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I N T E R N A L
R E V E N U E
S E R V I C E

DATA BOOK

October 1, 2012 to September 30, 2013

Department of the Treasury Internal Revenue Service

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The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Internal Revenue Service **Data Book, 2013**

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2013 (October 1, 2012, through September 30, 2013). It provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

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The Internal Revenue Service Data Book Online

The *Internal Revenue Service Data Book* tables for the current year and previous years may be found on the IRS Internet site. The World Wide Web address is: www.irs.gov/taxstats. From the Website, select "IRS Data Books" in the "Products, Publications & Papers" section. An archive of historical *Data Books* from 2013 to 1863 is also available on the site. For additional information, contact Statistical Information Services at 202-803-9285 or e-mail sis@irs.gov.

Letter from the Commissioner

I am pleased to present the 2013 *Internal Revenue Service Data Book*, which details IRS activities for Fiscal Year (FY) 2013 (October 1, 2012 through September 30, 2013). This annual report catalogs the many ways in which our dedicated employees serve America's taxpayers.

During FY 2013, the IRS processed more than 240 million returns, including individual income, corporate income and employment tax returns. We provided more than \$364 billion in refunds to these taxpayers and collected almost \$2.9 trillion in federal revenue. We provided taxpayer assistance through 456.2 million visits to our website, IRS.gov, and assisted nearly 90.7 million taxpayers via our toll-free telephone helpline or at walk-in sites. Of the nearly 146 million individual income tax returns processed, 83 percent were filed electronically.

The IRS has been working to meet increasing taxpayer demand for self-service and electronic service options. During FY 2013, we continued to improve and expand the amount of tax information and web services available through IRS.gov. Taxpayers used our website to get forms and publications, find answers to their tax questions and check the status of their refunds. The IRS also employed social media such as YouTube and Twitter to provide important service and compliance messages to taxpayers.

In the enforcement area during FY 2013, the IRS continued to make strides in combating refund fraud caused by identity theft, and in assisting taxpayers who were victimized by this crime. In FY 2013, the IRS suspended or rejected more than 5.7 million suspicious returns, worth more than \$17.8 billion. The IRS also worked to improve its victim assistance efforts, and worked with victims to resolve and close more than 899,000 cases. The IRS will continue to build on these efforts to further reduce the incidence of identity theft-related fraud and the amount of time needed to bring closure to cases.

Regarding the IRS's core enforcement activities, an ongoing decline in appropriated funding presented challenges, as year-end statistics show. In FY 2013, the IRS audited tax returns of approximately 1.4 million individuals, down 5 percent from FY 2012 and the lowest number since FY 2008.

Looking ahead, our agency will continue to strive to improve. While we have limited resources, we will continue to look for ways to find savings and efficiencies wherever we can. The entire IRS workforce is focused on making improvements and helping taxpayers. We are committed to our mission of serving taxpayers and fairly enforcing the nation's tax laws.

Commissioner of Internal Revenue

John A. Koskinen

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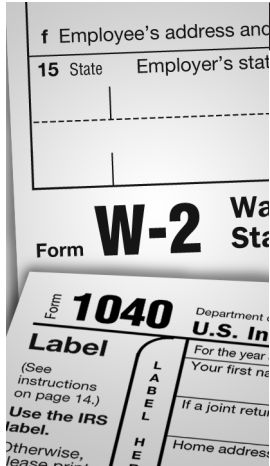
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Returns Filed, Taxes Collected, and Refunds Issued

Tables 1 and 2 provide a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. During Fiscal Year (FY) 2013, the IRS processed nearly 240.1 million Federal tax returns and supplemental documents, and collected almost \$2.9 trillion in gross taxes. After accounting for over 120.9 million refunds, amounting to almost \$364.4 billion, collections net of refunds totaled almost \$2.5 trillion.

During FY 2013, there were almost 146.0 million individual income tax returns filed, accounting for over 60.8 percent of all returns filed. Individual income tax withheld and tax payments, combined, totaled over \$1.5 trillion before refunds, which amounted to almost \$312.8 billion. Collections net of refunds totalled over \$1.2 trillion.

The IRS also processed over 2.2 million returns and collected almost \$312.0 billion in taxes, before refunds, from corporations in FY 2013. Collections net of refunds totaled over \$270.4 billion. Partnerships and S corporations filed an additional 8.3 million returns.

Tables 3 through 6 provide additional details on returns filed, returns filed electronically, and gross collections. More than 151.1 million returns, including nearly 82.9 percent of individual income tax returns, were filed electronically in FY 2013. Of these, paid preparers filed nearly 77.0 million tax returns electronically and taxpayers filed almost 3.0 million returns using the IRS Free File program.

Tables 7 and 8 provide information on tax refunds by State and type of tax. In FY 2013, nearly 17.0 million tax refunds included a refundable child tax credit and almost 24.0 million included the earned income tax credit.

Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2012 and 2013

[Money amounts are in thousands of dollars]

