007	** 186
\$100,000 under \$200,000	65,535	98,925	**	**	* 315	* 1,691
\$200,000 under \$500,000	25,187	42,751	6,864	27,603	** 552	** 1,483
\$500,000 under \$1,000,000	16,555	62,071	6,237	11,896	**	**
\$1,000,000 under \$1,500,000	9,409	70,266	3,142	9,986	* 42	* 19
\$1,500,000 under \$2,000,000	4,745	43,249	1,617	8,644	* 45	* 1,477
\$2,000,000 under \$5,000,000	8,573	125,455	2,594	18,390	72	945
\$5,000,000 under \$10,000,000	2,957	78,966	656	11,496	29	2,608
\$10,000,000 or more	2,704	205,490	757	15,126	59	2,829
<b>Taxable returns, total</b>	<b>206,041</b>	<b>800,867</b>	<b>28,580</b>	<b>114,887</b>	<b>2,116</b>	<b>10,860</b>
<b>Nontaxable returns, total</b>	<b>24,780</b>	<b>44,673</b>	<b>639</b>	<b>1,716</b>	<b>* 5</b>	<b>* 378</b>

Size of adjusted gross income	Tax credits					
	Credit for Social Security and Medicare tax paid on tips		Work opportunity credit		Alternative motor vehicle credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(36)	(37)	(38)	(39)	(40)	(41)
<b>All returns, total</b>	<b>53,276</b>	<b>291,552</b>	<b>38,096</b>	<b>224,666</b>	<b>157,814</b>	<b>184,661</b>
No adjusted gross income	30	451	14	422	0	0
\$1 under \$5,000	0	0	0	0	0	0
\$5,000 under \$10,000	0	0	* 644	* 210	0	0
\$10,000 under \$15,000	0	0	0	0	* 2,000	* 644
\$15,000 under \$20,000	* 638	* 354	0	0	* 539	* 114
\$20,000 under \$25,000	* 632	* 3	* 644	* 96	* 2,999	* 2,920
\$25,000 under \$30,000	0	0	* 1,268	* 1,739	* 2,277	* 1,338
\$30,000 under \$40,000	* 999	* 584	* 644	* 42	* 4,221	* 6,403
\$40,000 under \$50,000	* 2,001	* 1,066	* 1,306	* 1,970	9,007	10,261
\$50,000 under \$75,000	* 3,294	* 2,243	* 1,562	* 3,251	26,311	28,900
\$75,000 under \$100,000	6,432	13,119	* 3,444	* 5,640	30,200	39,810
\$100,000 under \$200,000	14,286	39,872	8,280	18,129	70,998	84,078
\$200,000 under \$500,000	11,093	66,301	7,706	47,249	** 9,262	** 10,194
\$500,000 under \$1,000,000	** 13,871	** 167,558	4,426	28,023	**	**
\$1,000,000 under \$1,500,000	**	**	2,260	21,417	**	**
\$1,500,000 under \$2,000,000	**	**	1,214	14,983	**	**
\$2,000,000 under \$5,000,000	**	**	2,520	34,622	**	**
\$5,000,000 under \$10,000,000	**	**	999	13,705	**	**
\$10,000,000 or more	**	**	1,167	33,167	**	**
<b>Taxable returns, total</b>	<b>49,006</b>	<b>277,651</b>	<b>34,511</b>	<b>214,248</b>	<b>148,674</b>	<b>177,794</b>
<b>Nontaxable returns, total</b>	<b>4,270</b>	<b>13,901</b>	<b>3,585</b>	<b>10,418</b>	<b>9,140</b>	<b>6,867</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax credits—continued		Income tax after credits		Total income tax	
	Other tax credits		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount				
	(42)	(43)	(44)	(45)	(46)	(47)
<b>All returns, total</b>	<b>41,235</b>	<b>106,428</b>	<b>96,272,957</b>	<b>1,115,759,794</b>	<b>96,269,751</b>	<b>1,115,601,803</b>
No adjusted gross income	* 5	* [3]	5,582	99,041	5,559	97,427
\$1 under \$5,000	* 644	* 19	926,371	98,820	926,371	98,820
\$5,000 under \$10,000	* 655	* 9	3,283,042	634,369	3,283,042	634,369
\$10,000 under \$15,000	* 655	* 98	5,762,743	2,237,057	5,762,743	2,237,057
\$15,000 under \$20,000	* 2,999	* 633	5,701,605	4,587,626	5,701,605	4,587,626
\$20,000 under \$25,000	* 105	* 36	5,849,507	7,354,942	5,849,507	7,354,942
\$25,000 under \$30,000	* 999	* 300	5,743,893	10,244,160	5,743,893	10,244,160
\$30,000 under \$40,000	* 845	* 1,304	11,472,967	27,853,217	11,472,967	27,853,208
\$40,000 under \$50,000	* 3,766	* 7,826	9,740,232	33,514,554	9,740,232	33,514,554
\$50,000 under \$75,000	13,260	30,851	18,317,125	96,882,397	18,317,115	96,882,330
\$75,000 under \$100,000	4,456	7,913	11,559,682	93,833,998	11,558,977	93,832,750
\$100,000 under \$200,000	6,929	20,047	13,385,837	228,754,625	13,383,717	228,687,547
\$200,000 under \$500,000	** 4,967	** 15,709	3,483,706	196,469,174	3,483,359	196,380,629
\$500,000 under \$1,000,000	**	**	649,403	103,163,081	649,403	103,163,081
\$1,000,000 under \$1,500,000	293	1,884	165,970	48,354,258	165,971	48,354,319
\$1,500,000 under \$2,000,000	156	2,388	70,556	29,351,266	70,556	29,351,266
\$2,000,000 under \$5,000,000	276	7,265	108,357	77,554,241	108,357	77,554,612
\$5,000,000 under \$10,000,000	109	3,608	28,014	43,929,689	28,014	43,929,717
\$10,000,000 or more	117	6,538	18,362	110,843,279	18,362	110,843,388
<b>Taxable returns, total</b>	<b>33,316</b>	<b>85,177</b>	<b>96,269,751</b>	<b>1,115,750,806</b>	<b>96,269,751</b>	<b>1,115,601,803</b>
<b>Nontaxable returns, total</b>	<b>7,919</b>	<b>21,252</b>	<b>3,205</b>	<b>8,988</b>	<b>0</b>	<b>0</b>
	All other taxes					
Size of adjusted gross income	Total		Penalty tax on qualified retirement plans		Self-employment tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)
<b>All returns, total</b>	<b>23,773,478</b>	<b>56,287,236</b>	<b>5,550,175</b>	<b>5,004,547</b>	<b>17,840,382</b>	<b>49,511,062</b>
No adjusted gross income	308,930	614,931	47,630	66,397	254,752	496,969
\$1 under \$5,000	1,358,225	684,219	79,605	14,503	1,244,753	637,256
\$5,000 under \$10,000	2,058,948	1,876,685	135,936	32,986	1,880,521	1,836,275
\$10,000 under \$15,000	2,088,543	2,727,288	208,002	51,014	1,831,236	2,661,548
\$15,000 under \$20,000	1,485,962	2,116,137	267,385	76,679	1,183,622	2,025,835
\$20,000 under \$25,000	1,117,519	1,715,387	269,837	102,182	828,889	1,605,631
\$25,000 under \$30,000	1,095,310	1,729,732	296,143	124,330	788,741	1,580,074
\$30,000 under \$40,000	1,944,997	3,129,245	614,773	290,519	1,302,578	2,822,697
\$40,000 under \$50,000	1,711,386	3,086,673	553,449	317,636	1,136,466	2,743,529
\$50,000 under \$75,000	3,471,537	6,835,617	1,164,571	928,270	2,276,801	5,852,117
\$75,000 under \$100,000	2,406,567	5,796,593	813,998	830,225	1,571,424	4,889,305
\$100,000 under \$200,000	3,174,036	11,741,557	915,019	1,591,816	2,243,918	9,999,036
\$200,000 under \$500,000	1,113,409	7,672,964	160,168	500,623	917,493	6,934,759
\$500,000 under \$1,000,000	262,431	2,656,937	16,135	49,789	230,500	2,455,867
\$1,000,000 under \$1,500,000	69,623	923,498	3,550	12,885	60,375	846,611
\$1,500,000 under \$2,000,000	31,009	512,718	1,392	2,395	26,572	454,579
\$2,000,000 under \$5,000,000	49,906	1,043,149	1,835	3,721	41,935	874,176
\$5,000,000 under \$10,000,000	14,267	466,211	452	2,188	11,455	293,574
\$10,000,000 or more	10,873	957,694	296	6,388	8,350	501,224
<b>Taxable returns, total</b>	<b>15,277,596</b>	<b>44,500,110</b>	<b>4,438,226</b>	<b>4,517,253</b>	<b>10,542,960</b>	<b>38,402,934</b>
<b>Nontaxable returns, total</b>	<b>8,495,882</b>	<b>11,787,127</b>	<b>1,111,949</b>	<b>487,294</b>	<b>7,297,423</b>	<b>11,108,128</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All other taxes—continued				Earned income credit used to offset other taxes	
	Social Security taxes on tip income		Household employment tax		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount		
	(54)	(55)	(56)	(57)	(58)	(59)
<b>All returns, total</b>	<b>194,630</b>	<b>30,331</b>	<b>222,146</b>	<b>914,059</b>	<b>5,308,062</b>	<b>5,098,105</b>
No adjusted gross income	* 7	* 21	10,846	45,768	119,272	76,127
\$1 under \$5,000	23,593	917	4,359	29,959	653,792	206,879
\$5,000 under \$10,000	35,417	5,509	* 1,016	* 892	1,463,933	1,043,710
\$10,000 under \$15,000	30,225	5,947	1,548	2,713	1,292,771	1,714,608
\$15,000 under \$20,000	19,544	5,215	* 1,785	* 785	643,772	972,112
\$20,000 under \$25,000	10,921	1,065	1,820	5,238	408,642	515,265
\$25,000 under \$30,000	10,282	2,045	3,474	15,620	375,692	366,556
\$30,000 under \$40,000	11,564	535	2,028	2,361	350,187	202,849
\$40,000 under \$50,000	9,232	1,707	5,811	11,937	0	0
\$50,000 under \$75,000	27,698	5,595	11,019	21,489	0	0
\$75,000 under \$100,000	8,921	1,270	18,916	41,388	0	0
\$100,000 under \$200,000	** 7,173	** 447	39,673	99,988	0	0
\$200,000 under \$500,000	**	**	58,932	198,011	0	0
\$500,000 under \$1,000,000	* 41	* 2	27,653	141,283	0	0
\$1,000,000 under \$1,500,000	0	0	9,980	52,097	0	0
\$1,500,000 under \$2,000,000	* 8	* 56	5,274	32,306	0	0
\$2,000,000 under \$5,000,000	** 4	** [3]	10,137	76,253	0	0
\$5,000,000 under \$10,000,000	0	0	3,920	46,045	0	0
\$10,000,000 or more	**	**	3,955	89,927	0	0
<b>Taxable returns, total</b>	<b>98,900</b>	<b>13,416</b>	<b>191,828</b>	<b>767,696</b>	<b>0</b>	<b>0</b>
<b>Nontaxable returns, total</b>	<b>95,729</b>	<b>16,915</b>	<b>30,318</b>	<b>146,363</b>	<b>5,308,062</b>	<b>5,098,105</b>

Size of adjusted gross income	Total tax liability		Tax payments			
	Number of returns	Amount	Total		Income tax withheld	
			Number of returns	Amount	Number of returns	Amount
	(60)	(61)	(62)	(63)	(64)	(65)
<b>All returns, total</b>	<b>100,427,087</b>	<b>1,165,642,299</b>	<b>130,574,975</b>	<b>1,295,715,795</b>	<b>125,583,890</b>	<b>912,563,316</b>
No adjusted gross income	258,864	597,877	850,371	3,647,332	578,754	1,925,668
\$1 under \$5,000	2,025,635	559,555	8,733,381	1,967,619	8,471,727	1,698,805
\$5,000 under \$10,000	4,217,218	1,452,641	9,761,003	5,090,579	9,500,892	4,686,764
\$10,000 under \$15,000	6,173,147	3,221,516	9,692,524	8,736,935	9,383,259	8,065,460
\$15,000 under \$20,000	6,021,571	5,666,872	9,835,743	13,156,944	9,504,942	12,278,293
\$20,000 under \$25,000	6,062,967	8,445,361	9,305,868	17,206,671	9,033,490	16,241,090
\$25,000 under \$30,000	5,938,617	11,411,634	8,556,861	20,738,243	8,306,990	19,653,565
\$30,000 under \$40,000	11,773,554	30,449,279	14,297,943	48,589,623	13,872,439	45,877,571
\$40,000 under \$50,000	9,929,294	36,378,901	10,932,144	52,528,905	10,584,996	49,279,860
\$50,000 under \$75,000	18,500,047	103,495,445	19,164,642	133,668,960	18,479,798	123,248,811
\$75,000 under \$100,000	11,596,722	99,586,638	11,627,566	121,195,561	11,213,294	109,888,646
\$100,000 under \$200,000	13,402,566	240,478,048	13,334,431	255,725,735	12,683,827	217,872,877
\$200,000 under \$500,000	3,485,631	204,141,941	3,450,056	192,797,599	3,105,082	132,551,318
\$500,000 under \$1,000,000	649,742	105,820,018	643,593	100,078,639	542,057	55,065,669
\$1,000,000 under \$1,500,000	166,062	49,277,817	164,645	47,309,083	137,680	22,425,231
\$1,500,000 under \$2,000,000	70,597	29,863,984	70,042	28,937,522	56,983	12,437,486
\$2,000,000 under \$5,000,000	108,432	78,597,761	107,863	78,280,385	88,813	31,812,732
\$5,000,000 under \$10,000,000	28,042	44,395,928	27,959	45,339,900	23,307	16,746,729
\$10,000,000 or more	18,378	111,801,083	18,336	120,719,557	15,559	30,806,743
<b>Taxable returns, total</b>	<b>96,269,751</b>	<b>1,160,251,489</b>	<b>92,901,192</b>	<b>1,247,269,261</b>	<b>89,221,568</b>	<b>869,861,061</b>
<b>Nontaxable returns, total</b>	<b>4,157,336</b>	<b>5,390,810</b>	<b>37,673,783</b>	<b>48,446,533</b>	<b>36,362,323</b>	<b>42,702,255</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax payments—continued					
	Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)
<b>All returns, total</b>	<b>11,523,634</b>	<b>284,119,655</b>	<b>15,884,285</b>	<b>16,690,219</b>	<b>1,773,576</b>	<b>96,167,969</b>
No adjusted gross income	130,185	1,488,035	111,896	168,796	27,701	207,029
\$1 under \$5,000	140,616	219,315	63,159	55,886	56,045	39,416
\$5,000 under \$10,000	206,482	336,592	113,047	89,515	45,589	52,288
\$10,000 under \$15,000	292,606	585,944	2,232,099	727,954	46,650	59,654
\$15,000 under \$20,000	371,994	784,863	3,239,952	2,582,102	43,901	69,278
\$20,000 under \$25,000	349,654	864,201	2,973,192	3,161,726	41,388	91,956
\$25,000 under \$30,000	369,333	984,674	2,223,158	2,943,524	25,105	91,477
\$30,000 under \$40,000	783,292	2,462,957	2,579,299	3,679,291	73,525	228,683
\$40,000 under \$50,000	785,148	2,990,657	1,214,766	1,711,036	75,350	245,530
\$50,000 under \$75,000	1,959,158	9,729,091	964,459	1,320,505	166,097	644,897
\$75,000 under \$100,000	1,535,052	10,532,467	130,370	183,295	148,480	716,910
\$100,000 under \$200,000	2,587,099	33,341,079	38,883	66,586	376,333	3,408,940
\$200,000 under \$500,000	1,356,027	50,821,928	* 6	* 3	360,189	8,368,562
\$500,000 under \$1,000,000	375,918	36,543,986	0	0	139,351	8,222,328
\$1,000,000 under \$1,500,000	113,106	19,403,321	0	0	51,110	5,409,247
\$1,500,000 under \$2,000,000	50,337	12,641,206	0	0	24,681	3,826,910
\$2,000,000 under \$5,000,000	80,414	33,516,328	0	0	45,599	12,896,015
\$5,000,000 under \$10,000,000	21,958	19,092,650	0	0	14,641	9,480,128
\$10,000,000 or more	15,255	47,780,361	0	0	11,840	42,108,723
<b>Taxable returns, total</b>	<b>10,415,086</b>	<b>279,050,523</b>	<b>0</b>	<b>0</b>	<b>1,608,504</b>	<b>95,602,213</b>
<b>Nontaxable returns, total</b>	<b>1,108,549</b>	<b>5,069,132</b>	<b>15,884,285</b>	<b>16,690,219</b>	<b>165,072</b>	<b>565,756</b>

Size of adjusted gross income	Tax payments—continued					
	Excess Social Security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(72)	(73)	(74)	(75)	(76)	(77)
<b>All returns, total</b>	<b>1,544,389</b>	<b>2,519,084</b>	<b>305,765</b>	<b>88,950</b>	<b>39,521</b>	<b>119,959</b>
No adjusted gross income	4,198	7,736	25,149	9,443	** 714	** 82
\$1 under \$5,000	* 1,517	* 454	8,956	2,685	**	**
\$5,000 under \$10,000	* 539	* 131	17,837	6,392	**	**
\$10,000 under \$15,000	* 42	* 57	15,048	11,211	* 703	* 234
\$15,000 under \$20,000	* 743	* 541	20,429	12,401	* 30	* 11
\$20,000 under \$25,000	* 181	* 602	11,869	1,380	* 617	* 31
\$25,000 under \$30,000	* 9	* 19	18,784	3,415	** 2,112	** 366
\$30,000 under \$40,000	* 203	* 159	36,114	5,880	**	**
\$40,000 under \$50,000	* 667	* 71	30,558	4,735	**	**
\$50,000 under \$75,000	7,952	9,436	56,151	11,703	7,614	3,749
\$75,000 under \$100,000	103,313	40,270	25,535	5,030	6,194	1,854
\$100,000 under \$200,000	895,353	999,328	28,162	6,120	10,361	85,791
\$200,000 under \$500,000	414,007	1,031,754	7,141	3,773	7,541	13,053
\$500,000 under \$1,000,000	72,204	242,939	1,809	902	1,761	2,143
\$1,000,000 under \$1,500,000	17,602	69,810	610	575	550	668
\$1,500,000 under \$2,000,000	7,809	30,599	358	519	322	716
\$2,000,000 under \$5,000,000	12,397	51,009	687	1,144	638	3,021
\$5,000,000 under \$10,000,000	3,341	14,834	277	826	194	4,691
\$10,000,000 or more	2,311	19,333	292	817	170	3,549
<b>Taxable returns, total</b>	<b>1,524,997</b>	<b>2,500,597</b>	<b>197,956</b>	<b>50,300</b>	<b>37,075</b>	<b>119,442</b>
<b>Nontaxable returns, total</b>	<b>19,392</b>	<b>18,487</b>	<b>107,810</b>	<b>38,650</b>	<b>2,446</b>	<b>518</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax payments—continued				Earned income credit, refundable portion	
	Health coverage credit		Refundable credit for prior-year minimum tax			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(78)	(79)	(80)	(81)	(82)	(83)
<b>All returns, total</b>	<b>22,550</b>	<b>39,343</b>	<b>151,643</b>	<b>508,074</b>	<b>21,607,527</b>	<b>42,507,920</b>
No adjusted gross income	* 933	* 920	11,674	83,109	175,918	192,064
\$1 under \$5,000	0	0	229	471	2,707,098	1,567,800
\$5,000 under \$10,000	0	0	40	41	4,494,865	6,880,861
\$10,000 under \$15,000	** 21,609	** 38,355	154	67	3,971,987	11,700,289
\$15,000 under \$20,000	**	**	1,032	52,632	3,242,635	10,239,963
\$20,000 under \$25,000	**	**	161	1,006	2,860,135	6,731,614
\$25,000 under \$30,000	0	0	706	3,343	2,352,187	3,702,726
\$30,000 under \$40,000	**	**	5,050	11,962	1,802,703	1,492,604
\$40,000 under \$50,000	**	**	711	1,235	0	0
\$50,000 under \$75,000	**	**	4,464	81,705	0	0
\$75,000 under \$100,000	**	**	5,408	6,568	0	0
\$100,000 under \$200,000	**	**	45,689	146,128	0	0
\$200,000 under \$500,000	**	**	76,323	119,806	0	0
\$500,000 under \$1,000,000	0	0	0	0	0	0
\$1,000,000 under \$1,500,000	* 8	* 69	0	0	0	0
\$1,500,000 under \$2,000,000	0	0	0	0	0	0
\$2,000,000 under \$5,000,000	0	0	0	0	0	0
\$5,000,000 under \$10,000,000	0	0	0	0	0	0
\$10,000,000 or more	0	0	0	0	0	0
<b>Taxable returns, total</b>	<b>19,488</b>	<b>33,803</b>	<b>115,782</b>	<b>149,576</b>	<b>0</b>	<b>0</b>
<b>Nontaxable returns, total</b>	<b>3,062</b>	<b>5,540</b>	<b>35,861</b>	<b>358,498</b>	<b>21,607,527</b>	<b>42,507,920</b>

Size of adjusted gross income	Overpayment					
	Total		Refunded		Credited to 2008 estimated tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(84)	(85)	(86)	(87)	(88)	(89)
<b>All returns, total</b>	<b>110,611,578</b>	<b>316,924,652</b>	<b>107,687,030</b>	<b>267,872,391</b>	<b>4,061,974</b>	<b>49,052,261</b>
No adjusted gross income	888,163	3,733,280	839,340	3,196,267	63,853	537,013
\$1 under \$5,000	9,078,931	3,435,144	9,028,043	3,389,882	71,061	45,262
\$5,000 under \$10,000	10,097,764	11,330,878	10,030,015	11,220,359	96,185	110,518
\$10,000 under \$15,000	9,999,462	18,875,781	9,917,804	18,720,541	118,393	155,240
\$15,000 under \$20,000	9,467,968	21,413,704	9,375,314	21,221,453	137,680	192,251
\$20,000 under \$25,000	8,494,083	19,780,255	8,404,896	19,572,179	138,037	208,077
\$25,000 under \$30,000	7,614,598	17,207,796	7,530,434	17,059,328	128,509	148,468
\$30,000 under \$40,000	12,275,248	26,087,047	12,112,428	25,727,536	247,888	359,510
\$40,000 under \$50,000	8,919,782	21,011,796	8,769,628	20,595,644	223,396	416,152
\$50,000 under \$75,000	14,567,483	41,324,599	14,157,893	40,124,495	582,215	1,200,105
\$75,000 under \$100,000	8,660,693	30,189,321	8,325,797	28,958,400	489,376	1,230,921
\$100,000 under \$200,000	8,450,839	39,581,255	7,808,557	35,219,181	889,921	4,362,074
\$200,000 under \$500,000	1,579,678	16,731,800	1,153,534	10,152,083	539,320	6,579,717
\$500,000 under \$1,000,000	299,367	9,068,859	150,689	3,584,431	177,086	5,484,427
\$1,000,000 under \$1,500,000	83,544	4,478,064	34,539	1,479,756	57,713	2,998,308
\$1,500,000 under \$2,000,000	37,807	2,938,010	14,165	839,565	27,671	2,098,445
\$2,000,000 under \$5,000,000	63,567	8,462,605	22,739	2,235,103	47,803	6,227,502
\$5,000,000 under \$10,000,000	18,738	5,397,956	6,577	1,366,793	14,447	4,031,163
\$10,000,000 or more	13,865	15,876,501	4,637	3,209,394	11,419	12,667,107
<b>Taxable returns, total</b>	<b>70,354,768</b>	<b>212,832,522</b>	<b>67,748,891</b>	<b>165,388,351</b>	<b>3,578,996</b>	<b>47,444,171</b>
<b>Nontaxable returns, total</b>	<b>40,256,809</b>	<b>104,092,130</b>	<b>39,938,139</b>	<b>102,484,039</b>	<b>482,978</b>	<b>1,608,090</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 2. All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax due at time of filing		Predetermined estimated tax penalty	
	Number of returns	Amount	Number of returns	Amount
	(90)	(91)	(92)	(93)
<b>All returns, total</b>	<b>28,599,646</b>	<b>130,607,837</b>	<b>7,549,807</b>	<b>1,872,302</b>
No adjusted gross income	175,486	288,875	36,530	5,985
\$1 under \$5,000	1,588,031	422,828	21,189	1,804
\$5,000 under \$10,000	1,349,662	751,994	174,514	8,978
\$10,000 under \$15,000	1,543,330	991,650	250,751	17,791
\$15,000 under \$20,000	1,330,042	1,144,810	215,027	18,674
\$20,000 under \$25,000	1,378,550	1,269,912	255,512	23,008
\$25,000 under \$30,000	1,336,638	1,455,530	274,242	23,313
\$30,000 under \$40,000	2,407,977	3,156,461	586,361	55,914
\$40,000 under \$50,000	2,195,211	3,437,685	596,742	58,390
\$50,000 under \$75,000	4,840,670	10,135,071	1,458,848	160,184
\$75,000 under \$100,000	3,062,398	8,567,261	979,011	130,757
\$100,000 under \$200,000	4,977,701	24,566,388	1,615,856	323,776
\$200,000 under \$500,000	1,894,111	28,505,416	799,888	443,271
\$500,000 under \$1,000,000	347,303	15,030,743	179,290	220,506
\$1,000,000 under \$1,500,000	81,747	6,539,160	47,317	92,361
\$1,500,000 under \$2,000,000	32,487	3,914,618	19,650	50,146
\$2,000,000 under \$5,000,000	44,551	8,892,637	28,121	112,657
\$5,000,000 under \$10,000,000	9,262	4,504,092	6,834	50,107
\$10,000,000 or more	4,490	7,032,706	4,124	74,679
<b>Taxable returns, total</b>	<b>25,804,166</b>	<b>127,640,024</b>	<b>6,927,865</b>	<b>1,811,212</b>
<b>Nontaxable returns, total</b>	<b>2,795,480</b>	<b>2,967,813</b>	<b>621,942</b>	<b>61,090</b>

\* Estimate should be used with caution due to the small number of sample returns on which it is based.

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[2] Excludes refundable portion, which totaled \$16.7 billion for 2007.

[3] Less than \$500.

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

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns [1]	Total itemized deductions in taxable income	Total itemized deductions			
			Itemized deductions in excess of limitation		Medical and dental expenses deduction	
			Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns, total</b>	<b>50,544,470</b>	<b>1,333,036,542</b>	<b>7,131,365</b>	<b>39,101,872</b>	<b>10,520,269</b>	<b>76,347,462</b>
Under \$5,000	344,143	5,745,355	0	0	207,342	1,560,750
\$5,000 under \$10,000	560,836	8,685,213	0	0	347,723	2,558,370
\$10,000 under \$15,000	1,015,734	15,368,011	0	0	631,680	4,533,498
\$15,000 under \$20,000	1,251,029	19,163,804	0	0	682,644	5,299,028
\$20,000 under \$25,000	1,461,861	22,361,623	0	0	652,621	4,417,466
\$25,000 under \$30,000	1,791,895	27,312,503	0	0	673,638	4,522,571
\$30,000 under \$35,000	2,088,158	32,187,517	0	0	749,315	4,451,454
\$35,000 under \$40,000	2,219,633	35,172,677	0	0	698,471	4,032,250
\$40,000 under \$45,000	2,245,164	36,456,622	0	0	622,141	4,089,365
\$45,000 under \$50,000	2,284,082	38,508,629	0	0	583,368	3,569,302
\$50,000 under \$55,000	2,287,845	40,082,366	0	0	551,325	3,238,410
\$55,000 under \$60,000	2,203,197	40,560,807	0	0	500,426	3,201,026
\$60,000 under \$75,000	6,288,565	121,515,755	0	0	1,287,860	8,735,522
\$75,000 under \$100,000	8,525,889	185,113,573	122,230	22,929	1,248,508	9,075,584
\$100,000 under \$200,000	11,693,315	334,451,497	2,726,697	1,120,385	976,869	9,997,398
\$200,000 under \$500,000	3,296,436	159,050,386	3,295,919	8,735,543	98,787	2,548,100
\$500,000 under \$1,000,000	611,121	55,931,192	611,017	6,342,456	6,379	402,523
\$1,000,000 under \$1,500,000	157,556	22,510,912	157,552	3,236,710	792	73,427
\$1,500,000 under \$2,000,000	67,514	13,318,367	67,510	2,016,645	228	18,849
\$2,000,000 under \$5,000,000	104,883	33,942,828	104,837	5,446,031	146	21,219
\$5,000,000 under \$10,000,000	27,479	20,035,862	27,472	3,184,102	** 6	** 1,351
\$10,000,000 or more	18,135	65,561,042	18,129	8,997,071	**	**
<b>Taxable returns, total</b>	<b>43,550,711</b>	<b>1,160,862,496</b>	<b>7,111,840</b>	<b>39,029,304</b>	<b>7,521,402</b>	<b>46,852,175</b>
<b>Nontaxable returns, total</b>	<b>6,993,759</b>	<b>172,174,046</b>	<b>19,525</b>	<b>72,568</b>	<b>2,998,867</b>	<b>29,495,287</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Medical and dental expenses		Medical and dental expenses limitation		Taxes paid deduction	
	Number of returns	Amount	Number of returns	Amount	Total	
					Number of returns	Amount
(7)	(8)	(9)	(10)	(11)	(12)	
<b>All returns, total</b>	<b>10,520,269</b>	<b>119,153,650</b>	<b>10,520,232</b>	<b>42,806,188</b>	<b>50,118,657</b>	<b>465,880,541</b>
Under \$5,000	207,342	1,601,115	207,305	40,365	322,924	989,828
\$5,000 under \$10,000	347,723	2,760,873	347,723	202,503	528,586	1,505,435
\$10,000 under \$15,000	631,680	5,130,819	631,680	597,321	980,794	2,625,755
\$15,000 under \$20,000	682,644	6,199,965	682,644	900,937	1,209,085	3,426,470
\$20,000 under \$25,000	652,621	5,520,569	652,621	1,103,103	1,421,262	4,244,504
\$25,000 under \$30,000	673,638	5,912,969	673,638	1,390,398	1,756,878	5,469,218
\$30,000 under \$35,000	749,315	6,279,490	749,315	1,828,036	2,060,939	6,756,049
\$35,000 under \$40,000	698,471	5,995,757	698,471	1,963,507	2,184,873	7,672,521
\$40,000 under \$45,000	622,141	6,070,741	622,141	1,981,376	2,219,957	8,291,999
\$45,000 under \$50,000	583,368	5,651,508	583,368	2,082,206	2,262,265	9,158,780
\$50,000 under \$55,000	551,325	5,403,678	551,325	2,165,267	2,264,023	10,038,184
\$55,000 under \$60,000	500,426	5,353,606	500,426	2,152,581	2,192,338	10,529,050
\$60,000 under \$75,000	1,287,860	15,212,992	1,287,860	6,477,470	6,259,574	34,060,057
\$75,000 under \$100,000	1,248,508	17,127,521	1,248,508	8,051,937	8,502,072	57,618,031
\$100,000 under \$200,000	976,869	19,440,610	976,869	9,443,212	11,675,761	121,027,544
\$200,000 under \$500,000	98,787	4,520,059	98,787	1,971,959	3,292,789	72,318,629
\$500,000 under \$1,000,000	6,379	717,248	6,379	314,725	609,832	30,077,176
\$1,000,000 under \$1,500,000	792	147,035	792	73,609	157,245	13,153,538
\$1,500,000 under \$2,000,000	228	48,917	228	30,068	67,350	7,876,336
\$2,000,000 under \$5,000,000	146	52,238	146	31,019	104,622	20,122,007
\$5,000,000 under \$10,000,000	** 6	** 5,941	** 6	** 4,590	27,407	11,124,890
\$10,000,000 or more	**	**	**	**	18,080	27,794,539
<b>Taxable returns, total</b>	<b>7,521,402</b>	<b>83,884,443</b>	<b>7,521,402</b>	<b>37,032,268</b>	<b>43,307,958</b>	<b>435,625,854</b>
<b>Nontaxable returns, total</b>	<b>2,998,867</b>	<b>35,269,207</b>	<b>2,998,830</b>	<b>5,773,920</b>	<b>6,810,700</b>	<b>30,254,687</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Taxes paid deduction—continued					
	State and local taxes					
	Total		Income tax		General sales tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
<b>All returns, total</b>	<b>48,619,346</b>	<b>287,873,621</b>	<b>36,683,269</b>	<b>269,351,140</b>	<b>11,936,077</b>	<b>18,522,480</b>
Under \$5,000	272,507	220,674	94,951	121,514	177,556	99,160
\$5,000 under \$10,000	466,043	395,931	161,736	255,795	304,307	140,136
\$10,000 under \$15,000	876,430	624,092	349,160	357,244	527,270	266,848
\$15,000 under \$20,000	1,108,297	868,605	558,486	534,857	549,811	333,748
\$20,000 under \$25,000	1,332,384	1,232,633	719,457	782,745	612,927	449,888
\$25,000 under \$30,000	1,665,225	2,050,018	1,027,953	1,509,090	637,272	540,928
\$30,000 under \$35,000	1,966,703	2,633,958	1,292,793	2,024,617	673,910	609,341
\$35,000 under \$40,000	2,097,243	3,118,957	1,450,014	2,468,666	647,229	650,291
\$40,000 under \$45,000	2,136,076	3,661,710	1,543,397	3,015,807	592,679	645,903
\$45,000 under \$50,000	2,165,960	4,132,941	1,614,936	3,476,207	551,024	656,734
\$50,000 under \$55,000	2,195,462	4,680,208	1,650,077	3,939,082	545,385	741,126
\$55,000 under \$60,000	2,125,536	4,974,789	1,610,139	4,276,249	515,397	698,540
\$60,000 under \$75,000	6,112,217	17,128,645	4,819,794	15,167,005	1,292,423	1,961,639
\$75,000 under \$100,000	8,340,065	30,724,627	6,735,744	27,717,744	1,604,321	3,006,883
\$100,000 under \$200,000	11,517,980	69,151,696	9,511,970	64,410,296	2,006,010	4,741,399
\$200,000 under \$500,000	3,262,468	47,821,048	2,717,360	45,931,583	545,108	1,889,465
\$500,000 under \$1,000,000	606,496	22,806,788	509,805	22,366,398	96,691	440,390
\$1,000,000 under \$1,500,000	156,095	10,698,168	131,547	10,531,670	24,549	166,498
\$1,500,000 under \$2,000,000	66,954	6,633,996	56,777	6,547,072	10,177	86,924
\$2,000,000 under \$5,000,000	103,951	17,615,662	88,017	17,432,549	15,934	183,113
\$5,000,000 under \$10,000,000	27,272	10,131,529	23,387	10,052,353	3,885	79,176
\$10,000,000 or more	17,983	26,566,946	15,770	26,432,597	2,213	134,349
<b>Taxable returns, total</b>	<b>42,292,020</b>	<b>277,823,315</b>	<b>33,215,314</b>	<b>261,806,121</b>	<b>9,076,706</b>	<b>16,017,194</b>
<b>Nontaxable returns, total</b>	<b>6,327,326</b>	<b>10,050,306</b>	<b>3,467,955</b>	<b>7,545,020</b>	<b>2,859,371</b>	<b>2,505,286</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Taxes paid deduction—continued					
	Real estate taxes		Personal property taxes		Other taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns, total</b>	<b>43,604,421</b>	<b>166,884,976</b>	<b>22,063,125</b>	<b>9,207,161</b>	<b>2,874,143</b>	<b>1,914,783</b>
Under \$5,000	237,386	733,351	103,606	27,769	15,844	8,033
\$5,000 under \$10,000	405,026	1,063,170	152,228	40,391	18,509	5,943
\$10,000 under \$15,000	732,653	1,887,408	331,032	103,435	32,350	10,820
\$15,000 under \$20,000	907,369	2,372,541	439,879	155,662	35,425	29,663
\$20,000 under \$25,000	1,055,094	2,677,838	542,877	316,811	48,053	17,222
\$25,000 under \$30,000	1,303,169	3,115,322	714,934	282,462	72,527	21,417
\$30,000 under \$35,000	1,597,010	3,822,245	804,910	256,334	90,094	43,512
\$35,000 under \$40,000	1,768,236	4,222,870	872,665	291,764	98,373	38,931
\$40,000 under \$45,000	1,774,340	4,264,410	947,792	326,904	102,814	38,975
\$45,000 under \$50,000	1,856,693	4,627,610	1,000,469	363,682	94,835	34,547
\$50,000 under \$55,000	1,896,576	4,912,714	995,680	379,277	112,402	65,984
\$55,000 under \$60,000	1,882,959	5,130,084	989,404	357,246	103,860	66,932
\$60,000 under \$75,000	5,480,105	15,736,899	2,834,086	1,070,464	344,790	124,049
\$75,000 under \$100,000	7,754,539	25,136,504	3,952,317	1,560,202	532,955	196,698
\$100,000 under \$200,000	10,936,366	48,807,507	5,586,619	2,553,176	807,939	515,165
\$200,000 under \$500,000	3,087,466	23,424,791	1,425,111	807,577	268,274	265,214
\$500,000 under \$1,000,000	574,710	6,959,057	235,986	166,532	57,987	144,798
\$1,000,000 under \$1,500,000	148,410	2,357,025	56,724	49,982	15,484	48,363
\$1,500,000 under \$2,000,000	63,863	1,179,109	24,781	24,422	6,755	38,809
\$2,000,000 under \$5,000,000	99,210	2,396,946	36,323	40,709	10,420	68,689
\$5,000,000 under \$10,000,000	25,999	940,186	9,376	14,135	2,635	39,039
\$10,000,000 or more	17,244	1,117,388	6,325	18,225	1,818	91,981
<b>Taxable returns, total</b>	<b>37,994,692</b>	<b>148,153,084</b>	<b>19,345,173</b>	<b>7,903,462</b>	<b>2,603,417</b>	<b>1,745,993</b>
<b>Nontaxable returns, total</b>	<b>5,609,729</b>	<b>18,731,892</b>	<b>2,717,952</b>	<b>1,303,699</b>	<b>270,726</b>	<b>168,790</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Interest paid deduction—continued					
	Total		Home mortgage interest			
			Total		Paid to financial institutions	
Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns, total</b>	<b>41,282,875</b>	<b>524,790,200</b>	<b>40,776,656</b>	<b>491,432,301</b>	<b>40,368,551</b>	<b>484,500,709</b>
Under \$5,000	234,577	2,766,246	229,350	2,712,419	223,426	2,663,411
\$5,000 under \$10,000	380,889	3,850,164	376,835	3,796,496	375,085	3,740,438
\$10,000 under \$15,000	650,030	6,152,602	636,951	6,059,687	629,224	5,970,450
\$15,000 under \$20,000	804,436	7,518,565	794,036	7,412,061	785,742	7,326,691
\$20,000 under \$25,000	984,959	9,283,858	973,444	9,096,591	955,226	8,957,549
\$25,000 under \$30,000	1,276,906	11,620,297	1,262,417	11,406,881	1,248,638	11,268,104
\$30,000 under \$35,000	1,522,376	14,045,638	1,515,137	13,839,976	1,500,184	13,684,230
\$35,000 under \$40,000	1,712,560	15,532,332	1,698,964	15,299,925	1,679,111	15,077,204
\$40,000 under \$45,000	1,745,581	16,134,661	1,736,013	15,868,035	1,710,446	15,574,154
\$45,000 under \$50,000	1,813,696	17,683,517	1,803,085	17,401,984	1,787,412	17,232,273
\$50,000 under \$55,000	1,849,724	18,183,619	1,834,405	17,828,620	1,812,566	17,629,614
\$55,000 under \$60,000	1,836,807	18,352,332	1,824,366	18,058,976	1,802,578	17,799,074
\$60,000 under \$75,000	5,271,330	54,725,016	5,237,233	53,885,839	5,175,810	53,092,923
\$75,000 under \$100,000	7,423,347	83,376,572	7,382,036	82,153,588	7,328,829	81,122,319
\$100,000 under \$200,000	10,216,096	142,406,620	10,104,653	140,106,583	10,024,249	138,346,391
\$200,000 under \$500,000	2,750,766	58,433,134	2,659,081	54,807,919	2,634,744	53,928,914
\$500,000 under \$1,000,000	500,238	16,282,014	457,160	13,056,088	449,559	12,748,783
\$1,000,000 under \$1,500,000	128,871	5,414,956	111,993	3,582,896	109,592	3,456,714
\$1,500,000 under \$2,000,000	54,786	2,793,450	45,782	1,558,560	44,913	1,510,516
\$2,000,000 under \$5,000,000	85,921	6,152,196	67,934	2,467,861	66,232	2,379,931
\$5,000,000 under \$10,000,000	23,174	3,284,455	16,256	639,315	15,776	614,964
\$10,000,000 or more	15,804	10,797,957	9,528	392,001	9,209	376,062
<b>Taxable returns, total</b>	<b>35,656,667</b>	<b>440,216,089</b>	<b>35,205,341</b>	<b>411,372,575</b>	<b>34,860,721</b>	<b>405,643,879</b>
<b>Nontaxable returns, total</b>	<b>5,626,208</b>	<b>84,574,111</b>	<b>5,571,315</b>	<b>80,059,726</b>	<b>5,507,830</b>	<b>78,856,830</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Interest paid deduction—continued					
	Home mortgage interest—continued		Deductible points		Qualified mortgage insurance premiums	
	Paid to individuals					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(31)	(32)	(33)	(34)	(35)	(36)	
<b>All returns, total</b>	<b>1,153,837</b>	<b>6,931,592</b>	<b>2,801,145</b>	<b>2,057,338</b>	<b>1,685,664</b>	<b>1,846,093</b>
Under \$5,000	6,272	49,009	11,495	24,216	9,058	11,705
\$5,000 under \$10,000	9,785	56,058	18,441	5,979	17,314	20,515
\$10,000 under \$15,000	14,183	89,237	26,900	11,055	29,763	44,639
\$15,000 under \$20,000	16,632	85,370	36,946	21,107	40,581	46,896
\$20,000 under \$25,000	28,943	139,042	49,963	38,259	53,725	69,743
\$25,000 under \$30,000	23,287	138,778	55,675	47,024	95,359	113,595
\$30,000 under \$35,000	35,746	155,746	68,610	72,742	99,112	94,724
\$35,000 under \$40,000	36,738	222,721	90,672	59,088	131,409	125,305
\$40,000 under \$45,000	52,217	293,881	113,430	88,879	121,869	127,256
\$45,000 under \$50,000	41,173	169,711	95,462	71,566	123,969	136,050
\$50,000 under \$55,000	52,735	199,006	112,460	89,957	113,462	132,934
\$55,000 under \$60,000	40,663	259,902	112,390	80,328	115,347	136,704
\$60,000 under \$75,000	147,693	792,916	319,034	273,092	281,335	346,648
\$75,000 under \$100,000	209,501	1,031,269	493,175	401,653	366,559	381,792
\$100,000 under \$200,000	310,674	1,760,192	842,223	545,186	86,162	52,843
\$200,000 under \$500,000	94,168	879,005	279,950	173,458	* 578	* 4,420
\$500,000 under \$1,000,000	20,455	307,305	48,109	30,968	* 40	* 2
\$1,000,000 under \$1,500,000	6,088	126,182	12,407	8,149	* 8	* 1
\$1,500,000 under \$2,000,000	2,153	48,044	4,853	4,147	0	0
\$2,000,000 under \$5,000,000	3,391	87,930	6,592	6,755	* 9	* 145
\$5,000,000 under \$10,000,000	855	24,351	1,564	2,564	0	0
\$10,000,000 or more	486	15,938	795	1,166	* 3	* 176
<b>Taxable returns, total</b>	<b>1,011,726</b>	<b>5,728,697</b>	<b>2,464,519</b>	<b>1,597,845</b>	<b>1,347,727</b>	<b>1,386,855</b>
<b>Nontaxable returns, total</b>	<b>142,112</b>	<b>1,202,896</b>	<b>336,626</b>	<b>459,493</b>	<b>337,937</b>	<b>459,238</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Interest paid deduction—continued		Contributions deduction			
	Investment interest expense deduction		Total		Cash contributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)
<b>All returns, total</b>	<b>1,898,537</b>	<b>29,454,467</b>	<b>41,119,033</b>	<b>193,603,968</b>	<b>38,056,579</b>	<b>143,826,766</b>
Under \$5,000	10,311	17,905	179,892	131,261	155,572	208,825
\$5,000 under \$10,000	8,636	27,174	328,091	431,270	292,706	413,096
\$10,000 under \$15,000	20,893	37,221	617,376	999,462	571,146	899,284
\$15,000 under \$20,000	20,381	38,502	799,202	1,457,377	721,878	1,168,307
\$20,000 under \$25,000	26,951	79,265	1,003,491	1,896,118	922,040	1,583,465
\$25,000 under \$30,000	30,443	52,796	1,201,424	2,479,952	1,083,145	2,046,000
\$30,000 under \$35,000	27,139	38,196	1,441,317	2,995,432	1,297,409	2,425,236
\$35,000 under \$40,000	28,390	48,014	1,638,001	3,457,103	1,462,802	2,817,183
\$40,000 under \$45,000	32,954	50,491	1,662,298	3,389,633	1,494,670	2,737,580
\$45,000 under \$50,000	28,717	73,916	1,706,053	3,901,589	1,543,656	3,180,204
\$50,000 under \$55,000	43,614	132,108	1,781,389	4,093,138	1,599,209	3,292,119
\$55,000 under \$60,000	33,173	76,324	1,741,904	4,201,875	1,576,457	3,406,826
\$60,000 under \$75,000	110,613	219,437	5,136,895	12,810,049	4,685,321	10,693,383
\$75,000 under \$100,000	186,599	439,539	7,250,205	20,669,286	6,716,447	17,186,785
\$100,000 under \$200,000	499,242	1,702,008	10,607,094	40,470,031	10,001,950	33,372,001
\$200,000 under \$500,000	446,183	3,447,337	3,080,913	23,789,879	2,998,740	19,248,745
\$500,000 under \$1,000,000	170,523	3,194,956	582,172	10,939,244	575,200	8,283,317
\$1,000,000 under \$1,500,000	59,835	1,823,910	150,754	5,130,206	149,134	3,779,852
\$1,500,000 under \$2,000,000	28,938	1,230,743	64,910	3,212,189	64,450	2,330,535
\$2,000,000 under \$5,000,000	54,014	3,677,436	101,175	9,473,630	100,401	5,939,222
\$5,000,000 under \$10,000,000	17,480	2,642,575	26,683	6,637,191	26,536	3,767,751
\$10,000,000 or more	13,510	10,404,614	17,795	31,038,050	17,712	15,047,049
<b>Taxable returns, total</b>	<b>1,711,691</b>	<b>25,858,813</b>	<b>36,505,802</b>	<b>181,973,494</b>	<b>33,876,811</b>	<b>134,234,990</b>
<b>Nontaxable returns, total</b>	<b>186,846</b>	<b>3,595,654</b>	<b>4,613,230</b>	<b>11,630,474</b>	<b>4,179,767</b>	<b>9,591,776</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Contributions deduction—continued				Casualty or theft loss deduction	
	Other than cash contributions		Carryover from prior years			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(43)	(44)	(45)	(46)	(47)	(48)	
<b>All returns, total</b>	<b>23,854,106</b>	<b>58,747,438</b>	<b>538,922</b>	<b>25,522,568</b>	<b>107,474</b>	<b>2,337,018</b>
Under \$5,000	71,442	49,938	30,237	135,098	* 1,293	* 42,775
\$5,000 under \$10,000	107,904	58,447	38,697	186,516	* 2,935	* 35,721
\$10,000 under \$15,000	252,241	133,568	31,608	332,520	* 1,644	* 154,187
\$15,000 under \$20,000	386,231	288,793	36,605	240,010	* 4,580	* 24,674
\$20,000 under \$25,000	489,525	282,559	28,921	189,541	9,498	141,913
\$25,000 under \$30,000	650,858	419,877	24,842	93,511	* 8,530	* 76,855
\$30,000 under \$35,000	798,806	505,293	24,777	136,382	7,641	44,418
\$35,000 under \$40,000	891,575	601,763	26,999	129,219	10,183	139,686
\$40,000 under \$45,000	920,828	600,764	22,491	184,763	* 6,409	* 70,173
\$45,000 under \$50,000	953,161	654,632	28,846	155,381	* 3,281	* 23,033
\$50,000 under \$55,000	1,021,989	788,933	14,740	47,679	* 2,641	* 21,716
\$55,000 under \$60,000	1,004,269	737,236	16,342	127,398	* 3,937	* 16,225
\$60,000 under \$75,000	2,944,665	2,121,550	43,039	898,985	13,293	437,296
\$75,000 under \$100,000	4,345,968	3,853,744	51,630	690,128	16,581	353,814
\$100,000 under \$200,000	6,680,428	7,723,665	76,761	1,620,306	11,584	317,783
\$200,000 under \$500,000	1,847,389	7,005,611	23,673	2,499,991	2,977	266,110
\$500,000 under \$1,000,000	312,716	3,368,984	9,609	2,615,134	283	79,688
\$1,000,000 under \$1,500,000	74,266	2,345,318	2,942	2,277,795	93	39,943
\$1,500,000 under \$2,000,000	30,957	1,027,095	1,425	918,255	* 43	* 19,737
\$2,000,000 under \$5,000,000	47,373	4,707,181	2,909	2,228,422	* 34	* 9,500
\$5,000,000 under \$10,000,000	12,507	3,699,496	942	1,426,251	** 13	** 21,769
\$10,000,000 or more	9,008	17,772,994	888	8,389,283	**	**
<b>Taxable returns, total</b>	<b>21,494,442</b>	<b>56,215,907</b>	<b>313,194</b>	<b>23,200,733</b>	<b>72,632</b>	<b>882,183</b>
<b>Nontaxable returns, total</b>	<b>2,359,664</b>	<b>2,531,531</b>	<b>225,728</b>	<b>2,321,835</b>	<b>34,843</b>	<b>1,454,835</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Limited miscellaneous deductions					
	Total after limitation		Unreimbursed employee business expenses		Tax preparation fees	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)
<b>All returns, total</b>	<b>12,734,403</b>	<b>85,217,982</b>	<b>16,479,370</b>	<b>82,105,794</b>	<b>23,493,036</b>	<b>6,485,717</b>
Under \$5,000	113,940	232,871	30,112	156,153	90,516	24,726
\$5,000 under \$10,000	139,046	266,992	55,562	188,741	168,585	35,384
\$10,000 under \$15,000	243,445	795,235	137,202	641,959	361,652	77,100
\$15,000 under \$20,000	287,197	1,300,639	226,111	1,150,259	466,414	93,840
\$20,000 under \$25,000	414,297	2,165,102	378,055	1,984,272	580,084	112,852
\$25,000 under \$30,000	529,937	2,875,879	540,940	2,800,474	744,442	140,546
\$30,000 under \$35,000	623,162	3,639,761	672,981	3,516,356	875,770	166,520
\$35,000 under \$40,000	645,942	4,012,875	754,758	3,988,964	987,018	195,163
\$40,000 under \$45,000	684,395	4,138,290	792,000	4,237,999	1,029,485	181,271
\$45,000 under \$50,000	656,213	3,912,696	799,065	4,020,690	1,060,244	195,801
\$50,000 under \$55,000	715,643	4,098,354	883,241	4,340,087	1,085,998	202,571
\$55,000 under \$60,000	642,390	3,893,916	839,490	4,115,473	1,072,165	211,077
\$60,000 under \$75,000	1,698,489	9,721,726	2,332,094	10,848,999	3,034,606	600,720
\$75,000 under \$100,000	2,106,756	12,374,873	3,187,465	14,315,499	4,218,201	871,170
\$100,000 under \$200,000	2,551,101	17,103,115	4,029,815	19,666,722	5,847,770	1,568,954
\$200,000 under \$500,000	540,605	5,809,902	713,246	4,679,668	1,463,886	899,807
\$500,000 under \$1,000,000	86,179	2,088,298	77,031	773,480	258,739	348,896
\$1,000,000 under \$1,500,000	22,512	915,924	14,556	204,057	61,187	128,628
\$1,500,000 under \$2,000,000	9,898	592,486	5,482	76,177	27,198	81,708
\$2,000,000 under \$5,000,000	15,831	1,680,641	7,786	200,429	41,371	170,072
\$5,000,000 under \$10,000,000	4,455	1,107,123	1,605	106,711	10,601	76,553
\$10,000,000 or more	2,970	2,491,283	775	92,624	7,105	102,355
<b>Taxable returns, total</b>	<b>10,722,937</b>	<b>73,253,778</b>	<b>14,630,849</b>	<b>71,024,144</b>	<b>20,784,037</b>	<b>5,842,351</b>
<b>Nontaxable returns, total</b>	<b>2,011,465</b>	<b>11,964,204</b>	<b>1,848,520</b>	<b>11,081,650</b>	<b>2,708,999</b>	<b>643,366</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued					
	Limited miscellaneous deductions—continued				Gambling loss deduction	
	Other limited miscellaneous deductions		Miscellaneous deductions subject to 2 percent AGI limitation			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(55)	(56)	(57)	(58)	(59)	(60)	
<b>All returns, total</b>	<b>10,035,981</b>	<b>34,643,576</b>	<b>30,594,297</b>	<b>123,235,088</b>	<b>1,101,240</b>	<b>21,113,627</b>
Under \$5,000	56,673	57,803	126,726	238,681	3,473	7,967
\$5,000 under \$10,000	79,923	71,412	222,223	295,538	5,705	28,987
\$10,000 under \$15,000	152,342	168,050	468,912	887,109	16,346	66,299
\$15,000 under \$20,000	183,128	205,425	592,532	1,449,524	21,640	97,421
\$20,000 under \$25,000	249,008	319,207	784,240	2,416,332	22,788	145,742
\$25,000 under \$30,000	306,112	318,486	989,640	3,259,507	32,161	153,811
\$30,000 under \$35,000	384,702	493,300	1,188,996	4,176,176	39,132	181,190
\$35,000 under \$40,000	384,056	465,260	1,298,543	4,649,388	45,403	255,295
\$40,000 under \$45,000	409,892	461,927	1,344,342	4,881,197	39,979	248,831
\$45,000 under \$50,000	403,849	526,082	1,403,322	4,742,573	44,871	221,886
\$50,000 under \$55,000	426,875	518,621	1,413,855	5,061,279	57,027	307,941
\$55,000 under \$60,000	391,574	544,405	1,405,646	4,870,956	55,526	303,404
\$60,000 under \$75,000	1,143,115	1,382,427	3,948,758	12,832,147	131,430	871,842
\$75,000 under \$100,000	1,584,570	2,297,906	5,411,359	17,484,576	182,735	1,469,623
\$100,000 under \$200,000	2,467,857	5,625,546	7,406,548	26,861,222	287,078	3,825,678
\$200,000 under \$500,000	933,765	4,862,730	1,944,128	10,442,205	88,193	4,206,941
\$500,000 under \$1,000,000	259,970	2,989,581	382,811	4,111,958	16,961	2,169,823
\$1,000,000 under \$1,500,000	79,273	1,531,322	101,380	1,864,007	4,290	948,743
\$1,500,000 under \$2,000,000	38,040	1,051,023	46,623	1,208,908	2,093	766,253
\$2,000,000 under \$5,000,000	66,220	3,054,541	76,261	3,425,043	3,155	1,744,379
\$5,000,000 under \$10,000,000	20,020	2,048,009	21,756	2,231,273	821	899,156
\$10,000,000 or more	15,016	5,650,511	15,698	5,845,490	433	2,192,413
<b>Taxable returns, total</b>	<b>8,894,307</b>	<b>32,637,406</b>	<b>26,994,708</b>	<b>109,503,901</b>	<b>987,747</b>	<b>18,876,814</b>
<b>Nontaxable returns, total</b>	<b>1,141,674</b>	<b>2,006,170</b>	<b>3,599,589</b>	<b>13,731,186</b>	<b>113,493</b>	<b>2,236,813</b>

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 3. Returns with Itemized Deductions: Itemized Deductions by Type and by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total itemized deductions—continued			
	Miscellaneous deductions other than gambling		Total unlimited miscellaneous deduction	
	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)
<b>All returns, total</b>	<b>608,159</b>	<b>2,544,908</b>	<b>1,691,527</b>	<b>23,961,243</b>
Under \$5,000	3,791	13,657	7,264	21,624
\$5,000 under \$10,000	2,853	8,273	8,559	37,261
\$10,000 under \$15,000	10,570	40,749	27,554	107,271
\$15,000 under \$20,000	14,033	39,629	35,673	137,050
\$20,000 under \$25,000	21,558	66,920	44,345	212,662
\$25,000 under \$30,000	23,402	113,920	54,280	267,730
\$30,000 under \$35,000	31,306	71,343	69,544	254,765
\$35,000 under \$40,000	21,802	70,614	66,201	325,909
\$40,000 under \$45,000	25,122	77,147	64,100	342,500
\$45,000 under \$50,000	18,324	37,825	62,895	259,711
\$50,000 under \$55,000	30,635	101,004	85,033	408,945
\$55,000 under \$60,000	21,089	62,978	75,977	366,382
\$60,000 under \$75,000	60,303	146,459	190,366	1,026,089
\$75,000 under \$100,000	64,192	184,884	244,345	1,668,343
\$100,000 under \$200,000	102,210	336,225	384,429	4,249,391
\$200,000 under \$500,000	66,772	358,454	154,031	4,620,173
\$500,000 under \$1,000,000	36,163	224,466	52,773	2,404,706
\$1,000,000 under \$1,500,000	14,260	66,015	18,405	1,019,628
\$1,500,000 under \$2,000,000	7,988	47,655	9,966	821,965
\$2,000,000 under \$5,000,000	18,299	164,256	21,222	1,929,666
\$5,000,000 under \$10,000,000	6,994	94,825	7,726	1,048,479
\$10,000,000 or more	6,493	217,609	6,840	2,430,990
<b>Taxable returns, total</b>	<b>513,214</b>	<b>2,089,699</b>	<b>1,482,989</b>	<b>21,088,227</b>
<b>Nontaxable returns, total</b>	<b>94,945</b>	<b>455,209</b>	<b>208,537</b>	<b>2,873,016</b>

\* Estimate should be used with caution due to the small number of sample returns on which it is based.

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

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

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with earned income credit [1]					
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		EIC self-employment income	
			Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>24,583,940</b>	<b>381,448,487</b>	<b>21,792,946</b>	<b>343,464,473</b>	<b>5,787,527</b>	<b>35,944,641</b>
No adjusted gross income	253,269	-5,988,491	148,393	1,274,540	147,695	522,964
\$1 under \$1,000	404,901	209,772	287,352	276,927	131,182	93,838
\$1,000 under \$2,000	519,848	785,361	432,107	763,531	114,808	221,132
\$2,000 under \$3,000	626,853	1,588,355	543,651	1,491,901	117,362	244,115
\$3,000 under \$4,000	781,496	2,731,478	642,792	2,284,912	204,230	567,141
\$4,000 under \$5,000	810,386	3,647,984	680,573	3,037,387	208,611	694,297
\$5,000 under \$6,000	828,273	4,557,227	694,246	3,779,215	214,513	809,077
\$6,000 under \$7,000	940,306	6,105,932	793,687	4,971,862	245,855	1,124,871
\$7,000 under \$8,000	996,888	7,479,211	847,625	6,023,317	251,627	1,345,716
\$8,000 under \$9,000	1,199,664	10,192,386	925,486	6,919,519	496,003	3,066,298
\$9,000 under \$10,000	1,049,398	9,970,980	881,993	7,757,004	315,501	1,892,012
\$10,000 under \$11,000	1,063,290	11,168,947	928,074	9,093,841	270,509	1,726,924
\$11,000 under \$12,000	1,168,107	13,452,967	982,813	10,219,763	360,117	2,864,004
\$12,000 under \$13,000	944,445	11,745,726	762,725	8,569,213	322,608	2,827,304
\$13,000 under \$14,000	764,753	10,320,904	631,857	7,834,770	242,471	2,225,688
\$14,000 under \$15,000	763,632	11,074,742	643,981	8,726,345	216,606	1,988,556
\$15,000 under \$16,000	697,156	10,812,422	621,414	9,040,497	179,480	1,594,035
\$16,000 under \$17,000	694,307	11,461,706	622,095	9,834,285	154,831	1,312,647
\$17,000 under \$18,000	650,497	11,392,857	609,953	10,372,574	127,070	761,162
\$18,000 under \$19,000	611,352	11,308,403	568,262	10,084,271	106,643	898,508
\$19,000 under \$20,000	652,307	12,709,911	615,687	11,732,350	104,791	718,956
\$20,000 under \$25,000	2,962,617	66,588,206	2,861,887	62,002,393	433,840	2,882,997
\$25,000 under \$30,000	2,692,833	73,927,239	2,615,948	69,009,413	389,467	2,753,384
\$30,000 under \$35,000	1,819,975	58,808,546	1,780,866	54,762,114	311,902	1,912,667
\$35,000 or more	687,387	25,395,715	669,480	23,602,530	119,808	896,349

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with earned income credit—continued [1]					
	EIC earned income [2]		Total earned income credit		EIC used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b>	<b>24,572,959</b>	<b>379,518,764</b>	<b>24,583,940</b>	<b>48,539,994</b>	<b>3,420,158</b>	<b>933,968</b>
No adjusted gross income	252,190	1,824,545	253,269	268,197	* 3	* 7
\$1 under \$1,000	402,593	370,766	404,901	52,736	0	0
\$1,000 under \$2,000	519,848	1,005,177	519,848	171,082	0	0
\$2,000 under \$3,000	626,853	1,736,016	626,853	334,010	0	0
\$3,000 under \$4,000	781,496	2,852,053	781,496	516,082	0	0
\$4,000 under \$5,000	809,387	3,745,203	810,386	700,768	0	0
\$5,000 under \$6,000	828,273	4,601,011	828,273	885,570	0	0
\$6,000 under \$7,000	940,306	6,096,733	940,306	1,210,774	0	0
\$7,000 under \$8,000	996,244	7,388,012	996,888	1,611,718	0	0
\$8,000 under \$9,000	1,199,664	9,985,817	1,199,664	2,286,434	97,847	1,951
\$9,000 under \$10,000	1,049,398	9,649,016	1,049,398	1,960,355	364,861	28,328
\$10,000 under \$11,000	1,063,290	10,820,765	1,063,290	2,234,022	318,330	43,864
\$11,000 under \$12,000	1,168,107	13,083,767	1,168,107	2,934,036	293,664	23,343
\$12,000 under \$13,000	939,147	11,396,517	944,445	2,832,196	164,572	5,242
\$13,000 under \$14,000	764,753	10,060,458	764,753	2,717,942	9,288	1,912
\$14,000 under \$15,000	762,978	10,714,901	763,632	2,776,054	36,534	4,991
\$15,000 under \$16,000	697,156	10,634,532	697,156	2,629,810	34,011	5,121
\$16,000 under \$17,000	694,307	11,158,717	694,307	2,483,505	35,091	6,858
\$17,000 under \$18,000	650,497	11,133,735	650,497	2,218,259	44,171	14,084
\$18,000 under \$19,000	611,352	10,982,779	611,352	1,980,779	40,757	13,180
\$19,000 under \$20,000	652,307	12,451,306	652,307	1,963,530	59,028	24,564
\$20,000 under \$25,000	2,962,617	64,890,483	2,962,617	7,437,830	365,352	190,951
\$25,000 under \$30,000	2,692,833	71,762,797	2,692,833	4,439,606	796,480	370,324
\$30,000 under \$35,000	1,819,975	56,674,781	1,819,975	1,608,511	617,344	170,964
\$35,000 or more	687,387	24,498,879	687,387	286,189	142,827	28,283

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with earned income credit—continued [1]					
	Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b>	<b>1,330,254</b>	<b>570,399</b>	<b>5,308,062</b>	<b>5,098,105</b>	<b>21,607,527</b>	<b>42,507,920</b>
No adjusted gross income	* 3	* 10	119,272	76,127	175,918	192,064
\$1 under \$1,000	0	0	53,594	8,993	362,709	43,743
\$1,000 under \$2,000	0	0	100,861	25,119	446,388	145,963
\$2,000 under \$3,000	0	0	110,163	29,151	553,230	304,859
\$3,000 under \$4,000	0	0	191,437	62,559	654,938	453,524
\$4,000 under \$5,000	0	0	197,737	81,058	689,833	619,711
\$5,000 under \$6,000	0	0	198,766	90,934	710,601	794,635
\$6,000 under \$7,000	0	0	233,441	129,952	822,435	1,080,822
\$7,000 under \$8,000	0	0	247,284	167,463	914,152	1,444,255
\$8,000 under \$9,000	* 999	* 126	481,003	421,504	1,106,139	1,862,979
\$9,000 under \$10,000	9,246	452	303,439	233,856	941,538	1,698,170
\$10,000 under \$11,000	175,881	10,332	227,473	218,573	828,989	1,971,585
\$11,000 under \$12,000	276,026	51,893	312,951	395,230	862,084	2,515,463
\$12,000 under \$13,000	151,031	46,325	293,414	416,100	776,463	2,410,853
\$13,000 under \$14,000	0	0	247,292	356,880	750,198	2,359,150
\$14,000 under \$15,000	* 999	* 48	211,640	327,825	754,253	2,443,238
\$15,000 under \$16,000	0	0	170,567	273,551	686,115	2,351,137
\$16,000 under \$17,000	0	0	148,508	228,417	683,729	2,248,230
\$17,000 under \$18,000	0	0	117,241	171,458	639,776	2,032,718
\$18,000 under \$19,000	0	0	109,921	158,436	598,673	1,809,162
\$19,000 under \$20,000	0	0	97,535	140,250	634,342	1,798,716
\$20,000 under \$25,000	* 7,638	* 2,103	408,642	515,265	2,860,135	6,731,614
\$25,000 under \$30,000	190,747	84,926	375,692	366,556	2,352,187	3,702,726
\$30,000 under \$35,000	426,135	321,550	245,856	165,390	1,276,988	1,272,157
\$35,000 or more	91,550	52,634	104,330	37,459	525,715	220,448

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with earned income credit—continued [1]		Returns with no qualifying children			
	Nontaxable combat pay		Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages	
	Number of returns	Amount			Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)
<b>Total</b>	<b>* 6,642</b>	<b>* 109,650</b>	<b>5,627,039</b>	<b>33,242,705</b>	<b>4,587,785</b>	<b>30,128,655</b>
No adjusted gross income	* 1,000	* 27,042	152,592	-2,777,709	75,211	373,154
\$1 under \$1,000	0	0	304,190	149,515	196,609	159,118
\$1,000 under \$2,000	* 999	* 20,514	344,721	518,749	273,519	467,861
\$2,000 under \$3,000	0	0	359,328	907,529	292,148	772,247
\$3,000 under \$4,000	0	0	485,348	1,694,149	370,437	1,306,176
\$4,000 under \$5,000	* 644	* 13,518	483,210	2,168,592	381,368	1,682,333
\$5,000 under \$6,000	* 1,000	* 12,719	475,475	2,616,201	374,073	2,023,308
\$6,000 under \$7,000	0	0	506,028	3,282,457	412,551	2,609,497
\$7,000 under \$8,000	* 999	* 18,978	449,578	3,364,325	387,135	2,814,276
\$8,000 under \$9,000	0	0	467,951	3,976,346	399,121	3,264,991
\$9,000 under \$10,000	0	0	469,052	4,460,470	402,578	3,648,833
\$10,000 under \$11,000	0	0	436,038	4,573,694	392,275	3,892,171
\$11,000 under \$12,000	0	0	403,459	4,637,095	370,402	4,005,876
\$12,000 under \$13,000	0	0	219,643	2,706,281	197,137	2,292,560
\$13,000 under \$14,000	0	0	47,172	632,422	43,902	576,061
\$14,000 under \$15,000	0	0	23,254	332,590	19,320	240,192
\$15,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$17,000	* 1,000	* 11,785	0	0	0	0
\$17,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$19,000	0	0	0	0	0	0
\$19,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	* 1,000	* 5,094	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$35,000	0	0	0	0	0	0
\$35,000 or more	0	0	0	0	0	0

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with no qualifying children—continued					
	EIC self-employment income		EIC earned income [2]		Total earned income credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total</b>	<b>1,602,735</b>	<b>5,060,826</b>	<b>5,616,058</b>	<b>35,189,481</b>	<b>5,627,039</b>	<b>1,368,234</b>
No adjusted gross income	94,840	214,925	151,513	588,079	152,592	30,878
\$1 under \$1,000	118,579	86,579	301,882	245,698	304,190	17,644
\$1,000 under \$2,000	89,720	119,002	344,721	586,864	344,721	43,112
\$2,000 under \$3,000	86,317	174,540	359,328	946,787	359,328	70,126
\$3,000 under \$4,000	158,673	393,941	485,348	1,700,117	485,348	127,119
\$4,000 under \$5,000	151,087	494,329	482,211	2,176,662	483,210	157,565
\$5,000 under \$6,000	150,037	576,844	475,475	2,600,152	475,475	183,744
\$6,000 under \$7,000	147,256	609,889	506,028	3,219,386	506,028	197,479
\$7,000 under \$8,000	118,231	447,937	448,934	3,262,213	449,578	161,245
\$8,000 under \$9,000	119,817	532,256	467,951	3,797,248	467,951	140,897
\$9,000 under \$10,000	125,989	555,429	469,052	4,204,262	469,052	110,924
\$10,000 under \$11,000	97,370	356,884	436,038	4,249,055	436,038	72,536
\$11,000 under \$12,000	82,742	333,971	403,459	4,339,847	403,459	40,023
\$12,000 under \$13,000	40,280	150,084	214,346	2,442,644	219,643	10,411
\$13,000 under \$14,000	14,969	-17,219	47,172	558,842	47,172	4,047
\$14,000 under \$15,000	6,830	31,434	22,599	271,626	23,254	485
\$15,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$17,000	0	0	0	0	0	0
\$17,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$19,000	0	0	0	0	0	0
\$19,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$35,000	0	0	0	0	0	0
\$35,000 or more	0	0	0	0	0	0

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with no qualifying children—continued					
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)
<b>Total</b>	<b>1,209,340</b>	<b>98,883</b>	<b>613,182</b>	<b>109,128</b>	<b>1,265,597</b>	<b>321,061</b>
No adjusted gross income	0	0	0	0	73,456	18,075
\$1 under \$1,000	0	0	0	0	44,036	4,848
\$1,000 under \$2,000	0	0	0	0	76,769	10,373
\$2,000 under \$3,000	0	0	0	0	80,387	16,804
\$3,000 under \$4,000	0	0	0	0	142,405	36,489
\$4,000 under \$5,000	0	0	0	0	138,719	43,036
\$5,000 under \$6,000	0	0	0	0	132,405	47,878
\$6,000 under \$7,000	0	0	0	0	135,630	47,316
\$7,000 under \$8,000	0	0	0	0	101,707	31,773
\$8,000 under \$9,000	96,848	1,947	* 999	* 126	111,163	30,582
\$9,000 under \$10,000	361,863	28,067	9,246	452	111,011	18,861
\$10,000 under \$11,000	315,333	43,266	175,881	10,332	55,051	8,569
\$11,000 under \$12,000	283,620	22,396	276,026	51,893	29,317	3,546
\$12,000 under \$13,000	151,675	3,208	151,031	46,325	15,986	1,841
\$13,000 under \$14,000	0	0	0	0	11,726	936
\$14,000 under \$15,000	0	0	0	0	5,831	136
\$15,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$17,000	0	0	0	0	0	0
\$17,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$19,000	0	0	0	0	0	0
\$19,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$35,000	0	0	0	0	0	0
\$35,000 or more	0	0	0	0	0	0

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with no qualifying children—continued				Returns with one qualifying child	
	EIC refundable portion		Nontaxable combat pay		Number of returns	Adjusted gross income (less deficit)
	Number of returns	Amount	Number of returns	Amount		
	(37)	(38)	(39)	(40)	(41)	(42)
<b>Total</b>	<b>3,894,234</b>	<b>948,290</b>	<b>0</b>	<b>0</b>	<b>9,192,120</b>	<b>154,151,892</b>
No adjusted gross income	80,959	12,803	0	0	51,844	-1,392,329
\$1 under \$1,000	261,999	12,797	0	0	64,188	35,906
\$1,000 under \$2,000	272,853	32,739	0	0	113,373	172,888
\$2,000 under \$3,000	286,382	53,321	0	0	173,298	439,597
\$3,000 under \$4,000	360,562	90,630	0	0	188,175	657,242
\$4,000 under \$5,000	363,492	114,529	0	0	210,964	952,154
\$5,000 under \$6,000	359,096	135,866	0	0	220,268	1,214,111
\$6,000 under \$7,000	390,393	150,163	0	0	262,309	1,704,322
\$7,000 under \$8,000	368,780	129,472	0	0	338,522	2,545,663
\$8,000 under \$9,000	375,031	108,369	0	0	542,576	4,604,551
\$9,000 under \$10,000	362,233	63,996	0	0	337,368	3,199,675
\$10,000 under \$11,000	203,040	20,702	0	0	304,617	3,202,844
\$11,000 under \$12,000	100,978	14,081	0	0	319,100	3,666,786
\$12,000 under \$13,000	53,925	5,362	0	0	275,601	3,444,198
\$13,000 under \$14,000	36,090	3,112	0	0	322,449	4,362,686
\$14,000 under \$15,000	18,421	349	0	0	352,310	5,112,115
\$15,000 under \$16,000	0	0	0	0	316,666	4,911,028
\$16,000 under \$17,000	0	0	0	0	336,828	5,557,464
\$17,000 under \$18,000	0	0	0	0	324,214	5,679,126
\$18,000 under \$19,000	0	0	0	0	305,028	5,640,252
\$19,000 under \$20,000	0	0	0	0	338,414	6,593,449
\$20,000 under \$25,000	0	0	0	0	1,482,354	33,347,807
\$25,000 under \$30,000	0	0	0	0	1,283,988	35,187,844
\$30,000 under \$35,000	0	0	0	0	712,283	22,771,985
\$35,000 or more	0	0	0	0	15,386	540,527

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with one qualifying child—continued					
	EIC salaries and wages		EIC self-employment income		EIC earned income [2]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(43)	(44)	(45)	(46)	(47)	(48)
<b>Total</b>	<b>8,419,756</b>	<b>141,201,236</b>	<b>1,815,205</b>	<b>10,811,892</b>	<b>9,192,120</b>	<b>152,071,500</b>
No adjusted gross income	40,051	403,648	23,326	118,766	51,844	549,456
\$1 under \$1,000	57,938	81,514	7,630	-6,874	64,188	74,640
\$1,000 under \$2,000	102,264	174,462	16,372	49,710	113,373	224,172
\$2,000 under \$3,000	162,557	427,406	19,194	49,506	173,298	476,912
\$3,000 under \$4,000	173,127	638,455	29,988	104,018	188,175	742,474
\$4,000 under \$5,000	191,711	878,844	36,590	137,321	210,964	1,029,683
\$5,000 under \$6,000	201,854	1,138,903	36,518	110,991	220,268	1,262,613
\$6,000 under \$7,000	226,635	1,396,371	65,994	341,662	262,309	1,738,033
\$7,000 under \$8,000	269,195	1,861,456	102,787	679,292	338,522	2,540,749
\$8,000 under \$9,000	359,055	2,336,772	326,848	2,236,869	542,576	4,573,642
\$9,000 under \$10,000	272,823	2,352,806	112,225	804,267	337,368	3,157,073
\$10,000 under \$11,000	267,257	2,569,094	70,180	550,311	304,617	3,119,405
\$11,000 under \$12,000	278,298	3,061,599	70,400	591,450	319,100	3,653,049
\$12,000 under \$13,000	252,244	2,967,389	50,429	409,349	275,601	3,376,738
\$13,000 under \$14,000	292,227	3,743,760	55,969	426,636	322,449	4,170,396
\$14,000 under \$15,000	317,870	4,401,950	72,753	505,612	352,310	4,907,562
\$15,000 under \$16,000	290,099	4,239,913	69,131	540,182	316,666	4,780,095
\$16,000 under \$17,000	307,527	4,912,465	64,028	534,863	336,828	5,447,328
\$17,000 under \$18,000	311,776	5,326,097	43,729	214,883	324,214	5,540,980
\$18,000 under \$19,000	293,294	5,317,686	40,177	164,310	305,028	5,481,996
\$19,000 under \$20,000	325,752	6,244,416	44,380	260,702	338,414	6,505,119
\$20,000 under \$25,000	1,444,636	31,426,882	194,001	934,450	1,482,354	32,366,426
\$25,000 under \$30,000	1,264,318	33,393,411	148,657	634,334	1,283,988	34,027,746
\$30,000 under \$35,000	701,862	21,380,312	109,149	427,035	712,283	21,807,347
\$35,000 or more	15,386	525,622	* 4,748	* -7,754	15,386	517,868

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with one qualifying child—continued					
	Total earned income credit		EIC used to offset income tax before credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)
<b>Total</b>	<b>9,192,120</b>	<b>17,675,964</b>	<b>1,817,557</b>	<b>687,236</b>	<b>612,262</b>	<b>403,438</b>
No adjusted gross income	51,844	92,497	0	0	0	0
\$1 under \$1,000	64,188	18,606	0	0	0	0
\$1,000 under \$2,000	113,373	69,178	0	0	0	0
\$2,000 under \$3,000	173,298	159,332	0	0	0	0
\$3,000 under \$4,000	188,175	229,668	0	0	0	0
\$4,000 under \$5,000	210,964	330,243	0	0	0	0
\$5,000 under \$6,000	220,268	414,347	0	0	0	0
\$6,000 under \$7,000	262,309	568,889	0	0	0	0
\$7,000 under \$8,000	338,522	844,361	0	0	0	0
\$8,000 under \$9,000	542,576	1,514,710	0	0	0	0
\$9,000 under \$10,000	337,368	942,297	* 1,999	* 185	0	0
\$10,000 under \$11,000	304,617	851,270	0	0	0	0
\$11,000 under \$12,000	319,100	890,528	* 3,296	* 124	0	0
\$12,000 under \$13,000	275,601	770,059	8,601	1,217	0	0
\$13,000 under \$14,000	322,449	894,177	* 8,289	* 1,654	0	0
\$14,000 under \$15,000	352,310	980,467	35,535	4,653	* 999	* 48
\$15,000 under \$16,000	316,666	879,591	31,357	3,481	0	0
\$16,000 under \$17,000	336,828	896,465	34,436	6,845	0	0
\$17,000 under \$18,000	324,214	816,130	41,173	13,108	0	0
\$18,000 under \$19,000	305,028	724,230	31,467	11,119	0	0
\$19,000 under \$20,000	338,414	741,869	49,040	22,726	0	0
\$20,000 under \$25,000	1,482,354	2,579,136	318,900	169,444	* 7,638	* 2,103
\$25,000 under \$30,000	1,283,988	1,250,589	730,178	340,518	188,748	84,075
\$30,000 under \$35,000	712,283	217,047	512,993	111,979	404,585	312,690
\$35,000 or more	15,386	278	10,292	182	10,292	4,523

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with one qualifying child—continued					
	EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(55)	(56)	(57)	(58)	(59)	(60)
<b>Total</b>	<b>1,740,827</b>	<b>1,712,688</b>	<b>8,359,045</b>	<b>15,276,040</b>	<b>* 3,644</b>	<b>* 58,373</b>
No adjusted gross income	20,372	19,957	49,972	72,540	* 1,000	* 27,042
\$1 under \$1,000	* 5,234	* 2,044	64,188	16,562	0	0
\$1,000 under \$2,000	13,409	7,231	112,426	61,947	0	0
\$2,000 under \$3,000	19,872	7,658	173,298	151,674	0	0
\$3,000 under \$4,000	30,853	16,195	186,702	213,473	0	0
\$4,000 under \$5,000	35,935	25,846	210,428	304,397	* 644	* 13,518
\$5,000 under \$6,000	36,150	24,069	219,962	390,277	* 1,000	* 12,719
\$6,000 under \$7,000	63,920	54,712	260,074	514,177	0	0
\$7,000 under \$8,000	113,326	104,510	338,522	739,851	0	0
\$8,000 under \$9,000	322,483	343,105	541,971	1,171,605	0	0
\$9,000 under \$10,000	112,638	128,348	336,327	813,764	0	0
\$10,000 under \$11,000	70,498	83,553	303,962	767,716	0	0
\$11,000 under \$12,000	73,030	89,837	315,754	800,567	0	0
\$12,000 under \$13,000	51,186	64,648	274,024	704,194	0	0
\$13,000 under \$14,000	62,354	77,765	321,172	814,758	0	0
\$14,000 under \$15,000	74,124	92,048	349,340	883,766	0	0
\$15,000 under \$16,000	67,251	97,180	309,517	778,930	0	0
\$16,000 under \$17,000	62,437	93,962	328,068	795,658	0	0
\$17,000 under \$18,000	42,353	50,608	314,400	752,413	0	0
\$18,000 under \$19,000	42,767	44,119	293,939	668,992	0	0
\$19,000 under \$20,000	46,295	48,164	323,182	670,980	0	0
\$20,000 under \$25,000	183,032	150,445	1,418,423	2,259,247	* 1,000	* 5,094
\$25,000 under \$30,000	137,778	70,160	1,040,453	839,910	0	0
\$30,000 under \$35,000	53,531	16,524	267,848	88,544	0	0
\$35,000 or more	0	0	* 5,094	* 96	0	0

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with two or more qualifying children					
	Number of returns	Adjusted gross income (less deficit)	EIC salaries and wages		EIC self-employment income	
			Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)
<b>Total</b>	<b>9,764,780</b>	<b>194,053,890</b>	<b>8,785,404</b>	<b>172,134,582</b>	<b>2,369,588</b>	<b>20,071,923</b>
No adjusted gross income	48,834	-1,818,452	33,131	497,737	29,529	189,272
\$1 under \$1,000	36,523	24,350	32,805	36,294	4,973	14,133
\$1,000 under \$2,000	61,754	93,724	56,324	121,208	8,717	52,419
\$2,000 under \$3,000	94,227	241,229	88,945	292,248	11,852	20,069
\$3,000 under \$4,000	107,973	380,086	99,228	340,280	15,568	69,182
\$4,000 under \$5,000	116,213	527,238	107,494	476,210	20,935	62,648
\$5,000 under \$6,000	132,531	726,915	118,319	617,004	27,957	121,242
\$6,000 under \$7,000	171,969	1,119,153	154,501	965,995	32,605	173,320
\$7,000 under \$8,000	208,788	1,569,223	191,295	1,347,584	30,609	218,487
\$8,000 under \$9,000	189,136	1,611,490	167,311	1,317,755	49,337	297,172
\$9,000 under \$10,000	242,978	2,310,835	206,592	1,755,365	77,287	532,316
\$10,000 under \$11,000	322,635	3,392,409	268,542	2,632,576	102,958	819,728
\$11,000 under \$12,000	445,548	5,149,086	334,114	3,152,287	206,975	1,938,584
\$12,000 under \$13,000	449,201	5,595,247	313,345	3,309,264	231,899	2,267,871
\$13,000 under \$14,000	395,132	5,325,796	295,728	3,514,949	171,532	1,816,271
\$14,000 under \$15,000	388,069	5,630,038	306,791	4,084,204	137,024	1,451,510
\$15,000 under \$16,000	380,490	5,901,394	331,315	4,800,584	110,348	1,053,853
\$16,000 under \$17,000	357,479	5,904,242	314,568	4,921,820	90,804	777,784
\$17,000 under \$18,000	326,283	5,713,731	298,177	5,046,477	83,341	546,278
\$18,000 under \$19,000	306,325	5,668,151	274,968	4,766,585	66,466	734,198
\$19,000 under \$20,000	313,893	6,116,462	289,935	5,487,933	60,411	458,254
\$20,000 under \$25,000	1,480,263	33,240,399	1,417,250	30,575,511	239,839	1,948,546
\$25,000 under \$30,000	1,408,845	38,739,395	1,351,630	35,616,002	240,810	2,119,050
\$30,000 under \$35,000	1,107,692	36,036,561	1,079,004	33,381,802	202,753	1,485,632
\$35,000 or more	672,001	24,855,188	654,094	23,076,907	115,060	904,103

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with two or more qualifying children—continued					
	EIC earned income [2]		Total earned income credit		EIC used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(67)	(68)	(69)	(70)	(71)	(72)
<b>Total</b>	<b>9,764,780</b>	<b>192,257,782</b>	<b>9,764,780</b>	<b>29,495,795</b>	<b>393,261</b>	<b>147,848</b>
No adjusted gross income	48,834	687,010	48,834	144,822	* 3	* 7
\$1 under \$1,000	36,523	50,427	36,523	16,486	0	0
\$1,000 under \$2,000	61,754	194,141	61,754	58,792	0	0
\$2,000 under \$3,000	94,227	312,317	94,227	104,552	0	0
\$3,000 under \$4,000	107,973	409,462	107,973	159,296	0	0
\$4,000 under \$5,000	116,213	538,858	116,213	212,960	0	0
\$5,000 under \$6,000	132,531	738,246	132,531	287,479	0	0
\$6,000 under \$7,000	171,969	1,139,314	171,969	444,406	0	0
\$7,000 under \$8,000	208,788	1,585,050	208,788	606,111	0	0
\$8,000 under \$9,000	189,136	1,614,928	189,136	630,827	* 999	* 4
\$9,000 under \$10,000	242,978	2,287,681	242,978	907,134	* 999	* 76
\$10,000 under \$11,000	322,635	3,452,304	322,635	1,310,216	* 2,997	* 598
\$11,000 under \$12,000	445,548	5,090,871	445,548	2,003,485	* 6,748	* 823
\$12,000 under \$13,000	449,201	5,577,135	449,201	2,051,726	* 4,296	* 817
\$13,000 under \$14,000	395,132	5,331,220	395,132	1,819,717	* 999	* 259
\$14,000 under \$15,000	388,069	5,535,714	388,069	1,795,102	* 999	* 338
\$15,000 under \$16,000	380,490	5,854,437	380,490	1,750,219	* 2,653	* 1,640
\$16,000 under \$17,000	357,479	5,711,389	357,479	1,587,040	* 655	* 12
\$17,000 under \$18,000	326,283	5,592,755	326,283	1,402,129	* 2,998	* 975
\$18,000 under \$19,000	306,325	5,500,783	306,325	1,256,548	9,290	2,061
\$19,000 under \$20,000	313,893	5,946,187	313,893	1,221,661	9,988	1,839
\$20,000 under \$25,000	1,480,263	32,524,057	1,480,263	4,858,694	46,451	21,507
\$25,000 under \$30,000	1,408,845	37,735,052	1,408,845	3,189,017	66,302	29,806
\$30,000 under \$35,000	1,107,692	34,867,434	1,107,692	1,391,464	104,352	58,985
\$35,000 or more	672,001	23,981,011	672,001	285,911	132,535	28,101

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with two or more qualifying children—continued			
	Total income tax		EIC used to offset all other taxes	
	Number of returns	Amount	Number of returns	Amount
	(73)	(74)	(75)	(76)
<b>Total</b>	<b>104,809</b>	<b>57,833</b>	<b>2,301,637</b>	<b>3,064,356</b>
No adjusted gross income	* 3	* 10	25,444	38,095
\$1 under \$1,000	0	0	4,324	2,102
\$1,000 under \$2,000	0	0	10,683	7,515
\$2,000 under \$3,000	0	0	9,904	4,688
\$3,000 under \$4,000	0	0	18,179	9,875
\$4,000 under \$5,000	0	0	23,084	12,176
\$5,000 under \$6,000	0	0	30,211	18,987
\$6,000 under \$7,000	0	0	33,892	27,924
\$7,000 under \$8,000	0	0	32,252	31,180
\$8,000 under \$9,000	0	0	47,358	47,818
\$9,000 under \$10,000	0	0	79,790	86,647
\$10,000 under \$11,000	0	0	101,924	126,451
\$11,000 under \$12,000	0	0	210,604	301,847
\$12,000 under \$13,000	0	0	226,243	349,612
\$13,000 under \$14,000	0	0	173,212	278,179
\$14,000 under \$15,000	0	0	131,685	235,641
\$15,000 under \$16,000	0	0	103,317	176,371
\$16,000 under \$17,000	0	0	86,071	134,455
\$17,000 under \$18,000	0	0	74,888	120,849
\$18,000 under \$19,000	0	0	67,154	114,317
\$19,000 under \$20,000	0	0	51,240	92,087
\$20,000 under \$25,000	0	0	225,610	364,820
\$25,000 under \$30,000	* 1,999	* 851	237,914	296,396
\$30,000 under \$35,000	21,550	8,860	192,325	148,866
\$35,000 or more	81,258	48,112	104,330	37,459

Footnotes at end of table.

# Individual Income Tax Returns, 2007

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**Table 4. Returns with Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with two or more qualifying children—continued			
	EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount
	(77)	(78)	(79)	(80)
<b>Total</b>	<b>9,354,249</b>	<b>26,283,591</b>	<b>* 2,998</b>	<b>* 51,277</b>
No adjusted gross income	44,987	106,721	0	0
\$1 under \$1,000	36,522	14,384	0	0
\$1,000 under \$2,000	61,109	51,277	* 999	* 20,514
\$2,000 under \$3,000	93,549	99,863	0	0
\$3,000 under \$4,000	107,674	149,421	0	0
\$4,000 under \$5,000	115,913	200,784	0	0
\$5,000 under \$6,000	131,543	268,492	0	0
\$6,000 under \$7,000	171,969	416,482	0	0
\$7,000 under \$8,000	206,850	574,931	* 999	* 18,978
\$8,000 under \$9,000	189,136	583,005	0	0
\$9,000 under \$10,000	242,978	820,411	0	0
\$10,000 under \$11,000	321,987	1,183,167	0	0
\$11,000 under \$12,000	445,352	1,700,815	0	0
\$12,000 under \$13,000	448,514	1,701,298	0	0
\$13,000 under \$14,000	392,937	1,541,280	0	0
\$14,000 under \$15,000	386,492	1,559,123	0	0
\$15,000 under \$16,000	376,598	1,572,208	0	0
\$16,000 under \$17,000	355,661	1,452,573	* 1,000	* 11,785
\$17,000 under \$18,000	325,377	1,280,304	0	0
\$18,000 under \$19,000	304,733	1,140,170	0	0
\$19,000 under \$20,000	311,160	1,127,736	0	0
\$20,000 under \$25,000	1,441,712	4,472,367	0	0
\$25,000 under \$30,000	1,311,734	2,862,815	0	0
\$30,000 under \$35,000	1,009,140	1,183,613	0	0
\$35,000 or more	520,621	220,352	0	0

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[2] For prior year returns, EIC earned income includes nontaxable earned income.

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

# Partnership Returns, 2007

by Tim Wheeler and Nina Shumofsky

A partnership is an unincorporated organization formed by two or more entities or persons who join to carry on a trade or business. Each partner contributes money, property, labor, or skill, and each expects to share in the profits and losses. Every partnership that engages in a trade or business or has income from sources in the United States must file an annual information return, Form 1065, *U.S. Partnership Return of Income*, or Form 1065-B, *U.S. Return of Income For Electing Large Partnerships*, with the Internal Revenue Service. A partnership does not pay tax on its income but “passes through” any profits and losses to its partners, who must include those profits and losses on their tax returns. The following are highlights from the 2007 partnership study:

- For 2007, the number of partnerships increased 5.1 percent, from 2,947,116 for 2006 to 3,096,334 for 2007.<sup>1</sup> Since 1997, the number of partnerships has increased at an average annual rate of 5.9 percent (Figures A and B).
- The number of partners increased by 10.7 percent, from 16,727,803 for 2006 to 18,515,694 for 2007. The number of partners has increased 6 of the last 7 years (Figures A and B).
- Total net income (loss) increased by 2.5 percent or \$16.6 billion, from \$666.7 billion for 2006 to \$683.4 billion for 2007 (Figures A and C). Partnerships classified in the finance and insurance sector reported a \$41.0 billion-increase, while the total net income (loss) for all partnerships, due to losses from other sectors, increased only \$16.6 billion (Figure D). Real estate, rental, and leasing had the largest losses, \$20.5 billion, followed by construction with \$15.1 billion. Within the finance and insurance sector, the financial investment activities industry group reported a \$52.9-billion increase, which surpassed the total \$41.0-billion change for the sector due to de-

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**Figure A**

**Partnership Annual Percentage Change for Tax Years 1997-2007**

Tax year	Number of partnerships	Number of partners	Total assets	Total receipts	Total net income (loss)
	(1)	(2)	(3)	(4)	(5)
1997	6.3	3.3	23.9	25.5	15.9
1998	5.5	-3.2	22.9	17.2	10.8
1999	4.4	-1.9	17.0	19.0	22.4
2000	6.2	-11.0	11.6	26.7	17.8
2001	3.6	4.2	25.9	6.4	2.7
2002	5.1	0.7	5.2	2.6	-2.1
2003	5.9	-1.5	9.1	7.4	11.4
2004	7.2	10.3	20.0	16.2	27.7
2005	8.5	4.2	18.3	23.1	41.9
2006	6.6	3.2	24.8	12.5	22.1
2007	5.1	10.7	18.9	14.9	2.5

clines in other industry groups. The management of companies sector reported the next largest increase, \$8.0 billion (Figure D). The number of sectors reporting an increase in profits decreased for the second consecutive year. While, for 2005, nineteen of the twenty industrial sectors reported an increase in profits, this number decreased to fourteen sectors and then eleven sectors for 2006 and 2007, respectively. The component of total net income (loss) with the largest increase for 2007 was interest income, which climbed \$66.4 billion to \$259.9 billion, followed by dividend income which increased \$20.8 billion to \$104.7 billion. The largest decrease was from ordinary business income (loss), which decreased \$51.3 billion to \$305.7 billion (Figure C and Tables 1 and 2). (See the Explanation of Selected Terms section for the definition of total net income (loss).)

- Total receipts increased 14.9 percent, from \$5.1 trillion in 2006 to \$5.9 trillion in 2007 (Figure D). The finance and insurance sector alone reported 54.9 percent of the overall increase for all partnerships. Within the finance and insurance sector, 86.4 percent of the increase was reported by the other financial investment activities industrial group. The next largest portion of the increase was reported by manufacturing (11.3

<sup>1</sup> Throughout the text, references are made to Tax Year 2006 data. For further information concerning Tax Year 2006 data, see Wheeler, Tim and Nina Shumofsky, “Partnership Returns, 2006,” *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2. Partnership data have been published annually by the Statistics of Income Division since 1957. Prior to that, financial data were published for 1939, 1946, 1947, and 1953, only. The individual income tax statistics show the number of returns with income or loss from partnerships and the corresponding amounts, starting with 1917. Counts of the number of partnerships since 1917 are available from the Statistics of Income Division, Internal Revenue Service.

Figure B

## Number of Partnerships and Partners, by Selected Industrial Group, Tax Years 2006-2007

Industrial group	Number of partnerships		Percentage change	Number of partners		Percentage change
	2006	2007		2006	2007	
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All industries</b>	<b>2,947,116</b>	<b>3,096,334</b>	<b>5.1</b>	<b>16,727,803</b>	<b>18,515,694</b>	<b>10.7</b>
Agriculture, forestry, fishing, and hunting	131,727	126,884	-3.7	447,031	402,395	-10.0
Mining	34,701	39,581	14.1	729,365	979,952	34.4
Utilities	2,924	3,991	36.5	84,157	97,169	15.5
Construction	192,006	208,538	8.6	511,144	554,232	8.4
Manufacturing	43,145	47,683	10.5	275,660	402,630	46.1
Wholesale trade	49,268	53,515	8.6	219,178	348,285	58.9
Retail trade	151,082	166,561	10.2	468,501	500,182	6.8
Transportation and warehousing	43,310	46,464	7.3	1,185,816	1,043,215	-12.0
Information	39,017	34,206	-12.3	178,159	158,926	-10.8
Finance and insurance	294,730	308,307	4.6	3,413,610	4,431,223	29.8
Securities, commodity contracts, and other financial investments and related activities	224,500	231,753	3.2	2,806,863	3,568,172	27.1
Securities and commodity contracts and exchanges	7,972	8,981	12.7	211,427	311,770	47.5
Other financial investment activities	216,528	222,772	2.9	2,595,436	3,256,401	25.5
Funds, trusts, and other financial vehicles	43,085	47,396	10.0	398,097	728,198	82.9
Other finance and insurance	27,145	29,158	7.4	208,650	134,853	-35.4
Real estate and rental and leasing	1,394,549	1,488,966	6.8	6,570,303	6,792,082	3.4
Real estate	1,348,604	1,454,179	7.8	6,396,539	6,657,377	4.1
Lessors of residential buildings and dwellings and cooperative housing	404,677	427,848	5.7	1,823,540	1,972,875	8.2
Lessors of nonresidential buildings (except miniwarehouses)	478,201	510,042	6.7	2,099,934	2,158,788	2.8
Lessors of miniwarehouses and self-storage units	16,393	20,586	25.6	109,098	110,983	1.7
Lessors of other real estate property	95,090	103,436	8.8	562,040	562,771	0.1
Other real estate activities	354,244	392,267	10.7	1,801,927	1,851,960	2.8
Rental and leasing services and lessors of nonfinancial intangible assets	45,945	34,787	-24.3	173,764	134,705	-22.5
Professional, scientific, and technical services	185,879	175,546	-5.6	641,777	633,193	-1.3
Management of companies (holding companies)	28,764	23,578	-18.0	605,407	683,384	12.9
Administrative and support and waste management and remediation services	59,965	62,004	3.4	144,541	151,935	5.1
Educational services	11,552	11,605	0.5	34,730	29,618	-14.7
Health care and social assistance	63,777	67,522	5.9	308,605	353,922	14.7
Arts, entertainment, and recreation	49,691	54,867	10.4	314,052	384,436	22.4
Accommodation and food services	105,486	106,954	1.4	402,247	381,100	-5.3
Other services	64,247	68,949	7.3	190,342	186,552	-2.0
Nature of business not allocable	*1,296	*613	*-52.7	*3,179	*1,265	*-60.2

\*Estimate should be used with caution because of the small number of returns on which it is based.

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

percent) and wholesale trade (8.7 percent). The finance and insurance sector increased 37.4 percent to \$1,539.5 billion. The manufacturing sector increased 10.7 percent to \$890.4 billion, and the wholesale sector increased 14.1 percent to \$539.9 billion. The largest percentage declines were reported in the utilities (-5.5 percent to \$143.9 billion) and construction (-2.2 percent to \$316.6 billion) sectors. (See the Explanation of

Selected Terms section for the definition of total receipts.) Business receipts, the largest component of total receipts, also reported the largest increase. Business receipts increased \$275.8 billion to \$3.8 trillion for 2007 (Table 7). In addition, positive net long-term capital gain increased by \$138.8 billion to \$537.6 billion. (See the Explanation of Selected Terms section for the definition of business receipts.)

# Partnership Returns, 2007

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Figure C

## Partnership Total Net Income (Loss), Tax Years 2006-2007

[Money amounts are in thousands of dollars]

Item	2006	2007	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
<b>Total net income (loss) [1]</b>	<b>666,718,610</b>	<b>683,367,402</b>	<b>16,648,792</b>	<b>2.5</b>
Ordinary business income (loss)	357,055,417	305,747,126	-51,308,291	-14.4
Interest income	193,499,813	259,902,472	66,402,659	34.3
Dividend income	83,897,950	104,713,737	20,815,787	24.8
Royalties	14,219,959	17,632,110	3,412,151	24.0
Net rental real estate income (loss)	15,122,151	-1,219,460	-16,341,611	-108.1
Other net rental income (loss)	2,923,321	-3,408,583	-6,331,904	-216.6

[1] Total net income (loss) is discussed in the Explanation of Selected Terms section.  
NOTE: Detail may not add to total because of rounding.

- Total assets of partnerships reporting balance sheets increased 18.9 percent, from \$17.1 trillion for 2006 to \$20.4 trillion for 2007 (Figure D). Together, the finance and insurance, and real estate and rental and leasing sectors accounted for 86.7 percent of the overall increase in total assets for all partnerships. The finance and insurance sector reported 60.2 percent of the total assets for all partnerships, followed by the real estate and rental and leasing sector, which reported 21.4 percent (Figure E). Within the finance and insurance sector, the other financial investment activities industry group alone accounted for 42.0 percent of the total assets for all partnerships (Table 3). However, 24.3 percent of all partnerships—generally those with total assets of less than \$600,000 and total receipts of less than \$250,000—were not required to file a balance sheet with their returns.<sup>2</sup> Table 3 presents data by industry and by profit status for the 2,342,664 partnerships (75.7 percent of all partnerships) that did file balance sheets.
- For the third consecutive year and for only the third time since 1997, all sectors reported positive total income (loss) minus total deductions available for allocation (Table 5). Also, for only the fourth time since NAICS data were first published for 1998, the information sector reported positive total income (loss) minus total deductions available for allocation. The first time a

positive total income (loss) minus total deductions available for allocation occurred was in Tax Year 2004 for this sector. Together, partnerships classified in the finance and insurance, and real estate and rental and leasing sectors accounted for 73.9 percent of the total income (loss) minus total deductions available for allocation for all partnerships. Although the combined share of these two sectors increased from the prior year (68.9 percent), the finance and insurance sector continued to increase its share. For 2007, the finance and insurance sector increased its share to 60.1 percent from 51.8 percent (44.9 percent for 2005), while the real estate and rental and leasing sector share decreased to 13.8 percent from 17.1 percent (24.4 percent for 2005).

- For the second time since the data have been collected, partners classified as corporations surpassed partners classified as individuals as the top income (loss) recipients (Table 5). Partners classified as corporations received \$433.7 billion of total income (loss) allocated, while partners classified as individuals received only \$374.8 billion. Also, for the first time, partners classified as partnerships became the second largest recipient, receiving \$407.5 billion. For the first time, corporate limited partners received the largest portion of income (loss) allocated to partners, receiving \$317.3 billion. The next largest group, partnership limited partners, became the second

<sup>2</sup> For further information, see McMahon, Paul (2003), "Regulatory Exemptions and Item Nonresponse," Proceedings of the Section on Survey Research Methods, American Statistical Association.

Figure D

### Partnership Total Net Income (Loss), Total Receipts, and Total Assets, by Selected Industrial Group, Tax Years 2006-2007

[Money amounts are in thousands of dollars]

Industrial group	Total net income (loss)		Percentage change	Total receipts		Percentage change	Total assets		Percentage change
	2006	2007		2006	2007		2006	2007	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries</b>	<b>666,718,610</b>	<b>683,367,402</b>	<b>2.5</b>	<b>5,133,564,943</b>	<b>5,897,350,443</b>	<b>14.9</b>	<b>17,146,275,371</b>	<b>20,386,133,966</b>	<b>18.9</b>
Agriculture, forestry, fishing, and hunting	2,050,074	2,659,050	29.7	39,157,481	43,529,280	11.2	133,804,083	143,214,005	7.0
Mining	45,908,237	40,724,103	-11.3	125,714,823	136,148,225	8.3	228,894,212	241,479,800	5.5
Utilities	9,157,590	5,990,135	-34.6	152,387,633	143,948,592	-5.5	201,727,801	162,251,295	-19.6
Construction	24,440,901	9,317,222	-61.9	323,599,254	316,585,610	-2.2	323,355,227	334,871,919	3.6
Manufacturing	62,220,393	64,246,906	3.3	804,198,835	890,410,375	10.7	492,080,416	597,774,610	21.5
Wholesale trade	16,154,462	20,526,996	27.1	473,087,998	539,854,943	14.1	131,847,983	190,510,489	44.5
Retail trade	3,458,179	3,517,750	1.7	359,196,415	398,843,028	11.0	117,390,310	130,973,828	11.6
Transportation and warehousing	6,639,390	7,214,375	8.7	108,339,368	127,223,883	17.4	159,025,479	193,978,711	22.0
Information	32,053,921	34,217,098	6.7	255,267,754	264,055,079	3.4	573,177,088	586,178,169	2.3
Finance and insurance	281,752,536	322,704,308	14.5	1,120,495,267	1,539,487,118	37.4	10,084,596,024	12,264,159,118	21.6
Securities, commodity contracts, and other financial investments and related activities	229,563,808	262,550,530	14.4	941,348,561	1,280,864,322	36.1	8,287,620,684	10,005,467,990	20.7
Securities and commodity contracts and exchanges	12,909,286	-6,961,740	-153.9	126,164,237	103,874,801	-17.7	1,692,076,730	1,438,087,603	-15.0
Other financial investment activities	216,654,522	269,512,270	24.4	815,184,323	1,176,989,521	44.4	6,595,543,953	8,567,380,386	29.9
Funds, trusts, and other financial vehicles	34,429,231	48,735,951	41.6	106,696,303	155,484,740	45.7	1,248,672,477	1,723,830,887	38.1
Other finance and insurance	17,759,497	11,417,827	-35.7	72,450,404	103,138,056	42.4	548,302,862	534,860,241	-2.5
Real estate and rental and leasing	59,441,778	38,987,364	-34.4	493,611,243	520,300,572	5.4	3,725,244,205	4,353,858,585	16.9
Real estate	53,301,383	31,699,174	-40.5	460,788,542	481,552,337	4.5	3,600,820,706	4,226,681,883	17.4
Lessors of residential buildings and dwellings and cooperative housing	-3,231,063	-7,719,577	-138.9	74,978,887	84,509,490	12.7	892,415,935	987,318,998	10.6
Lessors of nonresidential buildings (except miniwarehouses)	38,552,546	34,344,538	-10.9	128,827,099	125,307,732	-2.7	1,411,107,277	1,697,058,954	20.3
Lessors of miniwarehouses and self-storage units	907,535	726,391	-20.0	3,264,090	2,787,957	-14.6	47,959,614	45,630,595	-4.9
Lessors of other real estate property	3,054,354	3,108,007	1.8	18,351,259	21,208,687	15.6	181,210,158	204,293,472	12.7
Other real estate activities	14,018,010	1,239,815	-91.2	235,367,207	247,738,471	5.3	1,068,127,722	1,292,379,863	21.0
Rental and leasing services and lessors of nonfinancial intangible assets	6,140,395	7,288,190	18.7	32,822,701	38,748,234	18.1	124,423,499	127,176,703	2.2
Professional, scientific, and technical services	75,155,097	81,993,100	9.1	336,694,025	374,490,095	11.2	156,876,518	185,401,395	18.2
Management of companies (holding companies)	18,238,118	26,190,865	43.6	75,469,365	104,176,195	38.0	399,247,524	523,459,471	31.1
Administrative and support and waste management and remediation services	5,011,873	3,915,669	-21.9	75,324,709	77,954,523	3.5	42,403,424	47,080,810	11.0
Educational services	95,697	123,520	29.1	4,868,890	4,856,622	-0.3	4,095,186	3,648,616	-10.9
Health care and social assistance	20,443,377	20,126,836	-1.5	155,797,795	181,172,063	16.3	86,621,956	103,239,106	19.2
Arts, entertainment, and recreation	329,076	-658,850	-300.2	50,938,234	56,998,798	11.9	81,984,877	82,850,820	1.1
Accommodation and food services	2,754,193	714,999	-74.0	154,452,836	152,259,141	-1.4	186,196,242	220,110,575	18.2
Other services	1,433,571	853,706	-40.4	24,916,451	24,841,398	-0.3	17,018,594	20,105,622	18.1
Nature of business not allocable	*-19,851	*2,249	*111.3	*46,567	*214,905	*361.5	*68,8221	*98,7022	*43.4

\*Estimate should be used with caution because of the small number of returns on which it is based.

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

largest group for the first time ever, receiving \$298.8 billion. For the prior 4 years, individuals who were limited partners received the largest portion of income (loss) allocated to partners. For 2006, individual limited partners received \$290.4 billion of the \$1,451.2-billion income (loss) allocated to all partners (Table 5). Prior to

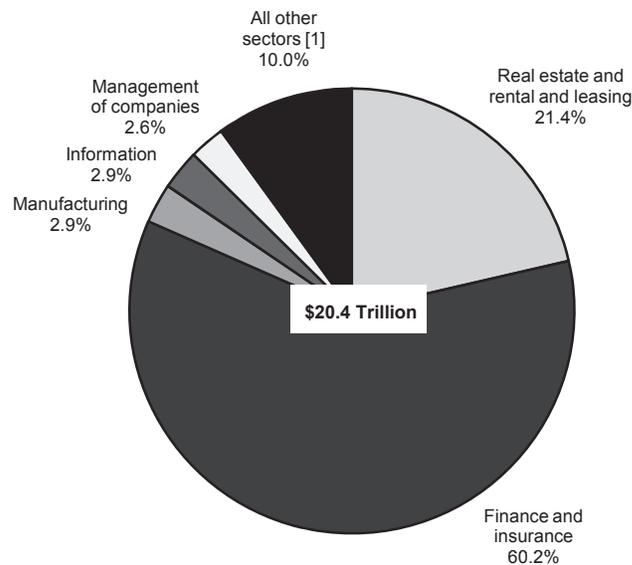
2003, individual general partners were the largest category since allocated income by type of partner was first reported on tax returns in 1988. In addition, for the second consecutive year, total income (loss) allocated to three additional groups also surpassed the \$84.4 billion of income (loss) allocated to individual general partners: nominee

# Partnership Returns, 2007

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Figure E

## Percentage of Partnership Total Assets by Industrial Sector, Tax Year 2007



[1] "All other sectors" includes the following industrial sectors that each had less than 2.5 percent of the total assets for all partnership returns: Agriculture, forestry, fishing, and hunting; Mining; Utilities; Construction; Wholesale trade; Retail trade; Transportation and warehousing; Professional, scientific, and technical services; Administrative and support and waste management and remediation services; Educational services; Health care and social assistance; Arts, entertainment, and recreation; Accommodation and food services; Other services; and Nature of business not allocable.

and other limited partners received \$145.3 billion; corporate general partners received \$116.4 billion; and partnership general partners received \$108.7 billion.

- Net rental real estate income (loss) for all partnerships showed the largest decrease since this amount was first broken out separately on the tax return for 1987. This item decreased \$16.3 billion, from a \$15.1-billion gain for 2006 to a \$1.2-billion loss for 2007 (Table 4). This was the first loss since 1994. Also, \$9.9 billion of this \$16.3-billion decrease occurred through a decrease for net income (loss) from partnerships, estates, and trusts. This item decreased to a \$16.9-billion loss for 2007, from a \$7.0-billion loss for 2006. This was the largest decrease for net income (loss) from partnerships, estates, and trusts since this amount was first reported separately for 1987.

- Tax Law Changes—For tax years beginning in 2007, the maximum section 179 expenses deduction was increased from \$108,000 to \$125,000 (also increased from \$143,000 to \$160,000 for qualified enterprise zone and renewal community property). This limit was reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeded \$500,000, which was increased from \$430,000. Also, both the *Work Opportunity Credit* (Form 5884) and *Employer Social Security and Medicare Taxes Paid on Certain Employee Tips* (Form 8846) were removed from the *General Business Credit* (Form 3800) since these were allowed to offset alternative minimum tax.

### Allocations to Partners

Partnerships are not taxed directly. Instead, their income, credits, and deductions flow through to the partners for inclusion on the partners' own tax

returns. Partners may be individuals, corporations, other partnerships, tax-exempt organizations, nominees, or other legal entities. Table 5 presents data on the different types of partnership income (or losses) and deductions allocated to partners for selected industrial groups. These data were obtained from Schedule K, *Partners' Distributive Share Items*, of the partnership return, which reports amounts for each component by type of partner.

For 2007, all partnerships reported a total of \$1,816.3 billion for total income (loss) available for allocation, before deductions (Table 5). For separately stated deductions (such as contributions and interest investment expense), all partnerships reported a total of \$304.6 billion. The difference between total income (loss) and total deductions resulted in \$1,511.6 billion of total income (loss) minus total deductions available for allocation to partners. Of this amount, \$1,451.2 billion were identified as allocated by type of partner. The difference between the total income (loss) minus total deductions available for allocation and income (loss) allocated to partners was due to some partnerships failing to report allocations, by type of partner, on their returns as originally filed (Table 5).

For 2007, total income (loss) minus total deductions available for allocation increased \$261.0 billion to \$1,511.6 billion. The largest increase was reported by the finance and insurance sector, which increased \$261.3 billion to \$909.0 billion. The next largest increase was reported by the management of companies sector, which increased \$14.3 billion to \$52.0 billion. Although the real estate and rental and leasing sector has reported the first or second largest increase for this amount for recent years, this sector reported a decrease for the last 2 years. For 2007, this sector decreased \$5.9 billion to \$208.1 billion, and, for 2006, this sector decreased \$41.5 billion. The largest decrease for this amount, for 2007, was reported by the construction sector, which decreased \$16.9 billion to \$13.2 billion.

Partners classified in the finance and insurance sector received \$909.0 billion of the \$1,511.6 billion of total income (loss) minus total deductions available for allocation reported for all partnerships, the largest share received by any sector (Table 5). The next largest shares were received by the real estate and rental and leasing industry sector and the professional, scientific, and technical services sector, \$208.1 billion and \$99.7 billion, respectively.

For only the second time since data have been collected, partners classified as corporations surpassed partners classified as individuals as the top income (loss) recipients for 2007 (Table 5). Tax Year 2006 was the first time corporations surpassed individuals. For 2007, partners classified as corporations received \$433.7 billion of the total income (loss) allocated, while partners classified as individuals received only \$374.8 billion. Also, for the first time, partners classified as partnerships surpassed individual partners, receiving \$407.5 billion.

Although, for the previous 4 years, individuals who were limited partners had been the largest group of income (loss) recipients, for 2007, this group was surpassed by both corporate limited partners and partnership limited partners. For the first time, corporate limited partners were the largest group of income (loss) recipients, receiving \$317.3 billion of the total allocated income (loss) for all partnerships. Also, for the first time, partnership limited partners became the second largest recipient, receiving \$298.8 billion. In addition, this was the fourth consecutive year that both corporate limited partners and partnership limited partners surpassed individual general partners. It was the third year that nominee and other limited partners and corporate general partners also surpassed individual general partners, and it was the second year that partnership general partners surpassed individual general partners. For 2007, nominee and other limited partners received \$145.3 billion, corporate general partners received \$116.4 billion, and partnership general partners received \$108.7 billion, while individual general partners received only \$84.4 billion.

## Finance and Insurance

For 2007, the finance and insurance sector continued to report the largest share of both total net income (loss) and total assets for all partnerships, 47.2 percent and 60.2 percent, respectively (Figure D). This was an increase over the share reported for the prior year, 42.3 percent and 58.8 percent, respectively. This sector's share has increased for each of the last 5 years, rising from 33.0 percent and 49.4 percent, respectively, for 2002. For the period 2002 through 2004, the manufacturing sector reported the largest share of total receipts, and, for the period 1998 to 2001, the leader was again the finance and insurance sector. Since 2002, the finance and insurance sector's share of total receipts has risen from 14.1

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percent to 26.1 percent for 2007, while the manufacturing sector has decreased from 16.8 percent to 15.1 percent. Also, partnerships classified in the finance and insurance sector accounted for 10.0 percent of all partnerships and 23.9 percent of all partners for all partnerships (Figure B). This group's share of the total number of partnerships and partners has remained relatively constant in recent years, reporting 11.7 percent and 21.9 percent, respectively, for 2002. Within this sector, the other financial investment activities industrial group was dominant. This industrial group reported 69 percent or more of the sector's number of partnerships, number of partners, total net income (loss), total receipts, and total assets (Figures B and D). This group reported 65 percent for 2007 or more for 2006.

### Real Estate and Rental and Leasing

Historically, partnerships classified in the real estate and rental and leasing sector have dominated the statistics for both the number of partnerships and partners. For 2007, this sector included 48.1 percent of all partnerships and 36.7 percent of all partners (Figure B). In addition, partnerships classified in this sector accounted for 5.7 percent of total net income (loss), 8.8 percent of total receipts, and 21.4 percent of total assets for all partnerships (Figure D).

Partnerships within this sector reported positive total net income (loss) for 14 consecutive years, starting with 1994. Prior to 1994, these partnerships reported total net losses for most years on record. This sector was second only to the finance and insur-

ance sector for size of total assets and, for total receipts, was fourth to the finance and insurance sector, the manufacturing sector, and, for the first time, the wholesale trade sector. For total net income (loss), this sector was fifth after the finance and insurance, professional, scientific and technical services, manufacturing, and mining sectors. This was the first year that total net income (loss) for mining surpassed that for real estate and rental and leasing and was the second year for manufacturing and was the fifth consecutive year that the professional, scientific, and technical services sector surpassed the real estate and rental and leasing sector.

For 2007, for the real estate and rental and leasing sector, total net income (loss) decreased 34.4 percent, or \$20.5 billion, to \$39.0 billion. This was the largest decrease in more than 20 years and was only the third decrease in the last decade. The second decrease was 17.6 percent for the period 2005 to 2006, and the first was an 11.4-percent decrease reported for the period 2001 to 2002. Within the real estate and rental and leasing sector, the real estate industry group reported 81 percent or more of the sector's number of partnerships, number of partners, total net income (loss), total receipts, and total assets.

### Net Rental Real Estate Income (Loss)

Table 4 presents data from Form 8825, *Rental Real Estate Income and Expenses of a Partnership or an S Corporation*. Net rental real estate income (loss) decreased \$16.3 billion to a \$1.2-billion loss (Figure F). This was the largest decrease since this amount was

Figure F

### Partnership Net Rental Real Estate Income (Loss), by Selected Industrial Group, Tax Years 2006-2007

[Money amounts are in thousands of dollars]

Industrial group	2006	2007	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
<b>All industries</b>	<b>15,122,151</b>	<b>-1,219,460</b>	<b>-16,341,611</b>	<b>-108.1</b>
Finance and insurance	-950,035	-3,170,135	-2,220,100	-233.7
Real estate and rental and leasing	15,205,110	3,275,313	-11,929,797	-78.5
Real estate	14,890,393	3,085,957	-11,804,436	-79.3
Lessors of residential buildings and dwellings and cooperative housing	-8,782,287	-11,698,118	-2,915,831	-33.2
Lessors of nonresidential buildings (except miniwarehouses)	30,201,463	26,140,306	-4,061,157	-13.4
Lessors of miniwarehouses and self-storage units	851,940	813,746	-38,194	-4.5
Lessors of other real estate property	2,044,511	1,962,404	-82,107	-4.0
Other real estate activities	-9,425,234	-14,132,381	-4,707,147	-49.9

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

first broken out separately in 1987. Also, this was the seventh decrease in the last 8 years. Since 1999, the only increase (\$7.8 billion) was for the period 2000 to 2001. Approximately three-fifths, or \$9.9 billion, of this \$16.3-billion decrease for 2007 was caused by a decrease in net income (loss) from partnerships, estates, and trusts. This amount decreased from a \$7.0-billion loss for 2006 to a \$16.9-billion loss for 2007. This was the largest decrease for net income (loss) from partnerships, estates, and trusts since this item was first reported separately on Form 8825 for 1987. An additional \$7.2-billion decrease in net rental real estate income (loss) was caused by total real estate rental expenses increasing more rapidly than gross rents from rental real estate. Total real estate rental expenses increased \$32.5 billion to \$390.7 billion, while gross rents from rental real estate increased only \$25.3 billion to \$403.7 billion (Table 4).

This was the first negative amount reported for total net rental real estate income (loss) since 1994. Prior to 1994, partnerships had not reported a positive amount since 1980. Partnerships classified in the real estate industry group continued to report the overwhelming share, \$3.1 billion, of the net rental real estate income (loss) for all partnerships. Within this industry group, lessors of nonresidential buildings (except miniwarehouses) reported \$26.1 billion for net rental real estate income, while other real estate activities and lessors of residential buildings and dwellings reported net losses of \$14.1 billion and \$11.7 billion, respectively. For 2006, these two groups reported net losses of only \$9.4 billion and \$8.8 billion, respectively. In addition, partnerships classified in the finance and insurance reported net losses from rental real estate of \$3.2 billion, a significant increase from the \$1.0-billion loss reported for 2006.

### LLCs Represent the Largest Entity Type

Partnerships were asked to classify themselves into six distinct entity types: domestic general partnership, domestic limited partnership, domestic limited liability company, domestic limited liability partnership, foreign partnership, or “other” partnership (Figures G, H, I, and J). (See the Explanation of Selected Terms section for the definitions of various entity types.)

For 2007, the number of limited liability companies (LLCs) increased 11.6 percent to 1,818,681,

representing 58.7 percent of all partnerships and surpassing all other entity types for the sixth consecutive year (Tables 6 and 8). Prior to 2002, general partnerships had consistently been the most common type of partnership. The number of general partnerships has decreased every year for more than 10 years except for a slight increase in 2005. For 2007, the number of general partnerships decreased 3.5 percent to 693,867. The number of general partnerships decreased 40.5 percent from a peak of 1,167,036 in 1995. In contrast, the number of limited liability companies increased during the same period, from 118,559 in 1995 to 1,818,681. Though the number of limited partnerships increased 9 of the prior 10 years, it declined 1.5 percent in 2007 to 426,113.

Even though LLCs were the most prevalent type of partnership, limited partnerships continued to report the largest share of overall partnership profits. For 2007, total net income (loss) for limited partnerships declined \$10.8 billion to \$210.7 billion (Table 8). This was the first decline since 2002. Profits for LLCs also declined from \$205.3 billion to \$192.1 billion. Despite the decline, LLC profits surpassed the profits reported by general partnerships for the fourth consecutive year. Profits for general partnerships increased from \$87.9 billion to \$97.0 billion. For 2007, the \$191.3-billion loss for LLCs continued to be larger than the combined losses, \$89.1 billion, for both general and limited partnerships (Figure I).

The number of partners in limited liability companies increased as it has each year for over a decade. (Owners of a limited liability company are referred to as “members” instead of partners.) In addition, the number of partners in limited partnerships increased for only the third time since 1997. In contrast, the number of partners in general partnerships declined as it has for 9 out of the last 10 years (Figure J). Both general and limited partnerships that show a profit have a larger number of more partners than those that show a loss. In contrast, limited liability companies have similar numbers of partners in partnerships reporting a profit or loss.

For LLCs, the finance and insurance sector reported the largest share of total assets, 43.7 percent, followed by the real estate and rental and leasing sector, 29.9 percent (Table 6). In addition, the finance and insurance sector accounted for 39.8 percent of the total net income (loss) for LLCs while the manufacturing sector accounted for 15.2 percent.

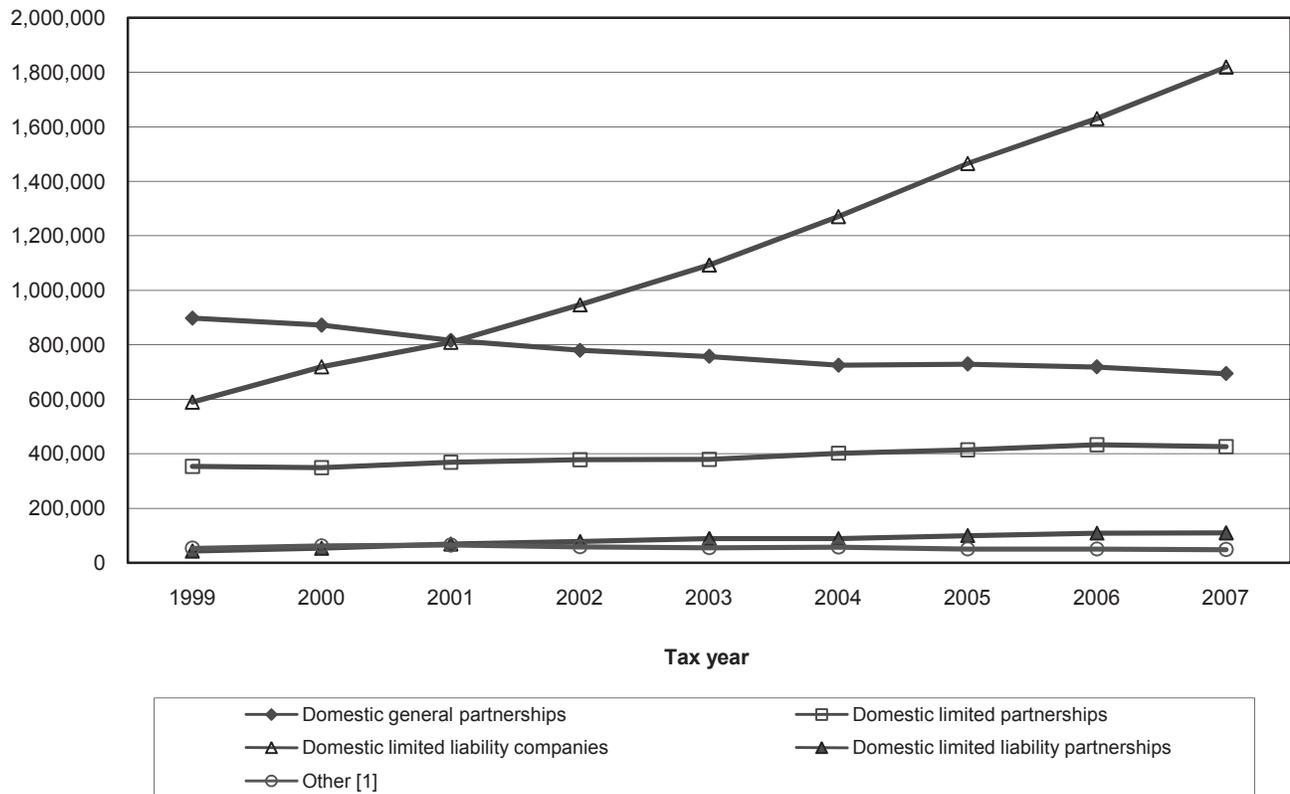
# Partnership Returns, 2007

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**Figure G**

## Number of Partnerships by Type of Entity, Tax Years 1999-2007

Number of partnerships



[1] Data for "other" partnerships include foreign partnerships, as well as partnerships which checked the "other" box, Form 1065, Schedule B, line 1, Type of Entity, or did not check a box. See Figure H for the number of partnerships for each of these categories.

The real estate and rental and leasing sector continued to account for the largest portion of general and limited partnerships, and LLCs, 36.9 percent, 58.0 percent, and 51.2 percent, respectively (Table 8). Typically, the second largest share for the number of partnerships for all three of these groups was the finance and insurance sector. However, for 2007, the second largest share varied. For general partnerships, agriculture, forestry, hunting, and fishing was the second highest with 9.64 percent of all returns, closely followed by finance and insurance with 9.61 percent. The finance and insurance sector was second highest for limited partnerships (20.4 percent). Lastly, the construction sector made up the second largest of the LLCs (7.8 percent), also closely followed by finance and real estate with 7.5 percent. (See the Explanation

of Selected Terms section for more information on limited liability companies.)

### Electronically Filed (ELF) Partnership Returns

Starting in 1986, the Internal Revenue Service (IRS) offered the option of using electronic media for filing Form 1065 returns. Beginning in Tax Year 2000, partnerships with more than 100 partners were required to file their returns electronically. However, the IRS could waive the electronic filing rules if a partnership demonstrated that a hardship would result from the requirement to file its return electronically. Other partnerships generally had the option to file electronically.

There were 680,560 partnerships that filed electronically for 2007, an increase of 54.4 percent from

# Partnership Returns, 2007

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**Figure H**

## Numbers of Partnerships, by Type of Entity and Profit Status, Tax Years 1997-2007

[Numbers of partnerships are in thousands]

Tax year	Total number of partnerships	Domestic general partnerships		Domestic limited partnerships		Domestic limited liability companies		Domestic limited liability partnerships [1]		Foreign partnerships [2]		Other [3]	
		Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1997	1,759	[4] 660	[4] 335	197	132	178	171	n.a.	n.a.	n.a.	n.a.	[4] 57	[4] 29
1998	1,855	649	296	206	137	257	213	17	9	n.a.	n.a.	42	29
1999	1,937	620	278	224	130	318	271	28	14	n.a.	n.a.	35	17
2000	2,058	589	283	215	134	383	335	32	21	1	2	40	21
2001	2,132	552	263	237	132	429	380	40	29	3	2	40	25
2002	2,242	514	266	239	138	483	463	47	31	2	1	40	18
2003	2,375	489	268	233	146	550	542	49	39	2	1	33	22
2004	2,547	474	251	245	158	632	638	53	36	3	1	35	21
2005	2,764	486	243	255	159	746	719	60	40	4	1	29	21
2006	2,947	465	253	264	169	793	837	67	42	4	3	30	20
2007	3,096	450	244	252	174	873	946	60	50	6	2	17	23

n.a.—Data not available. These types of partnerships were not separately identified on the tax return but are included in the totals for all partnerships (column 1).

[1] Prior to 1998, domestic limited liability partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, or other.

[2] Prior to 2000, foreign partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, limited liability partnerships, or other.

[3] Other partnerships are those which checked the "other" box, Form 1065, Schedule B, line 1, Type of Entity, or did not check a box.

[4] Data corrections from prior-year publications of these data.

NOTES: Detail may not add to totals because of rounding. Domestic limited liability companies, domestic limited liability partnerships, and foreign partnerships are discussed in the Explanation of Selected Terms section. Net income or loss refers to "total net income or loss." Breakeven returns are included in the "loss" columns.

**Figure I**

## Partnership Total Net Income or Loss, by Type of Entity and Profit Status, Tax Years 1997-2007

[Money amounts are in billions of dollars]

Tax year	Total net income (loss)	Domestic general partnerships		Domestic limited partnerships		Domestic limited liability companies		Domestic limited liability partnerships [1]		Foreign partnerships [2]		Other [3]	
		Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1997	168.2	103.8	24.0	109.0	46.1	40.1	23.0	n.a.	n.a.	n.a.	n.a.	9.4	1.0
1998	186.6	95.5	22.8	117.4	51.1	58.7	34.1	14.1	1.1	n.a.	n.a.	12.2	2.2
1999	228.4	95.7	21.2	135.9	48.4	82.7	48.0	21.3	0.9	n.a.	n.a.	12.8	1.4
2000	269.0	98.8	20.5	146.4	49.5	112.0	64.3	24.5	2.0	9.7	1.7	18.6	3.1
2001	276.3	104.7	21.1	158.4	57.5	130.3	83.3	28.7	2.2	11.3	3.1	12.6	2.5
2002	270.7	96.9	18.6	146.8	54.3	135.9	87.3	31.3	2.7	13.9	3.2	15.0	3.0
2003	301.4	83.6	15.7	158.7	51.9	155.9	91.6	36.6	2.4	17.5	3.1	16.2	2.5
2004	384.7	91.4	14.9	177.2	57.6	205.4	101.1	44.4	2.6	30.9	2.9	17.0	2.3
2005	546.2	103.0	14.5	230.1	50.2	273.9	105.5	53.2	3.0	36.3	2.6	27.1	1.7
2006	666.7	105.6	17.7	272.3	50.7	331.7	126.4	59.2	4.4	59.8	2.7	42.5	2.4
2007	683.4	118.0	21.0	278.8	68.1	383.4	191.3	63.8	4.9	80.0	4.0	51.9	3.2

n.a.—Data not available. These types of partnerships were not separately identified on the tax return but are included in the totals for all partnerships (column 1).

[1] Prior to 1998, domestic limited liability partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, or other.

[2] Prior to 2000, foreign partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, limited liability partnerships, or other.

[3] Other partnerships are those which checked the "other" box, Form 1065, Schedule B, line 1, Type of Entity, or did not check a box.

NOTES: Detail may not add to totals because of rounding. Domestic limited liability companies, domestic limited liability partnerships, and foreign partnerships are discussed in the Explanation of Selected Terms section. Net income or loss refers to "total net income or loss." Breakeven returns are included in the "loss" columns.

# Partnership Returns, 2007

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Figure J

## Numbers of Partners, by Type of Entity and Profit Status, Tax Years 1997-2007

[Numbers of partners are in thousands]

Tax year	Total number of partners	Domestic general partnerships		Domestic limited partnerships		Domestic limited liability companies		Domestic limited liability partnerships [1]		Foreign partnerships [2]		Other [3]	
		Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss	Net income	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1997	16,184	2,837	1,577	6,924	3,243	855	669	n.a.	n.a.	n.a.	n.a.	61	16
1998	15,663	2,602	1,089	6,761	2,564	1,128	750	99	43	n.a.	n.a.	399	227
1999	15,353	2,465	1,025	6,767	2,177	1,298	969	153	53	n.a.	n.a.	360	85
2000	13,660	2,463	1,127	4,713	1,755	1,440	1,259	211	119	81	30	234	227
2001	14,232	2,267	996	4,454	2,569	1,739	1,493	233	107	71	22	199	80
2002	14,328	2,089	870	4,455	2,464	2,005	1,733	247	97	79	10	220	48
2003	14,108	1,892	972	4,317	1,945	2,242	1,984	245	142	43	35	221	70
2004	15,557	1,803	879	4,539	2,485	2,620	2,330	288	145	53	50	287	78
2005	16,212	1,785	888	4,943	2,004	2,961	2,680	299	166	117	65	205	100
2006	16,728	1,723	943	5,054	1,685	3,157	3,205	350	138	110	71	231	61
2007	18,516	1,674	866	5,881	1,636	3,643	3,442	316	172	163	133	530	60

n.a.—Data not available. These types of partnerships were not separately identified on the tax return but are included in the totals for all partnerships (column 1).

[1] Prior to 1998, domestic limited liability partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, or other.

[2] Prior to 2000, foreign partnerships were not separately identified on the tax return and were included in the statistics for domestic partnerships as general, limited, limited liability companies, limited liability partnerships, or other.

[3] Other partnerships are those which checked the "other" box, Form 1065, Schedule B, line 1, Type of Entity, or did not check a box.

NOTES: Detail may not add to totals because of rounding. Domestic limited liability companies, domestic limited liability partnerships, and foreign partnerships are discussed in the Explanation of Selected Terms section. Net income or loss refers to "total net income or loss." Breakeven returns are included in the "loss" columns.

the 440,586 returns for 2006. These partnerships represented 8.9 million partners for 2007, an increase from the 6.6 million partners for 2006. In addition, the electronically filed returns for 2007 represented 22.0 percent of all partnerships, 48.2 percent of all partners, 18.9 percent of total assets, and 25.2 percent of total net income (loss).

### Electing Large Partnerships

Form 1065-B, *U.S. Return of Income For Electing Large Partnerships*, was introduced for Tax Year 1998. Unlike a regular partnership that reports the partners' allocated shares of income, gain, loss, deductions, or credits to each partner, an electing large partnership combines most items at the partnership level and passes through the net amounts to partners. For 2007, only 100 partnerships filed Form 1065-B, which was a slight decrease from the 103 filed for 2006. The number of partners increased from 33,395 for 2006 to 35,197. Total net income (loss) increased from \$408.4 million in 2006 to \$505,804 million. Total assets also increased from \$21.4 billion for 2006 to \$21.8 billion.

### Data Sources and Limitations

Tax Year 2007 statistics are estimates based on a stratified probability sample of 40,588 returns selected from a population of 3,266,373 partnerships.<sup>3</sup> Tax Year 2007 covers returns processed by the IRS during Calendar Year 2008. All partnerships engaged in business in, or having income from sources within, the United States were required to file either Form 1065, *U.S. Partnership Return of Income*, or Form 1065-B, *U.S. Return of Income For Electing Large Partnerships*, to report income or loss, deductions, tax credits, and other tax-related items generated by the partnership. The statistics are only for *active partnerships*, which are defined as those that reported any items of income or deduction derived from a trade or business, or from rental or portfolio income.

The population was stratified into classes based on industry, type of return, size of total assets, and size of certain receipt or income amounts from both ordinary business income (loss) and portfolio income (loss). Returns were selected from these classes at various probabilities ranging from 0.04 percent to 100 percent, and were weighted to represent the total

<sup>3</sup> For details on the sample design, see McMahon, Paul (2001), "Sample Design Revisions in the Wake of NAICS and Regulatory Changes," Proceedings of the Section on Survey Research Methods, American Statistical Association.

population. There were 713 sampled returns that were ruled “out of scope” because they had no activity or duplicated other returns already in the study. This resulted in a final sample of 39,875 returns, and an estimated overall active population of 3,096,334.

Because the data presented in this article are based on a sample of returns, they are subject to sampling error. To properly use the data, the magnitude of the potential sampling error needs to be known. Coefficients of variation (CVs), the ratio of an estimate’s standard error to the estimate, are used to measure this magnitude. Figure K presents the coefficients of variation for certain money amounts, for selected industrial sectors. The estimate is judged more reliable when the coefficient of variation is smaller.

## Notes for Tables

All money amounts and frequencies in the tables are subject to rounding errors. As a result, a row or column of frequencies or amounts may fail to add exactly to the corresponding total amount. Money amounts are rounded to the nearest \$1,000 at the table level. Amounts of \$500 or more were rounded up to the next thousand. Total amounts under \$500 were entered as zero and footnoted to indicate that an amount was present and greater than zero, but less than \$500.

Whenever a cell frequency was less than 3, the estimate was combined or deleted in order to avoid disclosure of information about specific partnerships. A footnote at the end of the table describes how to identify such combinations or deletions. In other cases, an estimate based on fewer than ten returns, not selected at the 100-percent rate, is indicated by an asterisk (\*) and should be considered statistically unreliable. These estimates should typically be used in combination with other tabulated values due to the small sample size.

The statistical reliability of each cell in the tables was determined separately from all other cells. Thus, it is possible for a total figure to be marked with an asterisk (\*), indicating statistical unreliability, while a subset of the total is not so marked. For example, a sector amount could be based on seven returns, three not sampled at the 100-percent rate. The amount would receive an asterisk. However, an industry amount, within the sector, may include all of the four

**Figure K**

### Partnership Coefficients of Variation for Industrial Sector and Selected Items, Tax Year 2007

[Coefficients of variation are percentages]

Industrial sector	Coefficients of variation			
	Number of partnerships	Total assets	Total income	Total deductions
	(1)	(2)	(3)	(4)
<b>All industries</b>	<b>0.39</b>	<b>2.30</b>	<b>2.48</b>	<b>2.57</b>
Agriculture, forestry, fishing, and hunting	6.43	7.10	4.33	4.36
Mining	11.00	5.96	7.60	5.39
Utilities	29.13	8.20	15.56	15.90
Construction	4.67	3.73	2.88	2.90
Manufacturing	8.95	7.87	10.25	10.36
Wholesale trade	8.31	6.86	4.02	4.07
Retail trade	5.18	4.66	4.34	4.45
Transportation and warehousing	9.85	8.10	7.96	8.14
Information	8.11	15.85	12.75	12.08
Finance and insurance	3.66	3.74	6.09	8.56
Real estate and rental and leasing	0.94	1.11	2.96	2.73
Professional, scientific, and technical services	4.79	5.69	3.56	3.88
Management of companies	13.59	6.54	7.01	8.81
Administrative and support and waste management and remediation services	9.22	7.57	4.76	4.87
Educational services	17.64	14.13	14.35	14.34
Health care and social assistance	3.67	4.19	2.47	2.38
Arts, entertainment, and recreation	9.66	5.83	4.32	4.34
Accommodation and food services	5.72	4.19	2.78	2.71
Other services	8.60	11.21	6.94	7.05
Nature of business not allocable	69.31	75.66	45.09	47.32

Item [1]	Coefficients of variation—continued
	All industries
	(5)
Number of partnerships	0.39
Number of partners	2.39
Total assets	2.30
Total income	2.48
Business receipts	2.63
Total deductions	2.57
Cost of goods sold	3.73
Interest paid	10.79
Taxes and licenses	4.90
Depreciation	4.66
Ordinary business income	2.23
Ordinary business loss	5.02
Interest income	2.41
Portfolio income (loss) distributed directly to partners	1.16
Net rental real estate income	2.19
Net rental real estate loss	2.50
Other net rental income	6.95
Other net rental loss	19.03
Total net income (loss)	2.83
Total income (loss) minus total deductions available for allocation	1.79
Total receipts	1.84

[1] All data items are displayed in Table 1, except for Total income (loss) minus total deductions.

returns sampled at the 100-percent rate and would not receive an asterisk.

## Explanation of Selected Terms

*Assets and liabilities*—A partnership was required to provide balance sheet information, in general, only if it had total receipts of \$250,000 or more and total assets of \$600,000 or more. The assets

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and liabilities of partnerships that did not provide this information were not estimated. If a partnership provided balance sheet data in a format of its own, instead of that provided on the return form, an effort was made during data collection to associate the amounts provided with the items on the partnership balance sheet. Also, for returns with accounting periods ending after December 31, 2005, total assets should have been determined without offset by liabilities and should not have been reported as a negative amount. If, however, the partnership continued to report negative total assets, no effort was made during data collection to change the amount.

*Business receipts*—Business receipts represent the gross receipts or sales less returns and allowances from trade or business income. Business receipts were not adjusted to include rental real estate activity, which was separately reported on the partnership return. This activity is the largest component of gross receipts for industry groups, such as manufacturing.

*Electing large partnerships*—Partnerships that had 100 or more partners in the preceding year could elect to file Form 1065-B, *U.S. Return of Income For Electing Large Partnerships*, in lieu of the more general Form 1065. Unlike a regular partnership that reports the partner's allocated share of income, gain, loss, deductions, or credits to each partner, an electing large partnership combines most items at the partnership level and passes through net amounts to partners.

*Electronically filed (ELF) partnerships*—Certain partnerships with more than 100 partners were required to file their returns electronically. ELF returns are submitted via electronic media in lieu of paper returns and are verified for mathematical consistency on submission.

*Foreign partnerships*—Partnerships not created or organized in the United States, or under the law of the United States or of any State, are foreign partnerships. In general, if a foreign partnership has gross income from trade or business within the United States or has gross income derived from sources within the United States, it must file a partnership return.

*Limited liability companies (domestic)*—A limited liability company (LLC) is an entity formed under State law by filing articles of organization as an LLC. Limited liability companies that choose to be taxed as partnerships file Form 1065, *U.S. Partnership Return of Income*. The Schedule B, *Other Information*, has a question to identify LLCs.

Limited liability companies combine the corporate characteristics of limited liability for all members with the passthrough tax treatment of a partnership. (The owners of an LLC are called members, not partners.) These businesses offer more organizational flexibility than S corporations. (S corporations pass through their income, gains and losses, deductions, and credits to their shareholders for tax purposes, like partnerships.) For example, unlike S corporations, LLCs are not limited in the number and type of owners.

Unlike partners in limited partnerships, all members of LLCs have limited liability protection, even if they actively participate in the management of the business. In some cases, LLCs file as sole proprietorships on individual income tax returns or as corporations on corporation income tax returns. LLC data reported on these returns were not included in this article.

*Limited liability partnerships (domestic)*—A limited liability partnership (LLP) is formed under a State limited liability partnership law. Limited liability partnerships file Form 1065, *U.S. Partnership Return of Income*. They were identified by their response to a question on Form 1065, Schedule B, *Other Information*. Organizationally, LLPs are available in some States only for professional partnerships, such as law firms or accounting firms. A partner in an LLP receives liability protection from the actions of other partners, but is liable for the partnership debts as well as for the consequences of his or her own actions.

*Nonrecourse loans*—Nonrecourse loans are those liabilities of the partnership for which no partner bears the economic risk of loss.

*North American Industry Classification System*—Starting with the 1998 partnership study, data were classified using the North American Industry Classification System (NAICS). NAICS replaced the Standard Industry Classification system (SIC). Like the SIC, NAICS is a hierarchical system that classifies businesses, including partnerships, into sectors, subsectors, industry groups, and industries. SIC used the terms industrial division, major group, and industry. Although the complete NAICS system uses twenty sectors, for presentation purposes, the partnership data in the Tax Year 1998 through Tax Year 2001 articles were grouped into ten industrial divisions in order to more easily compare NAICS data to SIC data. Beginning with the Tax Year 2002 article, the indus-

trial division was dropped, and the partnership data have been grouped into the same twenty industrial sectors used in the NAICS system, except for the exclusion of public administration and the addition of nature of business not allocable. Businesses are only classified in the nature of business not allocable sector when a more specific activity cannot be identified from the return. Data within these industrial sectors are classified in industrial groups. The most detailed classification in these tabulations is the industry. The 20 sectors used in this article are listed below.

- Agriculture, forestry, fishing, and hunting
- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific, and technical services
- Management of companies (holding companies)
- Administrative and support and waste management and remediation services
- Educational services
- Health care and social assistance

- Arts, entertainment, and recreation
- Accommodation and food services
- Other services
- Nature of business not allocable

In addition, in 2002 and 2007, the NAICS classification system was updated. In 2002, the new version included a revised structure for both the construction and information sectors and additional detail for the retail trade sector. In 2007, the information sector was updated again, along with one financial industry. The North American Industry Classification publication contains appendices comparing the 2002 and 2007 NAICS United States structure to the 1997 NAICS United States structure.<sup>4</sup>

Partnership industries were determined based on the activity from which the business derived the largest percentage of its total receipts. Total receipts, for industry-coding purposes only, were defined as the sum of:

- gross receipts or sales less returns and allowances (i.e., business receipts in the statistics);
- ordinary income from other partnerships, estates, and trusts;
- net farm profit;
- net gain from Form 4797;
- other income (Form 1065, page 1, line 7);
- other gross rental income;
- interest income;
- dividend income;
- royalties;
- net short-term capital gain;

<sup>4</sup> For further information about the North American Industry Classification System, including background, format, and detailed descriptions of the activities included in each classification, see North American Industry Classification System, United States, Executive Office of the President, Office of Management and Budget. <http://www.ntis.gov/naics>.

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- net long-term capital gain;
- net section 1231 gain;
- other income (Form 1065, page 3, line 11);
- gross rents from rental real estate;
- net gain from the disposition of property from rental real estate activities; and
- net income from rental real estate activities from partnerships, estates, and trusts in which the partnership is a partner or beneficiary.
- (Total receipts for the partnership industry coding purposes differ from total receipts used elsewhere in this article and are defined under *Total receipts* in this section.)

*Partner*—Partners can be individuals, corporations, other partnerships, or any other legal entity. Partners are classified as either general or limited. General partners are those who assume liability for the partnership's debts and losses. Limited partners are those whose liability in the partnership is limited to their investment. By definition, a partnership must have at least two partners, at least one of which must be a general partner. A general partnership is composed entirely of general partners. A limited partnership has at least one general partner and one or more limited partners.