Type of tax	Gross collections [1]			Refunds [1, 2]	Net collections [1]	
	2012	2013	Percentage of 2013 total	2013	2013	Percentage of 2013 total
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	2,524,320,134	2,855,059,420	100.0	364,353,723	2,490,705,698	100.0
Business income taxes	281,461,580	311,993,954	10.9	41,569,223	270,424,731	10.9
Corporation	280,965,136	311,432,736	10.9	n.a.	n.a.	n.a.
Tax-exempt organization unrelated business income tax	496,445	561,218	[3]	n.a.	n.a.	n.a.
Individual and estate and trust income taxes [4, 5]	1,387,836,515	1,564,354,494	54.8	314,223,682	1,250,130,812	50.2
Individual income tax withheld	1,038,019,224	1,123,453,881	39.3	n.a.	n.a.	n.a.
Individual income tax payments [6]	333,383,066	416,204,540	14.6	n.a.	n.a.	n.a.
Estate and trust income tax	16,434,225	24,696,073	0.9	1,448,544	23,247,529	0.9
Employment taxes	784,396,853	897,847,151	31.4	6,375,725	891,471,426	35.8
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [5]	772,464,824	884,440,425	31.0	6,156,524	878,283,901	35.3
Federal Insurance Contributions Act (FICA)	728,688,235	830,291,842	29.1	n.a.	n.a.	n.a.
Self-Employment Insurance Contributions Act (SECA)	43,776,589	54,148,583	1.9	n.a.	n.a.	n.a.
Unemployment insurance	7,158,984	7,895,992	0.3	146,745	7,749,247	0.3
Railroad retirement	4,773,045	5,510,733	0.2	72,456	5,438,277	0.2
Estate and gift taxes	14,450,249	19,830,148	0.7	1,047,329	18,782,819	0.8
Estate	12,340,655	14,051,771	0.5	963,243	13,088,528	0.5
Gift [7]	2,109,594	5,778,377	0.2	84,086	5,694,291	0.2
Excise taxes	56,174,937	61,033,674	2.1	1,137,764	59,895,910	2.4

n.a.—Not available.

[1] Excludes credits to taxpayer accounts, as well as excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Also includes \$2.8 billion in interest, of which \$0.8 billion was paid to corporations and \$2.0 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).

[3] Less than 0.05 percent.

[4] Collections include Presidential Election Campaign Fund contributions of \$37.3 million for Fiscal Year 2012. Beginning with Fiscal Year 2013, Presidential Election Campaign Fund contributions are no longer included in Internal Revenue Service collections, but instead are reported separately in the U.S. Treasury Department collections.

[5] Collections of withheld individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). The OASDHI tax collections and refunds shown in this table are based on estimates made by the Secretary of the Treasury pursuant to the provisions of Section 201 (a) of the Social Security Act as amended and include all OASDHI taxes. Amounts shown for individual income tax withheld and individual income tax payments were derived by subtracting the FICA and SECA tax estimates from total individual income tax withheld and individual income tax payments. Refund estimates, and, therefore, net collection estimates, were not made for the components of income and OASDHI taxes.

[6] Includes collections of estimated income tax and payments included with individual income tax return filings.

[7] The American Taxpayer Relief Act (ATRA) of 2012 extended the \$5 million gift tax exemption level that was established under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The ATRA extended portability rules related to the passing of an exemption amount from a decedent to a surviving spouse and indexed the exemption amount to inflation. These tax law changes may have encouraged increased gifting in Fiscal Year 2012, which is reflected in the Fiscal Year 2013 gift tax collections.

NOTES:

Detail may not add to totals because of rounding.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners, who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Financial Management.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2012 and 2013

[Numbers are in thousands—for Fiscal Year 2013 details by State, see Table 3]

Type of return	2012	2013	Percentage change
	(1)	(2)	(3)
United States, total [1]	237,345	240,076	1.2
Income taxes, total	182,332	185,035	1.5
C or other corporation [2]	2,263	2,248	-0.7
S corporation, Form 1120-S	4,580	4,566	-0.3
Partnership, Form 1065	3,626	3,686	1.7
Individual [3]	146,244	145,996	-0.2
Forms 1040, 1040-A, 1040-EZ	145,400	145,125	-0.2
Forms 1040-C, 1040-NR, 1040NR-EZ, 1040-PR, 1040-SS	844	872	3.3
Individual estimated tax, Form 1040-ES	22,158	24,806	12.0
Estate and trust, Form 1041	3,061	3,192	4.3
Estate and trust estimated tax, Form 1041-ES	400	541	35.3
Employment taxes [4]	29,590	29,958	1.2
Estate tax [5]	27	32	18.5
Gift tax, Form 709 [6]	249	313	25.7
Excise taxes [7]	1,197	909	-24.1
Tax-exempt organizations [8]	1,367	1,463	7.0
Supplemental documents [9]	22,582	22,365	-1.0

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). See Table 13 for information on tax-exempt bond returns. See Tables 13 and 23 for information on employee retirement benefit plans. See Table 14 for data on information returns.

[2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political organizations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.

Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-C (income tax return for departing aliens); 1040-NR (nonresident alien income tax return); 1040NR-EZ (income tax return for certain nonresident aliens with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.

[4] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's annual tax return); 944-PR/SS (employer's annual tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.

[5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens).

[6] The American Taxpayer Relief Act (ATRA) of 2012 extended the \$5 million gift tax exemption level that was established under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The ATRA extended portability rules related to the passing of an exemption amount from a decedent to a surviving spouse and indexed the exemption amount to inflation. These tax law changes may have encouraged increased gift tax filings both in Fiscal Years 2012 and 2013.

[7] Includes Forms 11-C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (excise tax return for wagering); 2290 (heavy highway vehicle use tax return) and 5330 (excise taxes related to employee retirement benefit plans return). Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Form 4720 (excise tax return of charities and other persons) is included with Tax-exempt organizations in this table.

The Calendar Year 2011 deadline to file Form 2290 was extended from August 31, 2011, to November 30, 2011, resulting in a significant decrease in the number of Forms 2290 filed in Fiscal Year 2011 and a corresponding increase in filings in Fiscal Year 2012, as many 2011 filings were delayed until Fiscal Year 2012.

[8] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2012 and 2013—Continued

Footnotes—Continued

[9] Includes Forms 941–X (adjusted employer’s tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer’s tax return for agricultural employees); 944–X (adjusted employer’s tax return); 945–X (adjusted annual return of withheld Federal income tax or claim for refund); 1040–X (amended individual income tax return); 1041–A (information return of charitable contribution deductions by certain trusts); 1120–X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT–1X (adjusted railroad retirement tax return).

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

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2013

State or area	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax, employment taxes, and estate and trust income tax		
					Individual income tax [3]	Individual estimated income tax	Estate and trust income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	240,075,782	2,247,747	4,566,216	3,685,725	145,996,474	24,806,250	3,192,115
Alabama	3,113,743	18,295	50,820	45,545	2,050,286	269,641	28,731
Alaska	598,873	3,436	8,897	7,212	364,147	51,710	4,243
Arizona	4,473,906	34,836	83,183	83,398	2,761,414	446,118	48,522
Arkansas	1,960,257	13,389	40,505	28,666	1,220,133	179,595	16,626
California	28,590,971	319,631	456,439	388,946	16,934,571	3,161,636	330,614
Colorado	4,367,301	36,922	116,363	95,432	2,431,857	484,499	45,709
Connecticut	2,961,561	25,414	27,419	66,327	1,744,496	393,874	50,897
Delaware	747,087	9,572	14,542	15,568	432,595	78,099	22,375
District of Columbia	586,896	11,607	5,681	10,488	330,380	67,870	7,148
Florida	16,236,412	194,923	595,498	224,207	9,204,036	1,579,889	176,911
Georgia	6,854,989	52,658	167,617	95,419	4,344,022	495,697	49,223
Hawaii	1,109,435	13,527	14,715	12,181	667,040	141,053	14,224
Idaho	1,170,079	8,087	26,659	25,693	675,490	116,985	9,414
Illinois	10,051,776	99,919	240,796	118,715	6,092,695	1,015,546	234,821
Indiana	4,629,917	21,887	90,024	56,029	3,032,318	493,750	38,951
Iowa	2,427,353	21,946	40,024	35,116	1,425,640	342,945	31,092
Kansas	2,231,722	17,193	34,291	35,515	1,326,135	271,980	28,170
Kentucky	2,874,239	16,318	50,894	41,334	1,878,309	277,814	26,271
Louisiana	3,245,431	28,730	59,991	62,006	2,015,626	285,452	21,770
Maine	1,090,487	7,684	22,326	12,381	629,929	119,945	29,937
Maryland	4,642,997	49,209	75,814	68,308	2,854,951	520,640	54,637
Massachusetts	5,534,594	54,004	89,502	71,102	3,267,033	693,711	146,252
Michigan	7,251,983	60,932	130,639	103,672	4,637,308	736,487	77,587
Minnesota	4,418,835	34,766	94,132	63,800	2,619,856	538,456	47,326
Mississippi	1,886,606	12,533	28,794	26,952	1,257,114	150,394	10,542
Missouri	4,515,605	33,479	66,477	67,764	2,726,692	459,606	153,867
Montana	937,088	9,857	24,847	18,748	483,557	116,114	8,247
Nebraska	1,500,395	12,591	31,337	24,210	874,548	178,342	20,755
Nevada	2,064,632	27,704	42,726	47,718	1,289,823	162,149	18,895
New Hampshire	1,114,848	10,582	11,727	16,237	679,389	137,410	16,144
New Jersey	7,423,824	73,083	118,062	157,859	4,305,486	846,221	148,612
New Mexico	1,432,846	9,138	20,768	19,161	907,349	151,130	11,213
New York	15,844,548	247,078	390,572	268,643	9,388,584	1,479,040	290,236
North Carolina	6,726,971	54,141	137,307	93,915	4,277,482	642,809	55,610
North Dakota	663,312	4,480	10,850	12,130	353,849	106,489	6,501
Ohio	8,478,748	57,468	118,829	118,418	5,511,860	839,529	131,915
Oklahoma	2,720,781	18,500	54,211	44,827	1,617,880	272,365	28,784
Oregon	3,094,660	21,276	54,400	47,310	1,764,981	387,210	36,051
Pennsylvania	9,767,857	58,240	159,121	133,597	6,140,667	1,164,781	162,506
Rhode Island	858,571	6,150	18,084	10,983	513,781	87,853	30,119
South Carolina	3,189,287	24,295	59,918	47,119	2,062,531	297,415	22,923
South Dakota	756,471	4,654	13,867	13,835	416,878	100,476	13,233
Tennessee	4,302,190	31,740	35,891	66,445	2,878,206	409,460	38,573
Texas	18,409,386	172,127	272,780	342,670	11,441,720	1,569,195	210,218
Utah	2,019,920	14,517	56,622	67,731	1,173,436	146,881	16,690
Vermont	577,595	4,982	11,064	6,755	321,009	82,602	7,503
Virginia	6,161,043	54,980	110,302	85,222	3,814,513	699,705	72,094
Washington	5,472,258	39,564	95,747	78,696	3,237,171	619,753	62,481
West Virginia	1,176,019	8,016	12,160	13,079	788,011	123,978	11,968
Wisconsin	4,433,996	33,262	59,415	60,675	2,777,937	542,705	54,234
Wyoming	557,626	5,060	12,585	13,478	305,473	61,056	7,160
Puerto Rico	588,225	451	218	604	275,111	77,424	325
Other [10]	2,229,630	42,914	764	13,884	1,471,169	130,766	3,265