*Partnerships*—A partnership is a relationship between two or more entities or persons who join to carry on a trade or business, with each partner contributing money, property, labor, or skill, and each expecting to share in the profits and losses. Every partnership that engages in a trade or business or has income from sources in the United States must file an annual information return, Form 1065, *U.S. Partnership Return of Income*, or Form 1065-B, *U.S. Return of Income For Electing Large Partnerships*, with the Internal Revenue Service, showing the partnership's taxable income or loss for the year. A partnership must file this return even if its principal place of business is outside the United States and even if all of its members are nonresident aliens.

*Total net income (loss)*—Through Tax Year 1986, amounts for total net income (loss) were reported on Form 1065 as ordinary income (loss). After tax law

changes and tax form revisions in 1987, Statistics of Income studies began computing a similar total figure as the sum of:

- ordinary business income (loss);
- interest income;
- dividend income;
- royalties;
- net rental real estate income (loss) from Form 8825; and
- other net rental income (loss).

The sum of these components is a measure of overall partnership profits or losses, which enable comparisons with total net income (loss) reported for years before 1987. The profit status of a partnership is determined based on the sum of these six amounts. Partnerships where the sum of these six amounts equals zero are included with loss partnerships.

For 2004, the definition of total net income (loss) was revised because other portfolio income (loss) was excluded since it was no longer reported separately on Schedule K, but was included on Schedule K, line 11, other income (loss). This resulted in the 2004 total net income (loss) being understated by that amount when compared to years prior to 2004. However, this understatement was small since, for 2003, other portfolio income (loss) for all partnerships was only \$3.1 billion or 1.0 percent of the \$301.4 billion reported for total net income (loss).

*Total receipts*—Total receipts are computed for the statistics to reflect similar computations published in other Statistics of Income (SOI) studies. They are the sum of positive income received by partnerships for the specific items listed below: (Negative amounts or losses are included in the statistics as deduction items.)

- gross receipts or sales less returns and allowances (i.e., business receipts in the statistics);
- ordinary income from other partnerships, estates, and trusts;
- farm net profit;

- net gain from Form 4797;
- other income (Form 1065, page 1, line 7);
- net rental real estate income;
- other net rental income;
- interest income;
- dividend income;
- royalties;
- net short-term capital gain;
- net long-term capital gain;
- net section 1231 gain; and
- other income (Form 1065, page 3, line 11).

Total receipts in *Bulletin* Table 7 differ from total receipts presented in Table 11 in the *Selected Historical and Other Data* section of the spring issue of the *Statistics of Income Bulletin*. Table 11 excludes certain income items allocated directly to partners (such

as net short-term and long-term capital gains, net gain under Internal Revenue Code section 1231, and other income (Schedule K, Line 7)).

### Additional Tabular Data on Tax Stats

For additional Tax Year 2007 partnership tabular data, by size of total assets, for all partnerships, general partnerships, limited partnerships, and limited liability companies, see the Partnership section of the Tax Stats Web site: [www.irs.gov/taxstats/index.html](http://www.irs.gov/taxstats/index.html). Also, for 2007, new tabular data are displayed for partnerships that reported foreign transaction data on Form 1065, Schedule K, *Partners' Distributive Share Items*, lines 16a-m. Table 23 shows these foreign transaction data by selected industry group. Table 24 shows total assets, trade or business income and deductions, portfolio income, rental income, and total net income, by size of total assets, for partnerships that reported these foreign transaction data. In addition, new table 25 is the same as Table 24 except that it displays data for partnerships that did not report foreign transaction data. This site also includes detailed tabular data on partnership returns for prior years, as well as information on filing requirements, sample designs, an explanation of terms, and links to other SOI studies.

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting					
		Total	Crop production	Animal production	Forestry and logging	Fishing, hunting, and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of partnerships</b>	<b>3,096,334</b>	<b>126,884</b>	<b>58,542</b>	<b>48,097</b>	<b>6,120</b>	<b>2,527</b>	<b>11,599</b>
<b>Number of partners</b>	<b>18,515,694</b>	<b>402,395</b>	<b>196,234</b>	<b>137,665</b>	<b>33,290</b>	<b>6,651</b>	<b>28,555</b>
<b>Total assets</b>	<b>20,386,133,966</b>	<b>143,214,005</b>	<b>39,399,816</b>	<b>47,449,385</b>	<b>47,736,762</b>	<b>3,195,047</b>	<b>5,432,995</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>4,243,833,029</b>	<b>36,722,838</b>	<b>8,039,262</b>	<b>12,743,866</b>	<b>3,289,604</b>	<b>2,060,270</b>	<b>10,589,837</b>
Business receipts	3,847,033,858	28,454,231	3,448,420	9,885,322	2,948,972	1,856,705	10,314,811
Ordinary income from other partnerships and fiduciaries	102,398,987	855,075	235,944	356,844	* 68,240	* 158,148	* 35,899
Farm net profit	6,048,350	5,789,268	3,977,893	1,778,113	0	0	* 33,262
Net gain, noncapital assets	17,572,837	829,178	294,898	494,777	* 3,025	* 16,340	20,138
Other income	270,778,996	795,086	82,107	228,810	269,367	29,076	185,728
<b>Total deductions</b>	<b>3,938,085,903</b>	<b>36,523,102</b>	<b>6,343,618</b>	<b>13,739,775</b>	<b>3,720,858</b>	<b>2,101,125</b>	<b>10,617,726</b>
Cost of good sold [1]	2,309,834,144	20,429,531	2,111,957	8,090,345	1,924,240	1,068,743	7,234,245
Inventory, beginning of year	264,945,887	2,087,524	395,663	837,308	193,400	* 100,079	561,074
Purchases	1,568,979,576	16,020,556	1,529,359	6,285,164	1,125,095	* 585,860	6,495,079
Cost of labor	101,794,266	824,726	288,564	189,409	* 35,344	* 187,408	124,001
Additional inventory costs (section 263A)	18,224,706	72,401	* 47,606	* 5,215	* -395	* 4,040	15,935
Other costs	636,020,826	3,996,906	457,933	1,658,581	748,778	* 324,379	807,234
Less: Inventory, end of year	281,525,912	2,572,583	607,169	885,331	177,982	* 133,024	769,077
Salaries and wages	373,035,986	1,906,169	433,523	492,009	252,567	* 56,951	671,120
Guaranteed payments to partners	47,530,579	841,869	186,663	303,995	152,536	* 20,660	178,015
Rent paid	66,743,519	409,511	97,127	96,132	19,086	* 26,803	170,364
Interest paid	173,612,616	884,971	163,793	161,463	212,043	169,627	178,044
Taxes and licenses	56,473,852	299,173	57,699	61,243	68,498	19,870	91,863
Bad debts	21,230,624	99,911	* 177	7,661	* 1,575	* 23,537	66,961
Repairs and maintenance	19,796,489	400,184	73,149	86,157	50,117	36,852	153,909
Depreciation	85,921,208	925,678	141,947	264,201	131,667	42,279	345,584
Depletion	823,763	* 20,478	0	0	* 20,478	0	0
Retirement plans, etc.	10,441,913	19,668	1,806	4,141	* 4,534	349	8,838
Employee benefit programs	24,109,465	87,137	17,097	22,656	11,733	* 5,901	29,751
Ordinary loss from other partnerships and fiduciaries	49,221,523	820,413	* 12,475	383,503	221,695	* 53,923	* 148,818
Farm net loss	5,343,749	4,930,087	2,190,841	2,706,472	* 25,284	0	* 7,490
Net loss, noncapital assets	4,985,744	80,392	* 12,296	* 50,103	* 17,568	3	* 421
Other deductions	688,980,731	4,367,930	843,069	1,009,695	607,235	575,628	1,332,303
<b>Ordinary business income (loss)</b>	<b>305,747,126</b>	<b>199,736</b>	<b>1,695,644</b>	<b>-995,910</b>	<b>-431,254</b>	<b>-40,855</b>	<b>-27,890</b>
Net income	537,075,271	7,839,138	4,274,063	2,244,489	445,166	* 305,458	569,961
Loss	231,328,145	7,639,402	2,578,419	3,240,399	876,420	346,313	597,851
<b>Portfolio income (loss) distributed directly to partners</b>	<b>980,860,693</b>	<b>3,207,227</b>	<b>621,818</b>	<b>1,139,999</b>	<b>1,190,997</b>	<b>14,086</b>	<b>240,327</b>
Interest income	259,902,473	1,387,915	203,533	205,761	943,971	11,837	22,812
Dividend income	104,713,737	146,834	54,347	68,340	19,450	* 2,209	2,488
Royalties	17,632,110	597,221	* 71,156	431,779	94,190	26	* 71
Net short-term capital gain (loss)	87,431,982	-16,565	* 12,825	-29,519	* 210	0	* -82
Net long-term capital gain (loss)	511,180,391	1,091,822	279,956	463,638	133,176	14	215,038
<b>Net rental real estate income (loss)</b>	<b>-1,219,460</b>	<b>247,805</b>	<b>195,759</b>	<b>-2,903</b>	<b>62,433</b>	<b>0</b>	<b>-7,483</b>
Net income	93,796,548	417,162	269,802	74,862	66,835	0	* 5,662
Loss	95,016,008	169,356	74,044	77,766	* 4,402	0	* 13,145
<b>Other net rental income (loss)</b>	<b>-3,408,583</b>	<b>79,539</b>	<b>43,662</b>	<b>26,119</b>	<b>* 7,533</b>	<b>* -456</b>	<b>* 2,681</b>
Net income	6,738,416	86,722	* 43,778	27,354	* 7,760	* 58	* 7,771
Loss	10,146,999	* 7,182	* 116	* 1,235	227	* 515	* 5,089
<b>Total net income (loss) [2]</b>	<b>683,367,402</b>	<b>2,659,050</b>	<b>2,264,102</b>	<b>-266,814</b>	<b>696,322</b>	<b>-27,239</b>	<b>-7,321</b>
Net income	975,902,682	9,855,659	4,699,590	2,795,506	1,453,763	* 311,032	595,769
Loss	292,535,279	7,196,609	2,435,488	3,062,320	757,441	338,271	603,089

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Mining				Utilities	Construction	
	Total	Oil and gas extraction	Other mining	Support activities for mining		Total	Construction of buildings
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Number of partnerships</b>	<b>39,581</b>	<b>28,182</b>	<b>6,749</b>	<b>4,651</b>	<b>3,991</b>	<b>208,538</b>	<b>100,360</b>
<b>Number of partners</b>	<b>979,952</b>	<b>847,804</b>	<b>101,355</b>	<b>30,793</b>	<b>97,169</b>	<b>554,232</b>	<b>279,990</b>
<b>Total assets</b>	<b>241,479,800</b>	<b>200,263,051</b>	<b>32,901,904</b>	<b>8,314,845</b>	<b>162,251,295</b>	<b>334,871,919</b>	<b>231,076,813</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>108,898,806</b>	<b>81,400,093</b>	<b>19,865,564</b>	<b>7,633,149</b>	<b>137,445,651</b>	<b>310,793,427</b>	<b>193,040,019</b>
Business receipts	100,780,006	74,803,507	18,884,365	7,092,135	133,676,544	304,593,676	188,491,448
Ordinary income from other partnerships and fiduciaries	3,685,891	2,955,586	457,525	* 272,780	1,714,225	1,754,501	1,509,850
Farm net profit	* 1,441	* 1,441	0	0	0	* 1,808	249
Net gain, noncapital assets	1,813,423	1,507,993	244,715	60,715	1,011,412	461,197	355,575
Other income	2,618,044	2,131,567	278,959	207,519	1,043,471	3,982,245	2,682,897
<b>Total deductions</b>	<b>75,957,874</b>	<b>50,535,536</b>	<b>18,858,451</b>	<b>6,563,888</b>	<b>132,913,935</b>	<b>302,589,425</b>	<b>190,875,993</b>
Cost of good sold [1]	36,479,820	19,405,805	13,751,870	3,322,145	111,760,524	240,417,073	154,387,061
Inventory, beginning of year	2,474,659	860,449	1,446,215	167,995	2,699,499	74,868,192	55,819,380
Purchases	8,818,308	5,318,720	2,138,448	1,361,140	85,529,121	81,502,650	54,400,403
Cost of labor	3,039,213	841,094	1,707,954	490,165	484,989	18,767,879	5,681,795
Additional inventory costs (section 263A)	958,814	568,813	389,501	* 500	1,348,175	4,871,896	4,015,970
Other costs	23,944,286	12,853,612	9,632,375	1,458,299	24,504,709	132,964,981	88,157,861
Less: Inventory, end of year	2,755,459	1,036,882	1,562,623	155,954	2,805,969	72,968,572	53,963,075
Salaries and wages	2,530,134	1,146,429	594,170	789,535	1,171,419	10,653,089	4,559,966
Guaranteed payments to partners	409,322	318,744	* 19,130	71,447	142,219	2,420,034	859,213
Rent paid	418,896	207,129	98,321	113,446	369,211	1,426,199	586,884
Interest paid	2,603,409	1,987,880	521,766	93,764	3,886,506	5,330,417	3,724,140
Taxes and licenses	3,738,222	3,388,991	257,305	91,926	659,907	1,914,029	810,992
Bad debts	56,445	11,400	5,310	39,735	73,957	566,375	178,262
Repairs and maintenance	427,402	207,458	136,774	83,170	518,441	748,899	298,843
Depreciation	4,639,547	3,708,016	418,039	513,493	4,726,540	1,873,563	585,230
Depletion	683,584	8,025	666,703	* 8,855	* 29,130	* 2,582	395
Retirement plans, etc.	75,796	20,879	48,380	6,536	53,700	183,525	87,526
Employee benefit programs	325,354	167,365	126,767	31,222	142,989	628,189	254,408
Ordinary loss from other partnerships and fiduciaries	1,269,426	1,108,631	160,623	* 172	1,288,125	1,488,912	1,071,025
Farm net loss	* 52,072	* 52,072	0	0	0	* 4,952	* 94
Net loss, noncapital assets	187,373	157,548	21,327	* 8,498	5,300	451,619	446,283
Other deductions	22,061,073	18,639,164	2,031,966	1,389,943	8,085,967	34,479,967	23,025,671
<b>Ordinary business income (loss)</b>	<b>32,940,931</b>	<b>30,864,557</b>	<b>1,007,113</b>	<b>1,069,261</b>	<b>4,531,716</b>	<b>8,204,003</b>	<b>2,164,026</b>
Net income	43,667,859	39,563,274	2,785,520	1,319,065	8,356,535	22,922,979	11,851,712
Loss	10,726,927	8,698,717	1,778,406	249,804	3,824,820	14,718,976	9,687,686
<b>Portfolio income (loss) distributed directly to partners</b>	<b>13,248,993</b>	<b>9,813,209</b>	<b>2,769,174</b>	<b>666,610</b>	<b>5,030,970</b>	<b>3,951,054</b>	<b>2,438,454</b>
Interest income	2,195,078	1,706,166	388,023	100,890	1,408,955	1,546,701	919,394
Dividend income	415,335	361,774	40,597	* 12,965	36,143	110,822	57,098
Royalties	5,133,253	5,108,276	13,052	* 11,925	* 6,452	18,075	* 2,918
Net short-term capital gain (loss)	878,770	736,916	* 141,092	* 762	236,043	125,620	112,772
Net long-term capital gain (loss)	4,626,556	1,900,077	2,186,411	* 540,068	3,343,377	2,149,837	1,346,272
<b>Net rental real estate income (loss)</b>	<b>-32,824</b>	<b>-11,790</b>	<b>-20,522</b>	<b>* -512</b>	<b>1,520</b>	<b>-560,493</b>	<b>-627,298</b>
Net income	21,082	18,271	* 2,749	62	1,663	211,077	84,588
Loss	53,906	30,061	* 23,272	* 573	143	771,571	711,886
<b>Other net rental income (loss)</b>	<b>72,329</b>	<b>67,948</b>	<b>1,740</b>	<b>2,641</b>	<b>5,350</b>	<b>-1,885</b>	<b>-4,771</b>
Net income	73,179	68,798	1,740	2,641	* 16,921	20,548	17,271
Loss	* 850	* 850	0	0	11,571	22,433	22,042
<b>Total net income (loss) [2]</b>	<b>40,724,103</b>	<b>38,096,931</b>	<b>1,430,002</b>	<b>1,197,170</b>	<b>5,990,135</b>	<b>9,317,222</b>	<b>2,511,367</b>
Net income	50,749,897	46,130,493	3,183,629	1,435,775	9,666,072	24,060,819	12,437,593
Loss	10,025,794	8,033,562	1,753,627	238,605	3,675,937	14,743,597	9,926,226

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued						
	Heavy and civil engineering construction				Special trade contractors		
	Total	Utility system construction	Land subdivision	Other heavy and civil engineering construction	Total	Foundation, structure, and building exterior contractors	Electrical contractors
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Number of partnerships</b>	<b>35,872</b>	<b>2,823</b>	<b>30,880</b>	<b>2,169</b>	<b>72,306</b>	<b>14,534</b>	<b>7,139</b>
<b>Number of partners</b>	<b>110,908</b>	<b>8,197</b>	<b>97,332</b>	<b>5,379</b>	<b>163,335</b>	<b>31,505</b>	<b>14,766</b>
<b>Total assets</b>	<b>82,309,774</b>	<b>2,714,509</b>	<b>65,701,240</b>	<b>13,894,025</b>	<b>21,485,332</b>	<b>3,175,659</b>	<b>2,578,674</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>49,881,738</b>	<b>6,338,000</b>	<b>17,711,578</b>	<b>25,832,160</b>	<b>67,871,671</b>	<b>11,544,181</b>	<b>8,343,744</b>
Business receipts	48,666,900	6,276,258	17,154,129	25,236,513	67,435,327	11,497,403	8,300,000
Ordinary income from other partnerships and fiduciaries	155,602	* 15,770	133,034	* 6,797	89,050	0	* 2,127
Farm net profit	* 1,560	0	* 1,560	0	0	0	0
Net gain, noncapital assets	60,699	6,189	* 14,964	39,546	44,922	4,506	5,344
Other income	996,977	39,783	407,891	549,303	302,372	42,272	36,273
<b>Total deductions</b>	<b>48,473,134</b>	<b>6,096,469</b>	<b>17,947,860</b>	<b>24,428,805</b>	<b>63,240,298</b>	<b>10,755,862</b>	<b>7,616,131</b>
Cost of good sold [1]	40,374,201	4,949,389	13,576,818	21,847,994	45,655,811	7,427,581	5,734,566
Inventory, beginning of year	17,999,655	* 50,506	17,826,247	122,903	1,049,157	81,145	67,526
Purchases	9,483,985	980,118	5,797,837	2,706,030	17,618,261	3,061,360	2,052,008
Cost of labor	3,020,851	730,917	114,485	2,175,449	10,065,233	1,628,591	1,465,335
Additional inventory costs (section 263A)	343,358	* 94,958	238,823	* 9,577	512,568	* 139,366	* 65,941
Other costs	27,263,194	3,143,918	7,187,302	16,931,974	17,543,926	2,580,708	2,152,479
Less: Inventory, end of year	17,769,239	* 51,026	17,603,621	114,591	1,236,259	63,590	68,722
Salaries and wages	1,220,518	242,331	341,877	636,310	4,872,605	953,121	662,988
Guaranteed payments to partners	190,482	* 59,854	46,261	84,367	1,370,339	281,408	175,448
Rent paid	147,067	39,083	40,229	67,755	692,248	90,422	65,553
Interest paid	1,153,539	41,640	989,854	122,045	452,738	64,272	38,640
Taxes and licenses	361,917	42,933	208,126	110,858	741,120	142,210	76,771
Bad debts	52,907	25,439	* 13,219	14,248	335,206	255,078	6,946
Repairs and maintenance	166,050	10,542	78,643	76,866	284,006	49,897	19,937
Depreciation	450,443	120,948	204,538	124,957	837,890	125,622	52,900
Depletion	* 691	0	* 276	415	* 1,497	* 1,497	0
Retirement plans, etc.	42,299	* 8,712	1,300	32,287	53,700	6,459	8,083
Employee benefit programs	105,439	11,254	25,474	68,711	268,342	28,296	26,129
Ordinary loss from other partnerships and fiduciaries	397,382	5	297,615	* 99,762	20,505	* 334	* 13,771
Farm net loss	* 4,415	0	* 4,415	0	* 444	0	0
Net loss, noncapital assets	2,663	* 544	* 1,516	* 603	2,672	* 316	280
Other deductions	3,803,121	543,795	2,117,699	1,141,627	7,651,175	1,329,349	734,119
<b>Ordinary business income (loss)</b>	<b>1,408,604</b>	<b>241,531</b>	<b>-236,282</b>	<b>1,403,354</b>	<b>4,631,373</b>	<b>788,319</b>	<b>727,613</b>
Net income	5,331,701	580,908	2,487,742	2,263,051	5,739,565	1,099,589	789,165
Loss	3,923,097	339,377	2,724,024	859,696	1,108,192	311,270	61,551
<b>Portfolio income (loss) distributed directly to partners</b>	<b>1,360,846</b>	<b>20,556</b>	<b>1,196,888</b>	<b>143,402</b>	<b>151,754</b>	<b>16,542</b>	<b>20,842</b>
Interest income	538,242	17,617	389,387	131,238	89,065	15,434	20,654
Dividend income	44,515	* 1,636	33,911	8,967	9,209	* 784	* 188
Royalties	* 15,144	0	* 14,721	423	12	12	0
Net short-term capital gain (loss)	14,696	* 601	* 12,979	1,116	-1,849	* -79	[3]
Net long-term capital gain (loss)	748,249	* 702	745,890	1,656	55,317	* 390	[3]
<b>Net rental real estate income (loss)</b>	<b>39,883</b>	<b>[3]</b>	<b>38,905</b>	<b>* 978</b>	<b>26,922</b>	<b>* 13,903</b>	<b>* 10,722</b>
Net income	94,341	0	93,264	* 1,077	32,148	* 13,903	* 10,722
Loss	54,458	[3]	54,359	* 99	* 5,226	0	0
<b>Other net rental income (loss)</b>	<b>2,661</b>	<b>* 3</b>	<b>* 2,109</b>	<b>* 549</b>	<b>* 225</b>	<b>216</b>	<b>* -100</b>
Net income	2,866	* 3	* 2,314	* 549	* 411	216	0
Loss	* 205	0	* 205	0	* 185	0	* 100
<b>Total net income (loss) [2]</b>	<b>2,049,049</b>	<b>260,788</b>	<b>242,751</b>	<b>1,545,511</b>	<b>4,756,806</b>	<b>818,668</b>	<b>759,077</b>
Net income	5,779,019	595,658	2,806,197	2,377,164	5,844,207	1,129,296	817,596
Loss	3,729,970	* 334,871	2,563,446	831,653	1,087,401	310,627	58,519

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued			Manufacturing			
	Special trade contractors—continued			Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills
	Plumbing, heating and air-conditioning contractors	Building finishing contractors	Other specialty trade contractors				
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>Number of partnerships</b>	<b>7,622</b>	<b>16,452</b>	<b>26,560</b>	<b>47,683</b>	<b>5,743</b>	<b>1,865</b>	<b>314</b>
<b>Number of partners</b>	<b>17,380</b>	<b>36,751</b>	<b>62,932</b>	<b>402,630</b>	<b>23,318</b>	<b>6,951</b>	<b>1,346</b>
<b>Total assets</b>	<b>2,967,859</b>	<b>2,605,033</b>	<b>10,158,108</b>	<b>597,774,610</b>	<b>42,102,586</b>	<b>29,913,941</b>	<b>7,450,697</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>10,221,185</b>	<b>11,141,916</b>	<b>26,620,646</b>	<b>873,495,402</b>	<b>75,189,592</b>	<b>20,985,904</b>	<b>11,667,795</b>
Business receipts	10,154,972	11,121,413	26,361,540	856,240,254	74,462,377	20,313,400	11,484,603
Ordinary income from other partnerships and fiduciaries	692	0	86,231	4,621,977	111,106	* 24,850	6,712
Farm net profit	0	0	0	* 1,373	0	* 1,373	0
Net gain, noncapital assets	1,075	3,462	30,535	1,620,238	146,300	5,322	* 8,480
Other income	64,446	17,041	142,340	11,011,559	469,809	640,959	168,000
<b>Total deductions</b>	<b>9,507,920</b>	<b>10,451,637</b>	<b>24,908,749</b>	<b>821,296,229</b>	<b>73,162,018</b>	<b>20,105,365</b>	<b>11,739,950</b>
Cost of good sold [1]	6,885,425	7,186,094	18,422,145	691,077,461	59,923,720	12,665,977	9,657,849
Inventory, beginning of year	140,775	170,756	588,956	52,884,805	5,937,676	2,161,636	813,220
Purchases	2,358,498	2,762,442	7,383,954	452,129,671	50,472,260	11,804,839	3,740,916
Cost of labor	1,819,750	1,977,975	3,173,582	28,824,777	3,274,894	153,277	707,760
Additional inventory costs (section 263A)	* 2,725	* 35,861	268,675	2,935,287	147,951	-9,109	9,608
Other costs	2,702,338	2,407,298	7,701,102	213,408,316	7,307,168	990,679	5,302,282
Less: Inventory, end of year	138,661	168,238	797,048	59,312,254	7,285,202	2,435,345	915,937
Salaries and wages	812,351	839,523	1,604,622	25,248,148	2,372,881	1,827,149	340,836
Guaranteed payments to partners	82,993	541,326	289,165	1,228,262	56,628	* 12,977	* 31,929
Rent paid	95,351	122,658	318,263	3,333,790	334,836	366,592	58,938
Interest paid	69,354	62,332	218,140	8,437,738	743,954	568,063	225,188
Taxes and licenses	142,795	126,773	252,570	7,758,188	307,596	234,013	36,342
Bad debts	13,172	17,296	42,713	420,649	27,055	6,163	23,134
Repairs and maintenance	38,803	26,394	148,976	2,214,836	279,279	84,530	26,721
Depreciation	111,661	82,425	465,283	8,938,239	590,033	323,460	50,646
Depletion	[3]	0	0	75,243	0	0	0
Retirement plans, etc.	8,513	5,072	25,573	1,471,081	73,585	75,570	6,114
Employee benefit programs	73,353	28,604	111,959	2,556,313	250,583	180,669	15,011
Ordinary loss from other partnerships and fiduciaries	4,955	1,234	* 210	968,168	255,636	* 171,562	* 6,213
Farm net loss	0	0	* 444	* 6,233	87	* 6,078	0
Net loss, noncapital assets	* 936	* 1,047	* 94	339,770	1,804	118	1,153
Other deductions	1,168,256	1,410,859	3,008,592	67,222,110	7,944,341	3,582,445	1,259,877
<b>Ordinary business income (loss)</b>	<b>713,265</b>	<b>690,279</b>	<b>1,711,897</b>	<b>52,199,173</b>	<b>2,027,574</b>	<b>880,539</b>	<b>-72,156</b>
Net income	794,947	852,853	2,203,012	68,236,346	3,290,605	1,272,547	182,510
Loss	81,682	162,573	491,116	16,037,174	1,263,032	392,008	254,666
<b>Portfolio income (loss) distributed directly to partners</b>	<b>10,033</b>	<b>9,490</b>	<b>94,846</b>	<b>13,377,524</b>	<b>534,008</b>	<b>674,259</b>	<b>79,325</b>
Interest income	9,947	9,785	33,244	5,090,656	220,517	324,119	53,473
Dividend income	80	* 1,268	6,887	3,932,158	153,461	* 43,484	5,278
Royalties	0	0	0	2,307,259	81,494	* 82,730	* 19,561
Net short-term capital gain (loss)	4	* -1,827	* 52	208,607	218	-3	117
Net long-term capital gain (loss)	1	* 262	54,663	1,838,845	78,318	* 223,930	* 898
<b>Net rental real estate income (loss)</b>	<b>* 617</b>	<b>0</b>	<b>* 1,681</b>	<b>19,299</b>	<b>3,908</b>	<b>* 1,567</b>	<b>* 263</b>
Net income	* 617	0	* 6,906	24,636	5,531	* 1,567	* 263
Loss	0	0	* 5,226	5,337	* 1,623	0	0
<b>Other net rental income (loss)</b>	<b>* 195</b>	<b>0</b>	<b>* -86</b>	<b>698,361</b>	<b>2,577</b>	<b>261,745</b>	<b>424</b>
Net income	* 195	0	0	703,677	2,577	261,793	424
Loss	0	0	* 86	* 5,315	0	48	0
<b>Total net income (loss) [2]</b>	<b>724,105</b>	<b>701,333</b>	<b>1,753,623</b>	<b>64,246,906</b>	<b>2,489,531</b>	<b>1,594,184</b>	<b>6,843</b>
Net income	804,956	860,162	2,232,198	79,270,101	3,699,342	1,874,039	189,313
Loss	80,851	158,829	478,576	15,023,195	1,209,811	279,855	182,471

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Apparel manufacturing	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>Number of partnerships</b>	<b>2,056</b>	<b>* 143</b>	<b>3,505</b>	<b>237</b>	<b>6,113</b>	<b>383</b>	<b>1,526</b>
<b>Number of partners</b>	<b>5,565</b>	<b>* 641</b>	<b>8,729</b>	<b>1,055</b>	<b>16,194</b>	<b>84,054</b>	<b>146,808</b>
<b>Total assets</b>	<b>3,175,886</b>	<b>* 594,175</b>	<b>5,438,935</b>	<b>44,262,633</b>	<b>4,240,216</b>	<b>139,305,162</b>	<b>146,981,499</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>6,541,885</b>	<b>* 584,708</b>	<b>8,168,879</b>	<b>31,106,112</b>	<b>6,304,268</b>	<b>340,677,129</b>	<b>157,774,842</b>
Business receipts	6,320,256	* 584,018	8,084,077	30,817,824	6,250,906	337,377,331	150,789,880
Ordinary income from other partnerships and fiduciaries	* 6,982	0	1,065	* 4,827	1,343	481,446	2,379,980
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	* 4,328	13	2,021	6,166	24,852	1,015,232	230,143
Other income	210,320	* 677	81,716	277,295	27,166	1,803,119	4,374,839
<b>Total deductions</b>	<b>6,579,204</b>	<b>* 558,430</b>	<b>8,510,401</b>	<b>30,274,690</b>	<b>6,159,354</b>	<b>324,527,428</b>	<b>138,440,963</b>
Cost of good sold [1]	4,238,845	* 404,669	6,513,684	26,322,651	3,598,163	297,365,060	110,665,682
Inventory, beginning of year	827,958	* 59,870	995,632	2,903,033	240,317	5,510,183	11,530,982
Purchases	3,448,846	* 323,527	4,483,303	13,804,819	1,896,901	173,996,330	78,604,486
Cost of labor	395,146	* 47,347	816,542	3,105,393	741,287	543,913	2,621,435
Additional inventory costs (section 263A)	47,155	0	56,319	1,045,384	35,924	535,033	355,468
Other costs	497,630	* 20,235	1,505,471	8,422,320	991,070	123,758,231	29,008,495
Less: Inventory, end of year	977,891	* 46,311	1,343,583	2,958,298	307,336	6,978,629	11,455,184
Salaries and wages	672,743	* 15,895	524,756	936,685	808,200	1,655,499	4,708,100
Guaranteed payments to partners	* 9,753	0	88,929	35,250	54,111	* 81,092	39,243
Rent paid	112,604	* 2,953	97,372	105,985	146,039	484,285	424,055
Interest paid	162,992	275	154,980	623,572	119,041	981,155	1,514,950
Taxes and licenses	53,024	* 39,763	75,462	86,583	115,292	4,969,747	522,378
Bad debts	17,638	73	14,379	12,515	11,831	24,240	38,574
Repairs and maintenance	12,160	* 15	35,962	41,574	66,903	422,680	571,811
Depreciation	29,363	* 157	206,861	364,894	104,302	2,649,131	2,522,326
Depletion	0	0	0	0	0	136	32,050
Retirement plans, etc.	4,847	338	8,084	22,763	8,209	565,144	182,349
Employee benefit programs	32,061	304	41,397	139,895	50,000	193,116	391,494
Ordinary loss from other partnerships and fiduciaries	* 4,768	1	* 766	* 8,668	* 4,447	* 251,899	158,574
Farm net loss	0	0	0	67	0	0	0
Net loss, noncapital assets	* 972	0	* 1,145	* 4,421	* 983	* 245,290	9,582
Other deductions	1,227,435	* 93,987	746,625	1,569,165	1,071,834	14,638,954	16,659,795
<b>Ordinary business income (loss)</b>	<b>-37,319</b>	<b>* 26,278</b>	<b>-341,522</b>	<b>831,423</b>	<b>144,913</b>	<b>16,149,701</b>	<b>19,333,879</b>
Net income	344,610	* 50,272	343,070	1,357,854	510,316	20,030,170	21,490,707
Loss	381,930	23,994	684,592	526,431	365,403	3,880,469	2,156,828
<b>Portfolio income (loss) distributed directly to partners</b>	<b>65,878</b>	<b>* 346</b>	<b>62,512</b>	<b>287,357</b>	<b>309,007</b>	<b>5,169,693</b>	<b>2,529,118</b>
Interest income	5,715	* 346	19,998	241,928	44,734	1,290,622	1,246,710
Dividend income	[3]	0	* 4,836	25,258	* 4,990	2,967,960	312,926
Royalties	* 39	0	0	18,466	0	* 6,316	1,277,801
Net short-term capital gain (loss)	0	0	* -8,591	-29	0	* 214,763	-1,640
Net long-term capital gain (loss)	* 60,125	0	* 46,270	* 1,735	* 259,283	690,032	-306,678
<b>Net rental real estate income (loss)</b>	<b>* 321</b>	<b>0</b>	<b>* 2,368</b>	<b>* 304</b>	<b>* 612</b>	<b>2,054</b>	<b>1,346</b>
Net income	426	0	* 2,368	* 304	* 1,352	2,054	1,346
Loss	* 106	0	0	0	* 740	0	0
<b>Other net rental income (loss)</b>	<b>0</b>	<b>0</b>	<b>* 1,286</b>	<b>3,132</b>	<b>* 1,372</b>	<b>* 375,534</b>	<b>13,369</b>
Net income	0	0	* 1,286	3,132	* 1,372	* 375,534	13,369
Loss	0	0	0	0	0	0	0
<b>Total net income (loss) [2]</b>	<b>-31,245</b>	<b>* 26,624</b>	<b>-313,034</b>	<b>1,120,510</b>	<b>196,620</b>	<b>20,792,186</b>	<b>22,186,030</b>
Net income	348,964	* 50,618	363,735	1,636,866	556,355	24,606,451	24,155,192
Loss	380,210	23,994	676,769	516,356	359,735	3,814,265	1,969,162

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Plastics and rubber products manufacturing	Nonmetallic mineral products manufacturing	Primary metal manufacturing	Fabricated metal products manufacturing	Machinery manufacturing	Computer and electrical product manufacturing	Electrical equipment, appliance and component manufacturing
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>Number of partnerships</b>	<b>1,696</b>	<b>2,341</b>	<b>531</b>	<b>6,779</b>	<b>3,053</b>	<b>2,163</b>	<b>1,617</b>
<b>Number of partners</b>	<b>8,291</b>	<b>6,301</b>	<b>1,864</b>	<b>19,749</b>	<b>11,019</b>	<b>28,367</b>	<b>4,824</b>
<b>Total assets</b>	<b>16,834,670</b>	<b>8,210,194</b>	<b>17,633,963</b>	<b>20,148,923</b>	<b>14,412,397</b>	<b>17,394,801</b>	<b>5,165,580</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>16,744,323</b>	<b>10,398,401</b>	<b>27,900,540</b>	<b>29,860,259</b>	<b>19,487,233</b>	<b>16,957,624</b>	<b>6,131,152</b>
Business receipts	16,532,025	10,043,286	27,595,157	29,402,902	19,245,940	16,467,804	5,807,193
Ordinary income from other partnerships and fiduciaries	* 47,143	* 101,841	132,729	* 50,620	* 74,406	114	* 222,698
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	8,286	32,375	8,249	56,797	12,886	* 8,989	* 3,495
Other income	156,869	220,897	164,405	349,940	154,001	480,716	97,767
<b>Total deductions</b>	<b>16,598,256</b>	<b>9,711,895</b>	<b>25,691,248</b>	<b>28,745,465</b>	<b>18,751,118</b>	<b>15,985,133</b>	<b>6,334,985</b>
Cost of good sold [1]	13,006,510	7,312,746	23,289,251	22,563,461	14,211,714	11,336,207	4,602,383
Inventory, beginning of year	1,390,967	801,260	3,073,052	3,082,880	2,945,819	1,166,768	1,418,659
Purchases	8,080,822	3,749,604	17,927,093	15,112,727	10,028,040	6,699,468	2,665,636
Cost of labor	1,542,230	778,101	1,267,015	2,723,546	1,464,401	1,988,243	635,101
Additional inventory costs (section 263A)	87,796	61,407	-3,807	174,196	56,674	36,716	55,512
Other costs	3,446,963	2,760,440	4,335,497	4,819,331	2,781,709	2,705,427	1,049,886
Less: Inventory, end of year	1,589,397	838,065	3,317,072	3,349,221	3,064,928	1,260,416	1,222,411
Salaries and wages	737,316	586,702	491,972	1,638,642	1,290,461	1,679,891	390,785
Guaranteed payments to partners	33,837	75,562	102,680	240,274	132,295	* 13,216	* 33,274
Rent paid	59,420	171,387	40,778	159,441	162,112	91,394	29,412
Interest paid	584,017	119,125	324,740	569,795	273,619	186,728	135,435
Taxes and licenses	86,953	102,075	72,896	224,563	172,365	114,480	40,806
Bad debts	19,392	20,092	8,188	28,095	30,340	25,187	8,872
Repairs and maintenance	61,677	123,940	71,742	110,656	63,454	54,639	22,932
Depreciation	152,289	129,085	170,633	257,419	154,345	248,960	87,881
Depletion	0	43,058	0	0	0	0	0
Retirement plans, etc.	21,170	8,015	42,481	76,778	42,397	48,704	32,757
Employee benefit programs	135,038	50,191	51,139	203,837	121,591	240,341	83,811
Ordinary loss from other partnerships and fiduciaries	* 40,236	* 12,936	* 33,630	2,252	0	2,696	0
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	* 20,918	239	2,819	6,663	2,840	7,538	* 2,831
Other deductions	1,639,484	956,742	988,301	2,663,589	2,093,585	1,935,151	863,806
<b>Ordinary business income (loss)</b>	<b>146,068</b>	<b>686,505</b>	<b>2,209,292</b>	<b>1,114,794</b>	<b>736,115</b>	<b>972,491</b>	<b>-203,832</b>
Net income	751,035	978,193	2,863,665	2,139,622	1,327,137	1,547,188	651,766
Loss	604,967	291,688	654,372	1,024,828	591,023	574,697	855,598
<b>Portfolio income (loss) distributed directly to partners</b>	<b>278,209</b>	<b>88,707</b>	<b>127,167</b>	<b>243,369</b>	<b>354,139</b>	<b>217,707</b>	<b>187,386</b>
Interest income	133,908	31,441	95,095	169,349	168,498	135,437	29,914
Dividend income	* 49,230	* 1,314	24,325	12,026	26,847	30,042	* 12,161
Royalties	* 23,209	237	* 302	* 4,821	84,614	* 47,811	5,584
Net short-term capital gain (loss)	109	[3]	2,976	-11	* 881	[3]	-107
Net long-term capital gain (loss)	71,752	* 55,713	4,468	* 57,183	* 73,299	4,417	* 139,834
<b>Net rental real estate income (loss)</b>	<b>464</b>	<b>* 1,292</b>	<b>* 1,288</b>	<b>1,490</b>	<b>* 193</b>	<b>3</b>	<b>* 1,690</b>
Net income	464	* 1,663	* 1,288	2,550	* 193	3	* 1,690
Loss	0	371	0	* 1,060	0	0	0
<b>Other net rental income (loss)</b>	<b>630</b>	<b>85</b>	<b>* 11,153</b>	<b>* 415</b>	<b>* -2,007</b>	<b>-652</b>	<b>-1</b>
Net income	630	85	* 11,153	* 670	* 725	0	0
Loss	0	0	0	255	* 2,732	652	1
<b>Total net income (loss) [2]</b>	<b>353,509</b>	<b>720,875</b>	<b>2,341,455</b>	<b>1,302,896</b>	<b>1,014,261</b>	<b>1,185,133</b>	<b>-154,484</b>
Net income	828,585	1,006,228	2,906,827	2,300,519	1,526,333	1,734,863	688,839
Loss	475,076	285,353	565,372	997,623	512,072	549,730	843,322

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued			Wholesale trade			
	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing	Total	Merchant wholesalers, durable goods	Merchant wholesalers, nondurable goods	Wholesale electronic markets and agents and brokers
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
<b>Number of partnerships</b>	<b>1,468</b>	<b>1,079</b>	<b>5,069</b>	<b>53,515</b>	<b>30,779</b>	<b>18,800</b>	<b>3,936</b>
<b>Number of partners</b>	<b>4,259</b>	<b>4,874</b>	<b>18,419</b>	<b>348,285</b>	<b>89,773</b>	<b>248,614</b>	<b>9,898</b>
<b>Total assets</b>	<b>39,755,923</b>	<b>1,081,219</b>	<b>33,671,210</b>	<b>190,510,489</b>	<b>67,335,337</b>	<b>120,295,152</b>	<b>2,880,000</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>55,621,671</b>	<b>2,353,215</b>	<b>29,039,871</b>	<b>537,443,569</b>	<b>146,637,245</b>	<b>378,192,604</b>	<b>12,613,720</b>
Business receipts	53,625,059	2,346,048	28,690,170	530,832,968	144,347,102	373,978,318	12,507,548
Ordinary income from other partnerships and fiduciaries	806,480	* 3,701	* 163,932	1,227,404	302,340	894,768	* 30,296
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	34,612	* 198	11,494	181,866	120,125	56,879	* 4,863
Other income	1,155,520	3,269	174,276	5,201,330	1,867,678	3,262,640	71,013
<b>Total deductions</b>	<b>51,886,223</b>	<b>2,250,769</b>	<b>25,283,334</b>	<b>517,995,781</b>	<b>136,855,868</b>	<b>369,101,819</b>	<b>12,038,093</b>
Cost of good sold [1]	45,032,624	1,644,892	16,721,373	461,151,899	113,880,683	336,852,452	10,418,764
Inventory, beginning of year	4,481,716	114,685	3,428,491	30,058,173	16,018,838	13,867,525	171,810
Purchases	34,174,214	855,655	10,260,183	421,361,482	106,873,903	305,436,230	9,051,349
Cost of labor	2,388,564	441,770	3,188,812	3,034,770	1,994,825	1,032,811	* 7,134
Additional inventory costs (section 263A)	142,374	* 1,996	98,691	1,114,274	442,379	669,617	* 2,278
Other costs	9,711,689	303,537	3,690,255	41,973,707	6,349,112	34,147,970	1,476,625
Less: Inventory, end of year	5,865,932	156,037	3,945,059	36,577,396	17,798,375	18,488,590	290,432
Salaries and wages	1,748,056	150,270	2,671,309	16,849,818	7,115,278	9,191,981	542,559
Guaranteed payments to partners	54,042	* 13,820	119,351	1,493,026	930,549	545,776	16,702
Rent paid	261,807	42,466	181,915	2,402,022	1,180,141	1,139,431	82,449
Interest paid	704,567	34,515	411,027	3,158,065	1,536,887	1,563,445	57,733
Taxes and licenses	218,964	15,421	269,466	2,129,722	921,906	1,160,411	47,405
Bad debts	67,669	* 4,227	32,985	378,566	200,023	168,993	9,550
Repairs and maintenance	84,126	7,028	73,007	751,255	308,712	431,578	10,966
Depreciation	462,614	19,316	414,525	1,869,760	659,560	1,186,367	23,833
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	180,476	* 960	70,340	350,151	125,542	209,067	15,541
Employee benefit programs	163,391	6,440	206,004	1,493,632	555,393	897,173	41,066
Ordinary loss from other partnerships and fiduciaries	* 12,471	0	* 1,415	108,870	24,885	76,227	7,758
Farm net loss	0	0	0	968	0	968	0
Net loss, noncapital assets	29,241	0	1,212	65,676	61,411	3,597	668
Other deductions	2,866,174	311,414	4,109,406	25,792,349	9,354,898	15,674,354	763,098
<b>Ordinary business income (loss)</b>	<b>3,735,448</b>	<b>102,446</b>	<b>3,756,537</b>	<b>19,447,788</b>	<b>9,781,378</b>	<b>9,090,785</b>	<b>575,626</b>
Net income	4,605,927	177,906	4,321,245	22,253,592	11,200,580	10,379,464	673,548
Loss	870,479	* 75,460	564,708	2,805,804	1,419,203	1,288,679	97,922
<b>Portfolio income (loss) distributed directly to partners</b>	<b>697,970</b>	<b>1,783</b>	<b>1,469,584</b>	<b>1,813,711</b>	<b>614,475</b>	<b>1,168,679</b>	<b>30,557</b>
Interest income	434,648	1,783	442,422	706,713	320,994	364,703	21,016
Dividend income	53,851	0	204,168	138,623	61,845	68,248	* 8,529
Royalties	63,849	0	590,424	188,982	25,913	163,069	0
Net short-term capital gain (loss)	* 82	0	* -158	10,726	9,849	1,779	* -903
Net long-term capital gain (loss)	145,539	0	232,728	768,668	195,873	570,881	* 1,914
<b>Net rental real estate income (loss)</b>	<b>105</b>	<b>31</b>	<b>* 1</b>	<b>12,357</b>	<b>723</b>	<b>5,789</b>	<b>* 5,845</b>
Net income	484	31	* 1,060	21,015	4,956	10,214	* 5,845
Loss	379	0	1,059	8,658	4,233	4,424	0
<b>Other net rental income (loss)</b>	<b>29,261</b>	<b>0</b>	<b>36</b>	<b>32,533</b>	<b>1,691</b>	<b>30,838</b>	<b>4</b>
Net income	30,852	0	73	60,461	28,374	32,083	4
Loss	1,591	0	37	27,928	* 26,683	1,245	0
<b>Total net income (loss) [2]</b>	<b>4,317,163</b>	<b>104,260</b>	<b>4,993,588</b>	<b>20,526,996</b>	<b>10,192,544</b>	<b>9,723,431</b>	<b>611,021</b>
Net income	5,076,131	179,520	5,541,381	23,278,063	11,606,978	10,968,668	702,418
Loss	758,968	* 75,259	547,793	2,751,067	1,414,434	1,245,237	91,397

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade						
	Total	Motor vehicle and parts dealers	Furniture and home furnishing stores	Electronics and appliance stores	Building materials and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores
	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>Number of partnerships</b>	<b>166,561</b>	<b>19,678</b>	<b>4,298</b>	<b>4,447</b>	<b>6,967</b>	<b>22,195</b>	<b>9,147</b>
<b>Number of partners</b>	<b>500,182</b>	<b>49,199</b>	<b>10,699</b>	<b>9,618</b>	<b>18,397</b>	<b>58,455</b>	<b>50,679</b>
<b>Total assets</b>	<b>130,973,828</b>	<b>38,575,680</b>	<b>4,663,497</b>	<b>2,410,879</b>	<b>4,597,682</b>	<b>21,613,912</b>	<b>3,860,509</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>395,934,100</b>	<b>123,609,134</b>	<b>12,238,677</b>	<b>9,020,214</b>	<b>13,106,746</b>	<b>83,761,585</b>	<b>11,667,652</b>
Business receipts	387,646,048	121,016,884	12,000,294	8,975,842	12,947,725	81,200,624	11,425,420
Ordinary income from other partnerships and fiduciaries	687,285	13,739	* 6,997	* 1,264	* 1,654	* 243,343	* 6,113
Farm net profit	* 64,517	0	0	0	* 63,123	* 1,292	0
Net gain, noncapital assets	247,760	45,613	* 942	* 109	2,726	99,392	* 6,480
Other income	7,288,490	2,532,897	230,445	42,999	91,518	2,216,934	229,639
<b>Total deductions</b>	<b>393,534,971</b>	<b>123,071,668</b>	<b>11,734,199</b>	<b>9,209,199</b>	<b>12,993,065</b>	<b>83,521,310</b>	<b>11,641,252</b>
Cost of good sold [1]	309,167,372	104,730,536	7,150,577	7,002,670	9,367,170	63,598,846	7,518,115
Inventory, beginning of year	40,193,178	19,027,786	1,426,039	963,488	1,466,789	4,646,308	910,623
Purchases	286,231,598	104,550,405	6,532,854	5,657,687	8,890,771	61,907,250	6,762,543
Cost of labor	2,894,492	1,101,654	321,125	112,538	199,818	488,418	* 19,366
Additional inventory costs (section 263A)	583,052	220,736	74,918	* 11,254	18,109	106,013	* 12,430
Other costs	22,274,719	1,356,083	284,181	774,107	303,508	1,102,421	733,916
Less: Inventory, end of year	43,009,666	21,526,128	1,488,539	516,403	1,511,824	4,651,564	920,763
Salaries and wages	28,016,120	6,690,971	1,362,667	660,717	1,302,826	7,854,065	1,401,342
Guaranteed payments to partners	1,392,113	320,122	58,792	61,883	114,181	196,460	176,819
Rent paid	8,693,440	1,504,050	590,419	282,848	341,741	2,108,982	419,251
Interest paid	3,882,369	1,272,365	142,605	62,215	127,113	630,765	175,498
Taxes and licenses	4,144,382	1,054,984	160,325	118,514	185,712	970,075	168,659
Bad debts	656,451	159,415	19,471	8,865	62,273	41,222	13,969
Repairs and maintenance	1,614,857	257,692	51,485	27,146	90,348	500,072	55,125
Depreciation	3,494,898	480,805	93,798	46,045	181,289	981,718	68,219
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	317,316	36,464	7,200	* 1,932	13,165	117,622	9,708
Employee benefit programs	1,673,818	458,193	46,283	36,645	49,594	621,579	62,901
Ordinary loss from other partnerships and fiduciaries	348,967	119,808	36	0	* 891	* 3,281	* 35,652
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	95,014	10,027	* 3,451	3,799	* 1,142	7,924	* 21
Other deductions	30,037,855	5,976,236	2,047,089	895,919	1,155,622	5,888,701	1,535,971
<b>Ordinary business income (loss)</b>	<b>2,399,129</b>	<b>537,466</b>	<b>504,479</b>	<b>-188,985</b>	<b>113,681</b>	<b>240,275</b>	<b>26,400</b>
Net income	9,635,204	1,787,418	619,373	212,366	470,592	1,510,565	525,103
Loss	7,236,075	1,249,952	114,895	401,351	356,911	1,270,290	498,703
<b>Portfolio income (loss) distributed directly to partners</b>	<b>1,922,179</b>	<b>232,239</b>	<b>19,237</b>	<b>74,275</b>	<b>16,504</b>	<b>934,657</b>	<b>153,236</b>
Interest income	523,640	88,109	13,469	4,430	11,934	170,760	8,117
Dividend income	392,678	5,620	237	* 491	* 2,515	366,005	* 1,379
Royalties	* 12,450	* 18	0	0	* 234	0	0
Net short-term capital gain (loss)	230,828	2,199	-1	* 14	* 151	* 253,945	0
Net long-term capital gain (loss)	762,583	136,293	* 5,532	* 69,340	* 1,670	143,947	* 143,741
<b>Net rental real estate income (loss)</b>	<b>141,350</b>	<b>14,041</b>	<b>* 10,534</b>	<b>* -1,003</b>	<b>* -250</b>	<b>26,181</b>	<b>* 181</b>
Net income	187,676	15,605	* 10,534	0	* 2,373	26,416	* 181
Loss	46,325	* 1,564	0	* 1,003	* 2,622	* 235	0
<b>Other net rental income (loss)</b>	<b>48,503</b>	<b>291</b>	<b>* -11,385</b>	<b>572</b>	<b>43</b>	<b>7,010</b>	<b>0</b>
Net income	60,059	* 462	0	572	43	7,010	0
Loss	* 11,556	171	* 11,385	0	0	0	0
<b>Total net income (loss) [2]</b>	<b>3,517,750</b>	<b>645,545</b>	<b>517,334</b>	<b>-184,494</b>	<b>128,157</b>	<b>810,232</b>	<b>36,076</b>
Net income	10,385,808	1,872,160	633,497	216,208	484,106	1,852,412	534,535
Loss	6,868,058	1,226,615	116,164	400,703	355,949	1,042,180	498,460

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade—continued						Transportation and warehousing
	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total
	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>Number of partnerships</b>	<b>7,973</b>	<b>19,142</b>	<b>15,115</b>	<b>2,224</b>	<b>35,232</b>	<b>20,143</b>	<b>46,464</b>
<b>Number of partners</b>	<b>20,654</b>	<b>46,026</b>	<b>35,495</b>	<b>5,151</b>	<b>80,257</b>	<b>115,551</b>	<b>1,043,215</b>
<b>Total assets</b>	<b>11,278,408</b>	<b>8,405,585</b>	<b>2,191,391</b>	<b>4,705,073</b>	<b>8,963,452</b>	<b>19,707,759</b>	<b>193,978,711</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>62,621,691</b>	<b>11,157,925</b>	<b>5,591,033</b>	<b>16,151,075</b>	<b>16,159,295</b>	<b>30,849,071</b>	<b>123,961,145</b>
Business receipts	62,230,660	10,743,265	5,390,310	15,830,242	15,964,159	29,920,624	118,852,310
Ordinary income from other partnerships and fiduciaries	7,514	* 86,934	* 15,748	5,234	* 28,568	* 270,175	1,744,266
Farm net profit	0	0	0	0	0	* 102	0
Net gain, noncapital assets	41,646	* 13,853	* 1,511	* 261	6,592	28,635	1,215,171
Other income	341,871	313,874	183,464	315,338	159,977	629,534	2,149,398
<b>Total deductions</b>	<b>62,629,044</b>	<b>11,129,916</b>	<b>5,768,305</b>	<b>16,373,522</b>	<b>15,826,019</b>	<b>29,637,473</b>	<b>117,510,203</b>
Cost of good sold [1]	57,252,939	6,339,506	3,428,219	10,240,677	10,890,479	21,647,638	75,369,766
Inventory, beginning of year	713,820	1,915,362	1,112,070	3,003,164	3,332,214	1,675,515	1,449,901
Purchases	44,055,708	6,584,504	2,981,906	9,421,384	10,039,765	18,846,820	49,358,521
Cost of labor	191,271	* 33,771	* 47,111	* 13,023	181,561	184,838	3,139,130
Additional inventory costs (section 263A)	22,446	5,921	* 5,389	* 27,808	39,970	38,059	107,408
Other costs	12,965,524	373,390	284,897	154,102	1,209,566	2,733,024	23,744,385
Less: Inventory, end of year	695,829	2,573,441	1,003,156	2,378,803	3,912,597	1,830,618	2,526,058
Salaries and wages	1,540,340	1,385,235	608,974	1,978,178	1,158,865	2,071,940	6,897,727
Guaranteed payments to partners	14,357	114,327	* 27,244	25,269	180,813	101,845	566,128
Rent paid	487,335	670,848	323,221	827,417	819,853	317,476	1,892,971
Interest paid	375,303	245,216	93,458	201,225	217,726	338,880	3,620,974
Taxes and licenses	382,012	180,132	125,004	329,121	211,707	258,137	1,379,042
Bad debts	32,770	19,835	53,463	16,295	12,691	216,183	75,566
Repairs and maintenance	215,526	48,054	27,032	123,276	67,283	151,817	1,440,618
Depreciation	548,487	120,656	69,221	367,150	174,650	362,860	5,918,057
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	12,372	24,683	* 294	22,709	11,410	59,758	167,602
Employee benefit programs	62,873	37,191	22,204	66,672	41,475	168,209	506,399
Ordinary loss from other partnerships and fiduciaries	* 68	* 1,530	0	* 62,230	* 27,493	* 97,979	211,935
Farm net loss	0	0	0	0	0	0	436
Net loss, noncapital assets	9,464	* 5,033	* 35,497	8,937	* 6,093	* 3,625	45,174
Other deductions	1,695,198	1,937,671	954,475	2,104,364	2,005,481	3,841,127	19,417,808
<b>Ordinary business income (loss)</b>	<b>-7,352</b>	<b>28,009</b>	<b>-177,271</b>	<b>-222,447</b>	<b>333,276</b>	<b>1,211,597</b>	<b>6,450,942</b>
Net income	470,108	590,426	318,554	199,609	1,017,179	1,913,911	10,131,387
Loss	477,460	562,417	495,826	422,056	683,903	702,314	3,680,446
<b>Portfolio income (loss) distributed directly to partners</b>	<b>54,672</b>	<b>28,814</b>	<b>47,388</b>	<b>11,228</b>	<b>60,947</b>	<b>288,981</b>	<b>2,181,788</b>
Interest income	30,448	23,263	5,840	11,027	45,875	110,369	647,761
Dividend income	209	* 4,058	* 64	* 198	2,675	* 9,228	235,113
Royalties	0	0	* 11,430	0	* 395	373	* 316
Net short-term capital gain (loss)	* 444	-252	* 21	0	* -26,336	* 643	72,450
Net long-term capital gain (loss)	23,571	* 1,744	* 30,033	4	* 38,339	* 168,368	1,226,147
<b>Net rental real estate income (loss)</b>	<b>62,977</b>	<b>* 36,608</b>	<b>0</b>	<b>* -9,945</b>	<b>* 1,945</b>	<b>* 81</b>	<b>3,238</b>
Net income	76,345	* 45,343	0	0	* 10,799	* 81	56,947
Loss	13,368	8,735	0	* 9,945	8,854	0	* 53,709
<b>Other net rental income (loss)</b>	<b>9,609</b>	<b>6,569</b>	<b>0</b>	<b>* 5,552</b>	<b>* 4,574</b>	<b>25,669</b>	<b>-122,996</b>
Net income	9,609	6,569	0	* 5,552	* 4,574	25,669	124,100
Loss	0	0	0	0	0	0	* 247,096
<b>Total net income (loss) [2]</b>	<b>95,891</b>	<b>98,507</b>	<b>-159,938</b>	<b>-215,616</b>	<b>388,740</b>	<b>1,357,317</b>	<b>7,214,375</b>
Net income	531,795	650,040	324,722	202,800	1,043,343	2,040,190	10,847,141
Loss	435,904	551,533	484,660	418,416	654,603	682,873	3,632,766

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued						
	Air and rail transportation	Water transportation	Truck transportation	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>Number of partnerships</b>	<b>4,913</b>	<b>1,665</b>	<b>23,237</b>	<b>2,399</b>	<b>362</b>	<b>* 1,667</b>	<b>6,803</b>
<b>Number of partners</b>	<b>12,546</b>	<b>65,119</b>	<b>49,828</b>	<b>5,416</b>	<b>865,157</b>	<b>* 3,375</b>	<b>28,107</b>
<b>Total assets</b>	<b>8,692,247</b>	<b>16,341,105</b>	<b>5,407,185</b>	<b>819,781</b>	<b>132,116,610</b>	<b>* 1,310,725</b>	<b>17,396,436</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>6,758,271</b>	<b>7,559,044</b>	<b>19,526,254</b>	<b>1,987,186</b>	<b>55,815,857</b>	<b>* 256,765</b>	<b>18,445,690</b>
Business receipts	6,045,055	7,460,573	18,001,813	1,921,238	53,533,622	* 246,992	18,205,284
Ordinary income from other partnerships and fiduciaries	733	* 10,554	1,298	0	1,647,782	0	67,551
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	630,629	* 10,108	89,371	* 3,387	361,518	0	17,525
Other income	81,854	77,810	1,433,773	* 62,561	272,935	* 9,773	155,330
<b>Total deductions</b>	<b>6,634,054</b>	<b>6,802,763</b>	<b>18,987,753</b>	<b>1,999,001</b>	<b>51,728,803</b>	<b>* 315,853</b>	<b>17,944,765</b>
Cost of good sold [1]	4,053,424	3,010,465	7,643,799	* 390,555	41,347,009	* 6,389	10,393,302
Inventory, beginning of year	* 26,883	* 84,886	51,150	992	324,192	* 1,178	513,541
Purchases	2,443,797	* 438,610	1,896,544	* 6,918	35,057,722	* 7,177	3,309,974
Cost of labor	* 84,331	360,978	975,445	* 64,854	24,032	0	1,353,983
Additional inventory costs (section 263A)	* 10	0	* 54,137	0	25,769	0	* 28,374
Other costs	1,532,297	2,275,686	4,738,536	* 318,907	6,564,752	0	5,533,877
Less: Inventory, end of year	* 33,893	* 149,696	72,013	1,116	649,457	* 1,966	437,008
Salaries and wages	318,226	343,209	2,363,789	424,107	468,367	* 48,374	1,954,090
Guaranteed payments to partners	* 6,759	13,954	252,816	* 61,820	* 30,048	* 9,721	122,312
Rent paid	46,096	45,654	647,344	69,606	186,634	* 12,615	235,322
Interest paid	213,225	332,170	226,753	45,126	2,121,817	* 7,452	499,441
Taxes and licenses	50,642	71,155	330,479	91,124	423,557	* 7,494	230,510
Bad debts	14,885	1,964	9,153	* 462	* 1,299	0	36,140
Repairs and maintenance	184,639	131,046	442,711	56,276	336,194	* 16,880	154,058
Depreciation	711,541	493,688	823,987	100,404	3,106,559	* 12,281	395,997
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	* 4,409	25,312	29,615	* 4,337	48,145	* 301	35,770
Employee benefit programs	19,063	74,260	80,580	* 30,973	52,261	0	171,115
Ordinary loss from other partnerships and fiduciaries	0	* 15,277	* 1,185	0	* 119,628	0	* 70,868
Farm net loss	0	436	0	0	0	0	0
Net loss, noncapital assets	* 79	402	* 751	3	* 1,284	0	* 38,662
Other deductions	1,011,066	2,243,773	6,134,791	724,208	3,486,002	* 194,346	3,607,178
<b>Ordinary business income (loss)</b>	<b>124,217</b>	<b>756,282</b>	<b>538,501</b>	<b>-11,815</b>	<b>4,087,054</b>	<b>* -59,088</b>	<b>500,925</b>
Net income	737,703	1,073,184	905,167	44,187	4,980,522	* 16,062	1,666,148
Loss	613,485	316,902	366,666	* 56,003	893,468	* 75,150	1,165,223
<b>Portfolio income (loss) distributed directly to partners</b>	<b>15,616</b>	<b>115,819</b>	<b>32,429</b>	<b>* 1,118</b>	<b>1,558,544</b>	<b>* 580</b>	<b>120,954</b>
Interest income	13,516	83,161	24,569	* 950	389,909	* 255	81,061
Dividend income	* 1,803	* 11,145	* 2,501	168	197,002	* 325	6,267
Royalties	26	[3]	0	0	0	0	0
Net short-term capital gain (loss)	-9	* -52	* 853	0	71,282	0	* -162
Net long-term capital gain (loss)	281	* 21,564	* 4,506	[3]	900,351	0	* 33,788
<b>Net rental real estate income (loss)</b>	<b>* -3,421</b>	<b>* 486</b>	<b>* 1,999</b>	<b>* 3,483</b>	<b>80</b>	<b>0</b>	<b>* -24,239</b>
Net income	1,667	* 486	* 1,999	* 3,483	80	0	* 6,515
Loss	* 5,089	[3]	0	0	0	0	* 30,754
<b>Other net rental income (loss)</b>	<b>* -235,053</b>	<b>* 6,969</b>	<b>* 1,426</b>	<b>0</b>	<b>* 81,356</b>	<b>* 5,075</b>	<b>* 159</b>
Net income	* 11,459	* 6,969	* 1,426	0	* 81,356	* 5,075	* 744
Loss	* 246,511	[3]	0	0	0	0	* 584
<b>Total net income (loss) [2]</b>	<b>-98,913</b>	<b>858,043</b>	<b>568,996</b>	<b>-7,215</b>	<b>4,755,401</b>	<b>* -53,433</b>	<b>564,174</b>
Net income	669,237	1,138,152	925,978	47,624	5,523,272	* 21,486	1,719,514
Loss	768,150	280,110	356,982	* 54,839	767,871	* 74,919	1,155,340

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued		Information				
	Couriers and messengers	Warehousing and storage	Total	Publishing industries (except internet)	Motion picture and sound recording industries	Broadcasting (except internet)	Telecommunications
	(71)	(72)	(73)	(74)	(75)	(76)	(77)
<b>Number of partnerships</b>	<b>2,147</b>	<b>3,270</b>	<b>34,206</b>	<b>7,038</b>	<b>10,262</b>	<b>2,112</b>	<b>6,437</b>
<b>Number of partners</b>	<b>5,724</b>	<b>7,942</b>	<b>158,926</b>	<b>23,039</b>	<b>32,653</b>	<b>38,634</b>	<b>29,660</b>
<b>Total assets</b>	<b>* 157,338</b>	<b>11,737,285</b>	<b>586,178,169</b>	<b>29,719,331</b>	<b>49,211,287</b>	<b>86,426,676</b>	<b>409,458,577</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>1,363,619</b>	<b>12,248,458</b>	<b>255,410,494</b>	<b>18,687,030</b>	<b>24,336,642</b>	<b>36,223,528</b>	<b>159,109,166</b>
Business receipts	1,361,152	12,076,581	231,380,826	18,162,023	20,920,628	35,153,999	140,848,029
Ordinary income from other partnerships and fiduciaries	0	* 16,349	12,923,605	133,888	1,275,275	284,660	10,959,507
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	* 28	102,605	461,375	11,080	* 22,133	166,584	261,214
Other income	* 2,439	52,924	10,644,687	380,040	2,118,606	618,285	7,040,416
<b>Total deductions</b>	<b>1,293,117</b>	<b>11,804,094</b>	<b>225,207,494</b>	<b>17,668,971</b>	<b>26,887,057</b>	<b>35,104,104</b>	<b>131,756,174</b>
Cost of good sold [1]	* 823,861	7,700,961	51,974,067	5,627,448	9,506,855	3,924,101	30,660,736
Inventory, beginning of year	0	447,079	3,584,881	404,104	907,962	* 35,708	2,231,808
Purchases	* 307	6,197,472	22,371,317	1,112,803	1,383,489	141,331	19,410,734
Cost of labor	* 112,143	* 163,364	1,285,423	649,168	* 118,066	* 66,315	105,023
Additional inventory costs (section 263A)	0	-81	435,352	23,387	* 143,547	0	244,410
Other costs	* 711,411	2,068,919	28,999,944	3,776,391	8,200,714	3,719,730	11,742,326
Less: Inventory, end of year	0	1,180,909	4,794,994	338,404	1,264,925	* 38,983	3,147,706
Salaries and wages	* 101,253	876,313	24,393,182	3,627,862	2,132,423	3,801,646	11,535,372
Guaranteed payments to partners	* 39,550	* 29,148	862,348	123,703	251,125	28,985	170,360
Rent paid	* 27,430	622,271	6,665,675	310,777	578,740	418,261	4,918,676
Interest paid	* 4,795	170,195	9,709,590	467,113	466,953	4,188,164	4,038,416
Taxes and licenses	* 12,551	161,530	4,042,172	361,139	170,481	426,050	2,742,893
Bad debts	* 188	11,475	2,582,589	131,545	128,193	293,274	2,000,614
Repairs and maintenance	* 4,278	114,536	2,211,826	92,930	103,251	263,442	1,620,540
Depreciation	* 2,668	270,933	19,181,878	440,841	477,275	2,552,206	15,277,515
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	163	19,552	1,258,198	115,417	18,399	46,670	956,934
Employee benefit programs	* 4,689	73,458	1,789,577	348,939	64,113	261,217	835,088
Ordinary loss from other partnerships and fiduciaries	0	* 4,978	2,151,552	* 18,692	1,255,675	113,537	633,990
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	* 299	* 3,695	279,118	1,986	1,386	96,114	171,748
Other deductions	* 271,393	1,745,050	98,105,722	6,000,577	11,732,187	18,690,437	56,193,292
<b>Ordinary business income (loss)</b>	<b>70,501</b>	<b>444,365</b>	<b>30,203,000</b>	<b>1,018,060</b>	<b>-2,550,415</b>	<b>1,119,425</b>	<b>27,352,992</b>
Net income	* 75,234	633,181	45,816,116	2,165,500	2,702,054	5,224,965	31,224,418
Loss	* 4,733	188,816	15,613,116	1,147,441	5,252,469	4,105,540	3,871,426
<b>Portfolio income (loss) distributed directly to partners</b>	<b>* 207</b>	<b>336,521</b>	<b>5,168,822</b>	<b>413,486</b>	<b>2,855,634</b>	<b>-61</b>	<b>1,518,812</b>
Interest income	* 207	54,132	3,052,490	170,526	343,617	711,831	1,669,618
Dividend income	0	* 15,904	268,441	3,362	81,797	5,370	165,342
Royalties	0	291	2,260,649	159,412	2,057,209	404	1,365
Net short-term capital gain (loss)	0	* 538	41,300	* -104	* 17,028	-7,815	* 30,868
Net long-term capital gain (loss)	0	* 265,656	-454,058	80,290	355,983	-709,851	-348,381
<b>Net rental real estate income (loss)</b>	<b>0</b>	<b>* 24,851</b>	<b>15,030</b>	<b>* 12,459</b>	<b>* -2,227</b>	<b>* 980</b>	<b>* -8,177</b>
Net income	0	* 42,717	26,960	* 12,535	486	* 980	* 965
Loss	0	* 17,866	* 11,930	* 76	* 2,713	0	* 9,141
<b>Other net rental income (loss)</b>	<b>0</b>	<b>* 17,072</b>	<b>-1,582,512</b>	<b>* 12,164</b>	<b>* 6,625</b>	<b>* 1,337</b>	<b>-1,611,627</b>
Net income	0	* 17,072	447,911	* 12,164	* 6,630	* 1,337	418,792
Loss	0	0	2,030,423	0	5	0	2,030,418
<b>Total net income (loss) [2]</b>	<b>70,709</b>	<b>556,614</b>	<b>34,217,098</b>	<b>1,375,984</b>	<b>-63,393</b>	<b>1,839,347</b>	<b>27,569,513</b>
Net income	* 75,439	726,440	47,968,955	2,465,865	3,292,493	5,680,391	31,830,109
Loss	* 4,730	169,826	13,751,857	1,089,882	3,355,885	3,841,045	4,260,595

Footnotes at end of table.

**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Information—continued		Finance and insurance				
	Data processing services	Other information services	Total	Depository credit intermediation	Non-depository credit intermediation	Activities related to credit intermediation	Securities, commodity contracts, and other financial investments and related activities
	(78)	(79)	(80)	(81)	(82)	(83)	(84)
<b>Number of partnerships</b>	<b>3,619</b>	<b>4,738</b>	<b>308,307</b>	<b>48</b>	<b>14,018</b>	<b>4,740</b>	<b>231,753</b>
<b>Number of partners</b>	<b>11,528</b>	<b>23,412</b>	<b>4,431,223</b>	<b>293</b>	<b>68,190</b>	<b>12,537</b>	<b>3,568,172</b>
<b>Total assets</b>	<b>5,106,086</b>	<b>6,256,212</b>	<b>12,264,159,118</b>	<b>43,485,966</b>	<b>441,197,145</b>	<b>23,228,632</b>	<b>10,005,467,990</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>4,704,847</b>	<b>12,349,281</b>	<b>383,897,591</b>	<b>2,787,201</b>	<b>64,101,404</b>	<b>7,153,349</b>	<b>270,406,497</b>
Business receipts	4,197,862	12,098,286	173,834,352	* 1,528,671	15,832,679	6,018,818	120,642,030
Ordinary income from other partnerships and fiduciaries	* 241,647	* 28,628	30,278,058	0	485,911	* 67,696	26,981,839
Farm net profit	0	0	* 80,226	0	0	0	* 80,226
Net gain, noncapital assets	117	247	4,788,336	0	71,668	* 5,136	4,323,213
Other income	265,220	222,120	174,916,619	1,258,530	47,711,147	1,061,699	118,379,190
<b>Total deductions</b>	<b>4,231,719</b>	<b>9,559,469</b>	<b>345,815,062</b>	<b>2,260,138</b>	<b>61,418,178</b>	<b>5,316,848</b>	<b>242,379,710</b>
Cost of good sold [1]	682,882	1,572,044	46,152,862	* 192,201	4,495,189	* 277,954	36,869,440
Inventory, beginning of year	0	* 5,299	9,987,854	2,905	* 306,644	0	9,432,039
Purchases	* 165,833	* 157,128	33,711,116	3,443	3,830,458	* 162,608	28,585,335
Cost of labor	* 32,087	* 314,764	948,620	13,432	* 6,604	* 1,272	654,020
Additional inventory costs (section 263A)	* 20,327	* 3,682	206,429	0	120	0	205,249
Other costs	* 464,635	1,096,147	7,199,742	* 173,309	644,441	* 114,074	3,289,422
Less: Inventory, end of year	0	* 4,976	5,900,898	888	* 293,077	0	5,296,625
Salaries and wages	1,169,433	2,126,446	49,846,503	* 443,024	4,912,864	1,192,157	39,184,800
Guaranteed payments to partners	* 57,922	230,253	8,263,428	9,671	380,494	* 131,007	7,230,917
Rent paid	153,749	285,471	3,905,191	* 44,208	653,696	219,454	2,489,859
Interest paid	103,896	445,046	96,622,388	1,040,221	21,864,663	309,272	65,122,101
Taxes and licenses	75,174	266,437	3,150,319	* 14,921	435,714	107,912	2,247,122
Bad debts	5,308	23,655	11,404,849	* 9,124	9,796,607	* 37,028	1,114,625
Repairs and maintenance	36,378	95,285	532,742	1,812	103,746	60,541	291,616
Depreciation	123,069	310,972	2,219,311	* 10,384	336,974	105,240	1,548,847
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	* 71,171	49,608	1,070,422	* 6,115	176,527	* 11,538	781,982
Employee benefit programs	129,644	150,576	1,988,553	* 26,883	340,354	52,878	1,335,085
Ordinary loss from other partnerships and fiduciaries	1,937	* 127,721	17,749,892	* 415	425,666	* 1,873	15,789,292
Farm net loss	0	0	32,902	0	0	0	* 31,663
Net loss, noncapital assets	* 3,568	* 4,315	2,298,910	79	308,259	1,013	1,969,014
Other deductions	1,617,589	3,871,639	100,576,792	461,079	17,187,423	2,808,979	66,373,348
<b>Ordinary business income (loss)</b>	<b>473,127</b>	<b>2,789,812</b>	<b>38,082,529</b>	<b>527,062</b>	<b>2,683,226</b>	<b>1,836,502</b>	<b>28,026,787</b>
Net income	814,711	3,684,468	104,667,848	527,100	13,101,584	2,220,983	80,658,510
Loss	341,584	894,657	66,585,319	37	10,418,358	384,482	52,631,723
<b>Portfolio income (loss) distributed directly to partners</b>							
Interest income	56,606	100,292	204,122,605	* 90,616	4,268,380	117,725	164,711,532
Dividend income	* 11,957	* 612	83,203,299	5,748	413,472	* 3,088	70,626,599
Royalties	* 42,160	100	3,179,554	0	* 9,727	0	2,436,302
Net short-term capital gain (loss)	1,321	* 2	82,811,611	* 3,234	-38,129	-132	75,836,690
Net long-term capital gain (loss)	-1,990	* 169,892	417,612,646	* 11,179	497,989	* 15,098	362,459,744
<b>Net rental real estate income (loss)</b>	<b>* 11,994</b>	<b>0</b>	<b>-3,170,135</b>	<b>-2</b>	<b>-20,147</b>	<b>* 2,014</b>	<b>-3,214,185</b>
Net income	* 11,994	0	1,624,021	0	16,876	* 2,014	1,141,577
Loss	0	0	4,794,156	2	37,022	0	4,355,762
<b>Other net rental income (loss)</b>	<b>0</b>	<b>* 8,989</b>	<b>-2,713,545</b>	<b>* 693</b>	<b>* -2,862,418</b>	<b>0</b>	<b>-36,506</b>
Net income	0	* 8,989	600,108	* 693	* 75,766	0	320,795
Loss	0	0	3,313,652	0	* 2,938,184	0	357,301
<b>Total net income (loss) [2]</b>	<b>595,844</b>	<b>2,899,803</b>	<b>322,704,308</b>	<b>624,118</b>	<b>4,492,241</b>	<b>1,959,329</b>	<b>262,550,530</b>
Net income	928,397	3,771,700	381,831,188	624,118	16,781,308	2,340,387	306,754,888
Loss	332,553	871,897	59,126,880	0	12,289,066	381,058	44,204,358

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Finance and insurance—continued				Real estate and rental and leasing		
	Securities, commodity contracts, and other financial investments and related activities—continued		Insurance carriers and related activities	Funds, trusts, and other financial vehicles	Total	Real estate	
	Securities and commodity contracts and exchanges	Other financial investment activities				Total	Lessors of residential buildings and dwellings and co-operative housing
	(85)	(86)	(87)	(88)	(89)	(90)	(91)
<b>Number of partnerships</b>	<b>8,981</b>	<b>222,772</b>	<b>10,352</b>	<b>47,396</b>	<b>1,488,966</b>	<b>1,454,179</b>	<b>427,848</b>
<b>Number of partners</b>	<b>311,770</b>	<b>3,256,401</b>	<b>53,834</b>	<b>728,198</b>	<b>6,792,082</b>	<b>6,657,377</b>	<b>1,972,875</b>
<b>Total assets</b>	<b>1,438,087,603</b>	<b>8,567,380,387</b>	<b>26,948,499</b>	<b>1,723,830,887</b>	<b>4,353,858,585</b>	<b>4,226,681,883</b>	<b>987,318,998</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>84,740,547</b>	<b>185,665,950</b>	<b>21,404,008</b>	<b>18,045,131</b>	<b>196,873,718</b>	<b>166,937,781</b>	<b>11,423,369</b>
Business receipts	36,944,972	83,697,058	20,686,201	9,125,953	167,997,357	140,637,025	9,685,141
Ordinary income from other partnerships and fiduciaries	787,884	26,193,955	* 14,417	2,728,196	12,527,149	12,403,920	600,638
Farm net profit	0	* 80,226	0	0	* 75,845	* 75,845	* 18,110
Net gain, noncapital assets	675,499	3,647,714	286	388,034	2,560,977	1,743,630	167,069
Other income	46,332,192	72,046,998	703,104	5,802,949	13,712,390	12,077,360	952,412
<b>Total deductions</b>	<b>98,059,422</b>	<b>144,320,288</b>	<b>17,799,626</b>	<b>16,640,561</b>	<b>193,383,242</b>	<b>168,529,371</b>	<b>12,350,089</b>
Cost of good sold [1]	16,518,222	20,351,218	3,056,604	1,261,474	93,947,222	86,861,659	6,299,030
Inventory, beginning of year	373,693	9,058,346	* 22,247	* 224,019	38,858,792	38,172,952	1,500,989
Purchases	15,590,579	12,994,756	* 473,592	655,680	39,567,176	36,086,893	3,414,052
Cost of labor	26,866	627,154	* 234,895	* 38,397	1,636,947	1,110,622	0
Additional inventory costs (section 263A)	380	204,869	0	* 1,059	4,317,533	4,211,812	* 365,257
Other costs	1,211,437	2,077,984	2,421,896	556,601	50,745,736	47,749,179	2,563,603
Less: Inventory, end of year	684,733	4,611,892	* 96,026	* 214,283	41,464,000	40,754,837	1,544,871
Salaries and wages	14,606,792	24,578,008	3,148,095	965,562	14,401,401	12,197,171	701,348
Guaranteed payments to partners	1,743,431	5,487,485	352,289	159,049	2,724,981	2,576,879	36,503
Rent paid	879,805	1,610,054	361,243	136,730	2,999,358	2,230,184	102,578
Interest paid	39,035,046	26,087,055	129,530	8,156,601	13,285,727	11,203,799	1,062,064
Taxes and licenses	775,761	1,471,361	255,194	89,456	2,726,744	2,351,010	212,153
Bad debts	143,279	971,345	14,833	432,632	1,019,707	934,108	* 4,430
Repairs and maintenance	132,765	158,851	30,605	44,421	1,154,832	850,757	47,104
Depreciation	484,420	1,064,427	109,902	107,965	9,853,413	2,776,146	374,498
Depletion	0	0	0	0	* 9,243	* 5,097	0
Retirement plans, etc.	382,017	399,965	86,874	7,386	214,896	167,496	* 5,456
Employee benefit programs	495,578	839,507	180,539	52,813	810,990	572,952	24,347
Ordinary loss from other partnerships and fiduciaries	396,524	15,392,768	* 84,835	1,447,811	10,658,202	10,579,268	928,799
Farm net loss	0	* 31,663	0	* 1,238	312,057	312,057	* 8,566
Net loss, noncapital assets	10,365	1,958,649	* 2,465	* 18,079	595,929	472,447	* 153,824
Other deductions	22,455,417	43,917,931	9,986,617	3,759,345	38,668,539	34,438,341	2,389,389
<b>Ordinary business income (loss)</b>	<b>-13,318,875</b>	<b>41,345,662</b>	<b>3,604,382</b>	<b>1,404,570</b>	<b>3,490,477</b>	<b>-1,591,590</b>	<b>-926,719</b>
Net income	9,020,407	71,638,103	3,921,331	4,238,340	37,821,374	30,652,101	1,885,754
Loss	22,339,282	30,292,441	316,949	2,833,770	34,330,897	32,243,691	2,812,473
<b>Portfolio income (loss) distributed directly to partners</b>	<b>11,891,593</b>	<b>664,179,275</b>	<b>875,525</b>	<b>108,585,325</b>	<b>81,906,395</b>	<b>79,018,015</b>	<b>9,261,488</b>
Interest income	4,561,695	160,149,837	689,645	34,244,706	23,884,501	22,492,407	4,522,418
Dividend income	1,836,655	68,789,944	41,464	12,112,928	7,290,770	7,160,020	424,650
Royalties	8,740	2,427,562	0	733,525	1,187,137	709,669	19,001
Net short-term capital gain (loss)	2,006,505	73,830,186	-1,428	7,011,375	2,435,677	2,404,222	297,357
Net long-term capital gain (loss)	3,477,998	358,981,746	145,844	54,482,791	47,108,309	46,251,697	3,998,062
<b>Net rental real estate income (loss)</b>	<b>-49,524</b>	<b>-3,164,661</b>	<b>* 6,648</b>	<b>55,536</b>	<b>3,275,313</b>	<b>3,085,957</b>	<b>-11,698,118</b>
Net income	* 10,048	1,131,530	* 6,798	456,757	90,286,703	89,866,872	20,683,613
Loss	59,572	4,296,190	* 149	401,221	87,011,390	86,780,915	32,381,730
<b>Other net rental income (loss)</b>	<b>-432</b>	<b>-36,074</b>	<b>0</b>	<b>184,686</b>	<b>-140,834</b>	<b>-157,289</b>	<b>-60,810</b>
Net income	* 179	320,616	0	202,853	3,984,437	606,932	35,212
Loss	611	356,690	0	18,167	4,125,271	764,221	96,022
<b>Total net income (loss) [2]</b>	<b>-6,961,740</b>	<b>269,512,270</b>	<b>4,342,139</b>	<b>48,735,951</b>	<b>38,987,364</b>	<b>31,699,174</b>	<b>-7,719,577</b>
Net income	14,450,183	292,304,705	4,531,881	50,798,606	150,002,051	138,001,662	24,752,646
Loss	21,411,923	22,792,435	189,742	2,062,655	111,014,687	106,302,488	32,472,223

Footnotes at end of table.

**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Real estate and rental and leasing—continued						Professional, scientific, and technical services
	Real estate—continued				Rental and leasing services	Lessors of nonfinancial intangible assets (except copyrighted works)	
	Lessors of nonresidential buildings (except mini-warehouses)	Lessors of mini-warehouses and self-storage units	Lessors of other real estate property	Other real estate activities			Total
	(92)	(93)	(94)	(95)	(96)	(97)	
<b>Number of partnerships</b>	<b>510,042</b>	<b>20,586</b>	<b>103,436</b>	<b>392,267</b>	<b>33,943</b>	<b>843</b>	<b>175,546</b>
<b>Number of partners</b>	<b>2,158,788</b>	<b>110,983</b>	<b>562,771</b>	<b>1,851,960</b>	<b>132,296</b>	<b>2,408</b>	<b>633,193</b>
<b>Total assets</b>	<b>1,697,058,954</b>	<b>45,630,595</b>	<b>204,293,472</b>	<b>1,292,379,863</b>	<b>112,494,179</b>	<b>14,682,524</b>	<b>185,401,395</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>14,175,808</b>	<b>749,401</b>	<b>5,026,470</b>	<b>135,562,732</b>	<b>24,237,096</b>	<b>5,698,841</b>	<b>360,913,226</b>
Business receipts	10,222,609	745,014	4,034,447	115,949,814	22,194,558	* 5,165,774	344,692,757
Ordinary income from other partnerships and fiduciaries	1,168,197	* 100	294,519	10,340,466	106,829	* 16,401	5,351,600
Farm net profit	5,735	0	0	* 52,000	0	0	0
Net gain, noncapital assets	642,480	* 939	296,498	636,645	817,330	17	131,666
Other income	2,136,787	3,349	401,007	8,583,806	1,118,380	* 516,650	10,737,203
<b>Total deductions</b>	<b>14,056,160</b>	<b>822,709</b>	<b>5,289,751</b>	<b>136,010,662</b>	<b>23,912,961</b>	<b>940,910</b>	<b>283,529,694</b>
Cost of good sold [1]	5,510,467	70,802	2,085,516	72,895,843	7,075,512	* 10,052	63,709,228
Inventory, beginning of year	2,923,185	* 10,061	427,004	33,311,714	685,840	0	1,686,302
Purchases	3,489,627	51,496	1,265,634	27,866,084	3,478,204	2,080	23,658,342
Cost of labor	* 118,987	0	* 28,991	962,644	526,326	0	9,605,556
Additional inventory costs (section 263A)	* 504,282	* 85	* 136,202	3,205,986	* 105,721	0	435,340
Other costs	2,140,169	* 19,235	795,507	42,230,665	2,988,585	* 7,972	30,074,236
Less: Inventory, end of year	3,665,781	* 10,076	567,821	34,966,287	709,163	0	1,750,548
Salaries and wages	977,880	* 67,904	517,557	9,932,483	2,087,469	* 116,761	86,033,579
Guaranteed payments to partners	423,141	* 15,732	49,328	2,052,175	63,261	* 84,841	17,514,128
Rent paid	336,050	* 21,535	57,573	1,712,447	756,337	* 12,837	13,167,039
Interest paid	1,434,946	187,380	518,771	8,000,638	2,033,117	* 48,812	2,416,255
Taxes and licenses	350,295	49,323	101,126	1,638,112	358,888	16,846	7,522,273
Bad debts	8,842	* 3,187	* 2,057	915,592	84,992	* 608	502,031
Repairs and maintenance	118,774	31,712	45,467	607,700	303,488	* 587	1,299,381
Depreciation	530,567	123,030	185,667	1,562,384	7,075,678	* 1,589	3,224,133
Depletion	0	0	1,126	* 3,972	0	4,146	232
Retirement plans, etc.	6,217	0	* 1,187	154,636	40,823	* 6,577	3,856,795
Employee benefit programs	43,690	* 986	25,100	478,828	237,465	573	4,688,864
Ordinary loss from other partnerships and fiduciaries	1,149,288	* 4,776	371,135	8,125,270	78,934	0	914,813
Farm net loss	* 8,473	0	* 160,886	134,133	0	0	0
Net loss, noncapital assets	149,283	* 1,707	* 9,716	157,918	123,481	[3]	117,857
Other deductions	3,008,247	244,635	1,157,540	27,638,530	3,593,516	636,682	78,563,085
<b>Ordinary business income (loss)</b>	<b>119,649</b>	<b>-73,308</b>	<b>-263,281</b>	<b>-447,930</b>	<b>324,135</b>	<b>4,757,931</b>	<b>77,383,532</b>
Net income	3,672,491	47,116	876,893	24,169,847	2,379,106	4,790,166	84,848,317
Loss	3,552,843	120,424	1,140,174	24,617,778	2,054,971	* 32,235	7,464,785
<b>Portfolio income (loss) distributed directly to partners</b>	<b>16,515,338</b>	<b>193,228</b>	<b>4,109,037</b>	<b>48,938,924</b>	<b>1,736,763</b>	<b>1,151,617</b>	<b>7,473,939</b>
Interest income	5,796,360	63,850	986,311	11,123,469	1,253,299	138,795	2,296,238
Dividend income	2,034,503	24,657	200,750	4,475,461	130,724	* 27	572,908
Royalties	146,493	* 303	189,067	354,804	* 1	* 477,467	1,889,992
Net short-term capital gain (loss)	564,165	* -183	80,102	1,462,781	* 31,455	0	-3,133
Net long-term capital gain (loss)	7,973,817	104,602	2,652,807	31,522,410	321,285	* 535,327	2,717,933
<b>Net rental real estate income (loss)</b>	<b>26,140,306</b>	<b>813,746</b>	<b>1,962,404</b>	<b>-14,132,381</b>	<b>183,860</b>	<b>* 5,496</b>	<b>-295,198</b>
Net income	53,539,888	1,511,667	5,091,321	9,040,383	414,335	* 5,496	71,326
Loss	27,399,583	697,921	3,128,917	23,172,764	230,475	0	366,523
<b>Other net rental income (loss)</b>	<b>107,229</b>	<b>* -102,857</b>	<b>32,756</b>	<b>-133,608</b>	<b>15,801</b>	<b>* 655</b>	<b>145,626</b>
Net income	350,850	* 1,028	125,558	94,284	3,376,850	* 655	154,385
Loss	243,621	* 103,884	92,803	227,891	3,361,049	0	8,758
<b>Total net income (loss) [2]</b>	<b>34,344,538</b>	<b>726,391</b>	<b>3,108,007</b>	<b>1,239,815</b>	<b>1,907,820</b>	<b>5,380,371</b>	<b>81,993,100</b>
Net income	62,389,125	1,611,886	6,920,342	42,327,663	6,591,640	5,408,749	89,003,574
Loss	28,044,587	885,495	3,812,335	41,087,848	4,683,820	* 28,378	7,010,474

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued						
	Legal services	Accounting, tax preparation, bookkeeping, and payroll services	Architectural, engineering, and related services	Specialized design services	Computer systems design and related services	Other professional, scientific, and technical services	
						Total	Management, scientific, and technical consulting services
	(99)	(100)	(101)	(102)	(103)	(104)	(105)
<b>Number of partnerships</b>	<b>26,926</b>	<b>21,535</b>	<b>14,489</b>	<b>7,714</b>	<b>27,860</b>	<b>77,022</b>	<b>38,593</b>
<b>Number of partners</b>	<b>159,655</b>	<b>81,081</b>	<b>38,192</b>	<b>16,715</b>	<b>91,930</b>	<b>245,621</b>	<b>125,055</b>
<b>Total assets</b>	<b>34,708,723</b>	<b>19,460,742</b>	<b>7,681,008</b>	<b>1,271,240</b>	<b>9,398,999</b>	<b>112,880,683</b>	<b>54,748,089</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>137,920,429</b>	<b>58,512,962</b>	<b>23,929,509</b>	<b>2,227,783</b>	<b>17,328,250</b>	<b>120,994,293</b>	<b>54,055,962</b>
Business receipts	136,077,631	58,029,140	21,955,338	2,221,628	17,073,064	109,335,955	48,029,930
Ordinary income from other partnerships and fiduciaries	92,210	190,449	97,918	0	* 70,523	4,900,501	3,240,087
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	6,713	5,067	3,609	* 123	* 42,065	74,089	52,236
Other income	1,743,875	288,307	1,872,643	* 6,031	142,598	6,683,748	2,733,710
<b>Total deductions</b>	<b>88,867,350</b>	<b>46,883,051</b>	<b>20,580,572</b>	<b>1,950,834</b>	<b>16,724,835</b>	<b>108,523,052</b>	<b>45,385,978</b>
Cost of good sold [1]	1,299,771	4,438,091	8,878,851	1,276,011	6,063,605	41,752,899	10,814,850
Inventory, beginning of year	* 1,891	* 5,344	32,962	* 52,255	103,668	1,490,182	298,385
Purchases	* 96,902	* 228,698	739,665	700,655	2,292,230	19,600,191	2,387,784
Cost of labor	* 188,017	2,772,991	1,815,550	* 150,456	1,529,309	3,149,233	1,915,664
Additional inventory costs (section 263A)	0	* 75,750	* 85,700	* 10,191	* 160,783	102,916	* 33,015
Other costs	1,015,183	1,362,097	6,231,955	424,244	2,202,506	18,838,250	6,380,484
Less: Inventory, end of year	* 2,222	* 6,789	26,981	* 61,791	224,892	1,427,873	200,482
Salaries and wages	40,778,324	17,847,158	3,760,277	143,504	3,563,452	19,940,863	11,354,732
Guaranteed payments to partners	8,094,492	3,891,233	881,167	* 96,641	566,327	3,984,269	2,354,806
Rent paid	8,265,780	1,879,777	567,588	61,032	313,302	2,079,560	973,712
Interest paid	466,197	410,820	88,593	10,076	151,929	1,288,639	616,043
Taxes and licenses	3,518,881	1,513,309	382,158	21,451	346,510	1,739,965	987,040
Bad debts	120,524	7,257	36,118	* 3,669	35,619	298,845	38,674
Repairs and maintenance	626,136	141,645	192,659	4,910	37,155	296,875	121,348
Depreciation	1,335,765	391,987	210,343	12,224	297,418	976,396	439,314
Depletion	0	0	0	0	0	232	232
Retirement plans, etc.	1,514,897	1,252,533	108,226	4,983	89,950	886,207	645,159
Employee benefit programs	2,043,620	839,137	408,349	12,507	209,682	1,175,569	654,627
Ordinary loss from other partnerships and fiduciaries	21,048	4,058	* 2,271	0	* 192	887,244	438,295
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	41,309	1,952	101	0	* 816	73,680	6,140
Other deductions	20,740,607	14,264,095	5,063,871	303,826	5,048,878	33,141,808	15,941,008
<b>Ordinary business income (loss)</b>	<b>49,053,079</b>	<b>11,629,911</b>	<b>3,348,936</b>	<b>276,949</b>	<b>603,415</b>	<b>12,471,242</b>	<b>8,669,983</b>
Net income	49,548,835	11,844,366	3,618,103	311,104	2,013,210	17,512,699	10,300,290
Loss	495,756	214,455	269,167	* 34,155	1,409,795	5,041,457	1,630,307
<b>Portfolio income (loss) distributed directly to partners</b>	<b>455,421</b>	<b>439,900</b>	<b>182,455</b>	<b>2,555</b>	<b>-10,847</b>	<b>6,404,455</b>	<b>2,375,161</b>
Interest income	267,153	294,340	71,247	2,525	58,457	1,602,516	611,643
Dividend income	40,558	8,923	3,905	0	5,693	513,828	412,634
Royalties	668	* 6,219	* 26,204	* 30	* 16,267	1,840,604	589,181
Net short-term capital gain (loss)	-27,502	-192	* 2,782	0	* -2,342	24,121	63,291
Net long-term capital gain (loss)	174,544	130,609	78,317	0	-88,923	2,423,386	698,413
<b>Net rental real estate income (loss)</b>	<b>36,090</b>	<b>* -67,540</b>	<b>* 6,608</b>	<b>0</b>	<b>* -5,045</b>	<b>-265,311</b>	<b>-234,736</b>
Net income	48,289	* 6,056	* 6,637	0	0	10,344	* 4,947
Loss	12,199	* 73,596	28	0	* 5,045	275,655	239,682
<b>Other net rental income (loss)</b>	<b>* 505</b>	<b>83,516</b>	<b>33</b>	<b>0</b>	<b>63</b>	<b>61,510</b>	<b>-6,972</b>
Net income	* 505	83,516	33	0	63	70,268	* 1,776
Loss	1	0	0	0	0	8,758	* 8,748
<b>Total net income (loss) [2]</b>	<b>49,398,054</b>	<b>11,955,370</b>	<b>3,456,934</b>	<b>279,504</b>	<b>678,850</b>	<b>16,224,388</b>	<b>10,041,733</b>
Net income	49,891,616	12,066,896	3,707,764	312,886	2,046,303	20,978,109	11,579,003
Loss	493,562	111,526	250,830	* 33,383	1,367,453	4,753,721	1,537,270

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued		Management of companies (holding companies)	Administrative and support and waste management and remediation services			Educational services
	Other professional, scientific, and technical services—continued			Total	Administrative and support services	Waste management and remediation services	
	Advertising and related services	Other miscellaneous professional, scientific and technical services					
	(106)	(107)	(108)	(109)	(110)	(111)	(112)
<b>Number of partnerships</b>	<b>8,129</b>	<b>30,300</b>	<b>23,578</b>	<b>62,004</b>	<b>57,954</b>	<b>4,050</b>	<b>11,605</b>
<b>Number of partners</b>	<b>21,893</b>	<b>98,673</b>	<b>683,384</b>	<b>151,935</b>	<b>140,352</b>	<b>11,583</b>	<b>29,618</b>
<b>Total assets</b>	<b>15,360,660</b>	<b>42,771,934</b>	<b>523,459,471</b>	<b>47,080,810</b>	<b>38,489,266</b>	<b>8,591,544</b>	<b>3,648,616</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>19,047,062</b>	<b>47,891,270</b>	<b>49,851,117</b>	<b>75,797,823</b>	<b>65,828,425</b>	<b>9,969,398</b>	<b>4,515,670</b>
Business receipts	18,802,299	42,503,727	24,260,472	69,044,834	59,116,743	9,928,091	4,186,674
Ordinary income from other partnerships and fiduciaries	15,364	1,645,051	19,539,888	1,405,047	1,403,568	* 1,479	* 231,055
Farm net profit	0	0	* 26,833	0	0	0	0
Net gain, noncapital assets	6,230	15,622	994,024	32,926	16,709	16,217	* 394
Other income	223,169	3,726,870	5,029,900	5,315,016	5,291,405	23,611	97,546
<b>Total deductions</b>	<b>16,650,649</b>	<b>46,486,424</b>	<b>41,264,076</b>	<b>72,446,440</b>	<b>62,514,469</b>	<b>9,931,971</b>	<b>4,435,219</b>
Cost of good sold [1]	8,433,707	22,504,342	9,249,254	29,836,079	24,791,021	5,045,058	915,570
Inventory, beginning of year	87,722	1,104,075	913,004	354,721	264,658	90,062	26,223
Purchases	3,831,928	13,380,478	5,698,699	5,444,005	4,837,984	606,022	89,759
Cost of labor	214,671	1,018,898	1,314,449	13,817,180	13,186,600	630,580	439,255
Additional inventory costs (section 263A)	* 30,811	* 39,091	31,598	252,793	252,860	-67	0
Other costs	4,370,941	8,086,826	2,550,047	10,392,172	6,597,285	3,794,887	387,195
Less: Inventory, end of year	102,366	1,125,026	1,258,543	424,791	348,366	76,425	26,862
Salaries and wages	2,621,193	5,964,938	4,512,806	15,221,052	14,035,923	1,185,129	946,915
Guaranteed payments to partners	337,954	1,291,509	600,332	952,455	855,992	* 96,463	90,975
Rent paid	363,809	742,038	599,805	1,384,530	1,276,703	107,827	367,601
Interest paid	176,887	495,710	2,465,652	1,319,986	966,062	353,924	97,944
Taxes and licenses	254,916	498,009	637,651	1,544,559	1,409,336	135,223	92,312
Bad debts	172,319	87,851	199,998	187,751	177,362	10,389	39,803
Repairs and maintenance	78,173	97,354	125,629	436,401	269,284	167,117	64,514
Depreciation	173,019	364,063	1,418,170	1,056,584	634,009	422,575	87,578
Depletion	0	0	323	2,792	0	2,792	0
Retirement plans, etc.	41,863	199,185	55,618	239,333	227,072	12,261	11,232
Employee benefit programs	154,564	366,378	236,236	1,193,295	1,142,180	51,115	29,189
Ordinary loss from other partnerships and fiduciaries	* 1,005	447,944	8,958,385	383,556	378,299	* 5,257	* 2,831
Farm net loss	0	0	* 1,553	0	0	0	0
Net loss, noncapital assets	5,765	61,776	37,947	14,012	5,366	* 8,645	* 141
Other deductions	3,835,474	13,365,327	12,164,718	18,674,056	16,345,859	2,328,196	1,688,614
<b>Ordinary business income (loss)</b>	<b>2,396,413</b>	<b>1,404,845</b>	<b>8,587,041</b>	<b>3,351,383</b>	<b>3,313,956</b>	<b>37,427</b>	<b>80,450</b>
Net income	2,727,771	4,484,637	21,985,919	6,144,180	5,246,024	898,156	665,449
Loss	331,358	3,079,792	13,398,878	2,792,797	1,932,068	860,729	584,999
<b>Portfolio income (loss) distributed directly to partners</b>	<b>356,078</b>	<b>3,673,215</b>	<b>41,447,085</b>	<b>1,769,904</b>	<b>1,242,958</b>	<b>526,946</b>	<b>149,187</b>
Interest income	148,932	841,941	10,361,434	456,574	346,032	110,542	40,897
Dividend income	5,555	95,639	7,280,088	220,533	213,843	* 6,690	* 1,693
Royalties	10,848	1,240,575	484,211	* 2,152	* 2,152	0	0
Net short-term capital gain (loss)	-62,009	22,839	325,949	31,826	14,172	* 17,654	* 476
Net long-term capital gain (loss)	252,753	1,472,221	22,995,402	1,058,819	666,759	* 392,060	* 106,120
<b>Net rental real estate income (loss)</b>	<b>-15,361</b>	<b>-15,215</b>	<b>-397,603</b>	<b>-119,914</b>	<b>-120,196</b>	<b>* 283</b>	<b>* 479</b>
Net income	921	* 4,476	413,075	15,292	15,010	* 283	* 1,961
Loss	16,282	19,691	810,678	* 135,206	* 135,206	0	* 1,482
<b>Other net rental income (loss)</b>	<b>* 32,510</b>	<b>* 35,972</b>	<b>-124,307</b>	<b>* 4,940</b>	<b>* 4,852</b>	<b>88</b>	<b>0</b>
Net income	* 32,510	* 35,981	202,477	* 4,940	* 4,852	88	0
Loss	0	* 9	326,784	0	0	0	0
<b>Total net income (loss) [2]</b>	<b>2,578,897</b>	<b>3,603,758</b>	<b>26,190,865</b>	<b>3,915,669</b>	<b>3,760,639</b>	<b>155,029</b>	<b>123,520</b>
Net income	2,878,896	6,520,209	37,331,691	6,661,652	5,675,765	985,887	702,918
Loss	299,999	2,916,451	11,140,826	2,745,984	1,915,126	830,858	579,398

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance						
	Total	Offices of physicians and dentists	Offices of other health practitioners	Outpatient care centers	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services
	(113)	(114)	(115)	(116)	(117)	(118)	(119)
<b>Number of partnerships</b>	<b>67,522</b>	<b>19,582</b>	<b>14,595</b>	<b>8,311</b>	<b>4,997</b>	<b>3,421</b>	<b>970</b>
<b>Number of partners</b>	<b>353,922</b>	<b>127,845</b>	<b>49,600</b>	<b>60,655</b>	<b>35,956</b>	<b>10,078</b>	<b>2,426</b>
<b>Total assets</b>	<b>103,239,106</b>	<b>8,861,262</b>	<b>1,864,932</b>	<b>14,430,717</b>	<b>6,974,178</b>	<b>1,556,080</b>	<b>328,359</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>171,599,304</b>	<b>53,501,347</b>	<b>7,474,331</b>	<b>21,374,355</b>	<b>12,803,500</b>	<b>4,430,623</b>	<b>1,145,365</b>
Business receipts	161,104,541	46,669,554	7,261,094	20,820,659	11,244,336	4,404,751	1,138,724
Ordinary income from other partnerships and fiduciaries	1,408,565	496,325	* 95,028	204,532	339,336	* 753	0
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	165,961	5,356	* 300	22,094	32,001	* 64	0
Other income	8,920,236	6,330,112	117,909	327,070	1,187,826	25,056	* 6,641
<b>Total deductions</b>	<b>152,077,050</b>	<b>41,519,898</b>	<b>6,344,953</b>	<b>18,504,552</b>	<b>11,248,366</b>	<b>4,290,778</b>	<b>1,127,707</b>
Cost of good sold [1]	9,077,959	2,170,869	811,567	1,487,495	997,609	815,507	* 270,642
Inventory, beginning of year	277,385	23,315	30,211	134,788	* 24,806	* 15,603	744
Purchases	2,814,772	598,983	405,925	759,910	273,143	215,520	* 72,912
Cost of labor	2,025,800	347,419	* 153,020	203,802	183,744	277,368	* 61,093
Additional inventory costs (section 263A)	218,809	* 89,134	0	* 21,556	* 4,236	* 93,487	0
Other costs	4,084,421	1,135,583	257,543	545,403	552,335	238,615	* 136,958
Less: Inventory, end of year	343,258	23,566	35,132	177,995	* 40,655	* 25,086	1,064
Salaries and wages	42,917,781	11,488,192	1,852,508	4,101,766	2,488,329	1,715,802	* 281,935
Guaranteed payments to partners	6,541,180	5,360,014	457,568	294,980	209,435	71,724	* 1,763
Rent paid	7,415,019	1,861,162	372,652	1,141,168	667,055	92,730	35,201
Interest paid	3,344,949	224,039	34,119	311,339	246,365	54,284	* 17,620
Taxes and licenses	4,843,638	892,276	181,130	493,467	233,802	150,417	* 27,356
Bad debts	2,764,081	108,872	* 10,175	365,331	114,923	41,028	* 14,508
Repairs and maintenance	1,940,680	338,782	34,662	336,514	290,658	16,178	* 3,897
Depreciation	4,424,977	450,769	51,639	862,623	756,222	61,591	14,234
Depletion	* 81	0	0	* 81	0	0	0
Retirement plans, etc.	746,226	508,594	25,042	52,973	65,345	8,016	* 540
Employee benefit programs	3,846,571	1,014,655	34,404	339,106	281,739	88,524	* 42,642
Ordinary loss from other partnerships and fiduciaries	257,789	7,196	* 1,040	39,876	* 19,299	* 42,456	0
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	31,975	2,526	0	9,007	* 192	* 616	0
Other deductions	63,924,143	17,091,953	2,478,447	8,668,824	4,877,392	1,131,906	417,369
<b>Ordinary business income (loss)</b>	<b>19,522,253</b>	<b>11,981,449</b>	<b>1,129,378</b>	<b>2,869,803</b>	<b>1,555,134</b>	<b>139,845</b>	<b>17,659</b>
Net income	25,427,156	12,373,987	1,321,091	4,302,240	2,169,552	316,697	* 45,666
Loss	5,904,902	392,539	191,713	1,432,437	614,418	176,852	* 28,008
<b>Portfolio income (loss) distributed directly to partners</b>	<b>1,836,654</b>	<b>268,103</b>	<b>50,718</b>	<b>315,414</b>	<b>269,602</b>	<b>-15,505</b>	<b>* 1,274</b>
Interest income	544,998	55,440	8,830	78,774	30,190	4,888	* 1,274
Dividend income	32,828	8,823	* 1,254	* 3,512	2,125	* 192	0
Royalties	* 1	0	0	0	0	0	0
Net short-term capital gain (loss)	2,823	274	* -318	* 1,108	* 2,505	* 14	0
Net long-term capital gain (loss)	1,256,003	203,567	* 40,951	* 232,020	* 234,781	-20,599	0
<b>Net rental real estate income (loss)</b>	<b>-120,321</b>	<b>-5,125</b>	<b>* -2,566</b>	<b>2,158</b>	<b>* -1,262</b>	<b>0</b>	<b>0</b>
Net income	63,291	7,471	* 1,556	* 2,185	* 991	0	0
Loss	183,612	12,596	* 4,122	* 27	* 2,252	0	0
<b>Other net rental income (loss)</b>	<b>147,077</b>	<b>* 143</b>	<b>* -79</b>	<b>* 21,958</b>	<b>* 5,061</b>	<b>0</b>	<b>0</b>
Net income	153,021	* 5,188	0	* 21,958	* 5,880	0	0
Loss	* 5,944	* 5,045	* 79	0	* 819	0	0
<b>Total net income (loss) [2]</b>	<b>20,126,836</b>	<b>12,040,730</b>	<b>1,136,818</b>	<b>2,976,205</b>	<b>1,591,249</b>	<b>144,925</b>	<b>18,932</b>
Net income	25,913,895	12,433,908	1,328,073	4,380,036	2,203,891	320,946	* 45,762
Loss	5,787,059	393,178	191,255	1,403,831	612,642	176,022	* 26,830

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Hospitals	Nursing and residential care facilities	Social assistance	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(120)	(121)	(122)	(123)	(124)	(125)	(126)
<b>Number of partnerships</b>	<b>613</b>	<b>9,200</b>	<b>5,832</b>	<b>54,867</b>	<b>34,616</b>	<b>* 367</b>	<b>19,883</b>
<b>Number of partners</b>	<b>11,436</b>	<b>42,979</b>	<b>12,946</b>	<b>384,436</b>	<b>187,207</b>	<b>* 735</b>	<b>196,495</b>
<b>Total assets</b>	<b>27,050,129</b>	<b>41,332,295</b>	<b>841,153</b>	<b>82,850,820</b>	<b>33,660,520</b>	<b>* 41,090</b>	<b>49,149,210</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>30,839,176</b>	<b>38,093,051</b>	<b>1,937,556</b>	<b>54,409,413</b>	<b>29,068,067</b>	<b>* 126,830</b>	<b>25,214,516</b>
Business receipts	30,327,121	37,331,847	1,906,455	48,597,715	25,014,124	* 126,812	23,456,779
Ordinary income from other partnerships and fiduciaries	127,280	145,310	0	1,222,533	499,707	0	722,826
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	15,527	90,462	* 158	181,204	35,597	0	145,607
Other income	369,248	525,432	30,942	4,407,960	3,518,640	* 18	889,303
<b>Total deductions</b>	<b>28,716,004</b>	<b>38,603,386</b>	<b>1,721,407</b>	<b>55,812,520</b>	<b>30,575,233</b>	<b>* 209,647</b>	<b>25,027,640</b>
Cost of good sold [1]	717,829	1,617,041	189,401	10,437,135	6,101,738	* 39,136	4,296,261
Inventory, beginning of year	32,591	15,327	0	541,884	96,909	* 2,002	442,973
Purchases	288,886	199,166	* 327	2,809,245	711,973	* 22,665	2,074,607
Cost of labor	* 16,859	655,608	* 126,887	1,551,527	915,824	* 16,601	619,103
Additional inventory costs (section 263A)	* 10,336	60	0	18,584	* 11,080	0	7,504
Other costs	390,842	764,955	62,186	6,070,871	4,410,311	0	1,660,560
Less: Inventory, end of year	21,685	18,074	0	638,904	128,286	* 2,131	508,487
Salaries and wages	6,308,433	14,074,551	606,265	12,907,181	8,212,968	* 18,763	4,675,450
Guaranteed payments to partners	48,788	69,283	27,626	501,064	289,957	0	211,107
Rent paid	648,517	2,420,558	175,975	2,094,845	751,485	* 55,757	1,287,603
Interest paid	603,974	1,819,488	33,721	2,923,058	1,240,480	* 1,608	1,680,970
Taxes and licenses	653,507	2,139,972	71,712	2,957,919	828,278	* 5,090	2,124,552
Bad debts	1,611,627	496,589	* 1,027	81,618	31,439	0	50,179
Repairs and maintenance	466,439	421,710	31,839	653,820	187,120	* 3,304	463,396
Depreciation	1,120,649	1,076,720	30,529	3,255,620	754,698	* 1,903	2,499,019
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	48,006	36,049	* 1,661	222,920	199,861	0	23,059
Employee benefit programs	897,303	1,135,472	12,725	670,091	294,405	0	375,686
Ordinary loss from other partnerships and fiduciaries	* 10,446	137,476	0	480,602	377,764	0	102,838
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	17,002	2,632	0	62,874	49,511	0	13,363
Other deductions	15,563,482	13,155,843	538,927	18,563,771	11,255,529	* 84,086	7,224,156
<b>Ordinary business income (loss)</b>	<b>2,123,172</b>	<b>-510,335</b>	<b>216,149</b>	<b>-1,403,107</b>	<b>-1,507,165</b>	<b>* -82,817</b>	<b>186,876</b>
Net income	2,977,759	1,642,275	277,888	5,024,136	2,256,135	* 2,954	2,765,046
Loss	854,587	2,152,610	61,739	6,427,243	3,763,301	* 85,771	2,578,171
<b>Portfolio income (loss) distributed directly to partners</b>	<b>187,868</b>	<b>756,147</b>	<b>3,033</b>	<b>1,964,786</b>	<b>624,776</b>	<b>* 284</b>	<b>1,339,725</b>
Interest income	165,791	197,244	2,567	538,914	306,663	* 284	231,966
Dividend income	15,281	1,163	* 478	61,675	19,836	0	41,839
Royalties	0	* 1	0	88,510	85,242	0	* 3,268
Net short-term capital gain (loss)	* 24	* -622	* -162	-28,369	-14,913	0	* -13,456
Net long-term capital gain (loss)	6,772	558,360	* 150	1,304,056	227,949	0	1,076,107
<b>Net rental real estate income (loss)</b>	<b>-12,517</b>	<b>-101,007</b>	<b>* -3</b>	<b>37,689</b>	<b>51,354</b>	<b>0</b>	<b>-13,665</b>
Net income	32,031	19,058	0	122,157	68,125	0	54,032
Loss	44,548	120,064	* 3	84,467	16,771	0	67,697
<b>Other net rental income (loss)</b>	<b>47,085</b>	<b>* 72,909</b>	<b>0</b>	<b>17,468</b>	<b>3,052</b>	<b>0</b>	<b>* 14,416</b>
Net income	47,085	* 72,909	0	17,994	* 3,578	0	* 14,416
Loss	0	0	0	* 526	* 526	0	0
<b>Total net income (loss) [2]</b>	<b>2,338,811</b>	<b>-340,025</b>	<b>219,192</b>	<b>-658,850</b>	<b>-1,041,018</b>	<b>* -82,533</b>	<b>464,701</b>
Net income	3,137,338	1,783,013	280,927	5,529,545	2,561,642	* 3,238	2,964,664
Loss	798,526	2,123,038	61,735	6,188,395	3,602,660	* 85,771	2,499,963

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Accommodation and food services—continued			Other services	
	Total	Accommodation	Food service and drinking places	Total	Repair and maintenance
					Total
	(127)	(128)	(129)	(130)	(131)
<b>Number of partnerships</b>	<b>106,954</b>	<b>33,621</b>	<b>73,334</b>	<b>68,949</b>	<b>30,793</b>
<b>Number of partners</b>	<b>381,100</b>	<b>156,392</b>	<b>224,708</b>	<b>186,552</b>	<b>78,328</b>
<b>Total assets</b>	<b>220,110,575</b>	<b>179,446,919</b>	<b>40,663,656</b>	<b>20,105,622</b>	<b>8,167,138</b>
<b>Income and deductions from a trade or business:</b>					
<b>Total income</b>	<b>141,462,688</b>	<b>65,876,284</b>	<b>75,586,404</b>	<b>24,249,916</b>	<b>14,041,289</b>
Business receipts	136,983,966	62,767,049	74,216,917	23,717,193	13,955,504
Ordinary income from other partnerships and fiduciaries	1,067,492	830,716	236,775	* 153,370	* 21,016
Farm net profit	0	0	0	* 7,040	0
Net gain, noncapital assets	758,967	735,932	23,035	116,761	7,723
Other income	2,652,263	1,542,587	1,109,676	255,552	57,046
<b>Total deductions</b>	<b>141,928,892</b>	<b>67,311,614</b>	<b>74,617,278</b>	<b>23,706,623</b>	<b>13,273,378</b>
Cost of good sold [1]	39,048,909	8,876,183	30,172,726	9,576,950	7,351,372
Inventory, beginning of year	1,360,694	470,636	890,058	638,216	316,972
Purchases	26,660,783	3,559,500	23,101,283	5,202,456	4,158,898
Cost of labor	5,967,508	1,635,232	4,332,276	2,192,026	1,638,026
Additional inventory costs (section 263A)	231,965	36,290	195,674	* 84,994	* 42,398
Other costs	6,555,910	3,824,894	2,731,016	2,093,081	1,555,926
Less: Inventory, end of year	1,747,647	666,067	1,081,580	647,508	374,533
Salaries and wages	24,694,797	11,119,210	13,575,587	3,888,165	1,467,001
Guaranteed payments to partners	683,550	216,775	466,775	303,163	205,479
Rent paid	7,523,676	2,309,866	5,213,811	1,674,536	619,645
Interest paid	8,812,408	7,565,624	1,246,784	782,884	379,215
Taxes and licenses	6,319,352	3,807,751	2,511,601	610,305	291,627
Bad debts	78,074	56,652	21,422	42,203	15,233
Repairs and maintenance	2,985,287	1,714,660	1,270,628	268,753	143,256
Depreciation	8,005,861	5,918,025	2,087,836	794,488	431,608
Depletion	* 76	0	* 76	0	0
Retirement plans, etc.	105,630	73,081	32,549	21,804	11,279
Employee benefit programs	1,256,879	906,886	349,993	185,390	65,936
Ordinary loss from other partnerships and fiduciaries	1,109,820	924,263	185,557	* 48,912	* 5,332
Farm net loss	0	0	0	* 2,488	0
Net loss, noncapital assets	266,767	127,608	139,159	* 9,896	* 18
Other deductions	41,037,806	23,695,031	17,342,775	5,496,686	2,286,376
<b>Ordinary business income (loss)</b>	<b>-466,204</b>	<b>-1,435,330</b>	<b>969,125</b>	<b>543,293</b>	<b>767,911</b>
Net income	9,580,418	5,250,808	4,329,610	2,039,261	1,272,451
Loss	10,046,622	6,686,137	3,360,485	1,495,969	504,539
<b>Portfolio income (loss) distributed directly to partners</b>	<b>2,938,277</b>	<b>2,540,779</b>	<b>397,497</b>	<b>486,739</b>	<b>10,329</b>
Interest income	957,337	861,124	96,213	136,387	9,702
Dividend income	97,336	92,152	5,184	275,694	* 664
Royalties	275,893	* 233,632	* 42,261	0	0
Net short-term capital gain (loss)	48,576	49,202	* -627	* 11,283	0
Net long-term capital gain (loss)	1,559,134	1,304,669	254,466	* 63,375	* -36
<b>Net rental real estate income (loss)</b>	<b>-168,531</b>	<b>-213,512</b>	<b>44,980</b>	<b>-108,267</b>	<b>* 23,715</b>
Net income	178,866	125,470	53,396	51,640	* 27,388
Loss	347,398	338,982	* 8,416	* 159,906	* 3,673
<b>Other net rental income (loss)</b>	<b>19,168</b>	<b>* 13,812</b>	<b>* 5,356</b>	<b>* 6,600</b>	<b>* 6,600</b>
Net income	20,878	* 15,487	* 5,391	* 6,600	* 6,600
Loss	1,710	1,675	35	0	0
<b>Total net income (loss) [2]</b>	<b>714,999</b>	<b>-448,121</b>	<b>1,163,120</b>	<b>853,706</b>	<b>808,592</b>
Net income	10,358,352	5,930,089	4,428,263	2,470,408	1,301,873
Loss	9,643,352	6,378,210	3,265,143	1,616,702	493,281

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Other services—continued				Nature of business not allocable
	Repair and maintenance—continued		Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations	
	Automotive repair and maintenance	Other repair and maintenance			
	(132)	(133)	(134)	(135)	(136)
<b>Number of partnerships</b>	<b>23,662</b>	<b>7,132</b>	<b>36,756</b>	<b>* 1,399</b>	<b>* 613</b>
<b>Number of partners</b>	<b>58,019</b>	<b>20,308</b>	<b>86,237</b>	<b>* 21,987</b>	<b>* 1,265</b>
<b>Total assets</b>	<b>5,979,507</b>	<b>2,187,632</b>	<b>10,482,015</b>	<b>* 1,456,468</b>	<b>* 987,022</b>
<b>Income and deductions from a trade or business:</b>					
<b>Total income</b>	<b>8,582,877</b>	<b>5,458,412</b>	<b>9,849,538</b>	<b>* 359,088</b>	<b>* 157,133</b>
Business receipts	8,534,638	5,420,867	9,402,601	* 359,088	* 157,133
Ordinary income from other partnerships and fiduciaries	779	* 20,237	* 132,354	0	0
Farm net profit	0	0	* 7,040	0	0
Net gain, noncapital assets	* 3,161	4,562	109,038	0	0
Other income	44,300	12,747	198,505	0	0
<b>Total deductions</b>	<b>8,308,108</b>	<b>4,965,270</b>	<b>10,043,757</b>	<b>* 389,488</b>	<b>* 158,071</b>
Cost of good sold [1]	4,056,143	3,295,229	1,989,278	* 236,300	* 55,463
Inventory, beginning of year	185,369	131,604	243,761	* 77,483	0
Purchases	2,773,700	1,385,199	884,741	* 158,816	0
Cost of labor	694,225	943,801	554,000	0	0
Additional inventory costs (section 263A)	* 35,426	* 6,973	* 42,596	0	0
Other costs	565,263	990,664	537,155	0	* 55,463
Less: Inventory, end of year	211,523	163,010	272,975	0	0
Salaries and wages	964,798	502,203	2,403,855	* 17,309	0
Guaranteed payments to partners	125,056	* 80,423	97,684	0	0
Rent paid	540,947	78,697	1,045,273	* 9,618	* 203
Interest paid	306,639	72,576	403,308	* 361	* 27,325
Taxes and licenses	221,591	70,035	315,144	* 3,535	* 3,943
Bad debts	6,105	9,128	26,970	0	0
Repairs and maintenance	118,584	24,672	120,072	* 5,425	* 6,130
Depreciation	353,298	78,311	313,537	* 49,342	* 12,913
Depletion	0	0	0	0	0
Retirement plans, etc.	* 3,346	7,932	10,525	0	0
Employee benefit programs	42,377	23,559	119,454	0	0
Ordinary loss from other partnerships and fiduciaries	* 60	* 5,273	* 43,580	0	* 354
Farm net loss	0	0	* 2,488	0	0
Net loss, noncapital assets	0	* 18	* 9,877	0	0
Other deductions	1,569,163	717,214	3,142,712	* 67,598	* 51,742
<b>Ordinary business income (loss)</b>	<b>274,769</b>	<b>493,142</b>	<b>-194,219</b>	<b>* -30,400</b>	<b>* -938</b>
Net income	692,449	580,001	744,466	* 22,345	* 12,057
Loss	417,680	* 86,860	938,685	* 52,745	* 12,995
<b>Portfolio income (loss) distributed directly to partners</b>	<b>3,667</b>	<b>6,662</b>	<b>330,307</b>	<b>* 146,102</b>	<b>* 55,745</b>
Interest income	3,383	6,318	126,686	0	* 2,678
Dividend income	* 320	* 344	128,927	* 146,102	* 765
Royalties	0	0	0	0	0
Net short-term capital gain (loss)	0	0	* 11,283	0	* 7,485
Net long-term capital gain (loss)	* -36	0	* 63,412	0	* 44,818
<b>Net rental real estate income (loss)</b>	<b>* 27,281</b>	<b>* -3,566</b>	<b>* -131,982</b>	<b>0</b>	<b>* -255</b>
Net income	* 27,281	* 107	* 24,251	0	0
Loss	0	* 3,673	* 156,234	0	* 255
<b>Other net rental income (loss)</b>	<b>* 1,922</b>	<b>* 4,677</b>	<b>0</b>	<b>0</b>	<b>* 1</b>
Net income	* 1,922	* 4,677	0	0	* 1
Loss	0	0	0	0	0
<b>Total net income (loss) [2]</b>	<b>307,677</b>	<b>500,916</b>	<b>-70,588</b>	<b>* 115,703</b>	<b>* 2,249</b>
Net income	716,484	585,390	1,000,088	* 168,447	* 14,891
Loss	408,807	* 84,474	1,070,676	* 52,745	* 12,641

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Cost of good sold is not equal to the sum of its components because some partnerships do not report the components.

[2] Total net income (loss) is the sum of ordinary business income (loss), interest income, dividend income, royalties, net rental real estate income (loss) and other net rental income (loss).

[3] Less than \$500.

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

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting					
		Total	Crop production	Animal production	Forestry and logging	Fishing, hunting, and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of partnerships</b>	<b>1,659,036</b>	<b>63,587</b>	<b>33,478</b>	<b>19,724</b>	<b>2,814</b>	<b>* 943</b>	<b>6,628</b>
<b>Number of partners</b>	<b>12,207,336</b>	<b>198,272</b>	<b>108,239</b>	<b>59,321</b>	<b>12,946</b>	<b>* 2,094</b>	<b>15,672</b>
<b>Total assets</b>	<b>13,686,037,159</b>	<b>74,364,897</b>	<b>20,402,684</b>	<b>21,450,510</b>	<b>26,425,024</b>	<b>* 1,651,237</b>	<b>4,435,442</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>3,375,258,914</b>	<b>27,977,095</b>	<b>6,247,461</b>	<b>8,422,181</b>	<b>2,717,462</b>	<b>* 1,486,470</b>	<b>9,103,521</b>
Business receipts	3,055,372,038	20,430,799	1,884,341	5,932,119	2,396,704	* 1,352,534	8,865,101
Ordinary income from other partnerships and fiduciaries	97,246,302	734,036	192,952	347,624	* 68,240	* 89,322	* 35,899
Farm net profit	5,959,548	5,726,199	3,975,616	1,718,394	0	0	* 32,189
Net gain, noncapital assets	15,059,597	407,499	132,240	244,171	* 2,649	* 16,340	12,099
Other income	201,621,429	678,562	62,311	179,874	249,869	* 28,274	158,234
<b>Total deductions</b>	<b>2,853,665,325</b>	<b>20,406,036</b>	<b>2,080,489</b>	<b>6,303,862</b>	<b>2,306,042</b>	<b>* 1,181,012</b>	<b>8,534,632</b>
Cost of good sold [1]	1,786,086,297	14,343,769	928,118	4,776,120	1,490,369	* 758,500	6,390,662
Inventory, beginning of year	152,766,024	1,252,167	* 159,772	344,830	* 132,669	* 85,570	529,325
Purchases	1,218,302,752	11,502,715	773,649	3,582,973	971,262	* 397,500	5,777,331
Cost of labor	72,580,176	478,392	* 150,801	93,815	* 432	* 124,487	108,855
Additional inventory costs (section 263A)	13,206,955	25,176	* 2,520	* 4,557	* 726	3,099	15,727
Other costs	491,591,948	2,826,782	* 172,835	1,202,926	505,088	* 262,183	683,750
Less: Inventory, end of year	162,933,976	1,741,463	* 331,459	452,982	* 118,356	* 114,340	724,326
Salaries and wages	273,292,015	1,114,124	161,593	214,364	227,459	* 23,271	487,436
Guaranteed payments to partners	36,171,328	562,057	151,051	165,343	* 115,350	* 18,371	111,941
Rent paid	46,764,054	226,979	73,116	38,090	* 5,760	* 17,344	92,668
Interest paid	80,433,879	335,759	35,498	75,172	39,891	* 60,522	124,676
Taxes and licenses	41,754,616	149,561	21,185	23,879	25,894	* 6,810	71,793
Bad debts	14,446,719	34,344	* 113	2,518	* 1,196	* 23,519	6,997
Repairs and maintenance	13,415,518	218,700	31,238	53,094	37,448	* 13,539	83,380
Depreciation	52,862,043	423,155	69,160	98,536	79,577	* 6,126	169,756
Depletion	755,594	* 6,143	0	0	* 6,143	0	0
Retirement plans, etc.	9,142,183	16,819	* 1,078	3,183	* 3,735	349	8,474
Employee benefit programs	17,972,169	56,672	* 2,633	17,889	* 8,551	2,717	24,882
Ordinary loss from other partnerships and fiduciaries	8,391,324	168,589	* 4,111	125,369	* 11,054	* 27,829	226
Farm net loss	488,655	415,194	148,445	260,602	* 90	0	* 6,056
Net loss, noncapital assets	816,727	1,725	* 711	* 609	1	0	* 404
Other deductions	470,872,204	2,332,446	452,436	449,091	253,524	* 222,114	955,281
<b>Ordinary business income (loss)</b>	<b>521,593,589</b>	<b>7,571,059</b>	<b>4,166,973</b>	<b>2,118,319</b>	<b>411,420</b>	<b>* 305,458</b>	<b>568,889</b>
Net income	534,857,048	7,838,012	4,274,011	2,244,489	445,166	* 305,458	568,889
Loss	13,263,459	266,954	* 107,038	126,170	* 33,746	0	0
<b>Portfolio income (loss) distributed directly to partners</b>	<b>898,997,264</b>	<b>2,460,433</b>	<b>365,028</b>	<b>933,199</b>	<b>1,023,417</b>	<b>* 6,102</b>	<b>132,688</b>
Interest income	243,079,448	1,182,708	141,810	117,410	901,208	* 5,869	16,411
Dividend income	101,886,088	126,022	50,718	64,514	* 9,639	* 219	* 932
Royalties	16,187,398	571,637	* 64,981	418,301	* 88,355	0	0
Net short-term capital gain (loss)	81,256,443	9,647	* 11,425	-2,022	* 210	0	* 34
Net long-term capital gain (loss)	456,587,887	570,419	96,094	334,996	* 24,004	14	* 115,311
<b>Net rental real estate income (loss)</b>	<b>87,609,880</b>	<b>327,963</b>	<b>231,330</b>	<b>53,453</b>	<b>* 41,413</b>	<b>0</b>	<b>* 1,767</b>
Net income	92,915,842	336,293	233,676	59,286	* 41,457	0	* 1,874
Loss	5,305,962	8,330	* 2,346	* 5,834	* 44	0	107
<b>Other net rental income (loss)</b>	<b>5,546,279</b>	<b>76,271</b>	<b>* 43,778</b>	<b>23,509</b>	<b>* 1,728</b>	<b>* -515</b>	<b>* 7,771</b>
Net income	6,414,180	78,021	* 43,778	24,745	* 1,728	0	* 7,771
Loss	867,901	* 1,750	0	* 1,235	0	* 515	0
<b>Total net income [2]</b>	<b>975,902,682</b>	<b>9,855,659</b>	<b>4,699,590</b>	<b>2,795,506</b>	<b>1,453,763</b>	<b>* 311,032</b>	<b>595,769</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Mining				Utilities	Construction	
	Total	Oil and gas extraction	Other mining	Support activities for mining		Total	Construction of buildings
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Number of partnerships</b>	<b>24,639</b>	<b>18,578</b>	<b>3,176</b>	<b>2,885</b>	<b>1,281</b>	<b>108,633</b>	<b>42,403</b>
<b>Number of partners</b>	<b>746,078</b>	<b>634,782</b>	<b>91,099</b>	<b>20,198</b>	<b>45,160</b>	<b>268,564</b>	<b>116,401</b>
<b>Total assets</b>	<b>182,255,808</b>	<b>152,938,771</b>	<b>23,750,220</b>	<b>5,566,818</b>	<b>105,995,298</b>	<b>165,381,016</b>	<b>107,146,962</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>96,495,494</b>	<b>74,692,171</b>	<b>15,737,195</b>	<b>6,066,128</b>	<b>116,591,636</b>	<b>231,586,894</b>	<b>138,394,832</b>
Business receipts	88,661,993	68,298,733	14,796,530	5,566,729	113,108,809	226,952,680	135,129,647
Ordinary income from other partnerships and fiduciaries	3,634,454	2,904,602	457,072	* 272,780	1,649,322	1,545,945	1,321,211
Farm net profit	* 1,441	* 1,441	0	0	0	249	249
Net gain, noncapital assets	1,775,575	1,493,750	236,437	45,388	1,003,534	408,797	345,278
Other income	2,422,031	1,993,644	247,156	181,231	829,971	2,679,222	1,598,447
<b>Total deductions</b>	<b>53,120,274</b>	<b>35,414,294</b>	<b>12,958,917</b>	<b>4,747,063</b>	<b>108,254,023</b>	<b>208,758,642</b>	<b>126,610,744</b>
Cost of good sold [1]	28,112,626	15,151,914	10,261,749	2,698,963	95,549,526	169,250,583	103,819,501
Inventory, beginning of year	1,935,928	817,680	1,067,210	51,038	2,535,474	33,689,169	23,360,106
Purchases	5,968,998	3,639,232	1,131,091	1,198,674	73,089,617	51,002,192	30,915,452
Cost of labor	2,384,684	673,852	1,309,634	401,198	399,554	14,388,103	4,137,091
Additional inventory costs (section 263A)	904,317	549,384	354,621	311	1,234,299	3,553,154	2,851,776
Other costs	19,059,259	10,300,790	7,597,283	1,161,186	20,393,103	95,726,447	61,208,469
Less: Inventory, end of year	2,140,561	829,025	1,198,091	113,445	2,102,521	29,416,316	18,858,302
Salaries and wages	1,490,944	711,917	254,453	524,574	858,503	7,268,249	2,863,278
Guaranteed payments to partners	336,370	246,901	* 18,123	71,346	12,986	1,452,562	484,499
Rent paid	294,510	160,609	64,108	69,793	290,355	907,661	317,798
Interest paid	1,844,065	1,563,917	220,124	60,024	2,316,709	1,732,221	1,031,733
Taxes and licenses	3,387,645	3,154,425	171,649	61,571	444,287	1,181,924	459,201
Bad debts	14,591	6,809	4,081	3,700	66,729	150,345	38,798
Repairs and maintenance	274,694	152,877	74,727	47,090	334,928	431,886	111,776
Depreciation	2,668,566	2,110,509	225,497	332,550	1,958,244	1,146,931	291,898
Depletion	634,300	7,928	617,516	* 8,855	* 29,130	* 1,935	0
Retirement plans, etc.	68,527	17,404	45,808	5,315	45,991	151,941	61,989
Employee benefit programs	272,055	142,288	103,037	26,731	108,994	407,937	153,782
Ordinary loss from other partnerships and fiduciaries	82,964	81,330	* 1,462	* 172	895,761	83,872	51,693
Farm net loss	* 6,165	* 6,165	0	0	0	* 498	26
Net loss, noncapital assets	22,800	8,736	12,511	* 1,553	* 3,744	5,674	2,182
Other deductions	13,609,463	11,890,566	884,071	834,826	5,338,138	24,584,423	16,922,589
<b>Ordinary business income (loss)</b>	<b>43,375,220</b>	<b>39,277,877</b>	<b>2,778,278</b>	<b>1,319,065</b>	<b>8,337,613</b>	<b>22,828,251</b>	<b>11,784,088</b>
Net income	43,667,859	39,563,274	2,785,520	1,319,065	8,356,535	22,897,575	11,826,309
Loss	292,639	285,397	* 7,242	0	* 18,922	69,324	42,221
<b>Portfolio income (loss) distributed directly to partners</b>	<b>11,335,369</b>	<b>8,377,045</b>	<b>2,527,472</b>	<b>430,852</b>	<b>4,816,074</b>	<b>2,084,812</b>	<b>1,112,806</b>
Interest income	1,977,719	1,522,778	365,251	89,690	1,280,481	1,081,121	654,230
Dividend income	361,947	308,742	40,241	* 12,965	29,738	96,069	53,751
Royalties	4,985,635	4,966,115	7,594	* 11,925	* 221	3,051	* 758
Net short-term capital gain (loss)	200,682	54,833	* 145,087	* 762	235,773	29,341	27,635
Net long-term capital gain (loss)	3,809,385	1,524,577	1,969,298	* 315,510	3,269,860	875,229	376,431
<b>Net rental real estate income (loss)</b>	<b>-20,967</b>	<b>-12,233</b>	<b>-8,223</b>	<b>* -512</b>	<b>1,518</b>	<b>34,278</b>	<b>-70,990</b>
Net income	20,633	17,822	* 2,749	62	1,662	162,122	54,321
Loss	41,601	30,056	* 10,972	* 573	143	127,845	125,312
<b>Other net rental income (loss)</b>	<b>70,343</b>	<b>67,215</b>	<b>487</b>	<b>2,641</b>	<b>* 16,500</b>	<b>18,049</b>	<b>15,756</b>
Net income	71,193	68,065	487	2,641	* 16,791	18,453	15,870
Loss	* 850	* 850	0	0	291	* 404	115
<b>Total net income [2]</b>	<b>50,749,897</b>	<b>46,130,493</b>	<b>3,183,629</b>	<b>1,435,775</b>	<b>9,666,072</b>	<b>24,060,819</b>	<b>12,437,593</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued						
	Heavy and civil engineering construction				Special trade contractors		
	Total	Utility system construction	Land subdivision	Other heavy and civil engineering construction	Total	Foundation, structure, and building exterior contractors	Electrical contractors
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Number of partnerships</b>	<b>14,579</b>	<b>1,589</b>	<b>11,239</b>	<b>1,751</b>	<b>51,651</b>	<b>10,597</b>	<b>4,849</b>
<b>Number of partners</b>	<b>39,747</b>	<b>4,137</b>	<b>31,295</b>	<b>4,315</b>	<b>112,417</b>	<b>23,203</b>	<b>9,871</b>
<b>Total assets</b>	<b>40,936,372</b>	<b>2,277,178</b>	<b>28,594,329</b>	<b>10,064,866</b>	<b>17,297,683</b>	<b>2,944,757</b>	<b>1,893,895</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>39,480,198</b>	<b>5,664,135</b>	<b>10,949,804</b>	<b>22,866,260</b>	<b>53,711,863</b>	<b>9,641,608</b>	<b>6,596,388</b>
Business receipts	38,523,347	5,611,442	10,610,879	22,301,026	53,299,687	9,594,918	6,557,793
Ordinary income from other partnerships and fiduciaries	136,045	* 11,028	* 118,750	* 6,267	88,689	0	* 2,127
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	21,499	4,353	* 3,985	13,161	42,020	4,506	4,879
Other income	799,307	37,312	216,189	545,806	281,468	42,184	31,588
<b>Total deductions</b>	<b>34,173,022</b>	<b>5,083,336</b>	<b>8,485,815</b>	<b>20,603,871</b>	<b>47,974,876</b>	<b>8,542,168</b>	<b>5,807,223</b>
Cost of good sold [1]	30,138,037	4,252,875	7,268,747	18,616,415	35,293,044	6,091,411	4,362,018
Inventory, beginning of year	9,548,905	* 49,800	9,386,483	112,621	780,158	81,011	* 5,671
Purchases	6,665,338	809,808	3,345,795	2,509,736	13,421,403	2,266,605	1,611,017
Cost of labor	2,435,088	622,382	* 60,017	1,752,689	7,815,924	1,425,503	1,030,174
Additional inventory costs (section 263A)	272,145	61,103	201,465	* 9,577	429,233	* 137,466	* 65,941
Other costs	20,857,543	2,760,201	3,767,143	14,330,200	13,660,435	2,244,014	1,654,912
Less: Inventory, end of year	9,640,982	* 50,419	9,492,156	98,407	917,033	63,188	* 5,697
Salaries and wages	800,331	233,802	72,850	493,680	3,604,640	858,522	522,349
Guaranteed payments to partners	140,200	* 59,854	* 7,027	73,320	827,863	141,502	118,220
Rent paid	104,504	35,967	8,090	60,447	485,359	64,127	46,555
Interest paid	381,617	35,007	293,134	53,476	318,871	51,097	22,448
Taxes and licenses	188,087	41,164	54,833	92,090	534,635	108,852	54,213
Bad debts	40,098	23,119	* 4,530	12,448	71,449	18,114	3,411
Repairs and maintenance	101,619	10,164	24,863	66,592	218,491	43,195	12,370
Depreciation	221,342	102,035	46,761	72,546	633,691	94,689	32,708
Depletion	* 438	0	* 23	415	* 1,497	* 1,497	0
Retirement plans, etc.	40,686	* 8,712	* 374	31,600	49,267	6,459	7,326
Employee benefit programs	77,538	10,628	4,653	62,257	176,618	25,784	20,394
Ordinary loss from other partnerships and fiduciaries	19,127	5	* 14,452	* 4,669	13,053	* 334	* 6,318
Farm net loss	* 28	0	* 28	0	* 444	0	0
Net loss, noncapital assets	905	* 544	31	* 331	2,586	* 316	280
Other deductions	1,918,465	269,460	685,418	963,588	5,743,369	1,036,268	598,614
<b>Ordinary business income (loss)</b>	<b>5,307,176</b>	<b>580,799</b>	<b>2,463,989</b>	<b>2,262,388</b>	<b>5,736,987</b>	<b>1,099,440</b>	<b>789,165</b>
Net income	5,331,701	580,908	2,487,742	2,263,051	5,739,565	1,099,589	789,165
Loss	24,525	109	23,753	* 663	* 2,578	* 149	0
<b>Portfolio income (loss) distributed directly to partners</b>	<b>836,540</b>	<b>16,159</b>	<b>704,103</b>	<b>116,278</b>	<b>135,466</b>	<b>16,049</b>	<b>18,292</b>
Interest income	353,863	13,220	235,493	105,150	73,028	14,941	18,104
Dividend income	33,360	* 1,636	23,772	7,952	8,958	* 784	* 188
Royalties	* 2,281	0	* 1,858	423	12	12	0
Net short-term capital gain (loss)	3,555	* 601	* 1,849	1,105	-1,849	* -79	[3]
Net long-term capital gain (loss)	443,481	* 702	441,131	1,648	55,317	* 390	[3]
<b>Net rental real estate income (loss)</b>	<b>80,372</b>	<b>[3]</b>	<b>79,670</b>	<b>* 702</b>	<b>* 24,897</b>	<b>* 13,903</b>	<b>* 10,140</b>
Net income	82,902	0	82,102	801	* 24,899	* 13,903	* 10,140
Loss	* 2,531	[3]	* 2,432	* 99	* 2	0	0
<b>Other net rental income (loss)</b>	<b>* 1,968</b>	<b>* 3</b>	<b>* 1,415</b>	<b>* 549</b>	<b>* 325</b>	<b>216</b>	<b>0</b>
Net income	* 2,171	* 3	* 1,619	* 549	* 411	216	0
Loss	* 203	0	* 203	0	* 86	0	0
<b>Total net income [2]</b>	<b>5,779,019</b>	<b>595,658</b>	<b>2,806,197</b>	<b>2,377,164</b>	<b>5,844,207</b>	<b>1,129,296</b>	<b>817,596</b>