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2013—Continued

State or area	Individual income tax, employment taxes, and estate and trust income tax—continued		Estate tax [5]	Gift tax [6]	Excise taxes [7]	Tax-exempt organizations [8]	Supplemental documents [9]
	Estate and trust estimated income tax	Employment taxes [4]					
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total	541,088	29,957,757	32,288	313,331	908,608	1,463,452	22,364,731
Alabama	4,492	357,791	214	2,981	14,113	16,924	253,910
Alaska	877	79,896	36	512	3,647	4,709	69,551
Arizona	7,133	506,553	361	4,210	8,564	19,261	470,353
Arkansas	3,318	248,768	131	1,433	11,966	11,112	184,615
California	64,047	3,566,551	4,555	34,763	68,091	159,529	3,101,598
Colorado	9,397	627,358	482	5,787	12,772	25,044	475,679
Connecticut	11,800	353,532	699	8,086	5,946	19,115	253,956
Delaware	4,158	90,907	71	876	1,823	6,906	69,595
District of Columbia	2,295	71,364	129	1,031	472	12,112	66,319
Florida	32,732	2,097,764	2,102	28,872	41,024	63,856	1,994,598
Georgia	10,577	854,176	577	6,369	26,343	32,317	719,994
Hawaii	3,114	121,027	173	1,596	1,271	6,505	113,009
Idaho	1,345	182,850	94	1,059	8,126	6,763	107,514
Illinois	28,535	1,300,633	1,410	13,223	50,637	62,023	792,823
Indiana	6,225	534,101	373	4,895	25,405	31,865	294,094
Iowa	3,744	321,087	616	3,399	26,903	26,458	148,383
Kansas	5,591	298,798	291	2,978	17,251	15,101	178,428
Kentucky	4,769	342,043	278	2,955	14,744	15,576	202,934
Louisiana	5,071	401,191	225	2,567	14,995	15,457	332,350
Maine	2,445	161,995	136	1,419	5,191	9,362	87,737
Maryland	13,131	532,175	798	6,424	9,923	27,122	429,865
Massachusetts	24,486	693,173	1,139	11,513	10,012	40,495	432,172
Michigan	13,328	879,883	508	6,454	27,399	42,209	535,577
Minnesota	7,408	601,430	999	7,798	37,193	33,869	331,802
Mississippi	2,311	216,639	97	1,318	10,803	10,784	158,325
Missouri	10,633	612,227	442	5,453	24,278	32,540	322,147
Montana	1,303	158,244	126	1,296	7,564	8,432	98,753
Nebraska	2,604	216,303	233	2,367	20,766	11,877	104,462
Nevada	3,991	222,711	167	2,134	6,934	7,331	232,349
New Hampshire	3,437	141,994	120	1,833	3,856	8,165	83,954
New Jersey	19,988	967,880	1,842	11,961	18,807	103,284	650,739
New Mexico	2,258	168,074	124	1,381	5,918	8,376	127,956
New York	38,527	2,270,086	3,422	27,173	23,976	89,008	1,328,203
North Carolina	9,494	836,229	737	6,736	26,600	39,005	546,906
North Dakota	816	99,695	93	1,466	15,575	5,097	46,271
Ohio	16,644	936,986	959	9,680	34,094	60,846	641,520
Oklahoma	6,667	361,322	317	2,485	11,142	15,403	286,878
Oregon	5,503	431,365	451	3,724	11,802	21,865	308,722
Pennsylvania	20,897	1,147,970	1,209	13,232	33,440	70,482	661,715
Rhode Island	2,561	113,777	182	1,029	1,735	9,458	62,859
South Carolina	4,284	382,734	303	3,557	12,194	15,723	256,291
South Dakota	2,167	110,688	130	1,408	14,373	5,885	58,877
Tennessee	9,611	465,720	505	4,211	17,895	22,356	321,577
Texas	63,499	2,027,974	1,657	22,870	74,000	84,040	2,126,636
Utah	2,728	295,758	123	1,527	6,812	8,963	228,132
Vermont	1,896	90,086	39	674	2,885	5,842	42,258
Virginia	13,165	734,868	699	7,418	16,758	37,083	514,236
Washington	11,846	714,350	551	6,755	22,204	31,661	551,479
West Virginia	1,623	135,708	73	900	4,909	8,468	67,126
Wisconsin	10,113	548,600	529	6,475	25,410	31,261	283,380
Wyoming	2,003	86,666	62	1,095	3,784	4,181	55,023
Puerto Rico	49	210,097	30	91	77	1,219	22,529
Other [10]	452	27,960	669	1,882	6,206	1,127	528,572

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2013—Continued**Footnotes**

- [1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). See Table 13 for information on tax-exempt bond returns. See Tables 13 and 23 for information on employee retirement benefit plans. See Table 14 for data on information returns.
- [2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political organizations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.
- Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.
- [3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-C (income tax return for departing aliens); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-NR (nonresident alien income tax return); 1040NR-EZ (income tax return for certain nonresident aliens with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.
- [4] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's annual tax return); 944-PR/SS (employer's annual tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.
- [5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens).
- [6] The American Taxpayer Relief Act (ATRA) of 2012 extended the \$5 million gift tax exemption level that was established under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The ATRA extended portability rules related to the passing of an exemption amount from a decedent to a surviving spouse and indexed the exemption amount to inflation. These tax law changes may have encouraged increased gift tax filings both in Fiscal Years 2012 and 2013.
- [7] Includes 11-C (occupational tax and registration for wagering return); Forms 720 (excise tax return); 730 (excise tax return for wagering); 2290 (heavy highway vehicle use tax return); and 5330 (excise taxes related to employee retirement benefit plans return). Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Form 4720 (excise tax return of charities and other persons) is included with Tax-exempt organizations in this table.
- [8] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.
- [9] Includes Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); 1040-X (amended individual income tax return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT-1X (adjusted railroad retirement tax return).
- [10] Includes U.S. Territories other than Puerto Rico, U.S. Armed Service members overseas, and international.