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued			Manufacturing			
	Special trade contractors—continued			Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills
	Plumbing, heating and air-conditioning contractors	Building finishing contractors	Other specialty trade contractors				
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>Number of partnerships</b>	<b>5,946</b>	<b>11,756</b>	<b>18,502</b>	<b>16,742</b>	<b>1,562</b>	<b>790</b>	[d]
<b>Number of partners</b>	<b>13,401</b>	<b>27,004</b>	<b>38,938</b>	<b>216,796</b>	<b>5,824</b>	<b>3,229</b>	[d]
<b>Total assets</b>	<b>2,350,425</b>	<b>1,970,825</b>	<b>8,137,781</b>	<b>467,634,062</b>	<b>31,490,420</b>	<b>22,194,304</b>	<b>2,291,932</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>7,514,204</b>	<b>8,734,227</b>	<b>21,225,437</b>	<b>726,426,338</b>	<b>59,080,367</b>	<b>19,042,559</b>	<b>4,824,426</b>
Business receipts	7,450,448	8,716,539	20,979,988	711,062,215	58,416,005	18,387,561	4,762,211
Ordinary income from other partnerships and fiduciaries	692	0	85,870	4,334,846	105,714	* 24,850	5,272
Farm net profit	0	0	0	* 1,373	0	* 1,373	0
Net gain, noncapital assets	909	3,221	28,505	1,521,610	144,789	1,818	* 8,480
Other income	62,155	14,468	131,073	9,506,294	413,859	626,957	48,463
<b>Total deductions</b>	<b>6,719,259</b>	<b>7,881,933</b>	<b>19,024,294</b>	<b>658,423,049</b>	<b>55,789,762</b>	<b>17,770,012</b>	<b>4,641,915</b>
Cost of good sold [1]	5,115,456	5,630,121	14,094,037	560,421,745	45,773,060	11,263,164	3,856,262
Inventory, beginning of year	87,872	130,616	474,988	39,573,107	4,642,757	1,871,695	578,459
Purchases	1,643,474	2,406,778	5,493,529	366,814,100	38,140,110	10,615,810	2,618,593
Cost of labor	1,424,867	1,383,613	2,551,766	20,969,654	2,549,837	112,273	531,144
Additional inventory costs (section 263A)	* 2,722	* 35,861	187,244	2,550,409	117,365	-20,305	* 2,207
Other costs	2,043,689	1,785,973	5,931,847	175,152,836	5,981,253	846,165	734,289
Less: Inventory, end of year	87,167	112,720	648,261	44,790,619	5,727,235	2,162,474	608,429
Salaries and wages	467,334	564,626	1,191,809	18,710,231	1,633,900	1,669,978	259,444
Guaranteed payments to partners	48,779	322,281	197,081	676,526	30,318	* 7,098	* 10,836
Rent paid	56,308	105,545	212,825	2,540,970	256,525	349,036	42,054
Interest paid	33,478	43,886	167,962	4,606,580	421,545	491,755	65,974
Taxes and licenses	97,396	82,521	191,653	6,962,517	220,602	192,487	29,852
Bad debts	6,056	8,539	35,330	294,526	19,432	5,253	9,107
Repairs and maintenance	33,781	17,134	112,012	1,836,398	207,964	71,738	19,484
Depreciation	67,464	51,395	387,435	6,548,981	368,574	265,397	27,478
Depletion	[3]	0	0	75,243	0	0	0
Retirement plans, etc.	5,959	4,786	24,736	1,294,754	64,468	74,524	* 4,798
Employee benefit programs	42,640	22,882	64,918	1,981,478	184,970	167,015	7,795
Ordinary loss from other partnerships and fiduciaries	4,955	1,234	* 210	162,341	16,901	* 67,349	* 6,213
Farm net loss	0	0	* 444	* 5,963	0	* 5,895	0
Net loss, noncapital assets	* 936	1,015	40	48,870	1,468	118	99
Other deductions	738,716	1,025,968	2,343,802	52,255,925	6,590,034	3,139,205	302,519
<b>Ordinary business income (loss)</b>	<b>794,945</b>	<b>852,295</b>	<b>2,201,143</b>	<b>68,003,290</b>	<b>3,290,605</b>	<b>1,272,547</b>	<b>182,510</b>
Net income	794,947	852,853	2,203,012	68,236,346	3,290,605	1,272,547	182,510
Loss	* 2	* 558	1,870	233,056	0	0	0
<b>Portfolio income (loss) distributed directly to partners</b>	<b>9,472</b>	<b>6,303</b>	<b>85,351</b>	<b>11,691,626</b>	<b>481,138</b>	<b>391,206</b>	<b>6,997</b>
Interest income	9,386	6,683	23,914	4,609,417	205,129	308,097	4,022
Dividend income	80	* 1,184	6,721	3,812,953	151,150	* 4,757	2,093
Royalties	0	0	0	2,148,205	* 46,215	* 27,908	0
Net short-term capital gain (loss)	4	* -1,827	* 52	-7,336	166	-2	117
Net long-term capital gain (loss)	1	* 262	54,663	1,128,387	78,479	* 50,446	765
<b>Net rental real estate income (loss)</b>	<b>348</b>	<b>0</b>	<b>* 506</b>	<b>15,741</b>	<b>3,703</b>	<b>* 1,567</b>	<b>* 263</b>
Net income	348	0	* 508	19,886	5,326	* 1,567	* 263
Loss	0	0	* 2	* 4,145	* 1,623	0	0
<b>Other net rental income (loss)</b>	<b>* 195</b>	<b>0</b>	<b>* -86</b>	<b>680,495</b>	<b>2,541</b>	<b>259,163</b>	<b>424</b>
Net income	* 195	0	0	683,040	2,541	259,211	424
Loss	0	0	* 86	2,545	0	48	0
<b>Total net income [2]</b>	<b>804,956</b>	<b>860,162</b>	<b>2,232,198</b>	<b>79,270,101</b>	<b>3,699,342</b>	<b>1,874,039</b>	<b>189,313</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Apparel manufacturing	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>Number of partnerships</b>	[d]	[d]	812	160	3,519	144	573
<b>Number of partners</b>	[d]	[d]	2,082	764	9,690	50,120	111,619
<b>Total assets</b>	2,311,165	* 142,082	2,589,297	38,812,496	2,599,704	128,176,903	107,993,773
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	3,815,112	* 474,005	5,152,302	23,576,560	4,280,935	326,639,166	116,935,952
Business receipts	3,748,959	* 473,471	5,089,309	23,462,231	4,243,244	323,465,454	110,166,664
Ordinary income from other partnerships and fiduciaries	* 6,958	0	220	* 4,826	356	470,443	2,344,383
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	246	13	784	* 5,670	* 23,666	995,462	229,353
Other income	58,949	* 521	61,990	103,832	13,668	1,707,807	4,195,552
<b>Total deductions</b>	3,470,502	* 423,733	4,809,232	22,218,989	3,770,619	306,631,506	95,474,699
Cost of good sold [1]	2,460,613	* 285,568	3,834,753	19,315,285	2,343,268	283,667,331	72,879,037
Inventory, beginning of year	450,888	* 42,950	617,248	2,160,604	153,974	4,899,805	8,432,568
Purchases	2,005,522	* 226,094	2,891,894	10,138,995	1,188,928	163,361,275	58,467,707
Cost of labor	185,547	* 41,957	436,175	2,087,046	484,089	372,367	2,030,718
Additional inventory costs (section 263A)	43,301	0	57,047	942,331	* 9,435	531,038	351,033
Other costs	360,258	* 10,897	615,885	6,158,507	690,487	120,750,529	11,423,784
Less: Inventory, end of year	584,905	* 36,331	783,496	2,172,198	183,645	6,247,682	7,826,773
Salaries and wages	296,259	* 11,901	309,743	670,305	483,946	1,488,627	3,775,957
Guaranteed payments to partners	* 91	0	35,448	* 14,212	* 23,685	* 75,658	26,825
Rent paid	48,213	* 2,953	36,101	89,277	82,574	448,835	309,262
Interest paid	90,498	275	52,030	303,389	52,019	614,907	797,071
Taxes and licenses	25,169	* 38,808	43,139	68,926	64,460	4,923,212	448,057
Bad debts	2,706	32	4,536	6,026	8,320	22,288	29,124
Repairs and maintenance	6,318	* 10	24,141	26,968	32,323	410,887	542,233
Depreciation	10,850	* 157	38,769	311,139	68,882	2,155,182	1,884,930
Depletion	0	0	0	0	0	136	32,050
Retirement plans, etc.	2,070	0	4,963	18,693	6,225	559,738	134,555
Employee benefit programs	10,230	37	29,812	122,598	34,733	183,470	306,157
Ordinary loss from other partnerships and fiduciaries	* 766	1	0	0	* 527	0	* 2,147
Farm net loss	0	0	0	67	0	0	0
Net loss, noncapital assets	147	0	* 218	52	* 976	15,451	9,249
Other deductions	516,572	* 83,991	395,579	1,272,053	568,681	12,065,784	14,298,045
<b>Ordinary business income (loss)</b>	344,610	* 50,272	343,070	1,357,571	510,316	20,007,660	21,461,253
Net income	344,610	* 50,272	343,070	1,357,854	510,316	20,030,170	21,490,707
Loss	0	0	0	283	0	* 22,510	* 29,454
<b>Portfolio income (loss) distributed directly to partners</b>	3,654	* 346	54,148	278,442	245,726	4,673,238	2,366,807
Interest income	3,933	* 346	14,834	233,891	41,781	1,252,787	1,118,423
Dividend income	0	0	* 4,580	25,258	* 1,535	2,967,863	312,126
Royalties	* 39	0	0	17,611	0	* 6,316	1,248,688
Net short-term capital gain (loss)	0	0	* -8,613	-29	0	* -517	* -1,402
Net long-term capital gain (loss)	-318	0	* 43,346	* 1,711	* 202,410	446,790	-311,028
<b>Net rental real estate income (loss)</b>	* 383	0	* 370	* 270	* 1,352	2,054	1,334
Net income	407	0	* 370	* 270	* 1,352	2,054	1,334
Loss	* 24	0	0	0	0	0	0
<b>Other net rental income (loss)</b>	0	0	* 880	2,266	* 1,372	* 369,772	13,369
Net income	0	0	* 880	2,266	* 1,372	* 369,772	13,369
Loss	0	0	0	0	0	0	0
<b>Total net income [2]</b>	348,964	* 50,618	363,735	1,636,866	556,355	24,606,451	24,155,192

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Plastics and rubber products manufacturing	Nonmetallic mineral products manufacturing	Primary metal manufacturing	Fabricated metal products manufacturing	Machinery manufacturing	Computer and electrical product manufacturing	Electrical equipment, appliance and component manufacturing
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>Number of partnerships</b>	<b>680</b>	<b>583</b>	<b>256</b>	<b>2,659</b>	<b>1,098</b>	<b>1,035</b>	<b>90</b>
<b>Number of partners</b>	<b>4,131</b>	<b>1,946</b>	<b>952</b>	<b>7,441</b>	<b>4,317</b>	<b>3,601</b>	<b>1,002</b>
<b>Total assets</b>	<b>8,289,999</b>	<b>6,452,573</b>	<b>10,661,426</b>	<b>14,739,422</b>	<b>12,186,170</b>	<b>15,140,988</b>	<b>3,520,131</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>10,452,657</b>	<b>8,220,379</b>	<b>20,201,034</b>	<b>20,927,378</b>	<b>16,896,801</b>	<b>14,980,844</b>	<b>4,588,411</b>
Business receipts	10,332,824	7,887,867	20,152,422	20,659,991	16,683,337	14,514,860	4,306,573
Ordinary income from other partnerships and fiduciaries	* 47,143	* 101,841	4,484	* 44,308	* 74,406	114	* 222,698
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	4,990	31,314	2,472	36,120	6,718	* 1,455	* 2,648
Other income	67,701	199,357	41,656	186,958	132,339	464,415	56,491
<b>Total deductions</b>	<b>9,706,912</b>	<b>7,244,357</b>	<b>17,337,369</b>	<b>18,788,766</b>	<b>15,644,189</b>	<b>13,452,498</b>	<b>3,936,858</b>
Cost of good sold [1]	7,557,853	5,506,191	15,842,256	14,986,161	12,146,365	9,877,854	3,126,094
Inventory, beginning of year	813,551	578,905	2,126,620	2,154,200	2,123,540	977,824	555,064
Purchases	4,882,949	2,790,241	12,124,093	9,860,849	8,734,718	5,808,670	1,885,123
Cost of labor	689,804	572,362	879,659	1,810,480	1,231,836	1,922,972	402,652
Additional inventory costs (section 263A)	34,656	52,342	-12,958	141,624	51,853	17,517	31,371
Other costs	2,082,550	2,166,999	3,194,442	3,364,592	2,454,609	2,226,788	856,131
Less: Inventory, end of year	945,658	654,658	2,469,600	2,345,584	2,450,191	1,075,918	604,247
Salaries and wages	475,047	425,350	360,431	1,068,281	919,293	1,225,524	206,267
Guaranteed payments to partners	20,434	* 10,599	92,979	145,575	87,630	* 6,787	* 29,851
Rent paid	28,845	159,187	16,700	119,422	117,328	55,060	15,182
Interest paid	155,469	79,772	154,172	293,530	195,814	114,494	47,251
Taxes and licenses	54,991	75,749	51,654	152,015	131,071	66,142	18,568
Bad debts	14,014	15,099	3,414	18,744	28,888	20,577	1,753
Repairs and maintenance	41,603	99,898	52,739	87,718	54,301	48,362	11,092
Depreciation	83,963	97,674	135,118	137,684	114,838	219,729	38,312
Depletion	0	43,058	0	0	0	0	0
Retirement plans, etc.	14,956	5,349	32,224	64,290	41,118	46,260	31,129
Employee benefit programs	82,222	33,442	33,350	160,364	100,434	229,147	31,617
Ordinary loss from other partnerships and fiduciaries	* 40,235	* 12,862	* 3,592	2,252	0	2,696	0
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	* 1,819	203	2,014	5,653	2,840	52	1,121
Other deductions	1,135,462	679,923	556,727	1,547,077	1,704,271	1,539,816	378,621
<b>Ordinary business income (loss)</b>	<b>745,745</b>	<b>976,023</b>	<b>2,863,665</b>	<b>2,138,612</b>	<b>1,252,612</b>	<b>1,528,346</b>	<b>651,553</b>
Net income	751,035	978,193	2,863,665	2,139,622	1,327,137	1,547,188	651,766
Loss	5,289	* 2,170	0	1,010	74,525	* 18,842	213
<b>Portfolio income (loss) distributed directly to partners</b>	<b>153,968</b>	<b>84,245</b>	<b>49,660</b>	<b>172,384</b>	<b>346,084</b>	<b>211,582</b>	<b>184,113</b>
Interest income	44,406	27,822	41,957	143,454	161,586	129,405	22,478
Dividend income	* 22,235	* 1,278	258	11,989	26,610	29,949	* 12,161
Royalties	* 15,465	[3]	0	* 4,816	84,611	* 47,811	957
Net short-term capital gain (loss)	109	-1	2,976	0	* 41	[3]	-107
Net long-term capital gain (loss)	71,752	* 55,145	4,468	12,125	* 73,236	4,417	* 148,623
<b>Net rental real estate income (loss)</b>	<b>221</b>	<b>* 1,021</b>	<b>288</b>	<b>1,399</b>	<b>* 188</b>	<b>3</b>	<b>* 1,690</b>
Net income	221	* 1,021	288	2,458	* 188	3	* 1,690
Loss	0	1	0	* 1,060	0	0	0
<b>Other net rental income (loss)</b>	<b>513</b>	<b>85</b>	<b>659</b>	<b>249</b>	<b>* 725</b>	<b>-652</b>	<b>-1</b>
Net income	513	85	659	503	* 725	0	0
Loss	0	0	0	254	0	652	1
<b>Total net income [2]</b>	<b>828,585</b>	<b>1,006,228</b>	<b>2,906,827</b>	<b>2,300,519</b>	<b>1,526,333</b>	<b>1,734,863</b>	<b>688,839</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued			Wholesale trade			
	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing	Total	Merchant wholesalers, durable goods	Merchant wholesalers, nondurable goods	Wholesale electronic markets and agents and brokers
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
<b>Number of partnerships</b>	<b>334</b>	<b>499</b>	<b>1,620</b>	<b>30,531</b>	<b>18,129</b>	<b>9,525</b>	<b>2,876</b>
<b>Number of partners</b>	<b>1,493</b>	<b>1,111</b>	<b>5,524</b>	<b>220,067</b>	<b>49,493</b>	<b>163,124</b>	<b>7,450</b>
<b>Total assets</b>	<b>27,612,920</b>	<b>674,092</b>	<b>29,754,263</b>	<b>164,215,236</b>	<b>55,838,261</b>	<b>105,969,401</b>	<b>2,407,574</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>40,510,561</b>	<b>1,365,072</b>	<b>24,461,816</b>	<b>475,852,153</b>	<b>123,445,832</b>	<b>341,654,721</b>	<b>10,751,599</b>
Business receipts	38,769,929	1,362,703	24,176,601	470,676,860	122,017,278	338,013,992	10,645,590
Ordinary income from other partnerships and fiduciaries	712,897	0	* 163,932	1,220,910	301,613	889,001	* 30,296
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	24,203	* 187	1,221	130,216	79,621	45,736	* 4,858
Other income	1,003,533	* 2,182	120,063	3,824,168	1,047,321	2,705,992	70,855
<b>Total deductions</b>	<b>35,975,379</b>	<b>1,187,166</b>	<b>20,148,585</b>	<b>453,610,442</b>	<b>112,250,068</b>	<b>331,279,403</b>	<b>10,080,971</b>
Cost of good sold [1]	31,306,735	850,708	13,543,187	409,506,678	95,185,240	305,519,305	8,802,133
Inventory, beginning of year	3,787,195	* 77,941	2,527,318	24,967,935	13,057,382	11,800,001	110,552
Purchases	22,759,524	* 395,032	7,917,972	373,329,391	90,515,766	275,347,834	7,465,791
Cost of labor	1,654,333	* 210,647	2,763,756	2,363,027	1,462,459	900,566	0
Additional inventory costs (section 263A)	110,727	1,623	88,202	706,104	338,798	366,392	* 914
Other costs	7,883,752	* 163,227	3,187,692	38,305,704	4,133,394	32,774,542	1,397,768
Less: Inventory, end of year	4,888,795	* 81,049	2,941,753	30,165,483	14,322,558	15,670,033	172,892
Salaries and wages	1,248,974	* 89,155	2,091,852	13,334,491	5,570,346	7,321,037	443,109
Guaranteed payments to partners	15,978	* 4,991	37,531	1,011,599	660,204	334,694	16,702
Rent paid	203,282	* 25,455	135,679	1,784,416	892,918	841,332	50,166
Interest paid	453,414	* 19,290	203,910	2,077,606	887,589	1,151,556	38,460
Taxes and licenses	130,628	* 9,223	217,766	1,738,275	739,065	958,232	40,978
Bad debts	64,436	* 1,370	19,408	296,429	160,788	128,818	6,823
Repairs and maintenance	35,757	* 3,874	58,989	586,604	246,022	331,000	9,582
Depreciation	220,688	12,077	357,540	1,385,056	482,794	881,233	21,030
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	122,051	491	66,853	276,049	99,205	162,988	13,855
Employee benefit programs	91,802	* 4,611	167,673	1,241,392	413,213	791,504	36,675
Ordinary loss from other partnerships and fiduciaries	* 5,856	0	* 945	15,752	9,152	6,595	5
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	6,474	0	* 915	6,810	3,417	2,725	668
Other deductions	2,069,304	165,921	3,246,339	20,349,285	6,900,115	12,848,384	600,785
<b>Ordinary business income (loss)</b>	<b>4,535,182</b>	<b>177,906</b>	<b>4,313,231</b>	<b>22,241,711</b>	<b>11,195,765</b>	<b>10,375,318</b>	<b>670,629</b>
Net income	4,605,927	177,906	4,321,245	22,252,788	11,199,776	10,379,464	673,548
Loss	* 70,745	0	8,014	11,077	* 4,012	4,146	2,919
<b>Portfolio income (loss) distributed directly to partners</b>	<b>657,713</b>	<b>* 1,583</b>	<b>1,328,593</b>	<b>1,500,858</b>	<b>473,183</b>	<b>1,000,724</b>	<b>26,951</b>
Interest income	418,526	* 1,583	434,959	662,267	303,851	341,005	17,411
Dividend income	36,222	0	202,889	132,185	55,976	67,679	* 8,529
Royalties	* 57,345	0	590,424	187,501	24,433	163,069	0
Net short-term capital gain (loss)	* 82	0	* -158	7,892	7,230	1,564	* -903
Net long-term capital gain (loss)	145,539	0	* 100,480	511,014	81,694	427,407	* 1,914
<b>Net rental real estate income (loss)</b>	<b>-201</b>	<b>31</b>	<b>* -193</b>	<b>9,795</b>	<b>-1,137</b>	<b>5,087</b>	<b>* 5,845</b>
Net income	178	31	* 865	18,273	3,097	9,331	* 5,845
Loss	379	0	1,059	8,478	4,233	4,245	0
<b>Other net rental income (loss)</b>	<b>29,057</b>	<b>0</b>	<b>73</b>	<b>44,604</b>	<b>28,090</b>	<b>16,510</b>	<b>4</b>
Net income	30,648	0	73	45,633	* 28,151	17,478	4
Loss	1,591	0	0	* 1,029	* 61	968	0
<b>Total net income [2]</b>	<b>5,076,131</b>	<b>179,520</b>	<b>5,541,381</b>	<b>23,278,063</b>	<b>11,606,978</b>	<b>10,968,668</b>	<b>702,418</b>

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade						
	Total	Motor vehicle and parts dealers	Furniture and home furnishing stores	Electronics and appliance stores	Building materials and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores
	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>Number of partnerships</b>	<b>68,797</b>	<b>6,946</b>	<b>2,629</b>	<b>1,827</b>	<b>3,163</b>	<b>9,755</b>	<b>3,735</b>
<b>Number of partners</b>	<b>260,164</b>	<b>19,081</b>	<b>5,675</b>	<b>3,591</b>	<b>9,328</b>	<b>23,952</b>	<b>35,879</b>
<b>Total assets</b>	<b>84,317,227</b>	<b>24,681,098</b>	<b>2,986,183</b>	<b>1,242,881</b>	<b>2,440,334</b>	<b>11,877,440</b>	<b>2,744,210</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>255,154,410</b>	<b>86,527,914</b>	<b>8,978,151</b>	<b>4,468,626</b>	<b>7,639,767</b>	<b>49,007,590</b>	<b>8,326,613</b>
Business receipts	249,051,284	84,693,889	8,783,943	4,447,915	7,516,983	46,957,026	8,117,585
Ordinary income from other partnerships and fiduciaries	680,730	12,584	* 6,997	* 1,264	* 119	242,496	* 6,113
Farm net profit	* 64,517	0	0	0	* 63,123	* 1,292	0
Net gain, noncapital assets	192,234	36,044	79	* 85	877	98,020	* 3,617
Other income	5,165,644	1,785,397	187,133	19,362	58,665	1,708,754	199,299
<b>Total deductions</b>	<b>245,650,435</b>	<b>84,747,935</b>	<b>8,358,778</b>	<b>4,256,260</b>	<b>7,169,444</b>	<b>47,550,400</b>	<b>7,801,580</b>
Cost of good sold [1]	198,062,902	72,765,972	5,181,059	3,448,023	5,410,014	36,917,078	5,077,564
Inventory, beginning of year	22,117,128	11,423,621	708,046	231,711	827,829	2,849,996	525,811
Purchases	179,378,810	72,533,201	4,765,966	2,811,209	5,048,550	35,958,662	4,887,716
Cost of labor	1,749,450	561,774	269,279	* 22,096	92,626	344,799	* 19,366
Additional inventory costs (section 263A)	391,082	120,433	65,267	* 11,244	17,450	59,165	* 12,922
Other costs	19,132,952	1,031,473	244,555	656,795	217,991	392,690	183,734
Less: Inventory, end of year	24,706,521	12,904,529	872,053	285,032	794,433	2,688,235	551,985
Salaries and wages	16,631,053	4,705,041	931,552	286,232	645,294	4,523,329	920,338
Guaranteed payments to partners	873,785	169,885	35,199	* 17,225	71,699	157,072	142,124
Rent paid	4,741,684	931,433	391,353	74,311	155,935	1,428,138	215,136
Interest paid	1,910,190	784,280	75,206	10,552	51,399	222,746	44,604
Taxes and licenses	2,294,872	659,306	113,920	44,104	102,119	478,298	121,626
Bad debts	390,917	29,574	18,522	8,031	26,680	35,727	13,954
Repairs and maintenance	962,386	159,173	36,245	8,356	46,531	332,048	37,577
Depreciation	1,657,505	283,319	63,543	11,803	53,660	348,689	57,345
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	200,108	23,695	5,353	* 883	10,859	49,071	8,747
Employee benefit programs	974,518	317,459	28,407	13,899	33,902	296,429	36,861
Ordinary loss from other partnerships and fiduciaries	8,870	1,683	36	0	* 891	* 2,965	1,703
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	11,794	3,446	* 2,116	247	* 5	* 272	* 16
Other deductions	16,929,851	3,913,669	1,476,265	332,593	560,458	2,758,539	1,123,986
<b>Ordinary business income (loss)</b>	<b>9,503,975</b>	<b>1,779,980</b>	<b>619,373</b>	<b>212,366</b>	<b>470,323</b>	<b>1,457,190</b>	<b>525,033</b>
Net income	9,626,195	1,787,418	619,373	212,366	470,592	1,510,565	525,103
Loss	122,221	7,438	0	0	* 269	* 53,375	* 70
<b>Portfolio income (loss) distributed directly to partners</b>	<b>1,437,969</b>	<b>104,499</b>	<b>11,843</b>	<b>74,199</b>	<b>15,195</b>	<b>743,893</b>	<b>26,635</b>
Interest income	401,326	71,538	11,379	4,354	10,626	111,857	7,967
Dividend income	278,838	5,400	237	* 491	* 2,515	252,460	* 1,354
Royalties	* 11,281	* 18	0	0	* 234	0	0
Net short-term capital gain (loss)	261,155	* 3,864	-1	* 14	* 151	* 253,970	0
Net long-term capital gain (loss)	485,369	23,679	228	* 69,340	* 1,670	125,606	17,313
<b>Net rental real estate income (loss)</b>	<b>142,133</b>	<b>15,121</b>	<b>* 2,508</b>	<b>* -1,003</b>	<b>* 408</b>	<b>23,895</b>	<b>* 181</b>
Net income	143,820	15,121	* 2,508	0	* 408	23,895	* 181
Loss	1,688	0	0	* 1,003	0	0	0
<b>Other net rental income (loss)</b>	<b>48,257</b>	<b>* 104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,010</b>	<b>0</b>
Net income	48,427	* 275	0	0	0	7,010	0
Loss	171	171	0	0	0	0	0
<b>Total net income [2]</b>	<b>10,385,808</b>	<b>1,872,160</b>	<b>633,497</b>	<b>216,208</b>	<b>484,106</b>	<b>1,852,412</b>	<b>534,535</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade—continued						Transportation and warehousing
	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total
	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>Number of partnerships</b>	<b>4,571</b>	<b>7,568</b>	<b>7,127</b>	<b>171</b>	<b>13,331</b>	<b>7,973</b>	<b>27,252</b>
<b>Number of partners</b>	<b>11,100</b>	<b>16,307</b>	<b>14,608</b>	<b>593</b>	<b>31,147</b>	<b>88,902</b>	<b>952,260</b>
<b>Total assets</b>	<b>7,182,985</b>	<b>6,233,603</b>	<b>1,440,966</b>	<b>1,459,316</b>	<b>5,238,028</b>	<b>16,790,184</b>	<b>150,725,606</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>38,691,139</b>	<b>7,664,663</b>	<b>3,035,753</b>	<b>4,402,496</b>	<b>12,407,258</b>	<b>24,004,440</b>	<b>106,031,891</b>
Business receipts	38,401,918	7,361,470	2,892,994	4,304,391	12,233,748	23,339,423	101,256,066
Ordinary income from other partnerships and fiduciaries	5,223	* 86,934	* 15,748	5,234	* 27,842	* 270,175	1,725,923
Farm net profit	0	0	0	0	0	* 102	0
Net gain, noncapital assets	21,840	* 209	769	* 255	2,763	27,676	1,112,531
Other income	262,157	216,050	126,242	92,615	142,906	367,063	1,937,370
<b>Total deductions</b>	<b>38,241,692</b>	<b>7,085,780</b>	<b>2,724,794</b>	<b>4,211,357</b>	<b>11,405,864</b>	<b>22,096,550</b>	<b>96,027,691</b>
Cost of good sold [1]	35,279,441	4,391,646	1,718,370	2,819,244	8,470,073	16,584,417	67,682,239
Inventory, beginning of year	361,618	1,010,678	550,858	760,526	1,720,191	1,146,243	1,327,322
Purchases	22,257,076	4,392,933	1,612,341	2,754,205	7,963,764	14,393,186	47,896,379
Cost of labor	60,186	* 33,771	* 46,185	313	156,774	142,282	2,251,668
Additional inventory costs (section 263A)	8,139	3,037	* 749	12,416	38,721	41,537	27,296
Other costs	12,947,342	348,488	125,699	* 93,413	717,049	2,173,722	18,574,906
Less: Inventory, end of year	354,920	1,397,261	617,462	801,630	2,126,427	1,312,554	2,395,332
Salaries and wages	879,587	818,565	193,304	459,096	764,894	1,503,822	4,838,781
Guaranteed payments to partners	6,411	* 78,033	* 22,256	325	85,323	88,232	314,117
Rent paid	220,390	289,862	169,948	129,703	529,498	205,978	1,166,983
Interest paid	198,522	63,506	53,608	* 52,657	114,941	238,169	2,062,812
Taxes and licenses	193,547	113,088	44,587	97,967	131,840	194,468	1,061,100
Bad debts	11,175	18,415	* 1,683	* 13,987	10,893	202,276	42,859
Repairs and maintenance	120,076	26,664	9,879	22,773	36,145	126,919	976,981
Depreciation	312,260	57,722	49,023	79,113	92,295	248,730	3,725,230
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	8,252	18,176	* 123	* 7,343	10,513	57,093	154,268
Employee benefit programs	44,325	27,059	* 7,234	* 14,875	35,449	118,620	357,752
Ordinary loss from other partnerships and fiduciaries	0	0	0	0	166	1,428	13,560
Farm net loss	0	0	0	0	0	0	436
Net loss, noncapital assets	* 780	4,516	27	216	* 37	* 115	2,467
Other deductions	966,925	1,178,527	454,751	514,057	1,123,797	2,526,283	13,628,107
<b>Ordinary business income (loss)</b>	<b>449,447</b>	<b>578,883</b>	<b>310,958</b>	<b>191,138</b>	<b>1,001,394</b>	<b>1,907,889</b>	<b>10,004,199</b>
Net income	469,570	590,426	318,554	191,138	1,017,179	1,913,911	10,131,387
Loss	* 20,123	* 11,544	* 7,596	0	* 15,785	* 6,021	127,188
<b>Portfolio income (loss) distributed directly to partners</b>	<b>43,474</b>	<b>20,739</b>	<b>43,818</b>	<b>6,692</b>	<b>71,398</b>	<b>275,583</b>	<b>1,804,816</b>
Interest income	25,306	15,190	2,686	* 6,491	36,603	97,328	546,259
Dividend income	* 160	* 4,056	* 64	* 198	2,675	* 9,228	215,978
Royalties	0	0	* 11,013	0	0	16	* 291
Net short-term capital gain (loss)	* 52	-252	* 21	0	* 2,693	* 643	* 71
Net long-term capital gain (loss)	* 17,955	* 1,744	* 30,033	4	* 29,428	* 168,368	1,042,217
<b>Net rental real estate income (loss)</b>	<b>53,845</b>	<b>* 45,343</b>	<b>0</b>	<b>-75</b>	<b>* 1,851</b>	<b>* 60</b>	<b>48,978</b>
Net income	54,448	* 45,343	0	0	* 1,857	* 60	48,979
Loss	603	0	0	75	7	0	* 2
<b>Other net rental income (loss)</b>	<b>3,037</b>	<b>6,569</b>	<b>0</b>	<b>* 5,048</b>	<b>* 821</b>	<b>25,669</b>	<b>31,437</b>
Net income	3,037	6,569	0	* 5,048	* 821	25,669	121,923
Loss	0	0	0	0	0	0	* 90,487
<b>Total net income [2]</b>	<b>531,795</b>	<b>650,040</b>	<b>324,722</b>	<b>202,800</b>	<b>1,043,343</b>	<b>2,040,190</b>	<b>10,847,141</b>

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued						
	Air and rail transportation	Water transportation	Truck transportation	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>Number of partnerships</b>	1,685	612	15,073	970	212	* 1,242	3,706
<b>Number of partners</b>	4,907	62,886	32,901	2,047	817,155	* 2,524	20,088
<b>Total assets</b>	2,723,747	9,337,922	3,528,578	* 547,544	116,732,627	* 665,086	8,465,530
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	4,580,588	6,473,446	13,177,949	1,154,619	53,939,033	* 136,430	14,903,051
Business receipts	4,004,938	6,387,702	11,694,336	1,096,241	51,706,697	* 136,430	14,719,000
Ordinary income from other partnerships and fiduciaries	733	* 10,428	1,292	0	1,635,317	0	* 62,697
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	* 563,248	* 8,415	76,994	* 1,400	360,980	0	3,725
Other income	11,668	66,901	1,405,328	* 56,978	236,040	0	117,630
<b>Total deductions</b>	3,842,885	5,430,060	12,275,324	1,110,432	49,038,012	* 120,368	13,237,163
Cost of good sold [1]	3,194,184	2,313,450	5,053,919	* 234,669	40,659,713	* 6,389	8,289,413
Inventory, beginning of year	11,695	* 84,886	47,282	992	324,192	* 1,178	414,081
Purchases	* 2,151,770	* 392,140	1,503,110	0	35,051,807	* 7,177	2,647,575
Cost of labor	* 42,922	* 201,511	583,495	* 35,479	8,721	0	1,130,418
Additional inventory costs (section 263A)	0	0	0	0	97	0	* 28,080
Other costs	995,520	1,737,001	2,981,724	* 199,313	5,924,353	0	4,470,453
Less: Inventory, end of year	* 7,723	* 102,089	61,692	1,116	649,457	* 1,966	401,194
Salaries and wages	100,657	276,452	1,756,074	* 185,408	419,721	* 21,093	1,468,491
Guaranteed payments to partners	* 497	* 10,199	140,708	* 36,276	* 1,412	0	109,190
Rent paid	26,098	18,452	258,758	* 34,890	172,356	* 7,813	193,559
Interest paid	18,719	222,650	111,099	* 30,925	1,450,888	* 6,544	92,033
Taxes and licenses	11,859	65,078	227,030	* 42,285	408,285	* 3,766	179,108
Bad debts	* 12,222	* 1,773	6,375	* 423	1,110	0	13,421
Repairs and maintenance	59,530	114,277	272,744	* 5,829	329,230	* 8,781	101,559
Depreciation	93,384	230,788	375,647	* 41,750	2,613,306	* 1,735	158,758
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	* 2,960	24,681	25,860	* 4,179	* 44,919	* 301	34,155
Employee benefit programs	* 4,269	72,291	49,700	* 12,379	40,371	0	124,978
Ordinary loss from other partnerships and fiduciaries	0	* 979	* 1,059	0	* 2,828	0	* 3,717
Farm net loss	0	436	0	0	0	0	0
Net loss, noncapital assets	0	396	0	3	* 1,284	0	51
Other deductions	318,507	2,078,158	3,996,352	481,417	2,892,590	* 63,948	2,468,731
<b>Ordinary business income (loss)</b>	737,703	1,043,386	902,626	44,187	4,901,021	* 16,061	1,665,888
Net income	737,703	1,073,184	905,167	44,187	4,980,522	* 16,062	1,666,148
Loss	0	* 29,798	2,541	0	* 79,501	* 1	* 260
<b>Portfolio income (loss) distributed directly to partners</b>	8,327	89,726	28,915	* 1,032	1,434,675	* 350	52,428
Interest income	6,525	76,349	20,929	* 864	359,643	* 197	48,997
Dividend income	* 1,803	* 11,061	* 2,404	168	181,275	* 153	* 3,218
Royalties	0	[3]	0	0	0	0	0
Net short-term capital gain (loss)	0	* 140	* 853	0	-1,180	0	* -279
Net long-term capital gain (loss)	0	* 2,176	* 4,729	[3]	* 894,937	0	492
<b>Net rental real estate income (loss)</b>	1,667	* 386	0	* 2,405	0	0	* 1,982
Net income	1,667	* 387	0	* 2,405	0	0	* 1,983
Loss	0	[3]	0	0	0	0	1
<b>Other net rental income (loss)</b>	* -78,460	* 6,969	19	0	* 81,333	* 5,075	* -571
Net income	* 11,443	* 6,969	19	0	* 81,333	* 5,075	13
Loss	* 89,902	[3]	0	0	0	0	* 584
<b>Total net income [2]</b>	669,237	1,138,152	925,978	47,624	5,523,272	* 21,486	1,719,514

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued		Information				
	Couriers and messengers	Warehousing and storage	Total	Publishing industries (except internet)	Motion picture and sound recording industries	Broadcasting (except internet)	Tele-communications
	(71)	(72)	(73)	(74)	(75)	(76)	(77)
<b>Number of partnerships</b>	* 1,706	2,046	12,139	3,765	2,692	336	1,959
<b>Number of partners</b>	* 4,757	4,995	39,557	11,099	6,655	1,476	8,684
<b>Total assets</b>	* 147,451	8,577,121	497,420,177	21,708,685	31,200,421	54,756,614	379,684,079
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	* 979,280	10,687,495	207,406,843	13,205,039	18,202,895	23,866,256	138,137,021
Business receipts	* 976,813	10,533,910	186,613,692	12,799,001	15,399,473	23,104,910	121,900,619
Ordinary income from other partnerships and fiduciaries	0	* 15,456	11,977,326	* 119,503	* 1,214,054	269,995	10,103,498
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	* 28	97,743	299,975	* 5,199	* 21,559	40,617	232,283
Other income	* 2,439	40,386	8,515,850	281,336	1,567,808	450,734	5,900,622
<b>Total deductions</b>	* 904,046	10,069,401	163,907,038	11,043,575	16,535,642	18,642,149	108,182,336
Cost of good sold [1]	* 588,732	7,341,771	39,469,581	3,589,182	5,330,998	3,060,693	26,175,549
Inventory, beginning of year	0	443,015	2,088,410	267,699	319,361	* 22,215	1,473,836
Purchases	* 307	6,142,494	18,256,177	883,253	565,717	* 105,103	16,543,969
Cost of labor	* 112,143	* 136,980	883,103	489,863	* 102,446	* 34,186	80,404
Additional inventory costs (section 263A)	0	-881	422,044	16,349	* 143,040	0	242,288
Other costs	* 476,281	1,790,259	20,652,879	2,197,838	4,485,592	2,928,990	10,082,331
Less: Inventory, end of year	0	1,170,096	2,907,174	265,820	285,158	* 29,800	2,321,420
Salaries and wages	* 57,679	553,207	18,414,172	2,173,311	1,489,836	2,127,982	10,251,089
Guaranteed payments to partners	* 12,352	* 3,484	415,121	88,349	124,716	* 1,867	25,045
Rent paid	* 21,761	433,296	5,124,097	198,530	365,815	206,309	4,037,156
Interest paid	* 4,570	125,384	4,484,155	183,823	181,454	1,109,946	2,662,739
Taxes and licenses	* 8,309	115,381	3,276,708	221,106	115,606	201,821	2,460,058
Bad debts	* 188	7,348	1,928,868	73,565	125,423	138,718	1,577,403
Repairs and maintenance	* 4,278	80,754	1,821,364	59,900	82,858	133,110	1,438,784
Depreciation	* 2,668	207,194	15,675,187	202,968	315,545	1,096,376	13,742,632
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	163	17,051	1,173,417	66,326	5,455	43,743	945,748
Employee benefit programs	* 1,411	52,353	1,322,071	235,751	38,819	128,804	766,059
Ordinary loss from other partnerships and fiduciaries	0	* 4,978	231,991	* 530	* 8,450	* 23,816	196,401
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	* 299	* 435	121,542	1,826	623	24,890	87,429
Other deductions	* 201,638	1,126,766	70,448,766	3,948,410	8,350,044	10,344,073	43,816,245
<b>Ordinary business income (loss)</b>	* 75,234	618,094	43,499,805	2,161,464	1,667,253	5,224,107	29,954,685
Net income	* 75,234	633,181	44,592,493	2,165,500	2,702,054	5,224,965	30,000,794
Loss	0	* 15,087	1,092,688	* 4,036	1,034,802	* 857	* 46,109
<b>Portfolio income (loss) distributed directly to partners</b>	* 205	189,158	3,990,417	350,389	1,784,423	-256,283	1,810,612
Interest income	* 205	32,551	2,244,647	129,430	231,535	453,191	1,298,158
Dividend income	0	* 15,896	258,266	3,293	81,029	* 2,239	159,478
Royalties	0	291	1,503,507	147,558	1,313,285	404	0
Net short-term capital gain (loss)	0	* 537	20,729	* -155	* 12,468	* 3,373	* 3,719
Net long-term capital gain (loss)	0	* 139,884	-36,732	70,262	146,106	-715,491	349,257
<b>Net rental real estate income (loss)</b>	0	* 42,537	22,472	* 12,428	* -2,227	* 404	* -127
Net income	0	* 42,537	25,603	* 12,428	486	* 404	* 290
Loss	0	0	* 3,130	0	* 2,713	0	* 418
<b>Other net rental income (loss)</b>	0	* 17,072	440,257	* 11,692	* 1,618	45	417,914
Net income	0	* 17,072	440,919	* 11,692	* 1,622	45	418,571
Loss	0	0	661	0	5	0	657
<b>Total net income [2]</b>	* 75,439	726,440	47,968,955	2,465,865	3,292,493	5,680,391	31,830,109

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Information—continued			Finance and insurance			
	Data processing services	Other information services	Total	Depository credit intermediation	Non-depository credit intermediation	Activities related to credit intermediation	Securities, commodity contracts, and other financial investments and related activities
	(78)	(79)	(80)	(81)	(82)	(83)	Total (84)
<b>Number of partnerships</b>	<b>1,612</b>	<b>1,776</b>	<b>220,162</b>	[d]	<b>5,780</b>	[d]	<b>170,360</b>
<b>Number of partners</b>	<b>4,956</b>	<b>6,688</b>	<b>3,817,924</b>	[d]	<b>38,736</b>	[d]	<b>3,065,974</b>
<b>Total assets</b>	<b>4,409,197</b>	<b>5,661,180</b>	<b>8,812,664,360</b>	<b>28,745,612</b>	<b>245,086,050</b>	<b>19,738,631</b>	<b>7,145,975,491</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>3,654,728</b>	<b>10,340,904</b>	<b>303,275,691</b>	<b>2,784,912</b>	<b>46,271,721</b>	<b>5,751,208</b>	<b>214,930,161</b>
Business receipts	3,156,837	10,252,852	144,223,390	* 1,528,671	12,574,167	4,888,910	98,525,060
Ordinary income from other partnerships and fiduciaries	* 241,647	* 28,628	28,687,937	0	470,040	* 66,934	26,359,057
Farm net profit	0	0	* 56,101	0	0	0	* 56,101
Net gain, noncapital assets	111	206	4,185,304	0	55,658	* 178	3,741,434
Other income	256,133	59,217	126,122,958	1,256,241	33,171,856	795,186	86,248,509
<b>Total deductions</b>	<b>2,846,604</b>	<b>6,656,732</b>	<b>204,981,508</b>	<b>2,257,850</b>	<b>33,641,599</b>	<b>3,531,543</b>	<b>139,455,373</b>
Cost of good sold [1]	* 351,528	961,629	30,403,176	* 192,201	3,679,863	* 84,825	23,186,444
Inventory, beginning of year	0	* 5,299	3,569,524	2,905	* 118,029	0	3,368,785
Purchases	* 2,587	* 155,548	23,066,286	3,443	* 3,228,919	0	19,199,006
Cost of labor	27,349	* 148,856	818,610	13,432	0	0	531,885
Additional inventory costs (section 263A)	* 20,327	40	197,907	0	120	0	197,766
Other costs	* 301,265	656,863	5,125,279	* 173,309	434,021	* 84,825	2,048,260
Less: Inventory, end of year	0	* 4,976	2,374,429	888	* 101,227	0	2,159,258
Salaries and wages	846,404	1,525,550	36,131,325	* 443,024	2,003,002	668,329	29,861,070
Guaranteed payments to partners	* 40,734	134,410	6,311,741	9,650	281,067	* 69,415	5,519,627
Rent paid	118,683	197,603	2,774,159	* 44,208	241,626	132,247	1,991,468
Interest paid	97,350	248,843	45,213,551	1,037,978	10,528,150	98,557	27,330,627
Taxes and licenses	62,466	215,650	2,338,044	* 14,921	171,787	61,437	1,829,012
Bad debts	872	12,887	8,881,760	* 9,124	7,980,206	* 17,979	616,134
Repairs and maintenance	12,966	93,746	327,674	1,812	29,373	49,399	215,606
Depreciation	91,276	226,390	1,498,979	* 10,384	175,165	39,241	1,112,029
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	* 71,104	* 41,041	797,033	* 6,115	14,131	* 11,538	679,533
Employee benefit programs	37,535	115,103	1,456,478	* 26,883	113,837	45,828	1,075,561
Ordinary loss from other partnerships and fiduciaries	1,937	858	3,698,250	* 415	19,959	* 116	3,314,951
Farm net loss	0	0	* 24,257	0	0	0	* 23,532
Net loss, noncapital assets	* 3,452	* 3,322	280,706	79	40,787	1,013	218,627
Other deductions	1,110,296	2,879,699	64,844,374	461,054	8,362,646	2,251,620	42,481,153
<b>Ordinary business income (loss)</b>	<b>808,123</b>	<b>3,684,172</b>	<b>98,294,182</b>	<b>527,062</b>	<b>12,630,121</b>	<b>2,219,665</b>	<b>75,474,788</b>
Net income	814,711	3,684,468	104,542,852	527,100	13,101,584	2,220,983	80,584,172
Loss	* 6,588	* 296	6,248,669	37	471,462	* 1,319	5,109,385
<b>Portfolio income (loss) distributed directly to partners</b>	<b>107,611</b>	<b>193,665</b>	<b>756,557,819</b>	<b>110,777</b>	<b>4,851,076</b>	<b>135,338</b>	<b>643,929,544</b>
Interest income	54,245	78,089	198,244,831	* 90,616	3,687,197	117,284	159,696,971
Dividend income	* 11,876	* 350	81,730,863	5,748	387,128	* 3,088	69,257,877
Royalties	* 42,160	100	3,136,505	0	1,187	0	2,406,157
Net short-term capital gain (loss)	1,321	* 2	78,382,619	* 3,234	67,736	-132	71,467,718
Net long-term capital gain (loss)	-1,990	* 115,124	395,063,001	* 11,179	707,829	* 15,098	341,100,821
<b>Net rental real estate income (loss)</b>	<b>* 11,994</b>	<b>0</b>	<b>43,267</b>	<b>-2</b>	<b>436</b>	<b>* 350</b>	<b>-193,025</b>
Net income	* 11,994	0	1,547,089	0	* 15,536	* 350	1,075,770
Loss	0	0	1,503,823	2	* 15,100	0	1,268,795
<b>Other net rental income (loss)</b>	<b>0</b>	<b>* 8,989</b>	<b>381,540</b>	<b>* 693</b>	<b>* 75,238</b>	<b>0</b>	<b>112,121</b>
Net income	0	* 8,989	588,102	* 693	* 75,766	0	309,366
Loss	0	0	206,562	0	* 528	0	197,245
<b>Total net income [2]</b>	<b>928,397</b>	<b>3,771,700</b>	<b>381,831,188</b>	<b>624,118</b>	<b>16,781,308</b>	<b>2,340,387</b>	<b>306,754,888</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Finance and insurance—continued				Real estate and rental and leasing		
	Securities, commodity contracts, and other financial investments and related activities—continued		Insurance carriers and related activities	Funds, trusts, and other financial vehicles	Total	Real estate	
	Securities and commodity contracts and exchanges	Other financial investment activities				Total	Lessors of residential buildings and dwellings and co-operative housing
	(85)	(86)	(87)	(88)	(89)	(90)	(91)
<b>Number of partnerships</b>	<b>5,934</b>	<b>164,426</b>	<b>7,485</b>	<b>35,188</b>	<b>760,388</b>	<b>741,673</b>	<b>173,397</b>
<b>Number of partners</b>	<b>275,986</b>	<b>2,789,988</b>	<b>47,450</b>	<b>660,481</b>	<b>3,699,463</b>	<b>3,636,662</b>	<b>892,922</b>
<b>Total assets</b>	<b>359,829,117</b>	<b>6,786,146,374</b>	<b>24,385,399</b>	<b>1,348,733,177</b>	<b>2,250,150,739</b>	<b>2,172,738,182</b>	<b>386,939,040</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>48,283,061</b>	<b>166,647,099</b>	<b>19,630,765</b>	<b>13,906,924</b>	<b>136,692,549</b>	<b>114,351,824</b>	<b>7,525,813</b>
Business receipts	25,639,651	72,885,409	18,934,935	7,771,647	112,705,170	92,407,111	6,038,802
Ordinary income from other partnerships and fiduciaries	770,982	25,588,075	* 14,283	1,777,624	11,619,052	11,495,823	583,640
Farm net profit	0	* 56,101	0	0	* 75,845	* 75,845	* 18,110
Net gain, noncapital assets	273,803	3,467,631	285	387,749	1,949,447	1,382,195	114,656
Other income	21,598,626	64,649,883	681,263	3,969,904	10,343,035	8,990,851	770,606
<b>Total deductions</b>	<b>39,595,204</b>	<b>99,860,169</b>	<b>15,808,415</b>	<b>10,286,728</b>	<b>101,659,562</b>	<b>86,244,000</b>	<b>5,990,026</b>
Cost of good sold [1]	6,785,511	16,400,933	2,739,774	520,069	56,033,355	51,604,914	3,357,048
Inventory, beginning of year	* 123,311	3,245,474	* 7,243	* 72,562	16,234,207	15,846,118	1,101,058
Purchases	5,819,411	13,379,595	* 349,000	* 285,917	22,525,276	20,526,547	2,363,645
Cost of labor	2,783	529,103	* 234,895	* 38,397	1,025,072	724,538	0
Additional inventory costs (section 263A)	380	197,386	0	21	2,129,132	2,114,038	* 76,100
Other costs	1,046,404	1,001,856	2,223,476	161,388	30,214,779	28,079,862	963,569
Less: Inventory, end of year	206,778	1,952,480	* 74,840	* 38,217	16,119,613	15,710,692	1,147,325
Salaries and wages	10,864,559	18,996,511	2,568,673	587,227	9,182,687	7,450,271	427,501
Guaranteed payments to partners	1,381,841	4,137,786	314,105	117,877	1,555,039	1,442,504	* 27,780
Rent paid	746,918	1,244,550	292,346	72,263	1,762,581	1,272,908	59,681
Interest paid	8,802,442	18,528,184	72,196	6,146,044	4,160,800	2,931,606	261,834
Taxes and licenses	595,869	1,233,143	204,178	56,709	1,459,986	1,177,222	94,950
Bad debts	11,344	604,790	10,948	247,369	189,250	122,382	* 501
Repairs and maintenance	110,526	105,080	24,813	6,670	568,409	406,434	21,547
Depreciation	388,537	723,492	96,436	65,724	4,861,267	992,386	107,189
Depletion	0	0	0	0	* 5,341	* 1,195	0
Retirement plans, etc.	329,727	349,806	80,355	5,362	141,587	95,972	* 785
Employee benefit programs	407,402	668,159	155,751	38,619	566,945	352,715	14,893
Ordinary loss from other partnerships and fiduciaries	119,886	3,195,064	* 52,992	309,819	797,726	788,856	22,202
Farm net loss	0	* 23,532	0	* 725	32,635	32,635	* 8,566
Net loss, noncapital assets	3,437	215,190	* 2,453	* 17,746	142,707	20,823	* 26
Other deductions	9,047,205	33,433,948	9,193,396	2,094,506	20,199,247	17,551,176	1,585,525
<b>Ordinary business income (loss)</b>	<b>8,687,858</b>	<b>66,786,930</b>	<b>3,822,350</b>	<b>3,620,196</b>	<b>35,032,987</b>	<b>28,107,825</b>	<b>1,535,787</b>
Net income	9,013,929	71,570,244	3,921,331	4,187,681	37,067,545	29,956,563	1,805,195
Loss	326,071	4,783,313	98,981	567,485	2,034,558	1,848,738	269,408
<b>Portfolio income (loss) distributed directly to partners</b>	<b>9,636,107</b>	<b>634,293,437</b>	<b>810,930</b>	<b>106,720,154</b>	<b>51,205,033</b>	<b>48,523,322</b>	<b>4,530,732</b>
Interest income	4,055,910	155,641,061	672,034	33,980,730	17,276,447	16,031,774	2,798,636
Dividend income	1,700,413	67,557,464	30,931	12,046,091	6,444,820	6,341,664	256,188
Royalties	8,733	2,397,423	0	729,161	1,158,620	681,153	18,965
Net short-term capital gain (loss)	1,269,210	70,198,508	* -1,429	6,845,493	1,517,971	1,486,417	96,781
Net long-term capital gain (loss)	2,601,841	338,498,980	109,395	53,118,679	24,807,175	23,982,314	1,360,163
<b>Net rental real estate income (loss)</b>	<b>-2,159</b>	<b>-190,866</b>	<b>* 6,566</b>	<b>228,941</b>	<b>86,754,552</b>	<b>86,340,390</b>	<b>20,153,891</b>
Net income	* 7,412	1,068,358	6,716	448,718	89,911,740	89,492,182	20,643,589
Loss	9,571	1,259,224	* 149	219,777	3,157,188	3,151,792	489,698
<b>Other net rental income (loss)</b>	<b>-571</b>	<b>112,692</b>	<b>0</b>	<b>193,488</b>	<b>3,334,625</b>	<b>498,856</b>	<b>-10,821</b>
Net income	* 39	309,327	0	202,276	3,882,814	535,332	* 6,537
Loss	611	196,634	0	8,789	548,188	36,476	* 17,358
<b>Total net income [2]</b>	<b>14,450,183</b>	<b>292,304,705</b>	<b>4,531,881</b>	<b>50,798,606</b>	<b>150,002,051</b>	<b>138,001,662</b>	<b>24,752,646</b>

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Real estate and rental and leasing—continued						Professional, scientific, and technical services
	Real estate—continued				Rental and leasing services	Lessors of nonfinancial intangible assets (except copyrighted works)	
	Lessors of nonresidential buildings (except mini-warehouses)	Lessors of mini-warehouses and self-storage units	Lessors of other real estate property	Other real estate activities			Total
	(92)	(93)	(94)	(95)	(96)	(97)	(98)
<b>Number of partnerships</b>	<b>339,889</b>	<b>11,159</b>	<b>60,119</b>	<b>157,109</b>	<b>18,361</b>	<b>354</b>	<b>116,908</b>
<b>Number of partners</b>	<b>1,535,112</b>	<b>40,080</b>	<b>392,955</b>	<b>775,594</b>	<b>61,375</b>	<b>1,426</b>	<b>424,844</b>
<b>Total assets</b>	<b>1,057,975,517</b>	<b>25,478,362</b>	<b>111,461,541</b>	<b>590,883,722</b>	<b>63,337,867</b>	<b>14,074,690</b>	<b>152,630,888</b>
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	<b>9,849,728</b>	<b>248,012</b>	<b>3,481,681</b>	<b>93,246,590</b>	<b>16,705,434</b>	<b>5,635,290</b>	<b>325,442,691</b>
Business receipts	6,844,947	245,902	2,655,479	76,621,982	15,195,836	* 5,102,223	310,441,632
Ordinary income from other partnerships and fiduciaries	1,035,878	* 66	249,669	9,626,570	106,829	* 16,401	5,178,291
Farm net profit	5,735	0	0	* 52,000	0	0	0
Net gain, noncapital assets	584,961	0	242,717	439,861	567,235	17	109,923
Other income	1,378,207	* 2,045	333,816	6,506,177	835,535	* 516,650	9,712,845
<b>Total deductions</b>	<b>6,803,699</b>	<b>210,408</b>	<b>2,704,104</b>	<b>70,535,762</b>	<b>14,568,502</b>	<b>847,060</b>	<b>240,880,472</b>
Cost of good sold [1]	3,569,327	* 7,420	1,363,295	43,307,824	4,418,389	* 10,052	46,084,921
Inventory, beginning of year	1,289,076	* 1,530	* 191,504	13,262,950	388,089	0	1,357,880
Purchases	2,515,006	* 6,801	740,441	14,900,654	1,996,649	2,080	15,055,272
Cost of labor	* 117,018	0	5,068	602,452	300,533	0	5,837,139
Additional inventory costs (section 263A)	* 84,299	* 85	83,261	1,870,293	* 15,094	0	435,221
Other costs	1,626,769	* 544	685,395	24,803,584	2,126,945	* 7,972	24,809,443
Less: Inventory, end of year	2,062,842	* 1,539	* 342,375	12,156,611	408,921	0	1,410,034
Salaries and wages	346,743	* 19,109	202,433	6,454,485	1,615,655	* 116,761	78,061,591
Guaranteed payments to partners	143,985	* 933	48,296	1,221,510	32,257	80,278	15,857,823
Rent paid	155,623	* 83	19,807	1,037,714	477,381	* 12,292	12,050,323
Interest paid	435,900	* 60,800	372,099	1,800,974	1,206,184	* 23,010	1,740,859
Taxes and licenses	179,265	* 21,143	32,007	849,858	266,064	16,700	6,820,040
Bad debts	* 4,053	0	* 63	117,765	66,260	* 608	411,577
Repairs and maintenance	74,951	* 11,326	33,039	265,572	161,608	* 367	1,162,865
Depreciation	207,234	* 33,266	81,389	563,308	3,867,643	* 1,238	2,526,894
Depletion	0	0	1,126	* 69	0	4,146	232
Retirement plans, etc.	5,190	0	* 210	89,788	39,038	* 6,577	3,724,234
Employee benefit programs	22,525	* 986	* 8,870	305,441	213,657	573	4,312,105
Ordinary loss from other partnerships and fiduciaries	145,794	* 4,776	18,837	597,247	* 8,870	0	80,189
Farm net loss	* 7,814	0	* 3,135	* 13,121	0	0	0
Net loss, noncapital assets	* 15,667	0	* 1,473	3,657	* 121,884	[3]	110,511
Other deductions	1,489,629	* 50,565	518,027	13,907,430	2,073,613	574,458	67,936,307
<b>Ordinary business income (loss)</b>	<b>3,046,029</b>	<b>37,604</b>	<b>777,577</b>	<b>22,710,828</b>	<b>2,136,932</b>	<b>4,788,230</b>	<b>84,562,219</b>
Net income	3,470,953	45,556	852,298	23,782,560	2,320,817	4,790,166	84,795,724
Loss	424,924	* 7,952	74,721	1,071,732	183,885	1,935	233,506
<b>Portfolio income (loss) distributed directly to partners</b>	<b>11,451,580</b>	<b>137,412</b>	<b>2,465,328</b>	<b>29,938,270</b>	<b>1,532,015</b>	<b>1,149,696</b>	<b>6,643,788</b>
Interest income	4,270,259	40,522	734,645	8,187,711	1,107,799	136,874	2,120,407
Dividend income	1,917,642	23,240	167,939	3,976,655	103,129	* 27	537,784
Royalties	145,561	* 303	189,067	327,257	0	* 477,467	1,820,856
Net short-term capital gain (loss)	309,425	* -3	48,945	1,031,269	* 31,554	0	73,516
Net long-term capital gain (loss)	4,808,693	* 73,350	1,324,731	16,415,378	289,533	* 535,327	2,091,226
<b>Net rental real estate income (loss)</b>	<b>52,671,136</b>	<b>1,509,236</b>	<b>4,934,655</b>	<b>7,071,472</b>	<b>408,666</b>	<b>* 5,496</b>	<b>-108,010</b>
Net income	53,382,219	1,509,236	5,068,173	8,888,965	414,062	* 5,496	64,442
Loss	711,083	0	133,518	1,817,493	* 5,396	0	172,453
<b>Other net rental income (loss)</b>	<b>338,498</b>	<b>* 982</b>	<b>116,459</b>	<b>53,739</b>	<b>2,835,115</b>	<b>* 655</b>	<b>70,318</b>
Net income	339,622	* 1,028	118,155	69,991	3,346,827	* 655	70,620
Loss	1,124	* 46	* 1,696	16,252	511,713	0	302
<b>Total net income [2]</b>	<b>62,389,125</b>	<b>1,611,886</b>	<b>6,920,342</b>	<b>42,327,663</b>	<b>6,591,640</b>	<b>5,408,749</b>	<b>89,003,574</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued						
	Legal services	Accounting, tax preparation, bookkeeping, and payroll services	Architectural, engineering, and related services	Specialized design services	Computer systems design and related services	Other professional, scientific, and technical services	
						Total	Management, scientific, and technical consulting services
	(99)	(100)	(101)	(102)	(103)	(104)	(105)
<b>Number of partnerships</b>	22,040	17,816	11,145	4,634	15,100	46,173	22,872
<b>Number of partners</b>	143,222	69,649	30,277	9,561	34,158	137,977	76,474
<b>Total assets</b>	32,023,073	18,100,495	6,158,803	1,167,191	3,988,139	91,193,187	41,909,406
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	133,578,389	53,897,980	21,085,114	1,874,478	12,218,542	102,788,188	49,645,634
Business receipts	131,862,140	53,490,093	19,112,725	1,868,373	12,074,050	92,034,251	43,914,719
Ordinary income from other partnerships and fiduciaries	92,159	131,236	97,918	0	* 70,492	4,786,487	3,184,109
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	6,713	4,414	3,386	* 123	* 22,303	72,984	52,217
Other income	1,617,377	272,238	1,871,086	* 5,982	51,697	5,894,466	2,494,588
<b>Total deductions</b>	84,030,401	42,057,747	17,476,999	1,563,374	10,205,332	85,546,619	39,479,254
Cost of good sold [1]	1,219,197	1,719,785	6,699,548	956,411	4,308,073	31,181,907	9,343,230
Inventory, beginning of year	* 1,891	* 26	32,962	* 52,255	* 49,972	1,220,773	204,384
Purchases	* 73,563	* 187,865	315,150	487,154	1,626,551	12,364,989	1,762,614
Cost of labor	* 147,785	* 564,245	1,455,293	* 142,782	977,400	2,549,633	1,554,522
Additional inventory costs (section 263A)	0	* 75,750	* 85,700	* 10,136	* 160,783	102,852	* 32,964
Other costs	998,260	891,899	4,837,423	325,875	1,643,749	16,112,237	5,900,352
Less: Inventory, end of year	* 2,302	0	26,981	* 61,791	* 150,382	1,168,577	111,606
Salaries and wages	38,440,592	17,205,205	3,488,079	133,463	1,957,833	16,836,420	10,265,011
Guaranteed payments to partners	7,815,097	3,446,620	812,212	* 87,160	445,978	3,250,756	2,110,966
Rent paid	7,910,539	1,803,995	520,281	58,340	181,341	1,575,829	721,273
Interest paid	414,509	384,184	50,274	* 8,661	54,694	828,537	441,241
Taxes and licenses	3,336,945	1,440,380	355,938	19,381	207,400	1,459,996	888,276
Bad debts	115,587	6,777	35,785	* 3,624	23,213	226,590	24,364
Repairs and maintenance	599,881	134,750	184,352	4,753	25,356	213,774	66,862
Depreciation	1,301,052	348,806	159,415	10,059	125,975	581,588	279,668
Depletion	0	0	0	0	0	232	232
Retirement plans, etc.	1,479,758	1,239,606	106,443	* 4,757	39,058	854,613	630,174
Employee benefit programs	1,975,915	787,198	394,202	12,292	146,538	995,960	574,648
Ordinary loss from other partnerships and fiduciaries	21,039	3,653	* 1,565	0	* 192	53,738	31,797
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	41,309	1,920	37	0	* 556	66,689	4,437
Other deductions	19,358,983	13,534,867	4,668,869	264,475	2,689,125	27,419,988	14,097,073
<b>Ordinary business income (loss)</b>	49,547,988	11,840,233	3,608,115	311,104	2,013,210	17,241,569	10,166,380
Net income	49,548,835	11,844,366	3,618,103	311,104	2,013,210	17,460,106	10,257,924
Loss	* 847	* 4,133	* 9,989	0	0	218,537	91,545
<b>Portfolio income (loss) distributed directly to partners</b>	456,972	422,240	178,564	* 1,782	37,115	5,547,116	2,140,858
Interest income	264,730	286,260	67,517	* 1,753	33,593	1,466,555	531,245
Dividend income	38,629	7,943	3,751	0	4,411	483,050	392,605
Royalties	668	0	* 26,204	* 30	0	1,793,954	549,869
Net short-term capital gain (loss)	6,426	-186	* 2,782	0	* -2,342	66,836	56,044
Net long-term capital gain (loss)	146,519	128,224	78,310	0	* 1,452	1,736,721	611,094
<b>Net rental real estate income (loss)</b>	39,199	* -67,540	* 2,145	0	* -4,973	-76,841	-62,496
Net income	47,273	* 6,056	* 2,173	0	0	8,940	* 3,595
Loss	8,073	* 73,596	28	0	* 4,973	85,782	66,091
<b>Other net rental income (loss)</b>	401	0	33	0	63	69,822	1,400
Net income	402	0	33	0	63	70,123	* 1,692
Loss	1	0	0	0	0	* 301	* 292
<b>Total net income [2]</b>	49,891,616	12,066,896	3,707,764	312,886	2,046,303	20,978,109	11,579,003

Footnotes at end of table.

**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued		Management of companies (holding companies)	Administrative and support and waste management and remediation services		
	Other professional, scientific, and technical services—continued			Total	Administrative and support services	Waste management and remediation services
	Advertising and related services	Other miscellaneous professional, scientific and technical services				
	(106)	(107)	(108)	(109)	(110)	(111)
<b>Number of partnerships</b>	<b>3,883</b>	<b>19,418</b>	<b>12,973</b>	<b>34,292</b>	<b>31,886</b>	<b>2,406</b>
<b>Number of partners</b>	<b>9,857</b>	<b>51,645</b>	<b>527,402</b>	<b>80,856</b>	<b>73,073</b>	<b>7,783</b>
<b>Total assets</b>	<b>13,922,136</b>	<b>35,361,645</b>	<b>348,398,113</b>	<b>30,436,773</b>	<b>24,920,767</b>	<b>5,516,005</b>
<b>Income and deductions from a trade or business:</b>						
<b>Total income</b>	<b>16,720,942</b>	<b>36,421,612</b>	<b>35,725,337</b>	<b>58,808,006</b>	<b>51,122,368</b>	<b>7,685,638</b>
Business receipts	16,500,513	31,619,019	11,341,066	53,063,329	45,402,631	7,660,698
Ordinary income from other partnerships and fiduciaries	* 15,338	1,587,039	19,281,953	1,394,017	1,393,548	* 470
Farm net profit	0	0	26,783	0	0	0
Net gain, noncapital assets	6,071	14,696	974,515	25,885	15,837	10,048
Other income	199,019	3,200,859	4,101,020	4,324,775	4,310,353	14,422
<b>Total deductions</b>	<b>14,036,092</b>	<b>32,031,273</b>	<b>15,785,027</b>	<b>52,714,065</b>	<b>45,926,583</b>	<b>6,787,481</b>
Cost of good sold [1]	7,037,778	14,800,899	4,662,546	23,509,969	20,017,971	3,491,998
Inventory, beginning of year	65,329	951,061	377,312	272,061	226,015	46,046
Purchases	3,264,398	7,337,977	3,101,968	3,928,145	3,327,124	601,021
Cost of labor	197,281	797,830	356,653	11,395,397	11,091,552	303,845
Additional inventory costs (section 263A)	* 30,811	* 39,077	17,162	* 251,349	* 251,349	0
Other costs	3,556,300	6,655,585	1,336,862	7,970,009	5,382,204	2,587,805
Less: Inventory, end of year	76,340	980,630	527,411	306,992	260,273	46,719
Salaries and wages	2,232,543	4,338,866	2,462,865	10,565,681	9,515,446	1,050,235
Guaranteed payments to partners	264,323	875,467	165,878	523,550	475,603	* 47,947
Rent paid	294,309	560,246	311,866	1,020,728	939,239	81,489
Interest paid	131,975	255,321	1,002,625	619,456	506,781	112,675
Taxes and licenses	222,973	348,747	254,325	1,108,646	999,214	109,432
Bad debts	168,570	33,656	65,709	111,782	103,193	8,589
Repairs and maintenance	71,700	75,212	65,350	312,005	164,988	147,017
Depreciation	126,029	175,892	932,233	645,994	385,826	260,168
Depletion	0	0	323	2,792	0	2,792
Retirement plans, etc.	36,182	188,258	24,414	198,704	188,108	10,597
Employee benefit programs	128,643	292,669	116,881	974,474	941,820	32,654
Ordinary loss from other partnerships and fiduciaries	* 426	21,516	1,921,348	42,758	39,162	* 3,596
Farm net loss	0	0	* 1,020	0	0	0
Net loss, noncapital assets	583	* 61,669	11,462	7,246	2,135	5,110
Other deductions	3,320,059	10,002,856	3,786,183	13,070,280	11,647,097	1,423,183
<b>Ordinary business income (loss)</b>	<b>2,684,850</b>	<b>4,390,340</b>	<b>19,940,311</b>	<b>6,093,941</b>	<b>5,195,785</b>	<b>898,156</b>
Net income	2,717,544	4,484,637	21,971,553	6,144,180	5,246,024	898,156
Loss	* 32,694	94,297	2,031,242	* 50,239	* 50,239	0
<b>Portfolio income (loss) distributed directly to partners</b>	<b>240,375</b>	<b>3,165,883</b>	<b>38,138,212</b>	<b>1,103,644</b>	<b>1,016,132</b>	<b>87,512</b>
Interest income	144,418	790,892	9,456,475	339,903	252,381	87,522
Dividend income	5,461	84,984	7,197,219	210,113	210,058	55
Royalties	10,848	1,233,237	365,148	1,099	1,099	0
Net short-term capital gain (loss)	* 45	10,746	521,957	* 12,043	* 12,043	0
Net long-term capital gain (loss)	79,603	1,046,024	20,597,414	540,486	540,550	-64
<b>Net rental real estate income (loss)</b>	<b>869</b>	<b>-15,215</b>	<b>184,765</b>	<b>12,092</b>	<b>12,021</b>	<b>71</b>
Net income	869	* 4,476	335,854	12,138	12,067	71
Loss	0	19,691	151,088	* 47	* 47	0
<b>Other net rental income (loss)</b>	<b>* 32,450</b>	<b>* 35,972</b>	<b>187,773</b>	<b>* 4,504</b>	<b>* 4,421</b>	<b>83</b>
Net income	* 32,450	* 35,981	200,337	* 4,504	* 4,421	83
Loss	0	* 9	12,563	0	0	0
<b>Total net income [2]</b>	<b>2,878,896</b>	<b>6,520,209</b>	<b>37,331,691</b>	<b>6,661,652</b>	<b>5,675,765</b>	<b>985,887</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Educational services	Health care and social assistance				
		Total	Offices of physicians and dentists	Offices of other health practitioners	Outpatient care centers	Medical and diagnostic laboratories
	(112)	(113)	(114)	(115)	(116)	(117)
<b>Number of partnerships</b>	<b>7,649</b>	<b>42,862</b>	<b>15,632</b>	<b>9,663</b>	<b>4,492</b>	<b>2,455</b>
<b>Number of partners</b>	<b>18,027</b>	<b>191,416</b>	<b>71,478</b>	<b>23,425</b>	<b>39,448</b>	<b>15,924</b>
<b>Total assets</b>	<b>2,146,689</b>	<b>56,405,504</b>	<b>6,645,069</b>	<b>1,201,248</b>	<b>10,488,479</b>	<b>3,850,390</b>
<b>Income and deductions from a trade or business:</b>						
<b>Total income</b>	<b>2,863,351</b>	<b>131,902,971</b>	<b>46,727,745</b>	<b>5,885,531</b>	<b>18,369,184</b>	<b>9,155,145</b>
Business receipts	2,540,476	123,795,319	40,753,157	5,778,775	17,891,631	8,553,303
Ordinary income from other partnerships and fiduciaries	* 231,055	1,344,704	496,325	* 89,875	177,881	337,227
Farm net profit	0	0	0	0	0	0
Net gain, noncapital assets	* 393	105,562	5,013	* 300	20,191	29,643
Other income	91,427	6,657,386	5,473,251	16,582	279,481	234,972
<b>Total deductions</b>	<b>2,198,287</b>	<b>106,552,440</b>	<b>34,357,318</b>	<b>4,564,725</b>	<b>14,067,729</b>	<b>6,986,313</b>
Cost of good sold [1]	532,376	7,230,715	1,689,267	749,716	1,134,302	859,994
Inventory, beginning of year	* 19,624	142,972	20,611	29,599	38,411	* 14,112
Purchases	58,342	2,191,296	443,682	382,488	536,970	226,800
Cost of labor	* 283,760	1,516,971	* 245,249	* 114,577	* 156,360	181,437
Additional inventory costs (section 263A)	0	179,756	* 55,254	0	* 16,383	* 4,236
Other costs	194,384	3,377,992	945,162	256,688	440,855	457,642
Less: Inventory, end of year	* 23,733	178,272	20,692	33,635	54,676	* 24,234
Salaries and wages	492,613	30,015,825	10,327,626	1,173,906	3,019,338	1,422,768
Guaranteed payments to partners	21,034	5,032,753	4,204,077	292,370	224,309	167,714
Rent paid	189,336	5,183,929	1,572,106	264,694	741,167	430,658
Interest paid	39,241	1,431,584	142,948	20,096	157,259	105,343
Taxes and licenses	49,821	3,287,549	791,605	131,032	357,065	166,442
Bad debts	* 17,354	1,451,863	89,509	* 3,705	302,120	79,955
Repairs and maintenance	22,444	1,341,396	296,726	21,515	247,498	185,291
Depreciation	28,634	2,349,511	303,923	35,408	547,554	327,549
Depletion	0	* 81	0	0	* 81	0
Retirement plans, etc.	4,705	656,623	483,521	16,678	44,210	52,213
Employee benefit programs	15,033	2,673,423	958,484	25,784	251,847	141,220
Ordinary loss from other partnerships and fiduciaries	10	13,058	1,998	0	* 1,907	* 996
Farm net loss	0	0	0	0	0	0
Net loss, noncapital assets	* 141	6,986	* 295	0	3,471	* 133
Other deductions	785,545	45,877,144	13,495,232	1,829,823	7,035,600	3,046,038
<b>Ordinary business income (loss)</b>	<b>665,064</b>	<b>25,350,532</b>	<b>12,370,427</b>	<b>1,320,806</b>	<b>4,301,456</b>	<b>2,168,832</b>
Net income	665,449	25,414,681	12,373,987	1,321,091	4,302,240	2,169,552
Loss	* 385	64,150	* 3,560	* 285	* 785	* 720
<b>Portfolio income (loss) distributed directly to partners</b>	<b>142,602</b>	<b>875,055</b>	<b>67,980</b>	<b>20,817</b>	<b>306,771</b>	<b>65,231</b>
Interest income	34,617	445,471	50,212	8,695	71,294	27,076
Dividend income	* 1,276	30,985	8,554	* 1,217	* 2,349	* 2,109
Royalties	0	* 1	0	0	0	0
Net short-term capital gain (loss)	* 509	813	220	* 231	* 1,108	0
Net long-term capital gain (loss)	* 106,200	397,785	8,995	* 10,674	* 232,020	* 36,046
<b>Net rental real estate income (loss)</b>	<b>* 1,961</b>	<b>-18,279</b>	<b>-386</b>	<b>* -2,566</b>	<b>* 1,127</b>	<b>* 653</b>
Net income	* 1,961	47,661	7,468	* 1,556	* 1,154	* 668
Loss	0	65,941	* 7,854	* 4,122	* 27	* 15
<b>Other net rental income (loss)</b>	<b>0</b>	<b>105,185</b>	<b>* 5,101</b>	<b>* -79</b>	<b>* 3,811</b>	<b>* 5,221</b>
Net income	0	105,993	* 5,188	0	* 3,811	* 5,863
Loss	0	* 808	* 87	* 79	0	* 642
<b>Total net income [2]</b>	<b>702,918</b>	<b>25,913,895</b>	<b>12,433,908</b>	<b>1,328,073</b>	<b>4,380,036</b>	<b>2,203,891</b>

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance—continued					Arts, entertainment, and recreation	
	Home health care services	Other ambulatory health care services	Hospitals	Nursing and residential care facilities	Social assistance	Total	Performing arts, spectator sports, and related industries
	(118)	(119)	(120)	(121)	(122)	(123)	(124)
<b>Number of partnerships</b>	1,846	* 587	383	3,727	4,077	22,995	15,229
<b>Number of partners</b>	5,481	* 1,596	7,337	17,988	8,739	215,013	101,689
<b>Total assets</b>	1,038,518	* 73,125	18,236,475	14,261,082	611,118	37,418,434	17,254,624
<b>Income and deductions from a trade or business:</b>							
<b>Total income</b>	3,258,289	* 606,602	22,705,548	23,470,672	1,724,254	30,880,003	16,773,145
Business receipts	3,236,338	* 603,792	22,301,353	22,980,737	1,696,233	26,918,584	14,088,144
Ordinary income from other partnerships and fiduciaries	* 753	0	125,540	117,103	0	1,151,530	435,430
Farm net profit	0	0	0	0	0	0	0
Net gain, noncapital assets	* 64	0	2,006	48,187	* 158	74,537	17,884
Other income	21,134	* 2,811	276,648	324,645	27,863	2,735,352	2,231,686
<b>Total deductions</b>	2,941,593	* 561,941	19,732,961	21,893,494	1,446,366	25,931,125	14,519,678
Cost of good sold [1]	580,712	* 159,982	539,462	1,359,855	157,424	4,835,862	2,966,513
Inventory, beginning of year	* 13,876	0	* 18,546	7,816	0	200,232	63,452
Purchases	* 204,543	* 44,241	* 190,601	161,972	0	1,223,150	548,480
Cost of labor	* 177,660	* 57,725	1,418	481,055	* 101,489	377,167	153,408
Additional inventory costs (section 263A)	* 93,487	0	* 10,336	60	0	11,217	* 10,960
Other costs	* 110,121	* 58,017	335,040	718,532	* 55,935	3,264,606	2,276,920
Less: Inventory, end of year	* 18,976	0	* 16,479	9,580	0	240,510	86,708
Salaries and wages	1,219,329	* 169,685	3,922,476	8,252,398	508,299	5,749,935	3,773,399
Guaranteed payments to partners	53,278	* 1,763	21,615	48,186	* 19,439	353,734	173,674
Rent paid	61,822	* 7,617	467,384	1,502,883	135,598	977,702	365,398
Interest paid	28,255	* 153	389,954	562,019	25,558	1,117,898	474,974
Taxes and licenses	101,753	* 22,953	437,055	1,217,080	62,564	1,842,320	463,393
Bad debts	9,287	11,197	842,117	112,952	* 1,021	42,173	17,695
Repairs and maintenance	13,461	* 786	319,941	228,095	28,084	343,983	109,035
Depreciation	30,187	* 3,307	726,298	353,425	21,860	1,237,764	380,022
Depletion	0	0	0	0	0	0	0
Retirement plans, etc.	7,368	* 93	30,432	20,447	* 1,661	108,145	91,633
Employee benefit programs	61,334	* 41,512	586,943	593,852	* 12,449	247,993	147,550
Ordinary loss from other partnerships and fiduciaries	0	0	* 6,961	* 1,195	0	14,900	* 12,862
Farm net loss	0	0	0	0	0	0	0
Net loss, noncapital assets	* 616	0	1,262	* 1,210	0	1,028	* 361
Other deductions	774,191	* 142,894	11,441,061	7,639,897	472,410	9,057,689	5,543,168
<b>Ordinary business income (loss)</b>	316,697	* 44,662	2,972,587	1,577,178	277,888	4,948,878	2,253,467
Net income	316,697	* 45,666	2,977,759	1,629,801	277,888	5,024,136	2,256,135
Loss	0	* 1,005	* 5,172	52,623	0	75,258	2,669
<b>Portfolio income (loss) distributed directly to partners</b>	-16,335	* 1,100	169,776	256,685	3,030	1,311,063	412,346
Interest income	4,058	* 1,100	144,762	135,709	2,564	399,566	220,959
Dividend income	* 192	0	15,281	* 806	* 478	58,621	17,727
Royalties	0	0	0	* 1	0	35,869	32,899
Net short-term capital gain (loss)	* 14	0	* 24	* -622	* -162	-20,360	-22,181
Net long-term capital gain (loss)	-20,599	0	9,709	* 120,790	* 150	837,367	162,942
<b>Net rental real estate income (loss)</b>	0	0	-13,516	-3,590	* -3	69,780	33,576
Net income	0	0	30,547	6,268	0	87,411	49,724
Loss	0	0	44,062	* 9,858	* 3	* 17,630	16,148
<b>Other net rental income (loss)</b>	0	0	18,222	* 72,909	0	16,830	* 3,014
Net income	0	0	18,222	* 72,909	0	16,838	* 3,022
Loss	0	0	0	0	0	* 8	* 8
<b>Total net income [2]</b>	320,946	* 45,762	3,137,338	1,783,013	280,927	5,529,545	2,561,642

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Arts, entertainment, and recreation—continued		Accommodation and food services			Other services
	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries	Total	Accommodation	Food service and drinking places	Total
	(125)	(126)	(127)	(128)	(129)	(130)
<b>Number of partnerships</b>	* 12	7,753	52,427	16,881	35,546	34,410
<b>Number of partners</b>	* 25	113,299	195,356	86,525	108,831	89,338
<b>Total assets</b>	* 25,601	20,138,209	95,096,957	75,797,246	19,299,712	8,094,665
<b>Income and deductions from a trade or business:</b>						
<b>Total income</b>	* 106,508	14,000,350	89,541,859	39,762,433	49,779,427	16,509,052
Business receipts	* 106,490	12,723,949	86,299,944	37,396,335	48,903,609	16,134,077
Ordinary income from other partnerships and fiduciaries	0	716,100	701,599	625,375	76,224	* 152,671
Farm net profit	0	0	0	0	0	* 7,040
Net gain, noncapital assets	0	56,653	674,740	661,944	12,795	107,321
Other income	* 18	503,647	1,865,577	1,078,778	786,799	107,943
<b>Total deductions</b>	* 103,554	11,307,893	80,251,959	34,792,601	45,459,358	14,470,303
Cost of good sold [1]	* 33,335	1,836,013	24,001,354	4,369,799	19,631,556	6,339,097
Inventory, beginning of year	* 2,002	134,778	743,526	165,840	577,686	362,047
Purchases	* 16,864	657,805	16,473,321	1,878,552	14,594,770	3,441,316
Cost of labor	* 16,601	* 207,158	3,673,922	856,151	2,817,771	1,427,851
Additional inventory costs (section 263A)	0	257	144,888	14,968	129,919	* 26,441
Other costs	0	987,686	3,947,600	1,795,380	2,152,220	1,472,848
Less: Inventory, end of year	* 2,131	151,671	981,903	341,092	640,811	405,088
Salaries and wages	* 18,763	1,957,774	15,279,078	6,848,398	8,430,681	2,689,864
Guaranteed payments to partners	0	180,060	502,814	163,820	338,993	191,839
Rent paid	* 8,368	603,935	4,464,680	1,462,911	3,001,769	950,986
Interest paid	* 4	642,919	3,512,110	2,917,624	594,485	225,659
Taxes and licenses	* 2,950	1,375,976	3,725,530	2,268,951	1,456,579	371,467
Bad debts	0	24,478	44,588	35,634	8,954	11,053
Repairs and maintenance	* 2,899	232,049	1,688,677	922,313	766,364	138,704
Depreciation	* 1,825	855,917	3,262,346	2,327,595	934,751	329,547
Depletion	0	0	* 76	0	* 76	0
Retirement plans, etc.	0	16,512	89,285	62,000	27,285	15,578
Employee benefit programs	0	100,444	776,255	558,797	217,458	109,713
Ordinary loss from other partnerships and fiduciaries	0	* 2,038	157,998	147,060	10,938	* 1,034
Farm net loss	0	0	0	0	0	* 2,488
Net loss, noncapital assets	0	* 667	23,457	9,075	14,382	* 7,058
Other deductions	* 35,409	3,479,112	22,723,712	12,698,623	10,025,089	3,086,215
<b>Ordinary business income (loss)</b>	* 2,954	2,692,457	9,289,900	4,969,832	4,320,068	2,038,749
Net income	* 2,954	2,765,046	9,580,418	5,250,808	4,329,610	2,039,261
Loss	0	* 72,589	290,518	280,976	* 9,542	* 512
<b>Portfolio income (loss) distributed directly to partners</b>	* 284	898,433	1,394,891	1,167,788	227,104	447,037
Interest income	* 284	178,323	656,789	586,977	69,812	116,317
Dividend income	0	40,894	86,388	84,582	1,805	275,260
Royalties	0	2,970	257,971	* 233,567	* 24,404	0
Net short-term capital gain (loss)	0	* 1,821	-898	* 10	* -908	* 2,834
Net long-term capital gain (loss)	0	674,425	394,642	262,652	131,990	* 52,626
<b>Net rental real estate income (loss)</b>	0	36,204	54,616	47,799	6,817	* 33,482
Net income	0	37,687	93,120	80,988	12,132	* 37,155
Loss	0	* 1,482	38,504	33,188	* 5,316	* 3,673
<b>Other net rental income (loss)</b>	0	* 13,816	* 12,688	* 7,332	* 5,356	* 6,600
Net income	0	* 13,816	* 13,970	* 8,578	* 5,391	* 6,600
Loss	0	0	1,282	1,247	35	0
<b>Total net income [2]</b>	* 3,238	2,964,664	10,358,352	5,930,089	4,428,263	2,470,408

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 2. Partnerships with Net Income: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Other services—continued					Nature of business not allocable
	Repair and maintenance			Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations	
	Total	Automotive repair and maintenance	Other repair and maintenance			
(131)	(132)	(133)	(134)	(135)	(136)	
<b>Number of partnerships</b>	<b>19,261</b>	<b>13,392</b>	<b>5,870</b>	<b>14,787</b>	<b>* 363</b>	<b>* 369</b>
<b>Number of partners</b>	<b>49,139</b>	<b>35,577</b>	<b>13,561</b>	<b>32,987</b>	<b>* 7,212</b>	<b>* 776</b>
<b>Total assets</b>	<b>3,428,438</b>	<b>2,201,977</b>	<b>1,226,461</b>	<b>3,976,343</b>	<b>* 689,884</b>	<b>* 284,711</b>
<b>Income and deductions from a trade or business:</b>						
<b>Total income</b>	<b>10,305,618</b>	<b>5,390,301</b>	<b>4,915,317</b>	<b>6,161,843</b>	<b>* 41,590</b>	<b>* 94,650</b>
Business receipts	10,247,837	5,368,388	4,879,449	5,844,650	* 41,590	* 94,650
Ordinary income from other partnerships and fiduciaries	* 21,016	779	* 20,237	* 131,655	0	0
Farm net profit	0	0	0	* 7,040	0	0
Net gain, noncapital assets	6,718	* 3,092	* 3,626	* 100,603	0	0
Other income	30,047	18,043	12,005	77,896	0	0
<b>Total deductions</b>	<b>9,033,680</b>	<b>4,697,852</b>	<b>4,335,828</b>	<b>5,417,378</b>	<b>* 19,245</b>	<b>* 82,948</b>
Cost of good sold [1]	5,435,781	2,448,347	2,987,434	903,316	0	53,278
Inventory, beginning of year	217,372	99,975	117,398	144,674	0	0
Purchases	3,001,414	1,829,897	1,171,517	439,901	0	0
Cost of labor	1,213,862	340,024	873,838	* 213,989	0	0
Additional inventory costs (section 263A)	* 26,441	* 19,469	* 6,973	0	0	0
Other costs	1,213,465	252,980	960,484	259,383	0	53,278
Less: Inventory, end of year	250,457	107,681	142,776	154,631	0	0
Salaries and wages	1,038,704	624,151	414,553	1,651,160	0	0
Guaranteed payments to partners	124,107	62,891	* 61,216	* 67,732	0	0
Rent paid	321,054	247,536	73,518	620,314	* 9,618	111
Interest paid	117,134	83,046	34,088	108,525	0	0
Taxes and licenses	184,279	122,905	61,374	186,396	* 792	0
Bad debts	10,836	5,403	5,433	* 217	0	0
Repairs and maintenance	75,132	56,288	18,844	62,029	* 1,544	69
Depreciation	181,977	123,983	57,993	147,570	0	32
Depletion	0	0	0	0	0	0
Retirement plans, etc.	9,087	* 2,289	6,798	* 6,491	0	0
Employee benefit programs	52,823	32,688	20,135	56,890	0	0
Ordinary loss from other partnerships and fiduciaries	* 494	* 60	435	* 540	0	* 354
Farm net loss	0	0	0	* 2,488	0	0
Net loss, noncapital assets	* 18	0	* 18	* 7,040	0	0
Other deductions	1,482,254	888,264	593,990	1,596,669	* 7,292	* 29,104
<b>Ordinary business income (loss)</b>	<b>1,271,938</b>	<b>692,449</b>	<b>579,489</b>	<b>744,466</b>	<b>* 22,345</b>	<b>* 11,703</b>
Net income	1,272,451	692,449	580,001	744,466	* 22,345	* 12,057
Loss	* 512	0	* 512	0	0	* 354
<b>Portfolio income (loss) distributed directly to partners</b>	<b>7,454</b>	<b>2,665</b>	<b>4,789</b>	<b>293,481</b>	<b>* 146,102</b>	<b>* 55,745</b>
Interest income	6,896	2,451	4,445	109,422	0	* 2,678
Dividend income	* 595	* 251	* 344	* 128,563	* 146,102	* 765
Royalties	0	0	0	0	0	0
Net short-term capital gain (loss)	0	0	0	* 2,834	0	* 7,485
Net long-term capital gain (loss)	* -36	* -36	0	* 52,662	0	* 44,818
<b>Net rental real estate income (loss)</b>	<b>* 15,845</b>	<b>* 19,410</b>	<b>* -3,566</b>	<b>* 17,637</b>	<b>0</b>	<b>* -255</b>
Net income	* 19,517	* 19,410	* 107	* 17,637	0	0
Loss	* 3,673	0	* 3,673	0	0	* 255
<b>Other net rental income (loss)</b>	<b>* 6,600</b>	<b>* 1,922</b>	<b>* 4,677</b>	<b>0</b>	<b>0</b>	<b>* 1</b>
Net income	* 6,600	* 1,922	* 4,677	0	0	* 1
Loss	0	0	0	0	0	0
<b>Total net income [2]</b>	<b>1,301,873</b>	<b>716,484</b>	<b>585,390</b>	<b>1,000,088</b>	<b>* 168,447</b>	<b>* 14,891</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[d] In order to avoid disclosure for specific partnerships, these data are not shown. However, the data are included in the appropriate totals.

[1] Cost of good sold is not equal to the sum of its components because some partnerships do not report the components.

[2] Total net income is the sum of ordinary business income (loss), interest income, dividend income, royalties, net rental real estate income (loss) and other net rental income (loss).

[3] Less than \$500.

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

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting					
		Total	Crop production	Animal production	Forestry and logging	Fishing, hunting, and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>3,096,334</b>	<b>126,884</b>	<b>58,542</b>	<b>48,097</b>	<b>6,120</b>	<b>2,527</b>	<b>11,599</b>
<b>Number of partners</b>	<b>18,515,694</b>	<b>402,395</b>	<b>196,234</b>	<b>137,665</b>	<b>33,290</b>	<b>6,651</b>	<b>28,555</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>2,342,664</b>	<b>79,419</b>	<b>39,320</b>	<b>28,390</b>	<b>4,755</b>	<b>1,541</b>	<b>5,413</b>
<b>Number of partners</b>	<b>15,882,790</b>	<b>280,218</b>	<b>145,305</b>	<b>90,393</b>	<b>25,864</b>	<b>4,048</b>	<b>14,609</b>
<b>Total assets</b>	<b>20,386,133,966</b>	<b>143,214,005</b>	<b>39,399,816</b>	<b>47,449,385</b>	<b>47,736,762</b>	<b>3,195,047</b>	<b>5,432,995</b>
Cash	912,437,146	8,018,024	3,086,684	3,027,524	1,361,301	43,166	499,349
Trade notes and accounts receivable	837,186,359	6,101,996	2,018,044	1,964,833	1,311,894	* 70,197	737,027
Less: Allowance for bad debts	17,419,682	42,932	* 1,563	6,944	0	1,497	32,927
Inventories	338,632,126	6,979,458	1,673,979	4,257,350	157,340	* 116,493	774,295
U.S. Government obligations	77,865,699	* 26,193	0	* 26,193	0	0	0
Tax-exempt securities	52,863,110	* 363,786	* 7,726	0	* 356,060	0	0
Other current assets	3,643,002,319	6,697,787	2,503,282	2,945,725	1,226,527	206,852	-184,599
Mortgage and real estate loans	127,405,182	968,412	* 421,837	* 205,281	* 331,723	0	* 9,572
Other investments	8,893,076,708	15,664,369	4,126,218	4,147,045	5,382,846	* 1,617,866	390,393
Depreciable assets	3,990,833,845	67,919,908	29,923,130	31,459,809	1,592,008	1,034,268	3,910,693
Less: Accumulated depreciation	1,125,912,938	39,139,780	18,732,986	16,824,129	1,100,461	418,864	2,063,340
Depletable assets	93,201,386	10,617,529	* 48,600	* 4,566	10,564,363	0	0
Less: Accumulated depletion	21,624,723	659,333	0	0	659,333	0	0
Land	820,122,518	34,902,523	10,934,882	13,058,181	9,777,364	* 176,722	955,374
Intangible assets	659,333,106	1,678,071	689,002	348,419	90,785	* 378,734	171,131
Less: Accumulated amortization	118,876,478	476,126	173,210	117,392	50,956	* 99,359	35,210
Other assets	1,224,008,286	23,594,118	2,874,191	2,952,924	17,395,298	* 70,469	301,236
<b>Total liabilities and capital</b>	<b>20,386,133,966</b>	<b>143,214,005</b>	<b>39,399,816</b>	<b>47,449,385</b>	<b>47,736,762</b>	<b>3,195,047</b>	<b>5,432,995</b>
Accounts payable	430,034,492	2,527,304	757,746	959,505	106,469	77,656	625,927
Mortgages, notes, bonds payable in less than 1 year	564,662,688	16,045,364	7,545,045	7,035,806	156,430	* 74,025	1,234,057
Other current liabilities	4,117,267,980	8,098,059	4,015,982	2,933,502	195,216	72,391	880,968
Nonrecourse loans	1,210,101,896	3,065,865	* 973,579	* 1,429,726	* 646,002	0	* 16,558
Mortgages, notes, bonds payable in 1 year or more	2,555,749,230	37,598,318	12,603,573	15,753,975	6,636,522	1,188,770	1,415,479
Other liabilities	1,562,200,795	5,431,163	610,723	2,186,630	334,004	* 1,653,128	646,678
Partners capital accounts	9,946,116,885	70,447,932	12,893,169	17,150,241	39,682,119	129,077	613,327
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>1,659,036</b>	<b>63,587</b>	<b>33,478</b>	<b>19,724</b>	<b>2,814</b>	<b>* 943</b>	<b>6,628</b>
<b>Number of partners</b>	<b>12,207,336</b>	<b>198,272</b>	<b>108,239</b>	<b>59,321</b>	<b>12,946</b>	<b>* 2,094</b>	<b>15,672</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>1,278,091</b>	<b>42,973</b>	<b>24,550</b>	<b>12,332</b>	<b>2,495</b>	<b>* 628</b>	<b>2,968</b>
<b>Number of partners</b>	<b>10,788,507</b>	<b>145,782</b>	<b>82,647</b>	<b>41,023</b>	<b>12,297</b>	<b>* 1,463</b>	<b>8,352</b>
<b>Total assets</b>	<b>13,686,037,159</b>	<b>74,364,897</b>	<b>20,402,684</b>	<b>21,450,510</b>	<b>26,425,024</b>	<b>* 1,651,237</b>	<b>4,435,442</b>
Cash	689,221,635	6,226,093	2,560,412	2,415,248	813,027	* 18,296	419,109
Trade notes and accounts receivable	632,681,780	4,798,857	1,227,369	1,574,602	1,247,313	* 53,474	696,099
Less: Allowance for bad debts	12,780,989	20,147	71	5,948	0	1,497	12,631
Inventories	204,257,540	3,716,954	626,170	2,165,870	* 97,506	* 97,864	729,544
U.S. Government obligations	69,922,926	* 26,193	0	* 26,193	0	0	0
Tax-exempt securities	26,790,056	* 363,786	* 7,726	0	* 356,060	0	0
Other current assets	1,897,086,936	4,797,829	1,244,096	1,548,302	1,096,246	* 175,659	733,525
Mortgage and real estate loans	84,205,783	* 274,514	* 72,995	* 177,163	* 14,784	0	* 9,572
Other investments	6,947,201,755	7,450,545	2,030,336	3,203,515	* 1,010,224	* 907,315	299,155
Depreciable assets	2,308,940,658	35,046,206	17,658,559	13,479,682	1,015,955	* 544,300	2,347,711
Less: Accumulated depreciation	790,535,495	22,704,496	12,005,455	8,254,410	792,617	* 330,279	1,321,736
Depletable assets	71,506,631	3,280,769	17,325	* 4,566	3,258,878	0	0
Less: Accumulated depletion	19,555,520	* 168,562	0	0	* 168,562	0	0
Land	401,801,320	12,647,920	4,920,251	3,915,264	3,660,706	* 5,288	146,411
Intangible assets	462,240,516	980,688	324,099	225,186	* 41,430	* 225,659	164,314
Less: Accumulated amortization	73,550,967	340,729	119,666	76,705	* 18,351	* 93,733	32,273
Other assets	786,602,683	17,988,476	1,838,539	1,051,981	14,792,422	* 48,892	256,641
<b>Total liabilities and capital</b>	<b>13,686,037,159</b>	<b>74,364,897</b>	<b>20,402,684</b>	<b>21,450,510</b>	<b>26,425,024</b>	<b>* 1,651,237</b>	<b>4,435,442</b>
Accounts payable	272,541,501	1,196,652	333,746	204,098	62,965	* 44,865	550,979
Mortgages, notes, bonds payable in less than 1 year	339,253,234	7,453,695	3,266,630	3,227,159	* 148,318	* 18,450	793,137
Other current liabilities	2,169,823,335	3,454,104	1,204,358	1,376,560	7,526	* 48,613	817,046
Nonrecourse loans	614,184,406	* 1,042,378	* 374,879	* 650,941	0	0	* 16,558
Mortgages, notes, bonds payable in 1 year or more	1,199,276,029	17,675,279	5,485,173	6,334,716	4,644,061	* 652,065	559,265
Other liabilities	796,260,093	2,815,157	431,526	609,719	116,239	1,411,092	246,581
Partners capital accounts	8,294,698,651	40,727,631	9,306,371	9,047,318	21,445,915	* -523,848	1,451,875

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Mining				Utilities	Construction	
	Total	Oil and gas extraction	Other mining	Support activities for mining		Total	Construction of buildings
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>39,581</b>	<b>28,182</b>	<b>6,749</b>	<b>4,651</b>	<b>3,991</b>	<b>208,538</b>	<b>100,360</b>
<b>Number of partners</b>	<b>979,952</b>	<b>847,804</b>	<b>101,355</b>	<b>30,793</b>	<b>97,169</b>	<b>554,232</b>	<b>279,990</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>30,470</b>	<b>21,176</b>	<b>5,841</b>	<b>3,453</b>	<b>3,890</b>	<b>145,837</b>	<b>71,913</b>
<b>Number of partners</b>	<b>805,451</b>	<b>686,581</b>	<b>99,489</b>	<b>19,381</b>	<b>96,569</b>	<b>404,084</b>	<b>210,912</b>
<b>Total assets</b>	<b>241,479,800</b>	<b>200,263,051</b>	<b>32,901,904</b>	<b>8,314,845</b>	<b>162,251,295</b>	<b>334,871,919</b>	<b>231,076,813</b>
Cash	20,884,152	15,054,696	4,933,873	895,583	5,108,199	20,151,694	11,827,206
Trade notes and accounts receivable	24,955,670	21,250,071	2,676,027	1,029,572	20,311,707	28,562,163	12,724,686
Less: Allowance for bad debts	138,587	116,294	12,407	9,886	383,166	197,823	72,782
Inventories	3,295,604	1,094,145	2,009,664	191,795	3,107,500	74,796,048	56,734,757
U.S. Government obligations	* 217,455	* 197,905	0	* 19,549	2,509	91,777	* 30,463
Tax-exempt securities	* 510,464	* 510,464	0	0	0	* 406,650	* 374,974
Other current assets	17,793,803	16,150,259	1,167,607	475,936	8,649,354	72,373,351	54,963,768
Mortgage and real estate loans	* 178,999	0	* 178,999	0	0	1,446,148	1,061,811
Other investments	19,960,354	19,065,136	683,271	211,948	17,668,548	24,685,769	17,343,253
Depreciable assets	107,875,221	84,486,156	18,369,967	5,019,097	99,920,235	40,547,175	18,059,146
Less: Accumulated depreciation	49,214,850	38,775,330	8,891,596	1,547,924	24,876,003	13,513,017	3,852,621
Depletable assets	74,052,576	67,257,505	6,787,324	* 7,747	* 54,093	* 23,122	* 9,504
Less: Accumulated depletion	19,670,382	18,415,069	1,254,754	* 560	* 37,010	* 7,974	* 242
Land	2,665,391	1,412,062	1,186,215	67,114	735,007	28,147,848	18,482,186
Intangible assets	15,597,042	13,181,413	1,988,118	427,511	11,080,822	4,440,502	2,062,382
Less: Accumulated amortization	4,964,035	4,529,066	420,254	14,715	2,553,543	1,045,927	513,267
Other assets	27,480,926	22,438,998	3,499,849	1,542,078	23,463,043	53,964,414	41,841,589
<b>Total liabilities and capital</b>	<b>241,479,800</b>	<b>200,263,051</b>	<b>32,901,904</b>	<b>8,314,845</b>	<b>162,251,295</b>	<b>334,871,919</b>	<b>231,076,813</b>
Accounts payable	11,856,619	9,610,493	1,817,611	428,516	15,584,542	25,208,522	16,853,754
Mortgages, notes, bonds payable in less than 1 year	4,976,390	3,046,162	969,263	960,964	4,009,674	34,947,500	28,402,311
Other current liabilities	19,124,016	12,447,891	5,887,060	789,065	14,299,692	44,545,677	28,831,041
Nonrecourse loans	7,579,623	6,737,365	* 613,404	* 228,855	4,758,972	23,740,346	14,541,846
Mortgages, notes, bonds payable in 1 year or more	32,782,573	26,594,708	5,207,114	980,751	35,824,973	91,738,527	63,269,740
Other liabilities	22,609,059	18,586,538	3,607,136	415,384	30,259,279	30,825,416	20,178,004
Partners capital accounts	142,551,520	123,239,895	14,800,316	4,511,309	57,514,159	83,865,932	59,000,116
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>24,639</b>	<b>18,578</b>	<b>3,176</b>	<b>2,885</b>	<b>1,281</b>	<b>108,633</b>	<b>42,403</b>
<b>Number of partners</b>	<b>746,078</b>	<b>634,782</b>	<b>91,099</b>	<b>20,198</b>	<b>45,160</b>	<b>268,564</b>	<b>116,401</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>18,803</b>	<b>13,662</b>	<b>3,135</b>	<b>2,006</b>	<b>1,220</b>	<b>74,369</b>	<b>30,257</b>
<b>Number of partners</b>	<b>645,358</b>	<b>538,627</b>	<b>90,965</b>	<b>15,766</b>	<b>44,896</b>	<b>192,190</b>	<b>86,323</b>
<b>Total assets</b>	<b>182,255,808</b>	<b>152,938,771</b>	<b>23,750,220</b>	<b>5,566,818</b>	<b>105,995,298</b>	<b>165,381,016</b>	<b>107,146,962</b>
Cash	16,339,659	10,951,137	4,639,098	749,424	3,717,593	15,215,810	8,587,432
Trade notes and accounts receivable	22,558,706	19,526,895	2,209,557	822,253	17,454,286	22,908,522	10,618,036
Less: Allowance for bad debts	119,114	104,838	7,110	7,166	348,327	134,696	66,977
Inventories	2,265,583	793,574	1,304,377	167,631	2,349,134	29,591,909	20,087,531
U.S. Government obligations	* 217,455	* 197,905	0	* 19,549	2,509	* 85,275	* 30,463
Tax-exempt securities	* 510,464	* 510,464	0	0	0	* 406,650	* 374,974
Other current assets	12,124,317	10,964,385	742,061	417,871	6,919,374	37,487,883	29,553,183
Mortgage and real estate loans	* 178,999	0	* 178,999	0	0	1,166,673	835,887
Other investments	12,944,810	12,249,217	487,669	207,924	13,050,988	12,752,461	8,867,475
Depreciable assets	79,461,731	62,237,130	14,066,102	3,158,499	59,496,942	20,180,106	6,080,026
Less: Accumulated depreciation	36,626,997	27,974,420	7,258,392	1,394,185	19,821,879	9,796,533	2,079,456
Depletable assets	62,169,037	58,160,686	4,000,604	* 7,747	* 48,929	* 21,749	* 8,131
Less: Accumulated depletion	18,268,298	17,136,141	1,131,597	* 560	* 37,010	* 7,825	* 93
Land	1,418,169	689,032	710,784	18,353	437,078	8,279,814	5,325,747
Intangible assets	12,095,148	10,434,434	1,341,367	319,346	5,933,839	2,233,342	872,786
Less: Accumulated amortization	4,266,492	3,892,610	359,788	14,094	1,829,743	461,476	287,183
Other assets	19,252,633	15,331,920	2,826,488	1,094,225	18,621,586	25,451,353	18,339,000
<b>Total liabilities and capital</b>	<b>182,255,808</b>	<b>152,938,771</b>	<b>23,750,220</b>	<b>5,566,818</b>	<b>105,995,298</b>	<b>165,381,016</b>	<b>107,146,962</b>
Accounts payable	7,554,283	6,016,038	1,257,927	280,318	13,685,997	16,774,449	10,912,122
Mortgages, notes, bonds payable in less than 1 year	3,175,866	2,364,188	508,800	282,877	1,946,601	13,778,551	10,778,968
Other current liabilities	13,056,691	7,361,743	4,986,277	708,670	9,743,001	25,106,819	15,651,194
Nonrecourse loans	6,248,589	5,875,893	148,567	* 224,128	4,025,831	6,974,827	4,079,262
Mortgages, notes, bonds payable in 1 year or more	23,569,191	19,988,830	3,060,942	519,420	19,129,645	31,017,082	18,947,742
Other liabilities	16,527,732	14,052,425	2,158,404	316,903	22,612,783	12,275,497	7,223,556
Partners capital accounts	112,123,456	97,259,653	11,629,303	3,234,501	34,851,440	59,453,791	39,554,317

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued						
	Heavy and civil engineering construction				Special trade contractors		
	Total	Utility system construction	Land subdivision	Other heavy and civil engineering construction	Total	Foundation, structure, and building exterior contractors	Electrical contractors
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>35,872</b>	<b>2,823</b>	<b>30,880</b>	<b>2,169</b>	<b>72,306</b>	<b>14,534</b>	<b>7,139</b>
<b>Number of partners</b>	<b>110,908</b>	<b>8,197</b>	<b>97,332</b>	<b>5,379</b>	<b>163,335</b>	<b>31,505</b>	<b>14,766</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>28,148</b>	<b>[d]</b>	<b>23,544</b>	<b>d</b>	<b>45,776</b>	<b>6,230</b>	<b>5,473</b>
<b>Number of partners</b>	<b>90,358</b>	<b>[d]</b>	<b>77,564</b>	<b>d</b>	<b>102,814</b>	<b>13,629</b>	<b>11,418</b>
<b>Total assets</b>	<b>82,309,774</b>	<b>2,714,509</b>	<b>65,701,240</b>	<b>13,894,025</b>	<b>21,485,332</b>	<b>3,175,659</b>	<b>2,578,674</b>
Cash	5,576,017	348,574	2,244,540	2,982,903	2,748,472	245,251	487,267
Trade notes and accounts receivable	8,024,144	899,875	2,735,595	4,388,674	7,813,333	1,192,216	1,168,595
Less: Allowance for bad debts	17,347	* 4,133	* 5,540	7,673	107,695	16,379	2,839
Inventories	16,912,471	* 52,735	16,741,317	118,419	1,148,819	62,526	69,413
U.S. Government obligations	* 55,495	6,502	* 11,061	* 37,932	* 5,819	0	0
Tax-exempt securities	0	0	0	0	* 31,676	0	* 16,522
Other current assets	15,037,473	306,721	12,098,054	2,632,699	2,372,109	492,447	182,003
Mortgage and real estate loans	* 384,336	0	* 384,336	0	0	0	0
Other investments	6,901,355	* 79,116	6,183,394	638,845	441,161	* 6,765	92,322
Depreciable assets	12,469,339	1,284,436	7,094,696	4,090,207	10,018,689	1,806,528	780,968
Less: Accumulated depreciation	3,983,421	647,617	1,373,298	1,962,507	5,676,975	1,007,136	472,016
Depletable assets	13,618	0	0	13,618	0	0	0
Less: Accumulated depletion	7,732	0	0	7,732	0	0	0
Land	9,180,519	* 10,107	9,004,268	166,144	485,143	* 5,537	* 17,493
Intangible assets	924,106	240,624	576,563	106,919	1,454,014	320,144	186,118
Less: Accumulated amortization	370,391	* 20,496	326,630	23,266	162,269	22,104	45,899
Other assets	11,209,791	158,064	10,332,883	718,843	913,034	89,866	98,729
<b>Total liabilities and capital</b>	<b>82,309,774</b>	<b>2,714,509</b>	<b>65,701,240</b>	<b>13,894,025</b>	<b>21,485,332</b>	<b>3,175,659</b>	<b>2,578,674</b>
Accounts payable	4,634,015	465,853	1,472,908	2,695,254	3,720,753	477,887	492,593
Mortgages, notes, bonds payable in less than 1 year	5,014,903	173,559	4,583,695	257,648	1,530,286	210,595	350,929
Other current liabilities	10,522,079	570,445	6,416,421	3,535,213	5,192,556	644,171	613,359
Nonrecourse loans	8,958,772	* 26,026	8,776,294	* 156,452	239,728	* 1,989	* 17,007
Mortgages, notes, bonds payable in 1 year or more	24,185,105	612,202	22,451,310	1,121,593	4,283,682	809,005	187,774
Other liabilities	9,929,220	45,622	8,488,819	1,394,779	718,192	-171,745	68,352
Partners capital accounts	19,065,680	820,802	13,511,792	4,733,085	5,800,135	1,203,758	848,661
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>14,579</b>	<b>1,589</b>	<b>11,239</b>	<b>1,751</b>	<b>51,651</b>	<b>10,597</b>	<b>4,849</b>
<b>Number of partners</b>	<b>39,747</b>	<b>4,137</b>	<b>31,295</b>	<b>4,315</b>	<b>112,417</b>	<b>23,203</b>	<b>9,871</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>12,382</b>	<b>[d]</b>	<b>9,418</b>	<b>[d]</b>	<b>31,730</b>	<b>3,535</b>	<b>4,049</b>
<b>Number of partners</b>	<b>35,334</b>	<b>[d]</b>	<b>27,639</b>	<b>[d]</b>	<b>70,533</b>	<b>7,899</b>	<b>8,256</b>
<b>Total assets</b>	<b>40,936,372</b>	<b>2,277,178</b>	<b>28,594,329</b>	<b>10,064,866</b>	<b>17,297,683</b>	<b>2,944,757</b>	<b>1,893,895</b>
Cash	4,353,798	318,716	1,303,160	2,731,922	2,274,580	231,682	395,222
Trade notes and accounts receivable	5,902,530	801,631	1,375,610	3,725,289	6,387,956	1,110,718	928,700
Less: Allowance for bad debts	13,454	* 3,284	* 4,150	6,019	54,265	16,379	* 1,015
Inventories	8,636,605	* 52,127	8,482,761	101,718	867,772	62,123	* 6,388
U.S. Government obligations	* 48,993	0	* 11,061	* 37,932	* 5,819	0	0
Tax-exempt securities	0	0	0	0	* 31,676	0	* 16,522
Other current assets	5,827,176	240,954	4,192,760	1,393,462	2,107,524	479,843	135,175
Mortgage and real estate loans	* 330,787	0	* 330,787	0	0	0	0
Other investments	3,458,864	* 51,222	2,784,219	623,423	426,123	* 6,765	* 92,201
Depreciable assets	6,033,773	1,108,010	1,995,332	2,930,431	8,066,307	1,620,094	599,900
Less: Accumulated depreciation	2,958,843	608,386	625,350	1,725,107	4,758,235	906,173	389,832
Depletable assets	13,618	0	0	13,618	0	0	0
Less: Accumulated depletion	7,732	0	0	7,732	0	0	0
Land	2,606,339	* 9,448	2,532,072	64,818	347,729	* 5,537	* 17,493
Intangible assets	383,862	* 240,511	79,429	63,922	976,693	291,035	26,200
Less: Accumulated amortization	70,871	* 20,496	41,708	8,667	103,422	17,973	5,992
Other assets	6,390,927	86,725	6,178,348	125,854	721,425	77,485	72,933
<b>Total liabilities and capital</b>	<b>40,936,372</b>	<b>2,277,178</b>	<b>28,594,329</b>	<b>10,064,866</b>	<b>17,297,683</b>	<b>2,944,757</b>	<b>1,893,895</b>
Accounts payable	3,025,513	359,440	534,377	2,131,695	2,836,815	413,982	401,075
Mortgages, notes, bonds payable in less than 1 year	1,992,691	146,806	1,645,475	200,411	1,006,892	150,910	129,894
Other current liabilities	5,288,957	440,863	1,979,920	2,868,174	4,166,667	594,976	536,077
Nonrecourse loans	2,689,104	0	2,663,428	25,676	206,460	* 1,989	* 10,782
Mortgages, notes, bonds payable in 1 year or more	9,034,103	552,408	7,959,397	522,298	3,035,238	682,293	163,184
Other liabilities	4,895,626	* 21,367	4,100,769	773,490	156,515	-201,881	39,070
Partners capital accounts	14,010,378	756,295	9,710,963	3,543,121	5,889,096	1,302,489	613,812

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Construction—continued			Manufacturing			
	Special trade contractors—continued			Total	Food manufacturing	Beverage and tobacco product manufacturing	Textile mills and textile product mills
	Plumbing, heating and air-conditioning contractors	Building finishing contractors	Other specialty trade contractors				
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>7,622</b>	<b>16,452</b>	<b>26,560</b>	<b>47,683</b>	<b>5,743</b>	<b>1,865</b>	<b>314</b>
<b>Number of partners</b>	<b>17,380</b>	<b>36,751</b>	<b>62,932</b>	<b>402,630</b>	<b>23,318</b>	<b>6,951</b>	<b>1,346</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>5,794</b>	<b>9,833</b>	<b>18,446</b>	<b>30,042</b>	<b>2,421</b>	[d]	<b>302</b>
<b>Number of partners</b>	<b>13,726</b>	<b>22,743</b>	<b>41,297</b>	<b>356,881</b>	<b>14,387</b>	[d]	<b>1,271</b>
<b>Total assets</b>	<b>2,967,859</b>	<b>2,605,033</b>	<b>10,158,108</b>	<b>597,774,610</b>	<b>42,102,586</b>	<b>29,913,941</b>	<b>7,450,697</b>
Cash	420,205	483,303	1,112,447	18,939,421	903,640	612,780	128,247
Trade notes and accounts receivable	1,298,141	876,155	3,278,227	74,860,940	5,431,353	1,908,403	1,072,725
Less: Allowance for bad debts	12,130	5,369	70,978	1,050,605	89,432	44,532	47,931
Inventories	136,566	164,896	715,420	61,215,454	7,193,450	2,301,764	1,793,856
U.S. Government obligations	0	0	* 5,819	6,800	1,484	0	0
Tax-exempt securities	0	0	15,154	* 38,270	0	4,863	0
Other current assets	159,413	200,267	1,337,979	50,729,665	1,828,829	9,121,111	522,554
Mortgage and real estate loans	0	0	0	8,022	0	3,663	0
Other investments	* 92,244	* 47,792	202,039	119,898,915	6,821,369	5,993,100	* 380,810
Depreciable assets	1,330,249	957,053	5,143,892	243,462,409	17,886,420	7,600,480	4,265,051
Less: Accumulated depreciation	684,212	584,100	2,929,511	99,217,699	7,959,856	4,053,146	2,245,837
Depletable assets	0	0	0	703,702	* 11,330	23,247	0
Less: Accumulated depletion	0	0	0	60,686	* 9,729	12,231	0
Land	23,162	* 80,697	358,254	5,084,279	346,656	509,093	57,679
Intangible assets	212,307	219,058	516,386	76,917,130	6,784,993	5,558,863	481,947
Less: Accumulated amortization	27,203	22,282	44,781	11,521,101	1,059,476	750,455	56,670
Other assets	19,116	187,562	517,761	57,759,695	4,011,555	1,136,937	1,098,264
<b>Total liabilities and capital</b>	<b>2,967,859</b>	<b>2,605,033</b>	<b>10,158,108</b>	<b>597,774,610</b>	<b>42,102,586</b>	<b>29,913,941</b>	<b>7,450,697</b>
Accounts payable	703,173	395,982	1,651,118	56,631,287	3,961,782	1,017,790	893,380
Mortgages, notes, bonds payable in less than 1 year	113,882	213,446	641,435	20,448,749	3,134,706	298,110	338,016
Other current liabilities	844,721	346,603	2,743,703	56,568,736	3,860,321	3,222,353	862,514
Nonrecourse loans	* 89,608	* 13,910	* 117,214	7,688,383	1,634,589	* 296,770	* 214,785
Mortgages, notes, bonds payable in 1 year or more	595,922	378,667	2,312,315	102,093,436	5,749,142	5,131,680	2,060,628
Other liabilities	44,606	182,942	594,037	28,599,462	1,072,133	4,080,586	613,011
Partners capital accounts	575,948	1,073,482	2,098,287	325,744,558	22,669,913	15,866,653	2,468,364
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>5,946</b>	<b>11,756</b>	<b>18,502</b>	<b>16,742</b>	<b>1,562</b>	<b>790</b>	[d]
<b>Number of partners</b>	<b>13,401</b>	<b>27,004</b>	<b>38,938</b>	<b>216,796</b>	<b>5,824</b>	<b>3,229</b>	[d]
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>4,789</b>	<b>6,393</b>	<b>12,963</b>	<b>13,126</b>	<b>1,544</b>	[d]	[d]
<b>Number of partners</b>	<b>11,087</b>	<b>15,642</b>	<b>27,649</b>	<b>205,474</b>	<b>5,745</b>	[d]	[d]
<b>Total assets</b>	<b>2,350,425</b>	<b>1,970,825</b>	<b>8,137,781</b>	<b>467,634,062</b>	<b>31,490,420</b>	<b>22,194,304</b>	<b>2,291,932</b>
Cash	366,746	352,981	927,949	13,969,912	722,241	220,357	76,682
Trade notes and accounts receivable	1,075,625	670,129	2,602,785	59,999,394	4,227,282	1,749,801	562,389
Less: Allowance for bad debts	8,037	5,369	23,465	650,029	55,179	37,404	* 38,727
Inventories	87,167	109,595	602,499	44,268,002	5,686,269	1,982,665	606,229
U.S. Government obligations	0	0	* 5,819	6,800	1,484	0	0
Tax-exempt securities	0	0	15,154	* 27,870	0	4,863	0
Other current assets	122,307	135,183	1,235,016	40,236,730	1,594,176	6,366,013	232,259
Mortgage and real estate loans	0	0	0	7,922	0	3,663	0
Other investments	* 77,326	* 47,792	202,039	106,972,392	5,518,894	2,954,395	* 94,343
Depreciable assets	1,122,964	711,310	4,012,039	178,179,858	13,242,084	6,676,093	2,053,187
Less: Accumulated depreciation	562,343	441,358	2,458,529	75,262,860	6,648,821	3,580,938	1,482,557
Depletable assets	0	0	0	359,965	* 11,330	23,247	0
Less: Accumulated depletion	0	0	0	57,975	* 9,729	12,231	0
Land	* 20,475	* 6,304	297,920	3,748,548	254,954	503,191	23,069
Intangible assets	81,753	219,019	358,686	61,133,247	3,966,956	5,061,708	95,017
Less: Accumulated amortization	25,671	* 22,251	31,535	8,917,325	823,853	686,097	9,540
Other assets	-7,886	187,489	391,405	43,611,611	3,802,334	964,978	79,581
<b>Total liabilities and capital</b>	<b>2,350,425</b>	<b>1,970,825</b>	<b>8,137,781</b>	<b>467,634,062</b>	<b>31,490,420</b>	<b>22,194,304</b>	<b>2,291,932</b>
Accounts payable	539,789	282,186	1,199,784	41,059,820	3,034,852	901,017	321,062
Mortgages, notes, bonds payable in less than 1 year	81,877	192,509	451,702	9,883,985	2,086,392	220,601	86,184
Other current liabilities	620,358	262,727	2,152,529	39,968,303	2,717,079	2,087,431	190,804
Nonrecourse loans	* 81,328	* 2,021	* 110,341	2,139,918	* 653,242	* 296,385	6,804
Mortgages, notes, bonds payable in 1 year or more	279,132	257,378	1,653,251	51,035,238	3,469,100	4,626,760	509,050
Other liabilities	36,133	129,832	153,361	14,987,401	551,735	2,384,005	31,129
Partners capital accounts	711,809	844,172	2,416,814	308,559,397	18,978,020	11,678,104	1,146,899

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Apparel manufacturing	Leather and allied product manufacturing	Wood product manufacturing	Paper manufacturing	Printing and related support activities	Petroleum and coal products manufacturing	Chemical manufacturing
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>2,056</b>	<b>* 143</b>	<b>3,505</b>	<b>237</b>	<b>6,113</b>	<b>383</b>	<b>1,526</b>
<b>Number of partners</b>	<b>5,565</b>	<b>* 641</b>	<b>8,729</b>	<b>1,055</b>	<b>16,194</b>	<b>84,054</b>	<b>146,808</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>239</b>	<b>[d]</b>	<b>1,774</b>	<b>224</b>	<b>3,384</b>	<b>361</b>	<b>1,409</b>
<b>Number of partners</b>	<b>1,042</b>	<b>[d]</b>	<b>5,266</b>	<b>1,030</b>	<b>10,024</b>	<b>83,990</b>	<b>145,449</b>
<b>Total assets</b>	<b>3,175,886</b>	<b>* 594,175</b>	<b>5,438,935</b>	<b>44,262,633</b>	<b>4,240,216</b>	<b>139,305,162</b>	<b>146,981,499</b>
Cash	166,933	* 37,241	324,113	423,771	371,247	4,587,372	3,984,950
Trade notes and accounts receivable	670,785	* 41,823	541,339	1,569,490	886,655	11,139,389	22,894,699
Less: Allowance for bad debts	25,273	853	9,445	35,861	11,969	33,135	232,475
Inventories	907,921	* 46,291	1,255,836	2,939,129	299,375	9,104,336	11,069,534
U.S. Government obligations	0	0	0	0	0	0	267
Tax-exempt securities	* 3,129	0	0	0	0	0	0
Other current assets	425,686	* 465,499	234,222	616,134	345,233	4,116,893	14,474,082
Mortgage and real estate loans	0	0	910	0	0	0	3,450
Other investments	* 110,201	1,506	100,084	93,338	276,148	59,915,840	23,816,442
Depreciable assets	456,719	* 5,417	3,662,637	21,512,909	2,465,681	55,576,311	60,783,155
Less: Accumulated depreciation	240,558	* 4,500	1,846,039	5,423,033	1,526,811	15,386,942	25,584,135
Depletable assets	0	0	301,792	23,006	0	34,624	* 271,231
Less: Accumulated depletion	0	0	2,712	0	0	11,507	16,396
Land	* 3,361	34	206,087	220,230	26,190	1,290,161	1,044,451
Intangible assets	595,905	0	451,419	11,976,824	610,781	4,616,739	21,600,239
Less: Accumulated amortization	57,453	0	57,081	72,294	139,428	236,377	5,092,155
Other assets	158,530	* 1,717	275,772	10,418,989	637,114	4,591,460	17,964,159
<b>Total liabilities and capital</b>	<b>3,175,886</b>	<b>* 594,175</b>	<b>5,438,935</b>	<b>44,262,633</b>	<b>4,240,216</b>	<b>139,305,162</b>	<b>146,981,499</b>
Accounts payable	618,761	* 19,631	505,427	1,387,751	365,666	15,007,278	12,201,267
Mortgages, notes, bonds payable in less than 1 year	400,806	3,852	646,722	725,686	211,835	2,835,466	4,135,394
Other current liabilities	616,065	* 499,752	442,519	2,193,297	426,745	5,368,400	14,441,302
Nonrecourse loans	* 149,895	0	16,887	* 86,277	* 23,118	* 581,869	* 402,756
Mortgages, notes, bonds payable in 1 year or more	409,975	324	2,203,383	13,791,644	1,090,466	10,964,149	37,974,379
Other liabilities	708,979	134	234,729	862,708	378,526	5,422,174	5,452,124
Partners capital accounts	271,406	* 70,482	1,389,269	25,215,269	1,743,861	99,125,827	72,374,276
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>[d]</b>	<b>[d]</b>	<b>812</b>	<b>160</b>	<b>3,519</b>	<b>144</b>	<b>573</b>
<b>Number of partners</b>	<b>[d]</b>	<b>[d]</b>	<b>2,082</b>	<b>764</b>	<b>9,690</b>	<b>50,120</b>	<b>111,619</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>[d]</b>	<b>[d]</b>	<b>[d]</b>	<b>148</b>	<b>2,142</b>	<b>130</b>	<b>548</b>
<b>Number of partners</b>	<b>[d]</b>	<b>[d]</b>	<b>[d]</b>	<b>739</b>	<b>6,223</b>	<b>50,078</b>	<b>110,445</b>
<b>Total assets</b>	<b>2,311,165</b>	<b>* 142,082</b>	<b>2,589,297</b>	<b>38,812,496</b>	<b>2,599,704</b>	<b>128,176,903</b>	<b>107,993,773</b>
Cash	104,021	* 37,241	263,695	193,559	305,721	4,228,442	2,351,714
Trade notes and accounts receivable	513,732	* 34,393	374,114	767,286	516,585	9,351,516	20,441,146
Less: Allowance for bad debts	22,019	0	7,966	18,022	6,924	20,399	161,449
Inventories	521,090	* 36,311	727,796	2,170,667	177,037	8,393,097	6,789,282
U.S. Government obligations	0	0	0	0	0	0	267
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	329,250	* 29,963	121,608	554,848	172,088	3,388,409	11,597,161
Mortgage and real estate loans	0	0	809	0	0	0	3,450
Other investments	* 106,725	1,506	* 69,973	67,474	* 154,933	58,163,631	20,707,225
Depreciable assets	249,311	* 5,417	1,614,315	16,709,161	1,630,264	49,232,479	38,107,512
Less: Accumulated depreciation	134,537	* 4,500	997,669	3,356,419	1,116,112	13,404,635	19,155,914
Depletable assets	0	0	0	23,006	0	34,624	229,287
Less: Accumulated depletion	0	0	0	0	0	11,507	16,396
Land	* 3,112	34	82,107	99,749	* 3,841	1,258,121	710,981
Intangible assets	564,329	0	205,121	11,318,449	206,806	3,823,590	18,370,021
Less: Accumulated amortization	48,252	0	24,822	29,845	42,400	113,483	4,756,663
Other assets	124,401	* 1,716	160,217	10,312,584	597,865	3,853,016	12,775,151
<b>Total liabilities and capital</b>	<b>2,311,165</b>	<b>* 142,082</b>	<b>2,589,297</b>	<b>38,812,496</b>	<b>2,599,704</b>	<b>128,176,903</b>	<b>107,993,773</b>
Accounts payable	389,276	* 17,800	186,764	707,994	165,991	13,806,689	8,756,225
Mortgages, notes, bonds payable in less than 1 year	241,544	3,852	185,118	277,286	121,483	335,494	2,729,728
Other current liabilities	351,551	* 198,648	271,058	1,736,903	313,216	2,613,038	11,626,084
Nonrecourse loans	* 117,323	0	16,887	62,830	* 19,974	1,842	* 344,789
Mortgages, notes, bonds payable in 1 year or more	358,698	324	513,553	10,282,090	400,159	8,755,717	11,492,305
Other liabilities	* 180,409	0	90,311	603,372	185,486	4,669,665	1,080,971
Partners capital accounts	672,364	* -78,543	1,325,605	25,142,021	1,393,394	97,994,458	71,963,672

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued						
	Plastics and rubber products manufacturing	Nonmetallic mineral products manufacturing	Primary metal manufacturing	Fabricated metal products manufacturing	Machinery manufacturing	Computer and electrical product manufacturing	Electrical equipment, appliance and component manufacturing
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>1,696</b>	<b>2,341</b>	<b>531</b>	<b>6,779</b>	<b>3,053</b>	<b>2,163</b>	<b>1,617</b>
<b>Number of partners</b>	<b>8,291</b>	<b>6,301</b>	<b>1,864</b>	<b>19,749</b>	<b>11,019</b>	<b>28,367</b>	<b>4,824</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>1,467</b>	<b>1,972</b>	<b>527</b>	<b>4,584</b>	<b>1,961</b>	<b>1,525</b>	<b>1,609</b>
<b>Number of partners</b>	<b>6,556</b>	<b>4,851</b>	<b>1,855</b>	<b>15,316</b>	<b>7,476</b>	<b>26,598</b>	<b>4,715</b>
<b>Total assets</b>	<b>16,834,670</b>	<b>8,210,194</b>	<b>17,633,963</b>	<b>20,148,923</b>	<b>14,412,397</b>	<b>17,394,801</b>	<b>5,165,580</b>
Cash	331,058	473,492	1,233,986	1,024,777	497,499	856,236	220,248
Trade notes and accounts receivable	3,100,608	1,150,042	2,924,479	3,167,338	4,277,422	2,206,734	627,924
Less: Allowance for bad debts	40,856	33,213	33,344	88,408	32,859	35,865	8,893
Inventories	1,630,081	840,666	3,213,512	2,980,616	2,643,718	1,324,679	1,022,271
U.S. Government obligations	0	0	5,049	0	0	0	0
Tax-exempt securities	0	* 7,271	0	0	* 23,007	0	0
Other current assets	1,714,124	251,437	1,235,036	4,613,724	848,073	650,772	338,779
Mortgage and real estate loans	0	0	0	0	0	0	0
Other investments	1,093,142	106,800	1,448,842	571,495	2,130,963	225,266	332,278
Depreciable assets	7,945,397	5,918,961	11,041,951	8,772,972	3,559,165	6,753,983	2,216,372
Less: Accumulated depreciation	4,100,723	2,632,048	5,413,353	4,745,091	2,106,993	2,320,504	1,158,579
Depletable assets	0	38,366	0	106	0	0	0
Less: Accumulated depletion	0	8,021	0	90	0	0	0
Land	66,926	526,497	152,458	155,472	118,717	25,487	33,816
Intangible assets	2,943,999	756,944	877,629	2,860,089	1,907,729	5,227,209	1,064,316
Less: Accumulated amortization	326,266	91,850	224,571	441,264	300,446	564,648	111,450
Other assets	2,477,181	904,850	1,172,290	1,277,186	846,402	3,045,452	588,499
<b>Total liabilities and capital</b>	<b>16,834,670</b>	<b>8,210,194</b>	<b>17,633,963</b>	<b>20,148,923</b>	<b>14,412,397</b>	<b>17,394,801</b>	<b>5,165,580</b>
Accounts payable	2,130,457	661,308	2,113,444	1,764,001	1,772,118	2,232,821	1,569,353
Mortgages, notes, bonds payable in less than 1 year	1,246,756	274,694	560,160	1,380,345	1,623,605	134,165	685,103
Other current liabilities	944,399	779,225	1,652,666	3,981,738	1,758,056	2,065,490	1,520,783
Nonrecourse loans	* 2,559,967	0	* 1,186,774	* 239,969	61,813	0	1,106
Mortgages, notes, bonds payable in 1 year or more	3,541,568	1,155,728	2,340,789	2,825,579	1,776,276	1,153,128	1,478,374
Other liabilities	923,990	1,296,383	1,166,722	2,472,536	1,644,727	355,983	359,540
Partners capital accounts	5,487,532	4,042,857	8,613,409	7,484,754	5,775,802	11,453,213	-448,678
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>680</b>	<b>583</b>	<b>256</b>	<b>2,659</b>	<b>1,098</b>	<b>1,035</b>	<b>90</b>
<b>Number of partners</b>	<b>4,131</b>	<b>1,946</b>	<b>952</b>	<b>7,441</b>	<b>4,317</b>	<b>3,601</b>	<b>1,002</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>454</b>	[d]	[d]	<b>2,150</b>	<b>762</b>	<b>713</b>	<b>85</b>
<b>Number of partners</b>	<b>2,417</b>	[d]	[d]	<b>6,379</b>	<b>3,319</b>	<b>2,782</b>	<b>907</b>
<b>Total assets</b>	<b>8,289,999</b>	<b>6,452,573</b>	<b>10,661,426</b>	<b>14,739,422</b>	<b>12,186,170</b>	<b>15,140,988</b>	<b>3,520,131</b>
Cash	228,609	406,951	878,325	897,395	418,852	706,215	160,907
Trade notes and accounts receivable	1,355,711	883,962	2,040,435	2,238,947	3,834,419	2,031,524	469,155
Less: Allowance for bad debts	23,078	27,766	23,433	66,804	21,364	32,849	5,248
Inventories	1,017,954	690,235	2,407,947	2,028,646	2,075,759	1,140,283	386,456
U.S. Government obligations	0	0	5,049	0	0	0	0
Tax-exempt securities	0	0	0	0	* 23,007	0	0
Other current assets	1,358,369	225,636	724,991	4,327,722	768,007	561,152	303,334
Mortgage and real estate loans	0	0	0	0	0	0	0
Other investments	217,850	106,183	45,215	203,477	2,099,942	205,396	* 220,712
Depreciable assets	4,286,714	4,607,201	7,496,832	5,858,869	2,789,718	6,229,564	1,236,745
Less: Accumulated depreciation	2,272,315	1,968,477	4,025,492	3,174,531	1,725,443	2,078,175	546,302
Depletable assets	0	38,366	0	106	0	0	0
Less: Accumulated depletion	0	8,021	0	90	0	0	0
Land	26,767	236,166	124,632	103,420	34,593	25,350	30,682
Intangible assets	1,590,831	708,632	542,014	2,034,498	1,547,214	4,284,439	832,651
Less: Accumulated amortization	143,581	88,487	57,391	298,595	165,899	367,563	97,063
Other assets	646,169	641,994	502,302	586,362	507,366	2,435,652	528,102
<b>Total liabilities and capital</b>	<b>8,289,999</b>	<b>6,452,573</b>	<b>10,661,426</b>	<b>14,739,422</b>	<b>12,186,170</b>	<b>15,140,988</b>	<b>3,520,131</b>
Accounts payable	709,631	476,974	1,335,738	1,025,135	1,302,718	2,132,574	245,646
Mortgages, notes, bonds payable in less than 1 year	564,579	134,417	322,491	547,961	1,051,004	79,017	100,239
Other current liabilities	565,533	598,876	879,356	3,060,791	1,197,863	1,716,044	371,531
Nonrecourse loans	* 8,960	0	167,582	* 150,031	61,813	0	1,106
Mortgages, notes, bonds payable in 1 year or more	1,920,739	927,049	1,087,836	1,162,273	1,186,400	524,424	962,197
Other liabilities	596,716	671,469	355,310	2,053,129	863,756	206,340	47,854
Partners capital accounts	3,923,841	3,643,788	6,513,114	6,740,102	6,522,616	10,482,589	1,791,557

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Manufacturing—continued			Wholesale trade			
	Transportation equipment manufacturing	Furniture and related product manufacturing	Miscellaneous manufacturing	Total	Merchant wholesalers, durable goods	Merchant wholesalers, nondurable goods	Wholesale electronic markets and agents and brokers
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>1,468</b>	<b>1,079</b>	<b>5,069</b>	<b>53,515</b>	<b>30,779</b>	<b>18,800</b>	<b>3,936</b>
<b>Number of partners</b>	<b>4,259</b>	<b>4,874</b>	<b>18,419</b>	<b>348,285</b>	<b>89,773</b>	<b>248,614</b>	<b>9,898</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>938</b>	<b>723</b>	<b>2,614</b>	<b>36,507</b>	<b>21,319</b>	<b>12,597</b>	<b>2,591</b>
<b>Number of partners</b>	<b>2,980</b>	<b>4,163</b>	<b>12,325</b>	<b>303,662</b>	<b>62,653</b>	<b>233,870</b>	<b>7,139</b>
<b>Total assets</b>	<b>39,755,923</b>	<b>1,081,219</b>	<b>33,671,210</b>	<b>190,510,489</b>	<b>67,335,337</b>	<b>120,295,152</b>	<b>2,880,000</b>
Cash	1,794,786	58,789	908,257	7,369,677	3,388,675	3,314,431	666,571
Trade notes and accounts receivable	6,188,565	261,374	4,799,791	57,172,849	18,133,439	38,039,735	999,675
Less: Allowance for bad debts	189,973	* 5,846	50,442	657,247	352,757	291,922	12,567
Inventories	6,756,742	145,086	3,746,589	38,715,136	17,187,844	21,218,353	308,940
U.S. Government obligations	0	0	0	* 347,760	171,769	* 173,685	* 2,305
Tax-exempt securities	0	0	0	* 1,229	0	* 1,229	0
Other current assets	7,104,376	96,854	1,726,248	12,750,192	4,829,171	7,665,375	255,647
Mortgage and real estate loans	0	0	0	32,542	* 23,623	* 8,696	* 223
Other investments	3,391,594	1,773	13,087,922	5,809,081	2,533,785	3,224,385	50,911
Depreciable assets	14,677,180	341,473	8,020,174	32,905,928	10,093,025	22,426,750	386,152
Less: Accumulated depreciation	7,771,683	173,973	4,523,895	12,772,255	4,531,544	8,042,529	198,182
Depletable assets	0	0	0	* 65,675	* 382	* 60,750	* 4,543
Less: Accumulated depletion	0	0	0	* 37,380	* 279	* 35,347	* 1,754
Land	173,868	* 5,931	121,165	1,397,401	348,305	1,013,202	* 35,894
Intangible assets	2,809,588	* 323,911	5,468,006	23,652,911	7,103,660	16,187,881	361,370
Less: Accumulated amortization	761,677	* 32,613	1,144,927	2,431,216	825,048	1,562,018	44,150
Other assets	5,582,556	* 58,460	1,512,321	26,188,204	9,231,288	16,892,494	64,422
<b>Total liabilities and capital</b>	<b>39,755,923</b>	<b>1,081,219</b>	<b>33,671,210</b>	<b>190,510,489</b>	<b>67,335,337</b>	<b>120,295,152</b>	<b>2,880,000</b>
Accounts payable	6,121,261	116,071	2,171,722	40,633,175	12,252,608	27,680,388	700,179
Mortgages, notes, bonds payable in less than 1 year	1,009,955	* 107,692	695,679	11,827,513	6,949,066	4,730,128	148,319
Other current liabilities	8,987,341	194,212	2,731,561	27,204,199	12,511,582	14,285,230	407,387
Nonrecourse loans	* 109,462	* 1,458	120,889	1,366,321	382,355	978,520	* 5,447
Mortgages, notes, bonds payable in 1 year or more	5,107,956	* 376,226	2,962,043	23,701,733	9,326,389	13,794,629	580,716
Other liabilities	4,975,411	* 106,291	-3,527,225	21,220,110	4,555,688	16,788,156	-123,734
Partners capital accounts	13,444,538	179,269	28,516,541	64,557,438	21,357,650	42,038,103	1,161,686
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>334</b>	<b>499</b>	<b>1,620</b>	<b>30,531</b>	<b>18,129</b>	<b>9,525</b>	<b>2,876</b>
<b>Number of partners</b>	<b>1,493</b>	<b>1,111</b>	<b>5,524</b>	<b>220,067</b>	<b>49,493</b>	<b>163,124</b>	<b>7,450</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>292</b>	<b>144</b>	<b>1,264</b>	<b>21,209</b>	<b>12,815</b>	<b>6,376</b>	<b>2,018</b>
<b>Number of partners</b>	<b>1,189</b>	<b>402</b>	<b>4,804</b>	<b>196,991</b>	<b>36,824</b>	<b>154,503</b>	<b>5,664</b>
<b>Total assets</b>	<b>27,612,920</b>	<b>674,092</b>	<b>29,754,263</b>	<b>164,215,236</b>	<b>55,838,261</b>	<b>105,969,401</b>	<b>2,407,574</b>
Cash	1,006,308	55,069	707,608	6,253,699	2,941,347	2,788,487	523,865
Trade notes and accounts receivable	4,308,223	* 90,820	4,207,955	51,422,332	15,620,274	34,966,187	835,871
Less: Allowance for bad debts	40,650	2,897	37,849	466,800	264,815	191,857	10,127
Inventories	4,583,946	* 73,521	2,772,811	32,571,635	13,928,070	18,452,032	191,533
U.S. Government obligations	0	0	0	* 232,341	56,350	* 173,685	* 2,305
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	6,065,462	* 60,974	1,455,309	9,720,324	3,902,213	5,587,679	230,432
Mortgage and real estate loans	0	0	0	* 26,558	* 19,459	6,876	* 223
Other investments	2,999,426	1,773	13,033,318	5,357,308	2,280,033	3,024,062	53,213
Depreciable assets	9,574,491	161,584	6,418,315	26,612,057	7,270,709	18,966,443	374,905
Less: Accumulated depreciation	6,096,929	88,012	3,405,081	10,611,665	3,422,423	6,998,713	190,529
Depletable assets	0	0	0	* 36,437	* 382	* 36,055	0
Less: Accumulated depletion	0	0	0	* 35,235	* 279	* 34,956	0
Land	112,904	3,464	111,413	1,103,586	285,809	781,883	* 35,894
Intangible assets	1,939,795	* 317,651	3,723,524	18,898,501	5,336,455	13,202,735	359,311
Less: Accumulated amortization	696,392	* 31,952	436,448	1,763,679	583,883	1,136,128	43,668
Other assets	3,856,336	* 32,097	1,203,387	24,857,838	8,468,560	16,344,934	44,345
<b>Total liabilities and capital</b>	<b>27,612,920</b>	<b>674,092</b>	<b>29,754,263</b>	<b>164,215,236</b>	<b>55,838,261</b>	<b>105,969,401</b>	<b>2,407,574</b>
Accounts payable	4,008,213	* 44,493	1,491,027	34,758,912	10,094,595	24,187,324	476,993
Mortgages, notes, bonds payable in less than 1 year	366,695	* 8,858	421,042	8,205,796	4,714,012	3,374,708	117,076
Other current liabilities	7,475,740	* 95,715	1,901,042	16,629,258	4,554,912	11,778,605	295,741
Nonrecourse loans	* 109,462	0	120,889	1,029,664	327,311	698,129	* 4,224
Mortgages, notes, bonds payable in 1 year or more	1,357,404	* 293,772	1,205,387	18,388,779	7,118,149	10,870,998	399,633
Other liabilities	4,111,679	3,523	-3,699,459	19,231,579	3,391,630	15,981,837	-141,887
Partners capital accounts	10,183,729	227,731	28,314,336	65,971,248	25,637,653	39,077,801	1,255,793

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade						
	Total	Motor vehicle and parts dealers	Furniture and home furnishing stores	Electronics and appliance stores	Building materials and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores
	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>166,561</b>	<b>19,678</b>	<b>4,298</b>	<b>4,447</b>	<b>6,967</b>	<b>22,195</b>	<b>9,147</b>
<b>Number of partners</b>	<b>500,182</b>	<b>49,199</b>	<b>10,699</b>	<b>9,618</b>	<b>18,397</b>	<b>58,455</b>	<b>50,679</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>100,919</b>	<b>12,288</b>	<b>3,598</b>	<b>3,301</b>	<b>5,976</b>	<b>17,725</b>	<b>7,210</b>
<b>Number of partners</b>	<b>361,460</b>	<b>32,914</b>	<b>9,299</b>	<b>7,727</b>	<b>16,402</b>	<b>47,347</b>	<b>45,075</b>
<b>Total assets</b>	<b>130,973,828</b>	<b>38,575,680</b>	<b>4,663,497</b>	<b>2,410,879</b>	<b>4,597,682</b>	<b>21,613,912</b>	<b>3,860,509</b>
Cash	9,192,208	2,685,152	519,190	403,485	285,622	1,707,841	434,662
Trade notes and accounts receivable	13,955,109	4,016,882	578,123	635,133	897,300	1,337,090	1,031,430
Less: Allowance for bad debts	318,866	40,569	16,373	* 10,483	14,017	8,522	47,657
Inventories	41,003,416	20,964,532	1,429,588	686,018	1,470,734	4,520,629	823,743
U.S. Government obligations	* 54,544	20,380	0	0	0	27,691	0
Tax-exempt securities	156	0	0	0	0	0	0
Other current assets	5,852,413	1,276,447	354,507	237,174	175,808	853,088	216,797
Mortgage and real estate loans	242,290	* 63,958	0	0	6,709	* 10,019	0
Other investments	5,413,157	842,562	187,872	* 57,409	201,257	713,951	* 94,883
Depreciable assets	50,011,719	6,280,689	1,417,706	467,515	2,163,862	16,162,061	1,266,524
Less: Accumulated depreciation	22,298,788	2,667,942	590,165	266,587	1,243,027	6,964,994	670,834
Depletable assets	* 17,572	* 639	32	0	0	* 16,750	0
Less: Accumulated depletion	* 16,867	106	0	0	0	* 16,750	0
Land	4,793,762	656,829	164,257	* 27,098	244,169	1,173,110	* 7,337
Intangible assets	16,495,803	3,836,063	384,559	179,117	478,352	1,601,228	728,046
Less: Accumulated amortization	2,992,722	434,323	77,893	30,514	212,577	435,432	137,456
Other assets	9,568,921	1,074,488	312,094	25,514	143,487	916,150	113,032
<b>Total liabilities and capital</b>	<b>130,973,828</b>	<b>38,575,680</b>	<b>4,663,497</b>	<b>2,410,879</b>	<b>4,597,682</b>	<b>21,613,912</b>	<b>3,860,509</b>
Accounts payable	16,403,205	2,089,345	783,342	462,101	753,153	5,048,141	1,070,914
Mortgages, notes, bonds payable in less than 1 year	19,592,569	15,973,249	337,150	191,708	527,363	403,251	235,970
Other current liabilities	15,001,776	2,872,764	1,069,424	1,018,615	632,592	2,598,045	658,952
Nonrecourse loans	2,210,390	719,108	* 73,869	* 45,709	540	466,906	* 147,431
Mortgages, notes, bonds payable in 1 year or more	29,866,473	5,442,204	965,932	616,258	1,052,456	8,148,063	1,255,465
Other liabilities	12,780,970	1,899,246	330,392	196,423	226,874	2,134,626	-186,045
Partners capital accounts	35,118,446	9,579,765	1,103,387	-119,935	1,404,703	2,814,879	677,822
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>68,797</b>	<b>6,946</b>	<b>2,629</b>	<b>1,827</b>	<b>3,163</b>	<b>9,755</b>	<b>3,735</b>
<b>Number of partners</b>	<b>260,164</b>	<b>19,081</b>	<b>5,675</b>	<b>3,591</b>	<b>9,328</b>	<b>23,952</b>	<b>35,879</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>45,136</b>	<b>4,749</b>	<b>2,248</b>	<b>1,340</b>	<b>3,145</b>	<b>8,128</b>	<b>3,374</b>
<b>Number of partners</b>	<b>211,081</b>	<b>13,231</b>	<b>4,914</b>	<b>3,103</b>	<b>9,279</b>	<b>20,259</b>	<b>35,157</b>
<b>Total assets</b>	<b>84,317,227</b>	<b>24,681,098</b>	<b>2,986,183</b>	<b>1,242,881</b>	<b>2,440,334</b>	<b>11,877,440</b>	<b>2,744,210</b>
Cash	6,662,756	1,973,418	378,228	163,076	226,189	1,236,865	411,141
Trade notes and accounts receivable	10,213,016	2,774,438	516,141	423,072	466,574	529,926	918,404
Less: Allowance for bad debts	260,684	19,993	16,299	* 2,082	12,281	6,260	41,138
Inventories	23,206,882	12,528,271	813,392	273,219	760,416	2,601,609	550,041
U.S. Government obligations	* 53,293	20,380	0	0	0	27,691	0
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	4,606,750	943,621	287,814	186,120	157,350	672,490	87,046
Mortgage and real estate loans	* 227,381	* 63,401	0	0	6,709	0	0
Other investments	4,193,182	688,670	* 77,242	* 54,575	113,617	645,402	* 35,060
Depreciable assets	27,648,907	4,249,722	878,669	123,188	1,076,745	7,418,023	812,493
Less: Accumulated depreciation	13,049,443	1,864,159	421,760	76,526	769,371	3,159,174	475,867
Depletable assets	* 17,511	578	32	0	0	* 16,750	0
Less: Accumulated depletion	* 16,867	106	0	0	0	* 16,750	0
Land	2,503,902	476,602	* 95,234	* 1,707	171,455	314,652	* 7,337
Intangible assets	12,144,660	2,502,457	150,586	83,498	182,788	722,339	489,566
Less: Accumulated amortization	2,322,977	321,116	50,674	* 7,654	28,864	329,945	134,575
Other assets	8,488,958	664,916	277,579	* 20,688	89,008	1,203,822	84,702
<b>Total liabilities and capital</b>	<b>84,317,227</b>	<b>24,681,098</b>	<b>2,986,183</b>	<b>1,242,881</b>	<b>2,440,334</b>	<b>11,877,440</b>	<b>2,744,210</b>
Accounts payable	9,816,859	1,368,950	416,220	320,506	345,731	3,127,887	801,330
Mortgages, notes, bonds payable in less than 1 year	12,258,130	10,555,003	166,646	* 47,718	101,930	245,667	94,406
Other current liabilities	8,916,061	1,890,006	752,248	319,671	313,351	1,492,941	419,868
Nonrecourse loans	1,154,170	* 155,446	* 73,869	* 1,616	540	313,362	* 71,207
Mortgages, notes, bonds payable in 1 year or more	12,755,860	2,817,203	493,657	* 142,537	395,386	1,485,466	412,745
Other liabilities	7,656,108	761,863	279,912	* 171,301	148,760	1,400,906	-226,149
Partners capital accounts	31,760,039	7,132,628	803,630	239,531	1,134,635	3,811,212	1,170,802

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade—continued						Transportation and warehousing
	Gasoline stations	Clothing and clothing accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total
	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>7,973</b>	<b>19,142</b>	<b>15,115</b>	<b>2,224</b>	<b>35,232</b>	<b>20,143</b>	<b>46,464</b>
<b>Number of partners</b>	<b>20,654</b>	<b>46,026</b>	<b>35,495</b>	<b>5,151</b>	<b>80,257</b>	<b>115,551</b>	<b>1,043,215</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>6,237</b>	<b>9,387</b>	<b>6,580</b>	<b>1,733</b>	<b>17,681</b>	<b>9,200</b>	<b>33,269</b>
<b>Number of partners</b>	<b>17,093</b>	<b>25,297</b>	<b>18,426</b>	<b>4,141</b>	<b>44,092</b>	<b>93,647</b>	<b>985,551</b>
<b>Total assets</b>	<b>11,278,408</b>	<b>8,405,585</b>	<b>2,191,391</b>	<b>4,705,073</b>	<b>8,963,452</b>	<b>19,707,759</b>	<b>193,978,711</b>
Cash	695,697	360,221	169,880	147,492	979,127	803,839	4,973,803
Trade notes and accounts receivable	1,001,552	237,338	178,631	354,558	770,356	2,916,716	19,020,205
Less: Allowance for bad debts	3,088	7,953	* 2,223	* 18,003	18,745	131,235	135,939
Inventories	823,920	2,133,646	941,060	1,917,273	3,696,551	1,595,723	2,677,688
U.S. Government obligations	* 6,473	0	0	0	0	0	0
Tax-exempt securities	156	0	0	0	0	0	0
Other current assets	612,899	286,208	177,657	-12,864	407,546	1,267,146	9,854,170
Mortgage and real estate loans	* 8,859	* 375	0	0	* 152,369	0	* 221,968
Other investments	122,189	* 69,392	* 1,456	* -16,599	* 115,148	3,023,637	37,661,058
Depreciable assets	8,506,525	1,809,931	711,520	3,059,384	3,140,890	5,025,111	111,482,262
Less: Accumulated depreciation	3,463,734	1,005,382	392,260	1,271,961	1,393,593	2,368,309	30,228,396
Depletable assets	151	0	0	0	0	0	428
Less: Accumulated depletion	11	0	0	0	0	0	218
Land	1,849,195	* 18,752	* 10,955	158,236	81,401	402,422	1,108,772
Intangible assets	1,099,335	929,709	380,730	275,569	511,781	6,091,311	15,560,939
Less: Accumulated amortization	197,219	170,754	76,494	12,250	85,025	1,122,785	2,015,542
Other assets	215,509	3,744,102	90,479	124,237	605,647	2,204,182	23,797,513
<b>Total liabilities and capital</b>	<b>11,278,408</b>	<b>8,405,585</b>	<b>2,191,391</b>	<b>4,705,073</b>	<b>8,963,452</b>	<b>19,707,759</b>	<b>193,978,711</b>
Accounts payable	1,624,930	774,026	435,241	710,325	923,187	1,728,499	15,392,958
Mortgages, notes, bonds payable in less than 1 year	390,904	292,421	137,390	* 172,083	296,062	635,019	5,831,417
Other current liabilities	785,981	613,584	243,102	629,723	1,590,808	2,288,186	11,582,983
Nonrecourse loans	526,027	* 43,663	* 14,355	* 58,344	* 99,183	* 15,255	8,933,206
Mortgages, notes, bonds payable in 1 year or more	4,926,428	1,198,458	919,287	775,382	1,537,529	3,029,010	52,548,930
Other liabilities	535,881	4,371,468	* 69,448	634,077	1,150,582	1,417,997	17,336,302
Partners capital accounts	2,488,256	1,111,966	372,569	1,725,139	3,366,102	10,593,794	82,353,753
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>4,571</b>	<b>7,568</b>	<b>7,127</b>	<b>171</b>	<b>13,331</b>	<b>7,973</b>	<b>27,252</b>
<b>Number of partners</b>	<b>11,100</b>	<b>16,307</b>	<b>14,608</b>	<b>593</b>	<b>31,147</b>	<b>88,902</b>	<b>952,260</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>3,593</b>	<b>4,636</b>	[d]	[d]	<b>7,500</b>	<b>3,490</b>	<b>19,341</b>
<b>Number of partners</b>	<b>9,142</b>	<b>10,443</b>	[d]	[d]	<b>19,167</b>	<b>79,922</b>	<b>931,021</b>
<b>Total assets</b>	<b>7,182,985</b>	<b>6,233,603</b>	<b>1,440,966</b>	<b>1,459,316</b>	<b>5,238,028</b>	<b>16,790,184</b>	<b>150,725,606</b>
Cash	579,741	268,564	105,218	53,528	731,500	535,288	3,745,036
Trade notes and accounts receivable	789,396	169,691	80,417	* 269,309	577,042	2,698,607	17,336,308
Less: Allowance for bad debts	1,985	7,913	* 1,526	* 16,783	14,643	119,780	119,657
Inventories	478,276	1,063,851	573,138	406,519	2,064,514	1,093,637	2,459,551
U.S. Government obligations	* 5,222	0	0	0	0	0	0
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	453,843	157,432	173,046	* 21,583	324,675	1,141,731	7,063,764
Mortgage and real estate loans	* 4,527	* 375	0	0	* 152,369	0	* 221,968
Other investments	85,793	* 178,128	0	* 46,267	* 19,023	2,249,406	33,775,651
Depreciable assets	5,141,164	806,515	520,965	584,704	1,580,604	4,456,115	80,364,336
Less: Accumulated depreciation	2,199,972	503,246	293,131	217,436	979,337	2,089,464	21,347,443
Depletable assets	151	0	0	0	0	0	428
Less: Accumulated depletion	11	0	0	0	0	0	218
Land	1,105,097	* 17,818	0	* 87,700	45,858	180,442	702,729
Intangible assets	706,130	543,573	308,592	* 119,409	465,971	5,869,749	7,137,402
Less: Accumulated amortization	112,398	148,509	42,575	* 6,501	71,196	1,068,970	1,755,616
Other assets	148,011	3,687,324	16,822	111,017	341,648	1,843,423	21,141,369
<b>Total liabilities and capital</b>	<b>7,182,985</b>	<b>6,233,603</b>	<b>1,440,966</b>	<b>1,459,316</b>	<b>5,238,028</b>	<b>16,790,184</b>	<b>150,725,606</b>
Accounts payable	980,818	359,787	201,893	* 95,477	707,386	1,090,875	13,637,213
Mortgages, notes, bonds payable in less than 1 year	121,920	151,819	78,900	* 36,508	252,207	405,406	4,414,627
Other current liabilities	543,437	227,435	142,322	102,056	1,146,716	1,566,010	8,820,133
Nonrecourse loans	377,592	* 32,491	* 14,355	0	* 99,183	* 14,508	4,180,773
Mortgages, notes, bonds payable in 1 year or more	2,585,448	727,916	506,591	* 150,513	735,994	2,302,403	37,872,660
Other liabilities	217,831	3,633,734	11,692	201,612	468,271	586,374	8,474,762
Partners capital accounts	2,355,939	1,100,422	485,213	873,149	1,828,271	10,824,606	73,325,438

Footnotes at end of table.

### Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued						
	Air and rail transportation	Water transportation	Truck transportation	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>4,913</b>	<b>1,665</b>	<b>23,237</b>	<b>2,399</b>	<b>362</b>	<b>* 1,667</b>	<b>6,803</b>
<b>Number of partners</b>	<b>12,546</b>	<b>65,119</b>	<b>49,828</b>	<b>5,416</b>	<b>865,157</b>	<b>* 3,375</b>	<b>28,107</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>[d]</b>	<b>[d]</b>	<b>15,663</b>	<b>1,558</b>	<b>356</b>	<b>* 1,313</b>	<b>4,880</b>
<b>Number of partners</b>	<b>[d]</b>	<b>[d]</b>	<b>33,971</b>	<b>3,733</b>	<b>836,693</b>	<b>* 2,665</b>	<b>23,136</b>
<b>Total assets</b>	<b>8,692,247</b>	<b>16,341,105</b>	<b>5,407,185</b>	<b>819,781</b>	<b>132,116,610</b>	<b>* 1,310,725</b>	<b>17,396,436</b>
Cash	385,022	980,381	439,027	49,974	1,299,568	* 31,423	952,624
Trade notes and accounts receivable	1,175,229	763,827	1,593,600	* 86,114	12,217,907	* 52	2,315,819
Less: Allowance for bad debts	25,023	13,219	21,529	* 1,169	10,375	0	32,328
Inventories	37,857	142,033	80,243	1,656	871,163	* 1,966	427,323
U.S. Government obligations	0	0	0	0	0	0	0
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	410,930	735,110	354,005	* 55,097	7,055,857	* 29,471	766,303
Mortgage and real estate loans	0	* 3,828	0	0	0	0	0
Other investments	* 129,923	1,320,802	51,028	* 4,615	32,758,652	* 395	3,120,573
Depreciable assets	8,736,437	9,851,730	6,103,206	545,803	71,718,863	* 1,355,387	5,309,413
Less: Accumulated depreciation	3,501,436	2,736,149	3,513,270	283,624	16,320,092	* 111,650	1,730,850
Depletable assets	0	0	0	0	428	0	0
Less: Accumulated depletion	0	0	0	0	218	0	0
Land	* 37,630	* 12,749	27,628	* 5,152	284,994	0	* 71,711
Intangible assets	317,265	3,043,295	197,204	* 462,939	5,631,030	* 3,041	5,432,656
Less: Accumulated amortization	50,008	79,445	40,181	* 121,087	1,420,299	* 1,796	221,156
Other assets	1,038,421	2,316,162	136,224	* 14,311	18,029,132	* 2,436	984,347
<b>Total liabilities and capital</b>	<b>8,692,247</b>	<b>16,341,105</b>	<b>5,407,185</b>	<b>819,781</b>	<b>132,116,610</b>	<b>* 1,310,725</b>	<b>17,396,436</b>
Accounts payable	691,575	295,715	874,004	* 46,494	11,350,597	* 59	1,072,714
Mortgages, notes, bonds payable in less than 1 year	508,949	200,320	727,336	* 83,603	3,469,552	* 13,165	584,727
Other current liabilities	2,770,709	1,000,562	620,245	325,115	4,521,413	* 33,216	1,036,303
Nonrecourse loans	* 899,524	0	* 105,452	0	* 4,544,910	0	* 2,643,866
Mortgages, notes, bonds payable in 1 year or more	2,437,923	4,019,526	2,161,147	* 300,305	37,907,968	* 484,974	2,037,873
Other liabilities	1,537,419	2,385,936	141,437	* 50,591	6,927,470	0	4,412,636
Partners capital accounts	-153,851	8,439,045	777,564	13,673	63,394,700	* 779,311	5,608,316
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>1,685</b>	<b>612</b>	<b>15,073</b>	<b>970</b>	<b>212</b>	<b>* 1,242</b>	<b>3,706</b>
<b>Number of partners</b>	<b>4,907</b>	<b>62,886</b>	<b>32,901</b>	<b>2,047</b>	<b>817,155</b>	<b>* 2,524</b>	<b>20,088</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>[d]</b>	<b>[d]</b>	<b>10,403</b>	<b>* 616</b>	<b>207</b>	<b>* 887</b>	<b>2,354</b>
<b>Number of partners</b>	<b>[d]</b>	<b>[d]</b>	<b>22,852</b>	<b>* 1,337</b>	<b>814,252</b>	<b>* 1,815</b>	<b>16,520</b>
<b>Total assets</b>	<b>2,723,747</b>	<b>9,337,922</b>	<b>3,528,578</b>	<b>* 547,544</b>	<b>116,732,627</b>	<b>* 665,086</b>	<b>8,465,530</b>
Cash	210,627	778,121	369,017	* 21,599	1,074,298	* 18,017	829,311
Trade notes and accounts receivable	933,711	572,950	1,188,102	* 64,621	11,820,883	* 52	2,025,205
Less: Allowance for bad debts	* 22,363	9,898	18,093	* 1,169	10,375	0	29,121
Inventories	* 7,277	* 110,193	64,994	1,656	778,958	* 1,966	389,874
U.S. Government obligations	0	0	0	0	0	0	0
Tax-exempt securities	0	0	0	0	0	0	0
Other current assets	43,714	620,068	242,026	* 62,258	5,224,650	* 11,875	513,800
Mortgage and real estate loans	0	* 3,828	0	0	0	0	0
Other investments	* 100,394	757,956	34,806	4,203	30,037,572	* 395	2,597,535
Depreciable assets	916,380	6,026,009	3,270,728	* 309,170	61,091,318	* 699,043	2,122,289
Less: Accumulated depreciation	549,876	1,554,070	1,890,447	* 170,119	14,655,191	* 68,358	821,065
Depletable assets	0	0	0	0	428	0	0
Less: Accumulated depletion	0	0	0	0	218	0	0
Land	* 2,197	* 7,343	* 5,818	* 5,152	274,057	0	* 53,821
Intangible assets	* 149,457	840,731	120,897	* 341,416	4,669,948	* 3,041	630,054
Less: Accumulated amortization	* 34,560	43,963	33,099	* 91,466	1,403,835	* 1,796	87,688
Other assets	* 966,789	1,228,654	173,827	* 10,224	17,830,135	* 852	241,536
<b>Total liabilities and capital</b>	<b>2,723,747</b>	<b>9,337,922</b>	<b>3,528,578</b>	<b>* 547,544</b>	<b>116,732,627</b>	<b>* 665,086</b>	<b>8,465,530</b>
Accounts payable	229,552	221,981	702,061	* 40,385	10,639,876	* 59	914,446
Mortgages, notes, bonds payable in less than 1 year	* 21,957	118,450	291,817	* 39,812	3,195,364	* 13,165	531,979
Other current liabilities	1,618,421	828,709	432,013	* 302,463	3,725,665	* 1,232	803,180
Nonrecourse loans	0	0	* 105,452	0	3,918,263	0	* 157,058
Mortgages, notes, bonds payable in 1 year or more	* 305,713	1,609,784	888,533	* 109,113	31,435,363	* 475,816	1,337,961
Other liabilities	* 27,442	1,930,298	75,810	* 35,684	4,478,336	0	264,291
Partners capital accounts	520,662	4,628,700	1,032,892	* 20,086	59,339,760	* 174,813	4,456,616

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Transportation and warehousing—continued		Information				
	Couriers and messengers	Warehousing and storage	Total	Publishing industries (except internet)	Motion picture and sound recording industries	Broadcasting (except internet)	Tele-communications
	(71)	(72)	(73)	(74)	(75)	(76)	(77)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>2,147</b>	<b>3,270</b>	<b>34,206</b>	<b>7,038</b>	<b>10,262</b>	<b>2,112</b>	<b>6,437</b>
<b>Number of partners</b>	<b>5,724</b>	<b>7,942</b>	<b>158,926</b>	<b>23,039</b>	<b>32,653</b>	<b>38,634</b>	<b>29,660</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>* 1,437</b>	<b>2,692</b>	<b>24,180</b>	<b>4,432</b>	<b>7,084</b>	<b>2,096</b>	<b>3,790</b>
<b>Number of partners</b>	<b>* 4,305</b>	<b>6,769</b>	<b>127,944</b>	<b>16,919</b>	<b>25,600</b>	<b>38,595</b>	<b>23,867</b>
<b>Total assets</b>	<b>* 157,338</b>	<b>11,737,285</b>	<b>586,178,169</b>	<b>29,719,331</b>	<b>49,211,287</b>	<b>86,426,676</b>	<b>409,458,577</b>
Cash	* 20,196	815,588	11,136,997	1,222,410	1,875,401	2,022,309	4,183,801
Trade notes and accounts receivable	* 60,321	807,336	49,379,268	4,113,414	6,398,830	7,697,910	26,602,329
Less: Allowance for bad debts	* 650	31,647	2,593,059	775,086	517,893	284,784	973,457
Inventories	0	1,115,446	7,369,415	318,372	4,128,822	73,056	2,844,223
U.S. Government obligations	0	0	* 72,337	0	62,087	* 9,650	601
Tax-exempt securities	0	0	* 108,318	0	108,281	0	* 37
Other current assets	* 17,019	430,377	36,817,836	2,080,378	2,617,867	8,088,946	23,297,934
Mortgage and real estate loans	0	* 218,140	* 165,086	0	356	* 164,731	0
Other investments	0	275,070	155,184,394	4,466,020	11,463,122	12,530,710	126,556,902
Depreciable assets	* 45,638	7,815,784	176,515,512	5,569,710	6,860,225	30,064,338	129,681,579
Less: Accumulated depreciation	* 23,863	2,007,460	83,509,460	2,936,463	3,033,183	15,311,181	59,688,155
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	* 3,381	665,526	1,438,790	179,556	455,819	238,945	502,568
Intangible assets	* 34,684	438,825	223,715,643	13,385,762	14,476,058	36,470,459	157,540,702
Less: Accumulated amortization	* 658	80,912	27,691,630	2,809,657	5,431,143	7,460,903	11,627,040
Other assets	* 1,269	1,275,211	38,068,723	4,904,915	9,746,639	12,122,490	10,536,552
<b>Total liabilities and capital</b>	<b>* 157,338</b>	<b>11,737,285</b>	<b>586,178,169</b>	<b>29,719,331</b>	<b>49,211,287</b>	<b>86,426,676</b>	<b>409,458,577</b>
Accounts payable	* 49,478	1,012,322	26,826,363	1,231,509	1,077,039	2,814,520	20,161,824
Mortgages, notes, bonds payable in less than 1 year	* 24,094	219,670	10,027,096	302,414	1,109,338	3,331,562	4,825,178
Other current liabilities	* 11,117	1,264,304	56,845,445	3,526,672	9,376,335	1,285,014	41,041,257
Nonrecourse loans	0	* 739,454	7,258,732	15,755	* 479,727	* 765,629	896,536
Mortgages, notes, bonds payable in 1 year or more	* 31,175	3,167,200	70,455,180	4,031,668	4,787,846	30,966,675	30,362,415
Other liabilities	958	1,879,855	49,720,706	4,700,398	10,080,128	16,435,176	17,089,975
Partners capital accounts	* 40,516	3,454,479	365,044,647	15,910,915	22,300,874	30,828,100	295,081,392
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>* 1,706</b>	<b>2,046</b>	<b>12,139</b>	<b>3,765</b>	<b>2,692</b>	<b>336</b>	<b>1,959</b>
<b>Number of partners</b>	<b>* 4,757</b>	<b>4,995</b>	<b>39,557</b>	<b>11,099</b>	<b>6,655</b>	<b>1,476</b>	<b>8,684</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>* 1,351</b>	<b>1,555</b>	<b>10,191</b>	<b>3,128</b>	<b>2,097</b>	<b>320</b>	<b>1,830</b>
<b>Number of partners</b>	<b>* 4,047</b>	<b>4,012</b>	<b>34,419</b>	<b>9,694</b>	<b>5,446</b>	<b>1,440</b>	<b>8,406</b>
<b>Total assets</b>	<b>* 147,451</b>	<b>8,577,121</b>	<b>497,420,177</b>	<b>21,708,685</b>	<b>31,200,421</b>	<b>54,756,614</b>	<b>379,684,079</b>
Cash	* 19,457	424,589	7,486,222	742,735	1,223,255	1,549,582	2,371,422
Trade notes and accounts receivable	* 60,321	670,463	40,892,284	3,178,465	3,862,069	5,673,296	23,806,511
Less: Allowance for bad debts	* 650	* 27,988	2,024,074	682,830	389,891	200,851	710,066
Inventories	0	1,104,633	4,816,462	253,299	2,304,836	* 63,873	2,189,511
U.S. Government obligations	0	0	62,688	0	62,087	0	601
Tax-exempt securities	0	0	* 108,318	0	108,281	0	* 37
Other current assets	* 7,871	347,502	29,881,188	1,746,850	1,673,085	7,109,567	18,824,802
Mortgage and real estate loans	0	* 218,140	* 163,665	0	356	* 163,309	0
Other investments	0	242,790	152,196,584	3,498,695	9,590,816	11,248,543	127,550,332
Depreciable assets	* 44,625	5,884,795	138,955,312	3,826,148	4,904,247	13,860,923	113,013,922
Less: Accumulated depreciation	* 22,849	1,615,468	65,509,315	2,306,792	2,053,710	7,217,879	52,155,566
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	* 3,381	350,960	1,176,622	145,568	425,411	84,470	459,271
Intangible assets	* 34,684	347,174	183,029,985	9,472,890	10,238,977	15,384,174	146,505,667
Less: Accumulated amortization	* 658	58,552	18,056,051	2,392,127	2,943,339	2,559,527	9,857,003
Other assets	* 1,269	688,084	24,240,289	4,225,784	2,193,942	9,597,134	7,684,639
<b>Total liabilities and capital</b>	<b>* 147,451</b>	<b>8,577,121</b>	<b>497,420,177</b>	<b>21,708,685</b>	<b>31,200,421</b>	<b>54,756,614</b>	<b>379,684,079</b>
Accounts payable	* 49,478	839,376	22,857,309	925,670	628,942	2,270,561	17,608,281
Mortgages, notes, bonds payable in less than 1 year	* 24,094	177,989	4,725,779	119,613	87,779	949,411	3,142,685
Other current liabilities	* 8,797	1,099,653	35,954,463	2,374,940	3,522,995	-2,025,174	30,745,374
Nonrecourse loans	0	0	5,764,585	0	* 479,167	* 10,398	* 173,936
Mortgages, notes, bonds payable in 1 year or more	* 22,572	1,687,804	30,789,063	1,473,178	2,169,563	9,513,022	17,449,883
Other liabilities	958	1,661,944	29,740,383	2,749,503	4,963,459	6,192,405	14,773,506
Partners capital accounts	* 41,552	3,110,357	367,588,594	14,065,782	19,348,517	37,845,991	295,790,415

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Information—continued		Finance and insurance				Securities, commodity contracts and other financial investments and related activities
	Data processing services	Other information services	Total	Depository credit intermediation	Non-depository credit intermediation	Activities related to credit intermediation	
	(78)	(79)	(80)	(81)	(82)	(83)	Total (84)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>3,619</b>	<b>4,738</b>	<b>308,307</b>	<b>48</b>	<b>14,018</b>	<b>4,740</b>	<b>231,753</b>
<b>Number of partners</b>	<b>11,528</b>	<b>23,412</b>	<b>4,431,223</b>	<b>293</b>	<b>68,190</b>	<b>12,537</b>	<b>3,568,172</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>2,225</b>	<b>4,554</b>	<b>238,173</b>	<b>45</b>	<b>10,388</b>	<b>4,242</b>	<b>178,252</b>
<b>Number of partners</b>	<b>7,344</b>	<b>15,619</b>	<b>4,006,552</b>	<b>285</b>	<b>58,200</b>	<b>11,426</b>	<b>3,203,855</b>
<b>Total assets</b>	<b>5,106,086</b>	<b>6,256,212</b>	<b>12,264,159,118</b>	<b>43,485,966</b>	<b>441,197,145</b>	<b>23,228,632</b>	<b>10,005,467,990</b>
Cash	391,991	1,441,086	557,228,809	2,100,438	25,105,317	6,153,403	477,264,856
Trade notes and accounts receivable	3,067,038	1,499,746	394,099,671	* 2,465,260	164,604,332	1,484,537	211,627,722
Less: Allowance for bad debts	28,425	13,415	4,997,175	* 27,588	4,450,307	* 23,148	376,330
Inventories	0	* 4,942	41,260,724	888	1,049,367	0	39,893,302
U.S. Government obligations	0	0	71,196,270	300,475	480,287	0	51,683,557
Tax-exempt securities	0	0	45,855,907	273,745	* 30,809	* 64,713	27,709,436
Other current assets	380,094	352,618	3,098,905,284	* 3,350,071	28,944,454	1,679,972	2,892,568,559
Mortgage and real estate loans	0	0	87,095,675	0	50,775,482	* 131,586	28,222,204
Other investments	238,299	-70,659	7,354,655,919	* 31,069,979	45,238,588	* 2,190,970	5,864,351,854
Depreciable assets	1,227,130	3,112,528	78,140,625	* 59,611	23,469,413	3,141,596	36,400,201
Less: Accumulated depreciation	787,384	1,753,096	17,749,390	* 4,489	4,281,625	337,880	9,544,011
Depletable assets	0	0	1,822,338	0	* 3,515	0	1,399,535
Less: Accumulated depletion	0	0	224,435	0	0	0	178,951
Land	194	61,707	9,618,133	0	129,945	* 26,363	8,226,608
Intangible assets	622,360	1,220,302	59,443,901	118,743	29,989,400	7,391,432	18,953,076
Less: Accumulated amortization	141,194	221,694	10,032,421	3,443	5,690,588	980,528	2,545,877
Other assets	135,980	622,146	497,839,285	3,782,276	85,798,756	2,305,615	359,812,247
<b>Total liabilities and capital</b>	<b>5,106,086</b>	<b>6,256,212</b>	<b>12,264,159,118</b>	<b>43,485,966</b>	<b>441,197,145</b>	<b>23,228,632</b>	<b>10,005,467,990</b>
Accounts payable	953,313	588,158	140,291,855	* 7,436	16,650,536	4,841,048	106,864,030
Mortgages, notes, bonds payable in less than 1 year	* 415,612	42,992	304,650,351	* 3,650,162	83,968,604	* 927,035	89,637,106
Other current liabilities	307,614	1,308,553	3,575,415,438	4,884,519	34,033,128	3,057,144	3,351,489,403
Nonrecourse loans	0	* 5,101,085	88,118,951	0	8,583,150	* 422,392	77,378,663
Mortgages, notes, bonds payable in 1 year or more	* 80,069	226,507	374,429,541	* 932,043	146,171,499	2,880,620	195,600,563
Other liabilities	213,199	1,201,831	860,429,014	* 32,983,320	21,665,938	902,783	588,197,075
Partners capital accounts	3,136,279	-2,212,914	6,920,823,967	1,028,487	130,124,289	10,197,610	5,596,301,149
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>1,612</b>	<b>1,776</b>	<b>220,162</b>	<b>[d]</b>	<b>5,780</b>	<b>[d]</b>	<b>170,360</b>
<b>Number of partners</b>	<b>4,956</b>	<b>6,688</b>	<b>3,817,924</b>	<b>[d]</b>	<b>38,736</b>	<b>[d]</b>	<b>3,065,974</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>1,051</b>	<b>1,765</b>	<b>169,551</b>	<b>[d]</b>	<b>5,077</b>	<b>[d]</b>	<b>130,057</b>
<b>Number of partners</b>	<b>2,797</b>	<b>6,637</b>	<b>3,443,092</b>	<b>[d]</b>	<b>34,603</b>	<b>[d]</b>	<b>2,737,374</b>
<b>Total assets</b>	<b>4,409,197</b>	<b>5,661,180</b>	<b>8,812,664,360</b>	<b>28,745,612</b>	<b>245,086,050</b>	<b>19,738,631</b>	<b>7,145,975,491</b>
Cash	357,371	1,241,857	428,839,209	2,064,581	12,067,128	6,108,078	371,578,849
Trade notes and accounts receivable	2,907,454	1,464,490	274,850,986	* 2,418,575	92,800,139	1,404,117	168,006,152
Less: Allowance for bad debts	* 27,436	13,000	3,702,679	* 27,588	3,289,818	* 23,070	247,810
Inventories	0	* 4,942	36,196,109	888	* 95,479	0	35,986,685
U.S. Government obligations	0	0	64,150,012	300,475	209,389	0	44,955,406
Tax-exempt securities	0	0	20,353,327	273,745	* 29,924	0	17,689,872
Other current assets	204,898	321,986	1,566,918,310	* 3,350,071	15,680,771	1,604,908	1,455,660,242
Mortgage and real estate loans	0	0	52,695,555	0	22,756,305	17,367	23,167,190
Other investments	* 218,957	* 89,240	5,945,828,069	* 16,416,130	34,345,962	* 2,179,532	4,738,016,931
Depreciable assets	600,205	2,749,867	42,036,198	* 59,611	1,026,414	334,584	26,958,301
Less: Accumulated depreciation	237,498	1,537,869	11,609,391	* 4,489	449,070	194,607	7,728,042
Depletable assets	0	0	1,706,076	0	* 3,515	0	1,283,273
Less: Accumulated depletion	0	0	174,107	0	0	0	128,623
Land	194	61,707	4,787,984	0	60,954	* 5,632	3,823,352
Intangible assets	360,356	1,067,920	41,460,969	118,743	19,492,899	7,241,373	12,694,952
Less: Accumulated amortization	98,607	205,447	3,499,440	3,443	115,618	935,571	1,846,871
Other assets	123,303	415,488	351,827,172	3,778,313	50,371,676	1,996,287	256,105,632
<b>Total liabilities and capital</b>	<b>4,409,197</b>	<b>5,661,180</b>	<b>8,812,664,360</b>	<b>28,745,612</b>	<b>245,086,050</b>	<b>19,738,631</b>	<b>7,145,975,491</b>
Accounts payable	868,347	555,509	65,669,093	* 7,436	4,819,613	4,756,267	44,637,671
Mortgages, notes, bonds payable in less than 1 year	* 384,633	* 41,658	217,747,113	* 3,650,162	43,720,206	* 7,108	74,187,996
Other current liabilities	161,383	1,174,944	1,864,366,168	* 4,874,725	24,818,810	3,013,511	1,736,617,667
Nonrecourse loans	0	* 5,101,085	58,528,944	0	6,307,697	* 422,392	50,158,508
Mortgages, notes, bonds payable in 1 year or more	* 15,602	* 167,815	165,808,163	* 932,043	43,800,058	* 561,524	105,102,478
Other liabilities	124,069	937,441	466,782,504	* 18,279,699	12,061,760	703,150	377,294,240
Partners capital accounts	2,855,162	-2,317,273	5,973,762,375	1,001,549	109,557,907	10,274,679	4,757,976,931

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Finance and insurance—continued				Real estate and rental and leasing		
	Securities, commodity contracts and other financial investments and related activities—continued		Insurance carriers and related activities	Funds, trusts, and other financial vehicles	Total	Real estate	
	Securities and commodity contracts and exchanges	Other financial investment activities				Total	Lessors of residential buildings and dwellings and co-operative housing
	(85)	(86)	(87)	(88)	(89)	(90)	(91)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>8,981</b>	<b>222,772</b>	<b>10,352</b>	<b>47,396</b>	<b>1,488,966</b>	<b>1,454,179</b>	<b>427,848</b>
<b>Number of partners</b>	<b>311,770</b>	<b>3,256,401</b>	<b>53,834</b>	<b>728,198</b>	<b>6,792,082</b>	<b>6,657,377</b>	<b>1,972,875</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>7,232</b>	<b>171,020</b>	<b>7,773</b>	<b>37,473</b>	<b>1,228,017</b>	<b>1,205,789</b>	<b>348,316</b>
<b>Number of partners</b>	<b>308,253</b>	<b>2,895,602</b>	<b>48,607</b>	<b>684,179</b>	<b>5,910,243</b>	<b>5,804,663</b>	<b>1,669,419</b>
<b>Total assets</b>	<b>1,438,087,603</b>	<b>8,567,380,387</b>	<b>26,948,499</b>	<b>1,723,830,887</b>	<b>4,353,858,585</b>	<b>4,226,681,883</b>	<b>987,318,998</b>
Cash	50,230,941	427,033,915	3,866,064	42,738,730	171,567,507	167,176,894	42,714,228
Trade notes and accounts receivable	67,740,548	143,887,174	4,230,196	9,687,623	58,619,397	42,495,700	7,479,702
Less: Allowance for bad debts	109,028	267,301	53,725	66,077	967,503	828,331	76,237
Inventories	33,639,218	6,254,084	* 96,026	* 221,141	49,018,667	47,191,163	1,323,478
U.S. Government obligations	1,634,166	50,049,391	* 91,749	18,640,203	5,453,849	5,453,849	* 485,117
Tax-exempt securities	* 509,578	27,199,858	101	17,777,103	3,965,871	3,965,871	* 1,113,777
Other current assets	1,106,615,254	1,785,953,305	1,178,648	171,183,579	215,530,233	207,286,431	40,770,576
Mortgage and real estate loans	* 1,155,178	27,067,026	* 8,219	7,958,183	36,147,747	35,928,221	5,357,148
Other investments	123,922,991	5,740,428,863	12,810,555	1,398,993,972	744,968,920	729,900,412	121,178,643
Depreciable assets	5,637,801	30,762,400	1,012,350	14,057,454	2,566,622,244	2,460,167,971	768,527,612
Less: Accumulated depreciation	2,962,584	6,581,428	598,576	2,982,809	592,518,679	546,161,249	214,128,248
Depletable assets	2,205	1,397,331	0	* 419,287	2,832,810	2,532,096	* 13,057
Less: Accumulated depletion	1,133	177,818	0	* 45,484	443,433	381,532	* 12,531
Land	48,340	8,178,268	* 116,549	1,118,668	685,511,179	683,996,357	136,174,476
Intangible assets	3,337,966	15,615,110	1,500,518	1,490,733	107,127,114	96,590,985	20,339,300
Less: Accumulated amortization	317,204	2,228,673	446,765	365,222	33,768,938	33,142,645	7,203,864
Other assets	47,003,366	312,808,881	3,136,589	43,003,802	334,191,601	324,509,689	63,262,766
<b>Total liabilities and capital</b>	<b>1,438,087,603</b>	<b>8,567,380,387</b>	<b>26,948,499</b>	<b>1,723,830,887</b>	<b>4,353,858,585</b>	<b>4,226,681,883</b>	<b>987,318,998</b>
Accounts payable	88,336,347	18,527,683	3,531,372	8,397,433	43,412,032	40,719,883	8,090,796
Mortgages, notes, bonds payable in less than 1 year	33,705,241	55,931,865	167,048	126,300,396	103,345,031	99,415,085	14,985,928
Other current liabilities	1,028,074,717	2,323,414,685	2,794,820	179,156,424	176,796,873	163,552,131	41,953,893
Nonrecourse loans	* 2,149,372	75,229,291	* 123,750	1,610,995	991,655,800	978,501,253	350,939,252
Mortgages, notes, bonds payable in 1 year or more	51,274,080	144,326,483	1,779,497	27,065,319	1,450,630,742	1,409,975,663	330,753,643
Other liabilities	103,315,107	484,881,968	16,136,973	200,542,925	365,279,383	354,481,874	88,058,857
Partners capital accounts	131,232,738	5,465,068,411	2,415,037	1,180,757,395	1,222,738,725	1,180,035,994	152,536,630
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>5,934</b>	<b>164,426</b>	<b>7,485</b>	<b>35,188</b>	<b>760,388</b>	<b>741,673</b>	<b>173,397</b>
<b>Number of partners</b>	<b>275,986</b>	<b>2,789,988</b>	<b>47,450</b>	<b>660,481</b>	<b>3,699,463</b>	<b>3,636,662</b>	<b>892,922</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>5,054</b>	<b>125,003</b>	<b>5,749</b>	<b>27,323</b>	<b>630,772</b>	<b>621,290</b>	<b>150,423</b>
<b>Number of partners</b>	<b>274,216</b>	<b>2,463,158</b>	<b>43,910</b>	<b>621,929</b>	<b>3,228,162</b>	<b>3,187,430</b>	<b>774,899</b>
<b>Total assets</b>	<b>359,829,117</b>	<b>6,786,146,374</b>	<b>24,385,399</b>	<b>1,348,733,177</b>	<b>2,250,150,739</b>	<b>2,172,738,182</b>	<b>386,939,040</b>
Cash	17,205,465	354,373,384	3,762,034	33,258,539	118,597,115	115,895,884	27,158,586
Trade notes and accounts receivable	34,337,946	133,668,205	3,966,293	6,255,710	39,230,206	28,344,681	4,633,302
Less: Allowance for bad debts	30,576	17,213,34	52,320	62,073	604,281	532,142	49,898
Inventories	32,714,605	3,272,080	* 74,840	* 38,217	17,161,890	15,600,286	1,129,684
U.S. Government obligations	871,462	44,083,944	* 91,749	18,592,993	4,780,564	4,780,564	* 417,092
Tax-exempt securities	* 127,686	17,562,186	101	2,359,686	3,848,279	3,848,279	* 1,113,777
Other current assets	153,185,376	1,302,474,866	893,403	89,728,915	119,303,452	113,506,178	20,366,057
Mortgage and real estate loans	* 599,842	22,567,349	0	6,754,693	28,668,491	28,448,965	4,337,498
Other investments	110,692,277	4,627,324,653	11,852,261	1,143,017,254	365,833,392	358,788,620	43,923,296
Depreciable assets	4,117,811	22,840,490	734,587	12,922,701	1,407,206,105	1,348,498,402	317,675,150
Less: Accumulated depreciation	2,446,437	5,281,605	486,224	2,746,959	413,199,839	387,411,181	131,319,468
Depletable assets	2,205	1,281,069	0	* 419,287	1,901,940	1,601,226	* 11,974
Less: Accumulated depletion	1,133	127,489	0	* 45,484	417,031	355,130	* 11,974
Land	* 13,672	3,809,880	* 49,465	848,581	349,016,716	347,722,149	59,974,845
Intangible assets	1,653,831	11,041,121	1,009,778	903,225	61,001,534	52,267,595	8,545,584
Less: Accumulated amortization	93,348	1,753,523	260,895	337,042	20,551,715	20,060,983	3,411,185
Other assets	6,878,435	249,227,197	2,750,328	36,824,935	168,373,923	161,794,791	32,444,719
<b>Total liabilities and capital</b>	<b>359,829,117</b>	<b>6,786,146,374</b>	<b>24,385,399</b>	<b>1,348,733,177</b>	<b>2,250,150,739</b>	<b>2,172,738,182</b>	<b>386,939,040</b>
Accounts payable	30,201,495	14,436,176	3,270,429	8,177,677	23,994,065	22,153,539	3,603,692
Mortgages, notes, bonds payable in less than 1 year	28,232,629	45,955,366	121,490	96,060,151	42,122,933	39,769,699	5,825,331
Other current liabilities	173,180,706	1,563,436,962	2,463,015	92,578,441	77,532,407	71,513,129	16,104,982
Nonrecourse loans	* 1,751,414	48,407,095	60,494	1,579,852	496,436,166	491,543,982	151,275,767
Mortgages, notes, bonds payable in 1 year or more	4,118,404	100,984,073	685,045	14,727,016	682,035,521	664,502,225	122,814,008
Other liabilities	25,748,804	351,545,437	15,560,939	42,882,716	157,680,489	150,748,306	29,598,662
Partners capital accounts	96,595,665	4,661,381,266	2,223,987	1,092,727,323	770,349,159	732,507,303	57,716,599

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Real estate and rental and leasing—continued						Professional, scientific, and technical services
	Real estate—continued				Rental and leasing services	Lessors of nonfinancial intangible assets (except copyrighted works)	
	Lessors of nonresidential buildings (except miniwarehouses)	Lessors of miniwarehouses and self-storage units	Lessors of other real estate property	Other real estate activities			Total
	(92)	(93)	(94)	(95)	(96)	(97)	(98)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>510,042</b>	<b>20,586</b>	<b>103,436</b>	<b>392,267</b>	<b>33,943</b>	<b>843</b>	<b>175,546</b>
<b>Number of partners</b>	<b>2,158,788</b>	<b>110,983</b>	<b>562,771</b>	<b>1,851,960</b>	<b>132,296</b>	<b>2,408</b>	<b>633,193</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>444,909</b>	<b>15,039</b>	<b>76,602</b>	<b>320,923</b>	<b>21,401</b>	<b>826</b>	<b>118,453</b>
<b>Number of partners</b>	<b>1,954,992</b>	<b>99,879</b>	<b>470,599</b>	<b>1,609,774</b>	<b>103,227</b>	<b>2,353</b>	<b>493,712</b>
<b>Total assets</b>	<b>1,697,058,954</b>	<b>45,630,595</b>	<b>204,293,472</b>	<b>1,292,379,863</b>	<b>112,494,179</b>	<b>14,682,524</b>	<b>185,401,395</b>
Cash	66,527,364	850,250	8,123,822	48,961,232	4,204,297	186,315	31,829,486
Trade notes and accounts receivable	16,410,803	264,787	2,141,057	16,199,350	14,054,929	* 2,068,768	34,494,367
Less: Allowance for bad debts	376,097	1,281	58,918	315,799	130,916	* 8,255	628,783
Inventories	2,466,123	11,685	1,215,519	42,174,359	1,827,504	0	2,193,428
U.S. Government obligations	1,393,380	0	0	3,575,353	0	0	* 258,373
Tax-exempt securities	2,767,264	0	* 31,304	* 53,526	0	0	* 122,244
Other current assets	61,040,578	1,583,139	5,056,383	98,835,754	7,897,091	346,711	28,102,730
Mortgage and real estate loans	3,721,228	0	3,849,934	22,999,911	* 219,526	0	* 164,851
Other investments	149,684,971	3,214,804	24,167,159	431,654,836	13,959,984	* 1,108,524	28,617,108
Depreciable assets	1,246,032,043	33,958,795	106,456,210	305,193,312	105,342,340	1,111,932	48,228,090
Less: Accumulated depreciation	263,352,149	6,414,877	23,456,044	38,809,931	45,908,688	448,741	27,271,395
Depletable assets	* 231,968	0	* 859,473	1,427,598	0	300,714	* 162,716
Less: Accumulated depletion	* 37,871	0	* 214,891	116,238	0	61,901	* 52,293
Land	290,699,893	9,022,091	54,491,836	193,608,061	1,452,590	* 62,232	1,043,954
Intangible assets	50,651,890	1,386,079	4,937,649	19,276,067	2,667,775	7,868,355	25,147,820
Less: Accumulated amortization	18,866,593	442,104	1,276,245	5,353,840	410,436	215,857	3,854,227
Other assets	88,064,160	2,197,227	17,969,224	153,016,313	7,318,184	2,363,728	16,842,928
<b>Total liabilities and capital</b>	<b>1,697,058,954</b>	<b>45,630,595</b>	<b>204,293,472</b>	<b>1,292,379,863</b>	<b>112,494,179</b>	<b>14,682,524</b>	<b>185,401,395</b>
Accounts payable	15,284,822	347,941	1,496,352	15,499,972	2,455,613	236,536	10,453,417
Mortgages, notes, bonds payable in less than 1 year	36,507,374	900,880	7,789,634	39,231,269	3,676,316	* 253,630	6,968,259
Other current liabilities	50,077,980	1,534,320	6,443,231	63,542,706	12,403,795	840,947	32,123,951
Nonrecourse loans	434,833,858	4,506,459	34,779,069	153,442,616	13,143,847	* 10,700	1,770,337
Mortgages, notes, bonds payable in 1 year or more	656,771,513	19,708,754	66,225,395	336,516,358	39,469,764	* 1,185,314	21,904,432
Other liabilities	103,093,325	1,698,227	14,502,623	147,128,842	10,780,058	17,451	16,271,919
Partners capital accounts	400,490,082	16,934,014	73,057,168	537,018,100	30,564,785	12,137,946	95,909,079
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>339,889</b>	<b>11,159</b>	<b>60,119</b>	<b>157,109</b>	<b>18,361</b>	<b>354</b>	<b>116,908</b>
<b>Number of partners</b>	<b>1,535,112</b>	<b>40,080</b>	<b>392,955</b>	<b>775,594</b>	<b>61,375</b>	<b>1,426</b>	<b>424,844</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>300,747</b>	<b>8,208</b>	<b>40,774</b>	<b>121,137</b>	<b>9,146</b>	<b>337</b>	<b>86,471</b>
<b>Number of partners</b>	<b>1,395,613</b>	<b>34,167</b>	<b>322,702</b>	<b>660,049</b>	<b>39,363</b>	<b>1,370</b>	<b>353,983</b>
<b>Total assets</b>	<b>1,057,975,517</b>	<b>25,478,362</b>	<b>111,461,541</b>	<b>590,883,722</b>	<b>63,337,867</b>	<b>14,074,690</b>	<b>152,630,888</b>
Cash	51,404,919	589,415	5,580,796	31,162,168	2,554,279	146,952	29,135,728
Trade notes and accounts receivable	11,271,140	184,022	1,762,098	10,494,119	8,816,756	* 2,068,768	31,496,835
Less: Allowance for bad debts	272,169	* 337	50,480	159,257	63,884	* 8,255	589,916
Inventories	515,297	* 1,590	385,854	13,567,862	1,561,604	0	1,656,560
U.S. Government obligations	1,373,651	0	0	* 2,989,820	0	0	* 258,373
Tax-exempt securities	2,649,821	0	* 31,304	* 53,377	0	0	* 122,244
Other current assets	42,128,722	1,079,085	3,319,385	46,612,929	5,453,671	343,603	22,629,945
Mortgage and real estate loans	3,089,427	0	3,112,926	17,909,114	* 219,526	0	* 164,851
Other investments	84,932,036	1,938,663	14,458,676	213,535,949	5,936,249	* 1,108,524	23,386,561
Depreciable assets	821,068,797	19,810,436	58,372,913	131,571,107	57,607,552	* 1,100,151	40,192,807
Less: Accumulated depreciation	212,307,221	4,822,090	16,953,241	22,009,160	25,340,234	* 448,424	23,374,652
Depletable assets	* 229,265	0	* 859,473	* 500,514	0	300,714	* 151,418
Less: Accumulated depletion	* 36,880	0	* 214,891	* 91,385	0	61,901	* 51,778
Land	181,740,112	5,299,364	29,159,585	71,548,242	1,232,336	* 62,232	586,646
Intangible assets	32,149,921	866,789	1,867,798	8,837,503	901,604	7,832,335	17,510,920
Less: Accumulated amortization	12,749,609	368,943	837,919	2,693,326	279,677	* 211,054	2,818,076
Other assets	50,788,291	900,369	10,607,265	67,054,147	4,738,086	* 1,841,046	12,172,424
<b>Total liabilities and capital</b>	<b>1,057,975,517</b>	<b>25,478,362</b>	<b>111,461,541</b>	<b>590,883,722</b>	<b>63,337,867</b>	<b>14,074,690</b>	<b>152,630,888</b>
Accounts payable	10,141,227	165,727	649,105	7,593,788	1,609,858	230,668	7,978,743
Mortgages, notes, bonds payable in less than 1 year	18,527,512	163,568	3,722,139	11,531,149	2,125,567	* 227,667	4,188,894
Other current liabilities	28,974,186	1,066,230	2,787,180	22,580,550	5,235,329	783,949	26,494,707
Nonrecourse loans	263,234,877	3,311,155	13,904,286	59,817,897	4,892,183	0	1,009,080
Mortgages, notes, bonds payable in 1 year or more	369,941,999	8,784,892	30,970,564	131,990,762	16,731,781	* 801,515	14,951,074
Other liabilities	50,815,713	1,439,866	6,851,824	62,042,241	6,969,732	* -37,548	12,055,571
Partners capital accounts	316,340,002	10,546,923	52,576,443	295,327,336	25,773,417	12,068,440	85,952,819

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued						
	Legal services	Accounting, tax preparation, bookkeeping, and payroll services	Architectural, engineering, and related services	Specialized design services	Computer systems design and related services	Other professional, scientific, and technical services	
						Total	Management, scientific, and technical consulting services
	(99)	(100)	(101)	(102)	(103)	(104)	(105)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>26,926</b>	<b>21,535</b>	<b>14,489</b>	<b>7,714</b>	<b>27,860</b>	<b>77,022</b>	<b>38,593</b>
<b>Number of partners</b>	<b>159,655</b>	<b>81,081</b>	<b>38,192</b>	<b>16,715</b>	<b>91,930</b>	<b>245,621</b>	<b>125,055</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>23,405</b>	<b>15,406</b>	<b>8,902</b>	<b>5,629</b>	<b>15,471</b>	<b>49,640</b>	<b>23,510</b>
<b>Number of partners</b>	<b>147,854</b>	<b>67,668</b>	<b>25,944</b>	<b>12,545</b>	<b>59,471</b>	<b>180,232</b>	<b>90,107</b>
<b>Total assets</b>	<b>34,708,723</b>	<b>19,460,742</b>	<b>7,681,008</b>	<b>1,271,240</b>	<b>9,398,999</b>	<b>112,880,683</b>	<b>54,748,089</b>
Cash	12,760,773	6,119,183	1,280,063	136,496	1,016,834	10,516,138	5,632,496
Trade notes and accounts receivable	3,358,727	3,871,636	1,985,764	379,476	1,792,622	23,106,143	5,083,241
Less: Allowance for bad debts	60,547	262,829	43,170	* 5,155	25,928	231,155	41,659
Inventories	* 20,946	* 6,857	187,138	61,841	224,479	1,692,167	442,128
U.S. Government obligations	* 248,335	0	0	0	0	10,038	0
Tax-exempt securities	* 2,943	* 10,230	9,625	0	* 877	98,568	0
Other current assets	6,153,681	1,677,586	592,709	40,908	1,196,446	18,441,400	11,468,185
Mortgage and real estate loans	1,999	87	3,324	0	0	* 159,441	* 157,727
Other investments	920,175	762,756	260,202	* 6,245	405,784	26,261,945	17,298,052
Depreciable assets	21,765,947	5,727,092	2,720,072	208,147	2,420,782	15,386,049	8,886,209
Less: Accumulated depreciation	13,399,804	3,679,106	1,624,195	120,651	1,293,644	7,153,994	3,799,371
Depletable assets	* 11,053	* 67,049	8,419	0	0	* 76,194	0
Less: Accumulated depletion	0	* 49,225	3,068	0	0	0	0
Land	106,839	25,526	* 86,162	0	963	824,464	632,426
Intangible assets	908,983	1,221,903	2,002,068	524,489	3,190,959	17,299,418	4,253,356
Less: Accumulated amortization	217,816	346,174	259,273	* 6,194	432,278	2,592,492	356,616
Other assets	2,126,490	4,308,173	475,168	* 45,638	901,103	8,986,357	5,091,915
<b>Total liabilities and capital</b>	<b>34,708,723</b>	<b>19,460,742</b>	<b>7,681,008</b>	<b>1,271,240</b>	<b>9,398,999</b>	<b>112,880,683</b>	<b>54,748,089</b>
Accounts payable	786,960	310,109	1,076,417	135,064	824,305	7,320,562	3,181,974
Mortgages, notes, bonds payable in less than 1 year	2,474,601	647,895	270,982	* 414,998	394,991	2,764,791	1,363,608
Other current liabilities	7,748,756	3,802,744	982,266	221,071	1,893,565	17,475,548	6,684,421
Nonrecourse loans	755,131	* 457,623	* 129,982	0	* 117,222	310,380	188,870
Mortgages, notes, bonds payable in 1 year or more	3,188,704	2,018,319	1,057,020	* 53,135	1,106,309	14,880,945	8,760,254
Other liabilities	3,113,196	2,347,399	-103,032	* 72,712	1,249,811	9,591,834	6,645,376
Partners capital accounts	16,641,376	9,876,653	4,267,372	374,261	3,812,795	60,936,623	27,923,586
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>22,040</b>	<b>17,816</b>	<b>11,145</b>	<b>4,634</b>	<b>15,100</b>	<b>46,173</b>	<b>22,872</b>
<b>Number of partners</b>	<b>143,222</b>	<b>69,649</b>	<b>30,277</b>	<b>9,561</b>	<b>34,158</b>	<b>137,977</b>	<b>76,474</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>19,739</b>	<b>13,044</b>	<b>7,657</b>	<b>4,280</b>	<b>8,939</b>	<b>32,813</b>	<b>15,464</b>
<b>Number of partners</b>	<b>134,215</b>	<b>59,063</b>	<b>22,376</b>	<b>8,851</b>	<b>21,936</b>	<b>107,542</b>	<b>60,263</b>
<b>Total assets</b>	<b>32,023,073</b>	<b>18,100,495</b>	<b>6,158,803</b>	<b>1,167,191</b>	<b>3,988,139</b>	<b>91,193,187</b>	<b>41,909,406</b>
Cash	12,414,000	6,030,809	1,116,042	111,266	825,515	8,638,096	5,010,171
Trade notes and accounts receivable	3,239,648	3,781,383	1,623,288	316,666	929,932	21,605,917	4,640,841
Less: Allowance for bad debts	51,644	259,758	41,498	* 5,155	7,456	224,404	41,249
Inventories	* 20,963	0	187,138	* 60,553	149,970	1,237,936	175,456
U.S. Government obligations	* 248,335	0	0	0	0	10,038	0
Tax-exempt securities	* 2,943	* 10,230	9,625	0	* 877	98,568	0
Other current assets	4,916,815	1,556,427	511,751	39,194	547,554	15,058,204	8,850,771
Mortgage and real estate loans	1,999	87	3,324	0	0	* 159,441	* 157,727
Other investments	912,268	588,426	251,514	* 6,245	199,051	21,429,057	13,380,501
Depreciable assets	20,750,993	5,211,754	2,277,424	142,402	1,106,784	10,703,450	5,988,020
Less: Accumulated depreciation	12,941,867	3,338,906	1,534,019	67,759	644,700	4,847,402	2,314,195
Depletable assets	* 11,053	* 55,751	8,419	0	0	* 76,194	0
Less: Accumulated depletion	0	* 48,710	3,068	0	0	0	0
Land	33,491	22,577	* 14,351	0	250	515,977	345,337
Intangible assets	648,732	970,298	1,548,288	* 524,247	663,264	13,156,091	3,466,218
Less: Accumulated amortization	210,031	317,694	252,685	* 5,965	176,997	1,854,704	296,140
Other assets	2,025,376	3,837,822	438,909	* 45,497	394,096	5,430,725	2,565,947
<b>Total liabilities and capital</b>	<b>32,023,073</b>	<b>18,100,495</b>	<b>6,158,803</b>	<b>1,167,191</b>	<b>3,988,139</b>	<b>91,193,187</b>	<b>41,909,406</b>
Accounts payable	676,565	223,429	817,306	78,686	478,104	5,704,652	2,490,704
Mortgages, notes, bonds payable in less than 1 year	1,412,170	576,481	169,650	* 414,998	164,713	1,450,881	781,968
Other current liabilities	6,830,211	3,629,350	849,460	150,297	827,432	14,207,957	5,976,383
Nonrecourse loans	296,522	* 457,623	* 6,745	0	* 24,521	223,669	* 103,428
Mortgages, notes, bonds payable in 1 year or more	2,613,579	1,720,526	663,629	* 36,019	382,798	9,534,522	5,745,488
Other liabilities	2,598,685	2,328,514	-158,787	* 54,130	383,831	6,849,198	4,387,398
Partners capital accounts	17,595,339	9,164,572	3,810,799	433,062	1,726,740	53,222,307	22,424,037

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Professional, scientific, and technical services—continued		Management of companies (holding companies)	Administrative and support and waste management and remediation services			Educational services
	Other professional, scientific, and technical services—continued			Total	Administrative and support services	Waste management and remediation services	
	Advertising and related services	Other miscellaneous professional, scientific, and technical services					
	(106)	(107)	(108)	(109)	(110)	(111)	(112)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>8,129</b>	<b>30,300</b>	<b>23,578</b>	<b>62,004</b>	<b>57,954</b>	<b>4,050</b>	<b>11,605</b>
<b>Number of partners</b>	<b>21,893</b>	<b>98,673</b>	<b>683,384</b>	<b>151,935</b>	<b>140,352</b>	<b>11,583</b>	<b>29,618</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>3,759</b>	<b>22,371</b>	<b>20,123</b>	<b>36,068</b>	<b>33,939</b>	<b>2,129</b>	<b>5,728</b>
<b>Number of partners</b>	<b>10,907</b>	<b>79,217</b>	<b>662,272</b>	<b>90,948</b>	<b>83,924</b>	<b>7,024</b>	<b>17,156</b>
<b>Total assets</b>	<b>15,360,660</b>	<b>42,771,934</b>	<b>523,459,471</b>	<b>47,080,810</b>	<b>38,489,266</b>	<b>8,591,544</b>	<b>3,648,616</b>
Cash	1,261,783	3,621,859	13,382,427	3,620,281	3,318,106	302,174	472,114
Trade notes and accounts receivable	8,079,268	9,943,634	20,824,751	6,860,229	5,753,579	1,106,650	363,680
Less: Allowance for bad debts	121,199	68,298	127,059	124,940	105,716	19,224	* 22,910
Inventories	108,150	1,141,889	2,833,789	420,988	343,034	77,954	29,277
U.S. Government obligations	0	10,038	* 24,084	* 81,233	2,442	* 78,791	* 10,240
Tax-exempt securities	0	98,568	* 1,366,378	0	0	0	0
Other current assets	2,537,428	4,435,787	47,830,106	6,958,552	6,347,676	610,876	215,853
Mortgage and real estate loans	* 285	* 1,429	* 266,165	* 466	* 125	342	0
Other investments	214,370	8,749,524	337,968,401	3,899,620	3,258,638	* 640,983	* 890,537
Depreciable assets	2,336,312	4,163,529	50,691,656	14,603,909	7,725,881	6,878,028	879,653
Less: Accumulated depreciation	1,333,898	2,020,725	9,721,371	7,499,179	3,793,746	3,705,433	301,404
Depletable assets	0	* 76,194	2,531,395	56,437	0	56,437	0
Less: Accumulated depletion	0	0	330,204	18,708	0	18,708	0
Land	* 39,492	152,545	4,331,591	574,782	483,201	91,581	* 19,235
Intangible assets	1,990,642	11,055,420	12,965,198	15,008,747	13,831,818	1,176,929	1,093,979
Less: Accumulated amortization	238,281	1,997,595	1,927,460	1,847,768	1,710,588	137,181	76,323
Other assets	486,307	3,408,136	40,549,624	4,486,161	3,034,816	1,451,345	74,684
<b>Total liabilities and capital</b>	<b>15,360,660</b>	<b>42,771,934</b>	<b>523,459,471</b>	<b>47,080,810</b>	<b>38,489,266</b>	<b>8,591,544</b>	<b>3,648,616</b>
Accounts payable	1,779,005	2,359,583	7,037,576	2,455,745	1,914,651	541,095	183,100
Mortgages, notes, bonds payable in less than 1 year	286,902	1,114,281	5,267,055	2,028,519	1,795,108	233,410	113,671
Other current liabilities	2,675,086	8,116,041	25,250,326	8,291,833	7,351,259	940,574	853,311
Nonrecourse loans	* 5,579	* 115,931	9,001,036	381,644	* 165,408	* 216,237	* 82,642
Mortgages, notes, bonds payable in 1 year or more	2,322,751	3,397,941	49,771,277	9,121,563	7,189,449	1,932,114	681,313
Other liabilities	578,543	2,367,915	50,712,716	6,192,467	5,331,479	860,989	594,632
Partners capital accounts	7,712,794	25,300,243	376,419,486	18,609,038	14,741,913	3,867,125	1,139,947
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>3,883</b>	<b>19,418</b>	<b>12,973</b>	<b>34,292</b>	<b>31,886</b>	<b>2,406</b>	<b>7,649</b>
<b>Number of partners</b>	<b>9,857</b>	<b>51,645</b>	<b>527,402</b>	<b>80,856</b>	<b>73,073</b>	<b>7,783</b>	<b>18,027</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>2,109</b>	<b>15,240</b>	<b>10,979</b>	<b>21,207</b>	<b>19,540</b>	<b>1,667</b>	<b>3,047</b>
<b>Number of partners</b>	<b>5,802</b>	<b>41,477</b>	<b>510,766</b>	<b>52,441</b>	<b>46,853</b>	<b>5,588</b>	<b>8,810</b>
<b>Total assets</b>	<b>13,922,136</b>	<b>35,361,645</b>	<b>348,398,113</b>	<b>30,436,773</b>	<b>24,920,767</b>	<b>5,516,005</b>	<b>2,146,689</b>
Cash	1,128,307	2,499,618	11,091,987	2,512,447	2,293,702	218,745	372,613
Trade notes and accounts receivable	7,819,736	9,145,339	15,816,110	4,961,302	4,262,986	698,317	199,424
Less: Allowance for bad debts	116,452	66,703	84,569	86,072	73,728	12,344	* 17,169
Inventories	79,414	983,066	1,706,555	306,362	256,255	50,107	26,275
U.S. Government obligations	0	10,038	20,720	1,824	0	1,824	* 10,240
Tax-exempt securities	0	98,568	* 954,109	0	0	0	0
Other current assets	2,453,694	3,753,740	18,241,112	4,235,108	3,817,849	417,259	107,982
Mortgage and real estate loans	* 285	* 1,429	* 216,052	342	0	342	0
Other investments	198,681	7,849,876	246,884,242	3,033,878	2,967,025	* 66,853	* 812,561
Depreciable assets	1,757,380	2,978,050	22,293,974	8,961,667	4,626,358	4,335,309	392,463
Less: Accumulated depreciation	1,086,642	1,446,565	4,666,502	4,848,048	2,557,308	2,290,740	186,288
Depletable assets	0	* 76,194	* 1,703,853	56,437	0	56,437	0
Less: Accumulated depletion	0	0	* 258,730	18,708	0	18,708	0
Land	* 35,743	134,897	1,628,137	330,592	252,363	78,229	* 10,563
Intangible assets	1,337,675	8,352,197	6,083,916	8,797,761	8,052,776	744,985	371,547
Less: Accumulated amortization	154,795	1,403,768	628,378	950,770	889,937	60,833	28,761
Other assets	469,110	2,395,668	27,395,524	3,142,652	1,912,427	1,230,225	75,238
<b>Total liabilities and capital</b>	<b>13,922,136</b>	<b>35,361,645</b>	<b>348,398,113</b>	<b>30,436,773</b>	<b>24,920,767</b>	<b>5,516,005</b>	<b>2,146,689</b>
Accounts payable	1,559,546	1,654,403	4,605,998	1,591,243	1,247,856	343,388	76,108
Mortgages, notes, bonds payable in less than 1 year	253,837	415,077	3,638,254	1,000,651	881,343	119,308	* 46,624
Other current liabilities	2,432,328	5,799,247	15,990,143	4,617,685	4,106,221	511,464	247,847
Nonrecourse loans	* 4,714	* 115,526	6,008,501	* 103,993	* 83,687	* 20,306	0
Mortgages, notes, bonds payable in 1 year or more	1,649,989	2,139,046	24,306,399	4,933,281	3,667,214	1,266,067	163,193
Other liabilities	513,230	1,948,570	8,967,969	1,706,543	1,828,624	-122,080	331,679
Partners capital accounts	7,508,493	23,289,777	284,880,848	16,483,376	13,105,824	3,377,552	1,281,239

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance						
	Total	Offices of physicians and dentists	Offices of other health practitioners	Outpatient care centers	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services
	(113)	(114)	(115)	(116)	(117)	(118)	(119)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>67,522</b>	<b>19,582</b>	<b>14,595</b>	<b>8,311</b>	<b>4,997</b>	<b>3,421</b>	<b>970</b>
<b>Number of partners</b>	<b>353,922</b>	<b>127,845</b>	<b>49,600</b>	<b>60,655</b>	<b>35,956</b>	<b>10,078</b>	<b>2,426</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>54,641</b>	<b>16,121</b>	<b>10,978</b>	<b>7,951</b>	<b>4,841</b>	<b>2,521</b>	<b>970</b>
<b>Number of partners</b>	<b>257,336</b>	<b>74,629</b>	<b>30,050</b>	<b>55,701</b>	<b>32,722</b>	<b>8,208</b>	<b>2,426</b>
<b>Total assets</b>	<b>103,239,106</b>	<b>8,861,262</b>	<b>1,864,932</b>	<b>14,430,717</b>	<b>6,974,178</b>	<b>1,556,080</b>	<b>328,359</b>
Cash	8,127,542	1,960,834	509,080	1,667,159	717,212	161,306	33,002
Trade notes and accounts receivable	17,930,440	1,781,564	150,911	3,004,007	1,200,613	473,356	* 144,484
Less: Allowance for bad debts	4,820,135	264,579	* 1,680	1,053,064	382,751	31,357	* 23,111
Inventories	620,781	51,329	32,267	270,634	91,549	* 33,707	* 7,146
U.S. Government obligations	* 15,388	500	* 4,679	3,074	* 1,487	0	0
Tax-exempt securities	* 10,568	0	0	0	0	0	0
Other current assets	6,935,491	538,228	154,068	897,562	721,286	131,912	* 17,516
Mortgage and real estate loans	* 173,285	* 216	0	0	0	0	0
Other investments	2,001,015	199,863	203,028	884,579	57,091	* 117,045	100
Depreciable assets	73,387,493	7,490,059	1,033,312	8,855,818	7,147,112	619,361	120,496
Less: Accumulated depreciation	27,197,979	4,690,047	643,186	4,056,915	4,010,300	388,523	42,689
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	4,983,627	124,973	* 59,228	120,394	56,126	* 11,718	* 1,046
Intangible assets	13,597,671	1,393,679	215,707	3,267,733	1,396,200	385,607	* 45,713
Less: Accumulated amortization	1,956,905	390,235	68,804	467,939	185,682	39,770	* 5,719
Other assets	9,430,824	664,879	216,321	1,037,675	164,234	81,718	* 30,376
<b>Total liabilities and capital</b>	<b>103,239,106</b>	<b>8,861,262</b>	<b>1,864,932</b>	<b>14,430,717</b>	<b>6,974,178</b>	<b>1,556,080</b>	<b>328,359</b>
Accounts payable	4,880,126	229,113	89,418	803,236	169,581	97,452	* 24,577
Mortgages, notes, bonds payable in less than 1 year	4,358,864	693,103	244,483	963,828	573,947	104,043	* 95,877
Other current liabilities	12,449,836	1,873,719	247,642	1,365,316	847,100	272,985	* 24,169
Nonrecourse loans	7,006,786	85,868	* 16,282	167,875	* 103,805	42,920	3,382
Mortgages, notes, bonds payable in 1 year or more	33,395,451	2,737,917	255,976	3,397,343	3,124,629	451,547	* 179,792
Other liabilities	12,080,160	2,298,883	110,465	1,570,501	460,391	161,225	* 16,222
Partners capital accounts	29,067,882	942,860	900,667	6,162,618	1,694,727	425,908	-15,660
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>42,862</b>	<b>15,632</b>	<b>9,663</b>	<b>4,492</b>	<b>2,455</b>	<b>1,846</b>	<b>* 587</b>
<b>Number of partners</b>	<b>191,416</b>	<b>71,478</b>	<b>23,425</b>	<b>39,448</b>	<b>15,924</b>	<b>5,481</b>	<b>* 1,596</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>35,707</b>	<b>13,238</b>	<b>8,102</b>	<b>4,405</b>	<b>2,356</b>	<b>1,548</b>	<b>* 587</b>
<b>Number of partners</b>	<b>167,672</b>	<b>60,949</b>	<b>20,301</b>	<b>37,023</b>	<b>15,727</b>	<b>4,816</b>	<b>* 1,596</b>
<b>Total assets</b>	<b>56,405,504</b>	<b>6,645,069</b>	<b>1,201,248</b>	<b>10,488,479</b>	<b>3,850,390</b>	<b>1,038,518</b>	<b>* 73,125</b>
Cash	6,493,888	1,830,189	464,671	1,320,436	582,917	137,402	* 20,313
Trade notes and accounts receivable	12,538,969	1,448,353	115,822	2,312,698	860,633	321,554	* 35,328
Less: Allowance for bad debts	3,394,415	221,168	* 1,680	813,497	260,644	* 15,655	* 18,751
Inventories	340,242	31,908	30,268	134,849	31,178	* 27,597	0
U.S. Government obligations	* 7,753	0	* 4,679	3,074	0	0	0
Tax-exempt securities	* 10,568	0	0	0	0	0	0
Other current assets	4,208,282	371,457	90,723	668,846	378,844	116,903	* 11,048
Mortgage and real estate loans	* 138,789	* 216	0	0	0	0	0
Other investments	1,234,870	181,097	-9,910	810,088	38,639	* 14,926	0
Depreciable assets	39,416,413	5,627,404	845,821	5,784,022	4,066,426	338,681	* 46,194
Less: Accumulated depreciation	19,690,463	4,021,429	526,367	2,950,890	2,669,206	225,432	* 21,636
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	1,824,673	62,945	* 59,228	65,573	* 28,769	* 5,148	0
Intangible assets	8,528,550	1,076,940	123,961	2,727,847	820,192	300,866	* 1,273
Less: Accumulated amortization	1,384,238	324,641	45,004	422,807	141,599	39,125	* 1,210
Other assets	6,131,623	581,797	49,037	848,239	114,240	55,654	567
<b>Total liabilities and capital</b>	<b>56,405,504</b>	<b>6,645,069</b>	<b>1,201,248</b>	<b>10,488,479</b>	<b>3,850,390</b>	<b>1,038,518</b>	<b>* 73,125</b>
Accounts payable	2,892,973	138,012	53,226	599,353	127,464	76,610	* 10,732
Mortgages, notes, bonds payable in less than 1 year	2,188,759	423,218	210,855	322,172	228,855	56,208	0
Other current liabilities	6,947,514	1,566,139	76,662	765,939	262,428	99,551	* 2,755
Nonrecourse loans	2,404,834	* 47,675	* 5,869	* 84,410	* 77,863	0	3,382
Mortgages, notes, bonds payable in 1 year or more	11,829,417	1,369,647	181,869	1,612,538	1,025,527	271,697	* 25,422
Other liabilities	5,217,885	2,145,539	34,481	303,935	108,332	* 64,610	[2]
Partners capital accounts	24,924,121	954,838	638,285	6,800,133	2,019,921	469,843	* 30,834

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Hospitals	Nursing and residential care facilities	Social assistance	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(120)	(121)	(122)	(123)	(124)	(125)	(126)
<b>ALL PARTNERSHIPS</b>							
<b>Number of partnerships [1]</b>	<b>613</b>	<b>9,200</b>	<b>5,832</b>	<b>54,867</b>	<b>34,616</b>	<b>* 367</b>	<b>19,883</b>
<b>Number of partners</b>	<b>11,436</b>	<b>42,979</b>	<b>12,946</b>	<b>384,436</b>	<b>187,207</b>	<b>* 735</b>	<b>196,495</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>606</b>	<b>7,070</b>	<b>3,583</b>	<b>31,883</b>	<b>17,504</b>	<b>* 367</b>	<b>14,011</b>
<b>Number of partners</b>	<b>11,165</b>	<b>34,334</b>	<b>8,101</b>	<b>270,567</b>	<b>121,904</b>	<b>* 735</b>	<b>147,929</b>
<b>Total assets</b>	<b>27,050,129</b>	<b>41,332,295</b>	<b>841,153</b>	<b>82,850,820</b>	<b>33,660,520</b>	<b>* 41,090</b>	<b>49,149,210</b>
Cash	1,189,938	1,763,922	125,090	5,343,649	3,089,838	* 4,679	2,249,132
Trade notes and accounts receivable	7,228,016	3,898,879	* 48,610	3,748,845	2,555,671	0	1,193,174
Less: Allowance for bad debts	2,762,694	300,690	* 209	109,465	40,699	0	68,766
Inventories	97,529	36,620	0	631,584	108,222	* 2,131	521,230
U.S. Government obligations	2,937	* 2,710	0	0	0	0	0
Tax-exempt securities	* 9,416	0	* 1,152	* 80,633	* 29	0	* 80,604
Other current assets	1,626,944	2,835,823	12,152	6,021,715	3,325,867	* 16,175	2,679,673
Mortgage and real estate loans	0	* 173,069	0	23,505	23,505	0	0
Other investments	330,916	201,184	* 7,209	6,104,127	2,690,217	0	3,413,910
Depreciable assets	18,474,025	29,038,389	608,921	51,062,829	12,516,321	* 22,864	38,523,644
Less: Accumulated depreciation	7,045,696	6,211,026	109,597	18,858,584	4,422,468	* 15,759	14,420,357
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	1,046,535	3,507,268	* 56,338	6,481,711	748,359	0	5,733,352
Intangible assets	3,339,190	3,515,633	38,208	15,998,399	12,190,870	* 13,687	3,793,841
Less: Accumulated amortization	230,196	561,044	7,516	5,567,357	4,943,289	* 2,686	621,382
Other assets	3,743,270	3,431,557	60,794	11,889,229	5,818,077	0	6,071,153
<b>Total liabilities and capital</b>	<b>27,050,129</b>	<b>41,332,295</b>	<b>841,153</b>	<b>82,850,820</b>	<b>33,660,520</b>	<b>* 41,090</b>	<b>49,149,210</b>
Accounts payable	1,330,423	2,131,763	* 4,565	3,240,423	1,843,764	* 4,241	1,392,417
Mortgages, notes, bonds payable in less than 1 year	433,078	1,207,473	43,032	4,114,352	1,088,703	* 42	3,025,608
Other current liabilities	2,499,677	5,176,958	142,271	13,639,684	7,839,658	* 12,373	5,787,653
Nonrecourse loans	255,028	6,320,219	* 11,406	6,651,726	2,104,005	0	4,547,721
Mortgages, notes, bonds payable in 1 year or more	3,439,451	19,389,884	418,915	30,972,672	11,678,604	0	19,294,068
Other liabilities	2,681,225	4,672,349	* 108,900	11,898,469	5,710,329	* 10,072	6,178,068
Partners capital accounts	16,411,248	2,433,649	112,064	12,333,494	3,395,456	* 14,363	8,923,674
<b>PARTNERSHIPS WITH NET INCOME</b>							
<b>Number of partnerships [1]</b>	<b>383</b>	<b>3,727</b>	<b>4,077</b>	<b>22,995</b>	<b>15,229</b>	<b>* 12</b>	<b>7,753</b>
<b>Number of partners</b>	<b>7,337</b>	<b>17,988</b>	<b>8,739</b>	<b>215,013</b>	<b>101,689</b>	<b>* 25</b>	<b>113,299</b>
<b>Partnerships reporting balance sheet data:</b>							
<b>Number of partnerships</b>	<b>377</b>	<b>3,149</b>	<b>1,944</b>	<b>13,056</b>	<b>7,456</b>	<b>* 12</b>	<b>5,587</b>
<b>Number of partners</b>	<b>7,071</b>	<b>15,949</b>	<b>4,240</b>	<b>188,501</b>	<b>82,834</b>	<b>* 25</b>	<b>105,642</b>
<b>Total assets</b>	<b>18,236,475</b>	<b>14,261,082</b>	<b>611,118</b>	<b>37,418,434</b>	<b>17,254,624</b>	<b>* 25,601</b>	<b>20,138,209</b>
Cash	1,028,999	989,133	119,828	3,235,904	1,947,175	* 2,661	1,286,068
Trade notes and accounts receivable	5,016,213	2,380,141	* 48,226	2,055,374	1,570,179	0	485,195
Less: Allowance for bad debts	1,911,039	151,772	* 209	83,370	23,016	0	60,353
Inventories	63,330	21,112	0	222,080	62,665	* 2,131	157,284
U.S. Government obligations	0	0	0	0	0	0	0
Tax-exempt securities	* 9,416	0	* 1,152	* 80,604	0	0	* 80,604
Other current assets	945,785	1,613,221	11,455	2,183,886	1,508,244	* 14,175	661,467
Mortgage and real estate loans	0	* 138,572	0	23,505	23,505	0	0
Other investments	334,996	-142,176	* 7,209	4,780,300	1,725,267	0	3,055,033
Depreciable assets	12,884,163	9,358,699	465,002	22,377,106	7,473,604	* 22,314	14,881,189
Less: Accumulated depreciation	5,696,312	3,481,902	97,289	8,664,101	2,797,916	* 15,681	5,850,505
Depletable assets	0	0	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0	0	0
Land	709,741	846,155	* 47,115	2,142,111	583,035	0	1,559,076
Intangible assets	2,138,435	1,327,196	11,840	7,134,462	4,853,202	0	2,281,260
Less: Accumulated amortization	147,701	257,193	4,956	1,846,751	1,472,749	0	374,002
Other assets	2,860,447	1,619,897	* 1,745	3,777,322	1,801,429	0	1,975,892
<b>Total liabilities and capital</b>	<b>18,236,475</b>	<b>14,261,082</b>	<b>611,118</b>	<b>37,418,434</b>	<b>17,254,624</b>	<b>* 25,601</b>	<b>20,138,209</b>
Accounts payable	807,068	1,078,082	* 2,426	1,257,252	919,105	* 4,241	333,906
Mortgages, notes, bonds payable in less than 1 year	265,621	656,020	* 25,812	468,327	348,504	* 42	119,782
Other current liabilities	1,541,753	2,559,913	72,374	4,953,535	2,945,002	* 79	2,008,454
Nonrecourse loans	199,059	1,975,170	* 11,406	3,762,870	* 957,658	0	* 2,805,213
Mortgages, notes, bonds payable in 1 year or more	1,886,673	5,130,344	325,700	11,096,158	5,033,209	0	6,062,949
Other liabilities	930,913	1,532,346	* 97,728	2,817,102	2,035,967	* 10,072	771,063
Partners capital accounts	12,605,388	1,329,207	75,672	13,063,189	5,015,179	* 11,167	8,036,842

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Accommodation and food services			Other services	
	Total	Accommodation	Food service and drinking places	Total	Repair and maintenance
	(127)	(128)	(129)	(130)	(131)
<b>ALL PARTNERSHIPS</b>					
<b>Number of partnerships [1]</b>	<b>106,954</b>	<b>33,621</b>	<b>73,334</b>	<b>68,949</b>	<b>30,793</b>
<b>Number of partners</b>	<b>381,100</b>	<b>156,392</b>	<b>224,708</b>	<b>186,552</b>	<b>78,328</b>
<b>Partnerships reporting balance sheet data:</b>					
<b>Number of partnerships</b>	<b>83,970</b>	<b>28,174</b>	<b>55,796</b>	<b>40,829</b>	<b>18,627</b>
<b>Number of partners</b>	<b>324,498</b>	<b>143,477</b>	<b>181,021</b>	<b>127,150</b>	<b>53,555</b>
<b>Total assets</b>	<b>220,110,575</b>	<b>179,446,919</b>	<b>40,663,656</b>	<b>20,105,622</b>	<b>8,167,138</b>
Cash	13,542,875	10,200,487	3,342,387	1,544,991	570,590
Trade notes and accounts receivable	4,652,332	3,106,531	1,545,801	1,257,593	581,289
Less: Allowance for bad debts	88,697	82,463	6,233	14,792	5,288
Inventories	1,740,131	733,544	1,006,587	723,039	450,347
U.S. Government obligations	0	0	0	6,889	0
Tax-exempt securities	32,637	32,637	0	0	0
Other current assets	9,903,746	6,428,115	3,475,631	1,080,036	347,851
Mortgage and real estate loans	* 247,904	* 239,222	* 8,682	* 22,115	* 21,837
Other investments	10,253,532	7,199,287	3,054,245	1,505,679	356,121
Depreciable assets	164,257,728	135,356,538	28,901,190	11,684,889	6,191,467
Less: Accumulated depreciation	45,333,303	33,627,058	11,706,245	4,678,450	2,652,751
Depletable assets	* 243,319	* 40,765	* 202,554	* 17,673	* 17,673
Less: Accumulated depletion	* 52,517	* 30,725	* 21,792	* 13,283	* 13,283
Land	24,930,306	23,264,823	1,665,482	2,283,759	883,957
Intangible assets	17,036,782	8,483,845	8,552,937	2,762,021	1,324,453
Less: Accumulated amortization	3,592,904	1,973,331	1,619,574	558,228	289,594
Other assets	22,336,705	20,074,701	2,262,004	2,481,690	382,467
<b>Total liabilities and capital</b>	<b>220,110,575</b>	<b>179,446,919</b>	<b>40,663,656</b>	<b>20,105,622</b>	<b>8,167,138</b>
Accounts payable	6,115,598	3,563,917	2,551,681	886,526	481,480
Mortgages, notes, bonds payable in less than 1 year	5,204,532	3,085,150	2,119,382	905,781	600,015
Other current liabilities	17,971,771	11,920,953	6,050,818	1,204,376	413,370
Nonrecourse loans	37,350,447	35,869,691	1,480,756	1,480,257	* 225,146
Mortgages, notes, bonds payable in 1 year or more	99,079,247	84,283,701	14,795,546	8,593,812	4,307,624
Other liabilities	18,375,514	12,309,422	6,066,092	1,584,054	687,768
Partners capital accounts	36,013,467	28,414,085	7,599,382	5,450,815	1,451,735
<b>PARTNERSHIPS WITH NET INCOME</b>					
<b>Number of partnerships [1]</b>	<b>52,427</b>	<b>16,881</b>	<b>35,546</b>	<b>34,410</b>	<b>19,261</b>
<b>Number of partners</b>	<b>195,356</b>	<b>86,525</b>	<b>108,831</b>	<b>89,338</b>	<b>49,139</b>
<b>Partnerships reporting balance sheet data:</b>					
<b>Number of partnerships</b>	<b>42,744</b>	<b>14,499</b>	<b>28,245</b>	<b>18,175</b>	<b>10,731</b>
<b>Number of partners</b>	<b>173,610</b>	<b>80,111</b>	<b>93,499</b>	<b>54,193</b>	<b>31,637</b>
<b>Total assets</b>	<b>95,096,957</b>	<b>75,797,246</b>	<b>19,299,712</b>	<b>8,094,665</b>	<b>3,428,438</b>
Cash	8,680,870	6,244,833	2,436,038	641,841	321,852
Trade notes and accounts receivable	2,986,695	1,860,159	1,126,536	947,024	459,404
Less: Allowance for bad debts	68,617	63,240	5,377	6,374	5,038
Inventories	988,557	385,793	602,764	406,710	252,308
U.S. Government obligations	0	0	0	6,889	0
Tax-exempt securities	3,837	3,837	0	0	0
Other current assets	6,196,823	3,242,365	2,954,458	223,875	127,196
Mortgage and real estate loans	* 8,682	0	* 8,682	* 21,837	* 21,837
Other investments	6,010,428	5,304,238	706,190	437,329	* 130,140
Depreciable assets	75,228,809	60,549,884	14,678,925	4,889,477	2,905,546
Less: Accumulated depreciation	27,289,870	19,812,692	7,477,177	2,275,628	1,387,092
Depletable assets	* 52,083	* 37,028	* 15,055	0	0
Less: Accumulated depletion	* 43,176	* 30,630	* 12,546	0	0
Land	9,026,824	8,296,199	730,625	428,706	155,480
Intangible assets	7,127,825	3,861,009	3,266,816	636,220	212,060
Less: Accumulated amortization	1,991,423	1,052,560	938,863	137,326	27,028
Other assets	8,178,608	6,971,021	1,207,587	1,874,085	261,774
<b>Total liabilities and capital</b>	<b>95,096,957</b>	<b>75,797,246</b>	<b>19,299,712</b>	<b>8,094,665</b>	<b>3,428,438</b>
Accounts payable	2,700,541	1,367,227	1,333,314	419,875	285,224
Mortgages, notes, bonds payable in less than 1 year	1,655,462	851,460	804,002	353,187	253,365
Other current liabilities	6,526,805	3,786,039	2,740,767	497,691	250,694
Nonrecourse loans	12,696,819	12,083,640	613,179	* 672,032	* 7,367
Mortgages, notes, bonds payable in 1 year or more	38,893,554	33,015,071	5,878,483	3,026,470	1,273,112
Other liabilities	5,798,308	4,636,003	1,162,304	580,550	220,666
Partners capital accounts	26,825,468	20,057,806	6,767,662	2,544,860	1,138,010

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 3. All Partnerships: Balance Sheets by Profit Status and Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Other services—continued				Nature of business not allocable
	Repair and maintenance—continued		Personal and laundry services	Religious, grantmaking, civic, professional, and similar organizations	
	Automotive repair and maintenance	Other repair and maintenance			
	(132)	(133)	(134)	(135)	(136)
<b>ALL PARTNERSHIPS</b>					
Number of partnerships [1]	23,662	7,132	36,756	* 1,399	* 613
Number of partners	58,019	20,308	86,237	* 21,987	* 1,265
<b>Partnerships reporting balance sheet data:</b>					
Number of partnerships	16,569	2,058	20,802	* 1,399	* 249
Number of partners	43,834	9,721	51,608	* 21,987	* 536
<b>Total assets</b>	<b>5,979,507</b>	<b>2,187,632</b>	<b>10,482,015</b>	<b>* 1,456,468</b>	<b>* 987,022</b>
Cash	216,923	353,668	974,010	* 390	* 3,290
Trade notes and accounts receivable	148,882	432,407	676,304	0	15,149
Less: Allowance for bad debts	* 790	* 4,498	9,504	0	0
Inventories	289,918	160,429	272,692	0	0
U.S. Government obligations	0	0	6,889	0	0
Tax-exempt securities	0	0	0	0	0
Other current assets	228,733	119,119	732,185	0	0
Mortgage and real estate loans	* 21,837	0	278	0	0
Other investments	* 129,005	* 227,116	459,778	* 689,780	* 266,204
Depreciable assets	5,357,957	833,510	4,608,438	* 884,985	* 634,360
Less: Accumulated depreciation	2,251,966	400,785	1,907,013	* 118,687	* 12,954
Depletable assets	* 17,673	0	0	0	0
Less: Accumulated depletion	* 13,283	0	0	0	0
Land	876,319	* 7,638	1,399,803	0	* 70,464
Intangible assets	949,641	374,813	1,437,568	0	* 12,611
Less: Accumulated amortization	273,070	16,523	268,634	0	* 2,102
Other assets	281,730	100,737	2,099,223	0	0
<b>Total liabilities and capital</b>	<b>5,979,507</b>	<b>2,187,632</b>	<b>10,482,015</b>	<b>* 1,456,468</b>	<b>* 987,022</b>
Accounts payable	317,124	164,356	405,046	0	14,115
Mortgages, notes, bonds payable in less than 1 year	441,636	158,379	305,766	0	0
Other current liabilities	263,734	149,636	791,006	0	0
Nonrecourse loans	* 217,779	* 7,367	* 1,255,111	0	432
Mortgages, notes, bonds payable in 1 year or more	3,541,630	765,995	4,286,188	0	* 559,875
Other liabilities	624,653	* 63,115	896,286	0	0
Partners capital accounts	572,952	878,783	2,542,612	* 1,456,468	* 412,600
<b>PARTNERSHIPS WITH NET INCOME</b>					
Number of partnerships [1]	13,392	5,870	14,787	* 363	* 369
Number of partners	35,577	13,561	32,987	* 7,212	* 776
<b>Partnerships reporting balance sheet data:</b>					
Number of partnerships	8,715	2,016	7,082	* 363	* 14
Number of partners	26,223	5,414	15,343	* 7,212	* 66
<b>Total assets</b>	<b>2,201,977</b>	<b>1,226,461</b>	<b>3,976,343</b>	<b>* 689,884</b>	<b>* 284,711</b>
Cash	130,117	191,735	319,885	* 105	* 3,254
Trade notes and accounts receivable	132,395	327,009	487,620	0	15,149
Less: Allowance for bad debts	* 540	* 4,498	* 1,336	0	0
Inventories	112,381	139,927	154,402	0	0
U.S. Government obligations	0	0	6,889	0	0
Tax-exempt securities	0	0	0	0	0
Other current assets	77,180	50,015	96,679	0	0
Mortgage and real estate loans	* 21,837	0	0	0	0
Other investments	* 128,856	* 1,283	-382,590	* 689,780	* 266,204
Depreciable assets	2,193,758	711,788	1,982,976	* 954	184
Less: Accumulated depreciation	1,046,059	341,033	887,582	* 954	81
Depletable assets	0	0	0	0	0
Less: Accumulated depletion	0	0	0	0	0
Land	148,279	* 7,201	* 273,226	0	0
Intangible assets	157,183	54,877	424,160	0	0
Less: Accumulated amortization	21,941	* 5,087	110,299	0	0
Other assets	168,530	93,244	1,612,311	0	0
<b>Total liabilities and capital</b>	<b>2,201,977</b>	<b>1,226,461</b>	<b>3,976,343</b>	<b>* 689,884</b>	<b>* 284,711</b>
Accounts payable	154,440	130,784	134,651	0	14,115
Mortgages, notes, bonds payable in less than 1 year	142,389	110,976	99,822	0	0
Other current liabilities	145,334	105,360	246,997	0	0
Nonrecourse loans	0	* 7,367	* 664,666	0	432
Mortgages, notes, bonds payable in 1 year or more	1,021,538	251,574	1,753,358	0	0
Other liabilities	* 158,704	* 61,961	359,884	0	0
Partners capital accounts	579,572	558,438	716,966	* 689,884	* 270,164

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[d] In order to avoid disclosure for specific partnerships, these data are not shown. However, the data are included in the appropriate totals.

[1] The difference between "number of partnerships" and "number of partnerships reporting balance sheet data" is due to partnerships exempt from filing balance sheets. Since these partnerships are generally small—total assets less than \$500,000 and total receipts less than \$250,000—balance sheet data for partnerships are slightly understated.

[2] Less than \$500.

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

# Partnership Returns, 2007

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**Table 4. Partnerships with Net Rental Real Estate Income (Loss), by Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing	Wholesale trade	Retail trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of partnerships</b>	1,268,420	19,379	2,682	49	15,031	1,448	716	4,478
<b>Number of partners</b>	6,432,267	77,466	8,276	214	48,700	15,245	19,304	11,847
<b>Gross rents from rental real estate</b>	403,655,750	988,779	122,381	539	1,726,017	60,863	51,925	483,014
<b>Real estate rental expenses, total</b>	390,727,753	789,468	149,739	143	2,190,387	46,379	39,770	325,932
Advertising	2,306,775	* 185	* 384	0	18,849	* 6	0	* 199
Auto and travel	588,451	* 955	* 4,219	0	5,243	* 338	* 625	* 34
Cleaning and maintenance	14,830,167	8,024	* 229	0	74,797	* 468	* 1,596	* 373
Commissions	1,445,741	* 4,579	* 174	0	9,135	0	1	* 620
Insurance	9,867,956	19,240	2,559	0	50,953	2,501	546	6,208
Legal and other professional fees	20,797,190	34,506	11,462	0	117,930	* 2,570	* 2,250	8,032
Interest expense	126,586,812	240,026	64,948	0	803,874	5,683	6,104	114,678
Repairs	17,019,176	49,568	7,091	0	76,725	13,101	878	4,858
Taxes	42,127,958	56,950	7,906	0	177,431	5,631	2,869	22,318
Utilities	24,657,721	30,306	5,879	1	128,592	5,189	4,358	10,030
Wages and salaries	16,070,992	* 4,005	* 3,159	0	47,799	* 442	5,416	* 5,614
Depreciation	72,431,615	246,419	27,218	6	470,640	7,828	5,251	64,545
Other expenses	41,997,200	94,706	14,510	136	208,419	2,622	9,877	88,423
<b>Net gain (loss) from sales of business property</b>	2,767,517	4237	0	0	* 1,572	0	60	* 4,367
<b>Net income (loss) from partnerships,</b>	<b>-16,914,974</b>	<b>44,257</b>	<b>-5,466</b>	<b>1,123</b>	<b>-97,695</b>	<b>4,815</b>	<b>143</b>	<b>-20,099</b>
Net income	18,971,212	50,632	3,298	1,242	76,541	6,199	3,335	5,787
Loss	35,886,186	6,375	8,764	118	174,236	* 1,385	3,192	25,885
<b>Net rental real estate income (loss)</b>	<b>-1,219,460</b>	<b>247,805</b>	<b>-32,824</b>	<b>1,520</b>	<b>-560,493</b>	<b>19,299</b>	<b>12,357</b>	<b>141,350</b>
Net income	93,796,548	417,162	21,082	1,663	211,077	24,636	21,015	187,676
Loss	95,016,008	169,356	53,906	143	771,571	5,337	8,658	46,325

Item	Transportation and warehousing	Information	Finance and insurance					
			Total	Securities, commodity contracts, and other financial investments and related activities		Funds, trusts, and other financial vehicles	Other finance and insurance	
				Total	Securities and commodity contracts and exchanges			Other financial investment activities
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
<b>Number of partnerships</b>	1,773	277	42,918	32,184	573	31,611	10,202	532
<b>Number of partners</b>	4,328	1,173	743,162	664,696	3,934	660,763	72,408	6,058
<b>Gross rents from rental real estate</b>	350,841	47,742	1,959,339	1,409,228	42,498	1,366,730	498,499	51,612
<b>Real estate rental expenses, total</b>	348,035	26,813	1,790,397	1,486,808	92,221	1,394,587	248,506	55,084
Advertising	* 4,753	0	6,530	5,337	* 361	4,975	* 789	* 405
Auto and travel	* 1,176	* 457	6,178	5,958	* 149	5,810	* 183	* 37
Cleaning and maintenance	* 13,624	* 43	61,573	55,133	* 5,759	49,374	* 3,944	* 2,496
Commissions	0	* 6	12,802	9,149	* 0	9,149	* 2,988	* 665
Insurance	* 6,134	* 262	37,260	31,265	* 1,119	30,146	4,914	* 1,081
Legal and other professional fees	* 11,176	* 3,057	228,284	169,933	* 2,531	167,402	44,821	* 13,529
Interest expense	* 129,166	* 5,186	454,560	394,435	* 25,304	369,131	50,566	* 9,560
Repairs	* 4,901	* 283	70,943	58,485	* 6,205	52,280	10,642	* 1,817
Taxes	* 23,314	* 33	185,187	152,585	* 6,069	146,516	29,376	* 3,225
Utilities	* 8,010	* 178	79,772	67,988	* 2,580	65,408	6,769	* 5,016
Wages and salaries	* 18,739	0	15,149	7,045	* 386	6,659	* 5,459	* 2,644
Depreciation	83,772	* 11,190	322,743	269,969	* 10,992	258,976	44,817	* 7,957
Other expenses	43,270	* 6,118	309,416	259,526	* 30,764	228,762	43,238	* 6,651
<b>Net gain (loss) from sales of business property</b>	0	0	5,359	5,341	0	5,341	0	* 18
<b>Net income (loss) from partnerships,</b>	<b>* 432</b>	<b>* -5,900</b>	<b>-3,344,435</b>	<b>-3,141,946</b>	<b>199</b>	<b>-3,142,145</b>	<b>-194,457</b>	<b>-8,032</b>
Net income	* 572	* 995	943,740	793,652	* 9,562	784,091	139,891	* 10,196
Loss	* 140	* 6,895	4,288,175	3,935,599	9,363	3,926,236	334,347	18,229
<b>Net rental real estate income (loss)</b>	<b>3,238</b>	<b>15,030</b>	<b>-3,170,135</b>	<b>-3,214,185</b>	<b>-49,524</b>	<b>-3,164,661</b>	<b>55,536</b>	<b>-11,486</b>
Net income	56,947	26,960	1,624,021	1,141,577	* 10,048	1,131,530	456,757	25,687
Loss	* 53,709	* 11,930	4,794,156	4,355,762	59,572	4,296,190	401,221	37,173

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 4. Partnerships with Net Rental Real Estate Income (Loss), by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Real estate and rental and leasing							
	Total	Real estate						Rental and leasing services and lessors of nonfinancial intangible assets
		Total	Lessors of residential buildings and dwellings and co-operative	Lessors of nonresidential buildings (except mini-warehouses)	Lessors of mini-warehouses and self-storage units	Lessors of other real estate property	Other real estate activities	
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
<b>Number of partnerships</b>	<b>1,150,382</b>	<b>1,145,004</b>	<b>388,287</b>	<b>482,095</b>	<b>17,481</b>	<b>83,617</b>	<b>173,524</b>	<b>5,378</b>
<b>Number of partners</b>	<b>5,285,548</b>	<b>5,269,662</b>	<b>1,841,549</b>	<b>2,069,765</b>	<b>99,798</b>	<b>420,622</b>	<b>837,928</b>	<b>15,887</b>
<b>Gross rents from rental real estate</b>	<b>394,231,156</b>	<b>393,310,189</b>	<b>134,407,499</b>	<b>200,965,846</b>	<b>6,046,720</b>	<b>17,117,626</b>	<b>34,772,499</b>	<b>920,967</b>
<b>Real estate rental expenses, total</b>	<b>380,910,222</b>	<b>380,138,809</b>	<b>141,463,074</b>	<b>178,223,612</b>	<b>5,416,377</b>	<b>14,984,790</b>	<b>40,050,956</b>	<b>771,413</b>
Advertising	2,258,019	2,255,539	1,130,821	713,106	159,443	48,102	204,066	* 2,480
Auto and travel	552,991	548,335	221,442	204,759	17,624	35,191	69,319	* 4,656
Cleaning and maintenance	14,585,788	14,579,665	5,354,595	7,549,513	91,890	382,535	1,201,132	* 6,123
Commissions	1,405,065	1,386,921	459,787	729,680	8,833	36,375	152,246	* 18,144
Insurance	9,616,325	9,603,209	4,622,903	3,699,299	155,580	381,906	743,521	13,115
Legal and other professional fees	20,194,228	20,145,242	8,041,172	8,517,238	335,862	788,054	2,462,916	48,986
Interest expense	123,656,476	123,397,595	39,468,873	63,246,860	1,371,060	4,955,445	14,355,356	258,881
Repairs	16,683,345	16,653,775	8,387,819	6,324,729	135,533	632,509	1,173,185	29,570
Taxes	41,393,021	41,328,924	13,832,425	21,280,708	595,031	1,721,804	3,898,955	64,097
Utilities	24,216,001	24,203,530	11,607,211	9,804,225	228,304	815,145	1,748,646	12,471
Wages and salaries	15,626,328	15,618,281	8,936,264	4,428,877	425,915	586,568	1,240,657	* 8,047
Depreciation	70,325,364	70,088,215	26,258,861	32,302,754	1,134,308	3,196,163	7,196,128	237,148
Other expenses	40,397,272	40,329,578	13,140,902	19,421,863	756,993	1,404,993	5,604,827	67,693
<b>Net gain (loss) from sales of business property</b>	<b>2,743,617</b>	<b>2,703,835</b>	<b>1,530,416</b>	<b>479,726</b>	<b>* -58</b>	<b>110,101</b>	<b>583,650</b>	<b>* 39,782</b>
<b>Net income (loss) from partnerships,</b>	<b>-12,789,237</b>	<b>-12,789,258</b>	<b>-6,172,958</b>	<b>2,918,346</b>	<b>183,462</b>	<b>-280,534</b>	<b>-9,437,574</b>	<b>20</b>
Net income	17,385,753	17,359,067	2,693,462	9,807,597	217,324	468,023	4,172,661	* 26,686
Loss	30,174,990	30,148,325	8,866,420	6,889,251	* 33,862	748,558	13,610,235	* 26,665
<b>Net rental real estate income (loss)</b>	<b>3,275,313</b>	<b>3,085,957</b>	<b>-11,698,118</b>	<b>26,140,306</b>	<b>813,746</b>	<b>1,962,404</b>	<b>-14,132,381</b>	<b>189,356</b>
Net income	90,286,703	89,866,872	20,683,613	53,539,888	1,511,667	5,091,321	9,040,383	419,831
Loss	87,011,390	86,780,915	32,381,730	27,399,583	697,921	3,128,917	23,172,764	230,475

Item	Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services	Nature of business not allocable
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>Number of partnerships</b>	<b>6,097</b>	<b>7,363</b>	<b>2,975</b>	<b>* 52</b>	<b>2,655</b>	<b>2,457</b>	<b>6,979</b>	<b>695</b>	<b>* 13</b>
<b>Number of partners</b>	<b>31,190</b>	<b>36,719</b>	<b>6,367</b>	<b>* 110</b>	<b>14,986</b>	<b>98,427</b>	<b>26,755</b>	<b>2,385</b>	<b>* 64</b>
<b>Gross rents from rental real estate</b>	<b>390,207</b>	<b>799,093</b>	<b>52,154</b>	<b>* 12,198</b>	<b>696,724</b>	<b>261,781</b>	<b>1,368,663</b>	<b>52,335</b>	<b>0</b>
<b>Real estate rental expenses, total</b>	<b>545,376</b>	<b>886,849</b>	<b>* 39,274</b>	<b>* 11,719</b>	<b>811,925</b>	<b>230,959</b>	<b>1,558,010</b>	<b>* 26,356</b>	<b>0</b>
Advertising	* 3,000	1,797	0	0	7,586	* 1,068	* 4,400	0	0
Auto and travel	* 5,608	* 1,171	* 963	0	2,120	* 1,333	5,036	* 2	0
Cleaning and maintenance	8,306	36,721	* 167	* 58	8,970	3,724	25,171	* 534	0
Commissions	* 483	5,700	0	0	* 732	* 1,904	* 4,457	* 83	0
Insurance	45,338	20,013	* 966	* 46	22,576	4,596	32,359	* 74	0
Legal and other professional fees	23,449	70,720	* 8,978	* 28	32,529	9,360	35,891	* 2,741	0
Interest expense	127,587	295,602	* 13,000	* 3,633	220,949	53,788	389,985	* 1,567	0
Repairs	13,350	44,512	* 318	* 233	17,253	3,440	28,324	* 53	0
Taxes	21,508	92,938	* 3,185	* 163	49,202	15,901	68,507	* 1,895	0
Utilities	18,409	41,755	* 656	* 6	42,095	12,597	51,208	* 2,679	0
Wages and salaries	* 33,439	* 3,931	* 82	0	93,389	* 8,528	204,872	* 100	0
Depreciation	96,130	180,768	* 5,088	* 2,721	151,295	60,178	363,316	* 7,142	0
Other expenses	148,768	91,222	* 5,872	* 4,830	163,228	54,542	344,483	* 9,486	0
<b>Net gain (loss) from sales of business property</b>	<b>* 400</b>	<b>* 2,594</b>	<b>0</b>	<b>0</b>	<b>* 5,189</b>	<b>* 495</b>	<b>* -373</b>	<b>0</b>	<b>0</b>
<b>Net income (loss) from partnerships,</b>	<b>-140,429</b>	<b>-312,441</b>	<b>-132,793</b>	<b>0</b>	<b>-10,309</b>	<b>6,371</b>	<b>-21,188</b>	<b>* -134,245</b>	<b>* -255</b>
Net income	24,503	352,787	* 5,550	0	7,367	42,532	42,350	* 18,027	0
Loss	164,932	665,228	* 138,343	0	17,676	* 36,161	21,162	* 152,272	* 255
<b>Net rental real estate income (loss)</b>	<b>-295,198</b>	<b>-397,603</b>	<b>-119,914</b>	<b>* 479</b>	<b>-120,321</b>	<b>37,689</b>	<b>-168,531</b>	<b>-108,267</b>	<b>* -255</b>
Net income	71,326	413,075	15,292	* 1,961	63,291	122,157	178,866	51,640	0
Loss	366,523	810,678	* 135,206	* 1,482	183,612	84,467	347,398	* 159,906	* 255

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

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

# Partnership Returns, 2007

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**Table 5. Partnerships with Income (or Loss) Allocated to Partners, by Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing	Wholesale trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>AVAILABLE FOR ALLOCATION</b>							
<b>Number of partnerships</b>	<b>3,082,116</b>	<b>126,884</b>	<b>39,557</b>	<b>3,978</b>	<b>207,031</b>	<b>45,950</b>	<b>53,495</b>
<b>Number of partners</b>	<b>18,433,468</b>	<b>402,395</b>	<b>979,852</b>	<b>97,144</b>	<b>550,521</b>	<b>399,149</b>	<b>348,054</b>
<b>Total income (loss)</b>	<b>1,816,278,737</b>	<b>7,688,281</b>	<b>60,363,620</b>	<b>10,556,027</b>	<b>15,131,932</b>	<b>68,541,663</b>	<b>23,151,251</b>
Ordinary business income (loss)	305,747,126	199,736	32,940,931	4,531,716	8,204,003	52,199,173	19,447,788
Net rental real estate income (loss)	-1,219,460	247,805	-32,824	1,520	-560,493	19,299	12,357
Other net rental income (loss)	-3,408,583	79,539	72,329	5,350	-1,885	698,361	32,533
Interest income	259,902,473	1,387,915	2,195,078	1,408,955	1,546,701	5,090,656	706,713
Dividend income	104,713,737	146,834	415,335	36,143	110,822	3,932,158	138,623
Royalties	17,632,110	597,221	5,133,253	* 6,452	18,075	2,307,259	188,982
Net short-term capital gain (loss)	87,431,982	-16,565	878,770	236,043	125,620	208,607	10,726
Net long-term capital gain (loss)	511,180,391	1,091,822	4,626,556	3,343,377	2,149,837	1,838,845	768,668
Guaranteed payments to partners	58,422,004	1,162,742	692,733	149,868	2,486,598	1,186,336	1,490,460
Net section 1231 gain (loss)	191,435,636	2,671,465	10,470,407	1,024,877	782,245	1,104,469	290,512
Other income (loss)	284,441,321	119,767	2,971,050	-188,273	270,410	-43,499	63,890
<b>Total deductions</b>	<b>304,640,922</b>	<b>2,188,452</b>	<b>24,448,216</b>	<b>1,294,852</b>	<b>1,978,252</b>	<b>5,942,177</b>	<b>950,134</b>
Contributions	6,156,874	160,828	47,610	20,123	406,434	306,457	279,639
Section 179 deductions	5,926,031	1,185,458	85,919	1,127	707,854	231,845	244,134
Investment interest expense	150,474,962	345,399	78,347	172,607	361,677	75,878	32,556
Foreign taxes	17,163,614	7,746	5,626,366	14,376	7,978	2,045,746	118,994
Qualified expenditures [section 59(e)]	21,608,523	* 2,696	15,973,638	* 72,354	2,420	1,430,475	* 13,899
Other deductions	103,310,918	486,325	2,636,336	1,014,266	491,889	1,851,776	260,913
<b>Total income (loss) minus total deductions</b>	<b>1,511,637,815</b>	<b>5,499,829</b>	<b>35,915,404</b>	<b>9,261,174</b>	<b>13,153,680</b>	<b>62,599,486</b>	<b>22,201,117</b>
<b>Income (loss) allocated to partners by type of partner [1]:</b>							
<b>All partners</b>	<b>1,451,200,026</b>	<b>5,425,460</b>	<b>36,210,478</b>	<b>9,291,752</b>	<b>12,590,974</b>	<b>62,229,126</b>	<b>19,859,920</b>
Corporate general partners	116,446,737	620,815	1,675,664	872,311	2,154,498	20,598,177	1,313,683
Corporate limited partners	317,259,621	1,452,830	15,746,323	3,249,697	1,666,368	29,843,505	10,529,751
Individual general partners	84,430,095	2,234,445	-597,908	* -50,848	2,324,352	273,782	694,454
Individual limited partners	290,407,978	340,886	7,120,577	383,131	5,304,482	3,576,407	4,966,109
Partnership general partners	108,747,961	24,663	1,217,120	242,350	398,989	2,866,567	268,713
Partnership limited partners	298,789,819	43,972	6,678,941	4,322,329	635,337	2,406,528	1,604,671
Tax-exempt organization general partners	3,849,435	* 7,562	-7,825	0	* 4,333	* -2,266	-157
Tax-exempt organization limited partners	74,755,149	243,349	715,518	30,354	-30,421	48,940	2,944
Nominee and other general partners	11,196,753	1,662	-626,742	* 62,286	-29,830	6,259	30,312
Nominee and other limited partners	145,316,478	455,277	4,288,811	180,143	162,865	2,611,226	449,439

Footnotes at end of table.

**Table 5. Partnerships with Income (or Loss) Allocated to Partners, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Retail trade	Transportation and warehousing	Information	Finance and insurance			
				Total	Securities, commodity contracts, and other financial investments and related activities		
					Total	Securities and commodity contracts and exchanges	Other financial investment activities
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>AVAILABLE FOR ALLOCATION</b>							
<b>Number of partnerships</b>	<b>166,536</b>	<b>46,463</b>	<b>34,101</b>	<b>305,512</b>	<b>230,706</b>	<b>8,981</b>	<b>221,726</b>
<b>Number of partners</b>	<b>500,132</b>	<b>1,043,213</b>	<b>158,667</b>	<b>4,421,816</b>	<b>3,566,057</b>	<b>311,770</b>	<b>3,254,286</b>
<b>Total income (loss)</b>	<b>6,147,478</b>	<b>9,862,148</b>	<b>33,678,451</b>	<b>1,127,850,390</b>	<b>983,833,445</b>	<b>5,932,275</b>	<b>977,901,170</b>
Ordinary business income (loss)	2,399,129	6,450,942	30,203,000	38,082,529	28,026,787	-13,318,875	41,345,662
Net rental real estate income (loss)	141,350	3,238	15,030	-3,170,135	-3,214,185	-49,524	-3,164,661
Other net rental income (loss)	48,503	-122,996	-1,582,512	-2,713,545	-36,506	-432	-36,074
Interest income	523,640	647,761	3,052,490	204,122,605	164,711,532	4,561,695	160,149,837
Dividend income	392,678	235,113	268,441	83,203,299	70,626,599	1,836,655	68,789,944
Royalties	* 12,450	* 316	2,260,649	3,179,554	2,436,302	8,740	2,427,562
Net short-term capital gain (loss)	230,828	72,450	41,300	82,811,611	75,836,690	2,006,505	73,830,186
Net long-term capital gain (loss)	762,583	1,226,147	-454,058	417,612,646	362,459,744	3,477,998	358,981,746
Guaranteed payments to partners	1,369,237	555,628	888,958	16,473,246	14,412,142	1,815,446	12,596,696
Net section 1231 gain (loss)	186,424	790,827	-1,121,297	17,875,651	15,770,956	47,386	15,723,570
Other income (loss)	80,656	2,721	106,449	270,372,929	252,803,383	5,546,681	247,256,702
<b>Total deductions</b>	<b>845,877</b>	<b>1,244,229</b>	<b>3,017,008</b>	<b>218,806,514</b>	<b>193,064,696</b>	<b>2,604,912</b>	<b>190,459,784</b>
Contributions	129,023	22,983	92,216	1,222,772	1,006,039	63,439	942,600
Section 179 deductions	313,255	222,356	111,143	217,167	155,904	23,364	132,540
Investment interest expense	41,999	92,144	227,281	136,843,409	123,007,534	968,405	122,039,129
Foreign taxes	72,629	64,531	307,178	5,405,214	4,764,709	611,538	4,153,171
Qualified expenditures [section 59(e)]	* 4	* 85,907	95,564	2,688,339	2,178,184	16,638	2,161,547
Other deductions	288,967	756,307	2,183,626	72,429,612	61,952,326	921,529	61,030,797
<b>Total income (loss) minus total deductions</b>	<b>5,301,600</b>	<b>8,617,919</b>	<b>30,661,444</b>	<b>909,043,877</b>	<b>790,768,749</b>	<b>3,327,363</b>	<b>787,441,386</b>
<b>Income (loss) allocated to partners by type of partner [1]:</b>							
<b>All partners</b>	<b>5,437,891</b>	<b>8,565,710</b>	<b>30,734,067</b>	<b>857,647,669</b>	<b>749,741,527</b>	<b>3,049,599</b>	<b>746,691,928</b>
Corporate general partners	179,573	2,111,162	12,009,728	45,242,527	25,740,422	1,018,748	24,721,674
Corporate limited partners	1,154,482	2,091,394	3,069,448	196,893,642	169,325,831	-11,931,014	181,256,844
Individual general partners	704,561	539,056	110,631	12,151,877	10,275,676	426,878	9,848,798
Individual limited partners	1,035,473	1,143,283	853,922	133,782,130	119,535,758	7,061,894	112,473,864
Partnership general partners	-45,498	800,079	12,516,977	74,984,213	69,983,554	967,980	69,015,575
Partnership limited partners	1,994,247	1,866,707	2,387,439	222,396,157	215,187,517	2,919,968	212,267,549
Tax-exempt organization general partners	0	-87	5,029	3,328,059	1,558,156	* 35,716	1,522,439
Tax-exempt organization limited partners	* 23,271	-90,716	* -3,046	65,025,998	52,515,802	663,719	51,852,083
Nominee and other general partners	52,935	* 59,531	-54,073	7,599,625	5,130,857	* 126,316	5,004,541
Nominee and other limited partners	338,847	45,300	-161,988	96,243,441	80,487,955	1,759,393	78,728,561

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 5. Partnerships with Income (or Loss) Allocated to Partners, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Finance and insurance—continued		Real estate and rental and leasing				
	Funds, trusts, and other financial vehicles	Other finance and insurance	Total	Real estate			
				Total	Lessors of residential buildings and dwellings and co-operative housing	Lessors of nonresidential buildings (except mini-warehouses)	Lessors of mini-warehouses and self-storage units
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>AVAILABLE FOR ALLOCATION</b>							
<b>Number of partnerships</b>	<b>45,658</b>	<b>29,147</b>	<b>1,484,095</b>	<b>1,449,818</b>	<b>427,844</b>	<b>509,156</b>	<b>20,586</b>
<b>Number of partners</b>	<b>721,260</b>	<b>134,500</b>	<b>6,775,736</b>	<b>6,642,049</b>	<b>1,972,868</b>	<b>2,156,904</b>	<b>110,983</b>
<b>Total income (loss)</b>	<b>130,389,328</b>	<b>13,627,618</b>	<b>233,550,280</b>	<b>223,045,485</b>	<b>38,786,383</b>	<b>83,386,402</b>	<b>1,203,993</b>
Ordinary business income (loss)	1,404,570	8,651,172	3,490,477	-1,591,590	-926,719	119,649	-73,308
Net rental real estate income (loss)	55,536	-11,486	3,275,313	3,085,957	-11,698,118	26,140,306	813,746
Other net rental income (loss)	184,686	* -2,861,725	-140,834	-157,289	-60,810	107,229	* -102,857
Interest income	34,244,706	5,166,367	23,884,501	22,492,407	4,522,418	5,796,360	63,850
Dividend income	12,112,928	463,772	7,290,770	7,160,020	424,650	2,034,503	24,657
Royalties	733,525	* 9,727	1,187,137	709,669	19,001	146,493	* 303
Net short-term capital gain (loss)	7,011,375	-36,454	2,435,677	2,404,222	297,357	564,165	* -183
Net long-term capital gain (loss)	54,482,791	670,110	47,108,309	46,251,697	3,998,062	7,973,817	104,602
Guaranteed payments to partners	1,167,071	894,034	4,862,257	4,528,671	392,328	1,379,828	* 44,946
Net section 1231 gain (loss)	1,827,883	276,812	136,273,358	134,394,025	41,620,992	38,226,974	326,885
Other income (loss)	17,164,256	405,289	3,883,314	3,767,696	197,222	897,079	* 1,353
<b>Total deductions</b>	<b>24,033,802</b>	<b>1,708,016</b>	<b>25,466,188</b>	<b>24,753,348</b>	<b>4,002,136</b>	<b>6,178,034</b>	<b>181,678</b>
Charitable contributions	186,237	30,496	2,347,289	2,340,162	388,721	608,927	44,481
Section 179 deductions	13,291	47,972	639,420	358,670	45,140	87,167	* 6,514
Interest expense on investment debts	12,709,225	1,126,650	9,721,874	9,619,192	930,463	1,370,558	* 41,494
Foreign taxes	600,295	40,210	942,598	887,700	36,304	107,267	* 561
Qualified expenditures [section 59(e)]	504,561	* 5,593	142,702	142,700	65,706	11,617	0
Other deductions	10,020,193	457,093	11,672,305	11,404,924	2,535,801	3,992,497	88,628
<b>Total income (loss) minus total deductions</b>	<b>106,355,526</b>	<b>11,919,602</b>	<b>208,084,092</b>	<b>198,292,137</b>	<b>34,784,247</b>	<b>77,208,368</b>	<b>1,022,315</b>
<b>Income (loss) allocated to partners by type of partner [1]:</b>							
<b>All partners</b>	<b>97,007,822</b>	<b>10,898,320</b>	<b>206,322,333</b>	<b>196,447,483</b>	<b>34,801,728</b>	<b>75,483,510</b>	<b>1,022,315</b>
Corporate general partners	15,953,372	3,548,733	14,227,097	12,973,002	2,788,861	6,056,583	80,460
Corporate limited partners	21,699,464	5,868,347	24,511,946	19,005,839	-494,874	6,180,146	299,537
Individual general partners	1,396,792	479,409	17,618,659	17,015,373	3,873,918	8,287,995	218,571
Individual limited partners	11,294,245	2,952,128	69,261,771	67,373,213	22,046,589	21,422,809	-24,919
Partnership general partners	5,037,652	-36,993	8,181,542	8,641,470	903,747	3,919,644	110,174
Partnership limited partners	10,534,909	-3,326,269	34,046,074	33,133,763	464,511	14,969,001	147,705
Tax-exempt organization general partners	1,769,488	415	151,577	151,577	54,137	* 86,180	0
Tax-exempt organization limited partners	12,408,992	101,204	6,908,763	6,892,967	533,137	2,616,815	* 819
Nominee and other general partners	2,347,854	* 120,914	3,475,613	3,447,601	392,175	2,331,844	* 9,681
Nominee and other limited partners	14,565,054	1,190,433	27,939,291	27,812,678	4,239,527	9,612,493	180,288

Footnotes at end of table.

**Table 5. Partnerships with Income (or Loss) Allocated to Partners, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Real estate and rental and leasing—continued			Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services	Educational services
	Real estate—continued		Rental and leasing services and lessors of nonfinancial intangible assets				
	Lessors of other real estate property	Other real estate activities					
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>AVAILABLE FOR ALLOCATION</b>							
<b>Number of partnerships</b>	<b>102,559</b>	<b>389,673</b>	<b>34,278</b>	<b>174,180</b>	<b>23,476</b>	<b>61,979</b>	<b>11,605</b>
<b>Number of partners</b>	<b>558,396</b>	<b>1,842,898</b>	<b>133,687</b>	<b>628,174</b>	<b>683,027</b>	<b>151,735</b>	<b>29,618</b>
<b>Total income (loss)</b>	<b>12,604,994</b>	<b>87,063,712</b>	<b>10,504,795</b>	<b>106,974,910</b>	<b>58,669,842</b>	<b>6,163,730</b>	<b>499,401</b>
Ordinary business income (loss)	-263,281	-447,930	5,082,067	77,383,532	8,587,041	3,351,383	80,450
Net rental real estate income (loss)	1,962,404	-14,132,381	189,356	-295,198	-397,603	-119,914	* 479
Other net rental income (loss)	32,756	-133,608	16,456	145,626	-124,307	* 4,940	0
Interest income	986,311	11,123,469	1,392,094	2,296,238	10,361,434	456,574	40,897
Dividend income	200,750	4,475,461	130,751	572,908	7,280,088	220,533	* 1,693
Royalties	189,067	354,804	* 477,468	1,889,992	484,211	* 2,152	0
Net short-term capital gain (loss)	80,102	1,462,781	* 31,455	-3,133	325,949	31,826	* 476
Net long-term capital gain (loss)	2,652,807	31,522,410	856,612	2,717,933	22,995,402	1,058,819	* 106,120
Guaranteed payments to partners	87,398	2,624,172	333,586	17,493,570	519,429	905,040	95,092
Net section 1231 gain (loss)	6,660,132	47,559,041	1,879,333	2,457,673	4,445,023	22,960	* 186,485
Other income (loss)	16,549	2,655,493	115,619	2,315,768	4,193,175	229,416	* -12,291
<b>Total deductions</b>	<b>770,819</b>	<b>13,620,681</b>	<b>712,840</b>	<b>7,324,062</b>	<b>6,693,470</b>	<b>646,093</b>	<b>54,989</b>
Charitable contributions	238,213	1,059,821	7,127	654,199	140,512	42,820	8,567
Section 179 deductions	* 32,036	187,812	280,750	868,212	41,137	220,458	19,197
Interest expense on investment debts	222,353	7,054,324	102,681	285,180	1,697,693	* 95,309	107
Foreign taxes	35,970	707,597	54,899	654,397	1,780,271	4,463	0
Qualified expenditures [section 59(e)]	* 468	64,908	* 2	127,601	968,079	0	0
Other deductions	241,779	4,546,219	267,381	4,734,474	2,065,778	283,043	27,118
<b>Total income (loss) minus total deductions</b>	<b>11,834,176</b>	<b>73,443,031</b>	<b>9,791,955</b>	<b>99,650,848</b>	<b>51,976,372</b>	<b>5,517,636</b>	<b>444,412</b>
<b>Income (loss) allocated to partners by type of partner [1]:</b>							
<b>All partners</b>	<b>11,716,621</b>	<b>73,423,308</b>	<b>9,874,851</b>	<b>97,968,891</b>	<b>49,957,080</b>	<b>5,418,530</b>	<b>447,246</b>
Corporate general partners	2,221,707	1,825,390	1,254,096	5,796,846	4,804,679	243,618	* 1,045
Corporate limited partners	1,340,408	11,680,621	5,506,107	7,743,056	10,737,810	1,356,293	12,141
Individual general partners	1,538,778	3,096,112	603,286	41,578,524	551,801	525,219	175,582
Individual limited partners	2,995,997	20,932,736	1,888,558	37,911,828	6,955,957	1,947,487	11,963
Partnership general partners	372,802	3,335,104	-459,928	2,026,618	1,800,982	195,984	* -8,240
Partnership limited partners	2,216,937	15,335,609	912,311	1,277,176	14,951,104	733,294	92,417
Tax-exempt organization general partners	* 192	* 11,068	0	* 17,316	* 12,786	* 10,742	* 3,675
Tax-exempt organization limited partners	29,000	3,713,197	* 15,796	325,164	616,270	* -802	0
Nominee and other general partners	72,725	641,176	* 28,012	62,336	570,960	* 3,651	0
Nominee and other limited partners	928,075	12,852,294	126,614	1,230,028	8,954,731	403,045	* 158,663

Footnotes at end of table.

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**Table 5. Partnerships with Income (or Loss) Allocated to Partners, by Selected Industrial Group, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services	Nature of business not allocable
	(29)	(30)	(31)	(32)	(33)
<b>AVAILABLE FOR ALLOCATION</b>					
<b>Number of partnerships</b>	<b>66,911</b>	<b>54,863</b>	<b>106,427</b>	<b>68,462</b>	<b>* 613</b>
<b>Number of partners</b>	<b>313,640</b>	<b>384,400</b>	<b>379,837</b>	<b>185,092</b>	<b>* 1,265</b>
<b>Total income (loss)</b>	<b>35,268,927</b>	<b>1,444,941</b>	<b>9,452,767</b>	<b>1,228,454</b>	<b>* 54,244</b>
Ordinary business income (loss)	19,522,253	-1,403,107	-466,204	543,293	* -938
Net rental real estate income (loss)	-120,321	37,689	-168,531	-108,267	* -255
Other net rental income (loss)	147,077	17,468	19,168	* 6,600	* 1
Interest income	544,998	538,914	957,337	136,387	* 2,678
Dividend income	32,828	61,675	97,336	275,694	* 765
Royalties	* 1	88,510	275,893	0	0
Net short-term capital gain (loss)	2,823	-28,369	48,576	* 11,283	* 7,485
Net long-term capital gain (loss)	1,256,003	1,304,056	1,559,134	* 63,375	* 44,818
Guaranteed payments to partners	6,585,729	517,975	696,176	290,930	0
Net section 1231 gain (loss)	7,238,749	286,882	6,439,761	7,138	* 2,027
Other income (loss)	58,786	23,246	-5,879	* 2,022	* -2,335
<b>Total deductions</b>	<b>1,478,969</b>	<b>804,498</b>	<b>1,229,279</b>	<b>226,596</b>	<b>* 1,065</b>
Charitable contributions	86,823	101,646	73,403	13,529	* 1
Section 179 deductions	401,069	94,792	241,238	80,249	0
Interest expense on investment debts	* 8,934	253,917	77,010	* 63,340	* 300
Foreign taxes	* 2,613	32,602	75,781	4	* 127
Qualified expenditures [section 59(e)]	* 2,966	* 36	1,828	0	* 13
Other deductions	976,563	321,503	760,018	69,475	* 625
<b>Total income (loss) minus total deductions</b>	<b>33,789,958</b>	<b>640,443</b>	<b>8,223,487</b>	<b>1,001,857</b>	<b>* 53,178</b>
<b>Income (loss) allocated to partners by type of partner [1]:</b>					
<b>All partners</b>	<b>33,294,378</b>	<b>789,733</b>	<b>8,149,653</b>	<b>803,853</b>	<b>* 55,283</b>
Corporate general partners	3,174,374	573,187	803,346	44,406	0
Corporate limited partners	5,278,137	192,483	1,495,791	234,525	0
Individual general partners	5,053,240	131,902	30,117	390,781	* -10,133
Individual limited partners	13,790,791	-278,336	2,174,592	92,447	* 33,076
Partnership general partners	1,757,281	443,693	1,097,604	-21,675	0
Partnership limited partners	2,104,714	-220,807	1,382,656	86,866	0
Tax-exempt organization general partners	315,861	* 105	2,725	0	0
Tax-exempt organization limited partners	994,040	-16,876	-37,261	* -340	0
Nominee and other general partners	47,674	* -54,395	* -11,049	0	0
Nominee and other limited partners	778,266	18,776	1,211,132	-23,157	* 32,341

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Total income (loss) minus total deductions does not equal income (loss) allocated to partners by type of partner because not all partnerships report their allocations.

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

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**Table 6. Domestic Limited Liability Companies: Selected Items for Selected Industrial Groups, 2007**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing	Wholesale trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of LLCs</b>	<b>1,818,681</b>	<b>42,698</b>	<b>14,953</b>	<b>2,037</b>	<b>141,048</b>	<b>28,378</b>	<b>34,374</b>
Number of partners	7,085,489	134,430	152,506	16,292	358,654	183,234	125,102
Total assets	7,590,455,047	72,653,059	95,202,211	75,527,873	217,230,940	340,335,852	98,860,831
Total income	975,704,613	4,538,292	27,056,742	12,181,913	35,052,458	103,588,751	45,846,232
Total deductions	885,244,919	6,428,229	14,844,821	10,655,577	32,414,406	79,154,332	33,594,970
Ordinary business income (loss)	90,459,693	-1,889,936	12,211,922	1,526,336	2,638,052	24,434,419	12,251,262
Portfolio income (loss) distributed directly to partners	274,401,011	1,754,413	6,017,658	3,903,723	2,526,214	5,054,689	1,267,318
Interest income	79,632,629	1,032,349	988,692	954,237	678,988	2,354,565	433,354
Dividend income	30,230,855	44,394	117,109	28,160	74,349	920,942	73,121
Royalties	6,562,327	253,503	617,486	6,451	7,511	908,204	17,025
Net short-term capital gain (loss)	17,273,512	-21,478	846,118	156,790	117,438	-5,459	22,708
Net long-term capital gain (loss)	140,701,689	445,644	3,448,253	2,758,085	1,647,927	876,438	721,110
Net rental real estate income (loss)	-12,945,054	-26,224	-21,799	1,112	-475,883	12,050	8,826
Other net rental income (loss)	-1,881,190	19,830	17,744	8,918	13,071	477,695	-7,438
<b>Total net income (loss) [1]</b>	<b>192,059,261</b>	<b>-566,083</b>	<b>13,931,153</b>	<b>2,525,213</b>	<b>2,936,089</b>	<b>29,107,875</b>	<b>12,776,150</b>

Item	Retail trade	Transportation and warehousing	Information	Finance and insurance			
				Total	Securities, commodity contracts and other financial investments and related activities		
					Total	Securities and commodity contracts and exchanges	Other financial investment activities
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
<b>Number of LLCs</b>	<b>84,933</b>	<b>30,687</b>	<b>25,498</b>	<b>136,692</b>	<b>94,317</b>	<b>6,635</b>	<b>87,682</b>
Number of partners	245,130	70,359	98,425	1,079,112	835,529	30,229	805,300
Total assets	70,511,762	68,717,481	301,382,547	3,313,360,920	2,364,769,005	611,338,375	1,753,430,630
Total income	50,621,529	25,464,286	86,551,180	193,369,949	112,458,985	47,061,672	65,397,313
Total deductions	49,422,755	23,882,223	83,414,372	186,421,950	111,951,354	62,100,782	49,850,572
Ordinary business income (loss)	1,198,775	1,582,063	3,136,808	6,947,999	507,631	-15,039,109	15,546,740
Portfolio income (loss) distributed directly to partners	1,192,158	1,364,712	3,412,495	171,646,026	145,468,357	4,914,749	140,553,608
Interest income	196,807	223,701	1,067,509	51,283,918	38,354,494	2,777,210	35,577,285
Dividend income	50,215	139,803	93,319	21,182,593	18,769,973	270,707	18,499,266
Royalties	12,375	26	1,196,210	1,216,414	896,203	8,199	888,004
Net short-term capital gain (loss)	252,965	1,178	10,229	14,364,097	12,727,614	448,227	12,279,386
Net long-term capital gain (loss)	679,797	1,000,004	1,045,228	83,599,005	74,720,073	1,410,406	73,309,668
Net rental real estate income (loss)	61,303	1,267	1,837	-1,216,005	-1,031,147	-26,253	-1,004,894
Other net rental income (loss)	3,283	-137,547	188,801	-3,001,791	-71,742	170	-71,912
<b>Total net income (loss) [1]</b>	<b>1,522,757</b>	<b>1,809,314</b>	<b>5,684,484</b>	<b>76,413,128</b>	<b>57,425,412</b>	<b>-12,009,077</b>	<b>69,434,489</b>

Footnotes at end of table.

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**Table 6. Domestic Limited Liability Companies: Selected Items for Selected Industrial Groups, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Finance and insurance—continued		Real estate and rental and leasing				
	Funds, trusts and other financial vehicles	Other finance and insurance	Total	Real estate			
				Total	Lessors of residential buildings and dwellings and co-operative housing	Lessors of nonresidential buildings (except mini-warehouses)	Lessors of miniwarehouses and self-storage units
(15)	(16)	(17)	(18)	(19)	(20)	(21)	
<b>Number of LLCs</b>	<b>20,375</b>	<b>22,000</b>	<b>931,420</b>	<b>913,432</b>	<b>262,125</b>	<b>310,988</b>	<b>9,367</b>
Number of partners	147,628	95,955	3,357,317	3,287,105	849,222	1,133,519	43,574
Total assets	515,455,372	433,136,543	2,272,317,687	2,212,303,252	432,647,999	903,800,013	26,540,682
Total income	13,075,092	67,835,872	53,594,404	44,646,652	2,047,728	3,953,187	558,364
Total deductions	11,922,579	62,548,017	54,628,930	45,866,415	2,519,434	3,673,559	586,479
Ordinary business income (loss)	1,152,513	5,287,855	-1,034,526	-1,219,763	-471,706	279,628	-28,116
Portfolio income (loss) distributed directly to partners	22,911,094	3,266,575	38,516,299	37,399,969	4,533,492	6,782,626	129,281
Interest income	10,214,211	2,715,212	10,349,514	9,814,113	1,937,438	2,209,564	28,046
Dividend income	2,105,285	307,335	1,919,002	1,821,901	165,266	374,836	2,176
Royalties	320,209	2	520,607	170,279	92	68,183	0
Net short-term capital gain (loss)	1,712,694	-76,211	1,481,986	1,468,513	261,457	64,592	-182
Net long-term capital gain (loss)	8,558,695	320,237	24,245,190	24,125,164	2,169,239	4,065,451	99,240
Net rental real estate income (loss)	-156,615	-28,242	-10,154,792	-10,270,626	-7,413,560	6,517,237	71,359
Other net rental income (loss)	-10,901	-2,919,148	526,606	-256,769	-20,058	28,496	-103,839
<b>Total net income (loss) [1]</b>	<b>13,624,702</b>	<b>5,363,014</b>	<b>2,126,410</b>	<b>59,134</b>	<b>-5,802,529</b>	<b>9,477,944</b>	<b>-30,372</b>
Item	Real estate and rental and leasing—continued			Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services	Educational services
	Real estate—continued		Rental and leasing services and lessors of nonfinancial intangible assets				
	Lessors of other real estate property	Other real estate activities		(24)	(25)	(26)	(27)
<b>Number of LLCs</b>	<b>57,204</b>	<b>273,748</b>	<b>17,988</b>	<b>105,786</b>	<b>16,410</b>	<b>36,468</b>	<b>7,793</b>
Number of partners	189,514	1,071,275	70,213	349,252	106,269	91,036	20,821
Total assets	113,059,494	736,255,065	60,014,435	88,162,840	262,506,349	28,939,771	2,887,213
Total income	1,341,265	36,746,109	8,947,752	94,074,278	17,239,223	32,615,108	2,848,294
Total deductions	1,649,806	37,437,138	8,762,515	79,292,406	12,453,812	30,562,409	3,076,381
Ordinary business income (loss)	-308,541	-691,029	185,237	14,781,872	4,785,411	2,052,699	-228,087
Portfolio income (loss) distributed directly to partners	1,284,725	24,669,845	1,116,330	4,282,012	26,857,615	1,396,853	49,791
Interest income	496,772	5,142,293	535,401	1,189,351	7,224,026	328,073	35,977
Dividend income	88,199	1,191,423	97,101	273,054	4,888,476	212,736	1,297
Royalties	80,649	21,355	350,329	1,267,445	292,947	687	0
Net short-term capital gain (loss)	34,684	1,107,961	13,473	-57,933	72,331	31,400	476
Net long-term capital gain (loss)	584,422	17,206,813	120,026	1,610,095	14,379,835	823,957	12,041
Net rental real estate income (loss)	375,379	-9,821,040	115,834	-298,261	-319,464	-124,151	479
Other net rental income (loss)	-3,152	-158,216	783,375	116,479	-199,774	519	0
<b>Total net income (loss) [1]</b>	<b>729,305</b>	<b>-4,315,213</b>	<b>2,067,276</b>	<b>17,329,940</b>	<b>16,671,622</b>	<b>2,470,563</b>	<b>-190,333</b>

Footnotes at end of table.

**Table 6. Domestic Limited Liability Companies: Selected Items for Selected Industrial Groups, 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services	Nature of business not allocable
	(29)	(30)	(31)	(32)	(33)
<b>Number of LLCs</b>	<b>43,699</b>	<b>32,855</b>	<b>69,293</b>	<b>33,304</b>	<b>356</b>
Number of partners	198,978	184,188	228,170	85,502	712
Total assets	61,922,554	43,639,477	162,506,598	13,773,094	15,987
Total income	93,448,899	22,223,510	66,853,228	8,494,965	41,372
Total deductions	83,149,287	24,369,491	69,015,694	8,433,560	29,316
Ordinary business income (loss)	10,299,612	-2,145,981	-2,162,466	61,405	12,057
Portfolio income (loss) distributed directly to partners	1,164,642	1,326,968	2,369,153	298,212	60
Interest income	277,862	249,340	666,977	97,389	0
Dividend income	18,189	20,469	44,601	128,966	60
Royalties	0	38,075	207,360	0	0
Net short-term capital gain (loss)	1,447	-45,305	36,076	8,449	0
Net long-term capital gain (loss)	867,144	1,064,388	1,414,139	63,410	0
Net rental real estate income (loss)	-77,489	3,523	-179,443	-141,942	0
Other net rental income (loss)	68,818	10,814	12,783	0	0
<b>Total net income (loss) [1]</b>	<b>10,586,992</b>	<b>-1,823,759</b>	<b>-1,410,188</b>	<b>145,817</b>	<b>12,117</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Total net income (loss) is the sum of ordinary business income (loss), interest income, dividend income, royalties, net rental real estate income (loss), and other net rental income (loss).

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

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**Table 7. All Partnerships: Total Receipts, by Selected Industrial Group, 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial grouping	Total receipts	Business receipts	Ordinary income from other partnerships and fiduciaries	Farm net profit	Net gain, noncapital assets	Other income from trade or business	Portfolio income	
							Total	Interest income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries</b>	<b>5,897,350,443</b>	<b>3,847,033,858</b>	<b>102,398,987</b>	<b>6,048,350</b>	<b>17,572,837</b>	<b>270,778,996</b>	<b>1,030,389,788</b>	<b>259,902,472</b>
Agriculture, forestry, fishing, and hunting	43,529,280	28,454,231	855,075	5,789,268	829,178	795,086	3,265,982	1,387,915
Mining	136,148,225	100,780,006	3,685,891	* 1,441	1,813,423	2,618,044	13,479,735	2,195,078
Utilities	143,948,592	133,676,544	1,714,225	0	1,011,412	1,043,471	5,035,409	1,408,955
Construction	316,585,610	304,593,676	1,754,501	* 1,808	461,197	3,982,245	4,049,832	1,546,701
Manufacturing	890,410,375	856,240,254	4,621,977	* 1,373	1,620,238	11,011,559	13,967,441	5,090,656
Wholesale trade	539,854,943	530,832,968	1,227,404	0	181,866	5,201,330	1,839,361	706,713
Retail trade	398,843,028	387,646,048	687,285	* 64,517	247,760	7,288,490	1,990,481	523,640
Transportation and warehousing	127,223,883	118,852,310	1,744,266	0	1,215,171	2,149,398	2,199,598	647,761
Information	264,055,079	231,380,826	12,923,605	0	461,375	10,644,687	7,231,486	3,052,490
Finance and insurance	1,539,487,118	173,834,352	30,278,058	* 80,226	4,788,336	174,916,619	830,095,818	204,122,605
Securities, commodity contracts, and other financial investments and related activities	1,280,864,322	120,642,030	26,981,839	* 80,226	4,323,213	118,379,190	708,367,092	164,711,532
Securities and commodity contracts and exchanges	103,874,801	36,944,972	787,884	0	675,499	46,332,192	12,414,802	4,561,695
Other financial investment activities	1,176,989,521	83,697,058	26,193,955	* 80,226	3,647,714	72,046,998	695,952,289	160,149,837
Funds, trusts, and other financial vehicles	155,484,740	9,125,953	2,728,196	0	388,034	5,802,949	114,883,738	34,244,706
Other finance and insurance	103,138,056	44,066,369	568,024	0	77,090	50,734,480	6,844,989	5,166,367
Real estate and rental and leasing	520,300,572	167,997,357	12,527,149	* 75,845	2,560,977	13,712,390	85,283,795	23,884,501
Real estate	481,552,337	140,637,025	12,403,920	* 75,845	1,743,630	12,077,360	82,391,390	22,492,407
Lessors of residential buildings and dwellings and cooperative housing	84,509,490	9,685,141	600,638	* 18,110	167,069	952,412	9,564,846	4,522,418
Lessors of nonresidential buildings (except mini-warehouses)	125,307,732	10,222,609	1,168,197	* 5,735	642,480	2,136,787	16,772,834	5,796,360
Lessors of miniwarehouses and self-storage units	2,787,957	745,014	* 100	0	* 939	3,349	193,890	63,850
Lessors of other real estate property	21,208,687	4,034,447	294,519	0	296,498	401,007	4,259,131	986,311
Other real estate activities	247,738,471	115,949,814	10,340,466	* 52,000	636,645	8,583,806	51,600,689	11,123,469
Rental and leasing services and lessors of nonfinancial intangible assets	38,748,234	27,360,332	123,230	0	817,347	1,635,030	2,892,405	1,392,094
Professional, scientific, and technical services	374,490,095	344,692,757	5,351,600	0	131,666	10,737,203	8,398,747	2,296,238
Management of companies (holding companies)	104,176,195	24,260,472	19,539,888	* 26,833	994,024	5,029,900	44,246,217	10,361,434
Administrative and support and waste management and remediation services	77,954,523	69,044,834	1,405,047	0	32,926	5,315,016	1,773,196	456,574
Educational services	4,856,622	4,186,674	* 231,055	0	* 394	97,546	149,554	40,897
Health care and social assistance	181,172,063	161,104,541	1,408,565	0	165,961	8,920,236	1,863,450	544,998
Arts, entertainment, and recreation	56,998,798	48,597,715	1,222,533	0	181,204	4,407,960	2,029,103	538,914
Accommodation and food services	152,259,141	136,983,966	1,067,492	0	758,967	2,652,263	2,948,013	957,337
Other services	24,841,398	23,717,193	* 153,370	* 7,040	116,761	255,552	486,824	136,387
Nature of business not allocable	* 214,905	* 157,133	0	0	0	0	* 55,745	* 2,678

Footnotes at end of table.

### Table 7. All Partnerships: Total Receipts, by Selected Industrial Group, 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial grouping	Portfolio income—continued				Net gain from sales and exchanges of property (Section 1231)	Other income	Real estate rental net income	Other rental net income
	Dividend income	Royalties	Net short-term capital gain	Net long-term capital gain				
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All industries</b>	<b>104,713,737</b>	<b>17,632,110</b>	<b>110,504,094</b>	<b>537,637,375</b>	<b>200,368,456</b>	<b>322,224,207</b>	<b>93,796,548</b>	<b>6,738,416</b>
Agriculture, forestry, fishing, and hunting	146,834	597,221	18,173	1,115,840	2,851,185	185,392	417,162	86,722
Mining	415,335	5,133,253	900,724	4,835,345	10,593,019	3,082,404	21,082	73,179
Utilities	36,143	* 6,452	240,482	3,343,377	1,101,811	347,137	1,663	* 16,921
Construction	110,822	18,075	128,154	2,246,081	1,188,569	322,156	211,077	20,548
Manufacturing	3,932,158	2,307,259	221,724	2,415,645	1,712,378	506,842	24,636	703,677
Wholesale trade	138,623	188,982	24,786	780,258	424,499	66,038	21,015	60,461
Retail trade	392,678	* 12,450	262,050	799,663	559,090	111,622	187,676	60,059
Transportation and warehousing	235,113	* 316	* 90,017	1,226,390	871,036	11,058	56,947	124,100
Information	268,441	2,260,649	54,068	1,595,838	809,795	128,434	26,960	447,911
Finance and insurance	83,203,299	3,179,554	104,084,202	435,506,159	18,365,554	304,904,025	1,624,021	600,108
Securities, commodity contracts, and other financial investments and related activities	70,626,599	2,436,302	94,174,753	376,417,905	16,201,587	284,426,774	1,141,577	320,795
Securities and commodity contracts and exchanges	1,836,655	8,740	2,416,286	3,591,426	101,987	6,607,238	* 10,048	* 179
Other financial investment activities	68,789,944	2,427,562	91,758,468	372,826,479	16,099,600	277,819,536	1,131,530	320,616
Funds, trusts, and other financial vehicles	12,112,928	733,525	9,835,742	57,956,837	1,850,909	20,045,352	456,757	202,853
Other finance and insurance	463,772	* 9,727	73,706	1,131,417	313,059	431,899	25,687	* 76,460
Real estate and rental and leasing	7,290,770	1,187,137	3,197,442	49,723,944	138,884,238	4,987,681	90,286,703	3,984,437
Real estate	7,160,020	709,669	3,165,198	48,864,095	136,880,284	4,869,079	89,866,872	606,932
Lessors of residential buildings and dwellings and cooperative housing	424,650	19,001	414,139	4,184,637	42,080,201	722,249	20,683,613	35,212
Lessors of nonresidential buildings (except mini-warehouses)	2,034,503	146,493	638,651	8,156,828	39,450,560	1,017,791	53,539,888	350,850
Lessors of miniwarehouses and self-storage units	24,657	* 303	0	105,080	330,043	* 1,928	1,511,667	* 1,028
Lessors of other real estate property	200,750	189,067	97,051	2,785,952	6,687,192	19,014	5,091,321	125,558
Other real estate activities	4,475,461	354,804	2,015,357	33,631,599	48,332,287	3,108,096	9,040,383	94,284
Rental and leasing services and lessors of nonfinancial intangible assets	130,751	* 477,468	* 32,244	859,848	2,003,954	118,602	419,831	3,377,505
Professional, scientific, and technical services	572,908	1,889,992	148,613	3,490,996	2,596,402	2,356,009	71,326	154,385
Management of companies (holding companies)	7,280,088	484,211	1,004,074	25,116,409	4,951,642	4,511,666	413,075	202,477
Administrative and support and waste management and remediation services	220,533	* 2,152	34,839	1,059,098	117,868	245,405	15,292	* 4,940
Educational services	* 1,693	0	* 509	* 106,454	* 189,438	[1]	* 1,961	0
Health care and social assistance	32,828	* 1	4,187	1,281,435	7,401,644	91,355	63,291	153,021
Arts, entertainment, and recreation	61,675	88,510	20,120	1,319,884	387,618	32,512	122,157	17,994
Accommodation and food services	97,336	275,893	51,164	1,566,282	7,316,314	332,382	178,866	20,878
Other services	275,694	0	* 11,283	* 63,460	* 44,330	* 2,088	51,640	* 6,600
Nature of business not allocable	* 765	0	* 7,485	* 44,818	* 2,027	0	0	* 1

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Less than \$500.