NOTES:

Detail may not add to totals because of rounding.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more States.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2013

State or area	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax	
					Total individual returns [3]	Online
						Total filed [4]
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	151,114,490	1,091,897	3,152,352	2,541,828	120,983,966	44,011,726
Alabama	2,076,200	10,263	38,913	34,879	1,760,377	569,610
Alaska	368,314	1,471	6,515	4,874	301,261	146,634
Arizona	2,812,385	11,015	44,753	44,055	2,253,826	901,934
Arkansas	1,253,213	6,647	26,594	17,485	1,052,953	322,031
California	17,717,784	152,845	315,453	257,229	13,663,831	3,826,099
Colorado	2,594,783	14,941	78,209	62,720	1,989,158	864,244
Connecticut	1,835,135	10,313	16,927	39,109	1,451,620	513,693
Delaware	464,792	4,298	8,926	10,151	357,254	154,394
District of Columbia	350,183	2,495	3,389	6,335	257,814	117,708
Florida	10,030,761	78,920	384,230	151,846	7,564,335	2,958,439
Georgia	4,595,868	24,973	119,730	68,952	3,677,647	1,418,182
Hawaii	602,823	3,848	6,769	5,583	507,466	187,814
Idaho	713,369	3,704	20,793	19,997	578,941	226,156
Illinois	6,252,971	38,204	140,272	69,594	5,057,039	1,791,439
Indiana	3,023,228	8,232	47,501	30,704	2,633,850	1,055,431
Iowa	1,492,657	11,653	28,978	24,548	1,285,518	371,104
Kansas	1,423,179	10,732	26,312	27,213	1,172,024	424,849
Kentucky	1,877,786	5,765	26,412	21,789	1,636,856	526,912
Louisiana	2,055,411	13,623	38,880	40,365	1,679,828	611,671
Maine	645,845	3,227	14,769	8,463	511,077	218,865
Maryland	2,795,492	16,429	47,389	42,344	2,249,452	910,076
Massachusetts	3,673,238	32,432	80,270	62,174	2,723,186	959,888
Michigan	4,737,333	38,153	103,912	82,170	3,940,271	1,372,013
Minnesota	2,791,574	14,774	72,356	48,166	2,247,780	796,207
Mississippi	1,247,613	6,234	19,470	18,118	1,084,017	355,216
Missouri	2,869,187	15,455	44,774	43,616	2,322,871	855,276
Montana	535,904	5,232	18,722	14,260	416,917	141,444
Nebraska	938,363	7,128	22,656	16,786	782,616	277,208
Nevada	1,350,812	13,189	30,197	33,273	1,062,604	408,665
New Hampshire	692,907	5,025	8,033	10,968	564,133	271,156
New Jersey	4,700,271	36,997	80,711	125,606	3,534,755	926,367
New Mexico	877,849	3,830	12,670	11,791	750,032	302,037
New York	10,771,703	171,587	346,518	235,687	8,061,513	2,015,728
North Carolina	4,250,402	17,460	70,210	47,919	3,619,022	1,374,080
North Dakota	368,563	2,542	8,193	9,172	308,938	99,725
Ohio	5,556,218	28,389	75,929	78,084	4,661,668	1,933,190
Oklahoma	1,711,340	8,307	33,786	27,004	1,393,333	506,312
Oregon	1,870,875	10,688	38,433	32,319	1,450,743	628,679
Pennsylvania	6,127,885	30,098	113,277	95,741	5,050,949	1,948,209
Rhode Island	580,913	3,372	14,327	8,688	435,803	130,601
South Carolina	2,090,809	11,092	43,305	30,844	1,766,982	630,909
South Dakota	448,717	2,910	11,402	11,160	368,914	136,354
Tennessee	2,842,191	16,711	25,538	47,206	2,461,451	1,005,474
Texas	11,682,891	85,349	179,119	225,115	9,406,310	4,001,007
Utah	1,326,368	6,915	43,846	52,037	1,006,082	424,808
Vermont	331,996	2,072	6,801	4,378	266,813	111,548
Virginia	3,831,118	23,871	67,945	51,034	3,155,993	1,486,972
Washington	3,334,530	17,934	68,641	54,477	2,682,495	1,335,001
West Virginia	732,723	2,925	6,386	6,453	662,503	273,050
Wisconsin	2,857,474	22,799	52,724	52,831	2,391,179	901,301
Wyoming	336,756	2,733	10,041	10,344	265,951	115,405
Puerto Rico	81,714	86	97	245	74,246	2,619
Other [10]	582,074	12,010	349	5,927	421,769	167,992

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2013—Continued

State or area	Individual income tax—continued		Estate and trust income tax	Employment taxes [7]	Tax-exempt organizations [8]	Supplemental documents [9]
	Online—continued	Practitioner filed [6]				
	Free File [5]					
	(7)	(8)	(9)	(10)	(11)	(12)
United States, total	2,970,948	76,972,240	2,280,285	8,841,374	799,201	11,423,587
Alabama	39,570	1,190,767	21,242	59,809	11,049	139,668
Alaska	6,678	154,627	2,775	9,803	2,893	38,722
Arizona	55,375	1,351,892	33,540	173,124	10,924	241,148
Arkansas	27,916	730,922	11,939	28,310	7,171	102,114
California	229,071	9,837,732	209,750	1,522,648	71,518	1,524,510
Colorado	50,866	1,124,914	29,486	157,729	14,605	247,935
Connecticut	28,147	937,927	32,342	152,905	10,356	121,563
Delaware	11,755	202,860	15,412	29,900	3,465	35,386
District of Columbia	8,249	140,106	3,722	39,915	7,268	29,245
Florida	150,369	4,605,896	127,462	636,290	35,868	1,051,810
Georgia	103,567	2,259,465	32,399	251,183	19,641	401,343
Hawaii	12,028	319,652	8,361	26,436	3,591	40,769
Idaho	18,708	352,785	6,510	16,974	4,494	61,956
Illinois	118,884	3,265,600	181,015	360,784	32,505	373,558
Indiana	103,210	1,578,419	23,269	121,998	17,410	140,264
Iowa	26,362	914,414	16,882	29,302	19,098	76,678
Kansas	28,127	747,175	20,156	58,104	10,032	98,606
Kentucky	44,857	1,109,944	18,336	61,188	9,235	98,205
Louisiana	37,828	1,068,157	14,669	74,509	9,838	183,699
Maine	13,498	292,212	7,476	48,874	5,932	46,027
Maryland	52,923	1,339,376	31,860	189,765	16,130	202,123
Massachusetts	59,818	1,763,298	118,597	378,150	20,012	258,417
Michigan	116,369	2,568,258	54,090	208,029	26,332	284,376
Minnesota	63,750	1,451,573	31,544	179,300	19,868	177,786
Mississippi	29,902	728,801	7,774	21,245	7,428	83,327
Missouri	69,343	1,467,595	131,578	121,513	19,585	169,795
Montana	11,912	275,473	5,703	12,488	6,068	56,514
Nebraska	18,943	505,408	15,581	28,108	7,769	57,719
Nevada	17,925	653,939	12,596	73,725	4,464	120,764
New Hampshire	13,089	292,977	10,689	48,923	4,837	40,299
New Jersey	47,860	2,608,388	115,587	450,465	19,464	336,686
New Mexico	20,215	447,995	7,276	23,010	5,282	63,958
New York	182,562	6,045,785	246,850	825,886	51,373	832,289
North Carolina	97,928	2,244,942	35,056	191,971	21,529	247,235
North Dakota	9,090	209,213	4,330	8,272	3,357	23,759
Ohio	142,509	2,728,478	94,834	262,421	37,113	317,780
Oklahoma	44,198	887,021	19,547	65,556	9,460	154,347
Oregon	50,948	822,064	25,476	130,718	13,156	169,342
Pennsylvania	125,816	3,102,740	110,276	371,921	35,555	320,068
Rhode Island	9,655	305,202	24,209	61,236	3,197	30,081
South Carolina	58,670	1,136,073	14,948	78,589	9,528	135,521
South Dakota	8,116	232,560	10,489	6,828	4,111	32,903
Tennessee	64,554	1,455,977	26,345	92,746	13,519	158,675
Texas	192,942	5,405,303	147,799	531,714	51,879	1,055,606
Utah	24,751	581,274	11,570	67,005	5,262	133,651
Vermont	10,356	155,265	4,674	25,322	3,505	18,431
Virginia	117,970	1,669,021	49,737	206,107	22,426	254,005
Washington	69,747	1,347,494	43,188	159,484	20,313	287,998
West Virginia	24,480	389,453	8,735	12,021	5,261	28,439
Wisconsin	69,936	1,489,878	36,067	125,078	20,934	155,862
Wyoming	4,835	150,546	5,499	7,051	2,873	32,264
Puerto Rico	1,047	71,627	94	3,679	358	2,909
Other [10]	23,724	253,777	944	13,263	360	127,452

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2013—Continued**Footnotes**

- [1] Excludes returns that do not have the option of filing electronically; information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). Also excludes excise tax returns (Forms 720 and 2290), which together totaled 197,762.
- [2] Includes Forms 1120 (corporation income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); and 1120-POL (income tax return for certain political organizations).
- [3] Includes some of the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents).
- [4] Online e-filing is an option that allows taxpayers to prepare and file tax returns using a personal computer. Online returns can be filed through one of two processes: taxpayers either complete a tax return on a Website without downloading any software, or taxpayers purchase and load software onto their personal computers, prepare their returns, and transmit them to the IRS through an online filing company.
- [5] Includes two Free File income tax preparation and electronic filing options: (1) all taxpayers could use Free File Fillable Forms, an electronic version of paper returns that performs simple mathematical calculations; and (2) taxpayers with adjusted gross incomes of \$58,000 or less could prepare and file their taxes using commercial online software provided through a partnership between the Internal Revenue Service and Free File Alliance, LLC, a group of private sector tax software companies. The Free File Fillable Forms and Free File commercial online software were both available through IRS.gov.
- [6] Includes cases in which a taxpayer transmitted the return via an authorized e-file provider, who was, in most cases, also the preparer of the return.
- [7] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 944 (employer's annual tax return).
- [8] Includes some of the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); and 990-PF (private foundation information return). Also includes Form 8872 (political organization report of contributions and expenditures).
- [9] Includes Forms 4868 (automatic filing extension for individuals); 7004 (automatic filing extension for corporations); and 8868 (automatic filing extension for tax-exempt organizations).
- [10] Includes U.S. Territories other than Puerto Rico, U.S. Armed Service members overseas, and international.

NOTES:

Detail may not add to totals because of rounding.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more States.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2013

[Money amounts are in thousands of dollars]