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

# Partnership Returns, 2007

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**Table 8. Domestic General Partnerships, Limited Partnerships, and Limited Liability Companies: Selected Items, by Selected Industrial Group, 2006-2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax year, industrial grouping	Domestic general partnerships			Domestic limited partnerships			Domestic limited liability companies		
	Number of partnerships	Number of partners	Total net income (loss)	Number of partnerships	Number of partners	Total net income (loss)	Number of limited liability companies	Number of partners	Total net income (loss)
2006	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries</b>	<b>718,765</b>	<b>2,665,197</b>	<b>87,881,048</b>	<b>432,550</b>	<b>6,738,737</b>	<b>221,565,385</b>	<b>1,630,161</b>	<b>6,361,958</b>	<b>205,289,095</b>
Agriculture, forestry, fishing, and hunting	67,104	192,773	1,348,042	16,243	88,936	312,389	39,570	131,539	-336,068
Mining	11,068	155,894	221,795	9,002	448,138	21,354,845	14,211	123,803	15,104,116
Utilities	420	1,152	1,370,131	650	65,425	1,793,577	1,810	17,446	5,952,320
Construction	49,055	116,908	4,895,578	14,158	50,872	5,611,071	118,193	316,042	13,299,624
Manufacturing	10,878	26,227	14,253,530	2,723	62,536	17,873,783	26,896	178,290	28,271,586
Wholesale trade	9,950	22,378	2,337,914	3,119	75,662	3,860,126	33,219	113,308	9,473,391
Retail trade	52,574	116,973	402,085	8,654	92,078	1,516,371	80,175	236,412	1,397,598
Transportation and warehousing	10,452	24,689	1,169,395	2,510	1,073,983	4,625,780	27,499	64,726	1,323,479
Information	9,269	25,447	13,037,451	2,796	45,843	16,047,778	24,657	100,519	1,786,527
Finance and insurance	72,400	595,067	17,033,595	91,440	1,734,741	97,790,113	113,171	795,689	84,213,268
Securities, commodity contracts, and other financial investments and related activities	58,208	420,112	10,658,864	71,987	1,530,552	83,389,428	80,606	631,582	63,134,038
Securities and commodity contracts and exchanges	1,615	5,461	977,905	2,219	184,936	6,615,423	3,824	20,101	3,564,918
Other financial investment activities	56,593	414,651	9,680,959	69,769	1,345,615	76,774,005	76,782	611,481	59,569,120
Funds, trusts, and other financial vehicles	10,079	76,892	5,062,760	15,961	170,383	11,040,571	14,952	91,738	8,275,944
Other finance and insurance	4,113	98,063	1,311,971	3,491	33,807	3,360,114	17,613	72,368	12,803,286
Real estate and rental and leasing	275,148	986,448	15,307,030	243,906	2,232,315	31,688,325	809,131	3,037,514	10,754,666
Real estate	265,741	961,192	14,259,749	238,038	2,183,998	28,610,159	781,331	2,944,342	8,786,417
Lessors of residential buildings and dwellings and cooperative housing	80,524	290,201	2,782,735	91,050	721,002	-1,879,921	215,689	708,351	-4,178,505
Lessors of nonresidential buildings (except mini-warehouses)	104,553	375,402	8,714,034	68,191	581,949	19,025,581	283,106	1,052,775	9,691,430
Lessors of miniwarehouses and self-storage units	5,625	15,606	275,410	2,560	58,708	497,719	7,156	30,928	123,527
Lessors of other real estate property	24,268	109,333	1,025,781	17,274	267,129	1,662,275	48,932	168,015	311,753
Other real estate activities	50,771	170,651	1,461,788	58,963	555,211	9,304,505	226,448	984,273	2,838,212
Rental and leasing services and lessors of nonfinancial intangible assets	9,407	25,256	1,047,281	5,869	48,316	3,078,166	27,800	93,172	1,968,249
Professional, scientific, and technical services	45,880	109,834	6,983,436	6,034	25,190	5,539,349	116,621	362,565	15,422,176
Management of companies (holding companies)	3,001	12,844	2,124,178	6,166	447,656	6,334,960	16,211	130,915	6,757,148
Administrative and support and waste management and remediation services	18,918	41,141	565,245	2,210	6,416	913,030	34,617	87,648	3,543,067
Educational services	2,853	6,617	41,881	723	1,658	108,169	7,438	25,028	-49,602
Health care and social assistance	13,166	59,775	4,038,742	5,904	55,593	3,005,332	38,303	164,016	10,009,088
Arts, entertainment, and recreation	14,146	43,269	1,161,058	2,925	125,082	651,074	28,550	134,587	-1,383,767
Accommodation and food services	25,687	65,895	1,137,820	10,414	94,323	2,218,946	66,870	234,344	-623,981
Other services	26,795	61,867	452,142	2,924	11,642	342,413	31,774	105,037	372,263
Nature of business not allocable	0	0	0	* 50	* 649	* -22,047	* 1,246	* 2,530	* 2,197

Footnotes at end of table.

# Partnership Returns, 2007

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**Table 8. Domestic General Partnerships, Limited Partnerships, and Limited Liability Companies: Selected Items, by Selected Industrial Group, 2006-2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax year, industrial grouping	Domestic general partnerships			Domestic limited partnerships			Domestic limited liability companies		
	Number of partnerships	Number of partners	Total net income (loss)	Number of partnerships	Number of partners	Total net income (loss)	Number of limited liability companies	Number of partners	Total net income (loss)
2007	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries</b>	<b>693,867</b>	<b>2,539,844</b>	<b>97,013,154</b>	<b>426,123</b>	<b>7,516,575</b>	<b>210,726,260</b>	<b>1,818,681</b>	<b>7,085,489</b>	<b>192,059,261</b>
Agriculture, forestry, fishing, and hunting	66,891	177,433	2,336,678	13,642	73,122	525,730	42,698	134,430	-566,083
Mining	11,570	165,299	-1,886,978	12,394	659,952	18,224,432	14,953	152,506	13,931,153
Utilities	1,524	4,323	952,347	373	76,368	2,394,660	2,037	16,292	2,525,213
Construction	44,731	109,878	2,861,128	13,335	55,709	2,686,047	141,048	358,654	2,936,089
Manufacturing	13,181	31,973	17,522,386	2,380	175,023	14,853,204	28,378	183,234	29,107,875
Wholesale trade	11,741	27,144	2,260,277	3,549	186,396	4,872,502	34,374	125,102	12,776,150
Retail trade	60,629	132,578	488	8,638	92,069	1,632,423	84,933	245,130	1,522,757
Transportation and warehousing	9,359	21,160	1,294,076	3,472	926,932	4,166,796	30,687	70,359	1,809,314
Information	6,476	21,138	16,409,052	1,277	35,893	11,498,441	25,498	98,425	5,684,484
Finance and insurance	66,690	449,887	24,227,173	86,800	2,256,797	115,067,499	136,692	1,079,112	76,413,128
Securities, commodity contracts, and other financial investments and related activities	56,622	408,141	13,004,704	67,999	2,058,541	100,947,470	94,317	835,529	57,425,412
Securities and commodity contracts and exchanges	916	2,313	1,183,362	1,310	278,736	2,259,605	6,635	30,229	-12,009,077
Other financial investment activities	55,706	405,828	11,821,342	66,689	1,779,805	98,687,865	87,682	805,300	69,434,489
Funds, trusts, and other financial vehicles	6,612	30,808	10,455,903	17,498	178,710	11,108,426	20,375	147,628	13,624,702
Other finance and insurance	3,456	10,938	766,566	1,302	19,545	3,011,602	22,000	95,955	5,363,014
Real estate and rental and leasing	255,795	982,790	14,672,576	247,264	2,103,587	21,942,043	931,420	3,357,317	2,126,410
Real estate	243,981	938,990	13,531,330	242,542	2,083,721	17,704,942	913,432	3,287,105	59,134
Lessors of residential buildings and dwellings and cooperative housing	62,194	242,151	2,825,965	90,398	795,484	-4,126,232	262,125	849,222	-5,802,529
Lessors of nonresidential buildings (except mini-warehouses)	100,642	372,257	8,434,161	77,890	565,108	15,489,346	310,988	1,133,519	9,477,944
Lessors of miniwarehouses and self-storage units	7,437	15,303	235,418	2,891	48,653	514,421	9,367	43,574	-30,372
Lessors of other real estate property	27,325	129,515	1,185,148	14,119	223,974	1,162,706	57,204	189,514	729,305
Other real estate activities	46,383	179,764	850,639	57,245	450,503	4,664,700	273,748	1,071,275	-4,315,213
Rental and leasing services and lessors of nonfinancial intangible assets	11,814	43,800	1,141,246	4,721	19,865	4,237,101	17,988	70,213	2,067,276
Professional, scientific, and technical services	40,950	102,494	6,943,336	4,683	18,530	5,299,623	105,786	349,252	17,329,940
Management of companies (holding companies)	802	3,228	2,359,404	5,393	562,753	2,614,242	16,410	106,269	16,671,622
Administrative and support and waste management and remediation services	18,077	44,420	600,855	2,481	5,637	868,876	36,468	91,036	2,470,563
Educational services	2,587	6,028	63,928	* 937	* 2,043	* 43,068	7,793	20,821	-190,333
Health care and social assistance	12,788	77,070	4,463,200	5,294	49,515	2,050,473	43,699	198,978	10,586,992
Arts, entertainment, and recreation	14,874	38,793	855,357	3,883	150,704	412,457	32,855	184,188	-1,823,759
Accommodation and food services	26,071	65,713	723,948	7,823	78,172	1,330,801	69,293	228,170	-1,410,188
Other services	29,131	78,496	353,923	2,494	7,309	240,170	33,304	85,502	145,817
Nature of business not allocable	0	0	0	* 13	* 64	* 2,774	* 356	* 712	* 12,117

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTES: Detail may not add to totals because of rounding. The sum of the number of partnerships for all three categories does not sum to the total number of partnerships in other tables and figures because companies classified as limited liability partnerships (LLPs), foreign partnerships, "other" or "nonresponse" were not included in this table due to the small number of returns. For 2007, there were 110,022 partnerships classified as "LLPs," 7,244 partnerships classified as "foreign," 8,005 partnerships classified as "other," and 32,392 classified as "no response."

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

by Linda Morey

This article presents State-level data from partnership and sole proprietorship tax returns that have been tabulated by the Bureau of Economic Analysis (BEA) for the Statistics of Income Division (SOI) of the Internal Revenue Service (IRS). The geographic distribution of selected variables from Form 1065 for partnership returns and Form 1040 Schedule C for sole proprietorship returns is compared to the U.S. population distribution.

SOI uses partnership and proprietorship tabulations as it prepares and publishes statistics on the operations of the Internal Revenue laws. BEA uses geographic coding data obtained from the Nonemployer Statistics program at the Census Bureau to assign tax records to the proper States based on Zip Codes of the filing addresses contained in the IRS record extracts.<sup>1</sup> The Zip Code is shown on the first page of Form 1065 for partnerships and the first page of Form 1040 for sole proprietorship (Schedule C) filers. These Zip Codes reflect only the filing address and therefore do not necessarily reflect the exact location of the business activity for the partnership or sole proprietorship. In addition, some partnerships and sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the business offices were located. Any data associated with frequencies of less than three are suppressed to ensure that they pose no disclosure risk.

BEA then tabulates selected items from the returns for SOI by State for partnerships and sole proprietorships. No statistical tabulations or research results are released which would potentially reveal identifiable information about individuals, employers, or establishments.<sup>2</sup> Throughout this article, use of the term “U.S. population” refers to population data from the U.S. Census Bureau, and use of the term “population” extracts refers to extracts from IRS population files of tax returns. In addition, the

BEA- tabulated data are based on these unedited population extracts. Consequently, the U.S. totals for the data included in this article do not match other published SOI totals that are estimates based on edited stratified probability samples of partnership and sole proprietorships.

## Partnership Returns, by State

Form 1065 is filed by most limited liability companies (LLCs), as well as by partnerships. BEA tabulates the total number of partnership returns and two variables from partnership returns to the State level—gross receipts and ordinary income. Gross receipts are tabulated from data reported on line 1c of Form 1065. This includes gross receipts from line 1a minus returns and allowances reported on line 1b. Ordinary income (loss) is tabulated from data reported on line 22 of Form 1065. It includes total income or loss (line 8) minus total deductions (line 21).<sup>3</sup>

For Tax Year 2007, the States having the highest number of partnership returns were California, Texas, New York, and Florida. Together, these four States comprised 31.9 percent of all partnership returns and 32.5 percent of the U.S. population (Table 1). Texas, with gross receipts of \$783.8 billion, and New York, with gross receipts of \$700.1 billion, together accounted for 35.4 percent of partnership gross receipts for the U.S. compared to a combined 14.4 percent of the U.S. population (Table 2). In ordinary income, Texas stood out as the highest with \$56.3 billion, which was 18.9 percent of the total for the nation. New York and California ranked second and third with 11.1 percent and 10.1 percent of the U.S., respectively. When the share of ordinary income is compared to the share of U.S. population, Texas stood out as having the largest difference with a 18.9 percent-share of U.S. ordinary income and a 7.9-percent share of the U.S. population (Table 3).

Figures A, B, and C show the highest ranking States in each category for partnerships as a percentage of the nation compared to population as a percentage of the nation.

*Linda Morey is an economist in the Regional Income Division of the Bureau of Economic Analysis.*

<sup>1</sup> The Zip Code is shown on the first page of Form 1065 for partnerships and the first page of Form 1040 for sole proprietorship (Schedule C) filers. These Zip Codes reflect only the filing address and therefore do not necessarily reflect the exact location of the business activity for the partnership or sole proprietorship. In addition, some partnerships and sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the business offices were located.

<sup>2</sup> For a more detailed statement of the sources and methods used to produce BEA State and local area estimates of Personal Income, see the BEA Web site at <http://www.bea.gov/regional/methods.cfm>.

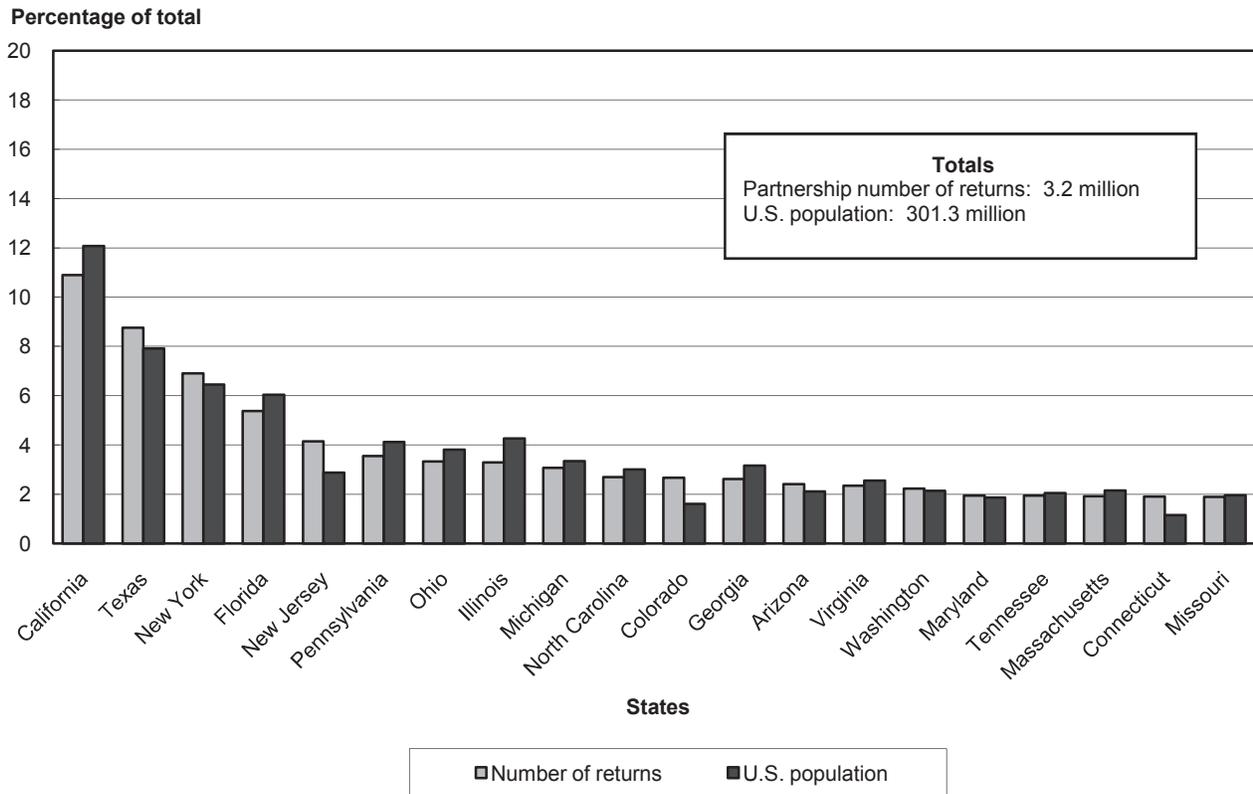
<sup>3</sup> BEA-tabulated figures are based on unedited population extracts. U.S. totals for the variables included do not match published SOI totals which are estimates based on edited samples.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Figure A**

**Partnership Number of Returns and U.S. Population, Percentage of Totals for States with Highest Number of Returns, Tax Year 2007**



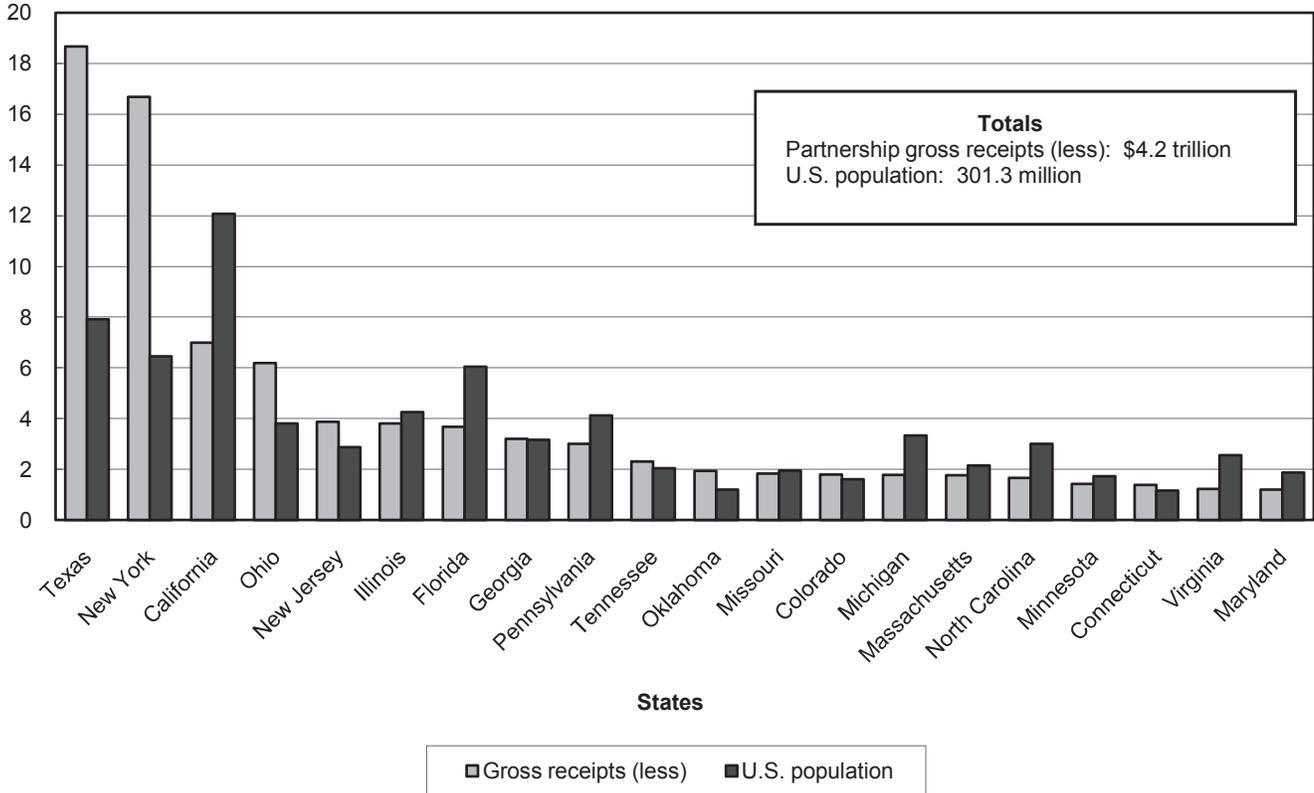
# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Figure B**

## Partnership Gross Receipts (Less Returns and Allowances) and U.S. Population, Percentage of Totals for States with Highest Gross Receipts, Tax Year 2007

Percentage of total



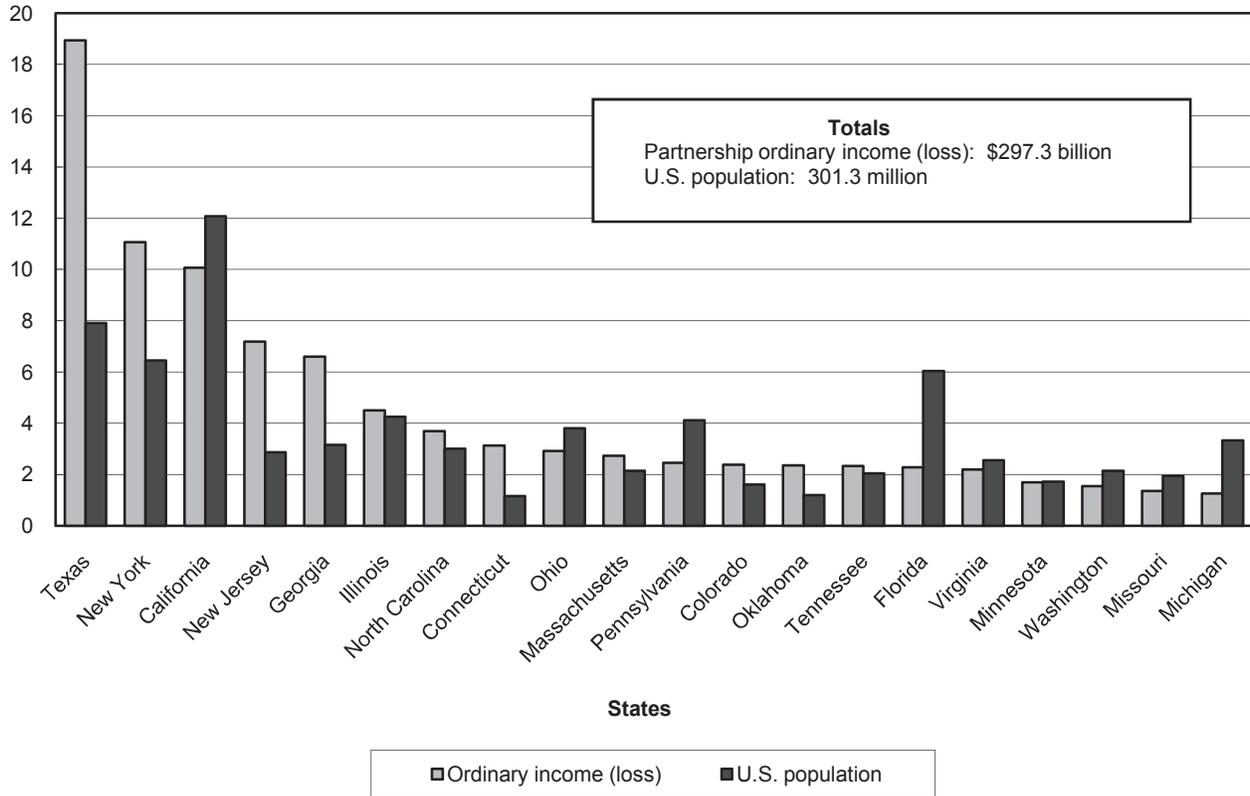
# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Figure C**

## Partnership Ordinary Income (Loss) and U.S. Population, Percentage of Totals for States with Highest Ordinary Income, Tax Year 2007

Percentage of total



# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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## Sole Proprietorship Returns, by State

BEA tabulates the total number of sole proprietorship returns and two variables from sole proprietorship returns to the State level—gross receipts (less returns and allowances) and net profit or loss.<sup>4,5</sup> Gross receipts from sole proprietorships are tabulated from line 3 of Form 1040 Schedule C. This is calculated as gross receipts or sales (line 1) minus returns and allowances (line 2). Net profit or loss is tabulated from line 31 of Form 1040 Schedule C. Net profit or loss equals gross income (line 7) minus total expenses (line 28) and expenses for business use of a home (line 30).

The number of Schedule C returns mirrored the distribution of population in the U.S. The four States with the highest number of Schedule C returns and also the highest population were California, Texas, New York, and Florida which together accounted for 34.9 percent of all returns and 32.5 percent of the

population (Table 4). The same States also had the highest gross receipts and net profit, with a combined share of 36.7 percent of gross receipts and 38.7 percent of net profit (Tables 5 and 6).

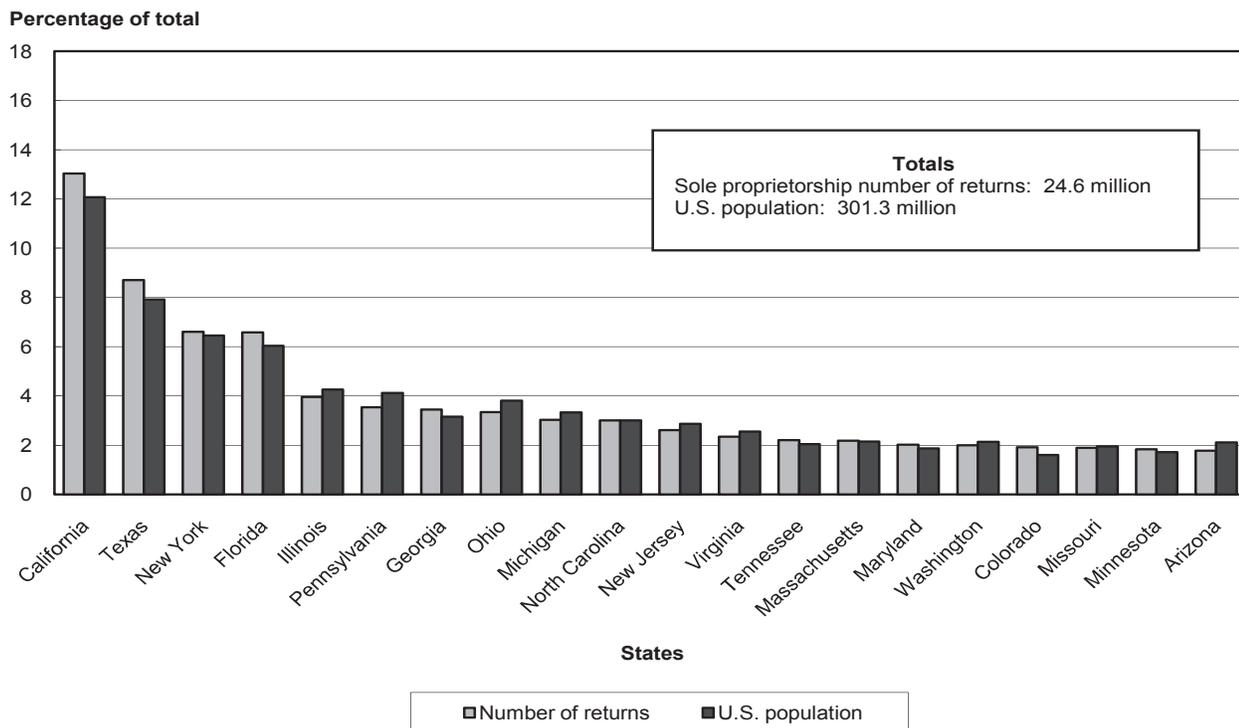
Figures D, E, and F show the highest ranking States in each category for sole proprietorships as a percentage of the nation compared to population as a percentage of the nation.

## Future Research

This article is part of an ongoing series of articles examining geographic data for partnerships and sole proprietorships. For Tax Year 2007, BEA refined the processing of the unedited population extracts in order to reduce the number of unidentifiable records and improve the accuracy of geographic tabulation. This has allowed improved geographic detail in these tabulations. Future expansion of these tabulations will concentrate on geographic detail for industrial sectors.

## Figure D

**Sole Proprietorship Number of Returns and U.S. Population, Percentage of Totals for States with Highest Number of Returns, Tax Year 2007**



<sup>4</sup> Sole proprietors report business income or loss on Form 1040 Schedule C. BEA tabulates the number of sole proprietorship returns as the number of Schedule C forms filed for a given tax year.

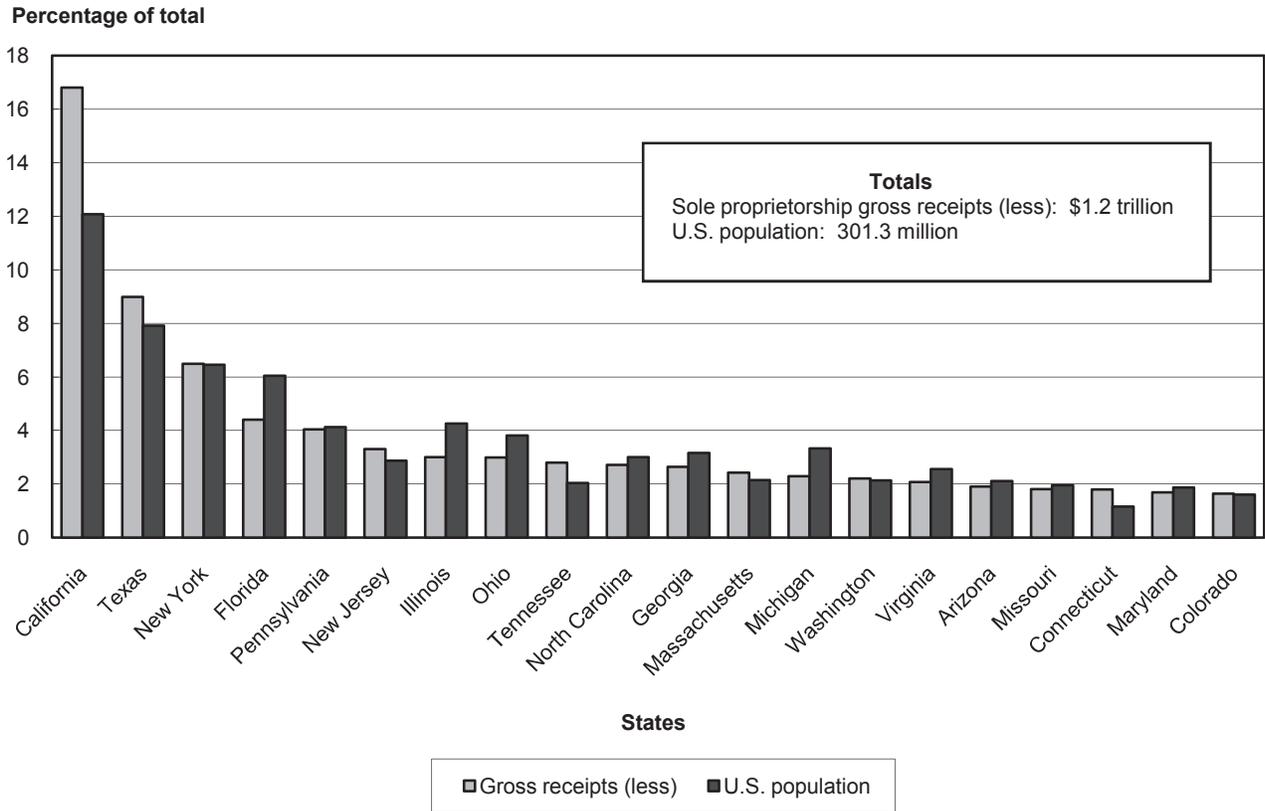
<sup>5</sup> In addition, the BEA tabulated data are based on these unedited population extracts. Consequently, the U.S. totals for the data included in this article do not match other published SOI totals which are estimates based on edited stratified probability samples of partnership and sole proprietorships.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Figure E**

**Sole Proprietorship Gross Receipts (Less Returns and Allowances) and U.S. Population, Percentage of Totals for States with Highest Gross Receipts, Tax Year 2007**

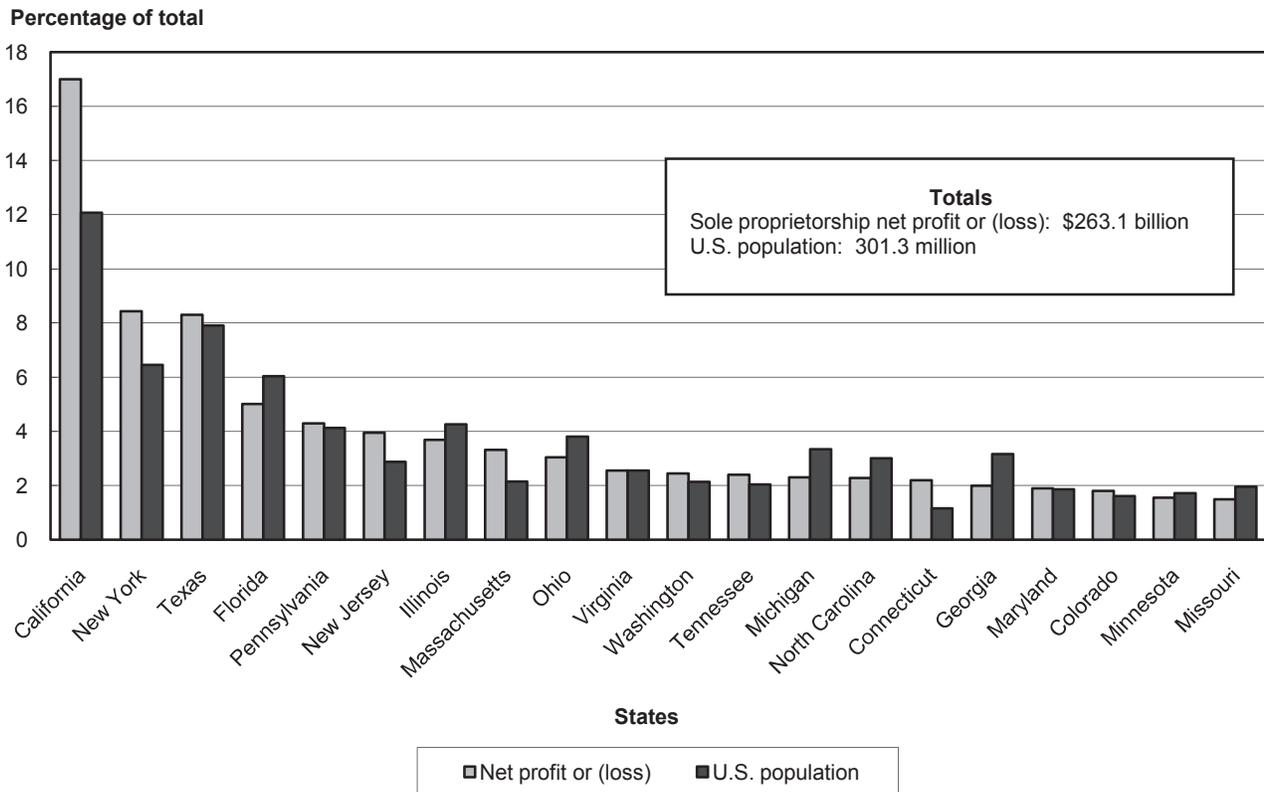


# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Figure F**

## Sole Proprietorship Net Profit or (Loss) and U.S. Population, Percentage of Totals for States with Highest Net Profit, Tax Year 2007



# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 1. Partnerships: Number of Returns by State, Rank Compared to U.S. Population, Tax Year 2007**

[Number of returns figures are based on tabulations of Form 1065]

State	Number of returns			Population [1]		
	Rank	Number	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>3,183,882</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
California	1	346,827	10.89	1	36,377,534	12.07
Texas	2	278,854	8.76	2	23,843,432	7.91
New York	3	219,644	6.90	3	19,429,316	6.45
Florida	4	171,042	5.37	4	18,199,526	6.04
New Jersey	5	132,049	4.15	11	8,653,126	2.87
Pennsylvania	6	112,829	3.54	6	12,419,930	4.12
Ohio	7	106,074	3.33	7	11,477,641	3.81
Illinois	8	104,761	3.29	5	12,825,809	4.26
Michigan	9	97,809	3.07	8	10,049,790	3.34
North Carolina	10	85,880	2.70	10	9,041,594	3.00
Colorado	11	84,967	2.67	22	4,842,770	1.61
Georgia	12	83,296	2.62	9	9,523,297	3.16
Arizona	13	76,653	2.41	15	6,353,421	2.11
Virginia	14	74,645	2.34	12	7,698,775	2.56
Washington	15	70,803	2.22	14	6,449,511	2.14
Maryland	16	61,917	1.94	19	5,618,899	1.86
Tennessee	17	61,721	1.94	17	6,149,116	2.04
Massachusetts	18	61,209	1.92	13	6,467,915	2.15
Connecticut	19	60,602	1.90	29	3,489,868	1.16
Missouri	20	60,048	1.89	18	5,878,399	1.95
Utah	21	58,442	1.84	34	2,668,925	0.89
Wisconsin	22	58,232	1.83	20	5,598,893	1.86
Minnesota	23	56,440	1.77	21	5,182,360	1.72
Indiana	24	50,437	1.58	16	6,335,862	2.10
Louisiana	25	49,401	1.55	25	4,373,310	1.45
Nevada	26	44,352	1.39	35	2,554,344	0.85
Oregon	27	43,780	1.38	27	3,735,549	1.24
South Carolina	28	42,804	1.34	24	4,404,914	1.46
Alabama	29	41,437	1.30	23	4,626,595	1.54
Oklahoma	30	37,838	1.19	28	3,608,123	1.20
Kentucky	31	37,817	1.19	26	4,236,308	1.41
Iowa	32	31,318	0.98	30	2,983,360	0.99
Kansas	33	30,570	0.96	33	2,777,382	0.92
Arkansas	34	25,334	0.80	32	2,830,557	0.94
Idaho	35	23,206	0.73	39	1,496,145	0.50
Mississippi	36	22,946	0.72	31	2,921,030	0.97
Nebraska	37	20,675	0.65	38	1,769,473	0.59
New Mexico	38	17,945	0.56	36	1,964,402	0.65
Montana	39	16,004	0.50	44	956,624	0.32
New Hampshire	40	14,774	0.46	41	1,312,256	0.44
Delaware	41	13,055	0.41	45	861,953	0.29
West Virginia	42	12,371	0.39	37	1,809,836	0.60
Wyoming	43	11,256	0.35	51	523,252	0.17
South Dakota	44	10,987	0.35	46	795,689	0.26
Maine	45	10,688	0.34	40	1,315,398	0.44
Hawaii	46	10,316	0.32	42	1,277,356	0.42
Rhode Island	47	9,894	0.31	43	1,053,136	0.35
North Dakota	48	9,348	0.29	48	637,904	0.21
District of Columbia	49	8,477	0.27	50	587,868	0.20
Alaska	50	6,307	0.20	47	681,111	0.23
Vermont	51	5,801	0.18	49	620,748	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1065 is entitled "U.S. Return of Partnership Income." Returns are assigned to States by Zip Code. Unidentifiable zipcodes and zipcodes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the partnership. In addition, some partnerships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the partnerships' business offices were located.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 2. Partnerships: Gross Receipts (Less Returns and Allowances) by State, Rank Compared to U.S. Population, Tax Year 2007**

[Gross receipts figures are based on tabulations of Form 1065—money amounts are in thousands of dollars]

State	Gross receipts (less returns and allowances)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>4,196,790,413</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
Texas	1	783,797,540	18.68	2	23,843,432	7.91
New York	2	700,116,471	16.68	3	19,429,316	6.45
California	3	293,530,016	6.99	1	36,377,534	12.07
Ohio	4	259,472,142	6.18	7	11,477,641	3.81
New Jersey	5	162,551,997	3.87	11	8,653,126	2.87
Illinois	6	159,914,267	3.81	5	12,825,809	4.26
Florida	7	153,920,203	3.67	4	18,199,526	6.04
Georgia	8	134,448,979	3.20	9	9,523,297	3.16
Pennsylvania	9	125,922,187	3.00	6	12,419,930	4.12
Tennessee	10	96,540,196	2.30	17	6,149,116	2.04
Oklahoma	11	80,996,166	1.93	28	3,608,123	1.20
Missouri	12	76,615,206	1.83	18	5,878,399	1.95
Colorado	13	74,942,896	1.79	22	4,842,770	1.61
Michigan	14	74,616,932	1.78	8	10,049,790	3.34
Massachusetts	15	74,191,780	1.77	13	6,467,915	2.15
North Carolina	16	69,500,912	1.66	10	9,041,594	3.00
Minnesota	17	59,948,570	1.43	21	5,182,360	1.72
Connecticut	18	58,275,242	1.39	29	3,489,868	1.16
Virginia	19	51,470,586	1.23	12	7,698,775	2.56
Maryland	20	50,449,084	1.20	19	5,618,899	1.86
Arizona	21	48,914,762	1.17	15	6,353,421	2.11
Washington	22	47,897,943	1.14	14	6,449,511	2.14
Indiana	23	44,961,740	1.07	16	6,335,862	2.10
Kentucky	24	39,760,739	0.95	26	4,236,308	1.41
Kansas	25	39,744,267	0.95	33	2,777,382	0.92
Louisiana	26	37,701,177	0.90	25	4,373,310	1.45
Wisconsin	27	33,851,033	0.81	20	5,598,893	1.86
Utah	28	33,438,522	0.80	34	2,668,925	0.89
Nebraska	29	31,627,485	0.75	38	1,769,473	0.59
Alabama	30	29,731,866	0.71	23	4,626,595	1.54
Idaho	31	28,488,526	0.68	39	1,496,145	0.50
Oregon	32	26,256,905	0.63	27	3,735,549	1.24
Nevada	33	26,142,770	0.62	35	2,554,344	0.85
Iowa	34	22,999,758	0.55	30	2,983,360	0.99
Delaware	35	22,896,677	0.55	45	861,953	0.29
South Carolina	36	21,698,759	0.52	24	4,404,914	1.46
Arkansas	37	18,868,835	0.45	32	2,830,557	0.94
District of Columbia	38	13,708,719	0.33	50	587,868	0.20
Mississippi	39	13,441,462	0.32	31	2,921,030	0.97
New Hampshire	40	11,543,690	0.28	41	1,312,256	0.44
New Mexico	41	9,201,642	0.22	36	1,964,402	0.65
Hawaii	42	7,826,887	0.19	42	1,277,356	0.42
South Dakota	43	6,627,456	0.16	46	795,689	0.26
Rhode Island	44	6,553,096	0.16	43	1,053,136	0.35
Montana	45	5,722,083	0.14	44	956,624	0.32
West Virginia	46	5,424,921	0.13	37	1,809,836	0.60
Wyoming	47	5,159,104	0.12	51	523,252	0.17
North Dakota	48	4,881,855	0.12	48	637,904	0.21
Alaska	49	4,431,649	0.11	47	681,111	0.23
Maine	50	4,198,887	0.10	40	1,315,398	0.44
Vermont	51	1,865,826	0.04	49	620,748	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1065 is entitled "U.S. Return of Partnership Income." Returns are assigned to States by Zip Code. Unidentifiable zipcodes and zipcodes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the partnership. In addition, some partnerships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the partnerships' business offices were located.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 3. Partnerships: Ordinary Income (Loss) by State, Rank Compared to U.S. Population, Tax Year 2007**

[Ordinary income figures are based on tabulations of Form 1065—money amounts are in thousands of dollars]

State	Ordinary income (loss)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>297,328,389</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
Texas	1	56,313,755	18.94	2	23,843,432	7.91
New York	2	32,903,329	11.07	3	19,429,316	6.45
California	3	29,946,157	10.07	1	36,377,534	12.07
New Jersey	4	21,350,383	7.18	11	8,653,126	2.87
Georgia	5	19,611,200	6.60	9	9,523,297	3.16
Illinois	6	13,389,712	4.50	5	12,825,809	4.26
North Carolina	7	10,982,639	3.69	10	9,041,594	3.00
Connecticut	8	9,314,595	3.13	29	3,489,868	1.16
Ohio	9	8,672,763	2.92	7	11,477,641	3.81
Massachusetts	10	8,134,316	2.74	13	6,467,915	2.15
Pennsylvania	11	7,296,855	2.45	6	12,419,930	4.12
Colorado	12	7,082,764	2.38	22	4,842,770	1.61
Oklahoma	13	7,021,371	2.36	28	3,608,123	1.20
Tennessee	14	6,934,790	2.33	17	6,149,116	2.04
Florida	15	6,803,928	2.29	4	18,199,526	6.04
Virginia	16	6,531,603	2.20	12	7,698,775	2.56
Minnesota	17	5,047,957	1.70	21	5,182,360	1.72
Washington	18	4,602,924	1.55	14	6,449,511	2.14
Missouri	19	4,044,969	1.36	18	5,878,399	1.95
Michigan	20	3,754,844	1.26	8	10,049,790	3.34
Louisiana	21	3,326,730	1.12	25	4,373,310	1.45
Delaware	22	3,225,144	1.08	45	861,953	0.29
Maryland	23	3,044,043	1.02	19	5,618,899	1.86
District of Columbia	24	2,798,852	0.94	50	587,868	0.20
Wisconsin	25	2,234,182	0.75	20	5,598,893	1.86
Arizona	26	2,165,845	0.73	15	6,353,421	2.11
Kentucky	27	2,069,306	0.70	26	4,236,308	1.41
Indiana	28	1,902,117	0.64	16	6,335,862	2.10
Alabama	29	1,792,169	0.60	23	4,626,595	1.54
Arkansas	30	1,533,681	0.52	32	2,830,557	0.94
Iowa	31	1,354,886	0.46	30	2,983,360	0.99
Nevada	32	1,175,630	0.40	35	2,554,344	0.85
Nebraska	33	966,725	0.33	38	1,769,473	0.59
Idaho	34	965,520	0.32	39	1,496,145	0.50
New Hampshire	35	936,666	0.32	41	1,312,256	0.44
South Carolina	36	915,420	0.31	24	4,404,914	1.46
South Dakota	37	867,401	0.29	46	795,689	0.26
Utah	38	827,356	0.28	34	2,668,925	0.89
Montana	39	727,934	0.24	44	956,624	0.32
New Mexico	40	709,250	0.24	36	1,964,402	0.65
Oregon	41	662,864	0.22	27	3,735,549	1.24
Hawaii	42	510,801	0.17	42	1,277,356	0.42
Rhode Island	43	497,263	0.17	43	1,053,136	0.35
Wyoming	44	493,767	0.17	51	523,252	0.17
North Dakota	45	337,206	0.11	48	637,904	0.21
Mississippi	46	239,884	0.08	31	2,921,030	0.97
Maine	47	162,529	0.05	40	1,315,398	0.44
Vermont	48	126,086	0.04	49	620,748	0.21
West Virginia	49	125,326	0.04	37	1,809,836	0.60
Alaska	50	-2,301,350	-0.77	47	681,111	0.23
Kansas	51	-6,805,698	-2.29	33	2,777,382	0.92

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1065 is entitled "U.S. Return of Partnership Income." Returns are assigned to States by Zip Code. Unidentifiable zipcodes and zipcodes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the partnership. In addition, some partnerships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the partnerships' business offices were located.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 4. Sole Proprietorships: Number of Returns by State, Rank Compared to U.S. Population, Tax Year 2007**

[Number of returns figures are based on tabulations of Form 1040, Schedule C]

State	Number of returns			Population [1]		
	Rank	Number	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>24,643,537</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
California	1	3,211,650	13.03	1	36,377,534	12.07
Texas	2	2,146,364	8.71	2	23,843,432	7.91
New York	3	1,626,948	6.60	3	19,429,316	6.45
Florida	4	1,621,627	6.58	4	18,199,526	6.04
Illinois	5	974,303	3.95	5	12,825,809	4.26
Pennsylvania	6	873,567	3.54	6	12,419,930	4.12
Georgia	7	850,584	3.45	9	9,523,297	3.16
Ohio	8	824,906	3.35	7	11,477,641	3.81
Michigan	9	745,559	3.03	8	10,049,790	3.34
North Carolina	10	739,910	3.00	10	9,041,594	3.00
New Jersey	11	644,496	2.62	11	8,653,126	2.87
Virginia	12	578,234	2.35	12	7,698,775	2.56
Tennessee	13	543,334	2.20	17	6,149,116	2.04
Massachusetts	14	538,517	2.19	13	6,467,915	2.15
Maryland	15	498,555	2.02	19	5,618,899	1.86
Washington	16	490,700	1.99	14	6,449,511	2.14
Colorado	17	470,478	1.91	22	4,842,770	1.61
Missouri	18	466,034	1.89	18	5,878,399	1.95
Minnesota	19	451,840	1.83	21	5,182,360	1.72
Arizona	20	438,056	1.78	15	6,353,421	2.11
Indiana	21	436,443	1.77	16	6,335,862	2.10
Wisconsin	22	395,758	1.61	20	5,598,893	1.86
Alabama	23	364,580	1.48	23	4,626,595	1.54
Louisiana	24	339,372	1.38	25	4,373,310	1.45
South Carolina	25	330,734	1.34	24	4,404,914	1.46
Kentucky	26	313,640	1.27	26	4,236,308	1.41
Oklahoma	27	311,872	1.27	28	3,608,123	1.20
Oregon	28	309,664	1.26	27	3,735,549	1.24
Connecticut	29	295,684	1.20	29	3,489,868	1.16
Iowa	30	246,319	1.00	30	2,983,360	0.99
Kansas	31	226,107	0.92	33	2,777,382	0.92
Arkansas	32	220,593	0.90	32	2,830,557	0.94
Mississippi	33	216,709	0.88	31	2,921,030	0.97
Utah	34	206,128	0.84	34	2,668,925	0.89
Nevada	35	182,731	0.74	35	2,554,344	0.85
New Mexico	36	149,984	0.61	36	1,964,402	0.65
Nebraska	37	148,032	0.60	38	1,769,473	0.59
Idaho	38	136,699	0.55	39	1,496,145	0.50
Maine	39	134,326	0.55	40	1,315,398	0.44
New Hampshire	40	123,997	0.50	41	1,312,256	0.44
Hawaii	41	112,199	0.46	42	1,277,356	0.42
West Virginia	42	110,455	0.45	37	1,809,836	0.60
Montana	43	97,980	0.40	44	956,624	0.32
Rhode Island	44	78,238	0.32	43	1,053,136	0.35
South Dakota	45	71,974	0.29	46	795,689	0.26
Vermont	46	70,080	0.28	49	620,748	0.21
Alaska	47	65,818	0.27	47	681,111	0.23
North Dakota	48	56,534	0.23	48	637,904	0.21
Delaware	49	56,487	0.23	45	861,953	0.29
Wyoming	50	50,498	0.20	51	523,252	0.17
District of Columbia	51	48,240	0.20	50	587,868	0.20

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used on address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 5. Sole Proprietorships: Gross Receipts (Less Returns and Allowances) by State, Rank Compared to U.S. Population, Tax Year 2007**

[Gross receipts figures are based on tabulations of Form 1040, Schedule C—money amounts are in thousands of dollars]

State	Gross receipts (less returns and allowances)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>1,205,229,264</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
California	1	202,560,677	16.81	1	36,377,534	12.07
Texas	2	108,315,947	8.99	2	23,843,432	7.91
New York	3	78,281,542	6.50	3	19,429,316	6.45
Florida	4	53,077,592	4.40	4	18,199,526	6.04
Pennsylvania	5	48,762,651	4.05	6	12,419,930	4.12
New Jersey	6	39,816,853	3.30	11	8,653,126	2.87
Illinois	7	36,267,645	3.01	5	12,825,809	4.26
Ohio	8	36,074,950	2.99	7	11,477,641	3.81
Tennessee	9	33,779,453	2.80	17	6,149,116	2.04
North Carolina	10	32,778,981	2.72	10	9,041,594	3.00
Georgia	11	31,798,117	2.64	9	9,523,297	3.16
Massachusetts	12	29,192,883	2.42	13	6,467,915	2.15
Michigan	13	27,697,258	2.30	8	10,049,790	3.34
Washington	14	26,555,207	2.20	14	6,449,511	2.14
Virginia	15	25,027,389	2.08	12	7,698,775	2.56
Arizona	16	23,003,027	1.91	15	6,353,421	2.11
Missouri	17	21,739,672	1.80	18	5,878,399	1.95
Connecticut	18	21,704,484	1.80	29	3,489,868	1.16
Maryland	19	20,344,200	1.69	19	5,618,899	1.86
Colorado	20	19,813,999	1.64	22	4,842,770	1.61
Wisconsin	21	19,611,255	1.63	20	5,598,893	1.86
South Carolina	22	18,101,702	1.50	24	4,404,914	1.46
Minnesota	23	17,808,007	1.48	21	5,182,360	1.72
Alabama	24	17,479,676	1.45	23	4,626,595	1.54
Indiana	25	16,565,933	1.37	16	6,335,862	2.10
Louisiana	26	15,998,992	1.33	25	4,373,310	1.45
Oklahoma	27	15,876,069	1.32	28	3,608,123	1.20
Oregon	28	15,745,648	1.31	27	3,735,549	1.24
Kentucky	29	15,057,981	1.25	26	4,236,308	1.41
Mississippi	30	11,345,904	0.94	31	2,921,030	0.97
Nevada	31	11,158,606	0.93	35	2,554,344	0.85
Kansas	32	10,880,678	0.90	33	2,777,382	0.92
Iowa	33	10,836,267	0.90	30	2,983,360	0.99
Arkansas	34	9,737,111	0.81	32	2,830,557	0.94
New Hampshire	35	8,391,998	0.70	41	1,312,256	0.44
Utah	36	7,353,103	0.61	34	2,668,925	0.89
New Mexico	37	6,916,558	0.57	36	1,964,402	0.65
Maine	38	6,617,341	0.55	40	1,315,398	0.44
Idaho	39	6,427,008	0.53	39	1,496,145	0.50
West Virginia	40	6,100,055	0.51	37	1,809,836	0.60
Nebraska	41	6,088,201	0.51	38	1,769,473	0.59
Hawaii	42	5,699,114	0.47	42	1,277,356	0.42
Montana	43	4,662,120	0.39	44	956,624	0.32
Alaska	44	3,793,547	0.31	47	681,111	0.23
South Dakota	45	3,737,711	0.31	46	795,689	0.26
Rhode Island	46	3,648,865	0.30	43	1,053,136	0.35
Vermont	47	3,534,488	0.29	49	620,748	0.21
Wyoming	48	2,706,099	0.22	51	523,252	0.17
North Dakota	49	2,600,171	0.22	48	637,904	0.21
Delaware	50	2,338,012	0.19	45	861,953	0.29
District of Columbia	51	1,818,517	0.15	50	587,868	0.20

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.

# Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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**Table 6. Sole Proprietorships: Net Profit or (Loss) by State, Rank Compared to U.S. Population, Tax Year 2007**

[Net profit less loss figures are based on tabulations of Form 1040, Schedule C—money amounts are in thousands of dollars]

State	Net profit or (loss)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>U.S. total</b>	<b>N/A</b>	<b>263,112,892</b>	<b>100.00</b>	<b>N/A</b>	<b>301,290,332</b>	<b>100.00</b>
California	1	44,719,051	17.00	1	36,377,534	12.07
New York	2	22,188,035	8.43	3	19,429,316	6.45
Texas	3	21,855,945	8.31	2	23,843,432	7.91
Florida	4	13,169,232	5.01	4	18,199,526	6.04
Pennsylvania	5	11,297,641	4.29	6	12,419,930	4.12
New Jersey	6	10,393,304	3.95	11	8,653,126	2.87
Illinois	7	9,700,863	3.69	5	12,825,809	4.26
Massachusetts	8	8,712,875	3.31	13	6,467,915	2.15
Ohio	9	8,005,443	3.04	7	11,477,641	3.81
Virginia	10	6,714,999	2.55	12	7,698,775	2.56
Washington	11	6,431,778	2.44	14	6,449,511	2.14
Tennessee	12	6,310,007	2.40	17	6,149,116	2.04
Michigan	13	6,067,064	2.31	8	10,049,790	3.34
North Carolina	14	5,989,261	2.28	10	9,041,594	3.00
Connecticut	15	5,764,371	2.19	29	3,489,868	1.16
Georgia	16	5,254,238	2.00	9	9,523,297	3.16
Maryland	17	4,985,820	1.89	19	5,618,899	1.86
Colorado	18	4,737,831	1.80	22	4,842,770	1.61
Minnesota	19	4,088,184	1.55	21	5,182,360	1.72
Missouri	20	3,937,126	1.50	18	5,878,399	1.95
Indiana	21	3,868,875	1.47	16	6,335,862	2.10
Wisconsin	22	3,386,523	1.29	20	5,598,893	1.86
Oregon	23	3,270,594	1.24	27	3,735,549	1.24
Arizona	24	3,021,710	1.15	15	6,353,421	2.11
Louisiana	25	2,914,721	1.11	25	4,373,310	1.45
Alabama	26	2,723,784	1.04	23	4,626,595	1.54
Oklahoma	27	2,677,422	1.02	28	3,608,123	1.20
South Carolina	28	2,653,862	1.01	24	4,404,914	1.46
Kentucky	29	2,621,849	1.00	26	4,236,308	1.41
Kansas	30	2,138,184	0.81	33	2,777,382	0.92
Iowa	31	1,975,971	0.75	30	2,983,360	0.99
New Hampshire	32	1,840,449	0.70	41	1,312,256	0.44
Mississippi	33	1,807,696	0.69	31	2,921,030	0.97
Nevada	34	1,694,260	0.64	35	2,554,344	0.85
Arkansas	35	1,384,072	0.53	32	2,830,557	0.94
Utah	36	1,378,444	0.52	34	2,668,925	0.89
Maine	37	1,281,996	0.49	40	1,315,398	0.44
Hawaii	38	1,279,000	0.49	42	1,277,356	0.42
New Mexico	39	1,268,243	0.48	36	1,964,402	0.65
West Virginia	40	1,099,744	0.42	37	1,809,836	0.60
Nebraska	41	1,063,301	0.40	38	1,769,473	0.59
Rhode Island	42	1,036,092	0.39	43	1,053,136	0.35
Idaho	43	1,014,640	0.39	39	1,496,145	0.50
Alaska	44	817,843	0.31	47	681,111	0.23
District of Columbia	45	812,100	0.31	50	587,868	0.20
Montana	46	795,178	0.30	44	956,624	0.32
Vermont	47	736,305	0.28	49	620,748	0.21
South Dakota	48	587,237	0.22	46	795,689	0.26
Delaware	49	571,814	0.22	45	861,953	0.29
Wyoming	50	543,156	0.21	51	523,252	0.17
North Dakota	51	524,759	0.20	48	637,904	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used on address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.

# Tax-Exempt Bonds, 2007

by Emily Shammass

**T**ax-exempt bonds are issued by State and local governments to finance a variety of projects, including construction or improvement of essential facilities and infrastructure, as well as to help provide services for citizens.<sup>1</sup> Bonds issued by State and local governments are classified as either “governmental” or “private activity,” depending on whether the proceeds are used and secured by public or private entities and resources.

The total amount of tax-exempt bonds issued by State and local governments increased 20.6 percent between Calendar Years 2006 and 2007, from \$428.3 billion in 2006 to \$516.7 billion in 2007. For 2007, governmental bonds accounted for \$379.3 billion (73.4 percent) of total tax-exempt bond proceeds, while private activity bonds accounted for the remaining \$137.4 billion (26.6 percent).

When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of private activity bonds are allowed to exclude the bond interest from their gross incomes.<sup>2</sup> This tax exemption effectively lowers the borrowing cost incurred by tax-exempt debt issuers, since holders of tax-exempt bonds are generally willing to accept an interest rate lower than that earned on comparable taxable bonds. The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds and bonds not in registered form.<sup>3,4</sup>

Both governmental and private activity bonds are obligations issued by or on behalf of State and local governmental units; it is the use of proceeds that differentiates the two. Governmental bond proceeds finance essential government operations, facilities, and services that are for general public use, and the debt service on these bonds is paid from general governmental sources. Private activity bonds are issued by or on behalf of local or State governments for the purpose of financing the project of a private user. Since the private activity bond proceeds are used by one or more private entities, the debt service is paid or secured by one or more private entities. Specifically, section 141(a) of the Internal Revenue Code provides that the term private activity bond means any bond issued as part of an issue which meets: 1) the private business tests set forth in IRC section 141(b); or 2) the private loan financing test set forth in IRC section 141(c).<sup>5</sup> Interest income earned on most private activity bonds is taxable. However, over the years, Congress has deemed certain types of private activities necessary for the public good, and, therefore, interest income earned on “qualified private activity bonds,” as defined in IRC section 141(e), is generally tax-exempt.<sup>6, 7</sup>

Over time, the list of qualified activities and facilities eligible for tax-exempt bond financing has been expanded. Appendix A provides an historical overview of major tax-exempt bond legislation, dating back to the Tax Reform Act of 1986. Appendix B covers the most recent bond legislation, the American Recovery and Reinvestment Act of 2009. The Act (ARRA09) included several new types of tax-exempt and tax-credit bonds intended to encourage investment in infrastructure projects and job creation.

*Emily Shammass is an economist with the Special Studies Special Projects Section. This data release was prepared under the direction of Melissa R. Ludlum, Chief.*

<sup>1</sup> The term “State” includes the District of Columbia and any Possession of the United States.

<sup>2</sup> In addition, for State income tax purposes, most States allow for the exclusion of interest on bonds issued by government agencies within their own States, thus increasing the benefit to bondholders.

<sup>3</sup> An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments, or is used to replace proceeds which have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified time period, so long as these earnings are rebated to the Department of the Treasury.

<sup>4</sup> A registered bond is defined as: “a bond whose owner is designated on records maintained by a registrar, the ownership of which cannot be transferred without the registrar recording the transfer on its records.” (From the Municipal Securities Rulemaking Board’s *Glossary of Municipal Securities Terms* <http://www.msrb.org/msrb/glossary/>. See also IRC section 149(a) for additional information.)

<sup>5</sup> The private business tests of IRC section 141(b) define a bond as a private activity bond if both of the following criteria are met: 1) more than 10 percent of the bond proceeds are used for a private business purpose; and, 2) more than 10 percent of the bond debt service is derived from private business use and is secured by privately used property. The private loan financing test of IRC section 141(c) defines a bond as a private activity bond if the amount of proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of \$5 million or 5 percent of the proceeds.

<sup>6</sup> Tax-exempt private activity bonds include “exempt facility bonds,” qualified mortgage bonds, qualified veterans’ mortgage bonds, qualified small issue bonds, qualified student loan bonds, qualified redevelopment bonds, and qualified section 501(c)(3) bonds (all of which are defined in the Explanation of Terms section of this article). Examples of exempt facilities include airports; docks and wharves; sewage facilities; solid waste disposal facilities; qualified residential rental projects; and facilities for the local furnishing of electricity or gas. Qualified section 501(c)(3) bonds are issued by State and local governments to finance the activities of charitable and similar organizations that are tax-exempt under IRC section 501(c)(3). The primary beneficiaries of these bonds are hospitals, universities, and organizations that provide low-income housing or assisted living facilities.

<sup>7</sup> The interest income from qualified private activity bonds (other than qualified section 501(c)(3) bonds) is subject to the alternative minimum tax requirements.

## Tax-Exempt Bonds, 2007

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### Tax-Credit Bonds

**T**ax-credit bonds are different from tax-exempt bonds in that they are not interest-bearing obligations. In lieu of receiving periodic interest payments from the issuer, a bondholder is generally allowed an annual income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond's credit rate by the face amount on the holder's bond. The credit rate on the bonds is determined by the U.S. Secretary of the Treasury and is an estimate of the rate that permits issuance of such bonds without discount and interest cost to the qualified issuer. The credit is includable in the bondholder's gross income (as if it were an interest payment on the bond), and it can be claimed against regular income tax liability and alternative minimum tax liability.

Among other provisions included as part of the Taxpayer Relief Act of 1997 was the creation of the first type of tax-credit bond—the Qualified Zone Academy bond. In 2005, two additional types—clean renewable energy bonds and Gulf tax-credit bonds—were created. In prior years, the lack of information reporting requirements and generally low issuance volumes prevented SOI from publishing separate data for tax-credit bonds. More recently, issuers of tax-credit bonds were required to submit to the IRS information filings similar to those required of tax-exempt bond issuers. Calendar Year 2007 marks the first issue year for which significant numbers of returns were filed for tax-credit bonds.

In 2007, State and local governments issued \$144 million in new money long-term tax-credit bonds. These bonds were primarily issued as:

Qualified Zone Academy bonds or clean renewable energy bonds.

The five States with the highest issuance of tax-credit bonds were Louisiana, Oregon, Kansas, Arkansas, and Massachusetts. Combined, they issued 23.6 percent of the new money long-term tax credit bonds.

#### Total Tax-Exempt and Tax Credit Bonds, 2007

[Money amounts are in millions of dollars]

Type of Bond	Number	Amount
	(1)	(2)
<b>Total [1]</b>	<b>29,714</b>	<b>516,901</b>
Tax-Exempt Bonds	29,633	516,757
Tax Credit Bonds	81	144

#### New Money, Long-Term Tax-Credit Bonds, by State of Issue and Bond Purpose, 2007 [2]

[Money amounts are in millions of dollars]

State	Total tax credit bonds [1]		Qualified zone academy bonds [2]		Clean renewable energy bonds [2]	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All States</b>	<b>81</b>	<b>144</b>	<b>64</b>	<b>119</b>	<b>17</b>	<b>24</b>
Arkansas	7	5	7	5	0	0
Kansas	7	6	7	6	0	0
Louisiana	3	12	3	12	0	0
Massachusetts	12	3	0	0	12	0
Missouri	3	2	3	2	0	0
Oklahoma	5	1	5	1	0	0
Oregon	8	8	8	8	0	0
Wisconsin	3	1	3	1	0	0
All other States, combined	33	105	28	85	5	21

[1] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and 8038) combined.

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and 8038) that specifically referenced "qualified zone academy" bonds or "clean energy" bonds.

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

### Bond Volume, by Term of Issue

Bonds are classified as either short-term or long-term, depending on the length of time from issuance to maturity. Bonds having maturities of less than 13 months are typically classified as short-term, while those having maturities of 13 months or more are classified as long-term. Governmental bond issues totaled \$379.3 billion in 2007, an 18.8-percent

increase from the \$319.4 billion issued in 2006. Long-term bonds accounted for \$316.3 billion, more than 83 percent of all governmental bond proceeds. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining \$63.1 billion of governmental bonds were issued for short-term projects. Most short-term governmental bonds are issued in the

# Tax-Exempt Bonds, 2007

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form of tax anticipation notes (TANs), revenue anticipation notes (RANs), or bond anticipation notes (BANs). TANs and RANs generally mature within 1 year of issuance, at which time the proceeds are paid from specific tax receipts or other revenue sources. The proceeds of a BAN are typically used to pay for startup costs associated with a future, long-term bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until, eventually, the proceeds of the future bond issue are used to pay off, or retire, the outstanding BAN. Combined, TANs, RANs, and BANs comprised 92.1 percent of all short-term governmental bond proceeds for 2007.

Tax-exempt private activity bond issues totaled \$137.4 billion in 2007, a 26.2 percent increase from the \$108.9 billion issued in 2006. Short-term bonds accounted for \$0.9 billion, only 0.7 percent, of the total private activity bond proceeds for 2007.

## Long-Term Bond Volume, by Type of Issue

Total bond issuance is composed of both (“new money”) nonrefunding issues and refunding issues. The proceeds of new money issues finance new capital projects, while proceeds of refunding issues retire outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures A1 and A2 show total issuance, as well as the split between new money and refunding issues, for both tax-exempt governmental and tax-exempt private activity bonds issued between 2002 and 2007. In 2007, new money issues represented approximately two-thirds of the total bond proceeds for both governmental and tax-exempt private activity bonds; refunding issues accounted for one-third of the proceeds.

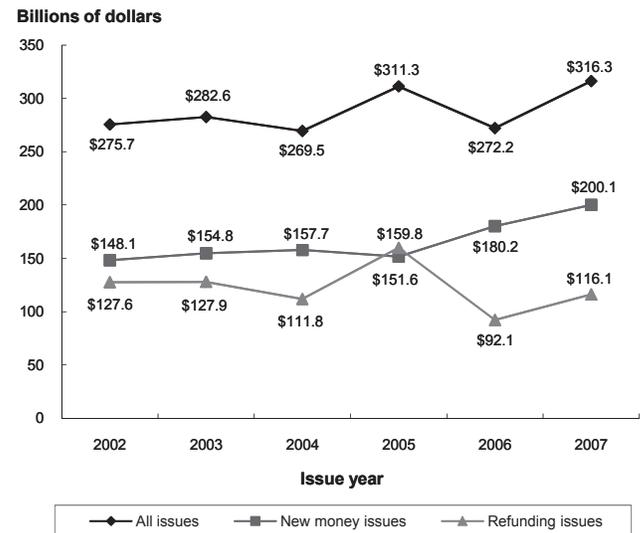
Between 2006 and 2007, new money issues and refunding issues increased for both long-term governmental and tax-exempt private activity bonds. New money, long-term governmental bond issues increased by 11.0 percent, from 2006 to 2007; refunding issues increased by 26.1 percent. Tax-exempt new money private activity bond issues were 36.9 percent higher in 2007 than in 2006, while refunding issues increased by 10.4 percent.

## Long-Term Bond Volume, by Selected Purpose

Figure B presents the composition of long-term tax-exempt bond proceeds, by selected purpose as well as type of issue, for both governmental and private

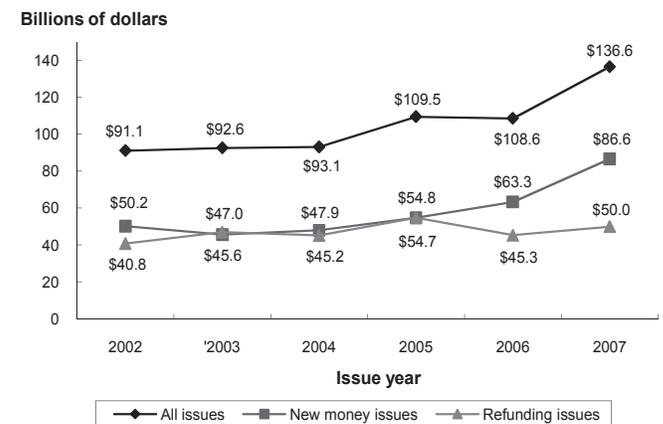
**Figure A1**

**Volume of Long-Term Tax-Exempt Governmental Bonds Issued, by Type and Issue Year, 2002-2007**



**Figure A2**

**Volume of Long-Term Tax-Exempt Private Activity Bonds Issued, by Type and Issue Year, 2002-2007**



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

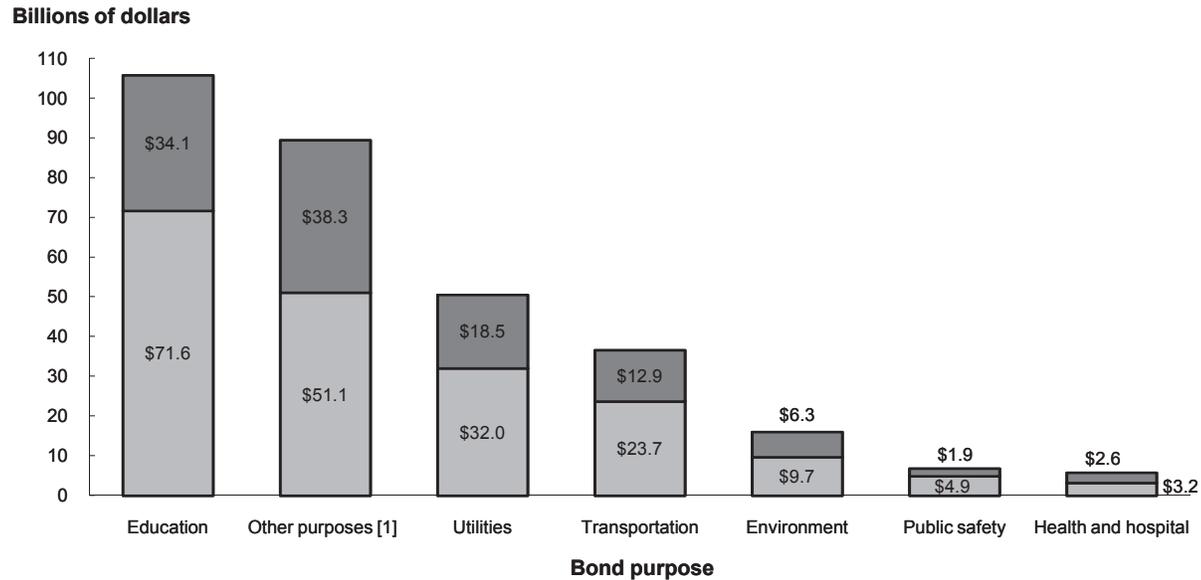
activity bond issues. Approximately 61.0 percent of the total \$316.3 billion long-term governmental bond proceeds for 2007 financed education, utilities, and transportation projects. Just over one-fourth (28.3 percent) of the long-term governmental bond proceeds were allocated for “other bond purposes” (i.e., specific purpose(s) did not apply or were not separately allocated by the issuer). For all of the governmental bond purposes shown in Figure B, more pro-

# Tax-Exempt Bonds, 2007

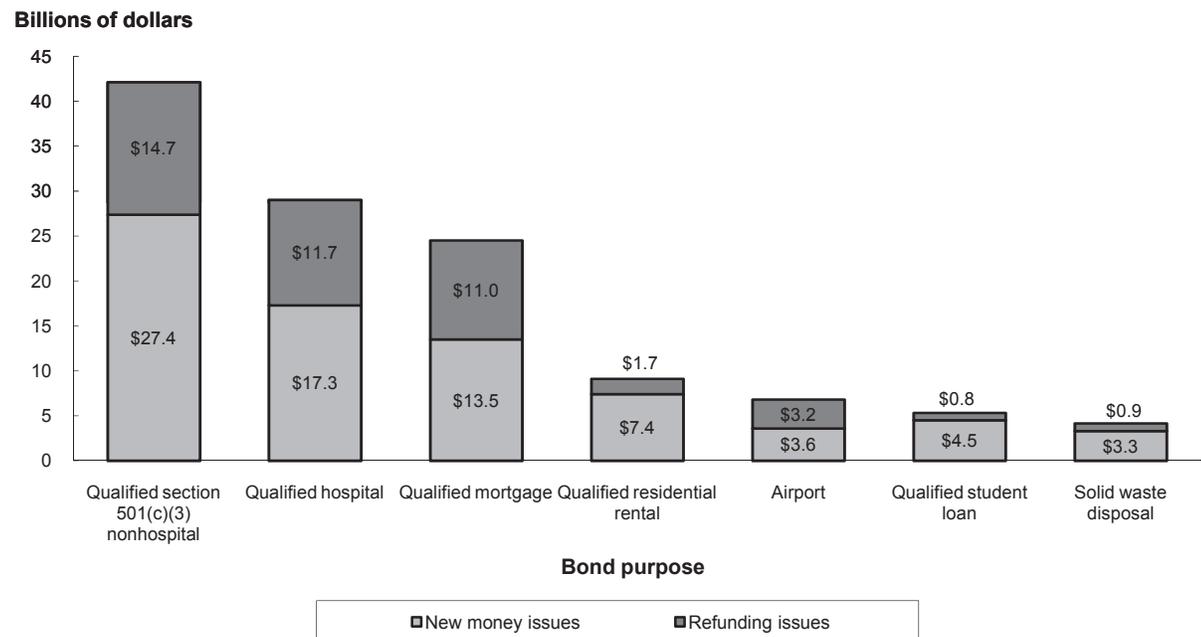
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**Figure B**

## Long-Term Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2007



## Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2007



[1] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

ceeds were spent financing new capital projects than were put toward refunding prior bond issues.

Qualified section 501(c)(3) bonds, which include total qualified hospital bonds and qualified nonhospital bonds issued to benefit other nonprofit charitable organizations, combined, accounted for 52.0 percent of the \$136.6 billion of long-term private activity bonds issued for 2007. Private activity bonds issued to provide housing assistance in the form of qualified residential rental projects and qualified mortgages accounted for another 24.6 percent of total proceeds.

## Overview of Bond Issues, by State

Total new money, long-term governmental bond volume increased by approximately \$20 billion (11.0 percent) from 2006 to 2007. States with significant increases in new money, long-term governmental bond issues from 2006 to 2007 include Ohio, whose issuance rose 154.6 percent, from slightly less than \$3.4 billion in 2006 to \$8.6 billion in 2007; California, whose issuance rose from \$23.1 billion in 2006 to \$30.9 billion in 2007; Georgia, whose issuance rose from \$4.4 billion in 2006 to \$7.2 billion in 2007; and Massachusetts, whose issuance rose from \$2.9 billion in 2006 to \$4.8 billion in 2007.

Tennessee experienced a significant decrease in new money, long-term governmental bond issues, from \$6.4 billion in 2006 to \$1.6 billion in 2007, as did Wyoming, whose issuance fell 60.4 percent, from \$134 million in 2006 to \$53 million in 2007. In all, 22 States reduced the amount of new money, long-term governmental bonds issued from 2006 to 2007, by \$55.6 billion, up from the 18 States whose combined issuance fell \$10.2 billion for the corresponding 2005 to 2006 timeframe.

Figure C presents the amount of bonds issued for the top 15 States, in terms of total dollar volume of new money, long-term tax-exempt bonds issued for 2007, for both governmental and private activity bond issuances. Combined, the top 15 States accounted for 70.4 percent of the total \$200.1 billion of new money, long-term governmental bond issues for the year. About \$86.7 billion (43.3 percent) of the total were issued by authorities in the following five States: California (15.4 percent), Texas (11.2 per-

cent), Florida (6.3 percent), New York (6.1 percent), and Ohio (4.3 percent). According to 2007 Census estimates, together, these five States accounted for 35.8 percent of the total U.S. population.<sup>8</sup>

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2007, 35.8 percent of the \$200.1 billion of new money, long-term governmental bonds was issued for educational purposes. However, the amounts allocated for this purpose varied by State. For example, the total amount of new money, long-term education bonds issued in Ohio represented approximately 73.9 percent of total State issuance, compared to 42.8 percent in Alabama and 21.2 percent in New York.

Bonds issued for other unspecified purposes accounted for 25.5 percent of States' total new money, long-term proceeds. Like educational bond issues, the total amount of other purpose bond issues ranged significantly across States. In the U.S. Possessions, 60.5 percent of the total new money, long-term governmental bond proceeds were for other purposes.<sup>9</sup> In contrast, in Ohio, only 11.7 percent was allocated for this purpose.

Nebraska allocated 76.8 percent of its total amount of new money, long-term governmental bonds to utility projects, a considerably larger share than in the U.S. total (16.0 percent). Arizona and Alabama also spent large portions of their total new money, long-term issuance on utility projects—36.2 percent and 33.9 percent, respectively.

Total new money, long-term tax-exempt private activity bond volume increased \$23.3 billion (approximately 37 percent) from 2006 to 2007. Louisiana substantially increased its issuance of new money, long-term private activity bonds from 2006 to 2007, from \$833 million in 2006 to \$2.9 billion in 2007. The majority of this increase is attributed to \$1.9 billion of Qualified Gulf Opportunity Zone and Gulf Opportunity Zone Mortgage bonds issued. These bond provisions were promulgated under the Gulf Opportunity Zone Act. They support capital investment and rebuilding in local and regional economies in parts of Louisiana, Mississippi, and Alabama that were devastated by hurricanes in 2005. Signifi-

<sup>8</sup> The resident population estimates were released by the U.S. Census Bureau on December 22, 2006, in Press Release CB06-187.

<sup>9</sup> U.S. Possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

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## Figure C1

### New Money Long-Term Tax-Exempt Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Governmental Bond Issuance, 2007

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Education		Other purposes [1]		Utilities		Transportation		Environment	
	Amount	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total, All States</b>	<b>200,148</b>	<b>71,595</b>	<b>35.8</b>	<b>51,113</b>	<b>25.5</b>	<b>32,019</b>	<b>16.0</b>	<b>23,698</b>	<b>11.8</b>	<b>9,659</b>	<b>4.8</b>
California	30,919	12,475	40.3	6,195	20.0	6,653	21.5	2,424	7.8	1,952	6.3
Texas	22,347	9,009	40.3	4,031	18.0	5,113	22.9	3,211	14.4	d	d
Florida	12,552	4,887	38.9	3,273	26.1	2,081	16.6	1,464	11.7	432	3.4
New York	12,305	2,604	21.2	4,529	36.8	133	1.1	3,435	27.9	150	1.2
Ohio	8,594	6,349	73.9	1,002	11.7	426	5.0	520	6.1	167	1.9
Georgia	7,232	2,983	41.2	968	13.4	1,840	25.4	362	5.0	514	7.1
Illinois	6,848	2,681	39.2	1,830	26.7	1,224	17.9	863	12.6	57	0.8
Arizona	5,898	1,541	26.1	1,298	22.0	2,137	36.2	782	13.3	d	d
Pennsylvania	5,854	2,191	37.4	1,594	27.2	295	5.0	466	8.0	838	14.3
North Carolina	5,405	2,034	37.6	882	16.3	385	7.1	464	8.6	d	d
Washington	5,116	1,361	26.6	1,432	28.0	587	11.5	1,448	28.3	64	1.3
Massachusetts	4,801	1,695	35.3	2,431	50.6	d	d	251	5.2	307	6.4
Alabama	4,351	1,863	42.8	832	19.1	1,476	33.9	50	1.1	28	0.6
Virginia	4,330	1,460	33.7	1,447	33.4	388	9.0	223	5.2	502	11.6
U.S. Possessions [2]	4,314	0	0.0	2,609	60.5	d	d	0	0.0	d	d

Footnotes at end of figure.

## Figure C2

### New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2007

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Qualified section 501(c)(3) nonhospital		Qualified hospital		Qualified mortgage		Qualified residential rental		All other bonds, combined [3]	
	Amount	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total	Amount	Percentage of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total, All States</b>	<b>86,576</b>	<b>27,352</b>	<b>31.6</b>	<b>17,270</b>	<b>19.9</b>	<b>13,508</b>	<b>15.6</b>	<b>7,359</b>	<b>8.5</b>	<b>6,893</b>	<b>8.0</b>
California	10,527	3,393	32.2	2,892	27.5	1,171	11.1	1,852	17.6	212	2.0
New York	8,193	2,920	35.6	952	11.6	264	3.2	1,622	19.8	1,869	22.8
Texas	5,079	886	17.4	2,001	39.4	568	11.2	367	7.2	433	8.5
Pennsylvania	4,533	2,117	46.7	959	21.2	311	6.9	d	d	d	d
Massachusetts	4,050	2,664	65.8	858	21.2	d	d	237	5.9	d	d
Florida	3,803	1,382	36.3	906	23.8	740	19.5	258	6.8	d	d
Illinois	3,785	1,333	35.2	897	23.7	948	25.0	292	7.7	0	0.0
Louisiana	2,910	347	11.9	220	7.6	211	7.3	d	d	0	0.0
Ohio	2,638	488	18.5	918	34.8	312	11.8	82	3.1	0	0.0
Georgia	2,510	842	33.5	777	31.0	208	8.3	214	8.5	d	d
Washington	2,380	562	23.6	865	36.3	217	9.1	387	16.3	d	d
Michigan	2,331	434	18.6	679	29.1	d	d	219	9.4	0	0.0
Mississippi	1,963	32	d	154	7.8	245	12.5	30	d	d	d
Arizona	1,915	867	45.3	542	28.3	96	5.0	98	5.1	d	d
Tennessee	1,787	399	22.3	119	6.7	257	14.4	122	6.8	857	48.0

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] For purposes of this figure, "other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G. It does not include specific purposes, such as public safety and housing, that are not shown separately in this figure. See Table 1.

[2] U.S. Possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

[3] For purposes of this figure, certain bond purposes were combined. For this reason, data in this figure will differ slightly from the data in Tables 8 and 9.

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

cant increases also occurred in Arizona, whose issuance more than tripled, from \$574 million in 2006 to \$1.9 billion in 2007; Utah, whose issuance increased from \$209 million in 2006 to \$602 million in 2007; South Dakota, whose issuance increased from \$138 million in 2006 to \$386 million in 2007; and Oregon, whose issuance more than doubled, from \$292 million in 2006 to \$657 million in 2007.

Between 2006 and 2007, 33 States issued a smaller amount of new money, long-term private activity bonds. Altogether, this accounted for a total reduction of \$2.7 billion. Arkansas experienced a significant decrease in new money, long-term private activity bond issuance, from \$401 million in 2006 to \$150 million in 2007, as did Indiana, whose issuance fell 61.7 percent, from \$2.3 billion in 2006 to \$0.9 billion in 2007. Similarly, Alaska and North Carolina's new money, long-term private activity bond issuance for 2007 decreased by 59.4 percent and 37.8 percent, respectively.

Combined, the top 15 States accounted for 67.5 percent of the total \$86.6 billion of new money, long-term private activity bond issues for the year. Approximately 37.4 percent (\$32.4 billion) of the total was issued by authorities in the following five States: California (12.2 percent), New York (9.5 percent), Texas (5.9 percent), Pennsylvania (5.2 percent), and Massachusetts (4.7 percent).

Similar to governmental bond issuance, there were differences in the composition of total new money, long-term private activity bond issuance, by purpose, among the States. Examining the bond allocations by purpose for 2007, overall, 31.6 percent of the amount of new money, long-term private activity bonds was issued for qualified IRC section 501(c)(3) nonhospital organizations. Another 19.9 percent was issued for qualified hospital bonds.

Of the total amount of new money, long-term private activity bonds issued in Massachusetts, 65.8 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 32.2 percent in California and 11.9 percent in Louisiana for the same purpose. Qualified hospital bonds accounted for 39.4 percent of new money, long-term private activity bond issues in Texas, compared to 21.2 percent in Pennsylvania and 6.7 percent in Tennessee for the same purpose.

Together, States allocated only 8.5 percent of the \$86.6 billion of new money, long-term private activity bonds in 2007 for qualified residential rental projects. However, both New York and California directed a much larger share of their total new money, long-term issuances to this purpose, 19.8 percent and 17.6 percent, respectively.

Tax-exempt private activity bonds are subject to State volume limitations, or volume caps. Most types of private activity bonds are subject to the unified State volume cap, which limits the aggregate dollar amount of bonds that each State can issue annually. For each of the qualified issue types subject to the unified volume cap, there is no specific limit on the dollar amount of issuance; rather, each State must allocate issuance authority in such a way that the combined issuance does not exceed the annual volume cap. The unified State volume cap is adjusted annually for population growth and is also indexed for inflation.<sup>10</sup>

Other types of private activity bonds are subject to separate volume limitations based on the specific bond purpose, or types of projects being financed. Refunding bonds are not subject to volume cap limitations, as long as there is no increase in the principal amount of the outstanding bond. Issuers can elect to carry forward unused volume cap for a specified bond purpose. Bonds issued with respect to the specified bond purpose are not subject to the volume cap for the following 3 calendar years.

Figure D shows the total amount of new money, long-term tax-exempt private activity bond issuance, new issues subject to the unified State volume cap, amounts applied from prior-year carryforward elections, and volume cap allocations, by State, for 2007. The total amount of new bonds issued by a State can exceed that State's total volume cap allocation in instances where bonds are issued for purposes other than those subject to the unified State volume cap and where amounts are being carried forward from previous years' allocations.

Unlike private activity bonds, governmental bonds are generally not subject to the volume cap. However, if more than \$15 million of the proceeds of an issue are used in private use or disproportionate use, then the amount in excess of \$15 million is subject to the volume cap, and the issuer is required

<sup>10</sup> For 2007, the volume cap was the greater of \$85 per capita or \$256,235,000. Volume caps for U.S. Possessions, with populations less than the population of the least populous State, are determined under IRC section 146(d)(4).

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**Figure D**

## New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2007

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
	(1)	(2)	(3)	(4)
<b>Total, All States</b>	<b>86,576.4</b>	<b>31,927.5</b>	<b>15,025.3</b>	<b>28,549.9</b>
Alabama	1,279.6	354.8	193.0	390.9
Alaska	297.0	227.8	227.8	256.2
Arizona	1,915.3	505.6	252.2	524.1
Arkansas	150.3	79.8	47.1	256.2
California	10,527.3	3,722.5	1,308.8	3,098.9
Colorado	1,371.1	551.9	268.1	404.0
Connecticut	1,547.2	310.5	36.1	297.9
Delaware	548.7	439.4	439.4	256.2
District of Columbia	1,106.1	198.0	185.1	256.2
Florida	3,802.8	1,125.1	822.3	1,537.6
Georgia	2,510.1	834.9	416.1	795.9
Hawaii	d	d	d	d
Idaho	525.6	510.0	430.3	256.2
Illinois	3,784.8	1,554.7	713.9	1,090.7
Indiana	889.2	214.1	0.0	536.6
Iowa	649.2	279.1	67.5	256.2
Kansas	624.2	437.4	316.5	256.2
Kentucky	485.9	331.2	7.4	357.5
Louisiana	2,909.5	401.8	55.7	364.5
Maine	383.6	260.5	175.0	256.2
Maryland	1,507.8	589.4	345.1	477.3
Massachusetts	4,050.0	512.2	4.0	547.2
Michigan	2,331.4	1,033.4	309.9	858.1
Minnesota	1,467.2	487.7	161.4	439.2
Mississippi	1,963.2	421.9	305.0	256.2
Missouri	1,394.9	548.2	146.8	496.6

Footnotes at end of figure.

to report the amount of the State volume cap allocated to the governmental issue.<sup>11,12</sup> For 2007, issuers reported allocating a combined \$86 million of State volume cap to the total \$379.3 billion of total tax-exempt governmental bond issues. This indicates some private business involvement, but not in an amount sufficient to satisfy the 10 percent use criteria for private activity bonds for each governmental bond issue.

### Summary

Over 25,000 tax-exempt Governmental bonds were issued in 2007, raising \$379.3 billion of proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$316.3 billion of long-term Governmental bonds issued, \$200.1 billion of proceeds were used to finance new projects, while the remaining \$116.1 billion of proceeds refunded prior Governmental bond issues. In addition, over

<sup>11</sup> Disproportionate use occurs when the proceeds to be used for the private business use exceed the amount of proceeds used for the related governmental use.

<sup>12</sup> IRC section 141(b)(5) states that a governmental bond will be treated as a private activity bond if: (1) the "nonqualified amount" exceeds \$15 million, but is less than the amount needed to meet any of the private activity bond tests; and (b) the issuer does not allocate a portion of its volume cap to the issue in an amount equal to the excess of such nonqualified amount over \$15 million.

**Figure D—Continued**

**New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2007—Continued**

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
	(1)	(2)	(3)	(4)
Montana	538.5	360.8	208.1	256.2
Nebraska	657.4	566.7	500.0	256.2
Nevada	815.9	302.4	135.9	256.2
New Hampshire	554.4	265.7	83.1	256.2
New Jersey	1,666.7	730.3	796.3	741.6
New Mexico	323.2	278.5	63.6	256.2
New York	8,192.6	2,020.0	645.5	1,641.0
North Carolina	1,434.6	826.0	359.0	752.8
North Dakota	440.9	362.7	305.2	256.2
Ohio	2,638.3	942.3	330.5	975.6
Oklahoma	461.4	298.6	33.0	304.2
Oregon	656.6	226.0	161.8	314.6
Pennsylvania	4,533.4	1,283.7	508.8	1,057.5
Rhode Island	357.1	262.2	262.6	256.2
South Carolina	862.5	383.0	48.3	367.3
South Dakota	386.5	290.5	240.7	256.2
Tennessee	1,787.3	1,260.5	1,036.6	513.3
Texas	5,079.1	1,848.0	264.3	1,998.2
Utah	602.1	292.4	112.8	256.2
Vermont	349.9	274.6	27.6	256.2
Virginia	1,614.2	789.1	561.4	649.6
Washington	2,380.2	761.4	128.3	543.6
West Virginia	400.3	248.1	196.8	256.2
Wisconsin	1,190.7	526.1	275.5	472.3
Wyoming	315.7	306.7	215.7	256.2
U.S. Possessions [4]	d	d	d	d

d—Data deleted to avoid disclosure of information for specific bonds when compared to other published data. However, the data are included in the appropriate totals.

[1] These calculations are based on the data reported on Part II of Form 8038 for type of issue, and include the following: mass commuting facilities, water furnishing facilities, sewage facilities, solid waste disposal facilities, qualified residential rental projects, local electric energy or gas furnishing facilities, local district heating and cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, qualified mortgage bonds, qualified small issue bonds, qualified student loan bonds, and qualified redevelopment bonds.

No distinction was made for governmentally-owned solid waste or high-speed intercity rail facilities (which are not subject to the volume cap). As a result, figures could be slightly different. [2] As reported on Form 8038, line 44b. An issuing authority can elect to carry forward its unused volume cap for one or more carryforward purposes (see IRC section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under IRC section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

[3] The volume cap amount was calculated based on State population estimates produced by the U.S. Bureau of the Census and published in *Internal Revenue Bulletin* Number 2007-11 (Notice 2007-23). For 2007, the volume cap was the greater of \$85 per capita or \$256.2 million.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

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

4,300 tax-exempt private activity bonds were issued in 2007, for a total \$137.4 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities (such as residential rental facilities, single family housing, and airports), as well the facilities of Internal Revenue Code section 501(c)(3) organizations (such as hospitals and private universities). Of the \$136.6 billion of long-term private activity bonds issued, \$86.6 billion of proceeds

were used to finance new projects, while the remaining \$50.0 billion of proceeds refunded prior tax-exempt private activity bond issues.

**Data Sources and Limitations**

The data presented in this article are based on the populations of Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Govern-*

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*mental Obligations*, filed with the Internal Revenue Service for bonds issued during Calendar Year 2007. The data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue (pooled financings). Additionally, except where specifically mentioned, the data exclude returns filed for tax-credit bonds, which are treated separately for the purposes of this article.

Bond issuers were required to file bond information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. However, in an effort to include as many applicable returns for a particular issue year as possible, the study period extended well beyond this timeframe. The study includes returns processed by the IRS from January 1, 2007, to May 31, 2009, for bonds issued in 2007. Where possible, data from amended returns filed and processed before the cutoff date were included. Late-filed returns for tax-exempt bonds issued during 2007, but processed after the cutoff date, were not included in the statistics.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. Additional checks were conducted to identify and exclude duplicate returns. Wherever possible, returns with incomplete information, mathematical errors, or other reporting anomalies were edited to resolve internal inconsistencies. However, in other cases, it was not possible to reconcile reporting discrepancies. Thus, some reporting and processing errors may remain.

### Explanation of Selected Terms

*Clean Renewable Energy Bonds (CREBs)*—A type of tax-credit bond used to finance certain renewable energy and clean coal facilities. Section 54 of the Internal Revenue Code of 1986 (IRC) provides that the term clean renewable energy bond means any bond issued as part of an issue if (1) the bond is issued by a qualified issuer; (2) the bond is issued pursuant to an allocation by the Secretary of the Treasury to such issuer of a portion of the national clean renewable energy bond authority; (3) 95 percent or more of the proceeds of the issue are to be used for capital expenditures incurred by qualified borrowers for one or more qualified projects; (4) the qualified issuer designates such bond for purposes of section

54, and the bond is issued in registered form; and (5) the qualified issuer meets the applicable spending requirements.

*Commercial paper*—Commercial paper consists of short-term notes that are continually rolled over. Maturities average about 30 days but can extend up to 270 days. Many localities use commercial paper to raise cash needed for current transactions.

*Enterprise Zone facility bond*—A type of exempt facility bond, the proceeds of which may be used for certain businesses in “empowerment zones” or “enterprise communities.” Empowerment zone and enterprise community designations are made by the Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period. Qualified enterprise zone facility bonds are generally subject to the same rules as exempt facility bonds.

*Exempt facility bond*—Bond issue of which 95 percent or more of the net proceeds is used to finance a tax-exempt facility (as listed in IRC sections 142(a) (1) through (13) and 142(k)). These facilities include airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities.

*Governmental bond*—Any obligation issued by a State or local government unit that is not a private activity bond (see below). The interest on a governmental bond is excluded from gross income under IRC section 103.

*Gulf Opportunity Zone bond*—The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities in Alabama, Louisiana, and Mississippi, designated as the “Gulf Opportunity Zone.” This area constitutes the portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

IRC section 1400N(a)(2) defines a qualified Gulf Opportunity Zone bond as any bond issued as part of an issue if it meets the following requirements: (1)

95 percent or more of the net proceeds is to be used for qualified project costs, or such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in IRC section 1400N(a); (2) such bond is issued by the State of Alabama, Louisiana, or Mississippi or any political subdivision thereof; (3) such bond is designated for purposes of IRC section 1400N(a) either by the Governor, or approved bond commission, of such State; (4) the bond is issued after December 21, 2005, and before January 1, 2011; and (5) no portion of the proceeds of such issue is to be used to provide any property described in IRC section 144(c)(6)(B).

Gulf Opportunity Zone bonds that meet the general requirements of a qualified mortgage bond issue, and the proceeds of such bond issues that finance residences located in the Gulf Opportunity Zone, shall be treated as qualified mortgage bonds (“Gulf Opportunity Zone Mortgage bonds”), as described in IRC section 1400N(a)(2)(A)(ii). The act also authorized the issuance of “Gulf Opportunity Zone Advance Refunding bonds,” which allow for an additional advance refunding for certain bonds, issued by the States of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), and outstanding on August 28, 2005. This provision was effective for bonds issued between December 21, 2005, and January 1, 2011. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

*New York Liberty Zone bonds*—IRC section 1400L(d) authorizes the issuance of an additional type of exempt facility bond, namely, “Liberty bonds.” Liberty bonds are subject to the following additional requirements: (1) 95 percent or more of the net proceeds of such issue must be used for qualified project costs; (2) the bond must be issued by the State of New York or any political subdivision thereof; (3) the Governor of the State of New York or the Mayor of the City of New York must designate the bond for purposes of section 1400L(d); and (4) the bond must have been issued after March 9, 2002, and before January 1, 2005. The maximum aggregate face amount of bonds that could be designated as Liberty bonds was \$8 billion.

*Nongovernmental output property bond*—Bonds used to finance the acquisition of property used by a nongovernmental entity in connection with an output facility (such as an electric or gas power project).

This bond must meet additional tests under IRC section 141(d).

*Pooled financing*—An arrangement whereby a portion of the proceeds of a governmental bond issue is used to make loans to other governmental units.

*Private activity bond*—Bond issue of which more than 10 percent of the proceeds is used for any private business use, and more than 10 percent of the payment of the principal or interest is either secured by an interest in property to be used for private business use (or payment for such property), or is derived from payments for property (or borrowed money) used for a private business use. A bond is also considered a private activity bond if the amount of the proceeds used to make or finance loans (other than loans described in IRC section 141(c)(2)) to persons other than governmental units exceeds the lesser of 5 percent of the proceeds or \$5 million.

*Qualified green building and sustainable design project*—Bond issue of which 95 percent or more of the net proceeds is used to finance qualified green building and sustainable design projects, as designated by the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency. The project must be nominated by a State or local government, and the issuer must submit a detailed application to the Treasury Department for consideration, and, on approval, allocation of a specified issuance amount. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

*Qualified highway or surface transfer freight facility bond*—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified highway or surface freight transfer facilities. Section 142(m)(1) defines the term “qualified highway or surface freight transfer facilities” as: (a) any surface transportation project that receives Federal assistance under title 23, United States Code (as in effect on August 10, 2005); (b) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and that receives Federal assistance under title 23, United States Code (as so in effect); or, (c) any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) that receives Federal assistance under either title 23 or title 49, United States Code (as so in effect). This

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legislation authorized issuance of up to \$15 billion of such bonds, not subject to the unified volume cap, applicable to bonds issued after August 10, 2005. Allocation of the \$15 billion national limitation is under the jurisdiction of the Department of Transportation. (See Internal Revenue Service Notice 2006-45, *Internal Revenue Bulletin* 2006-20, for additional information.)

*Qualified mortgage bond*—Bond issue of which the proceeds (except issuance costs and reasonably required reserves) are used to provide financing assistance for single-family residential property, and which meets the additional requirements in IRC section 143. Bond proceeds can be applied toward the purchase, improvement, or rehabilitation of owner-occupied residences, as well as to finance qualified home-improvement loans.

*Qualified public educational facility bond*—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified public educational facilities, defined by IRC section 142(k)(1) as any school facility that is: (a) part of a public elementary or secondary school; and (b) is owned by a private, for-profit corporation under a public-private partnership agreement with a State or local educational agency. Under a “public-private partnership agreement,” the corporation agrees to construct, rehabilitate, refurbish, or equip a school facility and, at the end of the term of the agreement, to transfer the school facility to the State or local educational agency for no additional consideration. Such bonds are not subject to the unified volume cap; rather, the annual State limit is equal to the lesser of \$10 per resident or \$5 million.

*Qualified redevelopment bond*—Bond issue of which 95 percent or more of the net proceeds is used to finance certain specified real property acquisition and redevelopment in blighted areas. (See IRC section 144(c) for additional requirements.)

*Qualified section 501(c)(3) bond*—A bond issued by State and local governments to finance the activities of charitable organizations that are tax-exempt under IRC section 501(c)(3). A bond must meet the following conditions to be classified as a section 501(c)(3) bond: 1) all property financed by the net proceeds of the bond issue is to be owned by a section 501(c)(3) organization or a governmental unit; and 2) the bond would not be a private activity bond if section 501(c)(3) organizations were treated

as governmental units with respect to their activities that are not related trades or businesses, and the private activity bond definition was applied using a 5 percent threshold rather than a 10 percent threshold. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. A qualified hospital bond issue is one in which 95 percent or more of the net proceeds is to be used for a hospital.

*Qualified small issue bond*—Bond issue generally not exceeding \$1 million, and of which 95 percent or more of the net proceeds is used to finance the acquisition of land and depreciable property or to refund such issues. In certain instances, an election to take certain capital expenditures into account can increase the limit on bond size, from \$1 million to \$10 million. These bonds may only be used to finance manufacturing facilities and to benefit certain first-time farmers.

*Qualified student loan bond*—Bond issue of which 90 percent or more of the net proceeds is used to make or finance student loans under a program of general application subject to the Higher Education Act of 1965 (see IRC section 144(b)(1)(A) for additional requirements), or of which 95 percent or more of the net proceeds is used to make or finance student loans under a program of general application approved by the State (see Code section 144(b)(1)(B) for additional requirements).

*Qualified veterans' mortgage bond*—In general, a bond issue of which 95 percent or more of the net proceeds is used to finance the purchase, improvement, or rehabilitation of owner-occupied residences for veterans who: 1) served prior to January 1, 1977; and, 2) applied for such a mortgage prior to the date 30 years after leaving active service or January 31, 1985, whichever is later. The payment of interest and principal must be secured by a general obligation of the State, and the bond must meet certain requirements of IRC section 143. The issuance of qualified veterans' mortgage bonds was limited to the following five states: Alaska, California, Oregon, Texas, and Wisconsin, each of which had a veterans' mortgage bond program in effect prior to June 22, 1984.

*Qualified zone academy bond*—Section 54E(a) of the Internal Revenue Code provides that a qualified zone academy bond (QZAB) means any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be

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used for a qualified purpose with respect to a qualified zone academy established by an eligible local education agency; (2) the bond is issued by a State or local government within whose jurisdiction the academy is located, and (3) the issuer: (a) designates such bond for purposes of this section; (b) certifies that it has written assurances that the private business contribution requirement of subsection 54E(b) will be met; and, (c) certifies that it has written approval of the eligible local education agency for such bond issuance.

*Tax Reform Act transition property bond*— A bond issued under transitional rules contained in the

Tax Reform Act of 1986. Proceeds from bonds issued under these rules include issues used to fund such items as pollution control facilities, parking facilities, industrial parks, sports stadiums, and convention facilities. Proceeds from other bonds issued under the transitional rules are included in this category only if they could not be identified as another issue type.

**NOTE:** Additional tax-exempt bond data, including data for prior years, can be found on the SOI's Tax Stats: <http://www.irs.gov/taxstats>. (Click on "Tax-Exempt Bonds.")

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## Appendix A

### Historical Overview of Tax-Exempt Bond Legislation, 1986-2008

■ **The Tax Reform Act of 1986 (TRA86)** included significant legislation intended to curb the use of tax-exempt bonds for private purposes.

- TRA86 eliminated the use of tax-exempt bonds for privately-owned pollution control, water, sewer, and solid waste facilities; sports convention and trade show facilities, parking, and industrial parks.
- The Act reduced the limit on private use of bond proceeds from 25 percent to 10 percent.

■ The Act further tightened state volume limitations for private activity tax-exempt bonds through the unified state volume cap, which limited total state issuance. States were then left to allocate issuance amounts for each permitted bond type.

- TRA86 imposed a limit of one advance refunding for Governmental bonds and qualified 501(c)(3) bonds, and prohibited advance refundings entirely for qualified private activity bonds.
- TRA86 also made interest income on tax-exempt private activity bonds subject to alternative minimum tax requirements.

■ **The Technical and Miscellaneous Revenue Act of 1988** expanded the definition of exempt facility types to include high-speed intercity rail facilities. Seventy-five percent of the principal amount of the bonds issued for high-speed rail facilities is exempt from the volume cap limit. However, if the property to be financed is owned by a governmental unit, then the bonds are completely exempt from the volume limit.

■ **The Energy Policy Act of 1992** expanded the definition of exempt facility types to include environmental enhancements of hydro-electric generating facilities. Eligible facilities include those that protect or promote fisheries or other

wildlife resources and those for recreational purposes or other improvements required by the terms of a Federal license for the operation of a hydroelectric generating facility. Bonds issued for these purposes are not subject to volume cap limitations.

■ **The Omnibus Budget Reconciliation Act of 1993** authorized the designation of nine empowerment zones and 95 enterprise communities to provide tax incentives for businesses to locate within certain geographic areas designated by the Secretaries of Housing and Urban Development and Agriculture.

- The Act expanded the definition of exempt facility types to include qualified enterprise zone facility bonds, which can be used by entities in the designated “Empowerment Zones” and “Enterprise Communities.”

■ **The Taxpayer Relief Act of 1997**

- The Act provided certain economically depressed census tracts within the District of Columbia designation as the “D.C. Enterprise Zone.”
- The Act also authorized the issuance of Qualified Zone Academy Bonds (QZABs), the first type of tax-credit bond. A QZAB is a taxable bond issued by a state or local government, the proceeds of which are used to improve certain eligible public schools. Initially, \$400 million of QZABs was authorized to be issued annually in calendar years 1998 and 1999.

■ **The Economic Growth and Tax Reconciliation Act of 2001** expanded the definition of exempt facility types to include qualified public educational facility bonds, pursuant to IRC sections 142(a)(13) and 142(k). Issuance authority for this type of private activity bond applies to bonds issued after December 31, 2001, and before January 1, 2011, and is based on state population (but not subject to the unified volume cap).

## ■ **The Job Creation and Worker Assistance Act of 2002**

- The Act created IRC section 1400L to provide various tax benefits for the area of New York City damaged or affected by the terrorist attack on September 11, 2001. The Act authorized the issuance of up to \$8 billion of Liberty Zone bonds, and up to \$9 billion of Liberty Zone Advance Refunding bonds to be issued after March 9, 2002, and before January 1, 2005.
- The Act also authorized issuance of up to \$400 million of QZABs annually in calendar years 2002 and 2003.

## ■ **The American Jobs Creation Act of 2004** expanded the definition of exempt facility types to include qualified green building and sustainable design projects. With certain exceptions, up to \$2 billion were authorized for applicable bonds issued after December 31, 2004, and before October 1, 2009.

## ■ **The Energy Tax Policy Act of 2005**, enacted on August 6, 2005, introduced the second type of tax-credit bond—Clean Renewable Energy Bonds (CREBs)—pursuant to IRC section 54. Initially, \$800 million of CREBs was authorized to be issued before December 21, 2007. The allocation is under the jurisdiction of the Secretary of the Treasury.

## ■ **The Safe, Accountable, Flexible, Efficient, Transportation Equity Act of 2005**, enacted on August 10, 2005, expanded the definition of exempt facility types to include qualified highway or surface freight transfer facilities, pursuant to IRC sections 142(a)(15) and 142(m). The allocation of the \$15 billion national limitation is under the jurisdiction of the Department of Transportation.

## ■ **The Katrina Emergency Tax Relief Act of 2005**, enacted on September 23, 2005, waived certain requirements applicable to qualified mortgage bonds under IRC section 143 by treating certain qualified residences as targeted area resi-

dences and increasing the permitted amount of a qualified home improvement loan with respect to such residences.

## ■ **The Gulf Opportunity Zone Act of 2005** was enacted on December 21, 2005.

- The Act was created to provide various tax benefits for certain areas of Alabama, Louisiana, and Mississippi—designated as the “Gulf Opportunity Zone” pursuant to IRC section 1400M—that were devastated by Hurricane Katrina.

- Pursuant to IRC section 1400N, the Act created three new types of tax-exempt bonds: Gulf Opportunity Zone facilities bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone Advance Refunding bonds. Issuance authority applied to bonds issued after December 21, 2005, and before January 1, 2011.

## ■ The Act also created a third type of tax-credit bond—Gulf tax-credit bonds. The maximum amount of Gulf tax-credit bonds authorized was \$200 million in Louisiana, \$100 million in Mississippi, and \$50 million in Alabama. Issuance authority applied to bonds issued after December 21, 2005, and before January 1, 2007.

## ■ **The Tax Relief and Healthcare Act of 2006**

- The Act provided for \$400 million of QZAB issuance authority for each of the calendar years 2006 and 2007. The Act also modified the current provisions by imposing the arbitrage restrictions of IRC section 148 to QZABs, and by requiring issuers to submit to the IRS information filings in a manner similar to tax-exempt bond issuers.

- The Act increased the national bond volume cap for CREBs from \$800 million to \$1.2 billion, and extended issuance authority an additional year, through December 31, 2008. Further, the Act increased the maximum amount of CREBs that may be allocated to projects for governmental bodies to \$750 million (from \$500 million).

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- It also made permanent the modifications (from The Tax Increase Prevention and Reconciliation Act of 2005) to state volume limits for qualified veterans' mortgage bonds issued in certain states; and expanded the permitted use of qualified mortgage bonds to finance mortgages for veterans who served in the active military without regard to the first-time homebuyer requirement.
- **The Energy Improvement and Extension Act of 2008** was enacted on October 3, 2008.
  - The Act provided for \$800 million of New CREB issuance authority, applicable to qualified bonds issued after the date of enactment.
  - The Act also created Qualified Energy Conservation Bonds (QECCBs), a new category of tax-credit bonds pursuant to IRC section 54D. The national bond volume cap for QECCBs is \$800 million. Each State receives a population-based QECCB allocation, which then must be allocated to large, local governments in a similar fashion.
- **The Tax Extenders and Alternative Minimum Tax Relief Act of 2008**, enacted on October 3, 2008, provided for \$400 million of QZAB issuance authority for each of calendar years 2008 and 2009.
- **The Housing Assistance Tax Act of 2008** enacted on July 30, 2008, amended IRC sections 143 and 146 related to qualified mortgage bonds. Specifically, the Act provided a temporary \$11 billion increase in the annual private activity bond volume cap under section 146 for qualified housing issues and eased restrictions to permit the use of qualified mortgage bonds to refinance certain subprime mortgage loans.

## Appendix B

### American Recovery and Reinvestment Act of 2009 Tax-Credit Bond Provisions

- **American Recovery and Reinvestment Act of 2009 (ARRA09)** was enacted on February 17, 2009, to help stimulate the U.S. economy by providing tax incentives for infrastructure projects and promoting job growth. ARRA09 included several new types of tax-exempt and tax-credit bonds.
- **Build America Bonds (BABs)** are a new category of taxable tax-credit bonds that bond issuers can elect to issue in lieu of tax-exempt bonds. Specifically, as defined by IRC section 54AA(d), a Build America Bond is any taxable State or local governmental bond (excluding a private activity bond under section 141) that meets the following requirements: (1) the interest on said bond would (except for section 54AA) be excludable from gross income under section 103; (2) the bond is issued before January 1, 2011; and (3) the issuer makes an irrevocable election to have section 54AA apply.
- There are two general types of Build America Bonds:
  - **“Build America Bonds (Tax-Credit)”** provide a Federal subsidy through Federal tax credits to bond investors in an amount equal to 35 percent of the total coupon interest payable by the issuer on taxable governmental bonds (net of the tax credit). This represents a Federal subsidy to the State or local governmental issuer equal to approximately 25 percent of the total return to the investor (including the coupon interest paid by the issuer and the tax credit). This type of Build America Bond generally may be used to finance any governmental purpose for which conventional tax-exempt governmental bonds could be issued under section 103 (excluding private activity bonds under section 141).
  - **“Build America Bonds (Direct Payment)”** provide a Federal subsidy through a refundable tax credit paid to State or local governmental issuers by the Treasury Department and the Internal Revenue Service in an amount equal to 35 percent of the total coupon interest payable to investors in these taxable bonds. This type of Build America Bond generally may be used to finance only capital expenditures and certain issuance costs and reasonably required reserve funds.
- **Recovery Zone Bonds** provide tax incentives for State and local governmental borrowing at lower borrowing costs to promote job creation and general economic recovery that is targeted to areas particularly affected by employment declines.
- Specifically, a “Recovery Zone” is defined in section 1400U-1 as: (1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress; (2) any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and, (3) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of ARRA09.
  - **Recovery Zone Economic Development Bonds (Direct Payment)**, defined by IRC section 1400U-2, represent a third type of Build America Bond. Recovery Zone Economic Development Bonds are comparable to Build America Bonds (Direct Payment), except that they provide for a deeper Federal subsidy through a refundable tax credit paid to State or local governmental issuers in an amount equal to 45 percent (rather than 35 percent) of the total coupon interest payable to investors in these taxable bonds and they have different program requirements regarding eligible uses of proceeds for “qualified economic development purposes” within recovery zones.
  - **Recovery Zone Facility Bonds**—ARRA09 created this new type of exempt facility bond, defined by IRC section 1400U-3.

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Proceeds of such bond issues may be used to finance certain “recovery zone property.”

- Recovery Zone Bonds may be issued by each State and counties and large municipalities within each State before January 1, 2011. Section 1400U-1 imposes a national bond volume cap of \$10 billion for Recovery Zone Economic Development Bonds and \$15 billion for Recovery Zone Facility Bonds. The volume cap for Recovery Zone Bonds is allocated among the States and counties, and large municipalities within the States, based on relative declines in employment in 2008.
- **Qualified Energy Conservation Bonds (QECBs)**—ARRA09 increased the national bond volume cap for QECBs from \$800 million to \$3.2 billion.
- **Qualified School Construction Bonds (QSCBs)**—ARRA09 created this new type of tax-credit bond. Pursuant to IRC section 54F, a QSCB is defined as any bond issued as a part of an issue if (1) 100 percent of the available project proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue; (2) the bond is issued by a State or local government within the jurisdiction of which such school is located, and (3) the issuer designates such bond purposes of this section.
- The Act added section 54F(c) to provide a national bond limitation authorization for QSCBs of \$11 billion for each of the calendar years 2009 and 2010.
- **Tribal Economic Development Bonds** were created under IRC section 7871(f) of ARRA09. In general, the purpose of new section 7871(f) was to give Indian tribal governments greater flexibility to use tax-exempt bonds to finance economic development projects. Prior to ARRA09, generally, the use of tax-exempt bonds by Indian tribal governments was limited to certain manufacturing facilities and activities that constitute essential governmental functions customarily performed by State and local governments with general taxing powers. With the

changes enacted in ARRA09, the current law rules that restricted the purpose of tribal bonds to “essential governmental functions” no longer apply to these bonds, and the bonds could be issued as tax-exempt private activity bonds. However, there are still restrictions on the use of tax-exempt bond proceeds to finance certain gaming facilities and facilities outside an Indian reservation. The national bond volume cap for Tribal Economic Development Bonds is \$2 billion.

- **New Clean Renewable Energy Bonds (New CREBs)**—IRC section 54C(c) provides for an increase in the national bond volume cap for New CREBs, from \$800 million to \$2.4 billion. Section 54C(c)(2) provides that the Secretary shall allocate no more than one third of the volume cap to qualified projects owned by public power providers, governmental bodies, and cooperative electric companies, respectively.
- **Qualified Zone Academy Bonds (QZABs)**—The Act further amended IRC section 54E(c)(1) to provide an increased national zone academy bond limitation authorization for QZABs of \$1.4 billion for each of the calendar years 2009 and 2010.
- IRC section 54E(d) defines a “qualified zone academy” as any public school (or academic program within a public school) which is established by and operated under the supervision of an eligible local education agency to provide education or training below the postsecondary level provided: (1) the public school or program is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates and prepare students for college or the workforce; (2) students will be subject to the same academic standards and assessments as other students educated by the eligible local education agency; (3) the comprehensive education plan is approved by the eligible local education agency; and (4)(i) such public school is located in an empowerment zone or enterprise community including such designated after October 3, 2008; or (ii) there is a reasonable expectation (as of the date of bond issuance) that at least 35 percent of the students will be eligible for free or reduced cost lunches under the school lunch program established under the National School Lunch Act.

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**Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2007**

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
<b>All issues, total [1]</b>	<b>25,253</b>	<b>379,326</b>
Short-term	6,798	63,076
Long-term	18,455	316,250
<b>New money issues, total</b>	<b>21,000</b>	<b>252,566</b>
Short-term	5,125	52,419
Long-term	15,875	200,148
<b>Refunding issues, total</b>	<b>6,425</b>	<b>126,759</b>
Short-term	2,303	10,657
Long-term	4,122	116,102

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

**Table 2. Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2007**

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total [1]</b>	<b>18,455</b>	<b>316,250</b>	<b>15,875</b>	<b>200,148</b>	<b>4,122</b>	<b>116,102</b>
Education	6,137	105,660	5,187	71,595	1,411	34,065
Health and hospital	374	5,772	333	3,210	80	2,562
Transportation	1,215	36,583	1,063	23,698	277	12,885
Public safety	2,391	6,815	2,285	4,941	219	1,874
Environment	1,325	16,008	1,102	9,659	430	6,349
Housing	126	1,830	98	628	46	1,202
Utilities	2,180	50,479	1,724	32,019	820	18,460
Bond and tax/revenue anticipation notes	310	3,739	281	3,284	48	455
Other purposes [2]	5,662	89,363	4,852	51,113	1,415	38,250

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

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

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**Table 3. Computation of Lendable Proceeds for Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose, 2007**

[Money amounts are in millions of dollars]

Bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>18,455</b>	<b>316,250</b>	<b>11,081</b>	<b>2,658</b>	<b>4,556</b>	<b>896</b>	<b>1,403</b>	<b>2,893</b>
Education	6,137	105,660	3,758	855	1,882	196	216	785
Health and hospital	374	5,772	191	58	55	26	35	85
Transportation	1,215	36,583	828	251	320	149	104	280
Public safety	2,391	6,815	785	74	275	17	64	60
Environment	1,325	16,008	881	142	332	35	131	111
Housing	126	1,830	91	12	26	3	27	10
Utilities	2,180	50,479	1,818	465	807	150	326	751
Bond and tax/revenue anticipation notes	310	3,739	217	10	3	1	0	0
Other purposes [2]	5,662	89,363	3,681	790	1,428	319	553	810

Bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total [1]</b>	<b>18,453</b>	<b>309,802</b>	<b>4,122</b>	<b>114,320</b>	<b>15,873</b>	<b>195,483</b>
Education	6,136	103,824	1,411	33,706	5,186	70,118
Health and hospital	374	5,603	80	2,500	333	3,103
Transportation	1,215	35,903	277	12,645	1,063	23,258
Public safety	2,390	6,665	219	1,842	2,284	4,823
Environment	1,325	15,719	430	6,272	1,102	9,447
Housing	126	1,804	46	1,194	98	609
Utilities	2,180	49,112	820	18,160	1,724	30,952
Bond and tax/revenue anticipation notes	310	3,728	48	454	281	3,274
Other purposes [2]	5,662	87,445	1,415	37,546	4,852	49,899

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

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

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**Table 4. New Money Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2007**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue					
			Under \$500,000 [1]		\$500,000 under \$1,000,000		\$1,000,000 under \$5,000,000	
	Number (1)	Amount (2)	Number (3)	Amount (4)	Number (5)	Amount (6)	Number (7)	Amount (8)
<b>Total [2]</b>	<b>15,875</b>	<b>200,148</b>	<b>5,688</b>	<b>1,340</b>	<b>1,943</b>	<b>1,335</b>	<b>3,792</b>	<b>8,831</b>
Education	5,187	71,595	1,702	403	590	412	1,113	2,551
Health and hospital	333	3,210	99	25	36	25	90	204
Transportation	1,063	23,698	343	75	121	77	258	464
Public safety	2,285	4,941	1,350	310	307	200	348	673
Environment	1,102	9,659	253	60	148	93	339	593
Housing	98	628	10	3	17	12	34	73
Utilities	1,724	32,019	290	71	192	122	598	1,259
Bond and tax/revenue anticipation notes	281	3,284	29	9	43	30	151	353
Other purposes [3]	4,852	51,113	1,657	384	542	364	1,205	2,660

Bond purpose	Size of entire issue—continued							
	\$5,000,000 under \$10,000,000		\$10,000,000 under \$25,000,000		\$25,000,000 under \$75,000,000		\$75,000,000 or more	
	Number (9)	Amount (10)	Number (11)	Amount (12)	Number (13)	Amount (14)	Number (15)	Amount (16)
<b>Total [2]</b>	<b>1,619</b>	<b>10,619</b>	<b>1,296</b>	<b>18,216</b>	<b>962</b>	<b>35,943</b>	<b>575</b>	<b>123,864</b>
Education	595	4,039	516	7,096	450	16,524	221	40,572
Health and hospital	43	252	19	237	24	732	22	1,736
Transportation	91	456	85	888	85	2,435	80	19,302
Public safety	109	529	89	843	53	1,095	29	1,290
Environment	131	679	101	1,067	77	2,148	53	5,020
Housing	6	35	14	147	10	223	7	136
Utilities	260	1,426	160	1,907	129	3,750	95	23,483
Bond and tax/revenue anticipation notes	31	181	15	176	6	203	6	2,332
Other purposes [3]	507	3,023	476	5,855	278	8,835	187	29,993

[1] Form 8038-G returns with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Form 8038-GC. Statistics of Income (SOI) does not process data from the Forms 8038-GC filed with the Internal Revenue Service.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

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

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2007**

[Money amounts are in millions of dollars]

State of issue	Bond purpose									
	Total [1]		Education		Health and hospital		Transportation		Public safety	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All States</b>	<b>15,875</b>	<b>200,148</b>	<b>5,187</b>	<b>71,595</b>	<b>333</b>	<b>3,210</b>	<b>1,063</b>	<b>23,698</b>	<b>2,285</b>	<b>4,941</b>
Alabama	332	4,351	73	1,863	d	d	11	50	39	66
Alaska	33	502	16	99	0	0	d	d	d	d
Arizona	356	5,898	166	1,541	d	d	20	782	59	83
Arkansas	299	1,199	118	586	d	d	14	72	29	34
California	1,168	30,919	470	12,475	d	d	100	2,424	110	266
Colorado	298	3,031	72	966	5	95	12	128	49	42
Connecticut	138	1,935	69	388	d	d	17	371	36	54
Delaware	38	415	5	259	0	0	16	8	7	15
District of Columbia	10	1,357	0	0	0	0	0	0	0	0
Florida	514	12,552	99	4,887	4	116	33	1,464	77	242
Georgia	414	7,232	109	2,983	d	d	17	362	84	335
Hawaii	19	795	0	0	10	40	0	0	0	0
Idaho	80	472	23	308	d	d	7	2	10	33
Illinois	824	6,848	411	2,681	4	35	40	863	80	131
Indiana	422	3,146	137	1,119	d	d	24	64	81	111
Iowa	336	1,104	99	529	d	d	28	27	30	18
Kansas	298	1,557	83	621	15	40	37	100	30	45
Kentucky	296	3,392	127	817	5	58	14	470	33	27
Louisiana	224	1,752	35	309	14	24	20	52	65	161
Maine	132	312	55	65	0	0	18	69	19	10
Maryland	172	3,159	40	888	8	47	13	883	35	100
Massachusetts	254	4,801	79	1,695	0	0	41	251	63	52
Michigan	497	3,628	160	1,426	9	12	38	685	56	36
Minnesota	623	3,662	99	569	10	95	41	173	39	149
Mississippi	243	873	35	192	10	58	8	107	56	53
Missouri	477	3,676	185	1,251	d	d	49	770	74	147
Montana	71	181	17	82	0	0	5	8	7	5
Nebraska	506	2,300	56	223	9	9	23	9	27	24
Nevada	55	1,658	11	802	d	d	4	246	5	16
New Hampshire	89	280	27	37	0	0	8	19	20	53
New Jersey	382	4,236	197	1,501	14	6	7	1,213	60	120
New Mexico	145	1,364	54	325	0	0	3	4	28	76
New York	718	12,305	383	2,604	4	188	32	3,435	97	417
North Carolina	450	5,405	82	2,034	11	845	10	464	140	618
North Dakota	127	225	23	38	0	0	9	6	d	d
Ohio	380	8,594	120	6,349	5	14	26	520	57	69
Oklahoma	357	1,552	231	677	21	186	13	173	23	44
Oregon	183	2,769	70	1,268	5	4	18	784	38	124
Pennsylvania	632	5,854	239	2,191	d	d	25	466	107	111
Rhode Island	64	791	14	242	0	0	d	d	16	27
South Carolina	251	2,095	50	728	d	d	12	522	65	58
South Dakota	72	346	24	116	0	0	9	13	6	24
Tennessee	214	1,600	52	730	d	d	14	31	43	162
Texas	1,377	22,347	410	9,009	25	303	58	3,211	161	426
Utah	159	1,511	36	674	4	24	7	249	23	39
Vermont	59	217	14	42	0	0	3	[2]	10	2
Virginia	252	4,330	80	1,460	4	7	22	223	56	235
Washington	219	5,116	67	1,361	16	137	18	1,448	27	21
West Virginia	109	288	17	85	d	d	5	42	32	12
Wisconsin	447	1,850	120	477	d	d	107	332	65	44
Wyoming	49	53	28	23	d	d	0	0	8	6
U.S. Possessions [3]	11	4,314	0	0	d	d	0	0	0	0

Footnotes at end of table.

# Tax-Exempt Bonds, 2007

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2007—Continued**

[Money amounts are in millions of dollars]

State of issue	Bond purpose—continued									
	Environment		Housing		Utilities		Bond and tax/revenue anticipation notes		Other purposes [4]	
	Number (11)	Amount (12)	Number (13)	Amount (14)	Number (15)	Amount (16)	Number (17)	Amount (18)	Number (19)	Amount (20)
<b>All States</b>	<b>1,102</b>	<b>9,659</b>	<b>98</b>	<b>628</b>	<b>1,724</b>	<b>32,019</b>	<b>281</b>	<b>3,284</b>	<b>4,852</b>	<b>51,113</b>
Alabama	5	28	d	d	47	1,476	d	d	159	832
Alaska	0	0	0	0	3	117	0	0	10	189
Arizona	d	d	0	0	24	2,137	d	d	91	1,298
Arkansas	16	207	d	d	73	176	0	0	50	72
California	61	1,952	d	d	78	6,653	5	485	316	6,195
Colorado	d	d	7	25	27	765	d	d	119	990
Connecticut	25	53	d	d	6	36	0	0	59	1,018
Delaware	3	38	0	0	d	d	d	d	7	92
District of Columbia	d	d	d	d	0	0	0	0	d	d
Florida	12	432	d	d	76	2,081	d	d	213	3,273
Georgia	75	514	d	d	32	1,840	0	0	106	968
Hawaii	6	166	0	0	0	0	0	0	3	589
Idaho	8	41	d	d	4	2	10	21	15	60
Illinois	22	57	3	3	48	1,224	4	24	231	1,830
Indiana	46	451	d	d	25	883	14	34	89	464
Iowa	19	84	d	d	36	73	17	76	121	257
Kansas	29	64	0	0	40	307	14	16	96	365
Kentucky	10	131	0	0	40	853	13	66	57	969
Louisiana	15	115	d	d	18	87	d	d	52	966
Maine	7	15	0	0	8	15	8	18	29	120
Maryland	56	400	d	d	9	184	d	d	72	646
Massachusetts	46	307	0	0	d	d	d	d	157	2,431
Michigan	76	467	3	6	49	163	3	1	112	832
Minnesota	55	509	6	32	73	361	33	69	290	1,704
Mississippi	6	17	0	0	13	37	0	0	117	410
Missouri	26	220	d	d	45	729	d	d	91	456
Montana	10	9	0	0	9	7	3	5	20	65
Nebraska	8	12	0	0	42	1,767	25	86	325	171
Nevada	6	120	d	d	d	d	0	0	18	453
New Hampshire	15	22	d	d	d	d	8	12	21	109
New Jersey	23	196	3	32	14	21	3	6	98	1,140
New Mexico	15	44	0	0	12	136	0	0	33	780
New York	25	150	5	83	18	133	7	765	174	4,529
North Carolina	d	d	d	d	43	385	0	0	185	882
North Dakota	3	21	d	d	71	142	0	0	16	16
Ohio	20	167	3	41	21	426	4	6	130	1,002
Oklahoma	5	5	0	0	23	265	0	0	49	202
Oregon	3	4	0	0	14	56	4	21	35	508
Pennsylvania	103	838	d	d	29	295	22	339	113	1,594
Rhode Island	8	98	d	d	d	d	0	0	24	415
South Carolina	18	32	0	0	28	375	d	d	81	367
South Dakota	5	6	3	3	9	78	4	14	14	92
Tennessee	10	28	d	d	60	379	18	51	57	193
Texas	d	d	0	0	304	5,113	d	d	403	4,031
Utah	d	d	d	d	45	301	3	21	38	187
Vermont	6	1	0	0	9	7	0	0	19	164
Virginia	27	502	0	0	27	388	11	66	71	1,447
Washington	6	64	8	31	35	587	6	36	47	1,432
West Virginia	26	106	d	d	d	d	d	d	25	29
Wisconsin	69	233	d	d	81	139	16	60	173	547
Wyoming	d	d	0	0	3	16	0	0	d	d
U.S. Possessions [3]	d	d	0	0	d	d	d	d	5	2,609

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] Indicates an amount less than \$500,000.

[3] U.S. Possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

[4] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

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

# Tax-Exempt Bonds, 2007

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**Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2007**

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
<b>All issues, total [1]</b>	<b>4,380</b>	<b>137,432</b>
Short-term	70	878
Long-term	4,310	136,553
<b>New money issues, total</b>	<b>3,637</b>	<b>87,172</b>
Short-term	51	596
Long-term	3,586	86,576
<b>Refunding issues, total</b>	<b>1,499</b>	<b>50,260</b>
Short-term	25	283
Long-term	1,474	49,977

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

**Table 7. Long-Term Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2007**

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total [1]</b>	<b>4,310</b>	<b>136,553</b>	<b>3,586</b>	<b>86,576</b>	<b>1,474</b>	<b>49,977</b>
Airport	69	6,819	47	3,578	35	3,241
Docks and wharves	21	1,360	12	405	12	955
Water	18	388	13	256	6	132
Sewage	26	458	16	346	12	112
Solid waste disposal	142	4,183	124	3,316	20	868
Qualified residential rental	619	9,106	508	7,359	127	1,747
Local electricity or gas furnishing facilities	6	359	4	163	4	196
Local district heating or cooling facilities	d	d	d	d	0	0
Qualified hazardous waste facilities	43	3,903	5	512	40	3,391
Tax Reform Act of 1986 transition property	d	d	d	d	0	0
Qualified new empowerment zone	3	60	3	60	0	0
Qualified public educational facilities	d	d	d	d	0	0
Qualified green building and sustainable design	d	d	d	d	0	0
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	79	3,973	78	3,912	5	61
Qualified New York Liberty Zone	3	395	d	d	d	d
Qualified mortgage	312	24,472	259	13,508	213	10,964
Qualified veterans' mortgage	8	374	4	119	6	254
Qualified small issue	775	2,531	729	2,383	71	148
Qualified student loan	34	5,330	33	4,489	12	841
Qualified redevelopment	d	d	d	d	0	0
Qualified hospital	436	28,923	344	17,270	203	11,653
Qualified section 501(c)(3) nonhospital	1,754	42,061	1,428	27,352	736	14,709
Gulf Opportunity Zone advance refunding	d	d	0	0	d	d
Other purposes [2]	18	1,467	16	879	6	588

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For this table, "other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038.

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

# Tax-Exempt Bonds, 2007

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**Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2007**

[Money amounts are in millions of dollars]

Selected bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>4,310</b>	<b>136,553</b>	<b>2,735</b>	<b>1,048</b>	<b>1,082</b>	<b>532</b>	<b>730</b>	<b>1,752</b>
Airport	69	6,819	61	59	43	33	18	148
Docks and wharves	21	1,360	d	d	7	4	d	d
Water	18	388	13	5	d	d	d	d
Sewage	26	458	16	4	d	d	d	d
Solid waste disposal	142	4,183	102	40	41	7	19	43
Qualified residential rental	619	9,106	145	27	38	12	50	39
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	79	3,973	64	31	25	6	9	8
Qualified mortgage	312	24,472	120	51	16	12	70	178
Qualified veterans' mortgage	8	374	d	d	0	0	d	d
Qualified small issue	775	2,531	377	32	151	9	17	6
Qualified student loan	34	5,330	24	20	8	1	17	41
Qualified hospital	436	28,923	357	250	149	222	93	439
Qualified section 501(c)(3) nonhospital	1,754	42,061	1,453	495	600	211	435	821
All other bonds, combined [2]	78	6,576	25	28	10	13	10	22

Selected bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total [1]</b>	<b>4,310</b>	<b>133,221</b>	<b>1,474</b>	<b>48,976</b>	<b>3,686</b>	<b>84,245</b>
Airport	69	6,579	35	3,187	49	3,392
Docks and wharves	21	1,349	12	948	12	402
Water	18	379	6	132	13	247
Sewage	26	451	12	111	16	340
Solid waste disposal	142	4,094	20	866	125	3,227
Qualified residential rental	619	9,028	127	1,736	509	7,292
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	79	3,927	5	61	78	3,866
Qualified mortgage	312	24,231	213	10,900	266	13,331
Qualified veterans' mortgage	8	372	6	253	4	119
Qualified small issue	775	2,484	71	146	731	2,338
Qualified student loan	34	5,267	12	836	33	4,431
Qualified hospital	436	28,013	203	11,332	355	16,680
Qualified section 501(c)(3) nonhospital	1,754	40,534	736	14,191	1,506	26,344
All other bonds, combined [2]	78	6,513	50	4,277	34	2,236

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, as well as bonds issued for: local electricity or gas furnishing facilities, local district heating or cooling facilities, qualified hazardous waste facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, new empowerment zone facility bonds, qualified public educational facilities, qualified green building and sustainable design projects, New York Liberty Zone bonds, qualified redevelopment bonds, and Gulf Opportunity Zone advance refunding bonds.

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

# Tax-Exempt Bonds, 2007

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**Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2007**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	All issues		Size of entire issue					
			Under \$1,000,000		\$1,000,000 under \$5,000,000		\$5,000,000 under \$10,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total [1]</b>	<b>3,586</b>	<b>86,576</b>	<b>376</b>	<b>109</b>	<b>885</b>	<b>2,408</b>	<b>699</b>	<b>4,636</b>
Airport	47	3,578	d	d	7	17	10	72
Docks and wharves	12	405	d	d	3	12	3	22
Water	13	256	0	0	d	d	3	23
Sewage	16	346	0	0	d	d	3	13
Solid waste disposal	124	3,316	4	1	17	43	17	114
Qualified residential rental	508	7,359	8	6	129	395	137	992
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	78	3,912	5	4	16	45	8	59
Qualified mortgage	259	13,508	0	0	d	d	0	0
Qualified veterans' mortgage	4	119	0	0	0	0	0	0
Qualified small issue	729	2,383	270	48	243	701	156	1,049
Qualified student loan	33	4,489	0	0	0	0	0	0
Qualified hospital	344	17,270	9	4	60	165	50	323
Qualified section 501(c)(3) nonhospital	1,428	27,352	67	41	403	1,005	305	1,918
All other bonds, combined [2]	34	2,284	7	3	5	15	8	53

Selected bond purpose	Size of entire issue—continued							
	\$10,000,000 under \$25,000,000		\$25,000,000 under \$50,000,000		\$50,000,000 under \$100,000,000		\$100,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Total [1]</b>	<b>713</b>	<b>9,646</b>	<b>365</b>	<b>10,321</b>	<b>261</b>	<b>13,122</b>	<b>287</b>	<b>46,334</b>
Airport	5	75	d	d	3	172	15	3,202
Docks and wharves	0	0	d	d	d	d	d	d
Water	5	77	3	125	d	d	0	0
Sewage	d	d	0	0	3	89	d	d
Solid waste disposal	35	554	28	971	16	972	7	660
Qualified residential rental	168	2,445	44	1,463	14	790	8	1,267
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	16	240	10	326	14	658	9	2,581
Qualified mortgage	d	d	72	1,922	71	3,065	69	7,828
Qualified veterans' mortgage	0	0	d	d	d	d	0	0
Qualified small issue	60	585	0	0	0	0	0	0
Qualified student loan	0	0	5	178	6	423	22	3,888
Qualified hospital	55	702	32	906	50	2,374	88	12,796
Qualified section 501(c)(3) nonhospital	322	4,193	169	4,294	88	4,285	74	11,615
All other bonds, combined [2]	5	57	d	d	d	d	6	2,014

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, as well as bonds issued for: local electricity or gas furnishing facilities, local district heating or cooling facilities, qualified hazardous waste facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, new empowerment zone facility bonds, qualified public educational facilities, qualified green building and sustainable design projects, New York Liberty Zone bonds, qualified redevelopment bonds, and Gulf Opportunity Zone advance refunding bonds.

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

# Tax-Exempt Bonds, 2007

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2007**

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose							
			Airports, docks, and wharves [2]		Water, sewage, and solid waste disposal [2]		Qualified residential rental		Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All States</b>	<b>3,586</b>	<b>86,576</b>	<b>59</b>	<b>3,983</b>	<b>153</b>	<b>3,918</b>	<b>508</b>	<b>7,359</b>	<b>78</b>	<b>3,912</b>
Alabama	59	1,280	d	d	3	86	4	22	16	628
Alaska	8	297	0	0	0	0	d	d	0	0
Arizona	51	1,915	d	d	6	190	8	98	0	0
Arkansas	23	150	d	d	0	0	d	d	0	0
California	275	10,527	d	d	15	392	112	1,852	0	0
Colorado	106	1,371	3	349	d	d	9	104	0	0
Connecticut	34	1,547	0	0	d	d	d	d	0	0
Delaware	11	549	0	0	0	0	0	0	0	0
District of Columbia	25	1,106	d	d	0	0	d	d	0	0
Florida	141	3,803	11	389	d	d	33	258	0	0
Georgia	99	2,510	0	0	8	229	9	214	0	0
Hawaii	d	d	0	0	0	0	d	d	0	0
Idaho	23	526	0	0	3	20	d	d	0	0
Illinois	231	3,785	0	0	5	117	30	292	0	0
Indiana	78	889	d	d	d	d	d	d	0	0
Iowa	184	649	d	d	3	15	6	60	0	0
Kansas	61	624	0	0	0	0	d	d	0	0
Kentucky	50	486	0	0	d	d	6	49	0	0
Louisiana	73	2,910	d	d	7	118	d	d	34	1,929
Maine	16	384	0	0	0	0	0	0	0	0
Maryland	55	1,508	0	0	d	d	7	71	0	0
Massachusetts	125	4,050	d	d	d	d	7	237	0	0
Michigan	89	2,331	3	185	d	d	4	219	0	0
Minnesota	126	1,467	0	0	4	36	16	127	0	0
Mississippi	42	1,963	0	0	d	d	4	30	28	1,355
Missouri	84	1,395	d	d	d	d	17	112	0	0
Montana	18	538	d	d	0	0	d	d	0	0
Nebraska	46	657	d	d	5	36	d	d	0	0
Nevada	17	816	d	d	0	0	6	63	0	0
New Hampshire	32	554	0	0	d	d	d	d	0	0
New Jersey	62	1,667	d	d	d	d	d	d	0	0
New Mexico	10	323	0	0	d	d	d	d	0	0
New York	238	8,193	d	d	0	0	50	1,622	0	0
North Carolina	50	1,435	d	d	3	153	d	d	0	0
North Dakota	20	441	d	d	d	d	0	0	0	0
Ohio	107	2,638	4	290	8	470	14	82	0	0
Oklahoma	18	461	0	0	d	d	d	d	0	0
Oregon	48	657	d	d	d	d	19	115	0	0
Pennsylvania	221	4,533	d	d	7	372	d	d	0	0
Rhode Island	15	357	0	0	0	0	d	d	0	0
South Carolina	34	862	0	0	d	d	3	42	0	0
South Dakota	26	386	0	0	7	34	0	0	0	0
Tennessee	56	1,787	d	d	0	0	16	122	0	0
Texas	160	5,079	10	226	20	578	30	367	0	0
Utah	33	602	0	0	0	0	d	d	0	0
Vermont	19	350	0	0	0	0	6	11	0	0
Virginia	73	1,614	d	d	d	d	7	97	0	0
Washington	87	2,380	d	d	3	93	31	387	0	0
West Virginia	17	400	0	0	d	d	0	0	0	0
Wisconsin	96	1,191	d	d	d	d	6	51	0	0
Wyoming	9	316	0	0	d	d	d	d	0	0
U.S. Possessions [4]	d	d	0	0	d	d	0	0	0	0

Footnotes at end of table.

# Tax-Exempt Bonds, 2007

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2007—Continued**

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose—continued									
	Qualified mortgage		Qualified small issue		Qualified hospital		Qualified section 501(c)(3) nonhospital		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All States</b>	<b>259</b>	<b>13,508</b>	<b>729</b>	<b>2,383</b>	<b>344</b>	<b>17,270</b>	<b>1,428</b>	<b>27,352</b>	<b>71</b>	<b>6,893</b>
Alabama	d	d	8	42	3	68	21	218	d	d
Alaska	d	d	0	0	0	0	3	59	d	d
Arizona	10	96	d	d	6	542	14	867	d	d
Arkansas	d	d	6	21	5	29	7	39	0	0
California	12	1,171	d	d	23	2,892	95	3,393	3	212
Colorado	8	310	25	50	3	92	56	370	d	d
Connecticut	3	175	0	0	6	64	20	1,172	d	d
Delaware	5	439	0	0	d	d	d	d	d	d
District of Columbia	d	d	0	0	0	0	17	340	d	d
Florida	17	740	14	63	9	906	53	1,382	d	d
Georgia	5	208	d	d	9	777	36	842	d	d
Hawaii	0	0	0	0	0	0	d	d	d	d
Idaho	12	477	d	d	d	d	d	d	0	0
Illinois	17	948	95	198	18	897	66	1,333	0	0
Indiana	d	d	19	82	4	283	44	387	0	0
Iowa	4	104	122	59	d	d	37	305	7	62
Kansas	8	313	31	42	d	d	15	177	0	0
Kentucky	5	158	6	35	4	27	25	126	d	d
Louisiana	9	211	d	d	3	220	15	347	0	0
Maine	3	71	4	11	d	d	7	114	d	d
Maryland	5	408	9	46	d	d	32	904	0	0
Massachusetts	d	d	16	57	18	858	78	2,664	d	d
Michigan	d	d	31	161	18	679	31	434	0	0
Minnesota	7	282	18	43	6	348	75	632	0	0
Mississippi	5	245	d	d	3	154	3	32	d	d
Missouri	4	145	21	77	6	159	33	586	d	d
Montana	4	177	d	d	7	158	d	d	d	d
Nebraska	5	500	21	12	d	d	11	40	0	0
Nevada	4	139	0	0	d	d	d	d	d	d
New Hampshire	7	136	d	d	5	50	15	239	d	d
New Jersey	d	d	23	84	4	358	28	572	d	d
New Mexico	d	d	0	0	4	37	d	d	d	d
New York	4	264	d	d	42	952	112	2,920	8	1,869
North Carolina	3	123	13	92	8	208	19	242	d	d
North Dakota	d	d	d	d	d	d	13	54	0	0
Ohio	3	312	20	78	19	918	40	488	0	0
Oklahoma	7	139	d	d	3	117	4	46	d	d
Oregon	3	45	6	31	4	195	11	209	3	30
Pennsylvania	5	311	50	178	21	959	134	2,117	d	d
Rhode Island	4	175	0	0	d	d	7	93	0	0
South Carolina	d	d	11	71	3	300	13	179	d	d
South Dakota	d	d	10	22	3	83	d	d	0	0
Tennessee	4	257	d	d	3	119	25	399	3	857
Texas	17	568	5	19	17	2,001	56	886	8	433
Utah	9	147	d	d	d	d	14	305	d	d
Vermont	3	113	3	12	d	d	5	12	d	d
Virginia	4	561	13	77	9	227	34	566	0	0
Washington	4	217	9	54	8	865	31	562	d	d
West Virginia	3	108	0	0	d	d	10	114	0	0
Wisconsin	3	268	28	144	20	352	39	299	d	d
Wyoming	d	d	0	0	0	0	d	d	d	d
U.S. Possessions [4]	0	0	0	0	0	0	0	0	0	0

d—deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, certain bond purposes were combined. For this reason, data in this table will differ slightly from the data in Table 9.

[3] This category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, as well as bonds issued for: local electricity or gas furnishing facilities, local district heating or cooling facilities, qualified hazardous waste facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, new empowerment zone facility bonds, qualified public educational facilities, qualified green building and sustainable design projects, New York Liberty Zone bonds, qualified veterans' mortgage bonds, qualified student loan bonds, qualified redevelopment bonds, and Gulf Opportunity Zone advance refunding bonds.

[4] U.S. Possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

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

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

by Mark R. Lowe

**T**he total value of nonloan transactions between large foreign-owned domestic corporations (see Explanation of Selected Terms) and related foreign parties reached \$1.86 trillion, a 64-percent increase over the 2004 study's record \$1.134 trillion. While comparisons between study years are not perfect because of the changing sample size (see study history and sample selection discussions, below), the total value of nonloan transactions still represents an increase as well as a study high even when averaged across reporting 1120 parent corporations. Sales and purchases of stock in trade represent the bulk of the total value of nonloan transactions (77.1 percent and 82.7 percent, respectively), which is consistent with prior years.

The total amounts received (excluding loan balances) rose 75.9 percent between 2004 and 2006, from \$439 billion to \$772 billion, respectively. A similar rise occurred in the total amounts paid. The average amounts received and paid are at their highest since this study began in 1988. Interest received more than tripled between 2004 and 2006, from \$6.17 billion to \$22.9 billion, respectively. Even when averaging across 1120 parent corporations to account for the increase in the sample size, the amount of interest received is higher than any previous study (See Figure A for a comparison between Study Years 1992 through 2006).