State or area	Total Internal Revenue collections [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax		
			Total	Individual income tax withheld and FICA tax [3]	Individual income tax payments and SECA tax [3]
	(1)	(2)	(3)	(4)	(5)
United States, total [5]	2,855,059,420	311,993,954	2,462,201,645	1,953,745,723	470,353,123
Alabama	23,765,764	1,142,197	22,271,597	18,036,516	4,055,257
Alaska	5,292,703	179,154	5,051,098	3,901,464	1,095,706
Arizona	36,769,050	2,926,319	32,243,988	25,299,403	6,574,499
Arkansas	28,772,265	7,449,802	20,639,385	17,425,814	2,904,659
California	334,424,692	35,639,767	291,105,405	219,867,315	68,136,334
Colorado	46,538,866	5,141,534	40,278,399	31,104,587	8,870,020
Connecticut	53,703,341	6,939,000	45,528,678	33,401,057	10,946,145
Delaware	20,061,828	5,771,419	13,945,979	12,067,872	950,605
District of Columbia	24,464,351	1,625,771	22,755,044	20,188,945	2,115,874
Florida	141,177,993	8,235,208	129,885,828	93,368,450	33,952,358
Georgia	74,301,190	10,396,978	60,616,066	50,306,626	9,704,993
Hawaii	7,139,728	383,103	6,528,499	4,964,710	1,491,985
Idaho	8,669,150	505,957	8,087,693	6,385,593	1,635,771
Illinois	137,067,609	16,206,472	117,313,386	93,595,012	20,721,869
Indiana	50,994,462	3,616,067	46,390,904	39,762,662	6,247,914
Iowa	21,189,459	1,265,814	19,632,675	15,313,842	4,200,992
Kansas	24,728,746	2,659,407	20,372,882	15,761,188	4,110,647
Kentucky	27,744,155	2,282,636	24,956,938	21,354,682	3,393,797
Louisiana	40,184,965	1,510,901	38,109,803	31,803,167	6,086,146
Maine	6,744,654	290,224	6,216,928	4,895,670	1,252,510
Maryland	56,332,485	2,662,637	53,096,524	43,529,895	8,872,780
Massachusetts	90,463,675	5,999,251	82,788,620	66,736,692	15,090,064
Michigan	68,914,818	4,942,077	63,301,625	51,124,689	11,306,533
Minnesota	90,703,773	18,053,508	71,566,356	62,947,174	8,110,161
Mississippi	10,430,224	491,179	9,762,663	7,460,993	2,209,464
Missouri	54,412,418	6,832,392	46,243,246	39,157,678	6,409,029
Montana	4,996,692	188,462	4,742,390	3,286,884	1,391,949
Nebraska	23,801,959	7,730,463	15,894,923	11,814,163	2,828,918
Nevada	15,858,254	879,520	14,672,166	9,787,839	4,416,251
New Hampshire	10,001,989	277,679	9,436,443	7,209,449	1,826,805
New Jersey	128,051,899	19,109,061	105,731,616	88,882,861	15,728,794
New Mexico	8,546,759	201,375	8,102,556	6,154,190	1,867,105
New York	231,879,838	25,433,000	201,727,763	154,693,800	43,698,863
North Carolina	66,102,487	6,967,687	58,671,570	49,682,904	8,484,011
North Dakota	7,561,551	892,267	6,594,938	4,228,020	2,331,127
Ohio	124,730,951	12,141,660	108,539,108	95,493,990	11,808,070
Oklahoma	30,056,818	3,602,573	22,877,910	16,845,034	5,193,092
Oregon	25,715,856	1,674,506	23,688,554	19,111,518	4,412,109
Pennsylvania	120,397,800	11,902,703	105,301,788	88,012,223	16,028,246
Rhode Island	13,011,125	3,269,557	9,649,723	8,194,774	1,247,267
South Carolina	20,445,822	1,174,816	18,913,972	14,938,117	3,827,541
South Dakota	6,317,489	239,288	6,008,613	3,443,279	1,712,668
Tennessee	53,909,218	5,511,839	46,996,421	40,177,676	6,450,452
Texas	249,912,209	33,933,242	195,542,035	146,928,869	44,135,584
Utah	17,657,760	1,526,284	15,476,329	12,190,921	3,134,397
Vermont	4,045,852	320,442	3,669,682	2,815,020	754,383
Virginia	71,365,278	10,514,645	60,246,335	47,610,822	11,375,651
Washington	59,880,170	4,212,838	54,517,613	42,165,916	11,898,590
West Virginia	6,799,408	364,399	6,337,041	5,050,189	1,242,937
Wisconsin	46,380,549	5,016,289	40,697,956	33,034,476	7,092,602
Wyoming	5,305,301	134,181	4,997,869	2,412,056	2,438,596
U.S. Armed Service members overseas and Territories other than Puerto Rico	654,604	26,411	623,015	501,281	109,940
Puerto Rico	3,304,203	66,060	3,235,979	2,876,078	331,669
International	9,373,085	1,434,272	7,550,585	3,983,440	3,548,573
Undistributed [6]	4,002,131	99,664	3,066,544	2,458,233	590,825

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2013—Continued

[Money amounts are in thousands of dollars]