The large U.S. companies represented in this study continued to send out more in property, services, and money than they received through transactions with related foreign parties. This net outflow came to \$60 billion in 2006 compared to \$224 billion in 2004. This is the first time since 1998 that the year-over-year change in net outflow has decreased. When averaged across parent corporations, net outflows are at an all-time low since the study began in 1988. Net outflows are the difference between total outflows (total amounts paid plus the net amount loaned) and total inflows (total amounts received plus the net amount borrowed).

There was a 21.8-percent increase in the number of large foreign parent corporations included in

this study since 2004, rising from 774 to 943. The number of related persons increased from 16,565 to 19,191 between 2004 and 2006 (see the sample selection discussion for an explanation of the increasing sample size). For 2006, the 943 large foreign-owned domestic corporations filing Forms 5472 comprised only 1.39 percent of all 25-percent-or-more foreign-owned domestic corporations but accounted for 80.4 percent of the total assets and 79.2 percent of the total receipts. These large corporations accounted for 10.98 percent of the total assets and 11.4 percent of the total receipts reported by all domestic corporations for 2006 (see Figure B for more data).

## Transactions by Industrial Sector

As in prior studies, over three-fourths of the foreign-owned domestic corporations with reportable transactions in this study can be classified in three industrial sectors: manufacturing (39.6 percent); wholesale trade (25.1 percent); and finance and insurance (10.9 percent). This same group accounts for 78.8 percent of the related foreign persons and 95.6 percent of all nonloan transactions. See Figure C for the number of returns by industry.

While the finance and insurance sector had the third highest number of related foreign persons (only 5.8 percent of all persons compared to manufacturing (56.8 percent) and wholesale trade (16.2 percent)), more of the total value of nonloan transactions came from the finance sector than all other sectors combined (\$1.068 trillion of the total \$1.86 trillion). (See Table 1 for statistics by industry of the foreign-owned domestic corporation.) The manufacturing sector had the second largest value of total nonloan transactions, and wholesale trade had the third largest value (\$392.5 billion and \$318.2 billion, respectively). All three sectors experienced an increase in these transactions over 2004 (finance by 91.2 percent, manufacturing by 46 percent, and wholesale trade by 27 percent).

It is important to note that the number of related foreign persons is not necessarily the same as the number of transactions. A related foreign person may have had multiple transactions with a foreign-owned domestic corporation during an accounting

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# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Figure A**

## Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Form 5472: Selected Items for Selected Tax Years 1992 through 2006

[Money amounts are in millions of dollars]

Item	1992	1993	1994	1996	1998	2000	2002	2004	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Foreign-owned domestic corporations with total receipts of \$500 million or more and with Form 5472 [1]</b>									
Number of returns	366	437	444	545	610	612	737	774	943
Total assets	1,317.3	1,540.5	1,681.6	2,125.8	2,929.4	4,486.1	4,712.3	6,293.0	8,027.4
Total receipts	808.0	871.4	944.6	1,175.4	1,292.9	1,920.8	1,851.1	2,301.7	3,118.8
Income subject to U.S. tax	14.5	15.7	18.5	36.2	36.4	72.7	46.4	74.9	137.5
Total U.S. income tax after credits	4.1	4.9	5.8	10.2	10.8	20.2	12.1	20.4	39.6
<b>Transactions between foreign-owned domestic corporations and related foreign persons</b>									
Number of related foreign persons	6,708	7,662	8,540	10,316	11,379	12,276	14,515	16,565	19,191
Amounts received from related foreign persons:									
Total (excluding loan balances) [2]	63.1	77.1	112.3	132.5	297.9	265.3	166.7	439.0	772.4
Sales of stock in trade	49.0	53.1	69.4	65.8	259.4	159.2	110.3	371.4	595.5
Sales of tangible property other than stock in trade	0.7	0.5	1.1	2.8	3.3	4.7	8.2	4.7	2.8
Consideration for technical, managerial or like services	3.0	3.1	3.6	4.4	10.6	10.9	12.2	14.6	26.7
Interest	1.1	1.1	1.1	1.8	2.7	4.6	4.2	6.2	22.9
Premiums for insurance or reinsurance	2.8	1.4	0.7	0.9	1.0	1.2	1.4	4.5	4.0
Other amounts	4.7	15.7	33.6	53.3	17.0	79.7	20.9	26.5	105.7
Amounts borrowed, ending balance	67.9	88.6	87.9	134.2	206.5	418.2	498.8	679.4	963.2
Amounts paid to related foreign persons:									
Total (excluding loan balances) [2]	139.2	185.3	220.0	212.3	398.9	480.2	353.6	695.2	1,088.1
Purchases of stock in trade	120.8	153.4	177.9	178.0	348.7	347.0	278.2	608.2	899.9
Purchases of tangible property other than stock in trade	2.6	3.9	2.7	3.9	5.3	7.4	2.4	6.8	14.4
Consideration for technical, managerial or like services	2.1	2.5	3.4	4.4	6.5	8.5	7.3	8.7	36.0
Interest	5.4	5.7	6.2	8.8	14.5	26.1	24.6	26.0	53.4
Premiums for insurance or reinsurance	3.1	1.7	1.8	1.8	1.8	2.0	14.0	13.8	22.5
Other amounts	3.4	15.5	23.2	9.6	15.0	81.1	15.0	15.2	28.6
Amounts loaned, ending balance	19.2	24.0	28.4	30.4	55.8	97.0	189.1	307.3	261.0

[1] Includes data for a few foreign life insurance companies filing Form 1120L. See footnote 4 at the end of this article.

[2] Includes items not shown separately.

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

**Figure B**

## Foreign-Owned and Other Domestic Corporations, Tax Year 2006

[Money amounts are in billions of dollars]

Item	All corporations	25 percent or more foreign-owned domestic corporations [1]		25 percent or more foreign-owned domestic corporations with total receipts of \$500 million or more and with Form 5472 as a percentage of:	
		Total	With total receipts of \$500 million or more and with Form 5472	All corporations	25 percent or more foreign-owned domestic corporations [1]
Number of returns	5,840,799	68,048	943	0	1
Total assets	73,081	9,980	8,027	11	80
Total receipts	27,402	3,938	3,119	11	79
Income subject to U.S. tax	1,291	180	138	11	76
Total U.S. income tax after credits	353	53	40	11	75

[1] Includes data for a few foreign life insurance corporations filing Form 1120-L and some foreign corporations with U.S. income filing Form 1120-F.

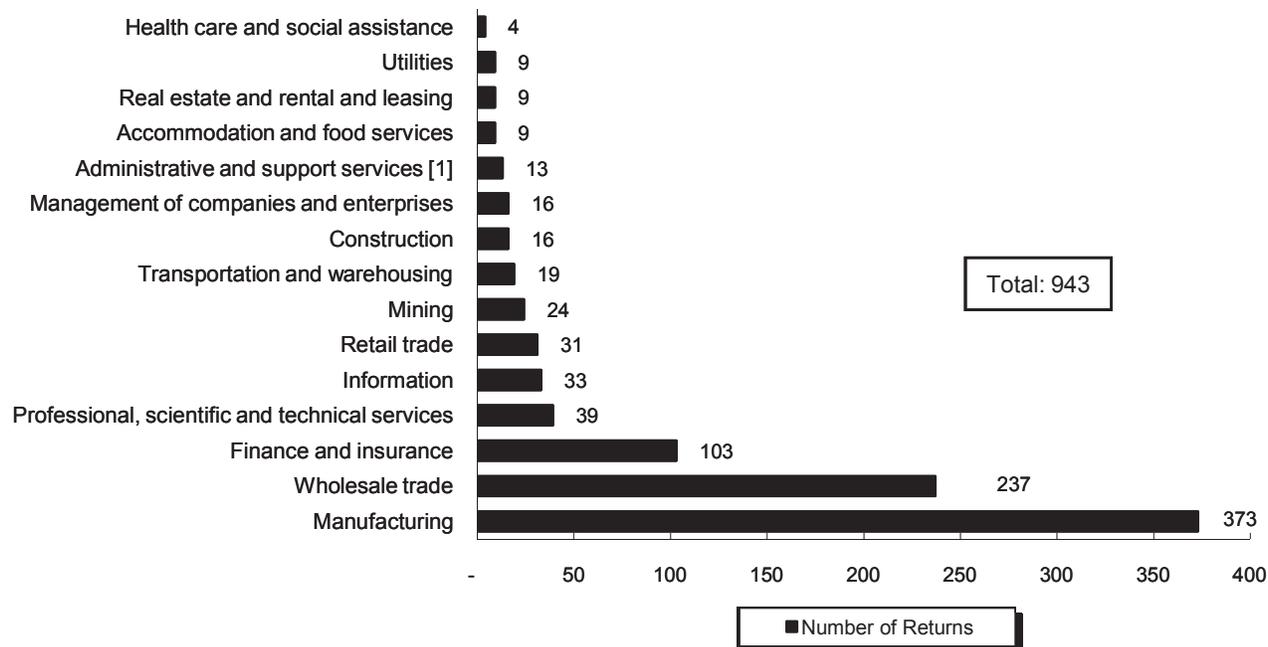
See footnote 4 at the end of this article.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Figure C**

## Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Form 5472: Number of Returns, by NAICS Industrial Sector of Domestic Corporation, Tax Year 2006



[1] "Administrative and support and waste management and remediation services"

NOTE: NAICS is the abbreviation for the North American Industry Classification System. Not shown to avoid disclosure of information about specific corporations are the NAICS industrial sectors, "Arts, Entertainment, and Recreation;" "Educational Services;" "Agriculture, Forestry, Fishing and Hunting;" and, "Other Services (except Public Administration)."

period included in this study. The number of transactions was not available for this study.

### Transactions with Whom?

Over 80 percent of the total value of nonloan transactions comes from related persons in just five countries. In descending order of total nonloan transactions value, the five countries are: United Kingdom, Japan, Switzerland, Canada, and Germany. This group of five was the same in 2002 and 2004, though the order changed slightly. As the country with the most transactions, the U.K. alone accounted for 53.6 percent of the total amount of transactions (an increase from 2004, when it accounted for 48.8 percent).

Figure D shows a chart of countries and their percentage contributions to total transactions. This figure only includes the 12 countries with at least 1 percent of the total value of transactions. Table 3

shows transactions by industry and country of related party. For the U.K., over 93 percent of the value of total transactions comes from the finance and insurance industry.

Domestic corporations reporting transactions with related persons from three of the five countries mentioned above paid out more in transactions than they received (meaning that there was a net outflow of money during 2006 from the domestic corporations to the related persons from these particular countries) (see Explanation of Selected Terms). Additionally, nearly 75 percent of the 52 selected countries in this study had net outflows (many of these countries are shown in Table 2).

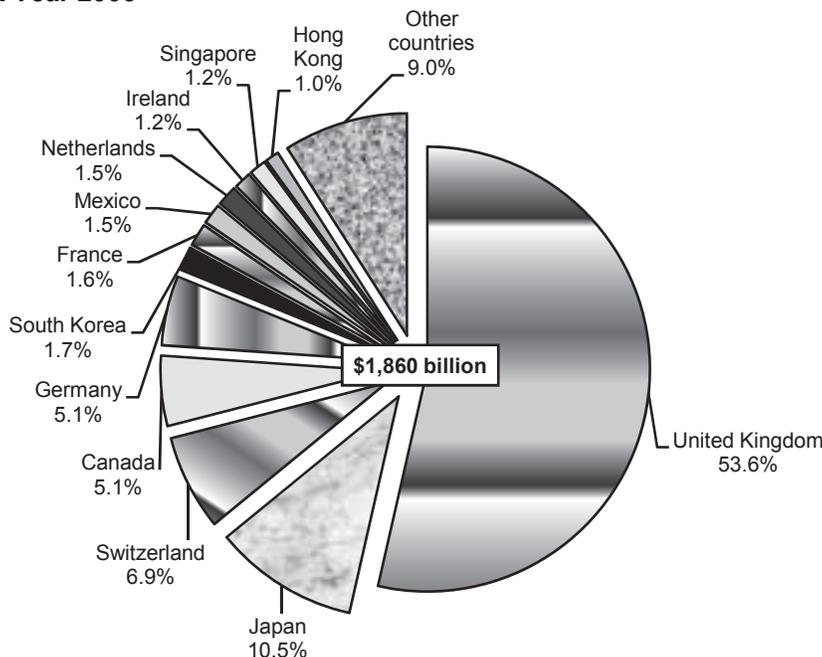
The largest net outflow of transactions went to related persons resident and doing business in Japan from domestic corporations. Japanese parties were paid \$132.2 billion more than U.S. corporations

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Figure D**

**Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons: Total Value of Non-loan Transactions by Country of Selected Related Foreign Persons, Tax Year 2006**



transacting with them received. Japanese parties also received the largest value of transactions in 2004. The largest net inflow of transactions came from the United Kingdom, where U.S. corporations received \$171.5 billion more than was paid to the foreign persons transacting with them. In 2004, the largest inflow was from Switzerland. The industry with the largest net outflow of transactions was wholesale trade, with \$204 billion more in transactions paid out by U.S. corporations in this sector than received from related parties. The largest net inflows (\$304 billion) came to U.S. domestic corporations in the finance and insurance sector.

## Study History and Inclusion Criteria

This study covers transactions between reporting corporations and related foreign persons. A reporting corporation is defined as either a domestic corpora-

tions that is 25-percent-or-more owned by a single foreign person or a foreign corporation engaged in a U.S. trade or business (i.e., a U.S. branch of a foreign corporation). More than 95 percent of the reporting corporations included in this study are companies incorporated in the United States. These corporations must report transactions made with each related foreign party during the tax year.<sup>1</sup> Related foreign persons include any direct or indirect 25-percent foreign shareholder, as well as any foreign person related to either the reporting corporation or a 25-percent foreign shareholder as defined by the Internal Revenue Code.<sup>2</sup>

Transactions are reported on Form 5472, *Information Return of a 25-Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. A consolidated corporate tax return can and frequently does include multiple

<sup>1</sup> IR Code section 6038A.

<sup>2</sup> IR Code sections 267(b), 482, and 707(b)(1).

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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Forms 5472, ranging in 2006 from 1 to 1,586. Data in this study are not published by individual reporting corporations but instead are published by the corporation on whose Form 1120 the Form 5472 was filed, by the country of the related foreign person, or both (see Tables 1, 2, and 3, respectively).

Statistics of Income conducted this study annually beginning in 1988, then biennially since 1994.<sup>3, 4</sup> For inclusion in this study, a corporation must report \$500 million or more in total receipts and have filed a Form 5472. In 2006, a domestic corporation was required to file a Form 5472 if it was at least 25-percent foreign-owned and engaged in transactions with at least one related foreign party. The Internal Revenue Code subjects each reporting corporation to a fine of \$10,000 for each related party failing to file all reportable transactions on Form 5472.<sup>5</sup>

Congress, concerned that related party transactions could be manipulated to avoid U.S. taxation, added reporting requirements to corporations so that they provide the Internal Revenue Service with more information about the nature and amount of these transactions. This led IRS to publish and distribute Form 5472 which was attached to tax returns starting in 1984.<sup>6</sup>

Beginning in Tax Year 2006, all returns with total assets greater than \$10 million were required by IRS to file their tax returns electronically, including attached Forms 5472. Over 90 percent of the returns in this study filed their returns electronically. Because of this, the 2006 5472 study was produced with minimal manual data transcription, using computer programs to process these returns instead.

## Sample Selection, Data Sources, and Limitations

The corporation Statistics of Income study is based on a sample of over 111,000 corporate income tax returns chosen from 6.44 million returns which companies filed for Tax Year 2006, i.e., accounting periods ending July 2006 through June 2007. These returns were selected after completion of administrative processing, but before the start of any audit examinations.<sup>7</sup>

From the sample, only those returns of domestic corporations reporting total receipts of \$500 million or more, and with attached Forms 5472, were selected for this study. Returns, however, with at least one Form 5472 attached and selected in previous studies were included in these statistics, even if the corporation fell below the \$500-million receipts threshold.

Foreign corporations (filing Form 1120F) engaged in a U.S. trade or business were not included in these statistics, even though the corporation may have filed Forms 5472 for transactions with related foreign persons.<sup>8</sup> Because corporation income tax returns with total receipts of \$500 million or more are sampled at the 100-percent rate, the data in this study are not subject to sampling variability, though possibly subject to nonsampling error.

The industry code used to classify returns for Figure B and Tables 1 and 3 represents the principal business activity of the corporation filing the tax return (i.e., the activity that accounted for the largest portion of total receipts as reported in the corporation's income statement.<sup>9</sup> However, a given return

<sup>3</sup> Form 5472 statistics for Tax Years 1988 through 1990 covered all foreign-owned domestic corporations with total receipts of \$1 billion or more. Statistics for Tax Years 1991 through 1994, 1996, 1998, 2000, 2002, and 2004 covered all foreign-owned domestic corporations with total receipts of \$500 million or more. Consequently, data for 1991 and thereafter are not comparable to the earlier studies.

<sup>4</sup> Additional information about Statistics of Income Form 5472 studies for Tax Years 1988 through 2004 may be found in the following *Statistics of Income Bulletin* issues: Tax Year 1988, Summer 1992, Volume 12, Number 1; Tax Year 1989, Spring 1993, Volume 12, Number 4; Tax Year 1990, Summer 1994, Volume 14, Number 1; Tax Year 1991, Summer 1995, Volume 15, Number 1; Tax Year 1992, Fall 1996, Volume 16, Number 2; Tax Year 1993, Fall 1997, Volume 17, Number 2; Tax Year 1994, Winter 1997-1998, Volume 17, Number 3; Tax Year 1996, Fall 1999, Volume 19, Number 2; Tax Year 1998, Fall 2001, Volume 21, Number 2; Tax Year 2000, Fall 2003, Volume 23, Number 2; Tax Year 2002, Winter 2006, Volume 25, Number 3; and Tax Year 2004, Fall 2008, Volume 28, Number 2.

<sup>5</sup> IR Code section 6038A(d).

<sup>6</sup> For a more extensive discussion of the legislative history of this reporting requirement, see Duffy, Heather R., "Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2000," *Statistics of Income Bulletin*, Fall 2003, Volume 23, Number 1. For the discussion of these requirements in the congressional record, see 135 Cong.Rec. S13057-03, S13147.

<sup>7</sup> For more information on the corporate sample and statistics on corporation income tax returns for 2006, see *Statistics of Income—2006, Corporation Income Tax Returns*.

<sup>8</sup> Foreign corporations (except life insurance companies) engaged in a U.S. trade or business file Form 1120-F, U.S. Income Tax Return of a Foreign Corporation. These returns are excluded from the Form 5472 statistics. However, data reported by a few foreign life insurance companies filing Form 1120-L U.S. Life Insurance Company Income Tax Return, are included in the Form 5472 statistics to ensure completeness of the industry statistics for domestic corporations.

<sup>9</sup> For the first time in Tax Year 1998, corporate returns reported their principal business activities according to the North American Industry Classification System (NAICS). This system was developed as a result of the North American Free Trade Agreement (NAFTA) to standardize business classifications for the United States, Canada, and Mexico. NAICS divides the economy into twenty sectors, with an emphasis on production processes. NAICS replaced the Standard Industrial Classification (SIC) codes, which were used to classify corporations in past Statistics of Income studies, causing a break in the year-to-year comparability of the industrial data.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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may refer to a company engaged in several business activities or an affiliated group of corporations that conducted different business activities (consolidated return filing). To the extent that some consolidated (and nonconsolidated) returns were engaged in more than one type of business activity, transaction data in this article are not entirely related to the industrial activity under which they are shown.

## Explanation of Selected Terms

*Amounts borrowed and loaned*—Because the beginning and ending balances, in general, reflect only the amounts outstanding at the beginning and end of the accounting period, respectively, these amounts do not reflect amounts borrowed and loaned in transactions that took place entirely within the accounting period.

*Country of residence of a related person*—Based on the income tax regulations related to Internal Revenue Code section 6038A, Form 5472 requires the reporting of each country in which a related person files an income tax return as a resident under the tax laws of that country. The statistics in Tables 2 and 3 are based on this reported residence, and, within this meaning, the related foreign person is a resident of a particular foreign country.

*Foreign-owned domestic corporations*—For purposes of these statistics, a domestic corporation was considered foreign-owned if at least 25 percent of the total voting power of all classes of stock permitted to vote, or 25 percent of the total value of all classes of stock of the corporation, was owned, directly or indirectly, at any time in the tax year, by a single foreign shareholder (generally a foreign parent corporation). This is in contrast to the other Statistics of Income data on “foreign-controlled” domestic corporations, which are based on 50-percent or more ownership by a foreign person.<sup>10</sup>

*Foreign person*—The term “foreign person” generally includes: (1) any partnership, association, company, or corporation that was not created or organized under the laws of the United States or of any of its States; (2) any individual who is not a citizen or resident of the United States; (3) any individual who is a citizen of a U.S. possession, but is not otherwise a U.S. citizen or resident; and (4) any foreign trust,

estate, or government. For the most part, the foreign persons referred to in this article are corporations. See also “Related foreign person,” below.

*Number of foreign persons*—The data shown in the figures and tables, in general, represent the number of foreign persons reported on the Forms 5472 appended to the 943 income tax returns filed by domestic corporations with \$500 million or more in total receipts (defined below) that were 25-percent-or-more owned by a foreign person. Domestic member corporations of an affiliated group that filed a consolidated income tax return could also join in filing a consolidated Form 5472 for transactions with a given related foreign person. However, some affiliated domestic corporations that could have filed consolidated Forms 5472 filed separate forms instead. When these forms were identified during statistical processing, the information on them was combined, and the result treated as a single Form 5472 for consistency. To this extent, the “number of persons” understates the actual number of Forms 5472 attached to the 943 income tax returns included in the statistics.

*OPEC countries*—Summary statistics are provided in Table 2 for the following Middle Eastern countries that were members of the Organization of Petroleum Exporting Countries (OPEC) for 2006: Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. Data for non-Middle Eastern OPEC members are not shown by country.

*Related foreign person*—Persons related to the domestic corporation that filed a Form 5472 include the 25-percent-or-more foreign shareholder, any foreign person who was related to the reporting corporation or the 25-percent-or-more shareholder (as described in Internal Revenue Code sections 267(b) or 707(b)), or any other foreign person who was related to the reporting corporation within the meaning of Internal Revenue Code section 482 (covering the allocation of income and deductions among related taxpayers) and the associated regulations. See also “foreign person,” above, for the definition of “person.”

*Total nonloan transactions*—A term used in the article for the total value of transactions paid to or received from a related foreign person, excluding the net borrowed or loaned amount.

*Total receipts*—Total receipts are the total income of the domestic corporation as reported in the

<sup>10</sup> Statistics on domestic corporations controlled by foreign persons for 2006 are reported in Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2006,” *Statistics of Income Bulletin*, Summer 2009, Volume 29, Number 1.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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U.S. income tax return. In general, they are derived from the tax return as follows: (1) gross taxable receipts (before deduction of cost of sales and operations, and ordinary and necessary business expenses), plus (2) tax-exempt interest received from State and local government obligations, less (1) net losses from sales of property other than capital assets and (2) certain taxable income from related foreign corporations only constructively received.

*Net outflows/inflows*—The flow of transactions can be calculated by adding back net loaned amounts to amounts paid and net borrowed amounts to total received. The difference between this computed total received and total paid is the net flow of transactions. A negative amount indicates more money was paid out by the U.S. domestic corporations to related foreign parties than was received from them (net outflow); A positive amount is a net inflow.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 1. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation**

[Money amounts are in thousands of dollars]

Industrial sector	Number of returns	Total assets	Total receipts	Income subject to U.S. tax	Total U.S. income tax after credits
	(1)	(2)	(3)	(4)	(5)
<b>All industries</b>	<b>943</b>	<b>8,027,417,655</b>	<b>3,118,764,010</b>	<b>137,538,557</b>	<b>39,588,560</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	24	92,153,244	54,171,684	8,396,420	1,550,838
Utilities	9	63,879,552	29,461,167	611,709	137,456
Construction	16	18,481,800	32,946,976	1,116,753	381,444
Manufacturing	373	2,061,045,050	1,556,583,809	70,934,202	19,356,551
Wholesale trade	237	362,872,605	612,443,600	18,949,305	6,193,298
Retail trade	31	75,191,823	142,760,051	2,613,035	891,244
Transportation and warehousing	19	42,785,266	34,587,996	631,836	206,959
Information	33	295,445,698	71,844,675	3,755,538	1,277,340
Finance and insurance	103	3,757,755,346	378,128,938	13,022,664	4,216,228
Real estate and rental and leasing	9	23,620,418	10,965,324	891,650	319,962
Professional, scientific, and technical services	39	74,308,805	36,559,534	1,351,151	424,414
Management of companies and enterprises	16	1,064,141,239	101,162,261	13,272,668	4,065,420
Administrative and support and waste management and remediation services	13	21,822,605	21,328,172	184,396	50,439
Educational Services	d	d	d	d	d
Health care and social assistance	4	16,321,840	11,395,914	851,964	295,103
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	9	49,418,320	16,208,173	929,306	212,928
Other services	5	535,621	749,198	0	106

Industrial sector	Transactions between foreign-owned domestic corporations and related foreign persons				
	Number of related foreign persons	Amounts received from related foreign persons			
		Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties
(6)	(7)	(8)	(9)	(10)	
<b>All industries</b>	<b>19,191</b>	<b>772,424,344</b>	<b>595,484,568</b>	<b>2,801,366</b>	<b>1,999,692</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	546	5,533,619	4,124,767	177,342	17,098
Utilities	51	2,551,448	2,217,261	84,545	0
Construction	124	154,147	0	13,903	0
Manufacturing	10,910	116,452,702	83,511,625	1,108,724	1,165,253
Wholesale trade	3,107	55,993,303	41,783,101	1,379,487	529,878
Retail trade	224	1,446,733	519,629	217	33,526
Transportation and warehousing	830	7,099,088	398,904	7,803	78,171
Information	836	3,596,573	536,928	10,914	109,099
Finance and insurance	1,115	569,810,776	461,756,994	372	13,499
Real estate and rental and leasing	161	873,028	154,708	10	0
Professional, scientific, and technical services	772	3,448,678	225,811	18,050	41,807
Management of companies and enterprises	230	4,909,750	108,895	0	57
Administrative and support and waste management and remediation services	83	172,624	104,954	0	0
Educational Services	d	d	d	d	d
Health care and social assistance	12	12,870	10,870	0	0
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	107	286,631	0	0	4,351
Other services	27	48,087	11,562	0	0

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 1. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation—Continued**

[Money amounts are in thousands of dollars]

Industrial sector	Transactions between foreign-owned domestic corporations and related foreign persons—continued				
	Amounts received from related foreign persons—continued				
	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance
	(11)	(12)	(13)	(14)	(15)
<b>All industries</b>	<b>4,195,646</b>	<b>26,726,910</b>	<b>8,642,628</b>	<b>22,887,412</b>	<b>3,992,650</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	0	748,037	216	174,041	59,733
Utilities	6,076	6,354	0	82,445	0
Construction	0	72,368	0	27,741	5,151
Manufacturing	3,196,548	10,861,100	269,157	3,010,450	9,598
Wholesale trade	202,450	6,556,708	698,022	786,960	257
Retail trade	0	498,001	3,288	63,484	45,452
Transportation and warehousing	[1]	482,560	2,509,290	21,341	90
Information	459,062	1,336,879	44,603	627,921	436
Finance and insurance	6,174	1,891,766	5,000,555	17,518,029	3,867,434
Real estate and rental and leasing	0	96,031	76	127,274	0
Professional, scientific, and technical services	48,989	2,939,477	2,469	94,117	4,498
Management of companies and enterprises	231,606	1,076,953	114,726	291,506	0
Administrative and support and waste management and remediation services	0	51,460	225	7,670	0
Educational Services	d	d	d	d	d
Health care and social assistance	0	2,000	0	0	0
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	44,741	76,136	0	50,664	0
Other services	0	29,563	0	0	0

Industrial sector	Transactions between foreign-owned domestic corporations and related foreign persons—continued				
	Amounts received from related foreign persons—continued			Amounts paid to related foreign persons	
	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade
		Beginning balance	Ending balance		
	(16)	(17)	(18)	(19)	(20)
<b>All industries</b>	<b>105,693,472</b>	<b>740,086,776</b>	<b>963,155,639</b>	<b>1,088,121,004</b>	<b>899,885,362</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	232,385	8,794,308	9,588,913	6,976,421	4,790,293
Utilities	154,767	17,651,377	12,683,138	4,563,253	2,614,040
Construction	34,983	1,678,370	2,701,154	404,107	1,793
Manufacturing	13,320,248	158,054,330	176,771,180	276,051,413	200,176,781
Wholesale trade	4,056,439	28,609,394	32,342,431	262,236,865	242,498,471
Retail trade	283,135	10,691,806	14,073,278	6,373,700	4,051,975
Transportation and warehousing	3,600,928	6,080,901	8,971,548	6,542,536	280,949
Information	470,730	53,647,051	57,193,537	11,040,630	4,631,675
Finance and insurance	79,755,953	389,084,328	585,235,592	499,041,690	438,764,716
Real estate and rental and leasing	494,929	10,893,569	10,076,692	1,054,461	441,486
Professional, scientific, and technical services	73,460	9,200,260	7,848,515	6,795,246	1,313,121
Management of companies and enterprises	3,086,006	32,748,923	32,137,248	4,935,870	172,808
Administrative and support and waste management and remediation services	8,316	3,333,384	7,116,215	869,378	0
Educational Services	d	d	d	d	d
Health care and social assistance	0	1,693,126	1,833,130	187,810	87,520
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	110,740	6,058,420	2,967,323	815,593	0
Other services	6,962	0	0	59,733	59,733

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 1. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation—Continued**

[Money amounts are in thousands of dollars]

Industrial sector	Amounts paid to related foreign persons—continued				
	Purchases of tangible property other than stock in trade	Rents and royalties	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
	(21)	(22)	(23)	(24)	(25)
<b>All industries</b>	<b>14,361,296</b>	<b>17,398,856</b>	<b>7,430,676</b>	<b>35,973,739</b>	<b>8,472,837</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	56,125	423,368	4,381	476,303	3,628
Utilities	667,127	766	0	92,465	0
Construction	4,468	7,261	9,479	98,966	0
Manufacturing	7,712,871	12,349,567	3,395,838	23,362,423	4,108,745
Wholesale trade	5,827,190	3,785,290	671,446	4,312,013	200,915
Retail trade	53,576	107,372	29,932	166,944	68,463
Transportation and warehousing	24,832	144,873	0	718,096	3,098,659
Information	661	319,368	1,118,786	443,065	118,404
Finance and insurance	64	84,439	180,481	1,301,490	804,219
Real estate and rental and leasing	14,024	0	0	14,121	8,678
Professional, scientific, and technical services	359	5,392	1,422,019	3,174,879	2,050
Management of companies and enterprises	0	152	466,407	1,524,745	59,075
Administrative and support and waste management and remediation services	0	169,654	103,069	30,445	0
Educational Services	d	d	d	d	d
Health care and social assistance	0	0	500	0	0
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	0	1,353	28,338	185,663	0
Other services	0	0	0	0	0

Industrial sector	Transactions between foreign-owned domestic corporations and related foreign persons—continued				
	Amounts paid to related foreign persons—continued				
	Interest	Premiums for insurance or reinsurance	Other	Amounts loaned	
				Beginning balance	Ending balance
(26)	(27)	(28)	(29)	(30)	
<b>All industries</b>	<b>53,444,546</b>	<b>22,539,905</b>	<b>28,613,788</b>	<b>292,757,275</b>	<b>261,030,348</b>
Agriculture, forestry, fishing, and hunting	d	d	d	d	d
Mining	727,981	7,127	487,215	4,584,712	7,278,978
Utilities	899,965	3,394	285,496	4,600,485	1,851,486
Construction	181,391	2,634	98,116	562,055	604,613
Manufacturing	13,663,701	928,447	10,353,038	50,152,630	51,500,452
Wholesale trade	2,224,698	56,919	2,659,923	13,252,393	14,791,382
Retail trade	909,648	261,150	724,641	1,459,596	1,555,283
Transportation and warehousing	451,807	41,730	1,781,590	1,325,290	1,036,955
Information	3,476,786	16,100	915,785	6,961,211	6,833,132
Finance and insurance	26,312,138	21,124,158	10,469,985	203,604,808	166,468,784
Real estate and rental and leasing	566,305	177	9,669	1,128,939	1,679,921
Professional, scientific, and technical services	789,719	6,918	80,789	2,318,950	2,098,030
Management of companies and enterprises	2,017,061	22,268	673,354	1,935,405	4,198,460
Administrative and support and waste management and remediation services	460,948	59,303	45,959	112,420	340,128
Educational Services	d	d	d	d	d
Health care and social assistance	90,210	9,580	0	0	25,117
Arts, entertainment, and recreation	d	d	d	d	d
Accommodation and food services	578,397	0	21,842	753,657	763,609
Other services	0	0	0	0	0

d—In order to avoid disclosure of information for specific corporations, some data have been deleted and shown with "d." Data are included in appropriate totals.

[1] Amounts less than \$500.

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

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 2. Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person, 2006**

[Money amounts are in thousands of dollars]

Residence of related foreign person [2]	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons							
		Amounts received from related foreign persons							
		Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All geographic areas, total</b>	<b>19,191</b>	<b>772,424,344</b>	<b>595,484,568</b>	<b>2,801,366</b>	<b>1,999,692</b>	<b>4,195,646</b>	<b>26,726,910</b>	<b>8,642,628</b>	<b>22,887,412</b>
<b>Canada</b>	<b>1,159</b>	<b>35,539,343</b>	<b>29,703,255</b>	<b>255,384</b>	<b>294,910</b>	<b>58,040</b>	<b>1,362,638</b>	<b>144,086</b>	<b>442,656</b>
<b>Latin America, total</b>	<b>2,444</b>	<b>23,096,082</b>	<b>15,620,385</b>	<b>234,705</b>	<b>81,030</b>	<b>42,287</b>	<b>2,338,331</b>	<b>53,482</b>	<b>433,491</b>
Argentina	217	391,521	315,595	516	2,610	2,456	7,023	5,226	49,857
Barbados	45	5,248,517	1,783,144	0	0	0	31,912	0	8,071
Brazil	500	1,212,538	1,050,663	30,128	5,245	1,400	55,675	4,877	34,385
Cayman Islands	71	2,650,933	413,005	43,063	34,473	30,400	1,560,545	201	252,694
Mexico	709	10,641,663	9,568,200	110,777	32,606	3,434	501,839	40,426	56,718
Panama	94	1,610,678	1,373,749	43,993	109	795	103,325	1,133	6,320
Venezuela	119	232,101	171,121	407	0	467	27,651	72	777
<b>Other Western Hemisphere, total</b>	<b>326</b>	<b>8,214,535</b>	<b>1,389,288</b>	<b>128,337</b>	<b>1,265</b>	<b>61,078</b>	<b>1,704,366</b>	<b>1,353,275</b>	<b>318,102</b>
Bermuda	200	6,531,180	398,362	124,277	0	60,000	1,361,522	1,353,251	216,751
<b>Europe, total</b>	<b>9,023</b>	<b>652,157,398</b>	<b>509,862,417</b>	<b>635,255</b>	<b>1,109,502</b>	<b>3,915,718</b>	<b>15,756,372</b>	<b>4,570,456</b>	<b>20,965,036</b>
Belgium	344	2,777,292	980,375	85,062	3,708	1,286,804	172,246	21,190	72,820
Denmark	143	2,222,866	334,195	56	349	294	311,021	998,181	58,399
France	1,130	9,881,117	2,165,890	23,414	44,387	82,659	2,232,403	391,916	2,513,008
Germany	1,316	25,995,629	19,216,266	131,392	160,680	109,588	2,215,786	296,110	128,018
Hungary	144	57,822	30,092	2,441	2,102	3,095	4,128	0	13,979
Ireland	256	9,322,453	1,313,611	137,340	108,421	254,484	2,019,845	124,464	289,952
Italy	408	1,985,602	1,836,938	2,149	6,511	8,855	46,604	5,987	46,030
Luxembourg	138	2,766,954	522	10	0	386,711	1,219,955	46,623	449,820
Netherlands	737	9,247,063	3,337,274	137,712	35,141	579,447	1,540,699	21,008	2,006,233
Sweden	415	2,360,207	1,026,300	30,335	7,384	47,454	656,935	95,581	28,575
Switzerland	473	80,176,773	5,045,782	321	438,457	941,946	1,215,687	1,922,008	3,928,570
United Kingdom	1,786	503,233,723	473,023,707	56,907	259,135	167,439	3,952,988	618,745	11,371,862
<b>Africa, total</b>	<b>464</b>	<b>616,221</b>	<b>498,876</b>	<b>7,435</b>	<b>8,689</b>	<b>7,492</b>	<b>48,226</b>	<b>277</b>	<b>1,195</b>
South Africa	251	461,109	404,785	7,434	8,549	7,228	14,942	35	13
<b>Asia, total</b>	<b>4,842</b>	<b>47,202,784</b>	<b>33,761,125</b>	<b>1,531,110</b>	<b>470,131</b>	<b>58,225</b>	<b>5,111,153</b>	<b>2,507,864</b>	<b>562,538</b>
China	846	1,064,908	916,281	54,692	9,561	6,313	35,880	3,635	812
Hong Kong	419	1,849,402	1,073,578	69	6,489	3,694	145,276	323,201	194,387
Indonesia	144	205,700	164,240	13,775	0	836	10,243	749	223
Japan	1,128	30,364,284	23,444,589	99,488	187,884	30,866	3,439,545	645,826	335,302
Middle East countries (except OPEC)	113	342,029	102,117	371	159,981	221	13,612	[1]	2,549
OPEC countries (excluding Indonesia)	132	1,229,695	773,109	23	69,169	4,272	340,150	14,547	6,691
Singapore	536	6,966,910	4,517,377	42,618	16,829	3,105	714,024	1,494,014	8,182
South Korea	245	3,180,307	1,242,561	1,311,679	5,678	814	194,780	21,971	7,475
Taiwan	247	503,344	406,814	59	2,453	229	68,450	1,260	0
<b>Oceania, total</b>	<b>818</b>	<b>2,787,831</b>	<b>2,244,244</b>	<b>6,034</b>	<b>24,882</b>	<b>52,806</b>	<b>126,334</b>	<b>13,188</b>	<b>105,616</b>
Australia	634	2,360,705	1,843,337	5,964	24,309	51,600	118,827	13,174	105,564
<b>Puerto Rico and U.S. Possessions</b>	<b>76</b>	<b>2,750,973</b>	<b>2,403,465</b>	<b>2,518</b>	<b>6,313</b>	<b>0</b>	<b>278,732</b>	<b>0</b>	<b>5,955</b>

Footnotes at the end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 2. Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person, 2006—Continued**

[Money amounts are in thousands of dollars]

Residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued							
	Amounts received from related foreign persons—continued				Amounts paid to related foreign persons			
	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
			Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
<b>All geographic areas, total</b>	<b>3,992,650</b>	<b>105,693,472</b>	<b>740,086,776</b>	<b>963,155,639</b>	<b>1,088,121,004</b>	<b>899,885,362</b>	<b>14,361,296</b>	<b>17,398,856</b>
<b>Canada</b>	<b>225,704</b>	<b>3,052,669</b>	<b>44,864,814</b>	<b>41,084,476</b>	<b>59,300,840</b>	<b>48,729,678</b>	<b>1,375,468</b>	<b>184,693</b>
<b>Latin America, total</b>	<b>173,238</b>	<b>4,119,133</b>	<b>2,772,833</b>	<b>4,065,180</b>	<b>40,815,705</b>	<b>34,062,007</b>	<b>156,913</b>	<b>385,191</b>
Argentina	4,415	3,823	733	121	106,026	66,989	0	6
Barbados	43,531	3,381,860	637,629	671,551	4,796,646	4,477,771	0	0
Brazil	165	29,999	26,414	248,847	2,980,952	2,779,607	8,570	0
Cayman Islands	6,610	309,942	388,247	1,061,055	3,990,159	3,353,106	5	380,211
Mexico	96,574	231,090	1,357,792	1,924,652	17,200,956	13,162,125	141,716	4,975
Panama	2	81,252	10,370	58,557	267,644	16,047	6,536	0
Venezuela	1,765	29,840	42,444	46,274	9,210,995	9,186,111	0	0
<b>Other Western Hemisphere, total</b>	<b>74,144</b>	<b>3,184,679</b>	<b>3,690,042</b>	<b>4,298,941</b>	<b>13,397,878</b>	<b>4,078,100</b>	<b>13,112</b>	<b>38,115</b>
Bermuda	74,122	2,942,895	3,334,380	3,403,005	10,514,805	1,754,871	35	0
<b>Europe, total</b>	<b>3,371,337</b>	<b>91,971,306</b>	<b>663,978,461</b>	<b>887,636,359</b>	<b>699,901,705</b>	<b>573,321,896</b>	<b>10,565,148</b>	<b>4,412,628</b>
Belgium	37,925	117,161	917,548	4,370,589	4,301,437	2,230,786	57,056	327,764
Denmark	565	519,806	1,614,104	1,812,556	2,028,629	1,498,026	311	15,477
France	19,923	2,407,517	31,522,293	52,848,326	20,552,048	5,614,298	5,696,832	1,270,198
Germany	298,918	3,438,871	34,964,894	37,840,825	68,183,044	47,142,161	3,724,183	472,708
Hungary	360	1,626	18,901,512	23,520,832	5,393,333	189,883	1	45,600
Ireland	289,634	4,784,702	11,799,118	12,506,327	13,880,249	7,230,702	35,642	123,953
Italy	5,365	27,163	455,541	542,505	3,256,410	2,506,660	474,645	9,821
Luxembourg	0	663,314	38,022,635	36,256,820	4,968,280	326,252	0	2,219
Netherlands	4,771	1,584,777	78,370,940	133,282,931	18,262,227	6,228,513	18,362	608,041
Sweden	81	467,563	7,385,204	5,836,734	6,126,347	4,212,768	23,690	96,454
Switzerland	2,184,798	64,499,204	225,772,609	238,020,746	48,605,229	20,233,689	57,617	1,068,636
United Kingdom	423,348	13,359,594	194,822,836	319,677,721	493,196,002	466,974,967	442,996	338,612
<b>Africa, total</b>	<b>9,579</b>	<b>34,453</b>	<b>14,009</b>	<b>126,440</b>	<b>509,067</b>	<b>430,380</b>	<b>45</b>	<b>53</b>
South Africa	9,579	8,545	9,640	102,142	334,596	319,288	45	0
<b>Asia, total</b>	<b>93,631</b>	<b>3,107,007</b>	<b>13,100,582</b>	<b>14,519,182</b>	<b>268,437,319</b>	<b>235,166,416</b>	<b>2,246,700</b>	<b>12,302,962</b>
China	1,090	36,645	15,199	27,799	6,525,256	6,264,750	3,715	10,733
Hong Kong	4,757	97,951	3,376,485	2,431,178	16,639,070	6,977,372	1,353	6,580,977
Indonesia	10,162	5,472	828	8,748	465,702	445,665	47	0
Japan	25,518	2,155,265	7,866,599	9,841,239	164,908,721	149,464,230	1,570,847	5,293,950
Middle East countries (except OPEC)	24	63,154	125,091	296,298	2,497,015	1,960,268	5,679	0
OPEC countries (excluding Indonesia)	84	21,649	5	90,646	9,692,799	9,159,744	507,734	0
Singapore	46,274	124,488	472,413	141,812	16,009,584	12,502,417	34,072	22
South Korea	58	395,292	239,694	226,590	29,004,372	28,238,719	36,010	415,680
Taiwan	1,500	22,580	125,345	183,995	16,243,060	16,135,300	54,670	0
<b>Oceania, total</b>	<b>44,607</b>	<b>170,120</b>	<b>4,737,014</b>	<b>7,990,638</b>	<b>2,916,693</b>	<b>1,898,232</b>	<b>3,890</b>	<b>75,213</b>
Australia	40,672	157,257	4,189,579	7,677,057	1,887,262	985,251	3,883	75,213
<b>Puerto Rico and U.S. Possessions</b>	<b>409</b>	<b>53,581</b>	<b>3,270,852</b>	<b>3,001,175</b>	<b>2,480,476</b>	<b>2,197,870</b>	<b>21</b>	<b>0</b>

Footnotes at the end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 2. Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472: Transactions Between Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person, 2006—Continued**

[Money amounts are in thousands of dollars]

Residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts paid to related foreign persons—continued							Amounts borrowed	
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Beginning balance	Ending balance	
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
<b>All geographic areas, total</b>	<b>7,430,676</b>	<b>35,973,739</b>	<b>8,472,837</b>	<b>53,444,546</b>	<b>22,539,905</b>	<b>28,613,788</b>	<b>292,757,275</b>	<b>261,030,348</b>	
<b>Canada</b>	<b>55,369</b>	<b>4,266,710</b>	<b>122,877</b>	<b>1,751,471</b>	<b>220,799</b>	<b>2,593,776</b>	<b>28,804,643</b>	<b>8,141,664</b>	
<b>Latin America, total</b>	<b>39,045</b>	<b>1,097,749</b>	<b>3,816,204</b>	<b>351,062</b>	<b>149,646</b>	<b>757,888</b>	<b>4,135,267</b>	<b>4,849,818</b>	
Argentina	245	14,359	16,209	97	0	8,120	6,008	16,920	
Barbados	0	2,778	9,482	184,810	95,154	26,652	720,718	995,052	
Brazil	584	125,532	14,397	27,117	0	25,147	154,965	389,585	
Cayman Islands	0	38,214	23	13,521	43,635	161,444	1,436,856	885,759	
Mexico	36,829	877,547	2,574,282	109,898	10,736	282,848	1,411,471	2,195,332	
Panama	0	210	1,333	12,459	0	231,059	94,565	77,504	
Venezuela	0	19,265	3,104	44	0	2,470	20,006	22,888	
<b>Other Western Hemisphere, total</b>	<b>3,170</b>	<b>344,615</b>	<b>18,860</b>	<b>340,182</b>	<b>7,139,430</b>	<b>1,422,293</b>	<b>5,366,100</b>	<b>5,782,561</b>	
Bermuda	2,263	97,216	3,042	318,794	6,932,658	1,405,926	3,541,923	4,045,559	
<b>Europe, total</b>	<b>6,619,591</b>	<b>19,051,761</b>	<b>592,176</b>	<b>49,247,646</b>	<b>14,977,276</b>	<b>21,113,582</b>	<b>238,705,368</b>	<b>230,794,292</b>	
Belgium	1,256,835	73,057	4,996	186,932	2,669	161,344	1,272,199	2,756,546	
Denmark	334	162,480	0	68,363	221	283,417	742,366	1,448,623	
France	391,457	1,857,845	70,718	5,040,291	45,032	565,378	18,913,176	21,799,315	
Germany	1,241,240	10,532,934	13,506	1,957,308	1,710,743	1,388,261	3,410,563	4,245,314	
Hungary	0	1,317	62	1,504,606	0	3,651,864	591,885	407,818	
Ireland	937,766	116,487	55,911	909,694	3,612,595	857,498	3,724,432	4,021,684	
Italy	4,345	143,362	789	5,492	4,973	106,324	746,866	768,126	
Luxembourg	472,786	699,145	0	3,249,170	20,911	197,798	1,822,107	5,790,253	
Netherlands	389,367	918,536	85,415	7,006,957	21,244	2,985,792	11,202,372	30,437,807	
Sweden	44,916	300,460	45,907	414,266	256,444	731,443	1,781,406	1,143,571	
Switzerland	1,364,158	500,173	37,861	11,446,236	8,366,916	5,529,942	42,894,537	42,683,622	
United Kingdom	315,690	3,459,122	262,308	16,002,379	879,552	4,520,375	150,526,527	113,872,121	
<b>Africa, total</b>	<b>489</b>	<b>20,350</b>	<b>7,447</b>	<b>26,704</b>	<b>2,839</b>	<b>20,760</b>	<b>10,022</b>	<b>8,815</b>	
South Africa	5	6,665	666	838	2,839	4,250	4,688	2,316	
<b>Asia, total</b>	<b>644,531</b>	<b>10,884,421</b>	<b>3,901,043</b>	<b>1,078,740</b>	<b>33,271</b>	<b>2,179,236</b>	<b>10,836,120</b>	<b>9,096,705</b>	
China	138	118,957	13,162	31	0	113,769	54,999	89,465	
Hong Kong	642	2,250,941	440,648	282,228	176	104,733	4,460,904	3,119,928	
Indonesia	0	13,878	1,984	223	0	3,905	6,329	18,166	
Japan	570,567	5,527,751	339,890	660,435	17,273	1,463,779	5,672,914	5,269,006	
Middle East countries (except OPEC)	26,541	209,446	348	10,325	15,813	268,594	19,003	27,233	
OPEC countries (excluding Indonesia)	0	11,877	423	2,155	0	10,866	1,164	244,150	
Singapore	12,609	298,475	3,075,317	42,415	5	44,251	424,503	160,125	
South Korea	33,927	208,778	11,137	13,273	0	46,848	111,091	84,982	
Taiwan	28	14,204	1,534	429	[1]	36,895	6,274	12,402	
<b>Oceania, total</b>	<b>2,881</b>	<b>298,284</b>	<b>12,968</b>	<b>350,580</b>	<b>14,982</b>	<b>259,662</b>	<b>1,960,453</b>	<b>2,111,095</b>	
Australia	861	211,770	12,931	323,902	14,975	258,475	1,953,509	2,110,695	
<b>Puerto Rico and U.S. Possessions</b>	<b>65,600</b>	<b>5,403</b>	<b>1,262</b>	<b>205,462</b>	<b>1,662</b>	<b>3,197</b>	<b>100,913</b>	<b>142,846</b>	

[1] Amounts less than \$500.

[2] Selected country data have been deleted to prevent disclosure of information for individual taxpayers. However, the data are included in the appropriate totals.

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

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Number of returns	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons						
			Amounts received from related foreign persons						
			Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All Industries, total</b>									
<b>All geographic areas, total</b>	943	19,191	772,424,344	595,484,568	2,801,366	1,999,692	4,195,646	26,726,910	8,642,628
Australia	277	634	2,360,705	1,843,337	5,964	24,309	51,600	118,827	13,174
Belgium	171	344	2,777,292	980,375	85,062	3,708	1,286,804	172,246	21,190
Bermuda	89	200	6,531,180	398,362	124,277	0	60,000	1,361,522	1,353,251
Brazil	253	500	1,212,538	1,050,663	30,128	5,245	1,400	55,675	4,877
Canada	450	1,159	35,539,343	29,703,255	255,384	294,910	58,040	1,362,638	144,086
China	265	846	1,064,908	916,281	54,692	9,561	6,313	35,880	3,635
France	311	1,130	9,881,117	2,165,890	23,414	44,387	82,659	2,232,403	391,916
Germany	357	1,316	25,995,629	19,216,266	131,392	160,680	109,588	2,215,786	296,110
Hong Kong	233	419	1,849,402	1,073,578	69	6,489	3,694	145,276	323,201
Hungary	118	144	57,822	30,092	2,441	2,102	3,095	4,128	0
Ireland	139	256	9,322,453	1,313,611	137,340	108,421	254,484	2,019,845	124,464
Japan	377	1,128	30,364,284	23,444,589	99,488	187,884	30,866	3,439,545	645,826
Mexico	290	709	10,641,663	9,568,200	110,777	32,606	3,434	501,839	40,426
Netherlands	277	737	9,247,063	3,337,274	137,712	35,141	579,447	1,540,699	21,008
Singapore	282	536	6,966,910	4,517,377	42,618	16,829	3,105	714,024	1,494,014
South Korea	151	245	3,180,307	1,242,561	1,311,679	5,678	814	194,780	21,971
Sweden	138	415	2,360,207	1,026,300	30,335	7,384	47,454	656,935	95,581
Switzerland	208	473	80,176,773	5,045,782	321	438,457	941,946	1,215,687	1,922,008
Taiwan	171	247	503,344	406,814	59	2,453	229	68,450	1,260
United Kingdom	480	1,786	503,233,723	473,023,707	56,907	259,135	167,439	3,952,988	618,745
<b>Agriculture, forestry, fishing, and hunting</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Mining</b>									
<b>All geographic areas, total</b>	24	546	5,533,619	4,124,767	177,342	17,098	0	748,037	216
Australia	8	50	37,557	12,164	4,410	0	0	8,148	0
Belgium	3	6	740	626	0	0	0	0	0
Bermuda	4	8	196,731	0	120,301	0	0	74,028	0
Brazil	7	21	156,570	155,002	0	0	0	1,106	0
Canada	16	47	1,055,910	929,386	3,360	25	0	42,922	0
China	5	7	4,387	688	2,721	25	0	250	0
France	5	17	76,932	31,344	712	541	0	12,423	39
Germany	3	8	2,806	694	0	0	0	1,847	8
Hungary	5	5	171	0	0	0	0	156	0
Ireland	5	8	9,555	0	0	0	0	9,147	0
Japan	5	7	53,925	35,678	144	913	0	2,305	0
Mexico	6	14	81,293	26,984	551	1,104	0	39,842	20
Netherlands	5	14	18,238	4,600	0	0	0	12,770	0
Singapore	6	17	85,873	15,267	17,591	5,502	0	7,194	0
Switzerland	4	4	359,584	359,584	0	0	0	0	0
United Kingdom	11	54	187,714	94,930	342	0	0	15,556	149
<b>Utilities</b>									
<b>All geographic areas, total</b>	9	51	2,551,448	2,217,261	84,545	0	6,076	6,354	0
Canada	4	8	360,417	265,918	84,545	0	6,076	0	0
United Kingdom	6	19	2,053,754	1,951,343	0	0	0	5,033	0

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Number of returns	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons						
			Amounts received from related foreign persons						
			Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Construction</b>									
<b>All geographic areas, total</b>	16	124	154,147	0	13,903	0	0	72,368	0
Australia	3	5	21,879	0	0	0	0	4,127	0
Canada	3	11	13,127	0	4,589	0	0	7,769	0
Germany	4	8	0	0	0	0	0	0	0
Netherlands	3	6	7,356	0	0	0	0	6,112	0
Sweden	3	3	5,193	0	0	0	0	0	0
United Kingdom	8	25	62,127	0	0	0	0	26,168	0
<b>Manufacturing</b>									
<b>All geographic areas, total</b>	373	10,910	116,452,702	83,511,625	1,108,724	1,165,253	3,196,548	10,861,100	269,157
Australia	141	300	1,335,010	1,210,227	281	18,868	34,011	18,446	6,082
Belgium	100	219	2,257,019	744,179	84,172	2,462	1,281,413	76,426	9,361
Bermuda	26	45	1,216,675	367,488	3,976	0	60,000	639,431	0
Brazil	150	329	797,276	724,409	30,111	4,470	98	10,716	2,238
Canada	209	587	26,385,980	24,902,822	149,188	201,974	42,002	467,164	24,186
China	151	560	648,620	603,144	10,241	9,408	337	18,004	775
France	177	717	5,123,791	1,916,350	8,971	21,693	31,887	1,597,743	5,569
Germany	193	859	16,649,762	14,794,144	126,864	113,803	35,598	681,802	28,957
Hong Kong	91	166	506,149	482,949	25	2,265	1,487	15,120	1,189
Hungary	63	80	45,885	22,250	2,435	1,546	3,062	2,084	0
Ireland	61	133	1,672,045	1,037,124	137,270	70,032	1,522	381,438	1,420
Japan	184	481	4,720,019	2,989,686	85,422	9,018	13,323	691,644	32,335
Mexico	168	486	7,917,148	7,474,375	106,575	29,376	2,120	88,649	26,037
Netherlands	130	444	4,907,243	2,749,221	137,238	3,350	559,128	895,725	6,733
Singapore	134	258	2,510,108	2,440,802	23,476	1,233	805	22,255	3,202
South Korea	92	153	578,591	516,437	798	647	189	22,668	21,322
Sweden	94	317	1,699,470	996,700	22,811	4,520	43,427	268,714	10,309
Switzerland	108	281	5,129,913	2,774,579	16	167,303	937,998	644,061	10,407
Taiwan	76	114	227,080	216,186	39	1,798	0	1,112	715
United Kingdom	210	883	18,485,527	6,913,188	56,023	168,445	60,160	2,096,368	46,109
<b>Wholesale trade</b>									
<b>All geographic areas, total</b>	237	3,107	55,993,303	41,783,101	1,379,487	529,878	202,450	6,556,708	698,022
Australia	64	108	725,970	592,778	34	4,383	0	10,400	730
Belgium	25	36	308,658	214,966	45	1,243	2,207	81,170	446
Bermuda	11	15	326,916	30,758	0	0	0	59,588	2,198
Brazil	56	84	214,385	167,254	16	611	0	27,033	2,074
Canada	88	171	3,011,820	2,716,748	5,147	8,333	0	172,964	6,104
China	68	195	366,212	310,310	41,729	0	0	6,086	2,860
France	53	108	701,848	188,366	1,594	31	22,498	249,644	3,160
Germany	84	187	5,748,940	4,306,370	775	35,887	0	799,617	1,282
Hong Kong	67	122	681,144	557,049	44	2,192	0	68,482	31,683
Hungary	17	19	7,886	7,842	6	2	0	35	0
Ireland	15	16	1,858,983	276,311	11	0	0	307,511	511
Japan	107	463	22,678,842	19,688,163	12,720	147,500	6,048	1,422,914	600,641
Mexico	64	117	2,368,118	1,976,599	3,650	753	0	334,106	4,811
Netherlands	63	104	1,143,847	210,216	447	31,436	10,282	525,593	828
Singapore	75	117	2,615,053	1,996,237	1,511	6,835	0	583,002	8,864
South Korea	33	55	2,586,951	722,114	1,310,793	4,916	0	167,243	620
Sweden	12	34	271,950	6,104	0	0	443	178,414	0
Switzerland	33	69	2,744,447	1,878,941	0	270,648	3,134	559,101	1,690
Taiwan	61	87	217,101	181,893	20	655	0	27,570	545
United Kingdom	99	215	3,299,800	2,879,735	8	10,811	1,233	156,411	5,376

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Number of returns	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons						
			Amounts received from related foreign persons						
			Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Retail trade</b>									
<b>All geographic areas, total</b>	31	224	1,446,733	519,629	217	33,526	0	498,001	3,288
Australia	3	3	743	0	0	0	0	0	0
Belgium	4	4	43,056	0	0	0	0	0	0
Canada	10	22	281,740	226,589	0	0	0	18,737	0
France	9	37	20,230	5,013	0	0	0	700	0
Germany	7	16	13,575	563	208	4,055	0	776	30
Hong Kong	5	10	1,905	399	0	160	0	0	0
Japan	9	23	171,599	41,184	9	21,752	0	100,633	2,038
Mexico	3	3	8,710	0	0	0	0	0	0
Netherlands	9	12	226,081	225,957	0	0	0	123	0
Singapore	4	5	70,310	17,382	0	0	0	0	0
Switzerland	8	16	12,232	55	0	0	0	43	0
United Kingdom	9	15	131,688	0	0	1,316	0	84,728	0
<b>Transportation and Warehousing</b>									
<b>All geographic areas, total</b>	19	830	7,099,088	398,904	7,803	78,171	[1]	482,560	2,509,290
Australia	6	18	33,869	0	0	0	0	14,402	10
Belgium	8	20	8,934	0	0	0	0	4,528	0
Brazil	9	18	25,158	579	0	0	0	4,889	63
Canada	13	32	2,709,722	377,106	7,736	69,540	0	19,201	0
China	8	18	26,476	0	0	0	0	4,951	0
France	6	18	16,362	0	0	0	0	5,035	129
Germany	8	35	513,003	8,020	0	0	0	22,258	0
Hong Kong	9	17	56,778	4,063	0	0	0	22,455	21,823
Hungary	10	12	1,282	0	0	0	0	200	0
Ireland	5	7	5,687	0	0	0	0	1,294	0
Japan	7	16	301,667	0	0	8,615	0	186,610	982
Mexico	9	19	33,163	0	0	0	0	7,130	7,864
Netherlands	8	24	37,055	2	27	0	0	1,977	0
Singapore	10	46	1,581,406	758	40	0	[1]	85,367	1,479,239
South Korea	6	8	4,703	0	0	0	0	1,930	0
Sweden	6	9	4,542	0	0	0	0	191	123
Switzerland	5	9	12,256	0	0	0	0	212	0
Taiwan	7	12	4,402	0	0	0	0	2,860	0
United Kingdom	13	52	95,876	8,375	0	17	0	43,916	644
<b>Information</b>									
<b>All geographic areas, total</b>	33	836	3,596,573	536,928	10,914	109,099	459,062	1,336,879	44,603
Australia	12	34	34,080	10,139	6	344	12,207	10,556	568
Belgium	7	12	9,551	898	738	0	3,184	4,574	0
Bermuda	7	15	78,250	116	0	0	0	15,340	0
Brazil	9	14	5,555	1,751	0	164	1,302	2,338	0
Canada	18	46	108,111	71,542	491	1,624	7,986	21,260	78
China	6	10	859	0	0	116	0	725	0
France	14	43	54,919	3,157	0	18,736	21,294	2,960	435
Germany	16	65	110,949	3,961	1,295	4,098	30,854	67,409	1,340
Hong Kong	16	24	21,091	4,188	0	1,872	870	14,073	0
Hungary	7	10	512	0	0	0	33	479	0
Ireland	10	13	838,101	0	0	9	252,962	575,934	0
Japan	14	32	59,564	17,959	0	29	10,505	25,819	0
Mexico	9	16	78,031	73,031	0	1,369	1,314	2,317	0
Netherlands	14	33	570,257	141,735	0	0	7,988	38,007	0
Singapore	11	19	49,697	35,466	0	3,258	642	9,172	561
South Korea	8	13	4,405	2,295	0	0	625	1,486	0
Sweden	6	13	229,673	10,295	7,524	2,864	3,584	205,407	0
Switzerland	9	18	161,213	14,027	305	506	814	3,526	1,201
Taiwan	6	9	229	0	0	0	229	0	0
United Kingdom	25	139	1,003,440	98,456	92	71,588	84,002	267,193	40,088

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Number of returns	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons						
			Amounts received from related foreign persons						
			Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Finance &amp; Insurance</b>									
<b>All geographic areas, total</b>	103	1,115	569,810,776	461,756,994	372	13,499	6,174	1,891,766	5,000,555
Australia	23	76	136,443	0	0	0	0	47,935	5,396
Belgium	10	18	58,624	162	0	2	0	1,238	11,307
Bermuda	32	106	4,186,972	0	0	0	0	48,872	1,350,810
Brazil	8	9	29	0	0	0	0	0	3
Canada	46	107	1,015,499	5,296	0	10,608	0	409,918	85,094
China	6	7	4,082	0	0	0	0	0	0
France	19	46	3,496,086	0	0	6	571	197,728	377,603
Germany	18	44	2,179,824	0	0	2,836	0	84,460	262,363
Hong Kong	29	46	500,515	0	0	0	0	23,016	254,736
Hungary	5	6	360	0	0	0	0	0	0
Ireland	27	60	4,025,866	0	0	0	0	25,468	122,308
Japan	28	57	1,298,339	650,561	0	0	0	19,061	9,758
Mexico	11	13	124,089	0	0	0	0	19,101	0
Netherlands	14	31	2,186,205	4,094	0	0	0	4,490	82
Singapore	22	36	31,063	5,934	0	0	0	4,074	672
South Korea	3	7	2,317	0	0	0	0	990	0
Sweden	5	6	126,549	0	0	0	0	0	85,120
Switzerland	21	44	71,698,821	13,527	0	0	0	1,253	1,907,057
Taiwan	8	9	3,795	0	0	0	0	2,295	0
United Kingdom	56	199	476,913,720	461,054,351	372	47	5,603	966,173	480,209
<b>Real Estate and Rental and Leasing</b>									
<b>All geographic areas, total</b>	9	161	873,028	154,708	10	0	0	96,031	76
Australia	3	4	18,268	17,830	0	0	0	0	0
Canada	3	18	38,988	35,040	0	0	0	1,011	0
France	3	9	142,467	5,586	0	0	0	47,818	0
Germany	3	8	5,941	1,660	0	0	0	4,217	0
Japan	3	4	1,455	1,455	0	0	0	0	0
Netherlands	4	7	[1]	[1]	0	0	0	0	0
Singapore	3	3	530	530	0	0	0	0	0
United Kingdom	5	14	419,032	1,897	0	0	0	36,840	0
<b>Professional, Scientific, and Technical Services</b>									
<b>All geographic areas, total</b>	39	772	3,448,678	225,811	18,050	41,807	48,989	2,939,477	2,469
Australia	9	24	10,124	200	1,233	0	0	4,813	0
Belgium	8	14	4,067	1,960	108	0	0	1,495	0
Brazil	6	12	9,163	177	0	0	0	8,978	0
Canada	18	61	245,856	170,043	327	21	0	71,611	0
China	9	18	2,210	324	0	0	0	1,787	0
France	11	99	193,088	2,702	12,137	3,379	4,400	112,170	0
Germany	11	52	604,051	5,691	2,250	1	42,295	550,122	2,129
Hong Kong	9	14	1,616	2	0	0	0	1,183	0
Hungary	5	6	651	0	0	0	0	651	0
Ireland	7	7	467,331	176	60	38,379	0	428,362	0
Japan	13	31	1,000,667	19,656	1,194	0	991	976,782	72
Mexico	8	21	12,054	2,223	0	4	0	9,795	0
Netherlands	14	32	61,080	1,356	0	4	0	54,210	63
Singapore	9	15	19,647	5,000	0	1	0	2,959	130
South Korea	3	3	405	0	0	3	0	398	0
Sweden	6	8	3,004	1,087	0	0	0	108	29
Switzerland	8	10	6,199	5,030	0	0	0	1,111	46
Taiwan	5	5	539	4	0	0	0	535	0
United Kingdom	19	102	177,101	2,788	71	8	1,303	100,297	0

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Number of returns	Number of related foreign persons	Transactions between foreign-owned domestic corporations and related foreign persons						
			Amounts received from related foreign persons						
			Total (excluding loan balances)	Sales of stock in trade	Sales of tangible property other than stock in trade	Rents and royalties	Sales, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Management of Companies</b>									
<b>All geographic areas, total</b>	16	230	4,909,750	108,895	0	57	231,606	1,076,953	114,726
Canada	6	18	290,187	638	0	0	0	117,655	28,625
France	4	13	43,543	13,371	0	0	0	499	4,981
Germany	3	8	98,959	94,375	0	0	0	3,279	0
Ireland	3	4	28,452	0	0	0	0	65	0
Japan	4	9	75,532	248	0	57	0	13,776	0
Mexico	3	5	2,383	9	0	0	0	[1]	1,694
Netherlands	4	11	84,941	0	0	0	0	11	13,302
Switzerland	5	10	30,334	0	0	0	0	6,380	1,608
United Kingdom	7	24	247,695	20	0	0	0	99,381	46,170
<b>Administrative &amp; Support and waste management services</b>									
<b>All geographic areas, total</b>	13	83	172,624	104,954	0	0	0	51,460	225
Canada	6	15	7,640	2,128	0	0	0	5,217	0
France	3	9	0	0	0	0	0	0	0
Netherlands	4	5	371	94	0	0	0	277	0
Switzerland	3	6	645	0	0	0	0	0	0
United Kingdom	6	8	8,789	66	0	0	0	1,073	0
<b>Educational Services</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Health Care and Social Assistance</b>									
<b>All geographic areas, total</b>	4	12	12,870	10,870	0	0	0	2,000	0
Canada	4	4	2,000	0	0	0	0	2,000	0
<b>Arts, Entertainment, and Recreation</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Accommodation and Food Services</b>									
<b>All geographic areas, total</b>	9	107	286,631	0	0	4,351	44,741	76,136	0
Canada	3	5	11,092	0	0	2,733	1,976	4,006	0
United Kingdom	5	12	121,686	0	0	0	15,138	53,536	0
<b>Other Services</b>									
<b>All geographic areas, total</b>	5	27	48,087	11,562	0	0	0	29,563	0
China	4	11	1,703	1,610	0	0	0	93	0
Taiwan	4	7	45,138	8,706	0	0	0	29,470	0

Footnotes at end of table.

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts received from related foreign persons—continued					Amounts paid to related foreign persons			
	Interest	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
				Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>All Industries, total</b>									
<b>All geographic areas, total</b>	22,887,412	3,992,650	105,693,472	740,086,776	963,155,639	1,088,121,004	899,885,362	14,361,296	17,398,856
Australia	105,564	40,672	157,257	4,189,579	7,677,057	1,887,262	985,251	3,883	75,213
Belgium	72,820	37,925	117,161	917,548	4,370,589	4,301,437	2,230,786	57,056	327,764
Bermuda	216,751	74,122	2,942,895	3,334,380	3,403,005	10,514,805	1,754,871	35	0
Brazil	34,385	165	29,999	26,414	248,847	2,980,952	2,779,607	8,570	0
Canada	442,656	225,704	3,052,669	44,864,814	41,084,476	59,300,840	48,729,678	1,375,468	184,693
China	812	1,090	36,645	15,199	27,799	6,525,256	6,264,750	3,715	10,733
France	2,513,008	19,923	2,407,517	31,522,293	52,848,326	20,552,048	5,614,298	5,696,832	1,270,198
Germany	128,018	298,918	3,438,871	34,964,894	37,840,825	68,183,044	47,142,161	3,724,183	472,708
Hong Kong	194,387	4,757	97,951	3,376,485	2,431,178	16,639,070	6,977,372	1,353	6,580,977
Hungary	13,979	360	1,626	18,901,512	23,520,832	5,393,333	189,883	1	45,600
Ireland	289,952	289,634	4,784,702	11,799,118	12,506,327	13,880,249	7,230,702	35,642	123,953
Japan	335,302	25,518	2,155,265	7,866,599	9,841,239	164,908,721	149,464,230	1,570,847	5,293,950
Mexico	56,718	96,574	231,090	1,357,792	1,924,652	17,200,956	13,162,125	141,716	4,975
Netherlands	2,006,233	4,771	1,584,777	78,370,940	133,282,931	18,262,227	6,228,513	18,362	608,041
Singapore	8,182	46,274	124,488	472,413	141,812	16,009,584	12,502,417	34,072	22
South Korea	7,475	58	395,292	239,694	226,590	29,004,372	28,238,719	36,010	415,680
Sweden	28,575	81	467,563	7,385,204	5,836,734	6,126,347	4,212,768	23,690	96,454
Switzerland	3,928,570	2,184,798	64,499,204	225,772,609	238,020,746	48,605,229	20,233,689	57,617	1,068,636
Taiwan	0	1,500	22,580	125,345	183,995	16,243,060	16,135,300	54,670	0
United Kingdom	11,371,862	423,348	13,359,594	194,822,836	319,677,721	493,196,002	466,974,967	442,996	338,612
<b>Agriculture, forestry, fishing, and hunting</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Mining</b>									
<b>All geographic areas, total</b>	174,041	59,733	232,385	8,794,308	9,588,913	6,976,421	4,790,293	56,125	423,368
Australia	3,576	7,491	1,767	0	0	56,709	0	0	0
Belgium	0	94	20	0	0	20,208	266	0	0
Bermuda	144	0	2,258	1,395,756	2,178,900	472,303	0	0	0
Brazil	0	0	463	3,795	3,791	37,606	36,874	0	0
Canada	55,664	4,340	20,213	708,951	198,186	4,070,388	3,973,894	2,537	0
China	50	42	610	0	0	154	0	80	0
France	8,781	373	22,719	419,350	453,707	174,392	56,521	5,116	0
Germany	1	0	256	0	0	9,119	1,105	0	0
Hungary	15	0	0	3,905,313	4,310,247	352,983	0	0	0
Ireland	375	0	33	102	110	7,652	0	0	7,031
Japan	0	25	14,859	0	0	39,549	19,614	3,132	0
Mexico	428	0	12,364	2,966	263	17,375	769	0	0
Netherlands	5	0	864	179,115	692,357	22,294	0	0	0
Singapore	4	38,040	2,276	1,660	4,304	47,872	16,266	16,965	0
Switzerland	0	0	0	561,515	705,775	612,220	562,833	0	0
United Kingdom	53,744	135	22,859	622,957	13,918	202,084	59,200	1,953	34,444
<b>Utilities</b>									
<b>All geographic areas, total</b>	82,445	0	154,767	17,651,377	12,683,138	4,563,253	2,614,040	667,127	766
Canada	2,808	0	1,069	859,728	844,675	2,008,117	1,215,378	667,127	766
United Kingdom	24,230	0	73,148	5,901,111	6,271,411	1,675,066	1,398,662	0	0

Footnotes at end of table.

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts received from related foreign persons—continued					Amounts paid to related foreign persons			
	Interest	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
				Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Construction</b>									
<b>All geographic areas, total</b>	27,741	5,151	34,983	1,678,370	2,701,154	404,107	1,793	4,468	7,261
Australia	0	312	17,440	0	0	24,020	0	0	0
Canada	0	263	505	0	0	9,499	0	563	0
Germany	0	0	0	104,000	114,000	23,353	47	3,577	0
Netherlands	0	507	736	383,287	323,067	24,955	0	0	7,261
Sweden	5,193	0	0	0	0	2,520	968	77	0
United Kingdom	19,474	2,627	13,858	1,123,513	1,633,965	194,926	0	0	0
<b>Manufacturing</b>									
<b>All geographic areas, total</b>	3,010,450	9,598	13,320,248	158,054,330	176,771,180	276,051,413	200,176,781	7,712,871	12,349,567
Australia	30,229	328	16,539	725,541	596,104	1,073,471	854,697	3,877	22,776
Belgium	39,600	105	19,301	858,676	3,159,660	2,268,240	616,732	57,056	62,457
Bermuda	98,710	0	47,070	0	41,972	1,299,307	633,081	35	0
Brazil	17,086	153	7,995	6,829	227,183	2,001,177	1,852,484	8,570	0
Canada	186,259	916	411,470	2,477,146	2,104,781	30,291,570	26,756,466	675,187	140,653
China	30	100	6,581	9,422	16,617	2,294,654	2,258,423	1,469	2,748
France	314,221	1,220	1,226,135	6,912,811	8,601,203	8,161,729	4,161,346	1,435,599	713,640
Germany	87,555	369	780,671	12,041,831	14,297,224	40,490,163	24,730,703	3,715,385	393,112
Hong Kong	0	0	3,115	2,759,762	2,316,133	10,481,837	1,649,500	3	6,580,977
Hungary	13,964	0	544	6,473,896	9,668,937	4,521,999	185,001	1	45,600
Ireland	41,954	294	991	3,779,486	3,782,470	7,382,072	6,739,964	35,269	77,875
Japan	8,440	1,381	888,771	578,711	639,085	44,621,922	35,271,504	571,975	3,401,463
Mexico	42,726	729	146,560	1,327,348	1,890,980	10,776,893	7,220,955	138,444	4,962
Netherlands	33,065	254	522,528	8,636,411	13,770,879	7,759,852	3,965,752	18,286	149,402
Singapore	438	129	17,768	84,869	9,749	7,190,383	7,055,598	11,012	22
South Korea	257	54	16,219	1,090	1,133	5,119,397	5,068,076	1,734	25,171
Sweden	9,068	73	343,848	5,058,028	5,623,400	3,741,683	2,364,326	23,613	86,775
Switzerland	258,942	425	336,183	29,559,981	45,035,951	12,497,734	7,250,395	56,095	403,773
Taiwan	0	0	7,230	252	58	206,275	194,989	0	0
United Kingdom	1,601,468	944	7,542,822	54,389,778	40,712,080	31,049,147	23,671,586	436,771	193,272
<b>Wholesale trade</b>									
<b>All geographic areas, total</b>	786,960	257	4,056,439	28,609,394	32,342,431	262,236,865	242,498,471	5,827,190	3,785,290
Australia	28,048	0	89,596	2,540,861	5,275,169	420,177	126,002	7	0
Belgium	5,052	0	3,529	16	28,713	1,632,347	1,349,596	0	265,307
Bermuda	14,014	0	220,359	700	7,908	1,167,202	1,121,791	0	0
Brazil	16,644	2	751	11,867	15,566	898,345	884,927	0	0
Canada	37,104	28	65,391	771,231	1,216,907	18,869,724	16,165,005	10,868	147
China	714	0	4,514	5,444	11,182	4,019,699	3,989,384	2,167	7,985
France	223,030	3	13,521	1,461,831	1,156,817	6,727,727	905,072	4,256,108	519,434
Germany	19,864	0	585,144	3,019,447	3,784,442	22,776,819	22,035,560	4,470	79,581
Hong Kong	395	0	21,299	41,142	5,183	5,421,090	5,310,224	1,350	0
Hungary	0	0	0	2,748,417	2,732,049	187,134	4,882	0	0
Ireland	0	201	1,274,439	196,484	185,718	494,156	100,092	106	5,589
Japan	78,566	0	722,290	445,830	815,165	112,108,365	108,062,023	942,171	1,803,064
Mexico	4,788	1	43,410	25,713	22,034	6,239,688	5,852,659	3,272	13
Netherlands	86,968	8	278,069	2,956,285	3,152,947	3,170,915	2,249,808	76	154,652
Singapore	4,613	0	13,990	272,272	1,617	5,513,248	5,384,547	4,256	0
South Korea	5,891	0	375,374	238,604	225,458	23,844,818	23,170,643	34,277	390,422
Sweden	9,409	0	77,581	218,622	59,536	1,079,245	960,158	0	7,855
Switzerland	6,432	0	24,500	3,637,041	3,675,738	11,570,197	10,661,038	1,523	518,580
Taiwan	0	0	6,417	125,082	183,934	15,946,270	15,880,850	54,670	0
United Kingdom	191,879	2	54,345	4,148,866	5,065,205	4,561,495	3,822,023	400	15,585

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts received from related foreign persons—continued					Amounts paid to related foreign persons			
	Interest	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
				Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Retail trade</b>									
<b>All geographic areas, total</b>	63,484	45,452	283,135	10,691,806	14,073,278	6,373,700	4,051,975	53,576	107,372
Australia	0	0	743	0	0	15	15	0	0
Belgium	22,395	0	20,662	0	0	12,041	0	0	0
Canada	30,731	0	5,683	3,175,818	3,255,915	392,892	2,404	0	0
France	636	0	13,881	8,210	6,600	382,113	332,152	0	0
Germany	0	0	7,942	177,720	0	56,406	50,091	91	0
Hong Kong	0	0	1,346	221	674	19,805	10,040	0	0
Japan	280	0	5,704	702,007	716,794	1,463,547	1,299,187	53,485	75,977
Mexico	8,710	0	0	0	0	53	53	0	0
Netherlands	0	0	[1]	1,200,813	2,862,516	724,389	4,743	0	26,271
Singapore	0	0	52,928	0	0	4,280	4,280	0	0
Switzerland	0	0	12,134	3,645,726	4,593,801	1,905,272	1,509,360	0	4,688
United Kingdom	0	45,452	191	1,305,131	1,869,305	233,348	2,517	0	0
<b>Transportation and Warehousing</b>									
<b>All geographic areas, total</b>	21,341	90	3,600,928	6,080,901	8,971,548	6,542,536	280,949	24,832	144,873
Australia	0	0	19,456	0	997	81,111	0	0	26,727
Belgium	0	0	4,407	251	35	14,615	1,358	0	0
Brazil	0	0	19,626	40	1,572	14,252	0	0	0
Canada	17,697	90	2,218,353	371,904	1,194,348	504,995	223,781	19,122	42,896
China	0	0	21,525	0	0	173,172	0	0	0
France	0	0	11,199	[1]	[1]	35,401	1,777	0	0
Germany	0	0	482,725	12,411	3	421,785	0	0	0
Hong Kong	0	0	8,438	0	0	166,091	0	0	0
Hungary	0	0	1,082	829,681	1,287,441	54,023	0	0	0
Ireland	0	0	4,393	0	0	4,096	0	0	0
Japan	1,346	0	104,114	19,862	0	59,084	0	0	0
Mexico	0	0	18,170	338	0	68,122	33,399	0	0
Netherlands	934	0	34,115	334,587	582,586	292,085	1,292	0	5,846
Singapore	0	0	16,002	60,553	66	3,100,288	5	1,838	0
South Korea	0	0	2,773	0	0	32,083	0	0	0
Sweden	0	0	4,228	0	1	5,632	0	0	0
Switzerland	0	0	12,044	0	0	9,783	0	0	0
Taiwan	0	0	1,541	0	0	30,094	0	0	0
United Kingdom	16	0	42,907	1,168,556	1,382,952	378,327	1,992	3,871	32,970
<b>Information</b>									
<b>All geographic areas, total</b>	627,921	436	470,730	53,647,051	57,193,537	11,040,630	4,631,675	661	319,368
Australia	0	0	261	129	[1]	23,829	3,885	0	0
Belgium	0	0	157	787	1,131	10,526	6,880	0	0
Bermuda	60,924	0	1,869	111,126	98,398	178,638	0	0	0
Brazil	0	0	0	0	0	1,323	412	0	0
Canada	4,484	0	648	921,050	369,626	57,900	24,995	0	0
China	0	0	17	0	0	1,518	1,355	0	0
France	3,428	0	4,908	140,938	14,974	44,148	5	0	2,715
Germany	1,256	13	724	131,656	3,178,001	78,856	6,255	660	11
Hong Kong	0	0	88	745	1,264	8,787	243	0	0
Hungary	0	0	0	2,980,158	2,996,375	130,410	0	0	0
Ireland	0	0	9,196	42	42	836,512	0	0	485
Japan	1	0	5,251	0	0	4,087,058	3,909,642	0	12,427
Mexico	0	0	0	0	0	10,577	185	0	0
Netherlands	268,553	0	113,974	9,545,502	10,665,347	821,729	1,889	0	264,603
Singapore	0	0	598	56	10	17,627	2,179	0	0
South Korea	0	0	0	0	0	2,448	0	0	86
Sweden	0	0	0	116	116	605,784	601,201	0	1,684
Switzerland	0	0	140,835	8,720,344	9,075,601	997,268	0	0	23,333
Taiwan	0	0	0	3	3	6	0	0	0
United Kingdom	249,630	423	191,968	8,599,642	8,558,214	1,431,871	54,794	1	13,969

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts received from related foreign persons—continued					Amounts paid to related foreign persons			
	Interest	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
				Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Finance &amp; Insurance</b>									
<b>All geographic areas, total</b>	17,518,029	3,867,434	79,755,953	389,084,328	585,235,592	499,041,690	438,764,716	64	84,439
Australia	39,622	32,519	10,971	875,054	1,804,783	178,124	0	0	22,425
Belgium	5,256	37,713	2,945	57,817	1,181,051	50,886	0	0	0
Bermuda	42,203	74,122	2,670,966	1,268,369	149,658	6,979,235	0	0	0
Brazil	24	2	0	[1]	735	4,746	2,196	0	0
Canada	91,830	220,067	192,686	34,830,754	31,218,195	2,151,380	0	64	10
China	[1]	946	3,135	[1]	[1]	304	0	0	0
France	1,884,876	14,305	1,020,997	18,104,563	39,908,416	3,855,032	0	0	0
Germany	17,600	298,503	1,514,063	13,576,107	12,712,449	2,305,253	0	0	0
Hong Kong	154,752	4,751	63,260	328,829	88,931	352,717	7,310	0	0
Hungary	0	360	0	1,153,897	1,186,756	51,810	0	0	0
Ireland	93,415	289,036	3,495,638	835,374	834,184	4,155,458	0	0	0
Japan	243,772	24,089	351,099	5,584,000	7,331,899	1,849,574	384,130	0	0
Mexico	4	95,842	9,143	20	10,976	58,577	44,740	0	0
Netherlands	1,607,560	3,976	566,003	37,321,717	82,354,572	4,546,215	309	0	0
Singapore	3,128	8,095	9,160	323	26,066	58,369	32,756	0	0
South Korea	1,327	0	0	0	0	3,414	0	0	0
Sweden	0	0	41,430	0	0	248,934	0	0	0
Switzerland	3,660,684	2,184,362	63,931,939	169,723,745	161,831,561	20,075,304	245,324	0	19,769
Taiwan	0	1,500	0	0	0	483	0	0	0
United Kingdom	9,081,440	373,626	4,951,900	104,035,384	242,806,451	451,447,203	437,948,647	0	42,236
<b>Real Estate and Rental and Leasing</b>									
<b>All geographic areas, total</b>	127,274	0	494,929	10,893,569	10,076,692	1,054,461	441,486	14,024	0
Australia	0	0	438	1	5	142	138	0	0
Canada	340	0	2,597	104	322	6,495	6,225	0	0
France	0	0	89,062	73,344	18,000	80,777	78,236	0	0
Germany	0	0	65	114	153	4,936	4,491	0	0
Japan	0	0	0	119	123	11,367	10,790	0	0
Netherlands	0	0	0	1,677,983	1,823,318	103,664	0	0	0
Singapore	0	0	0	0	0	51	51	0	0
United Kingdom	0	0	380,296	74,142	911,794	47,408	1,140	0	0
<b>Professional, Scientific, and Technical Services</b>									
<b>All geographic areas, total</b>	94,117	4,498	73,460	9,200,260	7,848,515	6,795,246	1,313,121	359	5,392
Australia	3,856	23	0	47,993	0	28,248	514	0	3,286
Belgium	490	14	0	0	0	16,433	7,296	0	0
Brazil	0	9	0	0	0	2,701	10	0	0
Canada	304	0	3,549	491,328	461,888	505,680	361,472	0	221
China	18	1	80	333	0	14,213	12,416	0	0
France	49,243	4,023	5,034	175,492	805,165	649,504	73,432	8	989
Germany	50	33	1,480	600,752	1,020,505	1,465,615	72,370	0	3
Hong Kong	20	6	405	6,438	0	730	0	0	0
Hungary	0	0	[1]	240,000	445,800	27,954	0	0	0
Ireland	248	103	4	2,163	0	283,289	243,601	267	0
Japan	222	24	1,727	130,517	56,245	563,558	507,340	83	866
Mexico	0	2	30	964	400	11,366	29	0	0
Netherlands	5,185	25	238	2,458,982	960,510	369,169	4,721	0	0
Singapore	0	10	11,548	2,682	0	9,214	6,734	0	0
South Korea	0	3	0	0	0	105	0	0	0
Sweden	1,768	8	4	1,059	0	1,946	161	0	0
Switzerland	0	11	1	316,040	309,680	25,350	4,740	0	0
Taiwan	0	0	0	8	0	18	0	0	0
United Kingdom	25,031	140	47,462	4,299,497	3,316,470	473,889	10,106	0	20

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts received from related foreign persons—continued					Amounts paid to related foreign persons			
	Interest	Premiums for insurance or reinsurance	Other	Amounts borrowed		Total (excluding loan balances)	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties
				Beginning balance	Ending balance				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>Management of Companies</b>									
<b>All geographic areas, total</b>	291,506	0	3,086,006	32,748,923	32,137,248	4,935,870	172,808	0	152
Canada	15,111	0	128,158	64,369	58,119	360,508	0	0	0
France	24,629	0	62	2,231,100	79	112,369	5,759	0	0
Germany	352	0	954	0	0	173,957	162,750	0	0
Ireland	28,380	0	7	0	0	10,950	0	0	0
Japan	0	0	61,451	234,182	205,500	102,662	0	0	152
Mexico	51	0	629	0	0	7,809	0	0	0
Netherlands	3,380	0	68,249	13,097,369	15,310,545	309,800	0	0	0
Switzerland	802	0	21,545	9,324,852	9,074,773	532,393	0	0	0
United Kingdom	95,747	0	6,379	5,503,719	5,817,880	1,041,240	4,300	0	0
<b>Administrative &amp; Support and waste management services</b>									
<b>All geographic areas, total</b>	7,670	0	8,316	3,333,384	7,116,215	869,378	0	0	169,654
Canada	0	0	295	168,989	161,433	55,518	0	0	0
France	0	0	0	1,383,054	1,349,013	128,279	0	0	32,072
Netherlands	0	0	0	399,600	444,000	43,937	0	0	0
Switzerland	442	0	203	263,669	3,717,866	374,903	0	0	98,494
United Kingdom	171	0	7,479	139,245	142,125	20,576	0	0	6,116
<b>Educational Services</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Health Care and Social Assistance</b>									
<b>All geographic areas, total</b>	0	0	0	1,693,126	1,833,130	187,810	87,520	0	0
Canada	0	0	0	0	0	5,409	58	0	0
<b>Arts, Entertainment, and Recreation</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	d
<b>Accommodation and Food Services</b>									
<b>All geographic areas, total</b>	50,664	0	110,740	6,058,420	2,967,323	815,593	0	0	1,353
Canada	325	0	2,051	0	0	586	0	0	0
United Kingdom	29,032	0	23,979	2,609,062	80,929	390,412	0	0	0
<b>Other Services</b>									
<b>All geographic areas, total</b>	0	0	6,962	0	0	59,733	59,733	0	0
China	0	0	0	0	0	8	8	0	0
Taiwan	0	0	6,962	0	0	59,461	59,461	0	0

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts paid to related foreign persons—continued							Amounts loaned	
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Beginning balance	Ending balance	
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
<b>All Industries, total</b>									
<b>All geographic areas, total</b>	7,430,676	35,973,739	8,472,837	53,444,546	22,539,905	28,613,788	292,757,275	261,030,348	
Australia	861	211,770	12,931	323,902	14,975	258,475	1,953,509	2,110,695	
Belgium	1,256,835	73,057	4,996	186,932	2,669	161,344	1,272,199	2,756,546	
Bermuda	2,263	97,216	3,042	318,794	6,932,658	1,405,926	3,541,923	4,045,559	
Brazil	584	125,532	14,397	27,117	0	25,147	154,965	389,585	
Canada	55,369	4,266,710	122,877	1,751,471	220,799	2,593,776	28,804,643	8,141,664	
China	138	118,957	13,162	31	0	113,769	54,999	89,465	
France	391,457	1,857,845	70,718	5,040,291	45,032	565,378	18,913,176	21,799,315	
Germany	1,241,240	10,532,934	13,506	1,957,308	1,710,743	1,388,261	3,410,563	4,245,314	
Hong Kong	642	2,250,941	440,648	282,228	176	104,733	4,460,904	3,119,928	
Hungary	0	1,317	62	1,504,606	0	3,651,864	591,885	407,818	
Ireland	937,766	116,487	55,911	909,694	3,612,595	857,498	3,724,432	4,021,684	
Japan	570,567	5,527,751	339,890	660,435	17,273	1,463,779	5,672,914	5,269,006	
Mexico	36,829	877,547	2,574,282	109,898	10,736	282,848	1,411,471	2,195,332	
Netherlands	389,367	918,536	85,415	7,006,957	21,244	2,985,792	11,202,372	30,437,807	
Singapore	12,609	298,475	3,075,317	42,415	5	44,251	424,503	160,125	
South Korea	33,927	208,778	11,137	13,273	0	46,848	111,091	84,982	
Sweden	44,916	300,460	45,907	414,266	256,444	731,443	1,781,406	1,143,571	
Switzerland	1,364,158	500,173	37,861	11,446,236	8,366,916	5,529,942	42,894,537	42,683,622	
Taiwan	28	14,204	1,534	429	[1]	36,895	6,274	12,402	
United Kingdom	315,690	3,459,122	262,308	16,002,379	879,552	4,520,375	150,526,527	113,872,121	
<b>Agriculture, forestry, fishing, and hunting</b>									
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d	
<b>Mining</b>									
<b>All geographic areas, total</b>	4,381	476,303	3,628	727,981	7,127	487,215	4,584,712	7,278,978	
Australia	0	32,929	2,248	9,210	400	11,921	80,166	74,981	
Belgium	0	2,344	0	2,702	0	14,896	0	0	
Bermuda	0	0	0	165,799	3,706	302,797	3,000	14,942	
Brazil	0	214	14	0	0	503	14,274	11,584	
Canada	3,777	21,277	0	42,159	444	26,300	1,596,349	1,897,288	
China	0	3	0	0	0	72	169	1,062	
France	0	59,398	82	23,148	0	30,126	529	626	
Germany	0	0	0	0	0	8,014	0	0	
Hungary	0	0	0	352,983	0	0	0	723	
Ireland	0	0	0	0	0	620	5,202	5,668	
Japan	0	48	462	13,210	0	3,083	0	0	
Mexico	0	0	48	16,348	0	211	4	1,308,677	
Netherlands	0	2,676	0	18,291	0	1,327	184	419	
Singapore	0	5,939	430	38	0	8,233	600	4,387	
Switzerland	0	0	0	48,599	0	788	0	0	
United Kingdom	0	53,684	0	12,401	0	40,401	1,052,013	2,463,719	
<b>Utilities</b>									
<b>All geographic areas, total</b>	0	92,465	0	899,965	3,394	285,496	4,600,485	1,851,486	
Canada	0	62,110	0	57,720	3,394	1,623	19	2,081	
United Kingdom	0	15,923	0	260,443	0	38	17	26,532	

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts paid to related foreign persons—continued							Amounts loaned	
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Beginning balance	Ending balance	
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
<b>Construction</b>									
<b>All geographic areas, total</b>	9,479	98,966	0	181,391	2,634	98,116	562,055	604,613	
Australia	0	4,037	0	0	0	19,984	15	2,162	
Canada	0	8,936	0	0	0	0	0	0	
Germany	0	372	0	5,104	0	14,253	0	0	
Netherlands	0	0	0	17,694	0	0	0	0	
Sweden	0	920	0	0	554	0	100,050	100,505	
United Kingdom	0	9,797	0	121,260	0	63,869	454,223	431,766	
<b>Manufacturing</b>									
<b>All geographic areas, total</b>	3,395,838	23,362,423	4,108,745	13,663,701	928,447	10,353,038	50,152,630	51,500,452	
Australia	10	25,893	2,412	37,431	2,858	123,518	889,375	445,587	
Belgium	1,256,692	41,606	3,995	132,125	2,324	95,253	520,687	1,186,158	
Bermuda	0	12,940	0	42,282	87,357	523,612	1,302,746	1,182,282	
Brazil	355	100,878	5,822	21,175	0	11,893	120,972	365,309	
Canada	2,850	946,324	57,322	150,365	9,201	1,553,202	2,279,433	1,595,846	
China	138	16,827	2,198	0	0	12,851	24,946	51,360	
France	98,593	897,367	11,468	539,236	3,169	301,313	2,095,330	860,987	
Germany	56,870	10,230,853	7,726	825,140	5,245	525,129	1,408,372	2,224,649	
Hong Kong	462	2,127,392	8,805	113,313	0	1,385	18,029	17,876	
Hungary	0	13	9	641,650	0	3,649,725	341,969	405,016	
Ireland	8,572	31,936	122	407,181	20,632	60,521	1,015,497	2,297,850	
Japan	191,904	4,706,254	147,693	29,695	5,930	295,505	266,035	250,124	
Mexico	27,609	526,612	2,562,313	75,847	0	220,151	1,013,195	435,401	
Netherlands	368,327	652,154	17,705	1,600,728	3,774	983,726	802,979	675,528	
Singapore	168	103,376	15,026	0	5	5,174	7,684	13,509	
South Korea	0	3,115	2,966	1,180	0	17,156	3,445	3,627	
Sweden	198	212,959	7,544	318,637	6,508	721,124	1,604,931	1,042,437	
Switzerland	1,183,799	252,417	6,910	3,167,602	14,838	161,906	9,385,565	13,675,014	
Taiwan	28	1,317	816	0	0	9,126	828	337	
United Kingdom	149,819	2,042,139	15,029	3,285,541	639,446	615,545	23,962,365	20,384,765	
<b>Wholesale trade</b>									
<b>All geographic areas, total</b>	671,446	4,312,013	200,915	2,224,698	56,919	2,659,923	13,252,393	14,791,382	
Australia	0	34,118	41	199,001	0	61,009	529,748	3,697	
Belgium	0	1,207	0	11,764	0	4,473	2,981	485	
Bermuda	2,263	13,899	0	0	29,100	149	38,818	212,932	
Brazil	0	8,799	3,803	22	0	794	9,385	5,933	
Canada	0	2,105,883	11,860	21,567	7,623	546,771	622,625	952,482	
China	0	8,537	3,059	31	0	8,536	29,155	34,378	
France	242,332	261,126	320	505,212	0	38,123	6,412,544	6,766,190	
Germany	4,955	53,135	883	210,082	0	388,152	449,139	513,980	
Hong Kong	0	3,309	89,238	298	47	16,624	6,268	21,934	
Hungary	0	392	0	181,858	0	2	8,205	1,862	
Ireland	0	17,479	0	11,353	1,426	358,111	3,505	3,505	
Japan	250,348	701,060	64,322	96,657	6,908	181,812	1,608,266	1,786,988	
Mexico	0	344,086	3,593	692	0	35,375	85,470	9,822	
Netherlands	1,370	42,069	46	164,472	193	558,229	240,014	200,332	
Singapore	11,720	103,662	200	2,697	0	6,166	257,462	22,065	
South Korea	33,927	192,640	2,044	11,967	0	8,899	107,273	80,440	
Sweden	43,720	40,804	0	22,848	0	3,860	53,082	495	
Switzerland	0	80,531	229	276,829	0	31,467	129,548	319,604	
Taiwan	0	311	465	429	[1]	9,545	4,928	11,807	
United Kingdom	15,210	228,566	4,863	292,179	635	182,033	2,549,558	3,668,314	

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued								
	Amounts paid to related foreign persons—continued							Amounts loaned	
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Beginning balance	Ending balance	
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
<b>Retail trade</b>									
<b>All geographic areas, total</b>	29,932	166,944	68,463	909,648	261,150	724,641	1,459,596	1,555,283	
Australia	0	0	0	0	0	0	10	0	
Belgium	0	57	0	85	0	11,899	332,055	544,160	
Canada	29,871	86,795	0	267,817	0	6,005	577,741	528,691	
France	0	6,564	140	16,714	472	26,072	12,806	125,275	
Germany	61	3,739	0	14	0	2,410	1,453	0	
Hong Kong	0	0	9,765	0	0	0	4	0	
Japan	0	6,094	0	24,860	3,544	400	10,586	561	
Mexico	0	0	0	0	0	0	144,810	194,355	
Netherlands	0	5,480	0	167,041	0	520,854	130,286	135,579	
Singapore	0	0	0	0	0	0	0	0	
Switzerland	0	1,632	20,461	293,437	0	75,694	210	7,699	
United Kingdom	0	16,482	0	93,862	50,486	70,000	649	486	
<b>Transportation and Warehousing</b>									
<b>All geographic areas, total</b>	0	718,096	3,098,659	451,807	41,730	1,781,590	1,325,290	1,036,955	
Australia	0	18,643	0	43	0	35,698	0	64	
Belgium	0	6,322	0	0	0	6,935	0	0	
Brazil	0	4,475	0	0	0	9,777	0	53	
Canada	0	82,525	0	52,577	141	83,953	259,842	94,106	
China	0	73,301	7,604	0	0	92,268	0	5	
France	0	12,313	0	0	0	21,310	8	13	
Germany	0	37,517	0	20,574	0	363,693	374,225	0	
Hong Kong	0	96,777	4,836	0	0	64,478	0	0	
Hungary	0	95	0	51,854	0	2,074	0	0	
Ireland	0	740	0	0	0	3,356	0	0	
Japan	0	9,042	25,537	118	0	24,387	27,181	26,025	
Mexico	0	3,745	4,432	168	0	26,378	294	122	
Netherlands	0	16,397	43	20,077	0	248,431	29,066	55,262	
Singapore	0	25,907	3,053,640	0	[1]	18,897	0	0	
South Korea	0	11,291	0	0	0	20,792	0	0	
Sweden	0	872	0	0	0	4,761	28	124	
Switzerland	0	1,713	0	0	0	8,071	0	0	
Taiwan	0	11,850	21	0	0	18,222	0	0	
United Kingdom	0	48,665	1,108	118,318	41,588	129,814	519,160	499,372	
<b>Information</b>									
<b>All geographic areas, total</b>	1,118,786	443,065	118,404	3,476,786	16,100	915,785	6,961,211	6,833,132	
Australia	758	12,150	6,979	0	12	45	2,374	3,401	
Belgium	143	582	0	0	0	2,921	10	10	
Bermuda	0	0	0	40,255	13,444	124,939	1,935,229	2,036,632	
Brazil	228	644	0	0	0	39	1,838	1,846	
Canada	8,725	20,323	2,218	2	10	1,626	268,170	197,693	
China	0	163	0	0	0	0	87	15	
France	3,452	3,123	6,715	25,362	0	2,777	539,989	48,123	
Germany	4,177	31,943	220	29,090	0	6,499	750,778	765,079	
Hong Kong	0	8,544	0	0	0	0	5,122	5,315	
Hungary	0	415	0	129,996	0	0	76	76	
Ireland	836,027	0	0	0	0	0	9	15	
Japan	128,315	15,612	20,359	0	0	702	206	624	
Mexico	9,219	1,145	0	0	0	28	13	23	
Netherlands	8,758	11,169	66,893	450,162	0	18,255	76,284	40,949	
Singapore	225	15,158	28	0	0	37	967	258	
South Korea	0	1,627	735	0	0	[1]	179	3	
Sweden	998	1,902	0	0	0	0	10	10	
Switzerland	2	756	124	553,731	0	419,322	1,446	0	
Taiwan	0	0	6	0	0	0	300	192	
United Kingdom	114,338	285,875	12,449	625,787	2,633	322,025	2,828,105	3,381,616	

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued							
	Amounts paid to related foreign persons—continued						Amounts loaned	
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Beginning balance	Ending balance
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Finance &amp; Insurance</b>								
<b>All geographic areas, total</b>	180,481	1,301,490	804,219	26,312,138	21,124,158	10,469,985	203,604,808	166,468,784
Australia	0	67,911	1,116	68,672	11,705	6,296	449,434	1,320,699
Belgium	0	1,932	1,000	40,256	345	7,354	416,123	1,025,439
Bermuda	0	5,807	3,042	64,309	6,788,251	117,826	175,112	165,454
Brazil	0	1,335	1,161	1	0	54	353	633
Canada	0	567,536	32,641	1,088,425	199,986	262,719	22,436,764	2,677,200
China	0	0	302	0	0	2	[1]	4
France	1,147	175,585	51,976	3,479,473	41,392	105,459	7,922,924	12,141,194
Germany	12	18,599	3,462	536,971	1,705,393	40,816	262,989	726,283
Hong Kong	0	7,910	324,441	3,184	129	9,742	4,426,394	2,875,337
Hungary	0	0	53	51,695	0	63	[1]	0
Ireland	0	21,469	55,789	103,158	3,540,158	434,885	1,576,716	624,231
Japan	0	13,671	81,089	482,479	892	887,313	3,693,790	3,024,025
Mexico	0	0	2,023	572	10,736	507	1,128	8,766
Netherlands	900	79,478	485	3,825,767	5,085	634,191	9,764,618	28,996,065
Singapore	0	13,855	4,939	1,103	0	5,716	155,017	119,581
South Korea	0	0	3,287	127	0	0	3	2
Sweden	0	0	0	0	248,934	0	0	0
Switzerland	178,422	138,054	9,902	6,311,183	8,352,078	4,820,574	33,364,783	28,666,933
Taiwan	0	336	147	0	0	0	205	67
United Kingdom	0	179,068	203,905	9,998,121	141,492	2,933,734	116,275,583	79,818,008
<b>Real Estate and Rental and Leasing</b>								
<b>All geographic areas, total</b>	0	14,121	8,678	566,305	177	9,669	1,128,939	1,679,921
Australia	0	0	3	0	0	0	1,868	2,478
Canada	0	66	190	0	0	14	6,786	850
France	0	462	17	2,063	0	0	0	0
Germany	0	442	0	0	0	3	0	0
Japan	0	578	0	0	0	0	0	0
Netherlands	0	3,961	14	93,915	0	5,774	35,463	17,242
Singapore	0	0	0	0	0	0	154	296
United Kingdom	0	1,751	140	44,250	0	127	5,305	242,797
<b>Professional, Scientific, and Technical Services</b>								
<b>All geographic areas, total</b>	1,422,019	3,174,879	2,050	789,719	6,918	80,789	2,318,950	2,098,030
Australia	94	15,972	0	8,377	0	5	520	257,627
Belgium	0	9,136	0	0	0	0	344	294
Brazil	0	957	0	0	0	1,735	2,798	0
Canada	1,651	137,586	0	3,073	0	1,678	45,762	22,941
China	0	1,776	0	0	0	21	640	2,640
France	36,454	407,944	0	93,096	0	37,580	64,535	34,033
Germany	1,175,166	149,327	0	52,216	106	16,427	27,965	15,322
Hong Kong	0	548	122	60	0	[1]	464	0
Hungary	0	403	0	27,552	0	[1]	0	0
Ireland	0	39,421	0	0	0	[1]	48,000	0
Japan	0	55,206	17	0	0	46	46,154	98,478
Mexico	0	1,771	229	9,337	0	0	166,520	238,067
Netherlands	0	55,158	0	304,643	4,647	0	118,976	384
Singapore	0	2,046	406	0	0	28	1,311	28
South Korea	0	104	0	0	0	[1]	0	0
Sweden	0	1,247	266	0	271	0	58	0
Switzerland	0	768	116	19,726	0	0	1,217	896
Taiwan	0	0	17	0	0	1	0	0
United Kingdom	18,673	157,922	0	266,839	1,894	18,435	1,555,574	1,202,057

Footnotes at end of table.

# Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2006

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**Table 3. 2006, Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More and with Forms 5472 Transactions Between Corporations and Related Foreign Persons, by NAICS Industrial Sector of Domestic Corporation and Selected Country of Residence of Related Foreign Person—Continued**

[Money amounts are in thousands of dollars]

NAICS industrial sector of domestic corporation and selected country of residence of related foreign person [2]	Transactions between foreign-owned domestic corporations and related foreign persons—continued							
	Amounts paid to related foreign persons—continued							
	Purchases, leases, and licenses of intangible property rights	Consideration for technical, managerial, or like services	Commissions	Interest	Premiums for insurance or reinsurance	Other	Amounts loaned	
							Beginning balance	Ending balance
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
<b>Management of Companies</b>								
<b>All geographic areas, total</b>	466,407	1,524,745	59,075	2,017,061	22,268	673,354	1,935,405	4,198,460
Canada	29	215,848	18,646	40,460	0	85,524	693,857	137,854
France	0	5,976	0	100,523	0	111	0	0
Germany	0	5,672	1,215	4,180	0	140	0	0
Ireland	0	866	0	10,080	0	4	0	0
Japan	0	20,180	411	11,388	0	70,531	20,696	12,000
Mexico	0	188	616	6,806	0	199	0	0
Netherlands	0	1,232	229	307,262	0	1,077	710	313,013
Switzerland	0	6,528	38	515,731	0	10,097	2,093	1,996
United Kingdom	0	286,914	24,814	580,924	0	144,289	969,497	1,218,932
<b>Administrative &amp; Support</b>								
<b>All geographic areas, total</b>	103,069	30,445	0	460,948	59,303	45,959	112,420	340,128
Canada	7,967	4,412	0	21,839	0	21,300	298	9,355
France	0	4,465	0	91,299	0	443	0	0
Netherlands	0	3,433	0	19,030	7,547	13,928	0	0
Switzerland	1,936	13,052	0	259,399	0	2,023	0	0
United Kingdom	0	267	0	12,750	1,377	66	3,316	867
<b>Educational Services</b>								
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d
<b>Health Care and Social Assistance</b>								
<b>All geographic areas, total</b>	500	0	0	90,210	9,580	0	0	25,117
Canada	500	0	0	4,851	0	0	0	25,117
<b>Arts, Entertainment, and Recreation</b>								
<b>All geographic areas, total</b>	d	d	d	d	d	d	d	d
<b>Accommodation and Food Services</b>								
<b>All geographic areas, total</b>	28,338	185,663	0	578,397	0	21,842	753,657	763,609
Canada	0	586	0	0	0	0	16,575	0
United Kingdom	17,650	129,692	0	243,070	0	0	351,162	532,714
<b>Other Services</b>								
<b>All geographic areas, total</b>	0	0	0	0	0	0	0	0
China	0	0	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0	0	0

d—In order to avoid disclosure of information for specific corporations, some data have been deleted. Data are included in appropriate totals.

[1] Amounts less than \$500.

[2] Selected country data have been deleted to prevent disclosure of information for individual taxpayers. However, the data are included in the appropriate totals.

NOTES: NAICS is the abbreviation for the North American Industry Classification System. Detail may not add to totals because of rounding.

# Foreign Trusts, 2006

by Daniel S. Holik

**T**he Statistics of Income (SOI) study of 2006 foreign trust information returns (Forms 3520 and 3520-A) is consistent with substantial and increasing interest in foreign investment by U.S. taxpayers. From 1990 through 2006, the number of Form 3520 returns filed reporting foreign “grantor” and “nongrantor” trust transactions and certain foreign gifts rose from 133 to 7,956 (almost 5,900 percent), while the number of Form 3520-A foreign “grantor” trust returns filed rose from 291 to 3,819 (over 1,200 percent) (Figure A).<sup>1</sup>

U.S. “persons” transferred nearly \$1,642 million in assets to all foreign trusts in 2006.<sup>2</sup> Transfers to trusts created in Jersey, the Cook Islands, Liechtenstein, St. Christopher/Nevis, the Bahamas, and New Zealand accounted for nearly 64 percent of the total transferred assets. U.S. persons reported receiving distributions of \$2,878 million from foreign nongrantor trusts in 2006.

In addition, 3,819 foreign grantor trusts reported total assets of \$31,888 million, distributions of \$1,802 million, and net income of \$1,941 million for 2006. By comparison, for 2002, the last previous year for which extensive statistics were published, 2,550 foreign grantor trusts reported total assets of \$14,976 million, distributions of \$884 million, and net income of \$359 million.<sup>3</sup> Finally, in transactions generally separate from foreign trust activity, U.S. persons received \$2,891 million of gifts or bequests from nonresident aliens, foreign estates, foreign corporations, and foreign partnerships during 2006.

## Foreign Trust Information Returns

There are two returns—Form 3520, *Annual Return To Report Transactions With Foreign Trusts and*

*Receipt of Certain Foreign Gifts*, and Form 3520-A, *Annual Information Return of Foreign Trust With a U.S. Owner*—used to report information about foreign trusts and gifts. Form 3520 must be filed by U.S. persons to report transfers to and distributions from foreign trusts, as well as the receipt of certain foreign gifts. Form 3520-A must be filed annually by all foreign trusts with at least one U.S. owner. Each Form 3520-A represents one unique foreign grantor trust and provides beneficiary, income statement, and balance sheet information.

## Legislation

The Small Business Job Protection Act of 1996 (Public Law 104-188) made substantial modifications to the tax law governing foreign trusts in response to concerns of taxpayer abuse.<sup>4</sup> This law expanded information reporting requirements for U.S. persons who make transfers to foreign trusts and for U.S. owners of foreign trusts. In addition, the act added new reporting requirements for U.S. beneficiaries of foreign trusts, extensively revised the civil penalties for failure to file information with respect to foreign trusts, and added civil penalties for failure to report certain transfers to foreign entities. The act also created reporting requirements for U.S. persons who receive large gifts from foreign persons.<sup>5</sup>

This SOI study of foreign trusts includes all foreign trust returns (Forms 3520 and 3520-A) filed with tax periods ending during Calendar Year 2006. It is the third SOI study of foreign trust returns since the 1996 modifications to the law.<sup>6</sup>

## Trust Taxation

In general, trusts are fiduciary arrangements created by persons (the “grantors”) who transfer their control of property to other persons (the “trustees”) subject to an obligation to protect and use that property for the benefit of a different group of persons (the

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<sup>1</sup> Additional information about Form 3520 and Form 3520-A is included in the “Foreign Trust Information Returns” section of this article. A “grantor” trust is a trust in which the grantor retains certain elements of control over the use of trust property or trust income. The grantor is then treated as the owner of the portion of the trust to which his or her power or interest applies. A “nongrantor” trust is one in which the grantor does not retain any control over the trust assets or income, and the grantor is not treated as the owner by the Internal Revenue Code. Generally, the income from a nongrantor trust is taxed to the beneficiaries as it is distributed. Additional information about grantor and nongrantor trusts is included in the “Trust Taxation” section of this article.

<sup>2</sup> A U.S. “person” is any citizen or resident of the United States, a domestic partnership or corporation, or any estate or trust that is not considered foreign. See Internal Revenue Code section 7701 for more information regarding the definition of U.S. persons. A “foreign person” (or entity) is defined as a person other than a U.S. person.

<sup>3</sup> For more information about foreign trusts for 1998 and 2002, see Holik, Daniel S., “Foreign Trusts, 1998,” *Statistics of Income Bulletin*, Fall 2001, Volume 21, Number 2 and Holik, Daniel S., “Foreign Trusts, 2002,” *Statistics of Income Bulletin*, Summer 2005, Volume 25, Number 1. Throughout this article, comparisons are made between the published 1998, 2002, and 2006 data.

<sup>4</sup> For a discussion of Congressional concerns about abusive foreign trust arrangements, see the *General Explanation of Tax Legislation Enacted in the 104<sup>th</sup> Congress*, Joint Committee on Taxation, December 16, 1996, pp. 267-278. In 1997, the Internal Revenue Service issued Notice 97-24, which describes abusive trust arrangements.

<sup>5</sup> Adapted from Internal Revenue Service Notice 97-34, *Information Reporting on Transactions With Foreign Trusts and on Large Foreign Gifts*.

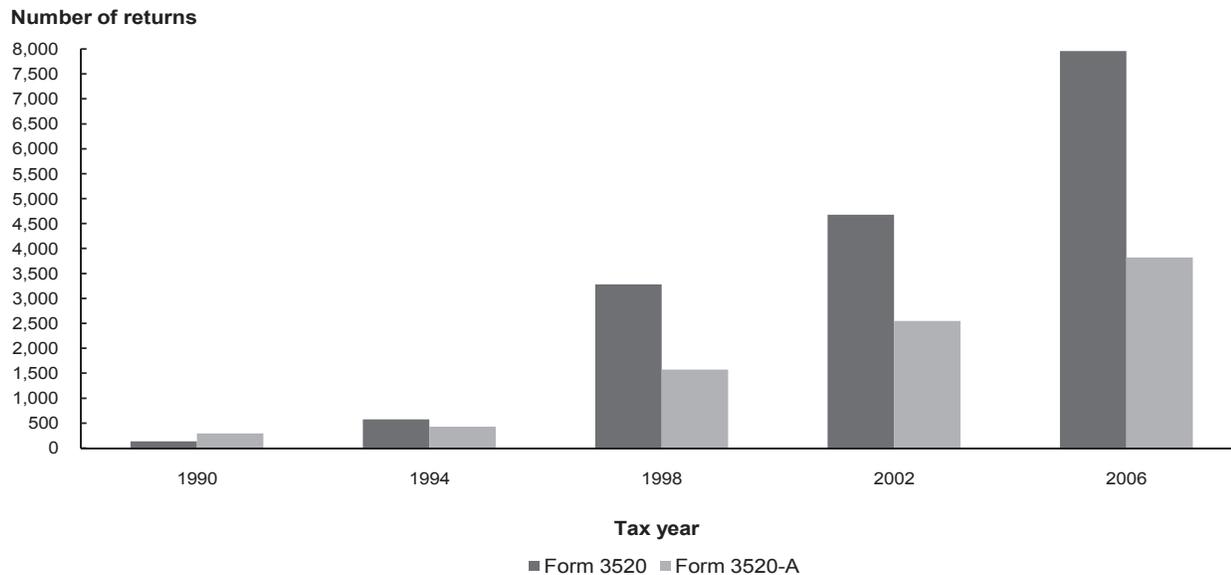
<sup>6</sup> SOI foreign trust studies have been conducted since 1979 and are currently conducted once every 4 years. Recent studies were conducted for 1998 and 2002.

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Figure A

### Number of Returns Reporting Trust Transactions and Certain Gifts (Forms 3520) and Number of Foreign Grantor Trust Returns (Forms 3520-A), by Selected Tax Years, 1990-2006



“beneficiaries”).<sup>7</sup> The property (or “corpus”) can be real, personal, or intangible. The trust arrangement can be an “inter vivos trust” created by a living grantor, or a “testamentary trust” created as the result of the grantor’s will. A transfer to a trust may be permanent (irrevocable) or may be reversible (revocable).

For a trust to exist, there must be separation of its ownership interests, vested in the trustee(s), from its beneficial interests. One person cannot be the grantor, trustee, and sole beneficiary of a trust all at the same time. Trusts may have multiple grantors, trustees, and beneficiaries. In general, when trusts have multiple grantors or beneficiaries, there is a separation of interests between grantors and beneficiaries, and a valid trust arrangement exists.

The fiduciary nature of a trust imposes substantial responsibilities on the trustee(s), including a duty to act solely in the interest of the beneficiary. The powers, duties, restrictions, and obligations of the trust, as well as the rights of the beneficiary, are

based on the provisions of the trust agreement and the laws of the jurisdiction in which the trust was created. The beneficiary has the right to benefit from the trust’s property, usually through receipt of the income produced from investments made by the trustee(s), or from the distribution of the trust property itself.

There are numerous types of trust arrangements, reflecting different motives of their grantors. Trusts are commonly employed for commercial, estate planning, and charitable purposes. Commercial trusts may be created as structures for profit-making enterprises, investment activities, and liquidation of assets. In estate planning, trusts may arrange transfer of property at death, provide for family members’ well-being, structure access to assets and income, and avoid probate. Charitable trusts may be used to fund charitable organizations while providing certain income or tax benefits to the grantor or other noncharitable beneficiaries.<sup>8</sup> The flexibility of

<sup>7</sup> Certain trust arrangements may benefit charities in addition to other beneficiaries. See the discussion of charitable trusts in this section.

<sup>8</sup> A comprehensive discussion of the types of trust arrangements is outside the scope of this article. For additional information on certain trust arrangements, see Schreiber, Lisa, “Split-Interest Trusts, Filing Year 2007,” *Statistics of Income Bulletin*, Winter 2009, Volume 28, Number 3; Belmonte, Cynthia, “Private Foundations and Charitable Trusts, Tax Year 2006,” in this volume; and Schreiber, Lisa, “Fiduciary Income Tax Returns, Filing Years 2003 and 2004,” *Statistics of Income Bulletin*, Fall 2005, Volume 25, Number 1.

trust arrangements, as shown by these examples, is one reason trusts are increasing in popularity.

A trust may be “foreign” or “domestic.” Under current law, a trust is treated as foreign unless two conditions both apply: 1) a court in the United States exercises primary supervision over the trust; and 2) one or more persons in the United States have authority to control all substantial decisions of the trust. The creation of a trust may result in U.S. income tax obligation on the grantor, the trust, and/or the beneficiary. In general, domestic trusts are taxed as U.S. citizens or residents, whereas foreign trusts are taxed as nonresident aliens.

Factors a grantor might consider in selecting a jurisdiction in which to create a trust include the political and economic stability of a country, available banking and trust facilities, applicable trust laws, and tax laws. For example, foreign trusts may be created by U.S. persons seeking to take advantage of favorable treatment of property in certain jurisdictions.<sup>9</sup> These countries generally have property, tax, and privacy laws favorable to foreign persons. For instance, they may seek to attract foreign investment by having no income tax or by offering low income tax rates. In addition, their courts may refuse to honor adverse judgements made in other jurisdictions. Also, it is not uncommon for certain jurisdictions to have bank or commercial secrecy laws that prevent foreign governments from obtaining financial information about persons transacting business in their countries.

A trust may be a “grantor” or “nongrantor” trust (see Notes and References, Note 1). The grantor may also hold a reversionary interest in the trust, meaning that the grantor has a right to future enjoyment of trust property. The grantor is then treated as the “owner” of the portion of the trust to which his or her power or interest applies.<sup>10</sup> Generally, the grantor trust’s income and expenses attributable to the U.S. owner must be included on the owner’s U.S. income tax return. In addition, under “grantor trust rules,” foreign trusts to which U.S. persons have transferred property are treated as grantor trusts if they have any U.S. beneficiaries.<sup>11</sup>

A nongrantor trust is one in which the grantor does not retain any control over the trust assets or income, and the grantor is not treated as the owner by the Internal Revenue Code. Generally, the income from a nongrantor trust is taxed to the beneficiaries as it is distributed.

### Filing Characteristics of Forms 3520

A Form 3520 must be filed by any U.S. person who: 1) transferred money or other property to a foreign trust after August 20, 1996; or 2) held a “qualified obligation” (note) from a foreign trust which was issued after August 20, 1996; or 3) was a U.S. owner of all or part of a foreign trust at any time during the tax year; or 4) received a distribution from a foreign trust; or 5) received a loan from a foreign trust after August 20, 1996; or 6) received certain gifts or inheritances from a foreign person after August 20, 1996.<sup>12</sup> Since a foreign trust may have more than one U.S. owner and more than one U.S. beneficiary, multiple Forms 3520 may relate to one foreign trust (which, in turn, would file one Form 3520-A, if it had a U.S. owner).

More than 90 percent of U.S. persons filing Form 3520 were individuals (Figure B). Other filing entities included corporations, executors, partnerships, and domestic trusts. The majority of Forms 3520 filed reported trust transactions or trust ownership, although 33 percent of Forms 3520 related to gift or bequest transactions (Figure C).

**Figure B**

**Forms 3520, by Type of Filer, Tax Year 2006**

Type of filer	Number of returns	Percentage of total
<b>Total</b>	<b>7,956</b>	<b>100.0</b>
Corporations	86	1.1
Executors	23	0.3
Individuals	7,176	90.2
Partnerships	144	1.8
Trusts	527	6.6

<sup>9</sup> For a discussion of these issues, see *Consolidated Application Note, Guidance In Applying the 1998 Report to Preferential Tax Regimes*, Center for Tax Policy and Administration, Organization for Economic Co-operation and Development (OECD), March 22, 2004; and *Harmful Tax Competition, An Emerging Global Issue* (1998), Organization for Economic Co-operation and Development (OECD).

<sup>10</sup> See the Explanation of Selected Terms section of this article for a definition of “owner” of a foreign trust.

<sup>11</sup> Grantor trust rules are contained in sections 671 through 679 of the Internal Revenue Code.

<sup>12</sup> Forms 3520 filed by U.S. persons receiving certain gifts or bequests generally do not represent transactions with related foreign trusts.

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**Figure C**

### Forms 3520, by Type of Transaction, Tax Year 2006

Type of transaction [1]	Number of transactions	Percentage of total
<b>Total</b>	<b>8,302</b>	<b>100.0</b>
Trust transactions, total	5,200	62.6
Grantor trust	3,374	40.6
Nongrantor trust	1,241	14.9
Unknown trust	585	7.0
Gift or bequest transactions	2,748	33.1
Transaction not specified	354	4.3

[1] Taxpayers may use a particular Form 3520 to report both trust and gift or bequest transactions. Consequently, the sum of total trust transactions, gift or bequest transactions, and unspecified transactions is greater than the total number of Forms 3520 filed, which was 7,956 for Tax Year 2006.

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

### Gratuitous Transfers to Foreign Trusts Reported on Form 3520

Gratuitous transfers are transactions in which property is transferred to a foreign trust for less than fair market value or for no consideration in return. Gratuitous transfers are a common method for U.S. persons establishing new foreign trusts or adding assets to an extant trust to transfer control of property to the foreign trust. For 2006, \$1,642 million in gratuitous transfers were reported by U.S. persons on 752 Forms 3520.

Table 1 presents the fair market value of transferred property, classified by the country in which the foreign trust was created. The total value of transferred property varied widely by country, ranging from a low of \$0.2 million for trusts created in Panama to a high of nearly \$236 million for trusts created in Jersey. Aggregate transfers of over \$100 million were also reported to trusts created in the Cook Islands, Liechtenstein, St. Christopher/Nevis, the Bahamas, and New Zealand.

Figure D presents historical information about property gratuitously transferred to foreign trusts for 1990 through 2006. During that time, the total value

of transferred property rose from \$273 million per year for Tax Year 1990 to a high of \$2,190 million per year for Tax Year 2002. For the period from 1990 through 1998 and for 2006, the average transfer per trust was approximately \$2 million. For 2002, however, the average transfer per trust was approximately \$5 million.

In addition to gratuitous transfers, property may be transferred by U.S. persons to a related foreign trust in exchange for a “qualified” obligation (or note) from the trust. For these cases, “arm’s length” relationships are established between the foreign trusts and the persons holding the obligations.<sup>13</sup> For 2006, there were 8 such transfers, with the fair market value of the obligations totaling \$5 million. These transfers are excluded from the data shown in Figure D and Table 1.

### Distributions from Nongrantor Foreign Trusts to U.S. Persons Reported on Form 3520

Distributions of \$2,878 million from nongrantor trusts were reported on Forms 3520 for 2006, an increase from the \$311 million of nongrantor trust distributions reported for 2002. (Distributions from grantor trusts reported on Form 3520-A will be discussed in a later section of this article).<sup>14</sup> Table 2 presents the value of these distributions classified by selected country of the foreign trust. The largest amount of distributions, \$1,956 million, was attributable to trusts located in Switzerland. Other countries with large aggregate distributions were Liechtenstein (\$315 million), the United Kingdom and Northern Ireland (\$106 million), and Bermuda (\$104 million).

In addition to, and separate from, these distributions, foreign trusts loaned approximately \$531 million to U.S. persons. A loan from a foreign trust is treated as a distribution unless the obligation issued is a “qualified” obligation, i.e., an obligation that is reflective of an arm’s-length relationship between the trust and taxpayer.

There are special “throwback rules” that apply to distributions from foreign trusts. In general, these rules are designed to prevent the accumulation of

<sup>13</sup> In an “arm’s-length” relationship, the parties in the relationship are on equal footing, free and independent of each other, and without some special relationship to each other. Hence, an agreement between two parties in an “arm’s-length” relationship reflects fair, realistic conditions and requirements. The Internal Revenue Regulations relating to “qualified” obligations of foreign trusts are intended to impose an “arm’s-length” relationship between the foreign trust and the person holding the obligation. Consequently, the interest rates and maturity of qualified obligations must reflect market conditions.

<sup>14</sup> This article shows separate distribution amounts for taxpayers filing Forms 3520 and Forms 3520-A. These separate statistics do not represent duplicate amounts of distributions from the same transactions. Instructions for the 2006 Form 3520 specify that distributions properly reported by a foreign grantor trust on Form 3520-A need not be separately disclosed again on Form 3520 by a beneficiary. In addition, the distribution amount presented for Form 3520 filers is for nongrantor trusts only.

Figure D

**Forms 3520 With Gratuitous Transfers: Number and Total and Average Transfer Values, Selected Tax Years, 1990-2006**

[Money amounts are in thousands of dollars]

Tax year	Number of returns with transfers	Transfer value [1]	
		Total	Average
	(1)	(2)	(3)
1990	133	272,663	2,050
1994	321	614,269	1,914
1998	384	851,828	2,218
2002	429	2,189,627	5,104
2006	752	1,641,981	2,183

[1] Fair market value. Amounts are in current dollars.

income by a trust during the trust’s high-income years for distribution to beneficiaries during the trust’s low-income years in order to minimize beneficiaries’ tax liability by taking advantage of the structure of the marginal tax rates. If distributions from a foreign trust exceed a certain amount for a tax year—generally, the “distributable net income” of the trust in that year—the excess is considered to be an “accumulation distribution.”

The throwback rules are designed to tax beneficiaries on accumulation distributions at a rate equal to the rate that would have been in effect had the income been distributed in the year it was earned by the trust.<sup>15</sup> This tax is computed on Form 4970, *Tax on Accumulation Distribution of Trusts*. An interest charge is also imposed on the tax calculated on accumulation distributions, based on the length of time the tax has been deferred. For 2006, approximately \$105 million were treated as accumulation distributions, and the tax attributable to such accumulation distributions (including interest) was \$9 million.

**Gifts or Bequests From Foreign Persons Reported on Form 3520**

U.S. taxpayers were also required to file Form 3520 if they received either: 1) more than \$100,000 from a nonresident alien individual or foreign estate that was treated as a gift or bequest, or 2) more than \$12,760 that was treated as a gift from a foreign corporation

or partnership. Recipients of gifts or bequests were required to aggregate separate gifts from related foreign persons during 2006 in order to ascertain if the \$100,000 or \$12,760 threshold amounts had been met. For 2006, \$2,869 million were reported as gifts or bequests from nonresident alien individuals or foreign estates, while \$22 million were reported as gifts from foreign corporations or foreign partnerships. No U.S. tax was imposed on these gifts or bequests. The total value of gifts or bequests for 2006 (\$2,891 million) is an increase of more than 25 percent from the value of gifts or bequests for 2002 (\$2,305 million).

**Filing Characteristics of Form 3520-A—Foreign Trusts With U.S. Owners**

For 2006, 3,819 Form 3520-A information returns were filed with the Internal Revenue Service. These returns relate to foreign trusts having at least one U.S. owner under the grantor trust rules of Internal Revenue Code sections 671 through 679. The substantial increase in the number of Forms 3520-A filed (from 291 for Tax Year 1990 to 3,819 for Tax Year 2006) reflects increased foreign trust activity by U.S. taxpayers, i.e., foreign grantor trusts have become a more common part of taxpayers’ investment portfolios.

Table 3 presents income statement, expense, distribution, and balance sheet items for these returns classified by the size of the net income or loss of

<sup>15</sup> The rules for calculation of “accumulation distributions” for foreign trusts are complex, and outside the scope of this article. See Internal Revenue Code sections 665 through 667 for additional information.

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the foreign trust. Net income or loss of the foreign trust may be used as one measure of the return on trust assets. For 2006, foreign trusts showed a wide distribution of net income, from returns with a net loss (deficit) to returns with income greater than \$10 million. The returns with large net income may reflect the use of foreign trusts as investment vehicles by corporate or partnership entities.

Total income of \$2,450 million and total expenses of \$509 million were reported on all returns. Most of the income (or loss) reported was investment-related, including interest, dividends, capital gains, and partnership income. Aggregate gains were reported in short-term and long-term capital gain (less loss) and ordinary gain (less loss) income categories. These gains may be the result of a general increase in global equity asset prices that began in 2002 and continued through 2006.<sup>16</sup> After deducting expenses, net income of \$1,941 million was reported—an average of approximately \$0.5 million per trust. The aggregate value of \$1,802 million of distributions was smaller than the aggregate size of net income.

The largest specific asset items reported on Form 3520-A were other marketable and nonmarketable securities. Together, these two groups of assets comprised nearly 35 percent of the \$31,888 million in total assets. Average total assets per trust (in current dollars) rose from approximately \$0.5 million per trust for 1990 to \$8.4 million per trust for 2006. The largest liability item, \$1,232 million of mortgages and notes payable, made up nearly 43 percent of total liabilities. The total net worth reported, \$29,008 million, was comprised of \$16,254 million of contributions to the trust corpus, \$2,504 million of accumulated trust income, and \$10,251 million of other net worth.

Table 4 presents the Form 3520-A data classified by the country in which the trust or trustee was located. Mexico, the Cook Islands, St. Christopher/Nevis, and Bermuda were the most popular jurisdictions for trust location. However, the data show trusts located across the world. Foreign trusts located in the Cayman Islands showed the largest total income (\$777 million), and trusts located in Mexico held the most assets (\$9,091 million). Most of the income for the Cayman Islands trusts was

net long-term capital gain income. In addition, the largest aggregate distribution amount, \$404 million, was attributable to trusts located in the Cayman Islands. Distributions in excess of \$100 million were also reported for trusts located in the Isle of Man, Mexico, Argentina, Bermuda, and the Cook Islands.

The composition of trust assets differs by country and may be reflective of many factors, including the different investment opportunities each country afforded. For example, 48 percent of cash assets were held in the Cook Islands, the Cayman Islands, the Bahamas, and Liechtenstein. A large portion (over 52 percent) of marketable securities assets were held in the Cayman Islands, the Cook Islands, Switzerland, the Bahamas, and Liechtenstein while the largest portions of nonmarketable securities assets were held in the Bahamas, the Cayman Islands, the United Kingdom and Northern Ireland, and Switzerland. Over 30 percent of real property assets were held in Mexico.

### Summary

The 2006 foreign trust statistics, reported on Forms 3520 and 3520-A, is consistent with substantial and increasing interest in Foreign investment by U.S. taxpayers. From 1990 through 2006, the number of Form 3520 returns filed reporting foreign trust transactions and certain foreign gifts rose from 133 returns for 1990 to 7,956 returns for 2006 while the number of Form 3520-A foreign grantor trust returns filed rose from 291 returns for 1990 to 3,819 returns for 2006. The total value of property transferred, as reported on Form 3520, rose from \$273 million for 1990 to \$1,642 million for 2006. During the same period, net income reported by foreign grantor trusts increased from \$3 million to \$1,941 million, and total assets of these trusts increased from \$154 million to \$31,888 million. In addition, for 2006, U.S. persons reported \$2,878 million of distributions from foreign nongrantor trusts and \$2,891 million of foreign gifts and bequests.

### Data Sources and Limitations

The statistics for 2006 presented in this article were based on all Forms 3520 and 3520-A with tax periods that ended during Calendar Year 2006 filed at the

<sup>16</sup> For a discussion of global equity market conditions from 2002 through 2006, see *Financial Market Trends*, No. 93, November 2007, Organization for Economic Cooperation and Development (OECD).

Internal Revenue Service's Philadelphia and Ogden Submissions Processing Centers.<sup>17</sup> All returns were used for the statistics. Consequently, the data are not subject to sampling error. However, certain returns filed were unable to be located for the study. In addition, other returns for Calendar Year 2006 were filed too late to be included in the study. Hence, data from missing and late-filed returns were not included in the statistics presented.

The data may, however, contain nonsampling errors. For instance, since Forms 3520 and 3520-A are information returns, taxpayer reporting, as originally filed, was occasionally incomplete. Where possible, inconsistencies in the data were resolved to conform to provisions of the Internal Revenue Code. In cases where information reported was not internally consistent, other data on the return were used to resolve errors. For example, in certain cases, U.S. addresses were reported for the "foreign" grantor trust. In such cases, the location of the trustee was used as a proxy for the location of the grantor trust.

The statistics shown in Table 1 pertaining to Forms 3520 with gratuitous transfers were classified by selected country in which the foreign trust was created. However, the country in which the foreign trust was created was unavailable for the statistics pertaining to Forms 3520 with nongrantor trust distributions shown in Table 2. Consequently, these statistics were classified by deriving the country of the foreign trust from the trust's address.

Since a foreign trust may have more than one owner and more than one beneficiary, multiple Form 3520 filings may relate to the one Form 3520-A filed. In these cases, an attempt was made to match and verify information between the Forms 3520 and the Form 3520-A. However, certain returns were unavailable for the statistics, and it was not always possible to match the information.

This study (as well as the 1998 and 2002 studies) did not include returns filed by owners of Canadian Registered Retirement Savings Plan (RRSP) trusts. The current filing requirements for Forms 3520 and 3520-A exclude filings for RRSP trusts if the trust would qualify for treaty benefits under the Convention Between the United States and Canada with Respect to Taxes on Income and Capital. Other previous SOI studies of foreign trusts have included RRSP trusts, and data for these trusts are included in the statistics cited in this article for 1990 and 1994. However, for

those study years, the aggregate income, asset, and distribution values reported for RRSP trusts were small in comparison to other trusts located in different jurisdictions. As a result, comparisons using the 1990 and 1994 data are not significantly affected by the exclusion of RRSP trusts for 1998, 2002, and 2006.

## Explanation of Selected Terms

*Beneficiary*—The person who is to receive the benefits (usually income or tangible property) from the trust. A beneficiary may be the person who created the trust. A trust can have multiple beneficiaries.

*Corpus*—The property that is held in trust. For tax purposes, this property is distinguishable from accumulations of income by the trust.

*Distributable net income*—Distributable net income (DNI) generally is the annual net income of a trust before any deduction for distribution to beneficiaries.

*Executor*—A person named in a will by the decedent for responsibility to execute the terms of the will.

*Grantor*—The grantor (or creator or settlor) is the person who places property (corpus) in trust. In the case of a revocable trust, the grantor is treated as the owner of the portion of the trust to which his or her power or retained interest applies. A grantor may add assets to a trust after it is established in exchange for beneficial interest in it.

*Owner*—An owner of a foreign trust is the person who is treated as owning any of the assets of a foreign trust under the grantor trust rules contained in sections 671 through 679 of the Internal Revenue Code.

*Trustee*—A trustee holds legal title to the assets placed in trust and has the power to manage and control the property. The trustee has a fiduciary duty to exercise these powers for the benefit of the beneficiaries according to the terms of the governing instrument. The discretion allowed the trustee may range from very broad to strictly limited.

*Trust instrument*—The legal document that names the parties and establishes the duties and powers of the trustee and the rights of the beneficiaries.

*Trust protector*—An optional third party, which is usually responsible for monitoring the trustee's performance and can replace the trustee under specified conditions.

*U.S. person*—The term "U.S. person" includes individuals, corporations, partnerships, trusts, and estates. Individuals include U.S. citizens and residents.

<sup>17</sup> U.S. taxpayers who receive distributions characterized as accumulation distributions file Form 4970 to compute tax on such distributions. The tax amount computed on Form 4970 is then carried over to Form 3520.

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**Table 1. Forms 3520 With Gratuitous Transfers: Number and Total and Average Transfer Values, by Selected Country Where Trust Was Created, Tax Year 2006**

[Money amounts are in thousands of dollars]

Country or area	Number of returns with transfers	Transfer value [1]	
		Total	Average
	(1)	(2)	(3)
<b>All countries</b>	<b>752</b>	<b>1,641,981</b>	<b>2,183</b>
Australia	13	11,205	862
Bahamas	37	132,182	3,572
Belize	21	42,399	2,019
Bermuda	33	65,666	1,990
British Virgin Islands	6	86,255	14,376
Canada	37	36,496	986
Cayman Islands	22	85,962	3,907
Cook Islands	74	227,387	3,073
Gibraltar	4	37,308	9,327
Guernsey	4	26,032	6,508
Isle of Man	34	42,491	1,250
Jersey	24	235,954	9,831
Liechtenstein	29	196,654	6,781
Mexico	81	54,866	677
Netherlands Antilles	5	537	107
New Zealand	19	118,469	6,235
Panama	3	229	76
St. Christopher/Nevis	129	138,298	1,072
St. Vincent and Grenadines	3	1,754	585
Switzerland	3	2,892	964
Turks and Caicos Islands	9	3,408	379
United Kingdom and Northern Ireland	26	12,398	477
Not specified or other	136	83,139	611

[1] Fair market value.

NOTES: Detail may not add to total because of rounding. Form 3520 is entitled: *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts*.

Gratuitous transfers are transactions in which property is transferred to foreign trusts for less than fair market value, or for no consideration in return.

**Table 2. Forms 3520 With Nongrantor Trust Distributions: Number and Value of Distributions, by Selected Country of Foreign Trust, Tax Year 2006**

[Money amounts are in thousands of dollars]

Country or area	Number of returns with distributions	Distributions
<b>All countries</b>	<b>1,200</b>	<b>2,877,742</b>
Australia	8	395
Bahamas	101	65,019
Bermuda	157	103,514
British Virgin Islands	28	14,735
Canada	148	28,972
Cayman Islands	107	46,619
Channel Islands	39	59,864
Guernsey	39	49,312
Isle of Man	5	5,711
Jersey	38	36,596
Liechtenstein	90	314,622
Netherlands Antilles	11	3,323
Panama	4	1,913
South Africa, Republic of	29	3,120
Switzerland	130	1,955,575
United Kingdom and Northern Ireland	161	106,000
Not specified or other	105	82,453

NOTES: Detail may not add to total because of rounding. Form 3520 is entitled: *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts*.

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**Table 3. Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expenses, and Balance Sheet Items, by Size of Net Income or Deficit, Tax Year 2006**

[Money amounts are in thousands of dollars]

Size of net income (loss)	Number of returns	Income			
		Total	Interest	Dividends	Rents
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>3,819</b>	<b>2,450,046</b>	<b>360,423</b>	<b>305,552</b>	<b>133,719</b>
Zero or net deficit	1,805	166,054	21,678	80,489	104,266
\$1 under \$25,000	740	15,511	8,911	2,228	1,882
\$25,000 under \$50,000	222	12,871	4,491	2,868	1,806
\$50,000 under \$100,000	258	23,936	7,920	6,007	1,231
\$100,000 under \$250,000	287	62,926	19,828	10,424	4,328
\$250,000 under \$500,000	163	69,142	23,013	13,216	2,607
\$500,000 under \$1,000,000	121	107,211	21,642	15,542	7,488
\$1,000,000 under \$5,000,000	168	426,584	87,129	46,781	9,846
\$5,000,000 under \$10,000,000	21	167,162	5,723	54,445	265
\$10,000,000 under \$50,000,000	27	640,936	62,634	60,870	[1]
\$50,000,000 and over	7	757,714	97,453	12,683	0

Size of net income (loss)	Income—continued				
	Partnership net income (loss)	Net short-term capital gain (loss)	Net long-term capital gain (loss)	Ordinary gain (loss)	Other income (loss)
	(6)	(7)	(8)	(9)	(10)
<b>All returns</b>	<b>410,345</b>	<b>125,958</b>	<b>734,709</b>	<b>34,084</b>	<b>345,256</b>
Zero or net deficit	-15,086	-4,765	-17,616	-5,995	3,082
\$1 under \$25,000	185	407	1,135	21	742
\$25,000 under \$50,000	355	846	848	169	1,489
\$50,000 under \$100,000	35	1,035	5,462	-202	2,448
\$100,000 under \$250,000	-2,578	3,448	19,562	-153	8,067
\$250,000 under \$500,000	-1,586	4,045	22,422	918	4,506
\$500,000 under \$1,000,000	4,618	7,162	27,935	1,711	21,113
\$1,000,000 under \$5,000,000	32,537	30,458	160,574	8,936	50,323
\$5,000,000 under \$10,000,000	16,139	3,161	79,140	253	8,036
\$10,000,000 under \$50,000,000	21,025	49,149	301,046	28,426	117,786
\$50,000,000 and over	354,700	31,012	134,202	0	127,664

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 3. Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expenses, and Balance Sheet Items, by Size of Net Income or Deficit, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Size of net income (loss)	Expenses				
	Total	Interest	Foreign taxes paid	State and local taxes paid	Amortization and depreciation
	(11)	(12)	(13)	(14)	(15)
<b>All returns</b>	<b>509,370</b>	<b>197,291</b>	<b>11,185</b>	<b>2,138</b>	<b>30,400</b>
Zero or net deficit	287,809	133,798	1,594	1,134	26,336
\$1 under \$25,000	9,504	5,490	149	39	276
\$25,000 under \$50,000	4,791	837	105	31	102
\$50,000 under \$100,000	5,332	637	239	103	167
\$100,000 under \$250,000	17,876	5,007	600	218	226
\$250,000 under \$500,000	11,174	2,226	858	97	241
\$500,000 under \$1,000,000	25,399	5,703	715	34	429
\$1,000,000 under \$5,000,000	56,960	16,181	1,754	475	1,806
\$5,000,000 under \$10,000,000	9,797	2,506	2,989	5	44
\$10,000,000 under \$50,000,000	33,240	18,725	1,046	0	674
\$50,000,000 and over	47,488	6,181	1,135	[1]	97

Size of net income (loss)	Expenses—continued			Net income (loss)	Distributions
	Trustee and advisor fees	Charitable contributions	Other		
	(16)	(17)	(18)	(19)	(20)
<b>All returns</b>	<b>30,113</b>	<b>37,398</b>	<b>200,845</b>	<b>1,940,677</b>	<b>1,801,699</b>
Zero or net deficit	5,893	2,956	116,098	-121,755	338,574
\$1 under \$25,000	1,668	1	1,881	6,007	57,882
\$25,000 under \$50,000	1,487	2	2,228	8,081	38,268
\$50,000 under \$100,000	1,894	36	2,255	18,604	25,496
\$100,000 under \$250,000	3,294	525	8,006	45,050	91,562
\$250,000 under \$500,000	2,329	353	5,069	57,967	102,638
\$500,000 under \$1,000,000	2,510	16	15,992	81,812	66,737
\$1,000,000 under \$5,000,000	6,826	5,370	24,547	369,624	195,730
\$5,000,000 under \$10,000,000	909	780	2,564	157,364	176,921
\$10,000,000 under \$50,000,000	3,137	8	9,649	607,697	257,055
\$50,000,000 and over	167	27,351	12,555	710,226	450,837

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 3. Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expenses, and Balance Sheet Items, by Size of Net Income or Deficit, Tax Year 2006**

[Money amounts are in thousands of dollars]

Size of net income (loss)	Number of returns	Income			
		Total	Interest	Dividends	Rents
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>3,819</b>	<b>2,450,046</b>	<b>360,423</b>	<b>305,552</b>	<b>133,719</b>
Zero or net deficit	1,805	166,054	21,678	80,489	104,266
\$1 under \$25,000	740	15,511	8,911	2,228	1,882
\$25,000 under \$50,000	222	12,871	4,491	2,868	1,806
\$50,000 under \$100,000	258	23,936	7,920	6,007	1,231
\$100,000 under \$250,000	287	62,926	19,828	10,424	4,328
\$250,000 under \$500,000	163	69,142	23,013	13,216	2,607
\$500,000 under \$1,000,000	121	107,211	21,642	15,542	7,488
\$1,000,000 under \$5,000,000	168	426,584	87,129	46,781	9,846
\$5,000,000 under \$10,000,000	21	167,162	5,723	54,445	265
\$10,000,000 under \$50,000,000	27	640,936	62,634	60,870	[1]
\$50,000,000 and over	7	757,714	97,453	12,683	0

Size of net income (loss)	Income—continued				
	Partnership net income (loss)	Net short-term capital gain (loss)	Net long-term capital gain (loss)	Ordinary gain (loss)	Other income (loss)
	(6)	(7)	(8)	(9)	(10)
<b>All returns</b>	<b>410,345</b>	<b>125,958</b>	<b>734,709</b>	<b>34,084</b>	<b>345,256</b>
Zero or net deficit	-15,086	-4,765	-17,616	-5,995	3,082
\$1 under \$25,000	185	407	1,135	21	742
\$25,000 under \$50,000	355	846	848	169	1,489
\$50,000 under \$100,000	35	1,035	5,462	-202	2,448
\$100,000 under \$250,000	-2,578	3,448	19,562	-153	8,067
\$250,000 under \$500,000	-1,586	4,045	22,422	918	4,506
\$500,000 under \$1,000,000	4,618	7,162	27,935	1,711	21,113
\$1,000,000 under \$5,000,000	32,537	30,458	160,574	8,936	50,323
\$5,000,000 under \$10,000,000	16,139	3,161	79,140	253	8,036
\$10,000,000 under \$50,000,000	21,025	49,149	301,046	28,426	117,786
\$50,000,000 and over	354,700	31,012	134,202	0	127,664

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 3. Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expenses, and Balance Sheet Items, by Size of Net Income or Deficit, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Size of net income (loss)	Liabilities				
	Total [2]	Accounts payable	Contributions, gifts, and grants payable	Mortgages and notes payable	Other
	(33)	(34)	(35)	(36)	(37)
<b>All returns</b>	<b>2,879,391</b>	<b>415,809</b>	<b>9,560</b>	<b>1,232,157</b>	<b>1,222,725</b>
Zero or net deficit	2,266,059	379,431	3,591	854,987	1,028,906
\$1 under \$25,000	130,136	4,584	336	61,712	63,515
\$25,000 under \$50,000	19,778	1,272	0	16,254	2,252
\$50,000 under \$100,000	24,555	2,569	4	19,830	2,142
\$100,000 under \$250,000	114,622	4,517	1,174	95,417	13,513
\$250,000 under \$500,000	37,739	1,990	96	17,375	18,277
\$500,000 under \$1,000,000	100,898	2,690	0	87,248	10,968
\$1,000,000 under \$5,000,000	138,721	18,274	4,360	79,334	36,753
\$5,000,000 under \$10,000,000	17,320	78	0	0	17,242
\$10,000,000 under \$50,000,000	26,745	405	0	0	26,341
\$50,000,000 and over	2,818	0	0	0	2,818

Size of net income (loss)	Net worth			
	Total [2]	Contributions to trust corpus	Accumulated trust income (loss)	Other
	(38)	(39)	(40)	(41)
<b>All returns</b>	<b>29,008,114</b>	<b>16,253,996</b>	<b>2,503,524</b>	<b>10,250,595</b>
Zero or net deficit	3,861,926	3,540,007	-71,462	393,381
\$1 under \$25,000	462,015	422,827	-10,919	50,108
\$25,000 under \$50,000	556,967	366,707	146,045	44,215
\$50,000 under \$100,000	702,971	576,615	45,475	80,881
\$100,000 under \$250,000	1,271,617	923,418	113,405	234,795
\$250,000 under \$500,000	1,314,975	1,068,406	223,830	22,740
\$500,000 under \$1,000,000	1,428,692	913,392	237,641	277,658
\$1,000,000 under \$5,000,000	4,598,173	3,372,234	519,840	706,100
\$5,000,000 under \$10,000,000	1,327,233	1,097,344	132,907	96,982
\$10,000,000 under \$50,000,000	9,632,741	3,270,202	795,345	5,567,193
\$50,000,000 and over	3,850,804	702,845	371,419	2,776,540

[1] Less than \$500.

[2] The data are based on unaudited Forms 3520-A. The sum of balance sheet components may not equal total assets, total liabilities, or total net worth due to taxpayer reporting discrepancies, including the filing of incomplete balance sheets.

NOTES: Detail may not add to totals because of rounding. Form 3520-A is entitled: *Annual Information Return of Foreign Trust With a U.S. Owner.*

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006**

[Money amounts are in thousands of dollars]

Country or area	Number of returns	Income			
		Total	Interest	Dividends	Rents
	[1]	(2)	(3)	(4)	(5)
<b>All countries</b>	<b>3,819</b>	<b>2,450,046</b>	<b>360,423</b>	<b>305,552</b>	<b>133,719</b>
Argentina	3	13,436	13,436	0	0
Australia	59	27,901	1,142	3,458	1,156
Bahamas	203	209,055	27,458	20,288	321
Barbados	8	2,891	3,468	1,807	[1]
Belize	104	21,493	4,776	1,933	987
Bermuda	312	78,726	9,940	7,111	1,282
British Virgin Islands	52	16,770	2,518	1,350	436
Canada	155	114,449	3,226	13,939	74,614
Cayman Islands	227	777,266	41,536	122,824	1,337
Channel Islands	102	29,648	7,492	4,451	397
Cook Islands	460	240,942	39,354	20,985	2,885
Costa Rica	24	25	17	6	0
Cyprus	3	66	9	0	0
Germany	4	127	26	120	4
Gibraltar	31	16,107	3,570	1,791	0
Guam	10	1,184	72	22	304
Guernsey	52	37,381	5,109	1,456	446
Hong Kong	8	148	117	68	0
India	6	86	44	25	0
Isle of Man	109	181,176	9,681	5,420	16
Jersey	65	34,503	12,139	3,434	12,799
Liechtenstein	104	135,883	12,634	9,917	230
Mauritius	11	3,007	1,344	222	122
Mexico	509	153,689	75,926	31,031	5,351
Monaco	3	197	197	0	0
Netherlands	4	1,723	66	844	20
Netherlands Antilles	8	935	10	0	0
New Zealand	40	36,263	1,068	5,896	10,387
Panama	15	350	312	47	0
South Africa, Republic of	19	1,060	424	86	47
St. Christopher/Nevis	349	28,353	10,605	2,885	4,472
St. Vincent and Grenadines	9	6,347	380	155	0
Switzerland	40	59,177	8,855	11,198	15
Turks and Caicos Islands	15	3,870	697	251	14
United Kingdom and Northern Ireland	99	37,190	13,902	7,559	9,638
Not specified or other	597	178,621	48,879	24,975	6,440

Footnotes at end of table.

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Income—continued				
	Partnership net income (loss)	Net short-term capital gain (loss)	Net long-term capital gain (loss)	Ordinary gain (loss)	Other income (loss)
	(6)	(7)	(8)	(9)	(10)
<b>All countries</b>	<b>410,345</b>	<b>125,958</b>	<b>734,709</b>	<b>34,084</b>	<b>345,256</b>
Argentina	0	0	0	0	0
Australia	-1,328	12	11,930	0	11,531
Bahamas	2,032	4,466	15,838	1,029	137,623
Barbados	-7,675	1,645	3,660	0	-13
Belize	1,383	767	5,034	-231	6,844
Bermuda	3,230	1,151	45,439	117	10,457
British Virgin Islands	577	-231	11,037	-108	1,191
Canada	3,920	243	12,469	57	5,983
Cayman Islands	207,588	49,930	273,694	1,150	79,205
Channel Islands	66	2,638	13,232	-1,344	2,716
Cook Islands	2,414	7,009	141,789	2,725	23,782
Costa Rica	-15	[1]	17	0	0
Cyprus	0	0	0	0	58
Germany	-1	51	-72	-1	0
Gibraltar	4	185	6,279	0	4,278
Guam	684	3	49	31	18
Guernsey	2,821	673	21,804	-160	5,231
Hong Kong	0	-29	7	0	-13
India	0	5	12	0	0
Isle of Man	133,851	9,392	21,222	26	1,567
Jersey	-3,268	10,986	4,644	-77	-6,153
Liechtenstein	49,054	7,935	28,603	75	27,436
Mauritius	-88	61	1,287	0	59
Mexico	55	0	10,458	27,564	3,305
Monaco	0	0	0	0	0
Netherlands	0	206	0	0	588
Netherlands Antilles	0	0	0	0	925
New Zealand	5,253	109	12,597	151	802
Panama	0	0	-24	0	16
South Africa, Republic of	0	6	497	0	0
St. Christopher/Nevis	-800	3,980	4,190	575	2,446
St. Vincent and Grenadines	799	5	4,996	[1]	12
Switzerland	96	2,702	34,342	-8	1,977
Turks and Caicos Islands	2	220	1,779	0	907
United Kingdom and Northern Ireland	-3,744	885	5,322	349	3,279
Not specified or other	13,433	20,953	42,578	2,164	19,200

Footnotes at end of table.

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Expenses				
	Total	Interest	Foreign taxes paid	State and local taxes paid	Amortization and depreciation
	(11)	(12)	(13)	(14)	(15)
<b>All countries</b>	<b>509,370</b>	<b>197,291</b>	<b>11,185</b>	<b>2,138</b>	<b>30,400</b>
Argentina	0	0	0	0	0
Australia	12,436	898	541	0	769
Bahamas	33,944	10,153	152	21	1,020
Barbados	1,826	566	95	10	0
Belize	5,679	3,349	30	49	19
Bermuda	15,119	3,189	233	20	280
British Virgin Islands	1,186	365	16	149	1
Canada	97,334	37,309	2,470	6	13,314
Cayman Islands	146,179	86,691	1,273	75	1,455
Channel Islands	4,464	767	135	12	127
Cook Islands	30,625	12,564	358	902	890
Costa Rica	14	0	0	0	0
Cyprus	6	0	0	0	0
Germany	144	91	5	0	0
Gibraltar	2,954	776	61	0	8
Guam	128	22	17	26	37
Guernsey	7,885	586	76	7	61
Hong Kong	82	0	1	0	0
India	2	0	2	0	0
Isle of Man	6,644	2,504	233	14	20
Jersey	20,719	9,231	197	27	5,853
Liechtenstein	8,392	424	632	36	292
Mauritius	365	51	11	1	1
Mexico	18,044	4,929	526	9	3,764
Monaco	27	0	0	0	0
Netherlands	53	0	7	0	0
Netherlands Antilles	117	0	0	0	20
New Zealand	18,068	72	433	8	537
Panama	101	4	5	0	9
South Africa, Republic of	87	6	28	[1]	[1]
St. Christopher/Nevis	11,435	1,911	475	261	796
St. Vincent and Grenadines	630	2	0	[1]	44
Switzerland	6,848	1,847	650	0	0
Turks and Caicos Islands	1,465	341	4	0	0
United Kingdom and Northern Ireland	15,683	6,122	232	20	53
Not specified or other	40,686	12,523	2,285	483	1,032

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Expenses—continued			Net income (loss)	Distributions
	Trustee and advisor fees	Charitable contributions	Other		
	(16)	(17)	(18)	(19)	(20)
<b>All countries</b>	<b>30,113</b>	<b>37,398</b>	<b>200,845</b>	<b>1,940,677</b>	<b>1,801,699</b>
Argentina	0	0	0	13,436	191,511
Australia	35	326	9,867	15,465	4,022
Bahamas	2,332	13	20,253	175,111	78,199
Barbados	39	0	1,115	1,065	5,559
Belize	248	543	1,442	15,813	49,273
Bermuda	2,394	1,763	7,241	63,607	140,096
British Virgin Islands	310	0	345	15,584	5,675
Canada	1,576	782	41,876	17,115	24,858
Cayman Islands	2,000	27,346	27,339	631,087	403,760
Channel Islands	1,818	6	1,599	25,184	17,717
Cook Islands	4,289	262	11,360	210,317	114,112
Costa Rica	1	0	13	11	0
Cyprus	0	0	6	60	0
Germany	0	0	49	-17	0
Gibraltar	920	0	1,189	13,153	8,507
Guam	11	3	11	1,056	385
Guernsey	755	100	6,300	29,496	41,832
Hong Kong	37	0	44	66	14
India	0	0	0	84	0
Isle of Man	1,017	2	2,855	174,531	265,143
Jersey	1,858	10	3,542	13,785	19,213
Liechtenstein	1,679	5	5,324	127,491	16,355
Mauritius	239	0	62	2,642	0
Mexico	195	0	8,621	135,646	199,645
Monaco	17	0	10	170	0
Netherlands	3	0	43	1,670	1,180
Netherlands Antilles	0	0	98	817	532
New Zealand	133	11	16,875	18,194	20,192
Panama	77	0	7	249	1,798
South Africa, Republic of	18	0	34	974	781
St. Christopher/Nevis	1,652	1,026	5,315	16,918	41,944
St. Vincent and Grenadines	169	3	412	5,717	2,721
Switzerland	3,501	475	375	52,329	18,079
Turks and Caicos Islands	112	0	1,008	2,406	613
United Kingdom and Northern Ireland	536	2,604	6,116	21,507	32,705
Not specified or other	2,145	2,119	20,099	137,937	95,277

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Assets					
	Total [2]	Cash	Accounts receivable	Mortgages and notes receivable	Inventories	Government obligations
	(21)	(22)	(23)	(24)	(25)	(26)
<b>All countries</b>	<b>31,887,505</b>	<b>1,349,402</b>	<b>491,615</b>	<b>2,099,351</b>	<b>88,028</b>	<b>432,949</b>
Argentina	198,003	2	65	197,810	0	0
Australia	93,493	25,032	1,406	1,487	6,660	0
Bahamas	2,136,515	122,380	8,054	58,598	0	54,302
Barbados	168,781	3,018	2	36,214	0	0
Belize	271,022	21,593	1	6,531	0	28,113
Bermuda	1,175,140	40,433	2,545	122,056	37	35,621
British Virgin Islands	291,142	13,178	485	47,986	63	0
Canada	648,663	17,137	4,335	45,426	0	1,376
Cayman Islands	4,409,004	170,697	351,060	32,441	297	8,468
Channel Islands	621,612	108,651	165	41,344	0	4,397
Cook Islands	2,478,021	240,354	11,828	54,713	0	67,203
Costa Rica	7,478	138	0	0	0	0
Cyprus	7,300	[1]	0	0	0	0
Germany	11,365	553	0	0	0	0
Gibraltar	315,618	85,728	59	1,745	0	3,104
Guam	12,440	1,533	0	75	0	0
Guernsey	694,248	49,027	74,809	93,051	0	8
Hong Kong	8,303	1,352	0	0	0	999
India	7,727	[1]	0	0	0	2,412
Isle of Man	967,881	45,543	506	230,095	58	1,248
Jersey	792,953	36,299	17,114	106,065	0	4,034
Liechtenstein	1,427,556	119,858	1,662	312,413	79,087	15,393
Mauritius	54,899	1,212	182	0	0	0
Mexico	9,091,446	1,550	0	132,278	0	7
Monaco	63,320	293	55	400	0	0
Netherlands	122,654	2,600	36	0	0	0
Netherlands Antilles	2,040	214	0	618	0	0
New Zealand	121,991	5,148	1,754	5	1,552	4,138
Panama	12,888	564	0	500	0	0
South Africa, Republic of	22,501	2,630	12	326	0	0
St. Christopher/Nevis	791,275	50,045	2,363	61,838	0	11,904
St. Vincent and Grenadines	25,314	1,341	0	0	0	4,723
Switzerland	1,200,211	61,012	2,015	25,664	0	23,290
Turks and Caicos Islands	35,957	2,897	17	6,168	0	0
United Kingdom and Northern Ireland	1,120,701	54,968	761	445	[1]	4,136
Not specified or other	2,478,046	62,417	10,323	483,060	273	158,071

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Assets—continued					
	Marketable securities	Non-marketable securities	Depreciable assets	Accumulated depreciation	Real property	Other
	(27)	(28)	(29)	(30)	(31)	(32)
<b>All countries</b>	<b>5,816,019</b>	<b>5,261,494</b>	<b>901,144</b>	<b>103,912</b>	<b>759,208</b>	<b>14,809,129</b>
Argentina	0	0	0	0	125	0
Australia	10,003	9,218	19,058	5,289	10,141	15,776
Bahamas	422,726	1,242,930	30,914	1,056	18,023	184,884
Barbados	6,004	58,407	0	0	0	65,136
Belize	87,985	29,346	554	44	4,118	92,826
Bermuda	358,538	291,804	4,786	967	24,400	296,023
British Virgin Islands	117,352	30,488	341	16	37,720	43,554
Canada	75,256	23,917	405,600	54,402	7,540	122,480
Cayman Islands	1,101,204	632,723	19,694	3,934	11,443	2,086,968
Channel Islands	190,186	59,158	2,687	385	13,784	201,626
Cook Islands	636,814	331,485	12,112	4,621	119,923	1,017,025
Costa Rica	100	0	0	0	0	7,263
Cyprus	0	7,300	0	0	0	0
Germany	4,756	0	0	0	852	5,204
Gibraltar	108,157	1,378	0	0	1,254	114,193
Guam	2,903	2,135	2,154	319	439	3,520
Guernsey	70,840	201,147	4,950	286	1,040	199,668
Hong Kong	4,159	1,793	0	0	0	0
India	5,314	0	0	0	0	0
Isle of Man	293,448	123,061	0	0	19,667	253,286
Jersey	241,179	40,732	111,620	12,743	46,819	203,239
Liechtenstein	412,843	37,255	0	0	2,355	446,730
Mauritius	30,147	22,698	21	3	16	626
Mexico	4,606	6,455	118,800	9,632	228,932	8,608,452
Monaco	38,092	17,500	0	0	3,186	3,793
Netherlands	1,253	117,783	0	0	741	240
Netherlands Antilles	570	0	660	20	0	0
New Zealand	18,159	6,147	6,291	1,499	60,475	19,821
Panama	2,082	5,056	193	9	1,280	3,221
South Africa, Republic of	2,834	395	1	0	1,158	15,145
St. Christopher/Nevis	164,027	78,296	29,741	1,357	24,662	369,244
St. Vincent and Grenadines	6,639	645	0	0	0	11,965
Switzerland	462,464	597,432	0	0	4,200	24,132
Turks and Caicos Islands	11,968	7,175	1,201	77	5,899	709
United Kingdom and Northern Ireland	226,291	607,154	75,622	45	17,198	134,171
Not specified or other	697,119	670,481	54,147	7,205	91,817	258,210

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Liabilities				
	Total [2]	Accounts payable	Contributions, gifts, and grants payable	Mortgages and notes payable	Other
	(33)	(34)	(35)	(36)	(37)
<b>All countries</b>	<b>2,879,391</b>	<b>415,809</b>	<b>9,560</b>	<b>1,232,157</b>	<b>1,222,725</b>
Argentina	0	0	0	0	0
Australia	38,296	1,197	591	12,624	23,885
Bahamas	66,970	310	2	61,144	5,521
Barbados	0	0	0	0	0
Belize	32,567	23,526	0	6,510	2,532
Bermuda	41,042	3,980	0	27,275	9,785
British Virgin Islands	62,583	105	0	57,836	4,642
Canada	479,487	6,484	338	348,611	124,053
Cayman Islands	1,245,254	341,672	4,361	25,498	874,550
Channel Islands	22,115	951	0	19,550	1,612
Cook Islands	75,962	181	0	72,233	3,550
Costa Rica	0	0	0	0	0
Cyprus	0	0	0	0	0
Germany	13	0	0	13	0
Gibraltar	34,143	30	0	32,711	1,401
Guam	225	48	0	0	177
Guernsey	25,344	10,105	0	8,078	7,161
Hong Kong	0	0	0	0	0
India	0	0	0	0	0
Isle of Man	28,931	9,285	0	12,763	6,883
Jersey	119,471	612	0	109,412	9,447
Liechtenstein	9,659	239	128	1,627	7,665
Mauritius	857	61	0	7	790
Mexico	70,892	2,214	194	64,457	4,026
Monaco	21,293	0	0	21,293	0
Netherlands	3	0	0	3	0
Netherlands Antilles	658	0	0	658	0
New Zealand	139,265	1,438	3,363	121,018	13,456
Panama	1,166	1,012	0	0	154
South Africa, Republic of	1,095	23	0	265	816
St. Christopher/Nevis	60,341	1,232	0	48,499	10,608
St. Vincent and Grenadines	61	61	0	0	[1]
Switzerland	32,325	6	0	1,537	30,782
Turks and Caicos Islands	4,871	142	0	4,729	0
United Kingdom and Northern Ireland	135,543	6,993	487	127,026	1,037
Not specified or other	128,960	3,901	96	46,779	78,191

Footnotes at end of table.

# Foreign Trusts, 2006

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**Table 4. Forms 3520-A, Foreign Trusts With a U.S. Owner: Income, Expenses, and Balance Sheet Items, Classified by Selected Country of Trust or Trustee, Tax Year 2006—Continued**

[Money amounts are in thousands of dollars]

Country or area	Net worth			
	Total [2]	Contributions to trust corpus	Accumulated trust income (loss)	Other
	(38)	(39)	(40)	(41)
<b>All countries</b>	<b>29,008,114</b>	<b>16,253,996</b>	<b>2,503,524</b>	<b>10,250,595</b>
Argentina	198,003	197,937	65	0
Australia	55,197	31,137	11,131	12,929
Bahamas	2,069,545	1,332,935	648,500	88,110
Barbados	168,781	164,754	3,974	54
Belize	238,455	200,649	62,650	-24,844
Bermuda	1,134,099	652,334	167,906	313,860
British Virgin Islands	228,560	221,720	8,929	-2,089
Canada	169,176	121,189	-2,793	50,780
Cayman Islands	3,163,750	2,387,477	694,255	82,017
Channel Islands	599,496	473,029	34,236	92,231
Cook Islands	2,402,059	1,972,055	361,166	68,839
Costa Rica	7,478	6,117	21	1,339
Cyprus	7,300	7,300	0	0
Germany	11,352	6,680	4,673	0
Gibraltar	281,476	259,384	7,532	14,559
Guam	12,215	7,617	3,374	1,224
Guernsey	668,904	357,710	63,740	247,454
Hong Kong	8,303	3,233	3,100	1,970
India	7,727	7,643	84	0
Isle of Man	938,950	696,633	135,966	106,351
Jersey	673,481	584,353	51,246	37,882
Liechtenstein	1,417,896	1,005,587	301,067	111,242
Mauritius	54,042	26,801	4,656	22,586
Mexico	9,020,554	1,938,168	-12,042	7,094,429
Monaco	42,027	3,535	0	38,492
Netherlands	122,651	34,728	130	87,793
Netherlands Antilles	1,382	555	812	15
New Zealand	-17,274	-24,125	15,701	-8,850
Panama	11,722	14,025	-543	-1,760
South Africa, Republic of	21,406	15,970	953	4,483
St. Christopher/Nevis	730,934	603,010	-7,105	135,029
St. Vincent and Grenadines	25,253	21,164	3,761	328
Switzerland	1,167,886	572,038	-163,971	759,818
Turks and Caicos Islands	31,086	26,261	271	4,553
United Kingdom and Northern Ireland	985,158	888,861	22,319	73,977
Not specified or other	2,349,085	1,435,533	77,760	835,792

[1] Less than \$500.

[2] The data are based on unaudited Forms 3520-A. The sum of balance sheet components may not equal total assets, total liabilities, or total net worth due to taxpayer reporting discrepancies, including the filing of incomplete balance sheets.

NOTES: Detail may not add to totals because of rounding. Form 3520-A is entitled: *Annual Information Return of Foreign Trust With a U.S. Owner*.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

by Paul Arnsberger

**N**onprofit charitable organizations exempt from income tax under Internal Revenue Code (IRC) section 501(c)(3) filed over 301,000 information returns for Tax Year 2006, an increase of 5 percent from 2005. These organizations held over \$2.5 trillion in assets, an increase of 14 percent from the previous year. They reported nearly \$1.4 trillion in revenue, two-thirds of which came from program services (Figure A). The statistics in this article exclude private foundations, most organizations with receipts totaling less than \$25,000, as well as most churches and certain other types of religious organizations.

Business leagues and other organizations exempt under IRC section 501(c)(6) filed 30,705 Forms 990 and 990-EZ for 2006.<sup>1</sup> Assets reported by these organizations totaled \$61.2 billion. Of the \$37.9 billion in revenue reported by 501(c)(6) organizations, the majority came from program services (\$15.5 billion) and membership dues and assessments (\$13.5 billion).

The statistics for charities and other tax-exempt organizations reported in this article are based on data compiled from Form 990, *Return of Organization Exempt from Income Tax*, and Form 990-EZ, the short form version of this information return. The latter form may be completed by smaller organizations, those with end-of-year assets of less than \$250,000 and gross receipts of \$25,000 to \$100,000. Only condensed income statements and balance sheets are required from filers of the short form, which accounted for 21 percent of the returns filed by organizations exempt under Code sections 501(c)(3) and (6) for Tax Year 2006.<sup>2</sup>

## Charitable Organizations Tax-Exempt Under Internal Revenue Code Section 501(c)(3)

In order to qualify for tax-exempt status, an organization must show that its purpose serves the public

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**Figure A**

### Nonprofit Charitable Organizations, Selected Financial Data, Tax Years 2005-2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	2005	2006	Percentage change
	(1)	(2)	(3)
Number of returns	286,615	301,214	5.1
Form 990	226,246	237,653	5.0
Form 990-EZ	60,369	63,561	5.3
Total assets	2,241,887	2,549,728	13.7
Total liabilities	830,635	932,011	12.2
Net assets	1,411,252	1,617,717	14.6
Total revenue	1,252,889	1,370,880	9.4
Program service revenue	852,638	920,222	7.9
Contributions, gifts, and grants	276,292	303,168	9.7
Investment income [1]	35,999	45,269	25.8
Other	87,960	102,221	16.2
Total expenses	1,137,908	1,230,416	8.1

[1] Includes "interest on savings and temporary cash investments," "dividends and interest from securities," and "other investment income (loss)" from Form 990 and "investment income (loss)" from Form 990-EZ.

NOTES: Data are from both Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

good, as opposed to a private interest. The activities of nonprofit organizations are limited in that they must further one or more of the purposes for which they were granted tax-exempt status. Organizations that are exempt under IRC Section 501(c)(3) are those whose purposes are religious, charitable, scientific, literary, or educational. In practice, these categories cover a broad range of activities. Examples of the varied exempt purposes of these charitable organizations include nonprofit hospitals, educational institutions, youth organizations, community fundraising campaigns, public charities, local housing organizations, historical societies, and environmental preservation groups. These organizations may not allow net earnings to inure to the benefit

<sup>1</sup> Beginning with the Tax Year 2004 study, the annual *SOI Bulletin* article on charities and other tax-exempt organizations has featured data on nonprofit charitable organizations exempt under IRC section 501(c)(3) as well as one other category of organizations defined under IRC section 501(c). For 2006, IRC section 501(c)(6) business leagues and similar organizations are presented. SOI continues to collect annual data on organizations exempt under IRC sections 501(c)(4), (c)(5), and (c)(7) through (c)(9). Data from these organizations can be found in Tables 2, 3, and 4 at the end of this article. Additional tax-exempt organizations are described under IRC sections 501(c)(1), (2) and (10) through (27). Because they tend to constitute a small proportion of financial activity for the nonprofit sector, SOI does not collect data for these organizations.

<sup>2</sup> Unless otherwise indicated, data presented in this article were reported by both Form 990 and 990-EZ filers. The tables at the end of the article separate data by type of form. Detailed data for Form 990 filers are provided in Tables 1, 2, and 3, while Form 990-EZ data are found in Table 4.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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of a shareholder or individual. Activity attempting to influence legislation cannot be a substantial part of an organization's activities, and the organization may not intervene in a political campaign on behalf of, or in opposition to, any candidate.<sup>3</sup> Generally, a donor's contribution to one of these organizations is tax deductible.

Of the 845,786 active nonprofit charitable organizations recognized by the Internal Revenue Service (IRS) under Code section 501(c)(3), 301,214 filed Form 990 or 990-EZ returns for accounting periods that began in Calendar Year 2006.<sup>4</sup> Those not required to file included churches and certain other religious organizations, as well as organizations with annual gross receipts totaling less than \$25,000.<sup>5</sup> Nonprofit private foundations, which are also tax-exempt under Code section 501(c)(3), are required to file separately on Form 990-PF, *Return of Private Foundation*.<sup>6</sup>

## Financial Characteristics of Nonprofit Charitable Organizations

Although 65 percent of the returns filed by section 501(c)(3) organizations for 2006 were filed by small organizations, those with assets of less than \$500,000, these organizations held less than 1 percent of the total assets and reported just 4 percent of total revenue (Figure B). In comparison, large organizations, those with assets of \$10 million or more, represented just over 6 percent of the returns filed, but accounted for 91 percent of the total asset holdings and over 84 percent of the total revenue reported.

The nonprofit charitable organizations in this study reported total revenue of nearly \$1.4 trillion for 2006. Program service revenue, totaling \$920.2 billion, was the major source of revenue for these organizations. This revenue comprises the fees collected by organizations in support of their tax-exempt pur-

**Figure B**

### Nonprofit Charitable Organizations, by Asset Size, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Asset size	Returns		Total assets		Total revenue	
	Number	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>301,214</b>	<b>100.0</b>	<b>2,549,728</b>	<b>100.0</b>	<b>1,370,880</b>	<b>100.0</b>
Under \$100,000 [1]	123,857	41.1	4,116	0.2	15,626	1.1
\$100,000 under \$500,000	71,167	23.6	17,405	0.7	25,008	1.8
\$500,000 under \$1,000,000	28,383	9.4	20,397	0.8	19,819	1.4
\$1,000,000 under \$10,000,000	59,105	19.6	193,205	7.6	157,131	11.5
\$10,000,000 under \$50,000,000	12,713	4.2	272,776	10.7	181,534	13.2
\$50,000,000 or more	5,986	2.0	2,041,829	80.1	971,763	70.9

[1] Includes returns with zero assets or assets not reported.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain types of religious organizations. Detail may not add to totals because of rounding.

<sup>3</sup> For more information on the requirements for tax-exemption under 501(c)(3) and other Code sections, see Internal Revenue Service Publication 557, *Tax Exempt Status for Your Organization*.

<sup>4</sup> Data presented in this article are from Tax Year 2006 Forms 990 and 990-EZ filed in Calendar Years 2007 and 2008. The total number of nonprofit charitable organizations, including those not required to file Form 990 or Form 990-EZ, was obtained from the IRS Exempt Organizations Business Master File (December 2006) and does not include private foundations filing Form 990-PF, *Return of Private Foundation*.

<sup>5</sup> The \$25,000 filing threshold is an average of an organization's gross receipts over the previous three years.

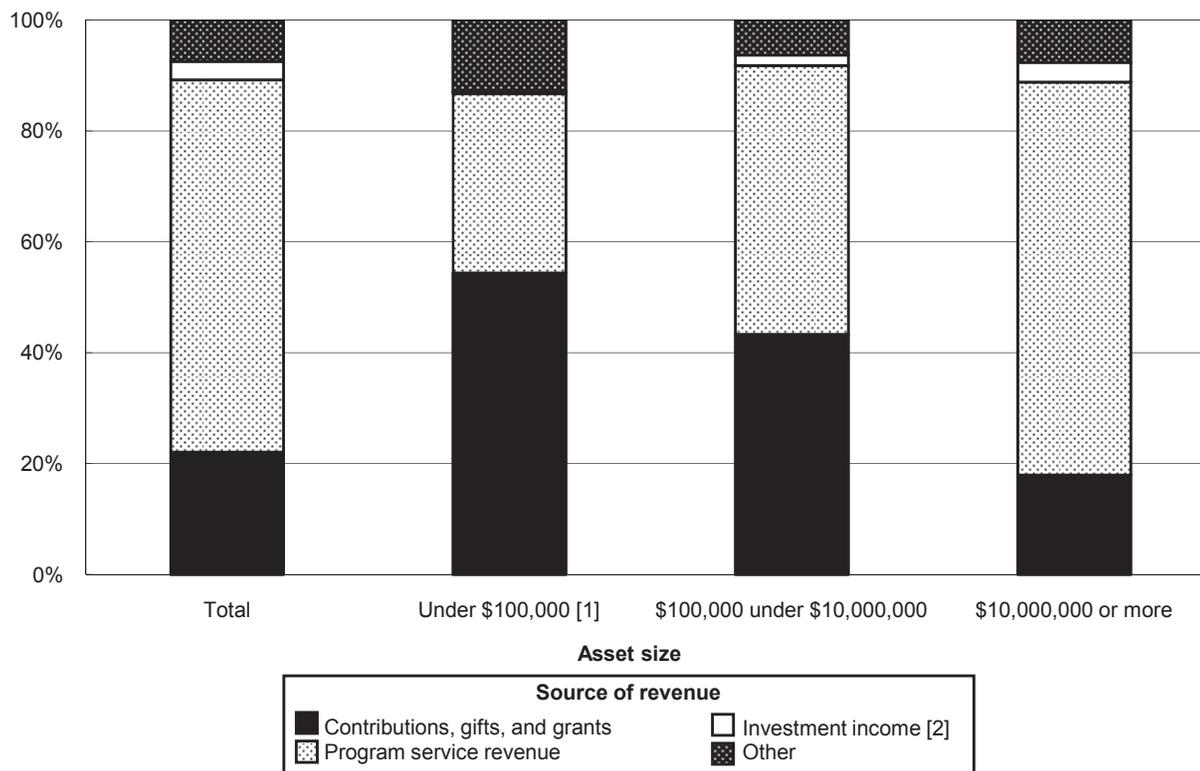
<sup>6</sup> For information on private foundations, see Belmonte, Cynthia, "Domestic Private Foundations and Charitable Trusts, 2005 and 2006," in this issue.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Figure C**

**Sources of Nonprofit Charitable Organization Revenue, by Asset Size, Tax Year 2006**



[1] Includes returns with zero assets or assets not reported.

[2] Includes "interest on savings and temporary cash investments," "dividends and interest from securities," and "other investment income (loss)" from Form 990 and "investment income (loss)" from Form 990-EZ.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations.

poses and includes income such as tuition and fees at educational institutions, hospital patient charges (including Medicare and Medicaid payments), and admission fees collected by museums or community performing arts groups, and YMCA/YWCA. Figure C illustrates the types of revenue reported by organizations of different sizes. Large organizations received 71 percent of their total revenue from program service revenue, while small organizations received well over half of their revenue from contributions, gifts, and grants.

On Form 990 (but not on Form 990-EZ), expenses for tax-exempt organizations are grouped into four major categories: program services, fundraising, management and general, and payments to affiliates. Program service expenses are those associated

with activities that further an organization's exempt purpose; fundraising expenses are those incurred in soliciting contributions, gifts, and grants; and management and general expenses include those administrative and overhead costs that are not specifically related to program services or fundraising activities. The three categories described above are broken down by specific functional expense items such as grants and allocations, salaries and wages, professional fees, and supplies. (See Table 2 at the end of this article.) The fourth major category, payments to affiliates, which includes distributions to organizations closely related to the reporting organizations, such as dues paid by local chapters to State and national agencies, are not broken down into specific functional expenses. Program service expenses ac-

**Figure D**

## Compensation of Nonprofit Charitable Organization Officers, Directors, Trustees, Key Employees, and Other Employees, Reported on Form 990, by Asset Size, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Asset size	Number of Form 990 returns	Total expenses	Compensation and benefits				
			Total	Officers, directors, trustees, and key employees		Other employees	
				Compensation	Contributions and other benefits [1]	Compensation	Contributions and other benefits [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>237,653</b>	<b>1,227,645</b>	<b>507,374</b>	<b>17,254</b>	<b>2,153</b>	<b>411,301</b>	<b>76,667</b>
Under \$100,000 [3]	67,251	14,259	3,910	1,091	77	2,483	259
\$100,000 under \$500,000	64,213	23,551	9,264	1,874	95	6,412	882
\$500,000 under \$1,000,000	28,383	19,014	8,301	1,224	109	6,178	790
\$1,000,000 under \$10,000,000	59,105	149,297	68,529	4,596	437	54,945	8,551
\$10,000,000 under \$50,000,000	12,713	167,523	69,603	3,024	385	56,273	9,921
\$50,000,000 or more	5,986	854,001	347,767	5,445	1,049	285,009	56,263

[1] Includes "contributions to employee benefit plans and deferred compensation plans" and "expense account and other allowances" reported on Part V of Form 990.

[2] Includes "pension plan contributions" and "other employee benefits" reported on Part II of Form 990.

[3] Includes returns with zero assets or assets not reported.

NOTES: Data are from Form 990 for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

counted for the vast majority (86 percent) of total expenses reported by nonprofit charitable filers of Form 990; management and general expenses totaled 12 percent; and fundraising expenses and payments to affiliates, combined, accounted for less than 2 percent.

### Compensation

Figure D shows compensation data reported by nonprofit charitable organizations on Form 990. Salaries, wages, and benefits are presented for executives, such as officers, directors, trustees, and key employees, as well as other employees. (Data from Form 990-EZ are not included in this section because that return does not distinguish between types of compensation nor types of employee.) For Tax Year 2006, nonprofit charities reported \$507.4 billion in compensation and benefits on Form 990. The majority of this, 81 percent, was in the form of other employee salaries and wages. Salaries of executives such as officers, directors, trustees, and key employees totaled \$17.3 billion. In addition to salaries and wages, nonprofit charities reported \$78.8 billion in benefits paid to their employees and executives on Form 990. Examples of these benefits include contributions to pension, health, and insurance welfare plans; payments to deferred compensation and sev-

erance plans; fringe benefits; and expense account reimbursements.

Compensation and benefits represented a significant portion of the total expenses reported by nonprofit charitable organizations on the Form 990, over 41 percent. When viewed by size of organization and type of employee, certain patterns emerge. For small organizations, those reporting assets less than \$100,000, other employee salaries, wages, and benefits represent just 19 percent of total expenses for Tax Year 2006; large organizations with assets of at least \$10 million, reported 40 percent of their expenses in the form of employee salaries, wages, and benefits. For executives, this compensation pattern is reversed. Salaries and benefits paid to executives such as officers, directors, trustees, and key employees, accounted for over 8 percent of total expenses at small organizations, but slightly less than 1 percent at large organizations.

### Nonprofit Charitable Organizations Classified by NTEE Codes

The National Taxonomy of Exempt Entities (NTEE) is a classification system developed by the National Center for Charitable Statistics, which classifies organizations by institutional purpose and major pro-

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Figure E**

## Selected Items for Nonprofit Charitable Organizations Classified by NTEE Category, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

NTEE major category [1]	Number of returns	Total assets	Net assets	Revenue			Total expenses	Excess of revenue over expenses
				Total	Contributions, gifts, and grants	Program service revenue		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b>	<b>301,214</b>	<b>2,549,728</b>	<b>1,617,717</b>	<b>1,370,880</b>	<b>303,168</b>	<b>920,222</b>	<b>1,230,416</b>	<b>140,464</b>
Arts, culture, and humanities	30,579	98,971	80,857	32,220	17,466	7,453	26,262	5,958
Education	54,926	856,402	641,767	275,628	81,198	135,094	217,637	57,992
Environment, animals	13,341	37,716	31,430	13,628	8,948	2,607	10,389	3,239
Health	36,199	967,529	522,623	759,415	55,422	659,331	716,413	43,003
Human services	114,350	275,369	138,149	178,563	70,185	91,605	169,532	9,032
International, foreign affairs	5,007	22,064	16,106	20,764	17,995	1,747	19,011	1,753
Mutual, membership benefit	27,534	249,845	159,038	77,799	45,154	19,285	60,642	17,156
Public, societal benefit	18,425	23,982	19,214	10,001	6,611	1,527	8,218	1,782
Religion related	853	17,852	8,532	2,862	189	1,573	2,312	550

[1] The National Taxonomy of Exempt Entities (NTEE) is a classification system that uses 26 major field areas that are aggregated into the categories shown above. It was developed by the National Center for Charitable Statistics.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

grams and activities.<sup>7</sup> It recognizes 26 major groups, which can be aggregated into 10 program categories, as shown in Figure E. The organizations were classified for statistical purposes by the IRS Statistics of Income Division on the basis of information provided in the “Statement of Program Service Accomplishments” section of Forms 990 and 990-EZ.

Health-related organizations comprised the largest NTEE category in terms of financial activity, with 38 percent of all assets and 55 percent of all revenue reported by charitable organizations for 2006. Examples of organizations in the health category are hospitals; nursing facilities; health support services, such as blood banks and emergency services; health care financing activities; substance abuse treatment services; organizations active in the prevention or treatment of diseases; and medical research. Program service revenue was the dominant source of income for health organizations, accounting for 87 percent of total revenue.

The education program category, which includes colleges and universities, elementary and secondary schools, correspondence schools, libraries, and educational testing services, ranked a close second in terms of assets with \$856.4 billion. At \$275.6 billion, total revenue reported by these organiza-

tions was considerably less than those in the health category.

The largest NTEE category in terms of returns filed comprised human service organizations, which accounted for 38 percent of all Forms 990 and 990-EZ filed for 2006. This category comprises organizations in several classifications performing a broad range of services focused on specific needs within the community: housing and shelter programs; job training and placement services; public safety, disaster preparedness, and relief services; recreation and sports programs; crime prevention and legal services; and multipurpose organizations which provide a broad range of social or human services to individuals and families. Program service revenue (\$91.6 billion) and contributions, gifts, and grants received (\$70.2 billion) together represented 91 percent of the total revenue reported by these organizations.

### Business Leagues and Other Organizations Tax-Exempt under IRC Section 501(c)(6)

Internal Revenue Code (IRC) Section 501(c)(6) grants tax-exemption to “Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players).” In

addition to those types of organizations named in the code, Section 501(c)(6) covers economic development associations, professional societies, and certain insurance associations. Examples of 501(c)(6) organizations include: the American Medical Association, the National Football League, the National Association of Securities Dealers, the American Association of Certified Public Accountants, and the PGA Tour.

As with all tax-exempt organizations, the net earnings of those described in Section 501(c)(6) may not inure to the benefit of any private shareholder or individual. Additionally, an organization applying for tax-exempt status under Section 501(c)(6), must show that its activities will be “devoted to improving business conditions of one or more lines of business as distinguished from performing particular services for individual persons,” and “that the conditions of a particular trade or the interests of the community will be advanced.”<sup>8</sup> In terms of revenue, IRS regulations require that organizations’ activities are “primarily supported by membership dues and other income from activities substantially related to its exempt purpose.”<sup>9</sup>

Unlike nonprofit charitable organizations, business leagues and similar organizations exempt under Section 501(c)(6) may legally participate in some political activity on behalf of, or in opposition to, candidates for public office. They may also engage in lobbying for legislation that advances the common business interest of the organization’s members. Donors’ contributions to one of these organizations are not tax deductible as a charitable contribution. However, they may be deductible as trade or business expenses, if they are ordinary and necessary in the conduct of the taxpayer’s trade or business.

## Highlights of 501(c)(6) Organization Financial Data

Business leagues and similar organizations exempt under IRC section 501(c)(6) filed 30,705 Forms 990 and 990-EZ for Tax Year 2006. This figure represents fewer than half of the total number of active 501(c)(6) organizations recognized by the IRS. Organizations with total gross receipts below the filing threshold and some non-compliant organizations comprise the difference. The organizations that did

file information returns reported total assets of \$61.2 billion and total revenue of \$37.9 billion for Tax Year 2006.

Figure F shows data for different types of IRC Section 501(c)(6) organizations classified by NTEE code. Business leagues and chambers of commerce, which are grouped together in the NTEE taxonomy, filed 13,794 Forms 990 and 990-EZ on which they reported \$19.2 in assets and \$13.1 billion in revenue. The second most common type of 501(c)(6) filers were professional societies and associations with nearly 12,000 returns and \$17.9 billion and \$14.7 billion in assets and revenue, respectively. Insurance-related organizations, which include ‘guaranty associations’—organizations created under State statute to pay claims against insolvent fire and casualty insurance companies—represented a small fraction of 501(c)(6) filers, but accounted for over one quarter of all assets held. By far, the largest 501(c)(6) filer, in terms of assets, was the Michigan Catastrophic Claims Association (MCCA); an organization that reimburses the state’s no-fault auto insurers for personal injury benefits that exceed a certain threshold. For Tax Year 2006, MCCA reported over \$10.7 billion in assets.

## Summary

For 2006, nonprofit charitable organizations (excluding private foundations) tax-exempt under section 501(c)(3) reported \$2.5 trillion in total assets and \$1.4 trillion in revenue. The number of returns filed by these organizations was 301,214, including both Form 990 and the shorter Form 990-EZ.

Program service revenue, the fees received for the charitable programs conducted by tax-exempt organizations, was \$920.2 billion for Tax Year 2006. It represented nearly two-thirds of the total revenue reported by charitable organizations. A second source of revenue, contributions, gifts, and grants, which totaled \$303.1 billion, accounted for more than one-half of the total revenue of organizations with asset holdings of less than \$1 million dollars, but for a much smaller share of the total revenue of the larger organizations.

Using the National Taxonomy of Exempt Entities codes (which classify organizations by institu-

<sup>8</sup> Internal Revenue Service Publication 557, “Tax-Exempt Status for Your Organization,” page 49.

<sup>9</sup> *Ibid*, page 48.

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**Figure F**

## Selected Items for Organizations Exempt Under IRC Section 501(c)(6), by Type of Organization, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Type of organization	Number of returns	Total assets	Total revenue
	(1)	(2)	(3)
<b>Total</b>	<b>30,705</b>	<b>61,162</b>	<b>37,873</b>
Business leagues and chambers of	13,749	19,296	13,098
Professional societies and associations	11,794	17,873	14,667
Real estate associations	1,400	1,680	1,049
Economic development organizations	1,185	1,417	1,470
Insurance associations	141	15,813	3,894
Other 501(c)(6) organizations	2,435	5,083	3,696

NOTES: Data are from both Forms 990 and 990-EZ for organizations that are tax-exempt under Internal Revenue Code section 501(c)(6) and exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

tional purpose and major programs and activities), health care was the predominant major category, accounting for 38 percent of assets and 55 percent of total revenue reported by nonprofit charitable organizations.

Business leagues and other organizations exempt under IRC section 501(c)(6) filed 30,705 information returns with the IRS, on which they reported \$60.2 billion in assets and \$37.9 billion in revenue. Eighty-three percent of the returns filed by 501(c)(6) organizations came from business leagues, chambers of commerce, and professional associations. Insurance-related organizations, while few in number, accounted for over 25 percent of the assets reported for Tax Year 2006.

## Data Sources and Limitations

The statistics in this article are based on a sample of the Tax Year 2006 Forms 990, *Return of Organization Exempt From Income Tax*, and Forms 990-EZ, *Short Form Return of Organization Exempt From Income Tax*. Organizations were required to file the 2006 form when their accounting periods ended any time between December 31, 2006, and November 30, 2007. The sample did not include private foundations, which were required to file Form 990-PF. Most churches and certain other types of religious organizations were also excluded from the sample because they were not required to file Form 990 or Form 990-EZ. The sample included only those returns with average receipts of more than \$25,000, the filing threshold.

The sample design was split into two parts: the first sampling frame contained all returns filed by organizations exempt under section 501(c)(3); the second sampling frame comprised a pool of all returns filed by organizations exempt under sections 501(c)(4) through (9). Organizations tax-exempt under other Code sections were excluded from the sample frames. The data presented were obtained from returns as originally filed with the Internal Revenue Service. They were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. However, in most cases, changes made to the original return as a result of either administrative processing or taxpayer amendment were not incorporated into the database.

The two samples were classified into strata based on the size of end-of-year total assets, with each stratum sampled at a different rate. For section 501(c)(3) organi-

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zations, a sample of 16,872 returns was selected from a population of 305,122. Sampling rates ranged from 1.19 percent for organizations reporting total assets less than \$500,000 to 100 percent for organizations with total assets of \$50,000,000 or more. The second sample contained 7,237 records selected from the population of 114,563 returns filed by organizations exempt under sections 501(c)(4) through (9). Sampling rates ranged from 1.10 percent for organizations reporting total assets less than \$150,000 to 100 percent for organizations with assets of \$10,000,000 or more. The filing populations for these organizations included some returns of terminated organizations, returns of inactive organizations, duplicate returns, and returns of organizations filed with tax periods prior to 2006. However, these returns were excluded from the final sample and the estimated population counts.

Because the data are based on samples, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account. Figure G shows CVs for selected financial data. A discussion of methods for evaluating the nonsampling error can be found later in this issue—see SOI Sampling Methodology and Data Limitations.

**Figure G**

## Coefficient of Variation for Selected Items, by Selected Internal Revenue Code Section, Tax Year 2006

IRC section and size of organization	Percentages		
	Number of returns	Total assets	Total revenue
	(1)	(2)	(3)
All 501(c)(3) organizations [1]	0.18	0.06	0.44
Large organizations [2]	0.76	0.10	0.35
Medium organizations [3]	1.21	0.58	2.30
Small organizations [4]	1.55	2.60	4.98
All 501(c)(4) organizations	4.28	0.43	0.75
All 501(c)(5) organizations	5.04	1.39	3.10
All 501(c)(6) organizations	3.90	0.80	1.97
Large organizations [2]	n/a	n/a	n/a
Medium organizations [3]	5.05	3.14	4.59
Small organizations [4]	6.95	8.92	10.10
All 501(c)(7) organizations	5.02	1.94	2.73
All 501(c)(8) organizations	9.00	0.25	3.23
All 501(c)(9) organizations	6.90	0.24	6.47

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] Large organizations are those with assets greater than or equal to \$10 million.

[3] Medium organizations are those with assets greater than or equal to \$100,000 but less than \$10 million.

[4] Small organizations are those with assets less than \$100,000.

NOTE: Includes data from Forms 990 and 990-EZ and excludes most organizations with receipts less than \$25,000.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Table 1. Form 990 Returns of 501(c)(3) Organizations: Balance Sheet and Income Statement Items, by Asset Size, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Asset size					
		Under \$100,000 [1]	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>237,653</b>	<b>67,251</b>	<b>64,213</b>	<b>28,383</b>	<b>59,105</b>	<b>12,713</b>	<b>5,986</b>
<b>Total assets</b>	<b>2,547,156,696</b>	<b>2,644,083</b>	<b>16,305,557</b>	<b>20,397,032</b>	<b>193,204,642</b>	<b>272,776,279</b>	<b>2,041,829,102</b>
Cash	54,554,065	1,378,451	3,542,523	2,491,890	11,923,358	9,818,216	25,399,628
Savings and temporary cash investments	165,196,937	532,947	4,472,969	4,420,202	22,887,242	23,958,299	108,925,278
Accounts receivable (net)	120,930,023	115,912	869,435	831,528	10,243,465	14,866,382	94,003,301
Pledges receivable (net)	48,645,926	* 14,435	199,341	293,838	4,599,542	8,228,970	35,309,800
Grants receivable	14,967,531	61,971	384,469	428,911	3,775,610	3,591,370	6,725,200
Receivables due from officers, etc.	353,454	14,866	* 10,692	* 52,585	80,389	31,013	163,909
Receivables due from disqualified persons	157,207	0	0	0	* 3,375	* 1,217	152,615
Other notes and loans receivable	100,179,793	4,199	111,197	435,916	4,747,898	5,609,124	89,271,459
Inventories for sale or use	14,088,684	35,643	165,831	332,115	1,478,232	2,289,485	9,787,377
Prepaid expenses and deferred charges	21,996,875	34,050	152,311	110,187	1,783,033	2,596,720	17,320,574
Investments in publicly-traded securities	703,524,195	23,293	1,043,782	2,362,560	29,271,254	58,393,426	612,429,880
Investments in other securities	205,971,957	* 8,845	354,460	367,842	6,656,265	14,292,672	184,291,872
Investments in land, buildings, and equipment	35,657,973	46,003	542,610	934,298	6,730,474	6,849,324	20,555,263
Other investments	279,831,332	20,277	403,301	604,875	10,181,469	17,358,058	251,263,351
Land, buildings, and equipment for charitable purposes	632,678,295	292,099	3,714,936	6,143,651	70,326,753	88,304,654	463,896,201
Other assets	148,422,445	61,091	337,697	586,631	8,516,284	16,587,348	122,333,394
<b>Total liabilities</b>	<b>931,800,259</b>	<b>1,814,042</b>	<b>3,989,541</b>	<b>4,755,824</b>	<b>69,892,389</b>	<b>100,837,472</b>	<b>750,510,992</b>
Accounts payable	162,682,823	480,848	990,925	1,030,842	14,245,591	18,968,227	126,966,390
Grants payable	14,315,757	* 8,406	152,286	* 120,427	1,314,999	1,798,667	10,920,973
Support and revenue designated for future periods	45,713,265	91,703	402,465	486,781	4,481,111	8,499,369	31,751,835
Loans from officers, etc.	950,738	87,825	94,556	* 105,654	191,035	88,651	383,019
Tax-exempt bond liabilities	311,363,209	0	0	0	3,531,830	20,301,369	287,530,010
Mortgages and other notes payable	194,296,580	825,270	1,786,882	2,289,305	35,912,940	33,985,740	119,496,443
Other liabilities	202,477,887	319,991	562,426	722,816	10,214,883	17,195,449	173,462,322
<b>Net assets</b>	<b>1,615,356,436</b>	<b>830,042</b>	<b>12,316,016</b>	<b>15,641,207</b>	<b>123,312,254</b>	<b>171,938,808</b>	<b>1,291,318,110</b>
<b>Total revenue</b>	<b>1,367,922,825</b>	<b>13,024,308</b>	<b>24,652,014</b>	<b>19,818,993</b>	<b>157,130,835</b>	<b>181,533,770</b>	<b>971,762,905</b>
Total contributions, gifts, and grants received	301,617,358	7,125,357	12,675,364	9,045,541	65,631,479	56,588,750	150,550,867
Contributions received from donor-advised funds	10,368,453	134,957	206,693	276,932	682,363	671,704	8,395,804
Contributions received from direct public support	150,214,837	5,079,364	6,703,301	5,122,674	28,626,371	32,234,797	72,448,330
Contributions received from indirect public support	26,049,161	207,965	665,516	396,308	3,186,007	2,150,642	19,442,723
Government grants	114,984,906	1,703,070	5,099,854	3,249,626	33,136,738	21,531,607	50,264,011
Program service revenue	919,572,343	4,479,088	9,272,620	8,647,312	79,919,434	109,421,182	707,832,701
Membership dues and assessments	8,734,691	537,769	866,525	486,341	1,990,606	2,323,888	2,529,561
Interest on savings and temporary cash investments	9,480,661	21,314	165,878	196,412	1,248,863	1,425,673	6,422,521
Dividends and interest from securities	26,609,301	10,603	79,566	141,413	1,432,831	2,590,860	22,354,029
Net rental income (loss)	2,827,854	33,197	99,477	129,795	483,926	484,309	1,597,149
Gross rents	5,944,670	36,887	139,028	211,815	912,040	950,415	3,694,484
Rental expenses	3,116,815	* 3,691	39,551	82,020	428,113	466,106	2,097,334
Other investment income	9,136,729	4,547	21,500	39,918	463,911	546,285	8,060,568
Total gain (loss) from sales of assets	59,090,226	23,379	41,196	128,548	1,037,817	3,738,847	54,120,439
Gain (loss), sales of securities	53,679,436	17,667	25,364	50,820	1,263,548	3,085,518	49,236,519
Gross amount from sales	676,926,289	76,107	252,229	1,006,325	12,879,501	31,424,060	631,288,068
Cost or other basis and sales expense	623,246,853	58,439	226,865	955,505	11,615,952	28,338,542	582,051,549
Gain (loss), sales of other assets	5,410,789	5,712	15,831	77,728	-225,731	653,329	4,883,920
Gross amount from sales	14,865,047	619,285	34,129	155,626	2,032,169	1,601,010	10,422,828
Cost or other basis and sales expense	9,454,258	613,573	18,297	77,898	2,257,901	947,681	5,538,908
Net income (loss), special events and activities	3,740,691	497,522	747,154	458,307	1,302,507	405,767	329,434
Gross revenue	9,874,173	1,315,571	2,465,771	1,255,451	2,570,927	1,153,375	1,113,077
Direct expenses	6,133,482	818,049	1,718,617	797,144	1,268,421	747,608	783,643
Gross profit (loss), sales of inventories	6,021,543	137,414	382,482	294,031	1,355,493	1,727,268	2,124,855
Gross sales minus returns and allowances	13,962,301	326,958	633,493	779,030	3,453,848	4,037,801	4,731,171
Cost of goods sold	7,940,759	189,544	251,011	484,999	2,098,355	2,310,532	2,606,316
Other revenue (loss)	21,091,422	154,115	300,250	251,375	2,263,966	2,280,942	15,840,774
<b>Total expenses [2]</b>	<b>1,227,644,870</b>	<b>14,258,644</b>	<b>23,550,525</b>	<b>19,014,051</b>	<b>149,297,319</b>	<b>167,523,123</b>	<b>854,001,208</b>
Program services	1,055,672,320	12,190,602	20,183,882	15,924,583	127,096,995	143,206,633	737,069,626
Management and general	150,890,262	1,652,797	2,870,749	2,586,658	18,810,327	20,679,860	104,289,871
Fundraising	14,425,752	339,514	481,122	478,399	3,019,738	2,695,213	7,411,765
Payments to affiliates	6,656,532	75,730	14,770	* 24,411	370,257	941,417	5,229,947
<b>Excess of revenue over expenses (net)</b>	<b>140,277,953</b>	<b>-1,234,337</b>	<b>1,101,488</b>	<b>804,941</b>	<b>7,833,516</b>	<b>14,010,647</b>	<b>117,761,697</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns with zero assets or assets not reported.

[2] The differences between "total expenses" shown in this table and "total functional expenditures" shown in Table 2 are due to payments to affiliates, which are not considered functional expenditures.

NOTES: Data exclude private foundations, most organizations with receipts less than \$25,000, most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Table 2. Form 990 Returns of 501(c)(3)-(9) Organizations: Total Functional Expenditures, by Code Section, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total functional expenditures [2]</b>	<b>1,220,988,334</b>	<b>77,902,894</b>	<b>17,335,069</b>	<b>33,712,221</b>	<b>11,369,756</b>	<b>13,218,752</b>	<b>138,835,405</b>
Grants paid from donor-advised funds	5,321,942	0	* 343	* 1,683	0	0	* 45
Other grants and allocations	79,695,343	2,712,875	745,496	763,812	53,968	596,425	1,270,472
Specific assistance to individuals	10,091,961	1,171,108	5,981	10,635	319	146,537	1,223,608
Benefits paid to or for members	7,257,408	19,929,298	1,760,411	820,131	25,833	9,467,637	117,649,873
Compensation of current officers, directors, etc.	18,749,295	533,612	1,534,492	2,227,746	192,984	115,542	319,870
Compensation of former officers, directors, etc.	1,127,768	20,488	42,800	75,480	12,078	14,277	1,273
Compensation to disqualified persons	454,500	* 28,029	* 22,646	* 17,783	* 1,725	0	* 893
Other salaries and wages	411,300,556	6,198,794	3,616,729	6,292,951	3,815,929	755,761	634,492
Pension plan contributions	18,746,445	673,198	706,627	556,862	68,310	130,734	101,278
Other employee benefits	57,920,133	5,029,237	967,836	1,219,140	394,333	281,661	4,945,793
Payroll taxes	28,710,821	279,566	424,732	559,001	468,978	87,837	76,876
Professional fundraising fees	822,241	84,946	72,862	30,835	5,992	9,811	* 1,657
Accounting fees	2,148,752	152,225	98,679	160,780	60,421	26,470	112,935
Legal fees	2,913,337	204,431	451,117	560,725	25,853	26,094	145,968
Supplies	103,226,876	372,132	161,478	250,783	378,582	60,656	29,046
Telephone	4,698,577	116,580	147,902	227,157	51,415	22,775	18,024
Postage and shipping	3,931,358	485,595	133,846	333,605	45,295	25,181	59,315
Occupancy	38,460,603	1,026,886	550,174	979,866	1,373,171	214,815	106,688
Equipment rental and maintenance	16,599,390	428,541	133,154	329,815	330,201	39,915	32,682
Printing and publications	7,010,340	565,749	252,613	950,231	94,631	46,086	43,063
Travel	10,535,362	239,873	490,835	902,554	42,607	35,670	12,718
Conferences, conventions, and meetings	4,862,666	222,420	445,891	2,340,333	52,683	47,385	22,273
Interest	21,393,557	2,434,807	64,291	134,407	283,583	18,790	14,950
Depreciation and depletion	49,301,674	1,281,188	309,595	573,224	1,059,807	95,401	67,474
Other expenses	315,707,405	33,711,312	4,194,538	13,392,680	2,531,053	953,289	11,944,137

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] The differences between "total functional expenditures" shown in this table and "total expenses" shown in Tables 1 and 3 are due to payments to affiliates, which are not considered functional expenditures.

NOTES: Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Table 3. Form 990 Returns of 501(c)(3)-(9) Organizations: Balance Sheet and Income Statement Items, by Code Section, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>237,653</b>	<b>17,693</b>	<b>14,470</b>	<b>23,958</b>	<b>13,801</b>	<b>5,360</b>	<b>6,383</b>
<b>Total assets</b>	<b>2,547,156,696</b>	<b>97,581,787</b>	<b>30,044,359</b>	<b>60,879,145</b>	<b>23,107,266</b>	<b>99,525,019</b>	<b>169,568,304</b>
Cash	54,554,065	2,625,892	2,482,442	3,392,872	1,163,989	497,706	2,950,241
Savings and temporary cash investments	165,196,937	10,388,197	6,302,125	10,724,462	1,768,205	3,722,271	20,447,854
Accounts receivable (net)	120,930,023	6,104,399	1,015,459	3,717,264	1,230,036	132,852	10,598,031
Pledges receivable (net)	48,645,926	120,567	* 5,950	170,708	12,767	* 1,296	* 164
Grants receivable	14,967,531	217,257	13,256	101,738	* 780	* 10,506	135,698
Receivables due from officers, etc.	353,454	* 20,697	2,210	19,411	11,760	* 551	* 20
Receivables due from disqualified persons	157,207	0	0	* 12	0	0	0
Other notes and loans receivable	100,179,793	27,490,564	300,487	1,170,612	131,770	375,205	141,472
Inventories for sale or use	14,088,684	1,374,236	40,515	181,151	254,984	36,594	5,445
Prepaid expenses and deferred charges	21,996,875	1,324,572	180,519	925,730	233,114	37,733	260,163
Investments in publicly-traded securities	703,524,195	18,399,548	11,612,797	23,663,454	472,463	65,177,584	89,267,166
Investments in other securities	205,971,957	5,228,661	1,258,239	5,182,429	122,060	3,636,673	27,315,079
Investments in land, buildings, and equipment	35,657,973	2,906,923	382,297	546,706	1,291,785	208,143	139,443
Other investments	279,831,332	4,324,431	1,564,608	4,290,423	227,826	22,897,434	12,085,647
Land, buildings, and equipment for charitable purposes	632,678,295	11,075,309	4,265,431	4,794,226	15,817,391	1,572,014	383,320
Other assets	148,422,445	5,980,534	618,025	1,997,947	368,337	1,218,457	5,838,561
<b>Total liabilities</b>	<b>931,800,259</b>	<b>50,470,508</b>	<b>6,134,189</b>	<b>30,207,435</b>	<b>7,784,284</b>	<b>86,991,127</b>	<b>28,489,595</b>
Accounts payable	162,682,823	10,755,060	2,511,297	6,671,555	1,133,207	526,686	14,971,222
Grants payable	14,315,757	582,461	39,576	87,509	* 5,043	* 6,847	91,666
Support and revenue designated for future periods	45,713,265	2,968,986	259,636	4,520,882	851,266	68,120	390,985
Loans from officers, etc.	950,738	* 2,137	* 6	* 600	* 10,270	* 8,799	* 3,250
Tax-exempt bond liabilities	311,363,209	7,649,059	* 910	* 48,847	* 200	* 9,844	0
Mortgages and other notes payable	194,296,580	22,437,280	1,327,887	2,817,440	4,943,614	254,730	408,660
Other liabilities	202,477,887	6,075,525	1,994,877	16,060,603	840,683	86,116,102	12,624,011
<b>Net assets</b>	<b>1,615,356,436</b>	<b>47,111,279</b>	<b>23,910,170</b>	<b>30,671,710</b>	<b>15,322,982</b>	<b>12,533,891</b>	<b>141,078,709</b>
<b>Total revenue</b>	<b>1,367,922,825</b>	<b>81,586,215</b>	<b>21,094,176</b>	<b>37,549,677</b>	<b>11,724,293</b>	<b>14,220,971</b>	<b>145,939,044</b>
Total contributions, gifts, and grants received	301,617,358	5,228,511	1,032,206	2,936,632	107,579	347,694	* 641
Contributions received from donor-advised funds	10,368,453	* 479	0	* 736	0	0	0
Contributions received from direct public support	150,214,837	1,924,520	513,247	1,167,641	94,467	58,773	* 99
Contributions received from indirect public support	26,049,161	185,294	88,646	106,306	10,712	253,830	* 542
Government grants	114,984,906	3,118,219	430,313	1,661,950	* 2,401	* 35,092	0
Program service revenue	919,572,343	66,273,009	3,786,543	15,385,445	2,157,159	9,140,204	131,940,171
Membership dues and assessments	8,734,691	2,845,810	13,845,104	13,369,671	6,885,133	386,725	3,080,076
Interest on savings and temporary cash investments	9,480,661	648,684	296,999	670,172	97,143	91,315	1,078,066
Dividends and interest from securities	26,609,301	823,255	483,171	1,208,933	24,256	3,214,941	3,505,570
Net rental income (loss)	2,827,854	224,929	107,430	48,114	49,691	36,928	589
Gross rents	5,944,670	326,820	218,320	172,837	110,076	59,977	9,799
Rental expenses	3,116,815	101,891	110,889	124,723	60,384	23,049	9,210
Other investment income	9,136,729	869,258	61,983	111,633	8,329	86,438	463,828
Total gain (loss) from sales of assets	59,090,226	1,050,938	315,980	575,214	45,037	247,498	4,793,169
Gain (loss), sales of securities	53,679,436	813,770	204,304	549,210	13,167	65,561	4,731,000
Gross amount from sales	676,926,289	14,734,181	6,265,880	22,889,419	222,876	3,084,276	154,216,273
Cost or other basis and sales expense	623,246,853	13,920,411	6,061,576	22,340,210	209,709	3,018,715	149,485,273
Gain (loss), sales of other assets	5,410,789	237,167	111,677	26,004	31,870	181,937	62,169
Gross amount from sales	14,865,047	520,232	189,347	136,469	189,106	185,932	372,147
Cost or other basis and sales expense	9,454,258	283,065	77,671	110,465	157,236	3,996	309,978
Net income (loss), special events and activities	3,740,691	275,679	23,841	249,283	80,673	356,226	* 3,116
Gross revenue	9,874,173	1,176,279	84,737	810,994	278,253	684,714	* 13,794
Direct expenses	6,133,482	900,600	60,896	561,711	197,579	328,488	* 10,677
Gross profit (loss), sales of inventories	6,021,543	174,930	10,825	220,584	1,935,939	136,923	* -285
Gross sales minus returns and allowances	13,962,301	514,343	52,940	381,163	3,786,172	382,554	* 15,635
Cost of goods sold	7,940,759	339,413	42,115	160,580	1,850,232	245,631	* 15,920
Other revenue (loss)	21,091,422	3,171,209	1,130,093	2,773,997	333,352	176,078	1,074,103
<b>Total expenses [2]</b>	<b>1,227,644,870</b>	<b>78,008,213</b>	<b>19,652,504</b>	<b>33,877,729</b>	<b>11,402,106</b>	<b>13,233,441</b>	<b>138,961,990</b>
Program services	1,055,672,320	70,123,616	[3]	[3]	[3]	[3]	[3]
Management and general	150,890,262	7,437,711	[3]	[3]	[3]	[3]	[3]
Fundraising	14,425,752	341,567	[3]	[3]	[3]	[3]	[3]
Payments to affiliates	6,656,532	105,318	2,317,435	165,508	32,350	14,689	126,585
<b>Excess of revenue over expenses (net)</b>	<b>140,277,953</b>	<b>3,578,002</b>	<b>1,441,672</b>	<b>3,671,948</b>	<b>322,187</b>	<b>987,530</b>	<b>6,977,054</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] The differences between "total expenses" shown in this table and "total functional expenditures" shown in Table 2 are due to payments to affiliates, which are not considered functional expenditures.

[3] Not required to be reported.

NOTES: Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

# Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

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**Table 4. Form 990-EZ Returns of 501(c)(3)-(9) Organizations: Selected Items, by Code Section, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>63,561</b>	<b>9,872</b>	<b>5,999</b>	<b>6,747</b>	<b>6,837</b>	<b>1,441</b>	<b>253</b>
<b>Total assets</b>	<b>2,571,349</b>	<b>478,673</b>	<b>370,861</b>	<b>282,994</b>	<b>405,421</b>	<b>99,611</b>	<b>8,000</b>
Cash, savings, and investments	1,917,007	356,069	331,995	273,146	218,810	69,589	8,000
Land and buildings (net)	341,475	110,258	29,012	* 5,023	145,728	* 27,746	0
Other assets	312,866	12,346	9,854	4,825	40,882	* 2,276	0
<b>Total liabilities</b>	<b>210,343</b>	<b>47,391</b>	<b>39,517</b>	<b>13,630</b>	<b>54,877</b>	<b>* 552</b>	<b>0</b>
<b>Net assets</b>	<b>2,361,006</b>	<b>431,282</b>	<b>331,344</b>	<b>269,363</b>	<b>350,544</b>	<b>99,059</b>	<b>8,000</b>
<b>Total revenue</b>	<b>2,957,219</b>	<b>414,254</b>	<b>298,389</b>	<b>323,683</b>	<b>298,434</b>	<b>65,092</b>	<b>14,318</b>
Contributions, gifts, and grants	1,551,098	85,343	16,325	45,266	26,308	4,682	0
Program service revenue	649,333	78,016	13,553	90,666	71,676	* 22,318	8,971
Dues and assessments	244,469	132,195	230,442	151,166	160,128	10,661	3,905
Investment income (loss)	42,176	12,952	8,084	5,459	13,521	1,590	120
Gain (loss) from sales of assets	16,038	* 2,013	* 100	0	* -556	0	0
Gross amount from sales	26,766	* 4,802	* 2,413	0	* 11,353	0	0
Cost or other basis and sales expense	10,727	* 2,789	* 2,312	0	* 11,910	0	0
Net income (loss), special events and activities	293,263	89,082	9,109	13,900	8,877	* 13,857	0
Gross revenue	693,159	187,792	24,978	48,225	51,961	* 27,974	0
Direct expenses	399,895	98,710	15,869	34,325	43,084	* 14,117	0
Gross profit (loss), sales of inventories	57,200	2,667	* 410	* 196	4,162	* 2,477	0
Gross sales minus returns and allowances	171,084	9,490	* 1,489	* 588	19,555	* 4,404	0
Cost of goods sold	113,883	* 6,822	* 1,079	* 392	15,393	* 1,927	0
Other revenue (loss)	103,636	11,984	20,364	17,028	14,318	* 9,506	1,323
<b>Total expenses</b>	<b>2,771,232</b>	<b>384,650</b>	<b>274,536</b>	<b>306,821</b>	<b>285,584</b>	<b>70,995</b>	<b>14,550</b>
Grants paid	413,835	87,850	30,551	9,479	9,501	17,081	0
Benefits paid to or for members	42,415	14,481	11,503	* 12,553	* 12,184	* 2,393	9,439
Salaries and compensation	419,608	16,783	71,586	42,488	25,354	* 6,703	211
Professional fees	263,948	35,338	21,486	54,141	14,563	* 4,458	13
Occupancy, rent, and utilities	305,830	40,993	19,400	9,594	79,071	* 13,171	80
Printing, publications, and postage	109,912	11,890	10,739	22,337	15,581	1,764	13
Other expenses	1,215,677	177,312	109,273	156,228	129,329	25,424	4,794
<b>Excess of revenue over expenses (net)</b>	<b>185,985</b>	<b>29,604</b>	<b>23,853</b>	<b>16,862</b>	<b>12,849</b>	<b>-5,903</b>	<b>-232</b>

\*Estimate(s) should be used with caution because of the small number of sample returns on which they are based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

NOTES: Organizations with end-of-year total assets under \$250,000 and gross receipts under \$100,000 could elect to file Forms 990-EZ rather than Forms 990. Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

by Cynthia Belmonte

**P**ivate foundations distribute billions of dollars to the charitable sector each year. Generally, these distributions are grants to other tax-exempt organizations to assist in funding their charitable programs. Because the activities of private foundations are primarily charitable, most income that they receive is exempt from tax under Internal Revenue Code (IRC) section 501(c)(3). However, private foundations are subject to a variety of IRS regulations regarding their activities. Private foundations report compliance with IRS regulations, as well as detailed financial information, using the annual information return Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*. Certain nonexempt charitable trusts that are treated as private foundations for tax purposes are also required to file this return.<sup>1</sup>

Form 990-PF can provide insight into a wide range of issues related to private foundations and nonexempt charitable trusts, such as organizational and operating characteristics; composition of assets, revenue, and expenditures; and the relationship between charitable contributions and investment return. The total number of Forms 990-PF filed by private foundations increased by 3 percent to 79,535 between Tax Years 2004 and 2005, and increased another 3 percent to 81,850 between Tax Years 2005 and 2006. The number of returns filed by nonexempt charitable trusts increased by 3 percent to 3,612 between Tax Years 2004 and 2005, but decreased by 3 percent to 3,502 between Tax Years 2005 and 2006.

Contributions, gifts, and grants distributed to the charitable sector by private foundations increased substantially for Tax Years 2005 and 2006. Private foundations distributed 15 percent more in contributions, gifts, and grants for Tax Year 2005 than for the previous year. Contributions, gifts, and grants distributed for Tax Year 2006 increased another 10 percent over Tax Year 2005. Nonexempt charitable

trusts distributed 4 percent more in contributions, gifts, and grants for Tax Year 2005 than for the previous year, but, for Tax Year 2006, the amount of contributions, gifts, and grants paid decreased 7 percent. Selected financial data reported on Forms 990-PF by private foundations and nonexempt charitable trusts for Tax Years 2004 through 2006, including asset, revenue, and expense items, are shown in Figure A.<sup>2</sup>

Often, investment assets provide the basis for giving by grantmaking foundations and charitable trusts. The value of investment assets held by private foundations increased by 7 percent between Tax Years 2004 and 2005, and increased by 18 percent between Tax Years 2005 and 2006. For each year, investment assets represented more than 94 percent of the fair market value of total assets reported by private foundations, which also increased by 7 percent to \$545.9 billion for 2005, and 18 percent to \$645.8 billion for 2006. The value of investment assets held by nonexempt charitable trusts increased by 4 percent between Tax Year 2004 and Tax Year 2005, and by 5 percent between Tax Year 2005 and Tax Year 2006. Nonexempt charitable trusts reported an aggregate fair market value of total assets of \$5.8 billion for Tax Year 2005 and \$6.1 billion for Tax Year 2006; for both years, investment assets represented nearly 98 percent of the total.

Revenue received by private foundations and nonexempt charitable trusts for Tax Years 2005 and 2006 consisted primarily of income derived from assets and contributions, gifts, and grants received. Income derived from assets, including net gains from sales of assets, interest and dividends from securities, and interest on savings, accounted for more than half of total revenue reported by private foundations for Tax Years 2005 and 2006. Contributions, gifts, and grants received represented an additional 40 percent of total revenue. Overall, private foundations reported 30 percent more revenue for Tax Year 2005 than for Tax Year 2004, and 23 percent more revenue for Tax Year 2006 than for Tax Year 2005. Total revenue reported by nonexempt charitable trusts increased by 15 percent to \$579 million between Tax Year 2004 and Tax Year 2005, and increased 6 percent to \$611 million between Tax Year 2005 and Tax

*Cynthia Belmonte is an economist with the Special Studies Special Projects Section. This data release was prepared under the direction of Melissa R. Ludlum, Chief.*

<sup>1</sup> These trusts, defined under section 4947(a)(1), have only charitable beneficiaries and pay taxes using Form 1041, *U.S. Income Tax Return for Estates and Trusts*. However, they may be able to avoid all tax by deducting charitable expenses; thus, they are subject to the private foundation rules.

<sup>2</sup> For complete information on Forms 990-PF filed for Tax Year 2004, see Ludlum, Melissa, "Domestic Private Foundations and Charitable Trusts: Charitable Distributions and Investment Assets, Tax Year 2004," *Statistics of Income Bulletin*, Fall 2007, Volume 27, Number 2.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure A**

## Domestic Private Foundations and Charitable Trusts: Selected Financial Items and Percentage Changes, Tax Years 2004-2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	Private foundations				
	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006
	(1)	(2)	(3)	(4)	(5)
<b>Number of returns</b>	<b>76,897</b>	<b>79,535</b>	<b>81,850</b>	<b>3.4</b>	<b>2.9</b>
<b>Total assets (fair market value)</b>	<b>509,924</b>	<b>545,938</b>	<b>645,810</b>	<b>7.1</b>	<b>18.3</b>
Cash (non-interest bearing accounts)	4,718	5,168	6,678	9.5	29.2
Investments, total	481,177	515,795	609,661	7.2	18.2
Savings and temporary cash investments	30,449	33,836	42,304	11.1	25.0
Investments in securities, total	361,158	373,084	403,668	3.3	8.2
Government obligations	37,859	37,401	38,718	-1.2	3.5
Corporate stock	279,921	294,779	325,759	5.3	10.5
Corporate bonds	43,378	40,903	39,191	-5.7	-4.2
Other investments [1]	89,570	108,875	163,689	21.6	50.3
<b>Total revenue</b>	<b>58,668</b>	<b>76,365</b>	<b>94,107</b>	<b>30.2</b>	<b>23.2</b>
Contributions, gifts, and grants received	23,531	31,224	39,576	32.7	26.7
Net gain (less loss) from sales of assets	21,070	29,036	35,747	37.8	23.1
Dividends and interest from securities	8,815	9,863	11,401	11.9	15.6
Interest on savings	1,836	2,230	2,672	21.5	19.8
<b>Net investment income</b>	<b>34,019</b>	<b>44,269</b>	<b>54,200</b>	<b>30.1</b>	<b>22.4</b>
<b>Total expenses</b>	<b>36,552</b>	<b>42,822</b>	<b>48,797</b>	<b>17.2</b>	<b>14.0</b>
Disbursements for charitable purposes	32,125	37,017	40,686	15.2	9.9
Contributions, gifts, and grants paid	27,625	31,856	34,932	15.3	9.7
Excise tax on net investment income	469	624	796	33.0	27.6
Item	Charitable trusts				
	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006
	(6)	(7)	(8)	(9)	(10)
<b>Number of returns</b>	<b>3,511</b>	<b>3,612</b>	<b>3,502</b>	<b>2.9</b>	<b>-3.0</b>
<b>Total assets (fair market value)</b>	<b>5,579</b>	<b>5,832</b>	<b>6,142</b>	<b>4.5</b>	<b>5.3</b>
Cash (non-interest bearing accounts)	42	40	43	-4.8	7.5
Investments, total	5,457	5,699	6,005	4.4	5.4
Savings and temporary cash investments	289	319	321	10.4	0.6
Investments in securities, total	4,289	4,591	4,874	7.0	6.2
Government obligations	406	480	474	18.2	-1.3
Corporate stock	3,285	3,521	3,801	7.2	8.0
Corporate bonds	599	589	598	-1.7	1.5
Other investments [1]	879	789	810	-10.2	2.7
<b>Total revenue</b>	<b>502</b>	<b>579</b>	<b>611</b>	<b>15.3</b>	<b>5.5</b>
Contributions, gifts, and grants received	169	163	109	-3.6	-33.1
Net gain (less loss) from sales of assets	159	230	285	44.7	23.9
Dividends and interest from securities	130	143	162	10.0	13.3
Interest on savings	8	10	13	25.0	30.0
<b>Net investment income</b>	<b>304</b>	<b>383</b>	<b>456</b>	<b>26.0</b>	<b>19.1</b>
<b>Total expenses</b>	<b>369</b>	<b>389</b>	<b>367</b>	<b>5.4</b>	<b>-5.7</b>
Disbursements for charitable purposes	332	345	322	3.9	-6.7
Contributions, gifts, and grants paid	314	325	302	3.5	-7.1
Excise tax on net investment income	5	6	7	20.0	16.7

[1] Sum of "investments in land, buildings, and equipment (less accumulated depreciation)," "investments in mortgage loans," and miscellaneous items such as advances; certificates of investment; and investments in art, coins, gold, and gems.

Year 2006. For Tax Year 2005, more than two-thirds of revenue reported by nonexempt charitable trusts were received from net gains from sales of assets, interest and dividends from securities, and interest on savings; while for Tax Year 2006, these sources

accounted for 75 percent of total revenue. Contributions, gifts, and grants received accounted for 28 percent of revenue reported by nonexempt charitable trusts for Tax Year 2005 and only 18 percent of revenue reported for Tax Year 2006.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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## The Statistics of Income Study

The Statistics of Income (SOI) Division conducts an annual study of private foundations, based on information returns filed with the Internal Revenue Service. The SOI data are estimates based on a sample of Forms 990-PF selected to represent the entire filing population for a given tax year. The data presented in this article are from a sample of Forms 990-PF filed for Tax Years 2005 and 2006 by domestic private foundations, and from the population of Tax Years 2005 and 2006 Forms 990-PF filed by domestic nonexempt charitable trusts that were treated as private foundations. Domestic foundations and trusts are those that were organized in the United States. Tax Year 2005 includes all accounting periods beginning in Calendar Year 2005 and thus ending between December 2005 and November 2006. Tax Year 2006 includes all accounting periods beginning in Calendar Year 2006 and thus ending between December 2006 and November 2007.

Statistics of Income studies based on stratified random samples of returns filed by private foundations have been conducted for Tax Years 1974, 1979, 1982, 1983, and annually since 1985. Studies based on sampled Forms 990-PF filed by charitable trusts have been conducted for Tax Year 1979 and annually since 1989. Beginning with Tax Year 2003, the population of Forms 990-PF filed by nonexempt charitable trusts has been included in the SOI study.

## Composition of Filers

Under IRC section 501(c)(3), private foundations and other organizations that conduct activities or provide financial support for charitable purposes are granted exemption from the income taxes described in IRC, Title 26, Subtitle A.<sup>3</sup> Foundations represent a minority of tax-exempt organizations; most tax-exempt organizations are hospitals, schools, churches, and organizations that receive broad support from the general public. Many of these types of tax-exempt organizations file Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, the short version of this information return.<sup>4</sup> Several characteristics distinguish a foundation from other types of tax-exempt organizations, including its narrow sphere of support and control. A private foundation may be organized as a corporation, association, or

trust. Typically, a foundation is funded by a small number of private donors. Additionally, control of the private foundation is generally limited to an individual, family, or corporation.

Nonexempt charitable trusts that are treated as private foundations for tax purposes are trusts that have not obtained tax-exempt status, but they are funded and operated nearly identically to tax-exempt private foundations. These trusts have exclusively charitable interests and have amounts in trust for which donors are allowed to claim a tax deduction for charitable contributions. Unlike private foundations, nonexempt charitable trusts are required to pay an annual tax on income that is not distributed for charitable purposes, and they must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*, in addition to filing Form 990-PF. Nonexempt charitable trusts with no taxable income for a tax year may file Form 990-PF only.

All private foundations and nonexempt charitable trusts are classified as one of two operating types—“nonoperating” or “operating.” Private foundations and nonexempt charitable trusts that are characterized as nonoperating primarily contribute grants and other financial support to charitable organizations or activities; they generally do not operate their own charitable programs. Nonoperating private foundations and charitable trusts are by far the most common Form 990-PF filers; for each of Tax Years 2005 and 2006, over 90 percent of Forms 990-PF filed were filed by nonoperating foundations or trusts.

Private foundations and charitable trusts that principally focus on the operation of their own charitable programs are known as operating foundations. Private foundations that operate as museums, housing or health-care facilities, or organizations that conduct scientific research are examples of foundations that frequently receive operating status. In order to qualify as operating, a foundation must meet certain financial criteria (see “Operating foundations and charitable trusts” in the *Explanation of Selected Terms* section for information on operating foundations).

Figure B shows the number of returns filed, fair market value of total assets, total revenue, and total contributions, gifts, and grants paid, for Tax Year 2006 reported by Form 990-PF filers, by organization and operating type. More than 95 percent of

<sup>3</sup> Programs termed “charitable” refer to tax-exempt activities that are charitable, educational, scientific, social, literary, or religious in nature.

<sup>4</sup> For an in-depth discussion of organizations other than private foundations that are tax-exempt under IRC section 501(c)(3), see Arnsberger, Paul, “Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006,” *Statistics of Income Bulletin*, in this issue.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure B**

## Domestic Private Foundations and Charitable Trusts: Selected Financial Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Asset size	All foundations				Nonoperating foundations	
	Number of returns	Total FMV assets	Total revenue	Total grants	Number of returns	Total FMV assets
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Private foundations, total</b>	<b>81,850</b>	<b>645,810.2</b>	<b>94,107.2</b>	<b>34,932.2</b>	<b>74,364</b>	<b>597,708.9</b>
Less than \$1,000,000	52,730	13,402.1	4,789.2	3,933.5	47,121	12,324.5
\$1,000,000 under \$50,000,000	27,613	173,142.8	31,226.5	12,251.2	25,848	160,945.6
\$50,000,000 or more	1,507	459,265.3	58,091.5	18,747.5	1,395	424,438.8
	Percentage of total				Percentage of total	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than \$1,000,000	64.4	2.1	5.1	11.3	63.4	2.1
\$1,000,000 under \$50,000,000	33.7	26.8	33.2	35.1	34.8	26.9
\$50,000,000 or more	1.8	71.1	61.7	53.7	1.9	71.0

Asset size	Nonoperating foundations		Operating foundations			
	Total revenue	Total grants	Number of returns	Total FMV assets	Total revenue	Total grants
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Private foundations, total</b>	<b>86,195.6</b>	<b>33,850.2</b>	<b>7,486</b>	<b>48,101.4</b>	<b>7,911.6</b>	<b>1,082.0</b>
Less than \$1,000,000	3,566.1	3,840.8	5,610	1,077.6	1,223.1	92.8
\$1,000,000 under \$50,000,000	28,032.6	11,487.5	1,765	12,197.2	3,193.8	763.7
\$50,000,000 or more	54,596.9	18,521.9	112	34,826.6	3,494.6	225.6
	Percentage of total			Percentage of total		
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than \$1,000,000	4.1	11.3	74.9	2.2	15.5	8.6
\$1,000,000 under \$50,000,000	32.5	33.9	23.6	25.4	40.4	70.6
\$50,000,000 or more	63.3	54.7	1.5	72.4	44.2	20.9

Asset size	All charitable trusts				Nonoperating charitable trusts	
	Number of returns	Total FMV assets	Total revenue	Total grants	Number of returns	Total FMV assets
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Nonexempt charitable trusts, total</b>	<b>3,502</b>	<b>6,141.6</b>	<b>611.1</b>	<b>302.0</b>	<b>3,469</b>	<b>6,097.4</b>
Less than \$1,000,000	2,548	747.0	99.2	58.4	2,521	739.7
\$1,000,000 under \$10,000,000	860	2,445.5	247.2	107.3	855	2,425.6
\$10,000,000 or more	94	2,949.1	264.6	136.3	93	2,932.1
	Percentage of total				Percentage of total	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than \$1,000,000	72.8	12.2	16.2	19.3	72.7	12.1
\$1,000,000 under \$10,000,000	24.6	39.8	40.5	35.5	24.6	39.8
\$10,000,000 or more	2.7	48.0	43.3	45.1	2.7	48.1

Asset size	Nonoperating charitable trusts			Operating charitable trusts		
	Total revenue	Total grants	Number of returns	Total FMV assets	Total revenue	Total grants
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Nonexempt charitable trusts, total</b>	<b>606.0</b>	<b>301.2</b>	<b>33</b>	<b>44.2</b>	<b>5.1</b>	<b>0.8</b>
Less than \$1,000,000	98.7	58.2	27	7.3	0.5	0.2
\$1,000,000 under \$10,000,000	243.2	106.9	5	19.9	4.0	0.4
\$10,000,000 or more	264.1	136.2	1	17.0	0.5	0.2
	Percentage of total			Percentage of total		
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than \$1,000,000	16.3	19.3	81.8	16.5	9.8	25.0
\$1,000,000 under \$10,000,000	40.1	35.5	15.2	45.0	78.4	50.0
\$10,000,000 or more	43.6	45.2	3.0	38.5	9.8	25.0

NOTES: Detail may not add to totals because of rounding and processing tolerances. "FMV" is an abbreviation for fair market value.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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Tax Year 2006 Forms 990-PF were filed by private foundations. In terms of financial activity, private foundations were even more dominant, reporting 99 percent of the fair market value of total assets held, total revenue, and total contributions, gifts, and grants distributed by all Form 990-PF filers. For this reason, the remainder of the article will focus solely on private foundations. The attached tables, however, include data for nonexempt charitable trusts.

Most foundations were similarly sized, with the majority of foundations holding assets with fair market values of less than \$1,000,000. The median fair market value of total assets held by foundations for Tax Year 2006 was \$521,035. However, the mean fair market value of total assets held by private foundations for Tax Year 2006 was \$7.9 million, illustrating the presence of a small number of foundations holding large amounts of assets.

Large private foundations, defined as those with \$50 million or more in fair market value of total assets at the end of Tax Year 2006, accounted for the majority of financial activity. These organizations represented less than 2 percent of private foundations for Tax Year 2006, yet held 71 percent of the aggregate fair market value of total assets reported. Further, less than 1 percent of private foundations—those with assets valued at \$100 million or more—held over 63 percent of all assets. Large foundations also received most of the revenue, 62 percent, and distributed more than half, 54 percent, of grants reported by all private foundations for Tax Year 2006.

## Ten Largest Domestic Foundations

The largest foundations, based on asset size, and the largest grantmakers, based on the total amount of contributions, gifts, and grants reported for Tax Year 2006, are shown in Figure C.<sup>5</sup> Data obtained from Forms 990-PF differ from most other IRS return data, in that individual return information may be published. In fact, returns are available for public review under IRC section 6104(b). For Tax Year

2006, ten foundations alone held one-fifth of the total assets reported by the domestic Form 990-PF filers. With assets valued at \$33.0 billion, the Bill and Melinda Gates Foundation Trust was by far the largest organization in the domestic top ten. The Bill and Melinda Gates Foundation, with \$29.7 billion in assets, was the second-largest domestic private foundation.<sup>6</sup> For Tax Year 2006, the J. Paul Getty Trust was the only operating foundation included in the top ten largest organizations. This foundation, which operates the J. Paul Getty Museum, reported assets valued at more than four times those reported by the second-largest operating foundation, the Washington-based Casey Family Programs, which ranked as the 23<sup>rd</sup>-largest foundation. The Bill and Melinda Gates and Ford foundations were the leading grantmakers in Tax Year 2006, distributing \$1.6 billion and \$0.6 billion in contributions, gifts, and grants for the year, respectively.

## Investment Assets and Income

Investment performance significantly impacts the ability of private foundations to fund their short- and long-term grantmaking. Private foundations, particularly those that focus on long-term grantmaking, rely on growth from investment assets to finance future charitable distributions. Income derived from investment assets, including sales, dividends, and interest, provided more than half of all revenue reported by foundations for Tax Years 2005 and 2006. Figure D shows inflation-adjusted changes in the values of total and selected types of investments held by non-operating foundations, between Tax Years 2004 and 2006.<sup>7</sup> The real value of investments increased by only 4 percent from Tax Year 2004 to Tax Year 2005, but increased much more dramatically, by 15 percent, from Tax Year 2005 to Tax Year 2006. Securities, comprising corporate stocks and bonds and government obligations, represented the largest component of investment, accounting for 72 percent of total investments for Tax Year 2005 and 66 percent for Tax

<sup>5</sup> Seven of the ten largest foundations and seven of the ten biggest grantmakers had calendar year accounting periods, meaning that all of their activity occurred during the calendar year period. However, three of the ten had other fiscal year accounting periods. For Tax Year 2006, the Ford Foundation had an accounting period ending in September 2007, the J. Paul Getty Trust in June 2007, and the W.K. Kellogg Foundation and the W.K. Kellogg Foundation Trust in August 2007; therefore, much of their activity for Tax Year 2006 occurred in Calendar Year 2007. See the *Data Sources and Limitations* section.

<sup>6</sup> In October, 2006, the Bill and Melinda Gates Foundation Trust was created to manage the endowment assets of the Bill and Melinda Gates Foundation (“the foundation”), which distributes money to grantees. The grants paid reported by the Bill and Melinda Gates Foundation Trust were combined with the amount reported by the Bill and Melinda Gates Foundation to represent the total grantmaking efforts of the foundation throughout the tax year.

<sup>7</sup> Data for investment assets in the text and in Figure D differ from those presented elsewhere in this article because they have been adjusted for inflation. Tax Year 2004 and 2005 investment totals were adjusted based on the 2000 chain-type price index for Gross Domestic Product as reported by the U.S. Department of Commerce, Bureau of Economic Analysis; 2006 was used as the base year. Unless otherwise noted, all other data are in current dollars.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure C**

## Top Ten Domestic Private Foundations, by Size of End-of-Year Fair Market Value of Total Assets and Charitable Grants Paid, Tax Year 2006

[Money amounts are in millions of dollars]

Ten Largest Organizations	State	Total FMV assets	Total grants paid
Name and ranking	(1)	(2)	(3)
1. Bill and Melinda Gates Foundation Trust [1]	WA	33,030	0
2. Bill and Melinda Gates Foundation [1]	WA	29,655	1,552
3. The Ford Foundation	NY	13,799	617
4. The J. Paul Getty Trust [2]	CA	11,187	12
5. The Robert Wood Johnson Foundation	NJ	10,103	331
6. The William & Flora Hewlett Foundation	CA	8,516	212
7. W.K. Kellogg Foundation [3]	MI	8,420	303
8. Lilly Endowment Inc.	IN	7,602	352
9. The David and Lucile Packard Foundation	CA	6,354	238
10. John D. and Catherine T. MacArthur Foundation	IL	6,178	217
<b>Total</b>		<b>134,844</b>	<b>3,834</b>

Ten Biggest Grantmakers	State	Total grants paid	Total FMV assets
Name and ranking	(1)	(2)	(3)
1. Bill and Melinda Gates Foundation [1]	WA	1,552	29,655
2. The Ford Foundation	NY	617	13,799
3. Lilly Endowment Inc.	IN	352	7,602
4. The Robert Wood Johnson Foundation	NJ	331	10,103
5. Glaxosmithkline Patient Access Programs Foundation	PA	324	27
6. W.K. Kellogg Foundation [3]	MI	303	8,420
7. The Annenberg Foundation	PA	280	2,685
8. The David and Lucile Packard Foundation	CA	238	6,354
9. Gordon E. and Betty I. Moore Foundation	CA	231	5,836
10. John D. and Catherine T. MacArthur Foundation	IL	217	6,178
<b>Total</b>		<b>4,445</b>	<b>90,659</b>

[1] In October, 2006, the Bill and Melinda Gates Foundation Trust was created to manage the endowment assets of the Bill and Melinda Gates Foundation ("the foundation"), which distributes money to grantees. The grants paid reported by the Bill and Melinda Gates Foundation Trust were combined with the amount reported by the the Bill and Melinda Gates Foundation to represent the total grantmaking efforts of the foundation throughout the tax year.

[2] The J. Paul Getty Trust is an operating foundation. All other organizations listed are nonoperating foundations.

[3] The W.K. Kellogg Foundation Trust (classified as a private foundation and not as a section 4947(a)(1) charitable trust) is located in New York and has a "pass-through" relationship with the W.K. Kellogg Foundation, located in Michigan. Typically, the entire amount of the annual qualifying (charitable) distributions of the W. K. Kellogg Foundation Trust is made in the form of a grant to the W.K. Kellogg Foundation, which then redistributes the grant for charitable purposes. The combined total assets of the two organizations are shown in the "Total FMV assets" column, but, in order to avoid duplication, only the grants paid by the W.K. Kellogg Foundation are shown in the "Total grants paid" column.

NOTES: Detail may not add to totals due to rounding. "FMV" is an abbreviation for fair market value.

Year 2006. Savings and temporary cash investments represented 7 percent of total investments for Tax Years 2005 and 2006; while "other investments" represented 21 and 27 percent of total investments, respectively, for Tax Years 2005 and 2006. The "other investments" category represents an aggregation of several items, including investments in land, buildings, and equipment (less accumulated depreciation); mortgage loans; and additional items such as advances, certificates of investment, and investments in art, gold, coins, and gems.

The value of fixed-income investments, including government obligations and corporate bonds,

held by private foundations each declined, in real terms, by 4 percent and 9 percent, respectively, for Tax Year 2005. Holdings of government obligations were unchanged for Tax Year 2006, while holdings of corporate bonds declined another 7 percent, in real terms. However, increases in the respective values of savings and temporary cash investments, corporate stocks, and other investments more than offset the decreases in the values of fixed income investments for both Tax Years 2005 and 2006.

In real terms, the value of investments held by medium foundations, defined as those holding from \$1 million to \$50 million in fair market value of total

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure D**

## Domestic Private Foundations: Investments and Percentage Changes, by Size of End-of-Year Fair Market Value of Total Assets, in Constant Dollars, Tax Years 2004-2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	Asset size									
	All foundations					Less than \$1,000,000				
	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Investments, total (fair market value)</b>	<b>512,935</b>	<b>532,300</b>	<b>609,661</b>	<b>3.8</b>	<b>14.5</b>	<b>12,198</b>	<b>11,955</b>	<b>11,768</b>	<b>-2.0</b>	<b>-1.6</b>
Savings and temporary cash investments	32,459	34,918	42,304	7.6	21.2	2,344	2,333	2,342	-0.5	0.4
Investments in securities, total	384,995	385,023	403,668	0.0	4.8	8,083	8,133	7,871	0.6	-3.2
Government obligations	40,358	38,598	38,718	-4.4	0.3	605	619	628	2.3	1.5
Corporate stock	298,396	304,212	325,759	1.9	7.1	6,419	6,458	6,197	0.6	-4.0
Corporate bonds	46,241	42,212	39,191	-8.7	-7.2	1,059	1,057	1,046	-0.2	-1.0
Other investments [1]	95,482	112,359	163,689	17.7	45.7	1,771	1,488	1,555	-16.0	4.5
Item	\$1,000,000 under \$50,000,000					\$50,000,000 or more				
	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006	2004	2005	2006	Percentage change, 2004-2005	Percentage change, 2005-2006
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Investments, total (fair market value)</b>	<b>147,861</b>	<b>152,282</b>	<b>160,833</b>	<b>3.0</b>	<b>5.6</b>	<b>352,877</b>	<b>368,063</b>	<b>437,059</b>	<b>4.3</b>	<b>18.7</b>
Savings and temporary cash investments	13,838	14,653	16,364	5.9	11.7	16,277	17,932	23,598	10.2	31.6
Investments in securities, total	113,108	114,813	118,801	1.5	3.5	263,804	262,076	276,995	-0.7	5.7
Government obligations	12,268	11,939	11,658	-2.7	-2.4	27,485	26,040	26,431	-5.3	1.5
Corporate stock	86,582	89,650	93,952	3.5	4.8	205,395	208,104	225,610	1.3	8.4
Corporate bonds	14,258	13,224	13,191	-7.3	-0.2	30,924	27,931	24,953	-9.7	-10.7
Other investments [1]	20,915	22,815	25,668	9.1	12.5	72,796	88,056	136,466	21.0	55.0

[1] Sum of "investments in land, buildings, and equipment (less accumulated depreciation)," "investments in mortgage loans," and miscellaneous items, such as advances; certificates of investment; and investments in art, coins, gold, and gems.

NOTES: Amounts have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis and may differ from investment amounts in other figures and tables. Tax Year 2006 is the base year. Detail may not add to totals because of rounding and processing tolerances.

assets, increased by 3 percent from Tax Years 2004 to 2005, and by 6 percent from Tax Years 2005 to 2006. The value of investments held by large foundations, those with \$50 million or more in fair market value of total assets, rose by 4 percent from Tax Years 2004 to 2005, and by 19 percent from Tax Years 2005 to 2006. Total asset values of small foundations, those with less than \$1 million in fair market value of total assets, declined 2 percent from Tax Years 2004 to 2005, and declined by the same amount for Tax Year 2006.

The "net investment income yield" and "rate of total return" are indicators of the annual investment performance of private foundations and charitable trusts. Net investment income measures the realized investment income received from investment assets. It includes interest, dividends, net income from real-

ized capital gains, and other income earned independently of a foundation's charitable purpose. The net investment income yield equals net investment income divided by the value of noncharitable-use assets.<sup>8</sup> The real rate of total return on assets provides a more comprehensive indication of total investment performance than the net investment income yield. It includes the realized income from investments and other assets, as well as the unrealized appreciation or depreciation in computing the fair market value of assets. The rate, which is an indicator of the total inflation-adjusted capital appreciation of a foundation's assets, equals the change in the value of the entire asset base (adjusted for contributions received, grants paid, and certain expenses) divided by the value of the base.<sup>9</sup>

<sup>8</sup> The net investment income amount used in calculating the net investment income yield was obtained from column (b) of the income statement, found in Part I of Form 990-PF.

<sup>9</sup> The rate-of-total-return formula used here is the same as that developed and used by Salamon and Voytek in their studies on foundation assets. See Salamon, Lester M. and Kenneth P. Voytek (1989), *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, The Council on Foundations, Washington, DC, p. 32. The formula for this calculation is shown in Appendix A at the end of the article.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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Figure E shows median and mean net investment income yields and rates of total return on assets for domestic nonoperating foundations, by size, for Tax Years 2005 and 2006. The median rates, which minimize the effects of large outliers in the data, provide an approximate measure of the investment performance of a typical foundation. For all nonoperating foundations, the median net investment income yield realized for Tax Year 2005 was higher than the Tax Year 2004 net investment income yield, and similarly were higher in Tax Year 2006 than in Tax Year 2005, indicating that foundations received larger rates of income from their investment assets in each subsequent year. In contrast, the median rate of total return fell from 3.5 percent for Tax Year 2004 to -0.9 percent for Tax Year 2005, continuing the downward trend from the prior year. The median rate of total return increased significantly from Tax Year 2005 to Tax Year 2006, to 6.5 percent.

Net investment income yields and rates of total return generally increased with organization size. Median rates of return for medium foundations dropped from 5.0 percent for Tax Year 2004 to -0.3 percent for Tax Year 2005. For Tax Year 2006, the median rate of total return for small foundations was 4.1 percent, up from -1.6 percent for the previous year. Nevertheless, median rates of total return were higher for medium and large nonoperating foundations than for small nonoperating foundations.

For Tax Year 2006, larger-sized nonoperating foundations generally realized higher net investment income yields, and experienced significantly higher rates of total return than for the previous tax year. The median net investment income yield for large nonoperating foundations for Tax Year 2006 was 8.0 percent, compared to a median 7.2 percent in Tax Year 2005. Rates of total return for large nonoperating foundations also increased, from 1.7 percent for Tax Year 2005 to 9.8 percent for Tax Year 2006.

## Excise Tax on Net Investment Income

The realized income from investments, or net investment income, that is reported by private foundations and nonexempt charitable trusts is subject to an excise tax each year under IRC section 4940. This tax is intended to cover expenses incurred by the Internal Revenue Service in the oversight of foundation activities and the enforcement of laws governing their exempt status. Generally, domestic foundations are taxed at a rate equal to 2 percent of their worldwide net investment incomes.<sup>10</sup> Domestic private foundations that were able to demonstrate growth in the rate of their charitable distributions were eligible to pay the net investment income tax at a reduced 1-percent rate. Specifically, if total Tax Year 2006 qualifying distributions were larger than the total of averaged qualifying distributions made between 2001 and 2005 plus 1 percent of the total amount of current net

**Figure E**

## Domestic Nonoperating Private Foundations: Net Investment Income Yields and Rates of Total Return on Assets, by Size of Beginning-of-Year Fair Market Value of Total Assets, Tax Years 2005 and 2006

[All figures are estimates based on samples]

Asset size	2005				2006			
	Net investment income yields (percentages)		Rates of total return (percentages)		Net investment income yields (percentages)		Rates of total return (percentages)	
	Median	Mean	Median	Mean	Median	Mean	Median	Mean
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All nonoperating private foundations</b>	<b>4.3</b>	<b>10.4</b>	<b>-0.9</b>	<b>2.1</b>	<b>5.2</b>	<b>17.7</b>	<b>6.5</b>	<b>9.0</b>
Less than \$1,000,000	3.6	11.4	-1.6	2.2	4.7	15.8	4.1	8.5
\$1,000,000 under \$50,000,000	5.2	8.7	-0.3	1.8	6.0	21.1	8.1	9.5
\$50,000,000 or more	7.2	11.9	1.7	4.7	8.0	11.1	9.8	13.2

<sup>10</sup> Foreign foundations, which are organized abroad but required to file Form 990-PF and pay excise taxes on net investment income, are subject to a 4-percent tax on the value of their U.S.-based net investment incomes. Data from returns filed by foreign foundations are not included in this article.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure F**

## Domestic Private Foundations Reporting Excise Tax on Investment Income, by Size of End-of-Year Fair Market Value of Total Assets, in Constant Dollars, Tax Years 2005 and 2006

[All figures are estimates based on samples--money amounts are in millions of dollars]

Year and asset size		Number of returns	Percentage of all organizations	Net investment income (NII) [1]	Qualifying distributions	Excise tax on net investment income	Percentage of organizations reporting:	
							1-percent tax	2-percent tax
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
2005	All	63,519	79.9	44,138	36,219	644	44.7	55.3
	Less than \$1,000,000	37,611	71.6	920	2,903	14	42.8	57.2
	\$1,000,000 under \$50,000,000	24,629	95.9	11,744	12,912	175	47.2	52.8
	\$50,000,000 or more	1,279	95.9	31,474	20,403	456	51.0	49.0
2006	All	65,583	80.1	52,110	38,935	796	44.4	55.6
	Less than \$1,000,000	37,575	71.3	1,134	3,523	16	44.6	55.4
	\$1,000,000 under \$50,000,000	26,553	96.2	14,027	13,384	215	43.8	56.2
	\$50,000,000 or more	1,455	96.5	36,950	22,027	566	48.4	51.6

[1] Represents net investment income of foundations and charitable trusts reporting excise tax. For Tax Year 2006, total net investment income was \$54.2 billion for all foundations and \$455.7 million for all charitable trusts.

NOTES: Amounts have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2006 is the base year. Detail may not add to totals due to rounding.

investment income, a foundation was eligible for the reduced tax rate for Tax Year 2006.

In addition, certain domestic operating foundations may receive a total exemption from this excise tax. To qualify for the total exemption, operating foundations must show a broader sphere of support and control than other private foundations by maintaining public support through income and contributions received from a broad section of the general public for a 10-year period. Additionally, they must have boards of trustees or other governing bodies that are representative of the general public, rather than boards composed of a small group of “insiders.” Boards of trustees can consist of no more than 25 percent “disqualified persons” for the tax year, none of whom can serve as an officer of the foundation. A disqualified person is a substantial contributor; a foundation manager; a person who owns more than 20 percent of a corporation, partnership, trust, or unincorporated enterprise that is itself a substantial contributor; or a family member of a disqualified person. For each of Tax Years 2005 and 2006, only 17 percent of all operating foundations reported that they had met the exemption requirements and were exempt from the excise tax on net investment income.<sup>11</sup>

Foundations reported \$44.3 billion in net investment income for Tax Year 2005, of which \$44.1 billion were subject to the excise tax, which totaled \$644 million. For Tax Year 2006, foundations reported \$54.2 billion in net investment income, \$52.1 billion of which were subject to the excise tax, which totaled \$796 million. Figure F shows selected information for private foundations that reported excise tax on net investment income for Tax Years 2005 and 2006. For each of Tax Years 2005 and 2006, 44 percent of foundations reported eligibility for the reduced 1-percent rate. Generally, large foundations were more likely to qualify for the reduced tax rate than smaller foundations; for example, for Tax Year 2006, 48 percent of large foundations were eligible for the reduction, compared to 45 percent of small foundations. Despite the lower average tax rates, excise tax on net investment income paid by large foundations accounted for 71 percent of total tax liability for each of Tax Years 2005 and 2006.

### The Private Foundation Rules

The Tax Reform Act of 1969 (TRA69) established rules specific to private foundations and formed the basis for sections 4940-4945 of the IRC. Section 4940 describes the excise tax on “net investment in-

<sup>11</sup> The J. Paul Getty Trust, the largest operating foundation, is exempt from the excise tax on net investment income.

come,” described in the previous section of this article. Under section 4942, nonoperating private foundations, and nonexempt charitable trusts treated as private foundations, are required to distribute a minimum annual amount for charitable purposes, known as the “distributable amount,” or pay an excise tax on any undistributed portion. The distributable amount equals approximately 5-percent of the fair market value of a private foundation’s investment assets. The remaining private foundation rules detail excise taxes on a variety of “prohibited activities” that are considered to be contrary to the public interest. Private foundations and nonexempt charitable trusts report taxes on the activities described in IRC sections 4941-4945 on Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*.

Legislation included in the Pension Protection Act of 2006 increased the excise taxes rate imposed on private foundations for taxable years beginning after August 17, 2006. Specifically, for the failure to distribute income (as described under section 4942), the initial tax rate on nonoperating private foundations was increased from 15 percent of the undistributed amount to 30 percent of the undistributed amount. The other excise tax rates for “prohibited activities,” as described in IRC sections 4941-4945, were also doubled.

## Qualifying Distributions

The required distributable amount, as described under section 4942, is derived from a foundation’s minimum investment return, which is calculated based on the reported value of its net investment, or “noncharitable-use,” assets. Noncharitable-use assets are those assets held for investment purposes only and may include such items as securities, investments in art, coins, or other collectables, and investments in real estate. Conversely, assets used directly to conduct charitable activities, such as office buildings, art held by museums, and computers are considered “charitable-use” assets and are excluded from the minimum investment return calculation. Valuation methods used for assets included in the minimum investment return calculation are described under net value of noncharitable-use assets in the

*Explanation of Terms* section. The minimum investment return is calculated as 5 percent of the net value of noncharitable-use assets, which equals the value of noncharitable-use assets, less both the indebtedness incurred to acquire these assets and the amount of cash held for charitable activities. Cash deemed held for charitable activities is generally 1.5 percent of noncharitable-use assets less acquisition indebtedness. Finally, the distributable amount is the minimum investment return reduced by the excise tax on net investment income and any income taxes paid plus or minus other adjustments. Additional adjustments are detailed under Net adjustments to distributable amount in the *Explanation of Terms* section. Under section 4942, foundations that fail to meet this distributable amount by the close of a 1-year grace period are subject to an excise tax equaling 15 percent of the undistributed amount.<sup>12</sup>

Current-year distributions for charitable purposes that may be directed toward meeting the distribution requirement are known as “qualifying distributions.” Qualifying distributions are primarily the contributions, gifts, and grants disbursed by a foundation or charitable trust throughout the year. However, qualifying distributions may also include operating and administrative expenses related to conducting charitable operations; “set-asides,” which are amounts earmarked for future charitable distributions; program-related investments, such as loans to other 501(c)(3) organizations; and amounts paid to acquire buildings, equipment, supplies, or other assets for charitable use. For Tax Year 2006, contributions, gifts, and grants comprised 82 percent of total qualifying distributions, followed by operating and administrative expenses, at 13 percent. Amounts paid to acquire assets for charitable-use represented 3 percent of total qualifying distributions; and program-related investments and set-asides, combined, accounted for less than 2 percent of the total.

Figure G shows qualifying distributions and required distributable amounts for nonoperating private foundations, by end-of-year asset size, for Tax Year 2006. Qualifying distributions for nonoperating foundations totaled \$37.6 billion, an amount more than 1.5 times larger than the aggregated required distributable amount for 2006.

<sup>12</sup> As a result of legislation included in the Pension Protection Act of 2006, some of the private foundations included in the statistics—i.e., foundations with taxable years beginning after August 17, 2006—were subject to the higher 30-percent tax rate.

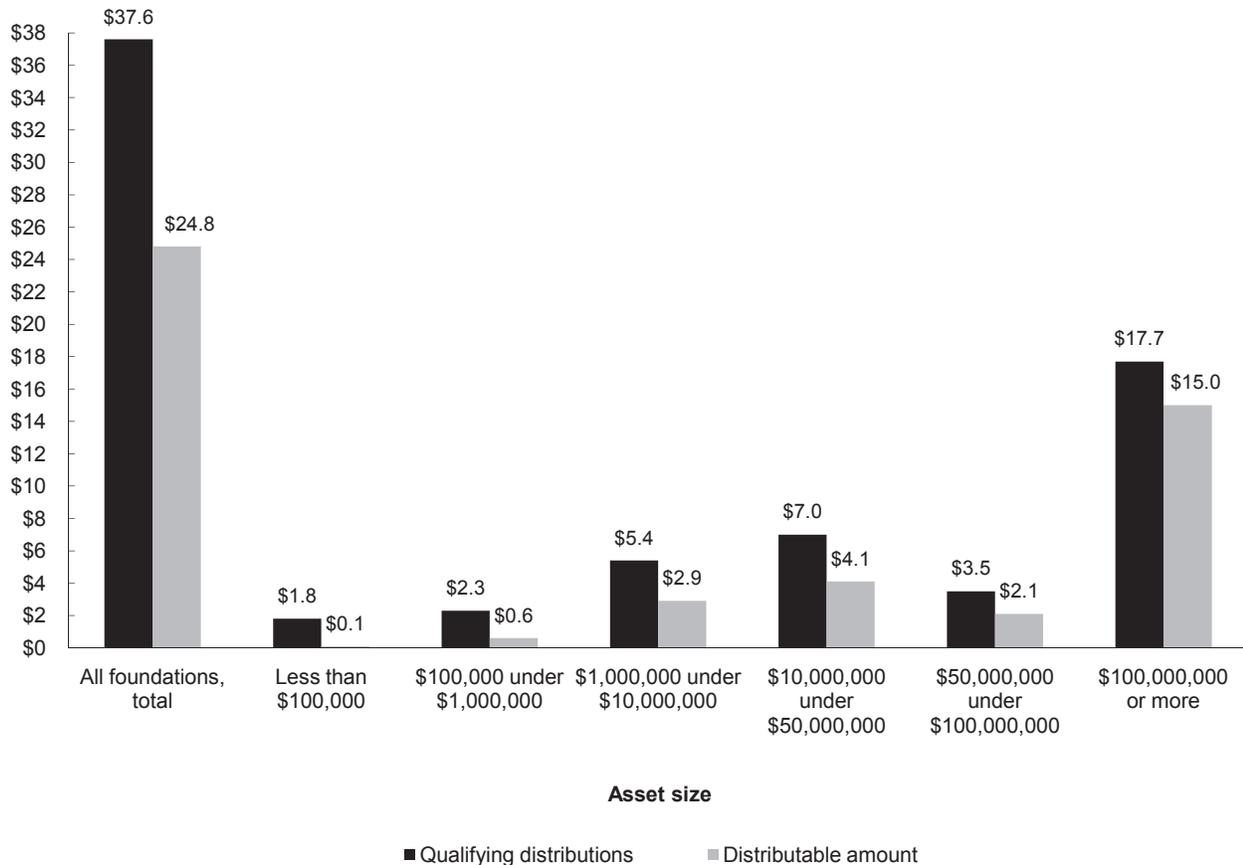
# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure G**

## Domestic Nonoperating Private Foundations: Qualifying Distributions and Distributable Amounts, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006

Billions of dollars



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

While large private foundations provided the majority of qualifying distributions to charitable organizations, smaller-sized foundations were more likely to make distributions in excess of the required amount. Small foundations, those that held less than \$1,000,000 in fair market value of total assets, distributed amounts more than 6 times larger than required. Some small foundations serve as “pass-through” organizations for larger foundations. These small foundations distribute grants that they receive from the larger foundations and may thus report qualifying distributions that are large relative to their asset size. As aggregate asset size increased for pri-

vate foundations, the percentage by which qualifying distributions exceeded the distribution requirement decreased. This may indicate the preference of larger-sized foundations to focus on long-term, rather than short-term, giving, by maintaining a more substantial portion of their asset bases for future grantmaking.

### Excess Distributions and Undistributed Income

By law, nonoperating foundations and charitable trusts must meet the distributable amount requirement for the current tax year by the end of the next

tax year or pay the section 4942 excise tax on the undistributed amount. For example, a foundation must have disbursed the required amount for Tax Year 2006 before the end of Tax Year 2007 in order to avoid paying the excise tax. The distributable amount is calculated at the end of the tax year, and, because it is based on averaged net investment asset values, could be influenced by late-year changes. For example, if net investment asset growth is higher than expected in the closing months of a tax year, a foundation or charitable trust may be unable to sufficiently increase its contributions to meet the requirement. Foundations and charitable trusts that have not met the requirement may choose to take advantage of the 1-year tax-free “grace period” and report all or any unmet portion of the current-year required distributable amount as “undistributed income” on the current-year Form 990-PF. If any portion of this undistributed income is not paid by the end of the subsequent tax year, it becomes taxable. Thus, a nonoperating organization could direct all or part of its 2006 qualifying distributions toward the 2005 required distributable amount.

Similarly, foundations and charitable trusts also carry forward excess qualifying distributions and may apply them to unmet distributable amount requirements for up to 5 subsequent tax years. In other words, a foundation that did not meet the distributable amount requirement for Tax Year 2006, but had distributions in excess of the required distributable amount for any of Tax Years 2001 through 2005, could have applied those distributions to the distributable amount for Tax Year 2006.

The majority of foundations used current-year qualifying distributions to satisfy the current-year distributable amount requirement and thus did not take advantage of the 1-year grace period. For each of Tax Years 2005 and 2006, about 35 percent of foundations that had a minimum distribution requirement reported undistributed income at the end of the tax year. Small foundations, whose net investment values are perhaps more predictable than those of their larger counterparts, were the least likely to require the additional tax year to meet the distribution requirement. For example, only 30 percent of small foundations carried Tax Year 2006 undistributed income to Tax Year 2007, compared to 43 percent of

medium and 44 percent of large foundations. For both Tax Years 2005 and 2006, nonoperating foundations reported that 69 percent of the aggregate current-year distributable amount was satisfied based on current-year qualifying distributions.

Figure H provides a breakout of the current-year distributable amount for nonoperating private foundations, showing the percentage of the distributable amount that was met by current-year qualifying distributions and excess qualifying distributions from previous tax years, as well as unpaid amounts carried forward as undistributed income to the following tax year. For each of Tax Years 2005 and 2006, large foundations directed over 70 percent of current-year qualifying distributions to the distributable amount.

For each of Tax Years 2005 and 2006, about 5 percent of the current-year distribution requirement for all nonoperating foundations was fulfilled using carryovers from a previous tax year. The percentage of the distributable amount met using carryovers decreased with asset size, with small foundations reporting that 7 percent of their Tax Year 2006 distributable amounts were satisfied using carryovers from previous years. In contrast, large foundations paid just 5 percent of the Tax Year 2006 distributable amount using previous-year carryovers.

## Payout Rates

The payout rate captures the relationship between an organization’s charitable distributions and its investment assets and provides insight into the degree to which nonoperating foundations and charitable trusts exceed their charitable payout requirements. Current-year distributions, along with carryovers, are adjusted to include certain taxes and deductions and divided by the total value of noncharitable-use assets to arrive at an organization’s payout rate.<sup>13</sup> Tax Year 2005 and 2006 median payout rates for private foundations, by asset size, are shown in Figure I. The figure also shows ranges of payout rates and the associated percentage of foundations whose payout rates fell within each range.

The median payout rate for private foundations remained fairly stable from Tax Year 2004 (5.4 percent) to Tax Year 2006 (5.6 percent), while investment assets of nonoperating foundations grew by 7

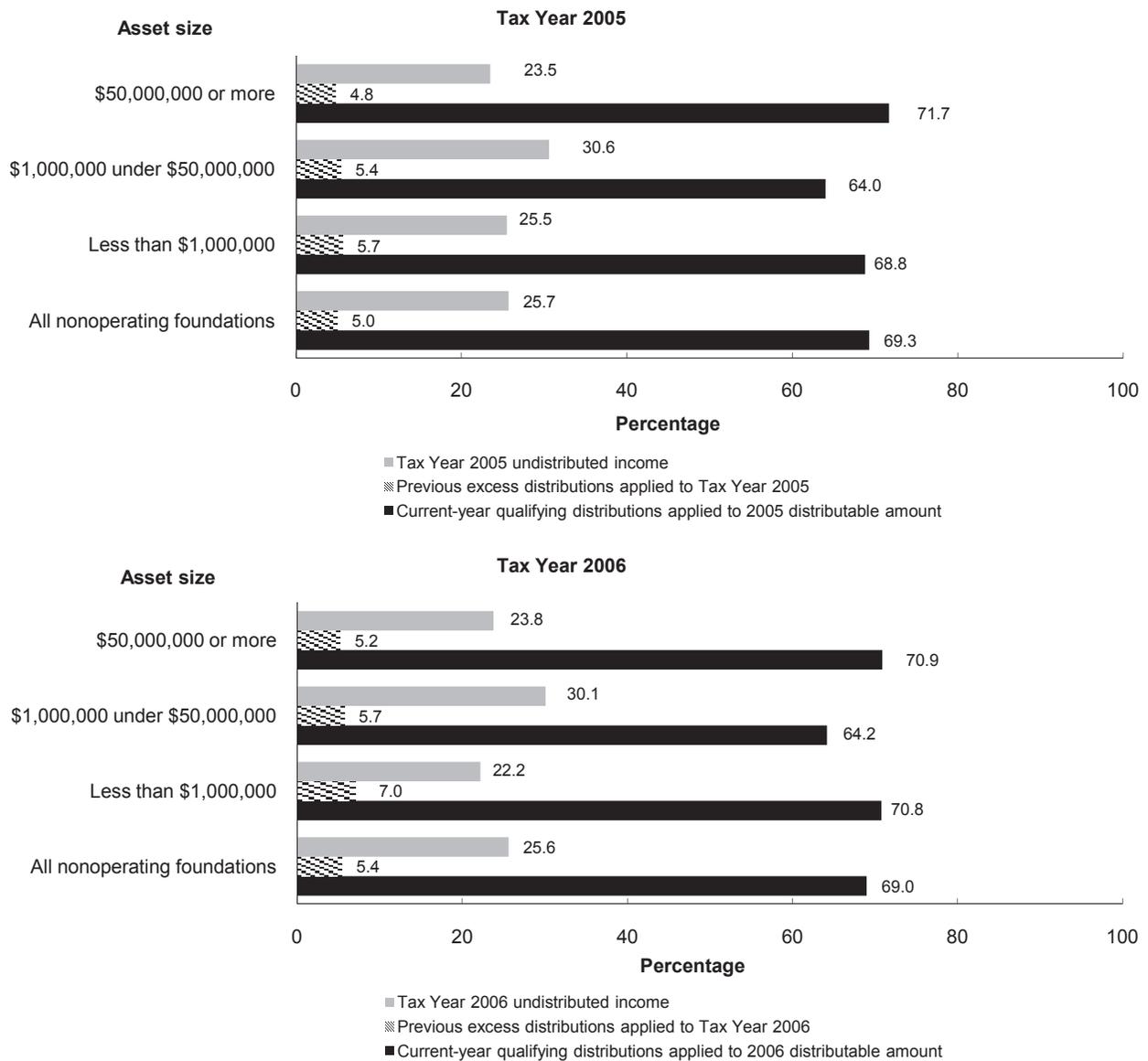
<sup>13</sup> The payout rate was calculated by dividing the amount of (adjusted) qualifying distributions by the value of noncharitable-use assets. The numerator is adjusted to account for deductions and additions made in the distributable amount calculation. The payout formula is shown in Appendix A at the end of the article.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure H**

**Domestic Nonoperating Private Foundations, Distributions Applied to Distributable Amount, and Undistributed Income Carried Over, as a Percentage of Distributable Amount, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2005 and 2006**



percent from Tax Year 2004 to Tax Year 2005, and by 19 percent from Tax Year 2005 to Tax Year 2006. Similar to Tax Year 2004, most nonoperating private foundations, 69 percent, met or exceeded the 5-percent payout requirement for each of Tax Years 2005 and 2006. More than a third of nonoperating private foundations—approximately 36 percent (in Tax Year 2005) and 38 percent (in Tax Year 2006)—reported

payout rates that were between 4.8 percent and 6.5 percent. One-quarter of private foundations reported payout rates of 13 percent or more. Approximately 10 percent of nonoperating foundations reported payout rates of less than 3.3 percent, with 5 percent of nonoperating private foundations reporting payout rates of less than 0.2 percent for Tax Year 2005 (and slightly less, 4 percent, for Tax Year 2006).

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Figure I**

## Domestic Nonoperating Private Foundations: Median Payout Rates and Selected Percentages, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2004-2006

Item	All foundations			Less than \$1,000,000		
	2004	2005	2006	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Median payout rate (percentage)</b>	<b>5.4</b>	<b>5.6</b>	<b>5.6</b>	<b>5.8</b>	<b>6.2</b>	<b>6.3</b>
<b>Percentage of foundations reporting payout rates equaling:</b>						
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than 0.2 percent	4.9	4.7	3.7	6.7	6.3	4.7
0.2 percent under 3.3 percent	5.4	5.7	6.1	5.6	5.5	6.2
3.3 percent under 4.8 percent	13.8	10.9	10.6	11.4	8.2	7.0
4.8 percent under 5.0 percent	11.0	9.8	10.5	10.5	8.7	9.5
5.0 percent under 6.5 percent	24.4	26.2	27.2	20.4	22.4	23.8
6.5 percent under 13.0 percent	15.3	15.0	16.7	13.7	13.1	15.7
13.0 percent under 75.0 percent	15.0	15.8	15.3	17.5	18.6	18.2
75.0 percent under 200.0 percent	5.1	5.1	5.2	6.8	7.0	7.6
200.0 percent or more	5.0	6.8	4.7	7.4	10.1	7.2

Item	\$1,000,000 under \$50,000,000			\$50,000,000 or more		
	2004	2005	2006	2004	2005	2006
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Median payout rate (percentage)</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>
<b>Percentage of foundations reporting payout rates equaling:</b>						
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Less than 0.2 percent	1.6	1.8	2.2	0.4	0.6	0.7
0.2 percent under 3.3 percent	5.2	6.3	6.1	3.3	2.5	3.7
3.3 percent under 4.8 percent	18.3	15.8	16.2	21.4	18.0	20.1
4.8 percent under 5.0 percent	12.0	11.8	12.3	11.8	13.3	11.2
5.0 percent under 6.5 percent	31.5	32.9	32.3	39.1	38.7	37.2
6.5 percent under 13.0 percent	18.4	18.5	18.4	15.2	16.6	17.7
13.0 percent under 75.0 percent	10.5	10.7	10.7	8.0	9.1	8.4
75.0 percent under 200.0 percent	1.8	1.5	1.2	0.4	1.1	0.4
200.0 percent or more	0.6	0.9	0.6	0.4	0.2	0.5

Small nonoperating private foundations exceeded the payout requirement far more frequently than did medium or large foundations, while large foundations were more likely to have payout rates at or near the required 5 percent. Almost half (49 percent) of small nonoperating foundations reported payout rates of 6.5 percent or higher for each of Tax Years 2005 and 2006. Additionally, for Tax Year 2006, 15 percent of small foundations reported payout rates of 75 percent or higher, compared to 2 percent of medium foundations, and only 1 percent of large foundations. Small foundations that served as passthrough organizations for Tax Year 2006 were likely to have made charitable distributions that exceeded their asset values, resulting in notably high payout rates. For large nonoperating foundations, the median payout rate was 5.2 percent, and nearly half (48 percent) of large foundations reported payout rates that were be-

tween 4.8 percent and 6.5 percent for Tax Year 2006. Of nonoperating foundations in the three asset-size classes, large foundations were the least likely to report payout rates that were lower than 3.3 percent or higher than 13 percent.

### Summary

There was a 3-percent annual increase in the number of private foundations that filed Form 990-PF between Tax Years 2004 and 2006. The number of nonexempt charitable trusts treated as private foundations that filed the return increased by 3 percent from Tax Year 2004 to Tax Year 2005, but returned to 2004 levels the following year. Nonoperating private foundations, which provide grants to other charitable organizations, accounted for the majority of Form 990-PF filers and their financial activity. The newly organized Bill and Melinda Gates Foundation Trust

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was the largest foundation, based on asset size, while the Bill and Melinda Gates Foundation remained the biggest grantmaker, based on contributions, gifts, and grants disbursed, for Tax Year 2006.

Investment assets, the basis for computing the required distributable amount, are frequently the cornerstone for giving by grantmaking foundations and charitable trusts. The value of these investments increased by 4 percent for private foundations and only 1 percent for nonexempt charitable trusts, in real terms, between Tax Years 2004 and 2005. Between Tax Years 2005 and 2006, the value of these investments increased by 15 percent for private foundations and only 2 percent for nonexempt charitable trusts, in real terms. In current dollars, investment assets totaled \$515.8 billion for private foundations and \$5.7 billion for nonexempt charitable trusts in Tax Year 2005, and \$609.7 billion for private foundations and \$6.0 billion for nonexempt charitable trusts in Tax Year 2006.

The aggregate amount of net investment income received increased by 22 percent for private foundations and 19 percent for nonexempt charitable trusts from Tax Year 2005 to Tax Year 2006. The excise tax on this income, imposed under IRC section 4940, was \$796 million for private foundations and \$7 million for nonexempt charitable trusts. Net investment income yields and rates of total return for private foundations suggested that foundations received higher rates of realized income from investment assets for both Tax Years 2005 and 2006, but experienced a significant decline in unrealized investment growth for Tax Year 2005 and an increase for Tax Year 2006. Both net investment income yields and rates of total return were highest for large private foundations.

Overall, qualifying distributions, which included contributions, gifts, and grants and other outlays for charitable purposes, exceeded the required 2006 distributable amount for nonoperating private foundations. Qualifying distributions totaled \$37.6 billion for Tax Year 2006 for nonoperating private foundations; \$33.9 billion of that amount consisted of contributions, gifts, and grants distributed. The majority of the distributable amount was satisfied based on current-year qualifying distributions for foundations.

Median payout rates, which measure the relationship between charitable distributions and investment assets, were around the required 5 percent for nonoperating private foundations. Generally, private founda-

tions reported higher payout rates than nonexempt charitable trusts. Large private foundations deviated less from the required 5-percent payout rate than did smaller foundations. Small foundations were more likely than their larger counterparts to distribute at rates of 13 percent or more. However, small foundations also distributed at rates of 3.3 percent or less, well below the required amount, more frequently than larger-sized foundations.

## Data Sources and Limitations

The statistics presented in this article are based on two distinct samples of Forms 990-PF that were filed with the Internal Revenue Service for Tax Years 2005 and 2006. Organizations having accounting periods beginning in 2005 (and therefore ending between December 2005 and November 2006) that filed returns in Calendar Years 2006 and 2007 that posted to the IRS Business Master File during those years were included in the Tax Year 2005 sample. Likewise, organizations having accounting periods beginning in 2006 (and therefore ending between December 2006 and November 2007) that filed returns in Calendar Years 2007 and 2008 that posted to the IRS Business Master File during those years were included in the Tax Year 2006 sample. Some part-year returns were also included in the samples for organizations that changed their accounting periods, or filed initial or final returns. In each sample, approximately 69 percent of the domestic private foundations had accounting periods covering a calendar-year period or, in some cases, part-year periods that ended in December.

Each sample was stratified based on both the size of fair market value of total assets and the type of organization (either a private foundation or an IRC section 4947(a)(1) nonexempt charitable trust). All returns filed by nonexempt charitable trusts were selected for inclusion in the study. The private foundation sample was designed to provide reliable estimates of total assets and total revenue. To accomplish this, 100 percent of returns filed for foundations with fair market asset value of \$10 million or more were included in the samples, since these organizations represented the vast majority of financial activity. For each of Tax Years 2005 and 2006, approximately 7 percent of all foundations reported \$10 million or more in fair market value of total assets and were selected at a rate of 100 percent. The remaining foundation population was randomly selected for the sample at various rates of less than 100

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percent, depending on asset size. The realized sampling rates for the Tax Year 2005 and 2006 studies, classified by asset-size category, are included in Figure J. Figure K shows the magnitude of sampling error, measured by coefficients of variation, for selected items from the Tax Year 2005 and 2006 studies.

Efforts were made to verify that organizations selected into the sample were properly classified as foundations or trusts. The relatively few foundations in the sample that were incorrectly selected as trusts were ultimately treated as foundations for these statistics, and the relatively few trusts incorrectly sampled as foundations were also reclassified. However, the weights used for these organizations were based on the original sample selection classification.

For Tax Year 2005, there were 8,244 foundation returns in the sample selected from a population of 83,137. The population of charitable trusts selected for Tax Year 2005 was 3,759. For Tax Year 2006, there were 9,112 foundation returns in the sample selected from a population of 85,257. The population of charitable trusts selected for Tax Year 2006 was 3,629. The difference between the actual population of Form 990-PF records that posted to the IRS Business Master File during the designated sampling periods and the estimated population of Forms 990-PF as published in this article results from sample code changes and the effects of returns that were “rejected” from the sample as part of the editing process. For example, foreign returns and duplicate filings by a single organization were included in the IRS counts of the actual population of Form 990-PF filed, but were rejected from the SOI estimates.

The data presented were obtained from returns as originally filed with IRS. In most cases, changes made to the original return because of administrative processing or audit procedures were not captured in the statistics. Changes made based on taxpayer amendment were captured, if available. The data were subject to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. A general discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and nonsampling error, and the precision of sample estimates can be

**Figure J**

## Realized Sampling Rates for Private Foundation Returns, Tax Years 2005 and 2006

End-of-year fair market value of total assets	Realized sampling rate (percentage)	
	2005	2006
Less than \$125,000	1.0	1.0
\$125,000 under \$400,000	1.9	1.9
\$400,000 under \$1,000,000	2.0	2.0
\$1 million under \$2.5 million	6.2	6.7
\$2.5 million under \$10 million	10.1	9.9
\$10 million or more	100.0	100.0

**Figure K**

## Coefficients of Variation for Domestic Private Foundations, Selected Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2005 and 2006

Item	2005				2006			
	Asset-size class				Asset-size class			
	All foundations	Less than \$1,000,000	\$1,000,000 under \$50,000,000	\$50,000,000 or more [1]	All foundations	Less than \$1,000,000	\$1,000,000 under \$50,000,000	\$50,000,000 or more [1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	0.68	1.07	0.63	n/a	0.63	0.04	0.08	n/a
Fair market value of total assets	0.31	1.48	1.06	n/a	0.11	1.51	0.37	n/a
Total investments, fair market value	0.33	1.95	1.16	n/a	0.12	2.00	0.44	n/a
Total revenue	1.46	12.76	3.52	n/a	0.97	15.98	1.58	n/a
Net investment income	0.55	8.37	2.03	n/a	0.47	9.76	1.63	n/a
Total expenses	1.93	16.27	3.10	n/a	2.46	20.74	1.99	n/a
Contributions, gifts, and grants paid	1.91	16.54	3.29	n/a	2.83	24.18	2.14	n/a
Qualifying distributions	2.03	17.36	3.05	n/a	2.73	22.11	2.12	n/a
Distributable amount	0.36	4.06	1.18	n/a	0.29	9.02	0.57	n/a

[1] Returns in this category are sampled at a 100-percent rate and are not subject to sampling error.

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found in SOI Sampling Methodology and Data Limitations, later in this issue.

### Explanation of Terms

The following explanations describe terms as they applied to private foundations:

*Charitable trust*—A charitable trust, also referred to as a “nonexempt” charitable trust, is defined in Internal Revenue Code section 4947(a)(1) as an organization (1) that is not considered tax-exempt under section 501(a); (2) that has exclusively charitable interests; and (3) that has amounts in trust for which donors are allowed to claim a tax deduction for charitable contributions. Nonexempt charitable trusts that are not publicly supported are subject to the excise tax provisions that apply to private foundations and are required to file Form 990-PF. (“Publicly supported” nonexempt charitable trusts are required to file Form 990, *Return of Organization Exempt From Income Tax*.) Nonexempt charitable trusts that are treated as private foundations must pay an annual tax on income (usually from investments) that is not distributed for charitable purposes, and they must report such income and tax on Form 1041, *U.S. Fiduciary Income Tax Return*.

*Disbursements for charitable purposes*—These disbursements are outlays made exclusively in support of a foundation’s tax-exempt purpose and include grants paid and operating and administrative expenses. Typically, they represent the largest component of “qualifying distributions.” The total of disbursements for charitable purposes was reported on Form 990-PF, Part I, line 26, column (d).

*Disqualified person*—In general, a disqualified person is a substantial contributor; a foundation manager; a person who owns more than 20 percent of a corporation, partnership, trust, or unincorporated enterprise that is itself a substantial contributor; or a family member of a disqualified person.

*Distributable (payout) amount*—This is the minimum payout amount that is required to be distributed by nonoperating foundations by the end of the tax year that follows the tax year for which the return was filed. For example, foundations were required to distribute their Tax Year 2006 amounts before the end of Tax Year 2007. Failure to distribute income within this period results in an excise tax on the undistributed portion. As a result of legislation included in the Pension Protection Act of 2006, the excise tax was increased from 15

percent to 30 percent of the undistributed amount for taxable years beginning after August 17, 2006. The distributable amount equals 5 percent of the net value of noncharitable-use assets, called the “minimum investment return,” minus the excise tax on net investment income, plus or minus other adjustments, either allowed or required (see Net adjustments to distributable amount in this section).

*Minimum investment return*—The minimum investment return is used as the base for calculating the “distributable amount.” This is the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire these assets and the cash held for charitable activities, multiplied by 5 percent. Minimum investment return was reported on Form 990-PF, Part X, line 6.

*Net adjustments to distributable amount*—The “distributable amount” is increased by recoveries of amounts previously treated as qualifying distributions. Additionally, certain organizations with governing instruments that require the accumulation of income are instructed to deduct the accumulated income from their distributable amounts. These adjustments are allowed only for foundations organized before May 27, 1969, whose governing instrument requires such accumulation because State courts would not allow the organization to change the governing instrument. Recoveries on amounts treated as qualifying distributions and the deduction for accumulated income were reported on Form 990-PF, Part XI, lines 4 and 6, respectively.

*Net investment income*—This equals gross investment income less allowable deductions. Interest, dividends, capital gain net income, rents, payments with respect to securities loans (as defined in Code section 512(a)(5)), and royalties are included in net investment income. Any investment income derived from unrelated trade or business activities, and therefore subject to the “unrelated business income” tax and reported on Form 990-T, *Exempt Organization Business Income Tax Return*, is excluded. Net investment income was reported on Form 990-PF, Part I, line 27b, column (b).

*Net value of noncharitable-use assets*—An asset is considered a noncharitable-use asset if it is not used in carrying out a charitable, educational, or other similar function which relates directly to the tax-exempt status of the foundation. Examples include the fair market values of securities and rental property owned by the foundation for investment

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purposes. For purposes of calculating the “minimum investment return,” valuation methods for noncharitable-use assets reported in this section differ from those used to report the end-of-year fair market values for all assets in Part II. The average, rather than end-of-year, fair market values of cash and securities that were not used or held for use for charitable purposes during the tax year are derived and used in this calculation. With certain exceptions, other assets included in this calculation are valued annually, but not necessarily based on the end-of-year value. The fair market values of noncharitable-use assets may reflect reductions due to certain characteristics associated with those assets, such as lack of marketability or blockage. The net value of noncharitable-use assets is reduced by acquisition indebtedness and cash deemed held for charitable purposes; the latter reduction is generally limited to 1.5 percent of noncharitable-use assets less acquisition indebtedness. Thus, the net value of noncharitable-use assets, which was reported on Form 990-PF, Part X, line 5 as an element of the “minimum investment return” calculation, differed from the balance sheet-derived fair market value of total assets, as reported on Part II, line 16, column (c), which equaled the total end-of-year value for all assets held by the foundation.

*Nonoperating foundations and charitable trusts*—These are organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to operating foundations that engaged in charitable activities themselves. However, for Tax Year 2006, some nonoperating foundations may have been actively involved in charitable programs of their own, in addition to making grants. For example, a foundation initially organized as operating that was unable to meet the operating foundation requirements for Tax Year 2006 could have continued its direct charitable activities. Such an organization could have directed expenditures made for these direct charitable activities, as well as expenditures made for the disbursement of contributions, gifts, and grants and other indirect charitable activities, toward meeting the required distribution requirement. An organization’s status as a nonoperating foundation was indicated on Form 990-PF, Part VII, line 9.

*Operating foundations and charitable trusts*—These organizations generally expended their in-

comes for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. Operating foundations were exempted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. To qualify as an operating foundation, the organization had to meet both an “income test” and one of three other tests: an “assets test,” an “endowment test,” or a “support test.”

A foundation could qualify as operating under the income requirement if it spent at least 85 percent of the lesser of its “minimum investment return” or “adjusted net income” on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs). Adjusted net income represented the amount of income from charitable functions, investment activities, set-asides, unrelated business activities, and short-term capital gains that exceeded the cost incurred in earning the income and was calculated in Part I, column (c) of Form 990-PF for operating foundations. To meet the assets test, a foundation had to directly use 65 percent or more of its assets for the active conduct of charitable activities. To meet the endowment test, a foundation had to regularly make distributions for the active conduct of charitable activities in an amount not less than two-thirds of its “minimum investment return.” To meet the support test, a foundation had to regularly receive substantially all of its support (other than from gross investment income) from the public or from five or more qualifying exempt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) from any one such qualifying exempt organization; and (b) no more than 50 percent of its support from gross investment income.

Individual taxpayers could deduct contributions to operating foundations on their individual income tax returns; the deduction could not exceed 50 percent of a donor’s “adjusted gross income” (as opposed to 30 percent for contributions to nonoperating foundations).

While most operating foundations paid the excise tax on net investment income, some operating foundations were exempt from this tax under section 4940(d)(2) of the Internal Revenue Code. In order to be exempt from the Tax Year 2006 excise tax on net investment income, an operating foundation was re-

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quired to (1) maintain public support for a minimum of 10 taxable years; (2) maintain a governing body at all times that is broadly representative of the general public and that is comprised of no more than 25-percent disqualified individuals; and (3) at no time during the year include a disqualified individual as an officer of the foundation. An organization's status as an operating foundation was indicated on Form 990-PF, Part VII, line 9.

*Private foundation*—A private foundation is defined in Internal Revenue Code section 501(c)(3) as a nonprofit organization with a narrow source of funds that operated or supported educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation was an organization that qualified for tax-exempt status under Code section 501(c)(3) but was not (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax-exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organizations; or (4) an organization that conducted tests for public safety. The primary difference between a private foundation and other organizations exempt under section 501(c)(3) was the source of the organization's funding. An individual, a family, or a corporation typically funded foundations, while most other tax-exempt organizations received funds from a large number of sources among the general public.

*Qualifying distributions*—Qualifying distributions include disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes, and charitable-purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions may be credited against a foundation's obligation to pay out its "distributable amount." Total qualifying distributions were reported on Form 990-PF, Part XII, line 4.

*Set-asides*—Amounts set aside for specific charitable purposes can be treated as qualifying distributions only if the foundation establishes to the satisfaction of the IRS that the amount will be paid for the specific project within 60 months from the date of the

first set-aside and if the foundation meets either the suitability test or the cash distribution test. To meet the suitability test, a foundation must receive prior approval from the IRS and must demonstrate that the project can be better accomplished by a set-aside than by an immediate payment of funds. To meet the cash distribution test under IR Code section 4942(g)(2)(B)(ii), a foundation must attach a distribution schedule to its annual return for the year of the set-aside and for each subsequent year until the set-aside amount has been distributed. Set-asides were reported on Form 990-PF, Part XII, lines 3a and 3b.

*Total assets*—Total assets are the sum of all assets reported in the foundation's balance sheet, shown at both book value and fair market value. Total assets were reported on Form 990-PF, Part II, line 16, columns (a) beginning-of-year book value, (b) end-of-year book value, and (c) end-of-year fair market value.

*Total revenue*—This is the sum of gross contributions, gifts, and grants received; interest on savings and temporary cash investments; dividends and interest from securities; net gain (or loss) from sales of assets (mostly investment assets, but also charitable-use assets); gross rents and royalties; gross profit (or loss) from business activities; and other income (such as royalty income, program-related investment income, interest earned on assets used for charitable purposes, and imputed interest on distribution deferred interest). Total revenue items, which included both investment and charitable-use items, were reported on Form 990-PF, Part I, line 12, column (a).

*Undistributed income*—This is the portion of the required "distributable amount" still undistributed after the sum of current-year qualifying distributions and any excess distributions carried over from prior years are subtracted. This item was reported on Form 990-PF, Part XIII, line 6f, column (d). Under IRC section 4942, nonoperating private foundations that did not pay out an amount equal to the Tax Year 2006 "distributable amount" by the end of Tax Year 2007 were subject to an excise tax on the undistributed amount. As a result of legislation included in the Pension Protection Act of 2006, the initial tax on undistributed income was increased from 15 percent to 30 percent of the undistributed amount for taxable years beginning after August 17, 2006. The tax, which is automatically imposed, is reported on Form 4720.

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## Appendix A

### Rate of Total Return =

[Ending Fair Market Value of Assets  
 - Indexed Beginning Fair Market Value of Assets  
 - Contributions Received  
 + Grants Paid  
 + Operating and Administrative Expenses  
 + Excise Tax Paid on Net Investment Income]

DIVIDED BY

-----  
 [Indexed Beginning Fair Market Value of Assets  
 + 50 percent of Contributions Received]

To calculate the rate of total return shown in Figure E, samples of private foundation information returns for 2 consecutive years were matched in order to analyze both the beginning and end-of-year fair market value data.

The beginning fair market value of assets for 2006 equals the ending fair market value reported on the 2005 tax return. Thus, in order to provide a consistent form of measurement by which to compare rates of total return among different years, the ending fair market value of asset amounts (reported for both the year subject to the computation and the prior year) was used to compute the rate of return. In order to obtain an inflation-adjusted real rate of return, the beginning-of-year fair market value of assets was indexed based on the 2000 chain-type price index for

Gross Domestic Product as published by the Bureau of Economic Analysis, using 2006 as the base year.

To maximize comparability between the real rate of total return and the net investment income yield formulas, the published net investment income yields for Tax Year 2006 also exclude organizations for which returns were not sampled for both Tax Years 2005 and 2006. Similarly, the published net investment income yields for Tax Year 2005 also exclude organizations for which returns were not sampled for both Tax Years 2004 and 2005.

### Payout Rate =

Qualifying Distributions (Part XII, line 4)  
 + Taxes (Part XI, line 2c) –  
 Recoveries of Amounts Treated as Qualifying  
 Distributions (Part XI, line 4) +  
 Deduction from Distributable Amount  
 (Part XI, line 6) +  
 Excess Distributions Applied to 2005  
 (Part XIII, column A, line 5)

DIVIDED BY

-----  
 Net Value of Noncharitable-Use Assets  
 (Part X, line 5)

**NOTE:** Additional data for private foundations and charitable trusts (including data tables for Tax Year 2005 and prior years) can be found on the SOI Web site at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). (Click on “Private Foundations.”)

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Number of returns	Total revenue		Selected sources of revenue			
		Number of returns	Amount	Contributions, gifts, and grants received		Dividends and interest from securities	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All foundations</b>							
<b>Total</b>	<b>81,850</b>	<b>79,606</b>	<b>94,107,195</b>	<b>36,410</b>	<b>39,575,942</b>	<b>59,788</b>	<b>11,400,961</b>
Zero or unreported	2,535	1,731	267,729	942	427,928	* 691	* 6,603
\$1 under \$100,000	20,722	19,342	1,275,527	10,564	1,171,569	8,483	16,880
\$100,000 under \$1,000,000	29,473	29,419	3,245,987	12,630	1,994,906	23,591	295,138
\$1,000,000 under \$10,000,000	22,782	22,782	13,352,600	9,424	7,460,581	21,003	1,584,988
\$10,000,000 under \$25,000,000	3,463	3,460	9,550,273	1,530	4,849,812	3,284	1,170,147
\$25,000,000 under \$50,000,000	1,368	1,366	8,323,585	613	4,305,934	1,295	1,066,776
\$50,000,000 under \$100,000,000	742	741	8,105,541	346	3,659,361	703	1,061,145
\$100,000,000 or more	765	765	49,985,953	360	15,705,852	738	6,199,285
<b>Nonoperating foundations</b>							
<b>Total</b>	<b>74,364</b>	<b>72,221</b>	<b>86,195,645</b>	<b>31,344</b>	<b>35,250,592</b>	<b>56,243</b>	<b>10,843,984</b>
Zero or unreported	2,437	1,633	264,019	844	424,218	* 691	* 6,603
\$1 under \$100,000	17,072	15,790	512,549	8,295	454,397	7,299	15,118
\$100,000 under \$1,000,000	27,612	27,558	2,789,552	11,372	1,675,112	22,697	282,746
\$1,000,000 under \$10,000,000	21,375	21,375	12,184,971	8,359	6,737,667	19,913	1,516,106
\$10,000,000 under \$25,000,000	3,208	3,207	8,591,337	1,330	4,257,556	3,084	1,116,325
\$25,000,000 under \$50,000,000	1,265	1,263	7,256,324	525	3,539,354	1,218	1,028,642
\$50,000,000 under \$100,000,000	685	684	7,563,387	302	3,448,673	654	999,901
\$100,000,000 or more	710	710	47,033,506	317	14,713,614	686	5,878,544
<b>Operating foundations</b>							
<b>Total</b>	<b>7,486</b>	<b>7,385</b>	<b>7,911,550</b>	<b>5,066</b>	<b>4,325,350</b>	<b>3,546</b>	<b>556,977</b>
Zero or unreported	* 99	* 99	* 3,710	* 99	* 3,710	0	0
\$1 under \$100,000	3,650	3,551	762,978	2,269	717,172	1,184	1,763
\$100,000 under \$1,000,000	1,861	1,861	456,435	1,258	319,794	894	12,392
\$1,000,000 under \$10,000,000	1,407	1,407	1,167,629	1,065	722,914	1,089	68,882
\$10,000,000 under \$25,000,000	255	253	958,936	200	592,257	200	53,822
\$25,000,000 under \$50,000,000	103	103	1,067,262	88	766,579	77	38,134
\$50,000,000 under \$100,000,000	57	57	542,154	44	210,688	49	61,244
\$100,000,000 or more	55	55	2,952,447	43	992,238	52	320,742
<b>Grantmaking foundations</b>							
<b>Total</b>	<b>68,591</b>	<b>67,700</b>	<b>87,746,557</b>	<b>29,562</b>	<b>34,570,127</b>	<b>54,871</b>	<b>11,179,896</b>
Zero or unreported	1,579	1,283	265,704	* 593	* 425,960	* 691	* 6,603
\$1 under \$100,000	13,719	13,128	550,254	7,210	501,472	6,609	13,614
\$100,000 under \$1,000,000	26,338	26,338	2,691,106	11,087	1,504,956	22,051	282,672
\$1,000,000 under \$10,000,000	20,952	20,952	11,530,460	8,088	5,955,381	19,746	1,532,491
\$10,000,000 under \$25,000,000	3,261	3,260	8,570,185	1,371	4,121,658	3,135	1,134,017
\$25,000,000 under \$50,000,000	1,298	1,296	7,583,735	553	3,741,632	1,250	1,044,660
\$50,000,000 under \$100,000,000	703	703	7,537,185	319	3,260,545	671	1,020,510
\$100,000,000 or more	740	740	49,017,927	341	15,058,523	718	6,145,328
<b>Grantmaking-nonoperating foundations</b>							
<b>Total</b>	<b>64,468</b>	<b>63,579</b>	<b>82,566,720</b>	<b>26,701</b>	<b>32,142,320</b>	<b>52,328</b>	<b>10,760,757</b>
Zero or unreported	1,480	1,184	261,994	* 494	* 422,251	* 691	* 6,603
\$1 under \$100,000	11,844	11,253	466,119	5,927	420,011	5,621	12,329
\$100,000 under \$1,000,000	25,091	25,091	2,527,211	10,290	1,457,250	21,255	271,485
\$1,000,000 under \$10,000,000	20,300	20,300	10,834,692	7,596	5,525,350	19,193	1,486,627
\$10,000,000 under \$25,000,000	3,134	3,134	7,978,239	1,275	3,761,846	3,030	1,104,141
\$25,000,000 under \$50,000,000	1,246	1,244	6,869,224	510	3,174,597	1,212	1,025,933
\$50,000,000 under \$100,000,000	672	672	7,224,405	295	3,173,216	644	983,523
\$100,000,000 or more	701	701	46,404,836	313	14,207,799	681	5,870,117
<b>Grantmaking-operating foundations</b>							
<b>Total</b>	<b>4,123</b>	<b>4,122</b>	<b>5,179,837</b>	<b>2,861</b>	<b>2,427,807</b>	<b>2,542</b>	<b>419,139</b>
Zero or unreported	* 99	* 99	* 3,710	* 99	* 3,710	0	0
\$1 under \$100,000	1,875	1,875	84,136	1,283	81,461	* 987	* 1,285
\$100,000 under \$1,000,000	1,247	1,247	163,895	* 796	* 47,706	796	11,187
\$1,000,000 under \$10,000,000	653	653	695,768	492	430,032	552	45,865
\$10,000,000 under \$25,000,000	127	126	591,946	96	359,812	105	29,877
\$25,000,000 under \$50,000,000	52	52	714,511	43	567,035	38	18,727
\$50,000,000 under \$100,000,000	31	31	312,779	24	87,329	27	36,987
\$100,000,000 or more	39	39	2,613,091	28	850,724	37	275,212

Footnotes at end of table.

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Selected sources of revenue—continued		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Net gain (less loss) from sales of assets		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>All foundations</b>								
<b>Total</b>	<b>49,590</b>	<b>35,746,576</b>	<b>79,178</b>	<b>48,796,817</b>	<b>79,365</b>	<b>45,310,378</b>	<b>69,177</b>	<b>54,200,020</b>
Zero or unreported	* 296	* -179,507	2,027	1,246,336	1,435	-978,607	* 843	* 16,191
\$1 under \$100,000	4,942	23,588	19,243	1,388,316	19,539	-112,789	12,142	66,488
\$100,000 under \$1,000,000	19,349	529,645	29,055	2,950,836	29,276	295,151	27,731	1,062,702
\$1,000,000 under \$10,000,000	19,176	3,460,306	22,541	6,840,521	22,782	6,512,078	22,197	5,879,659
\$10,000,000 under \$25,000,000	3,154	2,827,941	3,448	4,818,086	3,460	4,732,187	3,417	4,527,033
\$25,000,000 under \$50,000,000	1,254	2,357,439	1,359	4,346,579	1,367	3,977,006	1,349	3,782,870
\$50,000,000 under \$100,000,000	687	2,801,172	739	4,160,764	741	3,944,777	735	4,414,481
\$100,000,000 or more	732	23,925,990	765	23,045,378	765	26,940,575	763	34,450,596
<b>Nonoperating foundations</b>								
<b>Total</b>	<b>47,138</b>	<b>33,890,773</b>	<b>71,892</b>	<b>43,690,331</b>	<b>72,178</b>	<b>42,505,314</b>	<b>63,912</b>	<b>51,308,283</b>
Zero or unreported	* 296	* -179,507	1,928	1,242,626	1,435	-978,607	* 843	* 16,191
\$1 under \$100,000	4,547	23,042	15,692	656,001	16,086	-143,452	10,268	63,055
\$100,000 under \$1,000,000	18,656	521,299	27,293	2,470,057	27,415	319,494	25,969	1,036,358
\$1,000,000 under \$10,000,000	18,192	3,306,878	21,135	6,037,009	21,375	6,147,961	21,007	5,629,850
\$10,000,000 under \$25,000,000	2,955	2,705,868	3,195	4,136,421	3,207	4,454,915	3,181	4,308,509
\$25,000,000 under \$50,000,000	1,175	2,270,708	1,256	3,648,770	1,265	3,607,554	1,256	3,653,893
\$50,000,000 under \$100,000,000	637	2,611,091	683	3,861,807	684	3,701,581	681	4,164,706
\$100,000,000 or more	681	22,631,393	710	21,637,639	710	25,395,868	708	32,435,721
<b>Operating foundations</b>								
<b>Total</b>	<b>2,452</b>	<b>1,855,803</b>	<b>7,286</b>	<b>5,106,486</b>	<b>7,187</b>	<b>2,805,063</b>	<b>5,264</b>	<b>2,891,736</b>
Zero or unreported	0	0	* 99	* 3,710	0	0	0	0
\$1 under \$100,000	* 395	* 547	3,551	732,315	3,453	30,663	1,875	3,433
\$100,000 under \$1,000,000	693	8,346	1,762	480,779	1,861	-24,344	1,762	26,344
\$1,000,000 under \$10,000,000	984	153,428	1,407	803,512	1,407	364,117	1,190	249,809
\$10,000,000 under \$25,000,000	199	122,073	253	681,665	253	277,272	236	218,524
\$25,000,000 under \$50,000,000	79	86,731	103	697,809	102	369,452	93	128,977
\$50,000,000 under \$100,000,000	50	190,081	56	298,958	57	243,196	54	249,775
\$100,000,000 or more	51	1,294,598	55	1,407,739	55	1,544,707	55	2,014,875
<b>Grantmaking foundations</b>								
<b>Total</b>	<b>47,140</b>	<b>35,349,220</b>	<b>68,591</b>	<b>46,356,191</b>	<b>68,194</b>	<b>41,390,365</b>	<b>61,781</b>	<b>53,443,362</b>
Zero or unreported	* 296	* -179,507	1,579	1,243,381	1,283	-977,677	* 690	* 16,133
\$1 under \$100,000	4,646	23,391	13,719	715,466	13,621	-165,211	9,084	62,176
\$100,000 under \$1,000,000	18,373	524,211	26,338	2,648,858	26,338	42,248	25,372	1,034,304
\$1,000,000 under \$10,000,000	18,221	3,361,666	20,952	6,449,413	20,952	5,081,047	20,670	5,692,618
\$10,000,000 under \$25,000,000	3,018	2,753,111	3,261	4,499,373	3,260	4,070,812	3,237	4,390,763
\$25,000,000 under \$50,000,000	1,212	2,319,367	1,298	4,135,149	1,297	3,448,586	1,287	3,695,749
\$50,000,000 under \$100,000,000	659	2,725,133	703	3,995,745	703	3,541,440	701	4,319,067
\$100,000,000 or more	716	23,821,848	740	22,668,806	740	26,349,121	739	34,232,552
<b>Grantmaking-nonoperating foundations</b>								
<b>Total</b>	<b>45,414</b>	<b>33,750,210</b>	<b>64,468</b>	<b>43,198,827</b>	<b>64,271</b>	<b>39,367,893</b>	<b>58,814</b>	<b>50,972,733</b>
Zero or unreported	* 296	* -179,507	1,480	1,239,672	1,283	-977,677	* 690	* 16,133
\$1 under \$100,000	4,251	22,844	11,844	637,389	11,844	-171,270	8,097	59,817
\$100,000 under \$1,000,000	17,778	517,562	25,091	2,421,385	25,091	105,826	24,223	1,012,498
\$1,000,000 under \$10,000,000	17,699	3,253,645	20,300	5,946,573	20,300	4,888,119	20,078	5,514,764
\$10,000,000 under \$25,000,000	2,911	2,677,712	3,134	4,019,841	3,134	3,958,398	3,116	4,245,445
\$25,000,000 under \$50,000,000	1,171	2,263,549	1,246	3,620,746	1,246	3,248,478	1,240	3,619,316
\$50,000,000 under \$100,000,000	630	2,573,651	672	3,805,852	672	3,418,553	670	4,135,275
\$100,000,000 or more	679	22,620,754	701	21,507,369	701	24,897,467	700	32,371,486
<b>Grantmaking-operating foundations</b>								
<b>Total</b>	<b>1,726</b>	<b>1,599,009</b>	<b>4,123</b>	<b>3,157,364</b>	<b>3,923</b>	<b>2,022,472</b>	<b>2,967</b>	<b>2,470,629</b>
Zero or unreported	0	0	* 99	* 3,710	0	0	0	0
\$1 under \$100,000	* 395	* 547	1,875	78,077	1,776	6,058	987	2,359
\$100,000 under \$1,000,000	595	6,649	1,247	227,473	1,247	-63,577	1,149	21,806
\$1,000,000 under \$10,000,000	522	108,021	653	502,840	653	192,928	593	177,854
\$10,000,000 under \$25,000,000	107	75,400	127	479,532	126	112,414	121	145,318
\$25,000,000 under \$50,000,000	41	55,817	52	514,403	51	200,108	47	78,434
\$50,000,000 under \$100,000,000	29	151,482	31	189,893	31	122,887	31	183,792
\$100,000,000 or more	37	1,201,094	39	1,161,437	39	1,451,654	39	1,861,066

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Disbursements for exempt purposes		Contributions, gifts, and grants paid [1]		Excise tax on net investment income		Total assets (book value)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>All foundations</b>								
<b>Total</b>	<b>73,772</b>	<b>40,685,960</b>	<b>68,591</b>	<b>34,932,213</b>	<b>65,583</b>	<b>796,416</b>	<b>79,315</b>	<b>569,301,990</b>
Zero or unreported	1,579	1,163,293	1,579	1,152,071	* 690	* 164	0	0
\$1 under \$100,000	15,988	1,308,821	13,719	582,638	9,874	875	20,722	716,834
\$100,000 under \$1,000,000	27,861	2,557,654	26,338	2,198,826	27,011	14,903	29,473	11,178,582
\$1,000,000 under \$10,000,000	22,084	5,985,205	20,952	5,275,714	21,885	91,328	22,782	61,169,773
\$10,000,000 under \$25,000,000	3,412	4,110,952	3,261	3,632,651	3,351	68,826	3,463	44,995,808
\$25,000,000 under \$50,000,000	1,353	3,816,961	1,298	3,342,844	1,317	54,808	1,368	40,199,547
\$50,000,000 under \$100,000,000	735	3,594,598	703	3,148,988	716	65,279	742	43,862,038
\$100,000,000 or more	761	18,148,475	740	15,598,482	739	500,233	765	367,179,409
<b>Nonoperating foundations</b>								
<b>Total</b>	<b>67,135</b>	<b>36,728,811</b>	<b>64,468</b>	<b>33,850,209</b>	<b>61,544</b>	<b>773,648</b>	<b>71,928</b>	<b>527,214,678</b>
Zero or unreported	1,480	1,159,583	1,480	1,148,362	* 690	* 164	0	0
\$1 under \$100,000	12,929	616,414	11,844	564,577	8,788	827	17,072	589,631
\$100,000 under \$1,000,000	26,149	2,249,808	25,091	2,127,817	25,352	14,447	27,612	10,346,345
\$1,000,000 under \$10,000,000	20,768	5,399,311	20,300	5,116,990	20,911	87,834	21,375	56,832,318
\$10,000,000 under \$25,000,000	3,169	3,618,358	3,134	3,372,057	3,174	66,101	3,208	41,517,650
\$25,000,000 under \$50,000,000	1,254	3,247,667	1,246	2,998,501	1,249	53,639	1,265	37,018,207
\$50,000,000 under \$100,000,000	680	3,352,402	672	3,083,926	678	61,892	685	40,384,849
\$100,000,000 or more	706	17,085,268	701	15,437,979	701	488,744	710	340,525,679
<b>Operating foundations</b>								
<b>Total</b>	<b>6,637</b>	<b>3,957,149</b>	<b>4,123</b>	<b>1,082,004</b>	<b>4,040</b>	<b>22,769</b>	<b>7,387</b>	<b>42,087,312</b>
Zero or unreported	* 99	* 3,710	* 99	* 3,709	0	0	0	0
\$1 under \$100,000	3,058	692,407	1,875	18,061	1,086	47	3,650	127,204
\$100,000 under \$1,000,000	1,712	307,846	1,247	71,009	1,659	456	1,861	832,237
\$1,000,000 under \$10,000,000	1,316	585,894	653	158,724	974	3,495	1,407	4,337,455
\$10,000,000 under \$25,000,000	243	492,593	127	260,594	177	2,725	255	3,478,158
\$25,000,000 under \$50,000,000	99	569,295	52	344,343	68	1,169	103	3,181,339
\$50,000,000 under \$100,000,000	55	242,196	31	65,062	38	3,388	57	3,477,189
\$100,000,000 or more	55	1,063,207	39	160,502	38	11,489	55	26,653,730
<b>Grantmaking foundations</b>								
<b>Total</b>	<b>68,591</b>	<b>39,038,976</b>	<b>68,591</b>	<b>34,932,213</b>	<b>60,010</b>	<b>786,967</b>	<b>67,012</b>	<b>550,865,674</b>
Zero or unreported	1,579	1,163,293	1,579	1,152,071	* 690	* 164	0	0
\$1 under \$100,000	13,719	685,732	13,719	582,638	7,999	804	13,719	526,451
\$100,000 under \$1,000,000	26,338	2,351,792	26,338	2,198,826	24,858	14,414	26,338	10,043,884
\$1,000,000 under \$10,000,000	20,952	5,792,875	20,952	5,275,714	20,574	88,464	20,952	56,253,663
\$10,000,000 under \$25,000,000	3,261	3,951,759	3,261	3,632,651	3,204	66,935	3,261	42,307,038
\$25,000,000 under \$50,000,000	1,298	3,692,331	1,298	3,342,844	1,271	53,673	1,298	38,008,303
\$50,000,000 under \$100,000,000	703	3,478,623	703	3,148,988	690	64,174	703	41,401,002
\$100,000,000 or more	740	17,922,572	740	15,598,482	723	498,340	740	362,325,334
<b>Grantmaking-nonoperating foundations</b>								
<b>Total</b>	<b>64,468</b>	<b>36,589,621</b>	<b>64,468</b>	<b>33,850,209</b>	<b>57,436</b>	<b>767,783</b>	<b>62,988</b>	<b>519,234,486</b>
Zero or unreported	1,480	1,159,583	1,480	1,148,362	* 690	* 164	0	0
\$1 under \$100,000	11,844	612,808	11,844	564,577	7,308	766	11,844	453,476
\$100,000 under \$1,000,000	25,091	2,237,159	25,091	2,127,817	23,709	14,023	25,091	9,441,986
\$1,000,000 under \$10,000,000	20,300	5,381,645	20,300	5,116,990	20,022	85,664	20,300	54,340,042
\$10,000,000 under \$25,000,000	3,134	3,589,022	3,134	3,372,057	3,110	64,935	3,134	40,548,290
\$25,000,000 under \$50,000,000	1,246	3,231,420	1,246	2,998,501	1,234	52,966	1,246	36,398,535
\$50,000,000 under \$100,000,000	672	3,315,406	672	3,083,926	668	61,491	672	39,533,666
\$100,000,000 or more	701	17,062,578	701	15,437,979	695	487,775	701	338,518,492
<b>Grantmaking-operating foundations</b>								
<b>Total</b>	<b>4,123</b>	<b>2,449,355</b>	<b>4,123</b>	<b>1,082,004</b>	<b>2,574</b>	<b>19,184</b>	<b>4,024</b>	<b>31,631,188</b>
Zero or unreported	* 99	* 3,710	* 99	* 3,709	0	0	0	0
\$1 under \$100,000	1,875	72,925	1,875	18,061	* 691	* 38	1,875	72,975
\$100,000 under \$1,000,000	1,247	114,633	1,247	71,009	1,149	392	1,247	601,898
\$1,000,000 under \$10,000,000	653	411,230	653	158,724	552	2,800	653	1,913,621
\$10,000,000 under \$25,000,000	127	362,737	127	260,594	94	2,000	127	1,758,747
\$25,000,000 under \$50,000,000	52	460,911	52	344,343	37	706	52	1,609,768
\$50,000,000 under \$100,000,000	31	163,217	31	65,062	22	2,683	31	1,867,336
\$100,000,000 or more	39	859,994	39	160,502	28	10,565	39	23,806,842

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Total investment assets (book value)		Investments in securities (book value)					
	Number of returns	Amount	Total		Government obligations		Corporate stock	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
<b>All foundations</b>								
<b>Total</b>	<b>69,453</b>	<b>536,162,477</b>	<b>52,711</b>	<b>345,864,368</b>	<b>16,330</b>	<b>38,297,720</b>	<b>49,169</b>	<b>268,552,683</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	12,931	529,667	5,623	235,663	1,183	17,785	4,637	189,613
\$100,000 under \$1,000,000	27,874	9,757,249	21,530	6,291,827	4,873	580,814	20,056	4,719,618
\$1,000,000 under \$10,000,000	22,345	56,116,859	19,738	40,222,877	7,272	4,417,785	18,849	30,431,782
\$10,000,000 under \$25,000,000	3,439	41,744,072	3,141	29,863,971	1,581	3,734,333	3,036	22,007,839
\$25,000,000 under \$50,000,000	1,360	37,046,795	1,255	26,371,983	667	3,374,998	1,209	19,398,367
\$50,000,000 under \$100,000,000	739	40,756,299	686	27,424,763	353	3,246,572	661	21,103,918
\$100,000,000 or more	765	350,211,537	737	215,453,285	400	22,925,432	722	170,701,545
<b>Nonoperating foundations</b>								
<b>Total</b>	<b>64,186</b>	<b>505,524,761</b>	<b>49,858</b>	<b>329,203,288</b>	<b>15,275</b>	<b>36,618,943</b>	<b>46,919</b>	<b>255,427,238</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	11,155	477,940	4,833	203,391	888	8,302	4,143	171,367
\$100,000 under \$1,000,000	26,112	9,114,291	20,735	6,054,325	4,618	494,919	19,461	4,584,702
\$1,000,000 under \$10,000,000	21,070	53,527,853	18,829	38,837,386	6,961	4,278,522	18,015	29,398,548
\$10,000,000 under \$25,000,000	3,196	39,483,178	2,955	28,569,116	1,477	3,513,630	2,862	21,129,992
\$25,000,000 under \$50,000,000	1,260	35,067,558	1,182	25,256,672	629	3,241,127	1,147	18,552,901
\$50,000,000 under \$100,000,000	683	38,195,662	638	26,028,215	326	3,060,648	618	20,079,890
\$100,000,000 or more	710	329,658,279	686	204,254,183	376	22,021,795	672	161,509,838
<b>Operating foundations</b>								
<b>Total</b>	<b>5,267</b>	<b>30,637,716</b>	<b>2,852</b>	<b>16,661,080</b>	<b>1,055</b>	<b>1,678,776</b>	<b>2,251</b>	<b>13,125,444</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,776	51,727	* 790	* 32,272	* 296	* 9,484	* 494	* 18,246
\$100,000 under \$1,000,000	1,762	642,958	795	237,502	* 255	* 85,895	594	134,916
\$1,000,000 under \$10,000,000	1,275	2,589,006	909	1,385,490	311	139,262	833	1,033,234
\$10,000,000 under \$25,000,000	243	2,260,894	186	1,294,855	104	220,703	174	877,847
\$25,000,000 under \$50,000,000	100	1,979,237	73	1,115,311	38	133,871	62	845,466
\$50,000,000 under \$100,000,000	56	2,560,636	48	1,396,549	27	185,924	43	1,024,028
\$100,000,000 or more	55	20,553,258	51	11,199,102	24	903,637	50	9,191,707
<b>Grantmaking foundations</b>								
<b>Total</b>	<b>61,340</b>	<b>523,266,008</b>	<b>49,225</b>	<b>339,169,101</b>	<b>15,626</b>	<b>37,664,822</b>	<b>46,010</b>	<b>263,373,637</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	9,577	412,995	4,932	171,410	986	10,634	4,143	136,484
\$100,000 under \$1,000,000	25,113	8,998,105	20,040	5,985,614	4,770	575,681	18,619	4,482,391
\$1,000,000 under \$10,000,000	20,667	52,918,907	18,662	38,373,747	6,985	4,279,450	17,829	28,860,749
\$10,000,000 under \$25,000,000	3,249	39,866,030	3,005	28,828,033	1,505	3,572,324	2,907	21,309,379
\$25,000,000 under \$50,000,000	1,292	35,646,136	1,212	25,681,270	648	3,285,433	1,171	18,899,429
\$50,000,000 under \$100,000,000	702	39,101,008	656	26,577,191	338	3,143,252	636	20,469,218
\$100,000,000 or more	740	346,322,827	718	213,551,836	394	22,798,048	705	169,215,986
<b>Grantmaking-nonoperating foundations</b>								
<b>Total</b>	<b>58,332</b>	<b>499,376,407</b>	<b>47,331</b>	<b>326,327,074</b>	<b>14,889</b>	<b>36,350,949</b>	<b>44,562</b>	<b>253,152,208</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	8,590	383,077	4,339	150,665	789	6,329	3,748	122,675
\$100,000 under \$1,000,000	23,964	8,472,471	19,392	5,789,383	4,515	489,786	18,172	4,383,129
\$1,000,000 under \$10,000,000	20,039	51,495,049	18,210	37,665,011	6,810	4,179,728	17,407	28,395,902
\$10,000,000 under \$25,000,000	3,124	38,659,430	2,907	28,170,964	1,453	3,458,833	2,817	20,853,974
\$25,000,000 under \$50,000,000	1,243	34,607,053	1,173	25,046,039	626	3,210,513	1,138	18,416,552
\$50,000,000 under \$100,000,000	671	37,620,106	628	25,754,196	321	3,026,410	611	19,850,870
\$100,000,000 or more	701	328,139,222	682	203,750,815	375	21,979,351	669	161,129,107
<b>Grantmaking-operating foundations</b>								
<b>Total</b>	<b>3,008</b>	<b>23,889,601</b>	<b>1,894</b>	<b>12,842,028</b>	<b>738</b>	<b>1,313,872</b>	<b>1,448</b>	<b>10,221,428</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	987	29,918	* 593	* 20,744	197	4,305	* 395	* 13,808
\$100,000 under \$1,000,000	1,149	525,634	648	196,231	* 255	* 85,895	* 447	* 99,263
\$1,000,000 under \$10,000,000	628	1,423,859	452	708,735	176	99,772	422	464,848
\$10,000,000 under \$25,000,000	125	1,206,599	98	657,070	52	113,490	90	455,405
\$25,000,000 under \$50,000,000	49	1,039,083	39	635,231	22	74,921	33	482,877
\$50,000,000 under \$100,000,000	31	1,480,902	28	822,995	17	116,842	25	618,348
\$100,000,000 or more	39	18,183,606	36	9,801,022	19	818,698	36	8,086,879

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Investments in securities (book value)—continued		Total assets (fair market value)		Total investment assets (fair market value)		Investments in securities (fair market value)	
	Corporate bonds		Number of returns	Amount	Number of returns	Amount	Total	
	Number of returns	Amount					Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>All foundations</b>								
<b>Total</b>	<b>22,452</b>	<b>39,013,966</b>	<b>79,315</b>	<b>645,810,232</b>	<b>69,453</b>	<b>609,660,794</b>	<b>52,711</b>	<b>403,667,507</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,381	28,265	20,722	661,248	12,931	479,333	5,623	209,005
\$100,000 under \$1,000,000	7,788	991,394	29,473	12,740,859	27,874	11,288,873	21,530	7,662,374
\$1,000,000 under \$10,000,000	9,822	5,373,309	22,782	71,638,613	22,345	66,238,973	19,738	49,185,667
\$10,000,000 under \$25,000,000	1,820	4,121,800	3,463	53,637,378	3,439	50,054,747	3,141	36,978,879
\$25,000,000 under \$50,000,000	755	3,598,618	1,368	47,866,790	1,360	44,539,430	1,255	32,636,375
\$50,000,000 under \$100,000,000	406	3,074,273	742	51,823,632	739	48,408,772	686	33,451,716
\$100,000,000 or more	480	21,826,307	765	407,441,713	765	388,650,666	737	243,543,490
<b>Nonoperating foundations</b>								
<b>Total</b>	<b>21,460</b>	<b>37,157,107</b>	<b>71,928</b>	<b>597,708,854</b>	<b>64,186</b>	<b>574,870,795</b>	<b>49,858</b>	<b>385,812,028</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,183	23,722	17,072	534,200	11,155	425,113	4,833	174,831
\$100,000 under \$1,000,000	7,641	974,703	27,612	11,790,318	26,112	10,582,282	20,735	7,362,276
\$1,000,000 under \$10,000,000	9,385	5,160,316	21,375	66,890,956	21,070	63,365,630	18,829	47,593,082
\$10,000,000 under \$25,000,000	1,715	3,925,494	3,208	49,696,544	3,196	47,487,636	2,955	35,465,925
\$25,000,000 under \$50,000,000	710	3,462,645	1,265	44,358,055	1,260	42,351,384	1,182	31,424,895
\$50,000,000 under \$100,000,000	378	2,887,677	685	47,910,092	683	45,538,523	638	31,875,866
\$100,000,000 or more	447	20,722,550	710	376,528,689	710	365,120,226	686	231,915,153
<b>Operating foundations</b>								
<b>Total</b>	<b>992</b>	<b>1,856,860</b>	<b>7,387</b>	<b>48,101,378</b>	<b>5,267</b>	<b>34,789,999</b>	<b>2,852</b>	<b>17,855,478</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	* 197	* 4,543	3,650	127,049	1,776	54,220	* 790	* 34,175
\$100,000 under \$1,000,000	* 147	* 16,691	1,861	950,541	1,762	706,590	795	300,098
\$1,000,000 under \$10,000,000	437	212,994	1,407	4,747,657	1,275	2,873,342	909	1,592,585
\$10,000,000 under \$25,000,000	105	196,305	255	3,940,834	243	2,567,111	186	1,512,953
\$25,000,000 under \$50,000,000	45	135,973	103	3,508,734	100	2,188,046	73	1,211,480
\$50,000,000 under \$100,000,000	28	186,596	57	3,913,540	56	2,870,249	48	1,575,850
\$100,000,000 or more	33	1,103,758	55	30,913,023	55	23,530,440	51	11,628,337
<b>Grantmaking foundations</b>								
<b>Total</b>	<b>21,384</b>	<b>38,130,643</b>	<b>67,012</b>	<b>624,084,344</b>	<b>61,340</b>	<b>593,857,857</b>	<b>49,225</b>	<b>395,951,881</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,183	24,292	13,719	516,023	9,577	407,869	4,932	186,536
\$100,000 under \$1,000,000	7,487	927,542	26,338	11,574,438	25,113	10,487,958	20,400	7,335,586
\$1,000,000 under \$10,000,000	9,385	5,233,547	20,952	66,255,711	20,667	62,727,238	18,662	47,070,435
\$10,000,000 under \$25,000,000	1,742	3,946,331	3,261	50,559,983	3,249	47,876,155	3,005	35,758,901
\$25,000,000 under \$50,000,000	727	3,496,408	1,298	45,464,379	1,292	43,007,430	1,212	31,863,745
\$50,000,000 under \$100,000,000	392	2,964,721	703	49,078,729	702	46,530,511	656	32,400,054
\$100,000,000 or more	468	21,537,802	740	400,635,080	740	382,820,695	718	241,336,623
<b>Grantmaking-nonoperating foundations</b>								
<b>Total</b>	<b>20,883</b>	<b>36,823,916</b>	<b>62,988</b>	<b>588,696,920</b>	<b>58,332</b>	<b>567,761,016</b>	<b>47,331</b>	<b>382,586,023</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,085	21,661	11,844	443,387	8,590	375,641	4,339	164,074
\$100,000 under \$1,000,000	7,389	916,469	25,091	10,869,506	23,964	9,907,140	19,392	7,084,244
\$1,000,000 under \$10,000,000	9,194	5,089,382	20,300	64,151,317	20,039	61,145,478	18,210	46,247,105
\$10,000,000 under \$25,000,000	1,692	3,858,157	3,134	48,582,069	3,124	46,539,382	2,907	34,998,667
\$25,000,000 under \$50,000,000	704	3,418,975	1,246	43,721,748	1,243	41,875,976	1,173	31,199,580
\$50,000,000 under \$100,000,000	375	2,876,916	672	46,993,394	671	44,899,744	628	31,508,111
\$100,000,000 or more	444	20,642,357	701	373,935,498	701	363,017,656	682	231,384,243
<b>Grantmaking-operating foundations</b>								
<b>Total</b>	<b>502</b>	<b>1,306,727</b>	<b>4,024</b>	<b>35,387,425</b>	<b>3,008</b>	<b>26,096,840</b>	<b>1,894</b>	<b>13,365,858</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	* 99	* 2,631	1,875	72,636	987	32,228	* 593	* 22,462
\$100,000 under \$1,000,000	* 98	* 11,073	1,247	704,932	1,149	580,818	648	251,342
\$1,000,000 under \$10,000,000	* 191	* 144,165	653	2,104,394	628	1,581,761	452	823,330
\$10,000,000 under \$25,000,000	50	88,174	127	1,977,914	125	1,336,774	98	760,235
\$25,000,000 under \$50,000,000	23	77,433	52	1,742,631	49	1,131,454	39	664,165
\$50,000,000 under \$100,000,000	17	87,805	31	2,085,336	31	1,630,767	28	891,943
\$100,000,000 or more	24	895,445	39	26,699,582	39	19,803,040	36	9,952,381

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Investments in securities (fair market value)—continued						Net worth (book value)	
	Government obligations		Corporate stock		Corporate bonds		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
<b>All foundations</b>								
<b>Total</b>	<b>16,330</b>	<b>38,717,970</b>	<b>49,169</b>	<b>325,758,946</b>	<b>22,452</b>	<b>39,190,591</b>	<b>79,295</b>	<b>543,696,020</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1,183	17,817	4,637	163,226	1,381	27,963	20,722	533,779
\$100,000 under \$1,000,000	4,873	610,654	20,056	6,033,423	7,788	1,018,297	29,473	10,913,615
\$1,000,000 under \$10,000,000	7,272	4,456,204	18,849	39,330,142	9,822	5,399,321	22,767	59,855,641
\$10,000,000 under \$25,000,000	1,581	3,780,047	3,036	29,013,705	1,820	4,185,127	3,463	43,901,283
\$25,000,000 under \$50,000,000	667	3,421,835	1,209	25,608,023	755	3,606,517	1,365	38,882,200
\$50,000,000 under \$100,000,000	353	3,322,005	661	27,035,023	406	3,094,689	742	42,418,827
\$100,000,000 or more	400	23,109,409	722	198,575,404	480	21,858,677	763	347,190,676
<b>Nonoperating foundations</b>								
<b>Total</b>	<b>15,275</b>	<b>37,036,066</b>	<b>46,919</b>	<b>311,442,394</b>	<b>21,460</b>	<b>37,333,569</b>	<b>71,909</b>	<b>506,214,522</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	888	8,341	4,143	143,276	1,183	23,213	17,072	414,087
\$100,000 under \$1,000,000	4,618	515,769	19,461	5,845,225	7,641	1,001,283	27,612	10,168,952
\$1,000,000 under \$10,000,000	6,961	4,319,487	18,015	38,086,554	9,385	5,187,041	21,360	56,052,156
\$10,000,000 under \$25,000,000	1,477	3,560,036	2,862	27,918,092	1,715	3,987,798	3,208	40,767,248
\$25,000,000 under \$50,000,000	629	3,286,673	1,147	24,667,229	710	3,470,994	1,263	36,164,441
\$50,000,000 under \$100,000,000	326	3,137,692	618	25,830,363	378	2,907,811	685	39,247,737
\$100,000,000 or more	376	22,208,068	672	188,951,655	447	20,755,429	708	323,399,901
<b>Operating foundations</b>								
<b>Total</b>	<b>1,055</b>	<b>1,681,905</b>	<b>2,251</b>	<b>14,316,552</b>	<b>992</b>	<b>1,857,022</b>	<b>7,386</b>	<b>37,481,498</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	* 296	* 9,475	* 494	* 19,949	* 197	* 4,750	3,650	119,692
\$100,000 under \$1,000,000	* 255	* 94,885	594	188,198	* 147	* 17,015	1,861	744,663
\$1,000,000 under \$10,000,000	311	136,717	833	1,243,588	437	212,280	1,407	3,803,485
\$10,000,000 under \$25,000,000	104	220,011	174	1,095,613	105	197,329	255	3,134,034
\$25,000,000 under \$50,000,000	38	135,162	62	940,795	45	135,523	102	2,717,759
\$50,000,000 under \$100,000,000	27	184,313	43	1,204,659	28	186,878	57	3,171,090
\$100,000,000 or more	24	901,341	50	9,623,748	33	1,103,248	55	23,790,775
<b>Grantmaking foundations</b>								
<b>Total</b>	<b>15,626</b>	<b>38,067,505</b>	<b>46,010</b>	<b>319,579,242</b>	<b>21,384</b>	<b>38,305,134</b>	<b>67,007</b>	<b>528,404,448</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	986	10,676	4,143	151,986	1,183	23,874	13,719	356,505
\$100,000 under \$1,000,000	4,770	605,559	18,619	5,774,428	7,487	955,599	26,338	9,937,434
\$1,000,000 under \$10,000,000	6,985	4,320,860	17,829	37,488,879	9,385	5,260,695	20,952	55,540,112
\$10,000,000 under \$25,000,000	1,505	3,618,348	2,907	28,132,306	1,742	4,008,248	3,261	41,573,038
\$25,000,000 under \$50,000,000	648	3,331,001	1,171	25,029,569	727	3,503,175	1,295	37,094,978
\$50,000,000 under \$100,000,000	338	3,199,223	636	26,215,402	392	2,985,429	703	40,369,861
\$100,000,000 or more	394	22,981,836	705	196,786,672	468	21,568,115	738	343,532,520
<b>Grantmaking-nonoperating foundations</b>								
<b>Total</b>	<b>14,889</b>	<b>36,750,638</b>	<b>44,562</b>	<b>308,836,922</b>	<b>20,883</b>	<b>36,998,463</b>	<b>62,984</b>	<b>499,928,679</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	789	6,372	3,748	136,460	1,085	21,243	11,844	284,181
\$100,000 under \$1,000,000	4,515	510,674	18,172	5,629,209	7,389	944,361	25,091	9,342,662
\$1,000,000 under \$10,000,000	6,810	4,223,300	17,407	36,906,576	9,194	5,117,228	20,300	53,804,098
\$10,000,000 under \$25,000,000	1,453	3,505,135	2,817	27,573,495	1,692	3,920,038	3,134	39,898,086
\$25,000,000 under \$50,000,000	626	3,256,219	1,138	24,517,242	704	3,426,119	1,244	35,700,508
\$50,000,000 under \$100,000,000	321	3,083,918	611	25,527,691	375	2,896,502	672	38,617,089
\$100,000,000 or more	375	22,165,020	669	188,546,250	444	20,672,972	699	322,282,056
<b>Grantmaking-operating foundations</b>								
<b>Total</b>	<b>738</b>	<b>1,316,867</b>	<b>1,448</b>	<b>10,742,320</b>	<b>502</b>	<b>1,306,672</b>	<b>4,023</b>	<b>28,475,769</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	197	4,305	* 395	* 15,526	* 99	* 2,631	1,875	72,325
\$100,000 under \$1,000,000	* 255	* 94,885	* 447	* 145,219	* 98	* 11,238	1,247	594,772
\$1,000,000 under \$10,000,000	176	97,560	422	582,303	* 191	* 143,467	653	1,736,014
\$10,000,000 under \$25,000,000	52	113,213	90	558,811	50	88,210	127	1,674,952
\$25,000,000 under \$50,000,000	22	74,782	33	512,327	23	77,056	51	1,394,471
\$50,000,000 under \$100,000,000	17	115,306	25	687,711	17	88,927	31	1,752,772
\$100,000,000 or more	19	816,816	36	8,240,422	24	895,142	39	21,250,464

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Noncharitable-use assets		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)
<b>All foundations</b>						
<b>Total</b>	<b>79,600</b>	<b>536,437,710</b>	<b>78,967</b>	<b>26,691,923</b>	<b>71,018</b>	<b>24,809,620</b>
Zero or unreported	* 690	* 416,982	* 690	* 20,849	* 690	* 20,685
\$1 under \$100,000	20,525	799,126	20,032	39,745	16,086	34,872
\$100,000 under \$1,000,000	29,325	11,885,968	29,226	586,111	27,205	590,029
\$1,000,000 under \$10,000,000	22,732	63,504,933	22,692	3,145,672	21,185	2,931,163
\$10,000,000 under \$25,000,000	3,458	47,171,147	3,458	2,348,268	3,201	2,177,755
\$25,000,000 under \$50,000,000	1,365	41,909,809	1,365	2,088,442	1,262	1,963,661
\$50,000,000 under \$100,000,000	740	44,980,061	739	2,241,034	680	2,098,851
\$100,000,000 or more	765	325,769,684	765	16,221,802	708	14,992,605
<b>Nonoperating foundations</b>						
<b>Total</b>	<b>72,490</b>	<b>508,977,586</b>	<b>71,882</b>	<b>25,328,194</b>	<b>71,018</b>	<b>24,809,620</b>
Zero or unreported	* 690	* 416,982	* 690	* 20,849	* 690	* 20,685
\$1 under \$100,000	17,072	716,958	16,579	35,715	16,086	34,872
\$100,000 under \$1,000,000	27,514	11,197,492	27,415	551,988	27,205	590,029
\$1,000,000 under \$10,000,000	21,350	60,770,809	21,335	3,009,711	21,185	2,931,163
\$10,000,000 under \$25,000,000	3,205	44,984,869	3,205	2,239,087	3,201	2,177,755
\$25,000,000 under \$50,000,000	1,264	40,191,994	1,264	2,002,692	1,262	1,963,661
\$50,000,000 under \$100,000,000	684	42,644,361	683	2,124,249	680	2,098,851
\$100,000,000 or more	710	308,054,122	710	15,343,902	708	14,992,605
<b>Operating foundations</b>						
<b>Total</b>	<b>7,110</b>	<b>27,460,124</b>	<b>7,085</b>	<b>1,363,729</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	0	0	N/A	N/A
\$1 under \$100,000	3,453	82,168	3,453	4,029	N/A	N/A
\$100,000 under \$1,000,000	1,811	688,476	1,811	34,123	N/A	N/A
\$1,000,000 under \$10,000,000	1,382	2,734,124	1,356	135,961	N/A	N/A
\$10,000,000 under \$25,000,000	253	2,186,279	253	109,181	N/A	N/A
\$25,000,000 under \$50,000,000	101	1,717,815	101	85,749	N/A	N/A
\$50,000,000 under \$100,000,000	56	2,335,700	56	116,785	N/A	N/A
\$100,000,000 or more	55	17,715,563	55	877,900	N/A	N/A
<b>Grantmaking foundations</b>						
<b>Total</b>	<b>67,371</b>	<b>525,293,421</b>	<b>67,173</b>	<b>26,175,076</b>	<b>62,928</b>	<b>24,603,944</b>
Zero or unreported	* 690	* 416,982	* 690	* 20,849	* 690	* 20,685
\$1 under \$100,000	13,522	692,011	13,325	34,420	11,450	31,303
\$100,000 under \$1,000,000	26,240	11,023,462	26,240	548,301	24,885	555,907
\$1,000,000 under \$10,000,000	20,922	60,642,107	20,922	3,022,651	20,159	2,869,432
\$10,000,000 under \$25,000,000	3,258	45,455,787	3,258	2,267,923	3,131	2,148,076
\$25,000,000 under \$50,000,000	1,295	40,808,386	1,295	2,036,465	1,244	1,952,658
\$50,000,000 under \$100,000,000	703	43,448,011	703	2,169,178	669	2,077,032
\$100,000,000 or more	740	322,806,676	740	16,075,291	699	14,948,849
<b>Grantmaking-nonoperating foundations</b>						
<b>Total</b>	<b>63,612</b>	<b>504,077,598</b>	<b>63,415</b>	<b>25,122,383</b>	<b>62,928</b>	<b>24,603,944</b>
Zero or unreported	* 690	* 416,982	* 690	* 20,849	* 690	* 20,685
\$1 under \$100,000	11,844	643,699	11,647	32,083	11,450	31,303
\$100,000 under \$1,000,000	25,042	10,468,513	25,042	520,553	24,885	555,907
\$1,000,000 under \$10,000,000	20,285	59,120,584	20,285	2,946,575	20,159	2,869,432
\$10,000,000 under \$25,000,000	3,133	44,289,825	3,133	2,209,625	3,131	2,148,076
\$25,000,000 under \$50,000,000	1,245	39,906,073	1,245	1,991,491	1,244	1,952,658
\$50,000,000 under \$100,000,000	672	42,105,075	672	2,102,031	669	2,077,032
\$100,000,000 or more	701	307,126,846	701	15,299,177	699	14,948,849
<b>Grantmaking-operating foundations</b>						
<b>Total</b>	<b>3,759</b>	<b>21,215,823</b>	<b>3,759</b>	<b>1,052,693</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	0	0	N/A	N/A
\$1 under \$100,000	1,678	48,312	1,678	2,337	N/A	N/A
\$100,000 under \$1,000,000	1,198	554,949	1,198	27,748	N/A	N/A
\$1,000,000 under \$10,000,000	638	1,521,522	638	76,076	N/A	N/A
\$10,000,000 under \$25,000,000	125	1,165,962	125	58,298	N/A	N/A
\$25,000,000 under \$50,000,000	50	902,313	50	44,974	N/A	N/A
\$50,000,000 under \$100,000,000	31	1,342,935	31	67,147	N/A	N/A
\$100,000,000 or more	39	15,679,830	39	776,114	N/A	N/A

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 1. Domestic Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands dollars]

Type of foundation, asset size	Qualifying distributions		Undistributed income for 2006		Excess distributions carryover to 2007	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(54)	(55)	(56)	(57)	(58)	(59)
<b>All foundations</b>						
<b>Total</b>	<b>74,130</b>	<b>42,392,332</b>	<b>24,969</b>	<b>6,341,126</b>	<b>47,647</b>	<b>51,938,352</b>
Zero or unreported	1,579	1,163,293	* 99	* 293	1,693	2,410,068
\$1 under \$100,000	16,185	1,317,266	3,550	4,610	12,733	2,311,260
\$100,000 under \$1,000,000	27,968	2,575,213	9,745	138,739	17,563	5,012,984
\$1,000,000 under \$10,000,000	22,129	6,129,248	9,006	896,891	12,359	11,278,250
\$10,000,000 under \$25,000,000	3,417	4,243,475	1,435	666,368	1,773	7,002,018
\$25,000,000 under \$50,000,000	1,356	3,928,327	522	565,499	745	5,577,712
\$50,000,000 under \$100,000,000	735	3,781,376	289	583,757	394	5,842,811
\$100,000,000 or more	761	19,254,135	323	3,484,970	387	12,503,249
<b>Nonoperating foundations</b>						
<b>Total</b>	<b>67,467</b>	<b>37,635,450</b>	<b>24,969</b>	<b>6,341,126</b>	<b>47,647</b>	<b>51,938,352</b>
Zero or unreported	1,480	1,159,583	* 99	* 293	1,693	2,410,068
\$1 under \$100,000	13,127	620,541	3,550	4,610	12,733	2,311,260
\$100,000 under \$1,000,000	26,256	2,257,880	9,745	138,739	17,563	5,012,984
\$1,000,000 under \$10,000,000	20,793	5,449,416	9,006	896,891	12,359	11,278,250
\$10,000,000 under \$25,000,000	3,170	3,678,589	1,435	666,368	1,773	7,002,018
\$25,000,000 under \$50,000,000	1,255	3,281,870	522	565,499	745	5,577,712
\$50,000,000 under \$100,000,000	680	3,460,874	289	583,757	394	5,842,811
\$100,000,000 or more	706	17,726,696	323	3,484,970	387	12,503,249
<b>Operating foundations</b>						
<b>Total</b>	<b>6,663</b>	<b>4,756,882</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	* 99	* 3,710	N/A	N/A	N/A	N/A
\$1 under \$100,000	3,058	696,725	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000	1,712	317,333	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000	1,336	679,832	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000	247	564,886	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000	101	646,457	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000	55	320,502	N/A	N/A	N/A	N/A
\$100,000,000 or more	55	1,527,439	N/A	N/A	N/A	N/A
<b>Grantmaking foundations</b>						
<b>Total</b>	<b>68,591</b>	<b>40,297,902</b>	<b>21,241</b>	<b>6,249,148</b>	<b>43,197</b>	<b>50,974,858</b>
Zero or unreported	1,579	1,163,293	* 99	* 293	1,382	2,277,846
\$1 under \$100,000	13,719	692,196	1,874	3,563	9,971	2,112,654
\$100,000 under \$1,000,000	26,338	2,352,690	8,449	125,715	16,593	4,902,050
\$1,000,000 under \$10,000,000	20,952	5,868,050	8,321	865,480	11,993	11,062,618
\$10,000,000 under \$25,000,000	3,261	4,040,540	1,388	649,736	1,748	6,866,395
\$25,000,000 under \$50,000,000	1,298	3,762,940	510	559,914	738	5,523,281
\$50,000,000 under \$100,000,000	703	3,561,653	282	575,677	390	5,745,999
\$100,000,000 or more	740	18,856,540	319	3,468,770	382	12,484,014
<b>Grantmaking-nonoperating foundations</b>						
<b>Total</b>	<b>64,468</b>	<b>37,417,968</b>	<b>21,241</b>	<b>6,249,148</b>	<b>43,197</b>	<b>50,974,858</b>
Zero or unreported	1,480	1,159,583	* 99	* 293	1,382	2,277,846
\$1 under \$100,000	11,844	615,819	1,874	3,563	9,971	2,112,654
\$100,000 under \$1,000,000	25,091	2,237,548	8,449	125,715	16,593	4,902,050
\$1,000,000 under \$10,000,000	20,300	5,423,057	8,321	865,480	11,993	11,062,618
\$10,000,000 under \$25,000,000	3,134	3,642,573	1,388	649,736	1,748	6,866,395
\$25,000,000 under \$50,000,000	1,246	3,264,384	510	559,914	738	5,523,281
\$50,000,000 under \$100,000,000	672	3,374,284	282	575,677	390	5,745,999
\$100,000,000 or more	701	17,700,720	319	3,468,770	382	12,484,014
<b>Grantmaking-operating foundations</b>						
<b>Total</b>	<b>4,123</b>	<b>2,879,934</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	* 99	* 3,710	N/A	N/A	N/A	N/A
\$1 under \$100,000	1,875	76,377	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000	1,247	115,142	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000	653	444,993	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000	127	397,968	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000	52	498,556	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000	31	187,369	N/A	N/A	N/A	N/A
\$100,000,000 or more	39	1,155,820	N/A	N/A	N/A	N/A

N/A—Not applicable.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 2006 using the cash receipts and disbursement method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement because foundations may use either the cash receipts and disbursement or the accrual method of accounting.

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

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Number of returns	Total revenue		Selected sources of revenue			
		Number of returns	Amount	Contributions, gifts, and grants received		Dividends and interest from securities	
				Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>All charitable trusts</b>							
<b>Total</b>	<b>3,502</b>	<b>3,470</b>	<b>611,063</b>	<b>250</b>	<b>108,856</b>	<b>3,290</b>	<b>161,763</b>
Zero or unreported	111	98	1,556	8	59	81	198
\$1 under \$100,000	687	674	7,716	72	4,276	586	965
\$100,000 under \$500,000	1,167	1,163	47,986	72	15,077	1,117	8,656
\$500,000 under \$1,000,000	583	583	41,961	25	6,641	574	11,469
\$1,000,000 under \$10,000,000	860	858	247,196	62	49,430	840	63,428
\$10,000,000 or more	94	94	264,649	11	33,374	92	77,047
<b>Nonoperating charitable trusts</b>							
<b>Total</b>	<b>3,469</b>	<b>3,437</b>	<b>605,984</b>	<b>241</b>	<b>108,061</b>	<b>3,265</b>	<b>161,376</b>
Zero or unreported	110	97	1,554	7	58	81	198
\$1 under \$100,000	676	663	7,625	68	4,222	581	955
\$100,000 under \$500,000	1,158	1,154	47,849	71	15,068	1,108	8,597
\$500,000 under \$1,000,000	577	577	41,647	25	6,641	569	11,366
\$1,000,000 under \$10,000,000	855	853	243,198	59	48,699	835	63,253
\$10,000,000 or more	93	93	264,111	11	33,374	91	77,008
<b>Operating charitable trusts</b>							
<b>Total</b>	<b>33</b>	<b>33</b>	<b>5,078</b>	<b>9</b>	<b>795</b>	<b>25</b>	<b>387</b>
Zero or unreported	1	1	2	1	2	0	0
\$1 under \$100,000	11	11	91	4	54	5	11
\$100,000 under \$500,000	9	9	136	1	10	9	59
\$500,000 under \$1,000,000	6	6	314	0	0	5	103
\$1,000,000 under \$10,000,000	5	5	3,997	3	730	5	175
\$10,000,000 or more	1	1	538	0	0	1	39
<b>Grantmaking charitable trusts</b>							
<b>Total</b>	<b>3,287</b>	<b>3,269</b>	<b>577,443</b>	<b>206</b>	<b>87,198</b>	<b>3,123</b>	<b>156,810</b>
Zero or unreported	100	93	1,532	4	35	81	198
\$1 under \$100,000	602	594	7,353	59	4,092	524	889
\$100,000 under \$500,000	1,105	1,102	38,905	57	6,958	1,063	8,254
\$500,000 under \$1,000,000	559	559	39,015	21	4,806	551	11,112
\$1,000,000 under \$10,000,000	830	830	229,967	54	37,932	815	61,762
\$10,000,000 or more	91	91	260,671	11	33,374	89	74,595
<b>Grantmaking-nonoperating charitable trusts</b>							
<b>Total</b>	<b>3,263</b>	<b>3,245</b>	<b>574,315</b>	<b>201</b>	<b>86,430</b>	<b>3,104</b>	<b>156,582</b>
Zero or unreported	100	93	1,532	4	35	81	198
\$1 under \$100,000	594	586	7,291	57	4,054	520	878
\$100,000 under \$500,000	1,097	1,094	38,807	56	6,949	1,055	8,203
\$500,000 under \$1,000,000	555	555	38,816	21	4,806	548	11,048
\$1,000,000 under \$10,000,000	827	827	227,736	52	37,212	812	61,699
\$10,000,000 or more	90	90	260,133	11	33,374	88	74,556
<b>Grantmaking-operating charitable trusts</b>							
<b>Total</b>	<b>24</b>	<b>24</b>	<b>3,128</b>	<b>5</b>	<b>768</b>	<b>19</b>	<b>228</b>
Zero or unreported	0	0	0	0	0	0	0
\$1 under \$100,000	8	8	61	2	38	4	10
\$100,000 under \$500,000	8	8	98	1	10	8	51
\$500,000 under \$1,000,000	4	4	199	0	0	3	65
\$1,000,000 under \$10,000,000	3	3	2,231	2	720	3	63
\$10,000,000 or more	1	1	538	0	0	1	39

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Selected sources of revenue—continued		Total expenses		Excess of revenue (less loss) over expenses		Net investment income	
	Net gain (less loss) from sales of assets		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount						
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>All charitable trusts</b>								
<b>Total</b>	<b>3,095</b>	<b>285,249</b>	<b>3,473</b>	<b>366,893</b>	<b>3,481</b>	<b>244,170</b>	<b>3,371</b>	<b>455,697</b>
Zero or unreported	76	1,543	108	9,343	106	-7,787	80	1,711
\$1 under \$100,000	504	1,219	674	8,510	679	-794	620	2,201
\$100,000 under \$500,000	1,056	12,574	1,159	22,831	1,162	25,155	1,143	21,491
\$500,000 under \$1,000,000	561	20,653	582	27,822	582	14,138	580	30,736
\$1,000,000 under \$10,000,000	809	115,547	856	135,266	858	111,930	855	182,917
\$10,000,000 or more	89	133,713	94	163,121	94	101,528	93	216,641
<b>Nonoperating charitable trusts</b>								
<b>Total</b>	<b>3,077</b>	<b>284,584</b>	<b>3,440</b>	<b>363,182</b>	<b>3,451</b>	<b>242,803</b>	<b>3,342</b>	<b>454,696</b>
Zero or unreported	76	1,543	107	9,342	105	-7,787	80	1,711
\$1 under \$100,000	501	1,211	663	8,442	668	-817	611	2,183
\$100,000 under \$500,000	1,050	12,516	1,150	22,709	1,156	25,140	1,134	21,389
\$500,000 under \$1,000,000	557	20,536	576	27,568	576	14,078	574	30,470
\$1,000,000 under \$10,000,000	804	115,064	851	133,030	853	110,169	850	182,302
\$10,000,000 or more	89	133,713	93	162,091	93	102,020	93	216,641
<b>Operating charitable trusts</b>								
<b>Total</b>	<b>18</b>	<b>665</b>	<b>33</b>	<b>3,711</b>	<b>30</b>	<b>1,367</b>	<b>29</b>	<b>1,002</b>
Zero or unreported	0	0	1	1	1	[2]	0	0
\$1 under \$100,000	3	8	11	68	11	23	9	19
\$100,000 under \$500,000	6	58	9	121	6	15	9	102
\$500,000 under \$1,000,000	4	117	6	254	6	60	6	266
\$1,000,000 under \$10,000,000	5	483	5	2,236	5	1,761	5	614
\$10,000,000 or more	0	0	1	1,030	1	-492	0	0
<b>Grantmaking charitable trusts</b>								
<b>Total</b>	<b>2,963</b>	<b>281,062</b>	<b>3,284</b>	<b>362,370</b>	<b>3,275</b>	<b>215,073</b>	<b>3,192</b>	<b>446,438</b>
Zero or unreported	76	1,543	100	9,304	100	-7,772	79	1,711
\$1 under \$100,000	460	1,151	600	8,370	596	-1,017	553	2,075
\$100,000 under \$500,000	1,011	12,110	1,104	22,515	1,101	16,390	1,085	20,715
\$500,000 under \$1,000,000	540	19,983	559	27,370	558	11,646	557	29,871
\$1,000,000 under \$10,000,000	789	113,976	830	133,407	829	96,560	828	179,044
\$10,000,000 or more	87	132,300	91	161,404	91	99,267	90	213,022
<b>Grantmaking-nonoperating charitable trusts</b>								
<b>Total</b>	<b>2,950</b>	<b>280,678</b>	<b>3,260</b>	<b>359,817</b>	<b>3,254</b>	<b>214,498</b>	<b>3,169</b>	<b>445,788</b>
Zero or unreported	76	1,543	100	9,304	100	-7,772	79	1,711
\$1 under \$100,000	457	1,143	592	8,337	588	-1,045	545	2,057
\$100,000 under \$500,000	1,006	12,082	1,096	22,409	1,096	16,397	1,077	20,648
\$500,000 under \$1,000,000	538	19,940	555	27,183	554	11,633	553	29,712
\$1,000,000 under \$10,000,000	786	113,670	827	132,209	826	95,527	825	178,638
\$10,000,000 or more	87	132,300	90	160,374	90	99,759	90	213,022
<b>Grantmaking-operating charitable trusts</b>								
<b>Total</b>	<b>13</b>	<b>384</b>	<b>24</b>	<b>2,553</b>	<b>21</b>	<b>575</b>	<b>23</b>	<b>650</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	3	8	8	33	8	28	8	19
\$100,000 under \$500,000	5	28	8	105	5	-7	8	66
\$500,000 under \$1,000,000	2	43	4	186	4	13	4	159
\$1,000,000 under \$10,000,000	3	306	3	1,198	3	1,033	3	406
\$10,000,000 or more	0	0	1	1,030	1	-492	0	0

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Disbursements for exempt purposes		Contributions, gifts, and grants paid [1]		Excise tax on net investment income		Total assets (book value)	
	Number of returns (16)	Amount (17)	Number of returns (18)	Amount (19)	Number of returns (20)	Amount (21)	Number of returns (22)	Amount (23)
<b>All charitable trusts</b>								
<b>Total</b>	<b>3,407</b>	<b>322,069</b>	<b>3,287</b>	<b>302,044</b>	<b>3,250</b>	<b>7,067</b>	<b>3,391</b>	<b>5,079,489</b>
Zero or unreported	102	10,659	100	10,542	69	21	0	0
\$1 under \$100,000	646	8,014	602	7,293	586	32	687	31,376
\$100,000 under \$500,000	1,140	19,731	1,105	18,358	1,112	327	1,167	299,186
\$500,000 under \$1,000,000	576	23,822	559	22,211	553	486	583	363,709
\$1,000,000 under \$10,000,000	850	115,036	830	107,317	838	3,018	860	2,021,265
\$10,000,000 or more	93	144,807	91	136,323	92	3,183	94	2,363,953
<b>Nonoperating charitable trusts</b>								
<b>Total</b>	<b>3,378</b>	<b>318,945</b>	<b>3,263</b>	<b>301,230</b>	<b>3,225</b>	<b>7,049</b>	<b>3,359</b>	<b>5,056,214</b>
Zero or unreported	102	10,659	100	10,542	69	21	0	0
\$1 under \$100,000	638	7,995	594	7,278	579	32	676	30,953
\$100,000 under \$500,000	1,131	19,625	1,097	18,271	1,103	325	1,158	297,422
\$500,000 under \$1,000,000	570	23,617	555	22,070	549	481	577	359,642
\$1,000,000 under \$10,000,000	845	113,140	827	106,913	833	3,006	855	2,007,753
\$10,000,000 or more	92	143,909	90	136,156	92	3,183	93	2,360,445
<b>Operating charitable trusts</b>								
<b>Total</b>	<b>29</b>	<b>3,124</b>	<b>24</b>	<b>814</b>	<b>25</b>	<b>19</b>	<b>32</b>	<b>23,274</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	8	19	8	15	7	[2]	11	423
\$100,000 under \$500,000	9	106	8	87	9	2	9	1,764
\$500,000 under \$1,000,000	6	205	4	141	4	5	6	4,067
\$1,000,000 under \$10,000,000	5	1,896	3	403	5	12	5	13,513
\$10,000,000 or more	1	898	1	167	0	0	1	3,508
<b>Grantmaking charitable trusts</b>								
<b>Total</b>	<b>3,287</b>	<b>320,803</b>	<b>3,287</b>	<b>302,044</b>	<b>3,088</b>	<b>6,896</b>	<b>3,187</b>	<b>4,897,044</b>
Zero or unreported	100	10,656	100	10,542	69	21	0	0
\$1 under \$100,000	602	7,978	602	7,293	528	30	602	28,429
\$100,000 under \$500,000	1,105	19,650	1,105	18,358	1,056	312	1,105	286,265
\$500,000 under \$1,000,000	559	23,698	559	22,211	533	470	559	349,451
\$1,000,000 under \$10,000,000	830	114,186	830	107,317	813	2,952	830	1,954,784
\$10,000,000 or more	91	144,636	91	136,323	89	3,111	91	2,278,115
<b>Grantmaking-nonoperating charitable trusts</b>								
<b>Total</b>	<b>3,263</b>	<b>318,520</b>	<b>3,263</b>	<b>301,230</b>	<b>3,067</b>	<b>6,883</b>	<b>3,163</b>	<b>4,880,556</b>
Zero or unreported	100	10,656	100	10,542	69	21	0	0
\$1 under \$100,000	594	7,959	594	7,278	521	30	594	28,027
\$100,000 under \$500,000	1,097	19,557	1,097	18,271	1,048	311	1,097	284,679
\$500,000 under \$1,000,000	555	23,552	555	22,070	530	467	555	346,609
\$1,000,000 under \$10,000,000	827	113,059	827	106,913	810	2,944	827	1,946,633
\$10,000,000 or more	90	143,738	90	136,156	89	3,111	90	2,274,607
<b>Grantmaking-operating charitable trusts</b>								
<b>Total</b>	<b>24</b>	<b>2,283</b>	<b>24</b>	<b>814</b>	<b>21</b>	<b>12</b>	<b>24</b>	<b>16,488</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	8	19	8	15	7	[2]	8	402
\$100,000 under \$500,000	8	92	8	87	8	1	8	1,585
\$500,000 under \$1,000,000	4	146	4	141	3	3	4	2,842
\$1,000,000 under \$10,000,000	3	1,128	3	403	3	8	3	8,151
\$10,000,000 or more	1	898	1	167	0	0	1	3,508

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Total investment assets (book value)		Investments in securities (book value)					
			Total		Government obligations		Corporate stock	
	Number of returns (24)	Amount (25)	Number of returns (26)	Amount (27)	Number of returns (28)	Amount (29)	Number of returns (30)	Amount (31)
<b>All charitable trusts</b>								
<b>Total</b>	<b>3,331</b>	<b>4,980,344</b>	<b>2,916</b>	<b>3,989,390</b>	<b>847</b>	<b>441,176</b>	<b>2,794</b>	<b>2,950,603</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	646	29,867	485	21,214	94	1,842	434	16,317
\$100,000 under \$500,000	1,155	289,639	1,005	199,502	237	16,135	959	151,889
\$500,000 under \$1,000,000	580	354,542	531	282,976	150	23,480	524	214,511
\$1,000,000 under \$10,000,000	856	1,971,487	809	1,671,163	314	162,778	793	1,247,829
\$10,000,000 or more	94	2,334,810	86	1,814,535	52	236,941	84	1,320,056
<b>Nonoperating charitable trusts</b>								
<b>Total</b>	<b>3,303</b>	<b>4,964,768</b>	<b>2,893</b>	<b>3,978,351</b>	<b>838</b>	<b>439,660</b>	<b>2,773</b>	<b>2,943,169</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	639	29,594	482	21,076	93	1,827	431	16,259
\$100,000 under \$500,000	1,146	287,936	996	198,142	234	16,030	952	150,905
\$500,000 under \$1,000,000	574	351,194	526	281,266	147	22,939	519	213,342
\$1,000,000 under \$10,000,000	851	1,963,279	804	1,665,218	312	161,924	788	1,244,420
\$10,000,000 or more	93	2,332,765	85	1,812,648	52	236,941	83	1,318,242
<b>Operating charitable trusts</b>								
<b>Total</b>	<b>28</b>	<b>15,577</b>	<b>23</b>	<b>11,039</b>	<b>9</b>	<b>1,516</b>	<b>21</b>	<b>7,434</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	7	273	3	138	1	15	3	58
\$100,000 under \$500,000	9	1,703	9	1,360	3	105	7	984
\$500,000 under \$1,000,000	6	3,348	5	1,710	3	542	5	1,168
\$1,000,000 under \$10,000,000	5	8,208	5	5,945	2	854	5	3,409
\$10,000,000 or more	1	2,045	1	1,886	0	0	1	1,814
<b>Grantmaking charitable trusts</b>								
<b>Total</b>	<b>3,147</b>	<b>4,811,851</b>	<b>2,783</b>	<b>3,864,732</b>	<b>813</b>	<b>429,494</b>	<b>2,671</b>	<b>2,852,740</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	574	27,093	439	19,484	81	1,548	395	15,226
\$100,000 under \$500,000	1,096	278,835	961	192,653	232	15,884	917	146,150
\$500,000 under \$1,000,000	558	341,952	512	273,584	143	22,446	506	208,042
\$1,000,000 under \$10,000,000	828	1,914,998	788	1,635,122	306	159,638	772	1,218,033
\$10,000,000 or more	91	2,248,973	83	1,743,889	51	229,978	81	1,265,289
<b>Grantmaking-nonoperating charitable trusts</b>								
<b>Total</b>	<b>3,125</b>	<b>4,801,366</b>	<b>2,765</b>	<b>3,857,698</b>	<b>807</b>	<b>429,290</b>	<b>2,655</b>	<b>2,847,159</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	568	26,832	436	19,346	80	1,533	392	15,168
\$100,000 under \$500,000	1,088	277,264	953	191,320	229	15,779	911	145,192
\$500,000 under \$1,000,000	554	339,828	509	272,975	142	22,396	503	207,483
\$1,000,000 under \$10,000,000	825	1,910,514	785	1,632,055	305	159,604	769	1,215,841
\$10,000,000 or more	90	2,246,927	82	1,742,003	51	229,978	80	1,263,475
<b>Grantmaking-operating charitable trusts</b>								
<b>Total</b>	<b>22</b>	<b>10,486</b>	<b>18</b>	<b>7,034</b>	<b>6</b>	<b>204</b>	<b>16</b>	<b>5,581</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	6	261	3	138	1	15	3	58
\$100,000 under \$500,000	8	1,571	8	1,333	3	105	6	958
\$500,000 under \$1,000,000	4	2,124	3	609	1	50	3	559
\$1,000,000 under \$10,000,000	3	4,484	3	3,067	1	34	3	2,192
\$10,000,000 or more	1	2,045	1	1,886	0	0	1	1,814

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Investments in securities (book value)—continued		Total assets (fair market value)		Total investment assets (fair market value)		Investments in securities (fair market value)	
	Corporate bonds		Number of returns	Amount	Number of returns	Amount	Total	
	Number of returns	Amount					Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>All charitable trusts</b>								
<b>Total</b>	<b>1,303</b>	<b>597,611</b>	<b>3,391</b>	<b>6,141,604</b>	<b>3,331</b>	<b>6,004,718</b>	<b>2,916</b>	<b>4,874,059</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	134	3,055	687	32,918	646	31,425	485	23,078
\$100,000 under \$500,000	410	31,477	1,167	298,913	1,155	289,061	1,005	226,298
\$500,000 under \$1,000,000	251	44,985	583	415,174	580	404,968	531	326,700
\$1,000,000 under \$10,000,000	458	260,556	860	2,445,519	856	2,377,023	809	2,019,184
\$10,000,000 or more	50	257,537	94	2,949,080	94	2,902,242	86	2,278,798
<b>Nonoperating charitable trusts</b>								
<b>Total</b>	<b>1,295</b>	<b>595,522</b>	<b>3,359</b>	<b>6,097,395</b>	<b>3,303</b>	<b>5,970,167</b>	<b>2,893</b>	<b>4,848,192</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	133	2,990	676	32,510	639	31,136	482	22,931
\$100,000 under \$500,000	408	31,207	1,158	296,662	1,146	286,871	996	224,640
\$500,000 under \$1,000,000	251	44,985	577	410,488	574	401,260	526	324,714
\$1,000,000 under \$10,000,000	454	258,874	855	2,425,641	851	2,364,183	804	2,011,855
\$10,000,000 or more	49	257,466	93	2,932,093	93	2,886,717	85	2,264,053
<b>Operating charitable trusts</b>								
<b>Total</b>	<b>8</b>	<b>2,089</b>	<b>32</b>	<b>44,209</b>	<b>28</b>	<b>34,552</b>	<b>23</b>	<b>25,867</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1	65	11	408	7	289	3	148
\$100,000 under \$500,000	2	271	9	2,251	9	2,190	9	1,658
\$500,000 under \$1,000,000	0	0	6	4,686	6	3,708	5	1,986
\$1,000,000 under \$10,000,000	4	1,682	5	19,878	5	12,840	5	7,330
\$10,000,000 or more	1	72	1	16,987	1	15,524	1	14,745
<b>Grantmaking charitable trusts</b>								
<b>Total</b>	<b>1,252</b>	<b>582,498</b>	<b>3,187</b>	<b>5,928,717</b>	<b>3,147</b>	<b>5,810,492</b>	<b>2,783</b>	<b>4,731,854</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	118	2,710	602	29,868	574	28,549	439	21,332
\$100,000 under \$500,000	396	30,619	1,105	284,468	1,096	276,793	961	218,417
\$500,000 under \$1,000,000	241	43,095	559	398,062	558	389,890	512	316,233
\$1,000,000 under \$10,000,000	449	257,452	830	2,361,349	828	2,307,129	788	1,975,994
\$10,000,000 or more	48	248,622	91	2,854,970	91	2,808,131	83	2,199,879
<b>Grantmaking-nonoperating charitable trusts</b>								
<b>Total</b>	<b>1,245</b>	<b>581,249</b>	<b>3,163</b>	<b>5,897,089</b>	<b>3,125</b>	<b>5,784,835</b>	<b>2,765</b>	<b>4,710,359</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	117	2,645	594	29,482	568	28,272	436	21,184
\$100,000 under \$500,000	394	30,348	1,097	282,620	1,088	274,959	953	216,820
\$500,000 under \$1,000,000	241	43,095	555	394,956	554	387,502	509	315,444
\$1,000,000 under \$10,000,000	446	256,610	827	2,352,049	825	2,301,495	785	1,971,777
\$10,000,000 or more	47	248,550	90	2,837,983	90	2,792,607	82	2,185,134
<b>Grantmaking-operating charitable trusts</b>								
<b>Total</b>	<b>7</b>	<b>1,249</b>	<b>24</b>	<b>31,628</b>	<b>22</b>	<b>25,657</b>	<b>18</b>	<b>21,496</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1	65	8	387	6	277	3	148
\$100,000 under \$500,000	2	271	8	1,848	8	1,834	8	1,597
\$500,000 under \$1,000,000	0	0	4	3,106	4	2,388	3	789
\$1,000,000 under \$10,000,000	3	842	3	9,300	3	5,633	3	4,217
\$10,000,000 or more	1	72	1	16,987	1	15,524	1	14,745

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Investments in securities (fair market value)—continued						Net worth (book value)	
	Government obligations		Corporate stock		Corporate bonds		Number of returns (46)	Amount (47)
	Number of returns (40)	Amount (41)	Number of returns (42)	Amount (43)	Number of returns (44)	Amount (45)		
<b>All charitable trusts</b>								
<b>Total</b>	<b>847</b>	<b>474,240</b>	<b>2,794</b>	<b>3,801,392</b>	<b>1,303</b>	<b>598,427</b>	<b>3,391</b>	<b>5,048,928</b>
Zero or unreported	0	0	0	0	0	0	2	-12
\$1 under \$100,000	94	1,823	434	18,185	134	3,070	685	31,221
\$100,000 under \$500,000	237	16,072	959	178,880	410	31,346	1,167	298,438
\$500,000 under \$1,000,000	150	23,553	524	258,192	251	44,955	583	362,373
\$1,000,000 under \$10,000,000	314	165,162	793	1,592,890	458	261,132	860	2,013,377
\$10,000,000 or more	52	267,630	84	1,753,245	50	257,923	94	2,343,531
<b>Nonoperating charitable trusts</b>								
<b>Total</b>	<b>838</b>	<b>472,717</b>	<b>2,773</b>	<b>3,779,077</b>	<b>1,295</b>	<b>596,397</b>	<b>3,359</b>	<b>5,026,832</b>
Zero or unreported	0	0	0	0	0	0	2	-12
\$1 under \$100,000	93	1,808	431	18,114	133	3,009	674	30,798
\$100,000 under \$500,000	234	15,967	952	177,599	408	31,073	1,158	296,700
\$500,000 under \$1,000,000	147	23,004	519	256,755	251	44,955	577	358,326
\$1,000,000 under \$10,000,000	312	164,308	788	1,588,108	454	259,439	855	2,000,535
\$10,000,000 or more	52	267,630	83	1,738,501	49	257,921	93	2,340,485
<b>Operating charitable trusts</b>								
<b>Total</b>	<b>9</b>	<b>1,523</b>	<b>21</b>	<b>22,314</b>	<b>8</b>	<b>2,029</b>	<b>32</b>	<b>22,096</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1	15	3	71	1	62	11	423
\$100,000 under \$500,000	3	104	7	1,281	2	273	9	1,738
\$500,000 under \$1,000,000	3	550	5	1,437	0	0	6	4,047
\$1,000,000 under \$10,000,000	2	854	5	4,782	4	1,694	5	12,842
\$10,000,000 or more	0	0	1	14,743	1	2	1	3,046
<b>Grantmaking charitable trusts</b>								
<b>Total</b>	<b>813</b>	<b>462,361</b>	<b>2,671</b>	<b>3,686,069</b>	<b>1,252</b>	<b>583,424</b>	<b>3,186</b>	<b>4,883,093</b>
Zero or unreported	0	0	0	0	0	0	1	-12
\$1 under \$100,000	81	1,546	395	17,059	118	2,727	600	28,295
\$100,000 under \$500,000	232	15,817	917	172,100	396	30,501	1,105	285,527
\$500,000 under \$1,000,000	143	22,519	506	250,648	241	43,066	559	348,145
\$1,000,000 under \$10,000,000	306	161,774	772	1,556,159	449	258,061	830	1,948,045
\$10,000,000 or more	51	260,706	81	1,690,103	48	249,070	91	2,273,093
<b>Grantmaking-nonoperating charitable trusts</b>								
<b>Total</b>	<b>807</b>	<b>462,159</b>	<b>2,655</b>	<b>3,665,950</b>	<b>1,245</b>	<b>582,249</b>	<b>3,162</b>	<b>4,867,783</b>
Zero or unreported	0	0	0	0	0	0	1	-12
\$1 under \$100,000	80	1,531	392	16,988	117	2,665	592	27,893
\$100,000 under \$500,000	229	15,712	911	170,880	394	30,228	1,097	283,968
\$500,000 under \$1,000,000	142	22,469	503	249,909	241	43,066	555	345,322
\$1,000,000 under \$10,000,000	305	161,741	769	1,552,814	446	257,222	827	1,940,565
\$10,000,000 or more	51	260,706	80	1,675,360	47	249,069	90	2,270,048
<b>Grantmaking-operating charitable trusts</b>								
<b>Total</b>	<b>6</b>	<b>202</b>	<b>16</b>	<b>20,119</b>	<b>7</b>	<b>1,175</b>	<b>24</b>	<b>15,310</b>
Zero or unreported	0	0	0	0	0	0	0	0
\$1 under \$100,000	1	15	3	71	1	62	8	402
\$100,000 under \$500,000	3	104	6	1,220	2	273	8	1,559
\$500,000 under \$1,000,000	1	50	3	739	0	0	4	2,823
\$1,000,000 under \$10,000,000	1	33	3	3,345	3	839	3	7,480
\$10,000,000 or more	0	0	1	14,743	1	2	1	3,046

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Noncharitable-use assets		Minimum investment return		Distributable amount	
	Number of returns (48)	Amount (49)	Number of returns (50)	Amount (51)	Number of returns (52)	Amount (53)
<b>All charitable trusts</b>						
<b>Total</b>	<b>3,473</b>	<b>5,840,627</b>	<b>3,467</b>	<b>290,959</b>	<b>3,428</b>	<b>281,464</b>
Zero or unreported	87	12,429	86	616	81	595
\$1 under \$100,000	684	33,663	681	1,681	670	1,634
\$100,000 under \$500,000	1,166	285,233	1,165	14,211	1,155	13,886
\$500,000 under \$1,000,000	583	396,178	583	19,797	576	19,113
\$1,000,000 under \$10,000,000	859	2,301,565	858	114,616	853	111,635
\$10,000,000 or more	94	2,811,559	94	140,039	93	134,601
<b>Nonoperating charitable trusts</b>						
<b>Total</b>	<b>3,442</b>	<b>5,803,276</b>	<b>3,436</b>	<b>289,091</b>	<b>3,428</b>	<b>281,464</b>
Zero or unreported	87	12,429	86	616	81	595
\$1 under \$100,000	674	33,286	671	1,662	670	1,634
\$100,000 under \$500,000	1,157	283,324	1,156	14,116	1,155	13,886
\$500,000 under \$1,000,000	577	391,816	577	19,579	576	19,113
\$1,000,000 under \$10,000,000	854	2,287,173	853	113,896	853	111,635
\$10,000,000 or more	93	2,795,247	93	139,223	93	134,601
<b>Operating charitable trusts</b>						
<b>Total</b>	<b>31</b>	<b>37,351</b>	<b>31</b>	<b>1,868</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	0	0	N/A	N/A
\$1 under \$100,000	10	377	10	19	N/A	N/A
\$100,000 under \$500,000	9	1,908	9	95	N/A	N/A
\$500,000 under \$1,000,000	6	4,362	6	218	N/A	N/A
\$1,000,000 under \$10,000,000	5	14,392	5	720	N/A	N/A
\$10,000,000 or more	1	16,312	1	816	N/A	N/A
<b>Grantmaking charitable trusts</b>						
<b>Total</b>	<b>3,269</b>	<b>5,642,016</b>	<b>3,266</b>	<b>281,322</b>	<b>3,234</b>	<b>272,511</b>
Zero or unreported	84	12,422	83	615	78	594
\$1 under \$100,000	601	30,948	600	1,547	591	1,504
\$100,000 under \$500,000	1,104	273,027	1,104	13,631	1,095	13,311
\$500,000 under \$1,000,000	559	380,740	559	19,025	554	18,423
\$1,000,000 under \$10,000,000	830	2,231,349	829	111,366	826	108,898
\$10,000,000 or more	91	2,713,530	91	135,137	90	129,781
<b>Grantmaking-nonoperating charitable trusts</b>						
<b>Total</b>	<b>3,245</b>	<b>5,615,755</b>	<b>3,242</b>	<b>280,009</b>	<b>3,234</b>	<b>272,511</b>
Zero or unreported	84	12,422	83	615	78	594
\$1 under \$100,000	593	30,580	592	1,529	591	1,504
\$100,000 under \$500,000	1,096	271,333	1,096	13,546	1,095	13,311
\$500,000 under \$1,000,000	555	377,730	555	18,874	554	18,423
\$1,000,000 under \$10,000,000	827	2,226,472	826	111,122	826	108,898
\$10,000,000 or more	90	2,697,219	90	134,321	90	129,781
<b>Grantmaking-operating charitable trusts</b>						
<b>Total</b>	<b>24</b>	<b>26,261</b>	<b>24</b>	<b>1,313</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	0	0	N/A	N/A
\$1 under \$100,000	8	367	8	18	N/A	N/A
\$100,000 under \$500,000	8	1,694	8	85	N/A	N/A
\$500,000 under \$1,000,000	4	3,010	4	151	N/A	N/A
\$1,000,000 under \$10,000,000	3	4,877	3	244	N/A	N/A
\$10,000,000 or more	1	16,312	1	816	N/A	N/A

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 2. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Type of trust, asset size	Qualifying distributions		Undistributed income for 2006		Excess distributions carryover to 2007	
	Number of returns (54)	Amount (55)	Number of returns (56)	Amount (57)	Number of returns (58)	Amount (59)
<b>All charitable trusts</b>						
<b>Total</b>	<b>3,409</b>	<b>325,754</b>	<b>2,215</b>	<b>107,442</b>	<b>1,244</b>	<b>284,036</b>
Zero or unreported	102	10,659	2	146	104	12,151
\$1 under \$100,000	647	8,020	374	691	298	31,495
\$100,000 under \$500,000	1,140	20,048	789	6,571	368	24,716
\$500,000 under \$1,000,000	576	23,891	418	9,446	159	81,767
\$1,000,000 under \$10,000,000	850	116,013	583	49,710	271	62,203
\$10,000,000 or more	94	147,122	49	40,879	44	71,705
<b>Nonoperating charitable trusts</b>						
<b>Total</b>	<b>3,380</b>	<b>322,629</b>	<b>2,215</b>	<b>107,442</b>	<b>1,244</b>	<b>284,036</b>
Zero or unreported	102	10,659	2	146	104	12,151
\$1 under \$100,000	639	8,001	374	691	298	31,495
\$100,000 under \$500,000	1,131	19,942	789	6,571	368	24,716
\$500,000 under \$1,000,000	570	23,686	418	9,446	159	81,767
\$1,000,000 under \$10,000,000	845	114,117	583	49,710	271	62,203
\$10,000,000 or more	93	146,224	49	40,879	44	71,705
<b>Operating charitable trusts</b>						
<b>Total</b>	<b>29</b>	<b>3,125</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	N/A	N/A	N/A	N/A
\$1 under \$100,000	8	20	N/A	N/A	N/A	N/A
\$100,000 under \$500,000	9	106	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000	6	205	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000	5	1,896	N/A	N/A	N/A	N/A
\$10,000,000 or more	1	898	N/A	N/A	N/A	N/A
<b>Grantmaking charitable trusts</b>						
<b>Total</b>	<b>3,287</b>	<b>322,449</b>	<b>2,081</b>	<b>100,838</b>	<b>1,181</b>	<b>214,058</b>
Zero or unreported	100	10,656	2	146	98	11,974
\$1 under \$100,000	602	7,979	328	618	265	30,932
\$100,000 under \$500,000	1,105	19,836	741	6,178	356	24,137
\$500,000 under \$1,000,000	559	23,715	402	9,013	153	16,892
\$1,000,000 under \$10,000,000	830	115,034	562	47,564	265	58,418
\$10,000,000 or more	91	145,230	46	37,319	44	71,705
<b>Grantmaking-nonoperating charitable trusts</b>						
<b>Total</b>	<b>3,263</b>	<b>320,166</b>	<b>2,081</b>	<b>100,838</b>	<b>1,181</b>	<b>214,058</b>
Zero or unreported	100	10,656	2	146	98	11,974
\$1 under \$100,000	594	7,959	328	618	265	30,932
\$100,000 under \$500,000	1,097	19,744	741	6,178	356	24,137
\$500,000 under \$1,000,000	555	23,570	402	9,013	153	16,892
\$1,000,000 under \$10,000,000	827	113,906	562	47,564	265	58,418
\$10,000,000 or more	90	144,332	46	37,319	44	71,705
<b>Grantmaking-operating charitable trusts</b>						
<b>Total</b>	<b>24</b>	<b>2,284</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Zero or unreported	0	0	N/A	N/A	N/A	N/A
\$1 under \$100,000	8	20	N/A	N/A	N/A	N/A
\$100,000 under \$500,000	8	92	N/A	N/A	N/A	N/A
\$500,000 under \$1,000,000	4	146	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000	3	1,128	N/A	N/A	N/A	N/A
\$10,000,000 or more	1	898	N/A	N/A	N/A	N/A

N/A—Not applicable.

[1] The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that charitable trusts actually disbursed for charitable purposes for 2006 using the cash receipts and disbursement method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement because charitable trusts may use either the cash receipts and disbursement or the accrual method of accounting.

[2] Less than \$500.

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

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 3. Domestic Private Foundations: Income Statements and Balance Sheets, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Total	Asset size							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Number of returns</b>	<b>81,850</b>	<b>2,535</b>	<b>20,722</b>	<b>29,473</b>	<b>22,782</b>	<b>3,463</b>	<b>1,368</b>	<b>742</b>	<b>765</b>
<b>Total revenue</b>	<b>94,107,195</b>	<b>267,729</b>	<b>1,275,527</b>	<b>3,245,987</b>	<b>13,352,600</b>	<b>9,550,273</b>	<b>8,323,585</b>	<b>8,105,541</b>	<b>49,985,953</b>
Contributions, gifts, and grants received	39,575,942	427,928	1,171,569	1,994,906	7,460,581	4,849,812	4,305,934	3,659,361	15,705,852
Interest on savings and temporary cash investments	2,671,795	* 12,656	10,720	101,304	366,364	210,779	164,643	195,667	1,609,663
Dividends and interest from securities	11,400,961	* 6,603	16,880	295,138	1,584,988	1,170,147	1,066,776	1,061,145	6,199,285
Gross rents and royalties	655,558	* 54	0	64,171	70,063	63,982	60,136	74,245	322,907
Net gain (less loss) from sales of assets	35,746,576	* -179,507	23,588	529,645	3,460,306	2,827,941	2,357,439	2,801,172	23,925,990
Gross profit (less loss) from business activities	109,143	0	* 39	* 13,058	6,544	56,309	9,134	3,784	20,274
Other income	3,947,219	* -4	52,731	247,764	403,753	371,303	359,523	310,167	2,201,982
<b>Total expenses</b>	<b>48,796,817</b>	<b>1,246,336</b>	<b>1,388,516</b>	<b>2,950,836</b>	<b>6,840,521</b>	<b>4,818,086</b>	<b>4,346,579</b>	<b>4,160,764</b>	<b>23,045,378</b>
Contributions, gifts, and grants paid [1]	37,446,046	1,205,445	580,087	2,202,136	5,282,340	3,672,433	3,400,639	3,312,665	17,790,300
Compensation of officers	952,491	* 310	29,299	106,878	213,110	125,529	91,256	87,214	298,896
Other salaries and wages	1,564,277	0	* 5,719	117,957	232,748	187,935	142,025	114,800	763,092
Pension plans and employee benefits	527,819	0	* 572	16,360	45,553	46,207	30,322	42,409	346,397
Legal fees	197,078	* 2,720	6,480	17,036	41,757	27,469	18,091	13,617	69,907
Accounting fees	225,447	* 16,609	11,784	35,982	64,349	26,949	19,121	16,387	34,266
Other professional fees	2,427,971	* 1,776	90,229	120,615	308,053	197,098	165,357	229,229	1,315,613
Interest	289,130	* 91	* 522	6,499	36,914	27,518	34,977	25,685	156,925
Taxes	1,173,467	* 366	2,772	26,578	113,945	95,556	93,647	91,119	749,483
Depreciation and depletion	407,898	* 199	2,234	8,452	46,066	41,134	46,265	41,526	222,023
Occupancy	450,064	* 1,230	11,204	38,716	82,282	45,733	48,027	33,876	188,996
Travel, conferences, and meetings	290,639	* 1,032	17,542	37,027	47,498	22,122	19,275	18,548	127,595
Printing and publications	91,040	* 14	3,225	10,427	12,253	5,886	5,525	5,372	48,339
Other expenses	2,753,449	16,542	626,648	206,173	313,652	296,519	232,055	128,315	933,546
<b>Excess of revenue (less loss) over expenses</b>	<b>45,310,378</b>	<b>-978,607</b>	<b>-112,789</b>	<b>295,151</b>	<b>6,512,078</b>	<b>4,732,187</b>	<b>3,977,006</b>	<b>3,944,777</b>	<b>26,940,575</b>
Excess of revenue	52,398,153	* 154	125,871	1,375,140	7,735,026	5,528,141	4,567,610	4,725,775	28,340,436
Loss	-7,087,775	-978,761	-238,660	-1,079,990	-1,222,948	-795,954	-590,604	-780,999	-1,399,861
<b>Total assets (fair market value)</b>	<b>645,810,232</b>	<b>0</b>	<b>661,248</b>	<b>12,740,859</b>	<b>71,638,613</b>	<b>53,637,378</b>	<b>47,866,790</b>	<b>51,823,632</b>	<b>407,441,713</b>
Cash (non-interest bearing accounts)	6,678,243	0	147,841	800,391	1,807,898	813,626	541,253	763,707	1,803,527
Savings and temporary cash investments [2]	42,304,175	0	219,279	2,122,421	7,501,547	4,869,491	3,993,227	3,884,504	19,713,706
Accounts receivable, net	1,488,399	0	* 4,650	36,930	169,503	72,387	115,122	138,578	951,229
Pledges receivable, net	871,850	0	2,219	* 19,482	87,200	82,459	122,081	60,475	497,934
Grants receivable	576,643	0	0	* 28,644	48,598	92,317	159,877	83,479	163,728
Receivables due from disqualified persons	82,974	0	* 283	* 2,840	* 43,309	21,919	67	62	14,495
Other notes and loans receivable	2,755,128	0	0	196,568	550,942	353,621	361,421	254,102	1,038,473
Inventories	246,245	0	* 2,437	* 4,581	92,713	15,383	97,735	3,002	30,395
Prepaid expenses and deferred charges	298,473	0	* 545	25,959	24,837	17,652	51,348	34,056	144,075
Investments, total (non-cash)	567,356,619	0	260,054	9,166,452	58,737,426	45,185,256	40,546,203	44,524,268	368,936,960
Securities, total	403,667,507	0	209,005	7,662,374	49,185,667	36,978,879	32,636,375	33,451,716	243,543,490
Government obligations	38,717,970	0	17,817	610,654	4,456,204	3,780,047	3,421,835	3,322,005	23,109,409
Corporate stock	325,758,946	0	163,226	6,033,423	39,330,142	29,013,705	25,608,023	27,035,023	198,575,404
Corporate bonds	39,190,591	0	27,963	1,018,297	5,399,321	4,185,127	3,606,517	3,094,689	21,858,677
Land, buildings, and equipment (less accumulated depreciation)	7,615,932	0	* 618	118,346	1,088,210	863,692	615,364	918,561	4,011,140
Mortgage loans	1,113,181	0	* 5,303	* 71,059	247,925	145,464	110,648	108,691	424,091
Other investments	154,959,999	0	45,128	1,314,672	8,215,623	7,197,222	7,183,815	10,045,300	120,958,239
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	11,857,504	0	16,876	217,075	2,010,783	1,452,728	1,321,823	1,336,092	5,502,127
Other assets	11,293,979	0	7,064	119,515	563,857	660,538	556,633	741,306	8,645,064

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 3. Domestic Private Foundations: Income Statements and Balance Sheets, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Total	Asset size							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total assets (book value)</b>	<b>569,301,990</b>	<b>0</b>	<b>716,834</b>	<b>11,178,582</b>	<b>61,169,773</b>	<b>44,995,808</b>	<b>40,199,547</b>	<b>43,862,038</b>	<b>367,179,409</b>
Cash (non-interest bearing accounts)	6,670,652	0	147,841	799,588	1,807,214	810,959	539,229	762,365	1,803,455
Savings and temporary cash investments [2]	42,168,619	0	219,284	2,123,738	7,442,283	4,863,218	3,972,444	3,852,472	19,695,180
Accounts receivable, net	1,485,855	0	* 4,650	36,930	169,568	72,703	115,201	138,578	948,225
Pledges receivable, net	871,850	0	2,219	* 19,482	87,200	82,459	122,081	60,475	497,934
Grants receivable	563,215	0	0	* 26,819	48,361	87,910	159,413	83,225	157,486
Receivables due from disqualified persons	82,347	0	* 283	* 2,840	43,309	21,292	67	62	14,495
Other notes and loans receivable	2,771,649	0	0	210,081	553,521	353,579	366,320	254,127	1,034,021
Inventories	233,049	0	* 2,437	* 4,581	89,748	15,300	92,469	2,965	25,549
Prepaid expenses and deferred charges	282,881	0	* 545	23,504	24,855	18,703	36,660	34,134	144,482
Investments, total (non-cash)	493,993,858	0	310,383	7,633,511	48,674,576	36,880,854	33,074,351	36,903,827	330,516,357
Securities, total	345,864,368	0	235,663	6,291,827	40,222,877	29,863,971	26,371,983	27,424,763	215,453,285
Government obligations	38,297,720	0	17,785	580,814	4,417,785	3,734,333	3,374,998	3,246,572	22,925,432
Corporate stock	268,552,683	0	189,613	4,719,618	30,431,782	22,007,839	19,398,367	21,103,918	170,701,545
Corporate bonds	39,013,966	0	28,265	991,394	5,373,309	4,121,800	3,598,618	3,074,273	21,826,307
Land, buildings, and equipment (less accumulated depreciation)	4,669,430	0	452	74,382	714,998	558,002	345,050	489,447	2,487,100
Mortgage loans	1,128,124	0	* 5,303	* 71,059	249,019	145,766	110,684	109,400	436,892
Other investments	142,331,936	0	68,965	1,196,243	7,487,682	6,313,116	6,246,634	8,880,216	112,139,080
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	10,506,948	0	16,827	213,917	1,724,462	1,225,772	1,190,799	1,151,695	4,983,476
Other assets	9,671,065	0	12,366	83,591	504,677	563,057	530,513	618,112	7,358,749
<b>Total liabilities (book value)</b>	<b>25,605,971</b>	<b>0</b>	<b>183,056</b>	<b>264,968</b>	<b>1,314,131</b>	<b>1,094,525</b>	<b>1,317,346</b>	<b>1,443,211</b>	<b>19,988,733</b>
<b>Net worth (book value)</b>	<b>543,696,020</b>	<b>0</b>	<b>533,779</b>	<b>10,913,615</b>	<b>59,855,641</b>	<b>43,901,283</b>	<b>38,882,200</b>	<b>42,418,827</b>	<b>347,190,676</b>
<b>Total assets, beginning-of-year (book value)</b>	<b>481,243,667</b>	<b>1,036,895</b>	<b>832,541</b>	<b>10,901,414</b>	<b>54,804,419</b>	<b>39,971,549</b>	<b>35,827,340</b>	<b>39,122,646</b>	<b>298,746,863</b>
Cash (non-interest bearing accounts)	5,408,125	* 84,278	129,141	914,709	1,460,802	808,990	558,406	536,087	915,713
Savings and temporary cash investments [2]	33,638,619	27,044	198,443	1,945,703	6,557,860	3,873,030	3,226,266	3,659,804	14,150,470
Accounts receivable, net	1,638,267	* 70,986	* 4,423	38,112	153,579	113,311	101,735	110,069	1,046,051
Pledges receivable, net	572,659	0	0	13,388	64,192	98,256	86,165	135,119	175,539
Grants receivable	534,232	0	0	* 29,183	23,104	76,950	126,924	90,033	188,037
Receivables due from disqualified persons	87,051	0	* 283	* 1,605	44,854	31,044	209	3,669	5,387
Other notes and loans receivable	3,158,104	23,037	0	205,350	590,270	362,312	301,662	208,562	1,466,911
Inventories	181,442	0	* 2,154	* 3,751	86,582	6,127	66,159	1,294	15,375
Prepaid expenses and deferred charges	228,816	2,926	* 478	14,256	18,878	15,982	15,869	37,807	122,621
Investments, total (non-cash)	418,813,313	* 828,041	476,860	7,432,415	43,599,137	32,778,424	29,827,719	32,695,713	271,175,005
Securities, total	321,740,938	* 590,269	350,807	6,293,890	36,393,282	26,845,156	24,083,304	25,261,110	201,923,120
Government obligations	37,345,106	* 70,794	38,346	874,443	4,294,783	3,474,696	3,185,150	3,289,063	22,117,831
Corporate stock	243,763,497	* 519,476	268,607	4,510,479	27,132,111	19,471,028	17,518,227	18,742,941	155,600,628
Corporate bonds	40,632,335	0	43,854	908,968	4,966,388	3,899,432	3,379,927	3,229,106	24,204,661
Land, buildings, and equipment (less accumulated depreciation)	5,514,181	198,509	* 282	79,304	727,562	517,621	352,858	539,855	3,098,190
Mortgage loans	1,175,629	0	* 5,522	* 74,088	224,226	135,494	109,096	93,640	533,563
Other investments	90,382,565	* 39,262	120,249	985,133	6,254,066	5,280,153	5,282,462	6,801,108	65,620,132
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	10,285,365	* 199	12,751	210,538	1,603,663	1,198,804	1,088,643	1,032,986	5,137,781
Other assets	6,697,673	* 385	8,009	92,404	601,497	608,319	427,582	611,503	4,347,974
<b>Total liabilities, beginning-of-year (book value)</b>	<b>21,964,604</b>	<b>* 107,439</b>	<b>183,553</b>	<b>252,206</b>	<b>1,347,022</b>	<b>847,615</b>	<b>1,131,692</b>	<b>1,394,569</b>	<b>16,700,507</b>
<b>Net worth, beginning-of-year (book value)</b>	<b>459,279,064</b>	<b>929,457</b>	<b>648,988</b>	<b>10,649,207</b>	<b>53,457,397</b>	<b>39,123,934</b>	<b>34,695,648</b>	<b>37,728,077</b>	<b>282,046,357</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return and calculated using either the cash receipts and disbursements method of accounting or the accrual method of accounting. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 1, which are calculated using the cash receipts and disbursement method of accounting only.

[2] This category is included with investments in Table 1. However, Table 3 shows total noncash investments, to more closely match the Form 990-PF.

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

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 4. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Income Statements and Balance Sheets, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2006**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Total	Asset size					
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b>	<b>3,502</b>	<b>111</b>	<b>687</b>	<b>1,167</b>	<b>583</b>	<b>860</b>	<b>94</b>
<b>Total revenue</b>	<b>611,063</b>	<b>1,556</b>	<b>7,716</b>	<b>47,986</b>	<b>41,961</b>	<b>247,196</b>	<b>264,649</b>
Contributions, gifts, and grants received	108,856	59	4,276	15,077	6,641	49,430	33,374
Interest on savings and temporary cash investments	13,254	18	163	912	864	5,997	5,300
Dividends and interest from securities	161,763	198	965	8,656	11,469	63,428	77,047
Gross rents and royalties	6,178	12	2	266	390	4,536	972
Net gain (less loss) from sales of assets	285,249	1,543	1,219	12,574	20,653	115,547	133,713
Gross profit (less loss) from business activities	-34	0	0	6	0	26	-65
Other income	35,796	-275	1,090	10,494	1,945	8,233	14,310
<b>Total expenses</b>	<b>366,893</b>	<b>9,343</b>	<b>8,510</b>	<b>22,831</b>	<b>27,822</b>	<b>135,266</b>	<b>163,121</b>
Contributions, gifts, and grants paid [1]	301,790	9,047	7,210	18,392	22,318	107,368	137,456
Compensation of officers	28,449	109	376	2,549	3,226	13,800	8,390
Other salaries and wages	2,211	[3]	0	1	19	931	1,259
Pension plans and employee benefits	348	0	3	0	0	90	255
Legal fees	2,121	34	79	184	171	741	912
Accounting fees	2,869	51	230	632	410	961	585
Other professional fees	8,642	36	49	225	386	2,896	5,050
Interest	399	[3]	1	19	47	251	81
Taxes	10,756	24	55	506	707	3,924	5,539
Depreciation and depletion	733	1	4	29	16	572	110
Occupancy	1,064	7	8	75	28	286	659
Travel, conferences, and meetings	264	2	10	9	2	45	195
Printing and publications	96	1	1	1	2	26	65
Other expenses	7,151	30	483	210	488	3,374	2,565
<b>Excess of revenue (less loss) over expenses</b>	<b>244,170</b>	<b>-7,787</b>	<b>-794</b>	<b>25,155</b>	<b>14,138</b>	<b>111,930</b>	<b>101,528</b>
Excess of revenue	295,118	53	2,108	28,991	18,909	127,991	117,067
Loss	-50,948	-7,840	-2,902	-3,836	-4,770	-16,061	-15,539
<b>Total assets (fair market value)</b>	<b>6,141,604</b>	<b>0</b>	<b>32,918</b>	<b>298,913</b>	<b>415,174</b>	<b>2,445,519</b>	<b>2,949,080</b>
Cash (non-interest bearing accounts)	42,571	0	806	3,922	3,186	21,085	13,571
Savings and temporary cash investments [2]	321,064	0	4,032	24,307	28,016	124,301	140,409
Accounts receivable, net	636	0	14	287	39	246	50
Pledges receivable, net	1	0	1	0	0	0	0
Grants receivable	535	0	65	114	346	10	0
Receivables due from disqualified persons	450	0	2	411	4	34	0
Other notes and loans receivable	20,900	0	158	2,102	502	9,453	8,684
Inventories	48	0	5	7	0	37	0
Prepaid expenses and deferred charges	1,472	0	1	175	846	250	199
Investments, total (non-cash)	5,683,654	0	27,393	264,754	376,952	2,252,722	2,761,833
Securities, total	4,874,059	0	23,078	226,298	326,700	2,019,184	2,278,798
Government obligations	474,240	0	1,823	16,072	23,553	165,162	267,630
Corporate stock	3,801,392	0	18,185	178,880	258,192	1,592,890	1,753,245
Corporate bonds	598,427	0	3,070	31,346	44,955	261,132	257,923
Land, buildings and equipment (less accumulated depreciation)	120,384	0	68	3,067	4,930	54,867	57,452
Mortgage loans	13,233	0	17	418	1,275	7,746	3,777
Other investments	675,979	0	4,230	34,972	44,046	170,925	421,806
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	38,302	0	144	1,188	1,786	26,446	8,738
Other assets	31,970	0	297	1,646	3,498	10,934	15,596

Footnotes at end of table.

# Domestic Private Foundations and Charitable Trusts: Tax Years 2005 and 2006

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**Table 4. Domestic Section 4947(a)(1) Charitable Trusts Treated as Foundations: Income Statements and Balance Sheets, by Size of End-of-year Fair Market Value of Total Assets, Tax Year 2006—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Total	Asset size					
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total assets (book value)</b>	<b>5,079,489</b>	<b>0</b>	<b>31,376</b>	<b>299,186</b>	<b>363,709</b>	<b>2,021,265</b>	<b>2,363,953</b>
Cash (non-interest bearing accounts)	40,774	0	805	3,927	3,187	19,284	13,571
Savings and temporary cash investments [2]	320,469	0	4,029	24,218	27,433	124,365	140,424
Accounts receivable, net	636	0	14	287	39	246	50
Pledges receivable, net	1	0	1	0	0	0	0
Grants receivable	534	0	65	114	346	10	0
Receivables due from disqualified persons	450	0	2	411	4	34	0
Other notes and loans receivable	20,840	0	158	2,040	502	9,454	8,684
Inventories	48	0	5	7	0	37	0
Prepaid expenses and deferred charges	1,440	0	1	175	846	218	199
Investments, total (non-cash)	4,659,876	0	25,838	265,420	327,109	1,847,122	2,194,387
Securities, total	3,989,390	0	21,214	199,502	282,976	1,671,163	1,814,535
Government obligations	441,176	0	1,842	16,135	23,480	162,778	236,941
Corporate stock	2,950,603	0	16,317	151,889	214,511	1,247,829	1,320,056
Corporate bonds	597,611	0	3,055	31,477	44,985	260,556	257,537
Land, buildings, and equipment (less accumulated depreciation)	30,944	0	202	1,805	2,834	20,011	6,092
Mortgage loans	13,359	0	22	418	1,275	7,866	3,777
Other investments	626,184	0	4,400	63,695	40,024	148,082	369,983
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	17,141	0	169	1,274	903	11,054	3,741
Other assets	17,280	0	288	1,312	3,341	9,441	2,897
<b>Total liabilities (book value)</b>	<b>30,561</b>	<b>12</b>	<b>155</b>	<b>748</b>	<b>1,336</b>	<b>7,888</b>	<b>20,422</b>
<b>Net worth (book value)</b>	<b>5,048,928</b>	<b>-12</b>	<b>31,221</b>	<b>298,438</b>	<b>362,373</b>	<b>2,013,377</b>	<b>2,343,531</b>
<b>Total assets, beginning-of-year (book value)</b>	<b>4,821,180</b>	<b>16,313</b>	<b>33,839</b>	<b>279,302</b>	<b>348,267</b>	<b>1,909,067</b>	<b>2,234,392</b>
Cash (non-interest bearing accounts)	38,633	430	1,273	3,526	3,198	17,381	12,826
Savings and temporary cash investments [2]	308,606	1,381	4,599	21,544	22,887	112,650	145,545
Accounts receivable, net	400	1	14	197	17	154	16
Pledges receivable, net	2,150	0	0	0	0	0	2,150
Grants receivable	454	0	0	443	0	10	0
Receivables due from disqualified persons	13	0	8	0	3	1	0
Other notes and loans receivable	18,824	1,297	125	1,553	453	8,660	6,737
Inventories	1	0	1	0	0	[3]	0
Prepaid expenses and deferred charges	1,133	2	1	83	897	65	86
Investments, total (non-cash)	4,384,084	13,195	27,506	249,390	316,649	1,749,417	2,027,927
Securities, total	3,713,426	12,202	22,229	196,224	274,518	1,553,849	1,654,402
Government obligations	463,750	844	1,918	18,574	25,348	173,788	243,277
Corporate stock	2,678,757	10,335	17,119	145,340	204,133	1,119,373	1,182,457
Corporate bonds	570,919	1,023	3,192	32,310	45,037	260,688	228,668
Land, buildings, and equipment (less accumulated depreciation)	32,454	36	588	1,797	3,625	21,295	5,114
Mortgage loans	11,776	0	24	360	1,295	6,118	3,980
Other investments	626,427	957	4,664	51,009	37,211	168,155	364,431
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	17,979	1	118	1,250	1,092	11,763	3,755
Other assets	48,904	6	196	1,316	3,070	8,966	35,350
<b>Total liabilities, beginning-of-year (book value)</b>	<b>37,067</b>	<b>2,338</b>	<b>85</b>	<b>983</b>	<b>1,669</b>	<b>13,939</b>	<b>18,052</b>
<b>Net worth, beginning-of-year (book value)</b>	<b>4,784,113</b>	<b>13,975</b>	<b>33,755</b>	<b>278,319</b>	<b>346,598</b>	<b>1,895,128</b>	<b>2,216,339</b>

[1] The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return and calculated using either the cash receipts and disbursements method of accounting or the accrual method of accounting. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 2, which are calculated using the cash receipts and disbursement method of accounting only.

[2] This category is included with investments in Table 2. However, Table 4 shows total noncash investments, to more closely match the Form 990-PF.

[3] Less than \$500.

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

# A Look at Estate Tax Returns Filed for Wealthy Decedents Since 2001

by Brian G. Raub

In 2001, Congress significantly altered the future course of the Federal estate tax with the enactment of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA). Although the law has impacted the estate tax in the years since enactment by gradually raising the estate tax exemption amount and lowering the top tax rate for estates (see Figure A), its most noteworthy effect is the eventual repeal of the estate tax. Although the law calls for no estate tax to be levied for deaths in 2010, like other provisions of EGTRRA, this repeal “sunset” on January 1, 2011, unless Congress enacts further legislation to make its changes permanent. If no such Congressional action is taken, the estate tax will be reinstated for deaths occurring in 2011 and later, with a \$1 million exemption and a top rate of 55 percent—the exemption level and rate in effect for 2001 deaths.

In recent months, a number of lawmakers have called for permanent changes to estate tax law in advance of the 1-year repeal for 2010 deaths. Many of these proposals include a permanent exemption level of \$3.5 million, the same amount in effect for 2009 deaths under current law.<sup>1</sup> In its budget resolution for 2010, the House of Representatives signaled its intent to extend the estate tax exemption of \$3.5 million for deaths occurring in 2010, with this level indexed for inflation in future years.<sup>2</sup>

Against the backdrop of uncertainty about the future of the estate tax, this article will examine estate tax returns filed for wealthy decedents—those with \$3.5 million or more in gross estate—between 2001 and 2007.

## Estate Tax Law

The estate of a decedent who, at death, owned assets valued in excess of the estate tax exemption amount, or filing threshold, must file a Federal estate tax return, Form 706, *U.S. Estate (and Generation-Skipping Transfer) Tax Return*. For estate tax purposes, the value of property included in gross estate is fair market value (FMV), defined as “the price at

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**Figure A**

### Estate Tax Exemption and Highest Estate Tax Rate for Selected Years of Death

Year of death	Estate tax exemption	Highest estate tax rate
	(1)	(2)
2000	\$675,000	55%
2001	\$675,000	55%
2002	\$1,000,000	50%
2003	\$1,000,000	49%
2004	\$1,500,000	48%
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	Unlimited	N/A
2011	\$1,000,000	55%

which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all relevant facts,” according to Federal Tax Regulation 20.2031-1(b). The gross estate consists of all property, whether real or personal, tangible or intangible. Specific items of gross estate include real estate, cash, stocks, bonds, businesses, and decedent-owned life insurance policies, among others. Assets of gross estate are valued at a decedent’s date of death, unless the estate’s executor or administrator elects to value assets at an alternate valuation date, 6 months from the date of death, as described in Internal Revenue Code section 2032. Alternate valuation may be elected only if the value of the estate, as well as the estate tax liability, declines between the date of death and the alternate date.

An estate is subject to the estate tax law in effect on the decedent’s date of death. The estate tax return is due 9 months from the date of death, although a 6-month extension is commonly allowed. In a small number of cases, longer extensions may be granted. Therefore, several years of death will be represented in the population of estate tax returns filed in a given calendar year.

<sup>1</sup> For a detailed discussion of recent proposals for reforming Estate tax law, see Burman, Leonard E, et al., “Back from the Grave: Revenue and Distributional Effects of Reforming the Federal Estate Tax” at [http://www.taxpolicycenter.org/UploadedPDF/411777\\_back\\_grave.pdf](http://www.taxpolicycenter.org/UploadedPDF/411777_back_grave.pdf).

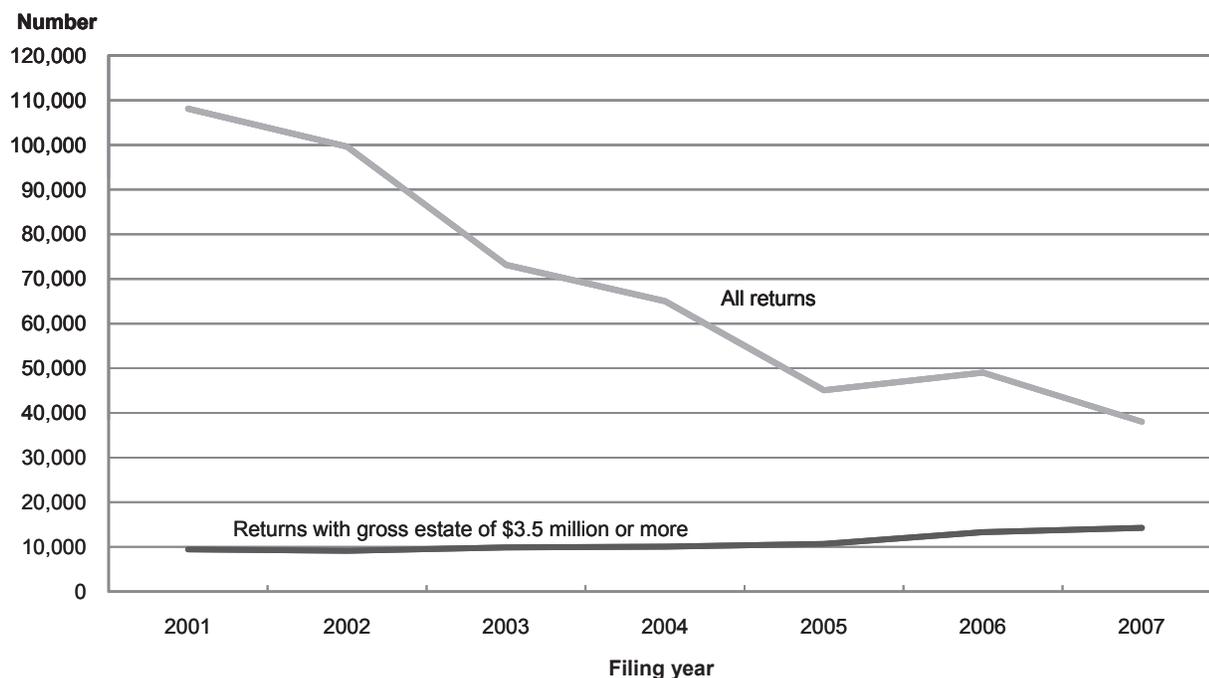
<sup>2</sup> Report 111-60, available at [http://budget.house.gov/menu\\_congress.shtml](http://budget.house.gov/menu_congress.shtml).

## A Look at Estate Tax Returns Filed for Wealthy Decedents Since 2001

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Figure B

### Number of Estate Tax Returns Filed, All Returns and Returns with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007



### Number of Estate Tax Return Filings

As shown in Figure B, the total number of estate tax returns filed for all decedents fell significantly between 2001 and 2007, from 108,071 to 38,031, due primarily to increases in the estate tax exemption, as described above. Because most returns are filed in the year after the year of the decedent's death, the sharpest declines in the total number of returns filed occurred in the years following an increase in the exemption level. For example, in 2003, following an increase in the exemption level to \$1.0 million for 2002 deaths, the total number of returns filed fell 26.6 percent. Similar drops of 30.7 percent and 22.5 percent occurred in 2005 and 2007, following increases in the exemption level for 2004 and 2006.

In contrast, the number of returns filed for wealthy decedents—those with at least \$3.5 million in gross estate—increased significantly between 2001 and 2007, from 9,440 to 14,281. This increase was not steady. Between 2001 and 2002, the number of estate tax returns filed for wealthy decedents declined slightly, before rebounding in 2003. Between the

2003 and 2005, the number increased by 8.2 percent, before expanding more rapidly, 33.7 percent, between 2005 and 2007.

### Asset Portfolios

As shown in Figures C and D, equities accounted for the largest share of the portfolios of wealthy decedents in each filing year between 2001 and 2007, with a combined value ranging between \$39.2 billion and \$55.1 billion in each year. During this period, equities made up their largest shares of these decedents' portfolios in 2001 and 2002, when they accounted for 46.6 percent and 45.7 percent, respectively. In each year between 2003 and 2007, equities represented between 37.0 and 40.2 percent of the portfolios.

Real estate assets also made up a large share of the portfolios of wealthy decedents in each year between 2001 and 2007. In 2001, decedents with \$3.5 million or more in total gross estate held a combined \$13.0 billion in real estate, including personal residences and investment real estate. The dollar value

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**Figure C**

## Asset Portfolios, Estate Tax Decedents with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	Filing year						
	2001	2002	2003	2004	2005	2006	2007
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>91,010,634</b>	<b>94,560,253</b>	<b>101,628,144</b>	<b>102,883,203</b>	<b>115,870,392</b>	<b>134,839,378</b>	<b>145,306,753</b>
Equities	42,419,467	43,223,210	40,810,613	39,214,326	46,424,274	49,870,150	55,143,448
Publicly traded	35,042,067	36,931,520	32,758,387	29,649,457	36,266,372	38,118,190	39,909,025
Closely held	7,377,400	6,291,690	8,052,226	9,564,869	10,157,902	11,751,960	15,234,423
Real estate	13,002,741	13,692,520	16,633,497	18,586,197	21,832,290	27,886,811	31,423,870
Personal residence	4,427,562	4,552,245	5,405,877	5,585,612	6,329,655	8,383,957	9,217,776
Investment real estate [1]	8,575,179	9,140,275	11,227,620	13,000,585	15,502,635	19,502,854	22,206,094
Tax-exempt bonds	9,545,760	9,693,971	12,401,652	12,490,825	13,189,967	12,923,743	13,878,116
Cash assets [2]	6,569,214	6,745,874	8,676,513	9,008,740	9,348,814	14,898,701	11,353,420
Other financial assets [3]	6,264,454	7,426,702	8,230,372	9,208,609	9,739,347	10,477,472	11,922,611
Retirement assets	4,506,119	4,111,978	4,477,100	4,663,899	4,969,107	6,954,760	7,590,555
Limited partnerships [4]	2,188,809	3,253,010	3,292,800	3,743,268	4,107,619	4,726,507	5,989,896
Business assets [5]	2,034,692	2,184,655	2,803,571	2,393,441	3,052,105	3,674,940	4,316,658
Other assets	4,479,378	4,228,333	4,302,026	3,573,898	3,206,869	3,426,294	3,688,179

[1] Includes farm land and undeveloped land, real estate mutual funds, real estate partnerships, and other investment real estate.

[2] Includes cash and cash management accounts.

[3] Includes unclassifiable mutual funds, all taxable bonds and bond funds, mortgages and notes, and the net value of life insurance.

[4] Includes hedge funds, private equity funds, and other limited partnerships.

[5] Includes noncorporate business assets and farm assets other than land.

**Figure D**

## Assets as a Percentage of Total Gross Estate, Estate Tax Decedents with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007

[All figures are estimates based on samples]

Asset type	Filing year						
	2001	2002	2003	2004	2005	2006	2007
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>100.0</b>						
Equities	46.6	45.7	40.2	38.1	40.1	37.0	37.9
Publicly traded	38.5	39.1	32.2	28.8	31.3	28.3	27.5
Closely held	8.1	6.7	7.9	9.3	8.8	8.7	10.5
Real estate	14.3	14.5	16.4	18.1	18.8	20.7	21.6
Personal residence	4.9	4.8	5.3	5.4	5.5	6.2	6.3
Investment real estate [1]	9.4	9.7	11.0	12.6	13.4	14.5	15.3
Tax-exempt bonds	10.5	10.3	12.2	12.1	11.4	9.6	9.6
Cash assets [2]	7.2	7.1	8.5	8.8	8.1	11.0	7.8
Other financial assets [3]	6.9	7.9	8.1	9.0	8.4	7.8	8.2
Retirement assets	5.0	4.3	4.4	4.5	4.3	5.2	5.2
Limited partnerships [4]	2.4	3.4	3.2	3.6	3.5	3.5	4.1
Business assets [5]	2.2	2.3	2.8	2.3	2.6	2.7	3.0
Other assets	4.9	4.5	4.2	3.5	2.8	2.5	2.5

[1] Includes farm land and undeveloped land, real estate mutual funds, real estate partnerships, and other investment real estate.

[2] Includes cash and cash management accounts.

[3] Includes unclassifiable mutual funds, all taxable bonds and bond funds, mortgages and notes, and the net value of life insurance.

[4] Includes hedge funds, private equity funds, and other limited partnerships.

[5] Includes noncorporate business assets and farm assets other than land.

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of real estate assets held by wealthy decedents was larger in each year that followed, with 2007 returns reporting a value of \$31.4 billion. Looking at real estate as a share of the total portfolio reveals that in 2001, these assets accounted for 14.3 percent compared to 21.6 percent in 2007.

Another asset class that made up a significantly larger share of the portfolio of wealthy decedents in 2007, compared to their counterparts in 2001, was limited partnership interests. In 2001, these interests made up only 2.4 percent of portfolios, but they made up 4.1 percent in 2007. In dollar terms, the combined value of limited partnership interests held by wealthy decedents was nearly \$6.0 billion in 2007, compared to \$2.2 billion in 2001. Some of the increase during this period may be due to growth of private equity and hedge funds. These investment funds—usually organized as limited partnerships—are typically open to a limited range of professional and wealthy investors. No official statistics are kept on hedge funds and estimates vary widely, but one industry source estimates that the total amount held in hedge funds globally increased from \$324 billion in 2000 to more than \$1.2 trillion in 2006.<sup>3</sup>

Because equities and real estate assets made up a large proportion of the assets held by wealthy decedents in each year between 2001 and 2007, changes in the values of these asset classes are likely to have played a role in the fluctuations of estate tax return filings for wealthy decedents over this period. Appreciation in the value of these asset classes would have likely increased the number of decedents with total gross estates of \$3.5 million or more. Conversely, depreciation in the value of these asset classes would likely have resulted in fewer decedents with total gross estate at or above the threshold.

The value of equities, which, as noted above, made up at between 37 and 47 percent of wealthy decedents' portfolios in each year between 2001 and 2007, experienced significant volatility during this period. Between January 2000 and December 2002, the value of the S&P 500 index fell by nearly 37 percent, before rebounding 38 percent by December 2004. By March 2007, the index had gained another 17 percent.<sup>4</sup> The negative or relatively flat growth

in the number of returns filed for wealthy decedents between 2001 and 2004, followed by much faster growth in the number of filings between 2004 and 2007, is consistent with the volatility of the S&P 500 index during this period, considering the typical lag between the decedent's death and the filing of the estate tax return described above.

In contrast to the volatility in the equity markets, the value of real estate experienced consistent and strong gains between 2001 and 2007, in both the residential and commercial markets. According to the S&P/Case-Shiller U.S. National Home Price Index, single-family homes increased in value by 27.7 percent between the first quarter of 2000 and the fourth quarter of 2002. By the fourth quarter of 2004, the index had gained another 26.8 percent, and by the second quarter of 2007, an additional 11.8 percent, for a total gain of 81.2 percent since the first quarter of 2000.<sup>5</sup> Similarly, the value of commercial property increased a total of 86.4 percent between December, 2000 and April, 2007, according to the Moodys/REAL Commercial Property Price Index.<sup>6</sup> As noted above, this consistently strong performance in the housing market is likely to have increased the number of decedents whose estates met the filing threshold.

### Charitable Giving

Charitable contributions reported on estate tax returns have long been a subject of interest in the research community, as some research suggests that estate tax law influences the amount that individuals leave to charity, because increases in the estate tax exemption level reduce the amount of wealthy decedents' estates subject to taxation.<sup>7</sup> Along with bequests to surviving spouses, funeral expenses, executors' commissions, attorneys' fees, other administrative expenses and losses, debts and mortgages, and medical debts, contributions to charity may be taken as a deduction in the calculation of taxable estate. In each year between 2001 and 2007, charitable bequests were the second-largest deduction in dollar terms, behind only bequests to the surviving spouse.

Figures E through G present charitable bequest data for wealthy decedents between 2001 and 2007.

<sup>3</sup> See <http://www.hennessiegroup.com/information/index.html>.

<sup>4</sup> Data on the S&P 500 index obtained from <http://www2.standardandpoors.com>.

<sup>5</sup> Data on the S&P/Case-Shiller National Home Price Index obtained from <http://www2.standardandpoors.com>.

<sup>6</sup> Data on the Moodys/REAL Commercial Property Price Index obtained from <http://web.mit.edu/cre/research/cred/rca.html>.

<sup>7</sup> See, for example, Joulfaian, David, "Charitable Giving in Life and at Death," *Rethinking Estate and Gift Taxation*, pp. 350-374, 2001.

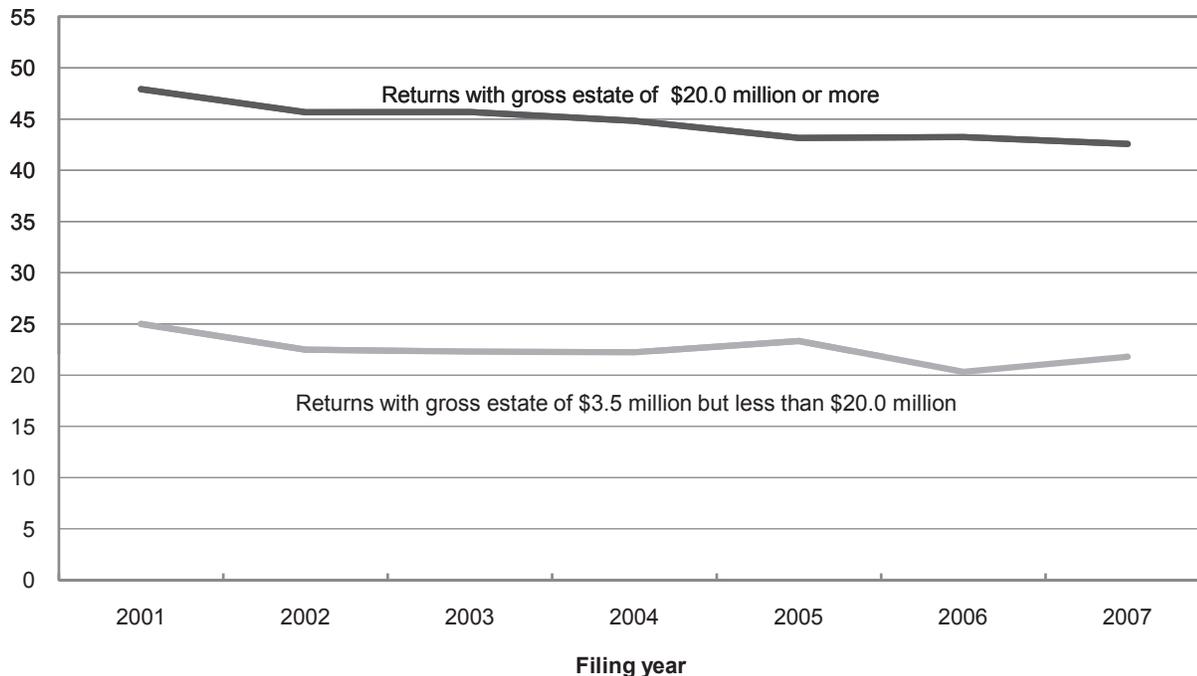
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Figure E

### Percentage of Estates with a Charitable Bequest, Estate Tax Decedents with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007

Percentage



Figures E and F divide these wealthy decedents into two size of gross estate categories, those with gross estate of at least \$3.5 million but under \$20.0 million, and those with gross estate of \$20.0 million or more, as the bequest patterns for the wealthiest decedents were significantly different from those of their less wealthy counterparts. As shown in Figure E, returns filed for the wealthiest decedents between 2001 and 2007 included charitable bequests proportionately more often than returns with gross estates between \$3.5 million and \$20.0 million. In each year between 2001 and 2007, between 42.6 percent and 47.9 percent of the wealthiest decedents left a charitable bequest compared to a range of 20.3 percent to 25.0 percent for wealthy decedents with smaller estates. Overall, there appears to be a slight downward trend in the percentage of wealthy decedents leaving charitable bequests over this period.

Among wealthy decedents who left charitable bequests, the wealthiest—those with \$20.0 million or more in gross estate—left proportionately more of their estate to charity than their less wealthy counter-

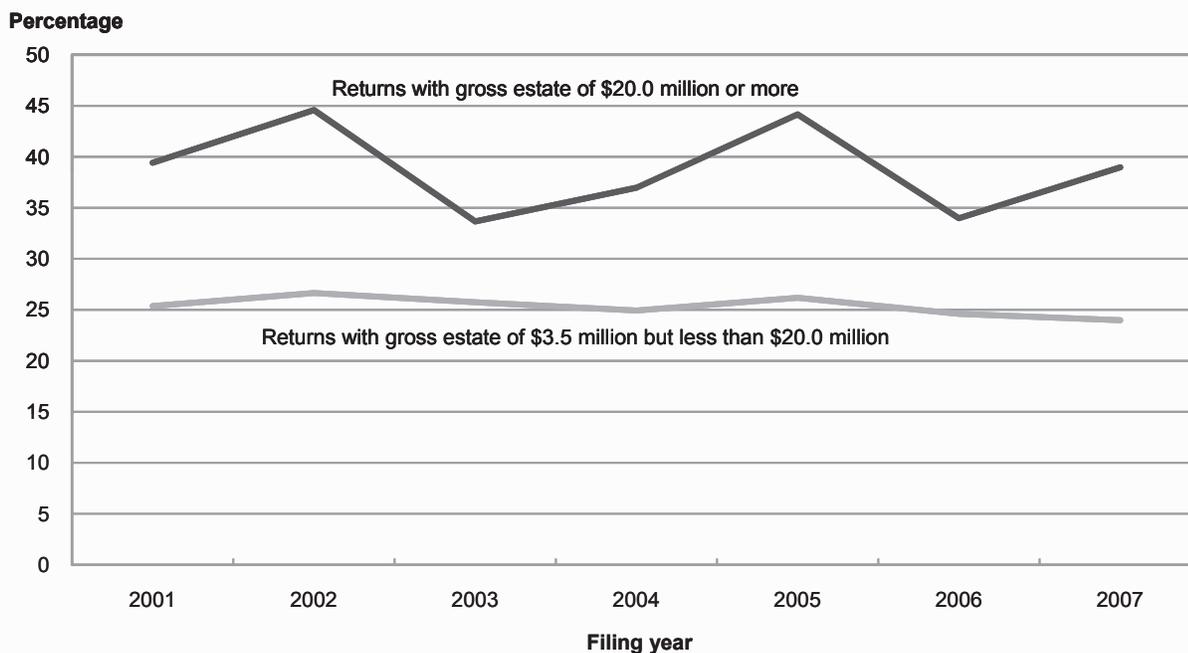
parts, as shown in Figure F. In each year, the wealthiest decedents who made charitable bequests left between 33.7 percent and 44.6 percent of gross estate to charity, compared to a range of 24.0 percent to 26.7 percent of gross estate for wealthy decedents with smaller estates. Also worth noting is the fact that the percentage of gross estate left to charity experienced more year-to-year volatility among the wealthiest decedents. This volatility reflects the fact that aggregate data for the wealthiest decedents are sensitive to extremely large charitable bequests left by decedents at the tail end of the gross estate distribution. Despite year-to-year changes in the percentage of gross estate left to charity by wealthy decedents who made such bequests, there does not appear to have been a significant downward trend in this percentage between 2001 and 2007, in contrast to the apparent trend in the percentage of wealthy decedents who left charitable bequests. These facts suggest that, while increases in the estate tax exemption level may have influenced the propensity of wealthy decedents to make charitable bequests at death, such increases

# A Look at Estate Tax Returns Filed for Wealthy Decedents Since 2001

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Figure F

## Charitable Bequests as a Percentage of Total Gross Estate, Returns with Charitable Bequests Filed for Decedents with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007



did not appear to affect the amount left to charity by those who made such bequests.

Figure G shows the distribution of charitable bequests, by type of charitable organization, for wealthy estate tax decedents between 2001 and 2007. Charitable organizations are divided into categories that describe their general activities and are set forth in the National Taxonomy of Exempt Entities (NTEE) Classification System developed by the National Center for Charitable Statistics. In each year, wealthy decedent donors left the largest share of their bequests to philanthropic organizations, a fact mainly attributable to large bequests to private foundations. In most years, educational institutions received the second largest combined bequest amounts from wealthy decedents, while human services-oriented organizations, religions organizations, and organizations that promote the arts, cultures, and humanities generally received between 3 and 7 percent of the value of charitable bequests.

### A Look Ahead

As noted above, the prominent role of stocks and real estate in the portfolios of wealthy decedents means that the performance of the equity and housing markets is likely to significantly impact the number of estates with sufficient assets to meet the threshold for filing a Federal estate tax return. In light of this, the significant decline in the value of stocks and housing over the past two years is notable. Between March 2007 and February 2009, the S&P 500 index lost 48.3 percent of its value. Over a similar time period, the second quarter of 2007 through the fourth quarter of 2008, the value of single-family homes declined by an average of 23.6 percent, according to the S&P/Case-Shiller U.S. National Home Price Index, while the value of commercial real estate declined by 13.9 percent.<sup>8</sup> These significant declines in value are almost certain to result in much slower growth in the population of estate tax returns with \$3.5 million or more in gross estate for filing years 2008 through 2010.

<sup>8</sup> Ibid.

# A Look at Estate Tax Returns Filed for Wealthy Decedents Since 2001

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**Figure G**

## Top Charitable Bequests as a Percentage of Total Bequests, Estate Tax Decedents with Gross Estate of \$3.5 Million or More, Filing Years 2001-2007

[All figures are estimates based on samples]

Type of organization [1]	Filing year						
	2001	2002	2003	2004	2005	2006	2007
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>100.0</b>						
Philanthropy and volunteerism (T)	52.7	65.8	54.6	54.1	56.1	61.9	56.5
Educational institutions (B)	17.5	12.9	16.6	17.0	10.2	13.0	12.3
Human service (P)	6.6	2.2	3.4	2.6	13.4	3.6	4.9
Religion, spiritual development (X)	6.3	4.1	4.1	3.7	3.2	4.1	4.2
Health, general and rehabilitative (E)	4.5	2.9	3.6	3.3	2.6	2.8	2.8
Arts, culture, humanities (A)	3.1	3.3	5.2	6.8	7.1	3.1	6.7
Environmental quality, protection (C)	1.2	0.8	1.1	2.0	0.7	1.9	2.3
Disease, disorder, and medical (G)	1.2	1.1	1.0	1.3	1.0	2.0	1.5
Other/unknown	6.9	6.9	10.4	9.2	5.7	7.6	8.8

[1] National Taxonomy of Exempt Entities (NTEE) code is given in parentheses. In all, there are 26 entity types in the NTEE coding system. Here, the "other/unknown" category includes all entity types not specifically listed and entity types unknown.

### Data Sources and Limitations

Analysts in the Special Projects Section of SOI's Special Studies Branch, with SOI staff in the Cincinnati Submission Processing Center, conduct the Estate Tax Study, which extracts demographic, financial, and bequest data from a sample of Forms 706, the Federal estate tax return. The Estate Tax Study is conducted on an annual basis, which allows analysis of filing year data on estate taxation. Data from several filing year files can also be combined to produce estimates for specific year-of-death cohorts.

Estate tax returns were sampled while the returns were being processed for administrative purposes, but before any audit examination. Returns were selected on a flow basis, using a stratified random probability sampling method, whereby the sample rates were preset based on the desired sample size and an estimate of the population. The design had three

stratification variables: year of death, age at death, and size of total gross estate plus adjusted taxable gifts. For 2001-2003, the year-of-death variable was separated into two categories: 2001 year of death and non-2001 year of death. For 2004-2006, the year of death variable was separated into two categories: 2004 year of death and non-2004 year of death. Age was disaggregated into four categories: under 40, 40 under 50, 50 under 65, and 65 and older (including age unknown). Total gross estate plus adjusted taxable gifts was limited to seven categories: under \$1 million, \$1 million under \$1.5 million, \$1.5 million under \$2.0 million, \$2.0 million under \$3.0 million, \$3.0 million under \$5.0 million, \$5.0 million under \$10.0 million, and \$10.0 million or more. Sampling rates ranged from 1 percent to 100 percent. Returns for more than half of the strata were selected at the 100-percent rate.

# SOI Sampling Methodology and Data Limitations

**T**his article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

## Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

## Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce the tabulated estimates, the

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

## SOI Sampling Methodology and Data Limitations

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

weighted data are summed to produce the published statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived

from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

## SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

### Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (\*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

# Public Release of SOI Information

## Goals for Public Release of SOI Information

Statistics of Income program and year	End of tax year	Close of filing period—		Close of sampling period	Tentative release date for final data
		Regular	With extensions of time		
	(1)	(2)	(3)	(4)	(5)
<b>Individual income tax returns:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Nonfarm sole proprietorships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Partnerships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	July 2009
2008	December 2008	April 2009	October 2009	December 2009	July 2010
<b>Corporations [1]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	February 2009
2007	June 2008	September 2008	March 2009	June 2009	February 2010
<b>Corporation foreign tax credit [2]:</b>					
2005	June 2006	September 2006	March 2007	June 2007	October 2008
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Controlled foreign corporations [2]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Tax-exempt organizations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Private foundations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Tax-exempt organization unrelated business income [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	October 2009
2007	November 2008	April 2009	October 2009	December 2009	October 2010
<b>Estate tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Split-interest trusts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Gift tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Nonresident alien estate tax returns:</b>					
2007	[4]	[4]	[4]	December 2008	June 2009
2009	[4]	[4]	[4]	December 2009	June 2010
<b>Fiduciary extracts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Tax-exempt bonds:</b>					
2007	[6]	[6]	[6]	December 2008	May 2009
2008	[6]	[6]	[6]	December 2009	May 2010

[1] Corporation statistics for 2005 represent accounting periods ended July 2005 through June 2006. Study Year 2006 is similarly defined.

[2] Data for 2005 represent accounting periods ending July 2005 through June 2006. Data for Study Year 2006 are similarly defined.

[3] Data for 2006 represent tax years ending between December 2006 and November 2007. Study Year 2007 is similarly defined.

[4] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

[6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty studies are conducted biennially, for tax years ending in odd numbers.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 2006 Program	Scott Hollenbeck Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
<b>Controlled Foreign Corporations:</b> 2008 Program	Randy Miller	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
<b>Controlled Foreign Partnerships:</b> 2008 Program	Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
<b>Corporation Foreign Tax Credit:</b> 2007 Program 2008 Program	Lissa Costa Scott Luttrell	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
<b>Corporation Income Tax Returns:</b> 2007 Program 2008 Program	Bill Rush Heather Parisi Bill Rush	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Entity Classification Election:</b>	John Comisky	This annual study provides data from all Entity Classification Elections, including the type of election and whether the entity is foreign or domestic.
<b>Estate Tax:</b> 2004-2006 Program 2007-2009 Program	Brian Raub Joseph Newcomb	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent year-of-death study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2008.
<b>Excise Taxes:</b>	Ruth Schwartz	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by fiscal year for 1998-2005 and quarterly for more recent years.

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<b>Projects*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Foreign-Controlled Domestic Corporations:</b> 2006 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
<b>Foreign Recipients of U.S. Income:</b> 2006 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Trusts:</b> 2006 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2002.
<b>Gift Tax:</b> 2008 Program 2009 Program 2010 Program	Darien Jacobson Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. Most recent data are for Filing Year 2008.
<b>Individual Income Tax Return Public-Use File:</b>	Victoria Bryant	Microdata on CD-ROMs are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
<b>Individual Income Tax Returns:</b> 2007 Program 2008 Program 2009 Program	Maureen Keenan Kahr Scott Hollenbeck Mike Parisi	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
<b>Individual Income Tax Returns Special Tabulations:</b>	Mike Parisi	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISCs):</b> 2006 Program 2008 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 4 years. The most recent study is for Tax Year 2004.
<b>International Boycott Reports:</b> 2006 Program 2007 Program	Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.

## SOI Projects and Contacts

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Projects*	Primary Analysts	Frequency and Program Content
<b>Migration Flow and County Income Data:</b>	Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2006-2007.
<b>Noncash Charitable Contributions:</b>	Janette Wilson	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .
<b>Occupation Studies:</b>	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
<b>Partnership Returns of Income:</b>	Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 2006 Program	Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 2004 Program 2007 Program	Brian Raub Joseph Newcomb	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.
<b>S Corporations:</b> 2007 Program 2008 Program	Eurry Kim	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
<b>Sales of Capital Assets:</b>	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
<b>Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Jeff Curry Adrian Dungan	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, <i>Profit or Loss From Business</i> , for nonfarm proprietors, classified by industry group.

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Projects*	Primary Analysts	Frequency and Program Content
<b>Split-Interest Trust Information:</b> 2008 Program 2009 Program 2010 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2008.
<b>Tax-Exempt Bond Issues:</b> 2007 Program 2008 Program 2009 Program	Emily Shammass	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Issue Year 2007 public purpose bonds and private activity bonds.
<b>Tax-Exempt Organizations (Except Private Foundations):</b> 2006 Program 2007 Program 2008 Program	Paul Arnsberger	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, (Private Foundations):</b> 2006 Program 2007 Program 2008 Program	Cynthia Belmonte	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, Unrelated Business Income:</b> 2006 Program 2007 Program 2008 Program	Jael Jackson	This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Transactions of Foreign-Controlled Corporations:</b>	Mark Lowe	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
<b>ZIP Code Area Data:</b>	Mary Jezek	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004-2006 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: <a href="http://www.irs.gov/taxstats/article/0,,id=96947,00.html">http://www.irs.gov/taxstats/article/0,,id=96947,00.html</a> .

\* Many of the data release dates are published in each issue of the *SOI Bulletin* (see "Public Release of SOI Information"). For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

# SOI Products and Services

**S**tatistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

**Statistical Information Services** (sis@irs.gov)  
Statistics of Income Division  
Internal Revenue Service  
P.O. Box 2608 • Washington, DC 20013-2608  
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

## Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, about 10,000 files reside there.

**Web site:** [www.irs.gov/taxstats](http://www.irs.gov/taxstats)

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: [www.fedstats.gov](http://www.fedstats.gov).

### Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

### Business Tax Statistics

Corporations • International • Partnerships  
Nonfarm Sole Proprietorships  
S Corporations • All Topics

### Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File  
Private Foundations • Trusts  
Tax-Exempt Bonds • All Topics

### Individual Tax Statistics

Estate and Gift Tax • Individual Income  
Tax • International Personal  
Wealth • All Topics

### Products, Publications, and Papers

SOI Bulletins • IRS Data Books  
U.S. Population Migration Data • SOI Paper Series  
All Topics

### IRS Operations, Budget, and Compliance

Issuing Refunds • Collecting Revenue  
Enforcing Laws • Assisting Taxpayers  
Historical Data Tables • All Topics

### Statistics by Form

706 • 709 • 990 • 990-PF • 990-T  
1040 • 1041 • 1065 • 1118 • 1120  
5471 • 5472 • 8038 • All Forms

### Statistics of Income (SOI)

About SOI • Careers With SOI  
Dissemination Policy  
SOI Services • SOI Studies  
All Topics

### Additional Information

Tax Statistics at a Glance  
Join SOI Tax Stats E-Mail List  
Payments for SOI Data  
Questions On Tax Statistics?

## Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

## SOI Products and Services

### Corporation Income Tax Returns

#### Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2007 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2007 *Source Books* are also available at no charge from the Tax Stats Web site at: [www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html](http://www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html).

### Individual Income Tax Returns

#### Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

#### County-to-County Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by county for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1991-2008. Price is \$200 per year for the entire United States or \$10 per State per year. All years for the entire United States are also available for \$500. Filing Years 2005-2008 are available at no cost at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). Click on "U.S. Population Migration Data."

#### State-to-State Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by State for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the

number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1989-2008. Price is \$50 per year for the entire United States or \$10 per State per year. Filing Years 2005-2008 are available at no cost at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). Click on "U.S. Population Migration Data."

#### County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2006 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year.

#### ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2006 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to [www.irs.gov](http://www.irs.gov), select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

### Tax-Exempt Organizations

#### Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the

*Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

### **Microdata Records for Tax Year 2006**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,736 Internal Revenue Code section 501(c)(3) organizations and 7,180 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

### **Microdata Records for Tax Years 1992-2005**

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

## **Private Foundations (and Charitable Trusts)**

### **Microdata Records for Tax Year 2006**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,523 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

### **Microdata Records for Tax Years 1992-2005**

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

## **Publications**

### **Statistics of Income—2007, Corporation Source Book**

*Publication 1053, Price: \$175,  
plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2007, is also for sale at \$175 per year, plus \$10 for shipping and handling.

### **Compendium of Federal Estate Tax and Personal Wealth Studies**

*Publication 1773, Price: \$26,  
plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

## SOI Products and Services

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

### Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

#### Superintendent of Documents

P.O. Box 371954  
Pittsburgh, PA 15250-7954

\* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

#### Statistics of Income—2006, Corporation Income Tax Returns

*Publication 16, Stock No. 048-004-02515-9*  
*Single copy price: \$44 International: \$61.60*

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2006 through June 2007. Data are classified by industry, size of total assets, and size of business receipts. In addition, the 2006 report is available on SOI's Tax Stats Web site.

#### Statistics of Income—2007, Individual Income Tax Returns

*Publication 1304, Stock No. 048-004-02514-1*  
*Price: \$43 Foreign: \$60.20*

This report presents more comprehensive and complete data on individual income tax returns for Tax Year 2007 than those published earlier in the *SOI Bulletin*.

Presents information on:	Classifies data by:
■ sources of income	■ size of adjusted gross income
■ exemptions	■ marital status
■ itemized deductions	■ type of tax computation
■ tax computations	■ age

#### IRS Data Book, 2008

*Annually, Publication 55B, Stock No. 048-004-02501-9*  
*Price: \$13.50 International: \$18.90*

This volume pertains to Fiscal Year (FY) 2008—October 1, 2007, through September 30, 2008. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2009 issue of the Data Book will be available in late March 2010.

#### Statistics of Income Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00000-5*  
*Subscription price: \$67 International: \$93.80*  
*Single copy price: \$44 International: \$61.60*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.

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