State or area	Individual income tax, employment taxes, and estate and trust income tax—continued			Estate tax	Gift tax [4]	Excise taxes [1]
	Unemployment insurance tax	Railroad retirement tax	Estate and trust income tax			
	(6)	(7)	(8)	(9)	(10)	(11)
United States, total [5]	7,895,992	5,510,733	24,696,073	14,051,771	5,778,377	61,033,674
Alabama	64,450	2,998	112,375	137,594	27,269	187,108
Alaska	12,089	1,812	40,026	10,576	218	51,657
Arizona	132,482	1,674	235,931	123,379	109,249	1,366,115
Arkansas	166,402	3,153	139,357	65,770	8,201	609,107
California	1,087,932	18,706	1,995,118	2,927,159	843,931	3,908,430
Colorado	95,048	14,975	193,769	203,738	102,863	812,332
Connecticut	112,001	5,204	1,064,271	330,025	187,557	718,080
Delaware	31,986	177	895,340	19,478	838	324,113
District of Columbia	14,807	387,953	47,465	48,604	4,798	30,133
Florida	551,857	754,599	1,258,564	1,513,989	576,960	966,008
Georgia	296,538	1,977	305,932	148,464	236,087	2,903,596
Hawaii	16,021	0	55,782	41,803	22,571	163,752
Idaho	34,228	997	31,104	22,909	17,260	35,331
Illinois	288,284	219,980	2,488,240	522,402	248,154	2,777,195
Indiana	200,797	24,417	155,114	150,506	28,831	808,153
Iowa	49,220	5,409	63,214	122,489	26,780	141,701
Kansas	63,204	308,317	129,526	85,720	50,376	1,560,362
Kentucky	112,787	11,429	84,243	298,494	24,394	181,693
Louisiana	69,377	4,018	147,094	158,904	36,043	369,314
Maine	17,112	5,721	45,915	75,269	4,558	157,675
Maryland	110,865	13,184	569,800	212,826	113,921	246,577
Massachusetts	173,020	64,817	724,028	350,074	154,994	1,170,736
Michigan	182,751	76,860	610,792	331,301	85,973	253,843
Minnesota	189,410	93,110	226,501	171,943	104,991	806,976
Mississippi	32,405	1,133	58,669	53,620	8,140	114,621
Missouri	187,875	76,930	411,733	313,648	34,676	988,457
Montana	13,044	24,809	25,705	13,081	8,911	43,848
Nebraska	37,530	1,136,959	77,353	55,771	35,317	85,486
Nevada	73,526	103	394,448	146,142	51,480	108,946
New Hampshire	21,884	64	378,241	58,721	39,812	189,333
New Jersey	315,231	139,401	665,330	326,929	192,097	2,692,196
New Mexico	23,399	77	57,784	39,461	22,091	181,276
New York	563,289	363,944	2,407,868	1,439,069	655,581	2,624,426
North Carolina	269,448	6,634	228,573	162,398	85,075	215,757
North Dakota	14,768	5,723	15,299	27,349	4,854	42,143
Ohio	396,867	21,901	818,279	226,743	103,568	3,719,871
Oklahoma	66,107	2,848	770,828	96,995	29,651	3,449,688
Oregon	71,084	777	93,066	90,734	42,973	219,089
Pennsylvania	280,407	60,116	920,796	499,016	228,801	2,465,492
Rhode Island	40,131	11	167,540	44,800	30,832	16,213
South Carolina	58,642	1,288	88,383	139,018	18,861	199,156
South Dakota	11,263	323	841,080	18,942	15,835	34,810
Tennessee	171,532	2,278	194,483	167,716	24,125	1,209,118
Texas	518,905	789,856	3,168,821	890,069	596,861	18,950,003
Utah	50,551	5,041	95,420	58,987	13,254	582,905
Vermont	12,122	2,432	85,725	31,602	2,342	21,784
Virginia	155,519	831,110	273,232	291,142	109,157	203,999
Washington	157,911	8,754	286,442	168,554	172,939	808,226
West Virginia	16,308	461	27,146	32,787	7,412	57,769
Wisconsin	196,972	4,009	369,896	132,246	27,654	506,404
Wyoming	7,738	768	138,711	53,425	52,295	67,532
U.S. Armed Service members overseas and Territories other than Puerto Rico	4,460	0	7,333	4,489	176	513
Puerto Rico	27,965	-1	268	647	0	1,518
International	9,003	1,447	8,121	77,691	16,710	293,828
Undistributed [6]	17,437	48	0	316,564	130,080	389,279

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2013—Continued**Footnotes**

- [1] Excludes excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.
- [2] Includes taxes on corporation income (Form 1120 series) and on unrelated business income from tax-exempt organizations (Form 990–T).
- [3] Collections of individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). Thus, while aggregate figures that show these amounts separately are presented in Table 1, separate amounts are not available by State.
- [4] The American Taxpayer Relief Act (ATRA) of 2012 extended the \$5 million gift tax exemption level that was established under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The ATRA extended portability rules related to the passing of an exemption amount from a decedent to a surviving spouse and indexed the exemption amount to inflation. These tax law changes may have encouraged increased gifting in Fiscal Year 2012, which is reflected in the Fiscal Year 2013 gift tax collections.
- [5] Excludes credits to taxpayer accounts.
- [6] Includes tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

This table shows gross collections. Gross collections less refunds equals net collections. See Table 1 for refunds and net collections.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year refunds made in Fiscal Year 2013 may result in negative amounts when such adjustments exceed current-year collections. See Table 8 for refund data.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more States.

SOURCE: Chief Financial Officer, Financial Management.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2013

[Money amounts are in thousands of dollars]

Fiscal year	Total Internal Revenue collections [1]	Income taxes				Employment taxes [4]	Estate tax	Gift tax	Excise taxes [5]
		Total	Business income taxes [2]	Individual income tax [3]	Estate and trust income tax [3]				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1960	91,774,803	67,125,126	22,179,414	44,945,711	n.a.	11,158,589	1,439,259	187,089	11,864,741
1961	94,401,086	67,917,941	21,764,940	46,153,001	n.a.	12,502,451	1,745,480	170,912	12,064,302
1962	99,440,839	71,945,305	21,295,711	50,649,594	n.a.	12,708,171	1,796,227	238,960	12,752,176
1963	105,925,395	75,323,714	22,336,134	52,987,581	n.a.	15,004,486	1,971,614	215,843	13,409,737
1964	112,260,257	78,891,218	24,300,863	54,590,354	n.a.	17,002,504	2,110,992	305,312	13,950,232
1965	114,434,634	79,792,016	26,131,334	53,660,683	n.a.	17,104,306	2,454,332	291,201	14,792,779
1966	128,879,961	92,131,794	30,834,243	61,297,552	n.a.	20,256,133	2,646,968	446,954	13,398,112
1967	148,374,815	104,288,420	34,917,825	69,370,595	n.a.	26,958,241	2,728,580	285,826	14,113,748
1968	153,636,838	108,148,565	29,896,520	78,252,045	n.a.	28,085,898	2,710,254	371,725	14,320,396
1969	187,919,560	135,778,052	38,337,646	97,440,406	n.a.	33,068,657	3,136,691	393,373	15,542,787
1970	195,722,096	138,688,568	35,036,983	103,651,585	n.a.	37,449,188	3,241,321	438,755	15,904,264
1971	191,647,198	131,072,374	30,319,953	100,752,421	n.a.	39,918,690	3,352,641	431,642	16,871,851
1972	209,855,737	143,804,732	34,925,546	108,879,186	n.a.	43,714,001	5,126,522	363,447	16,847,036
1973	237,787,204	164,157,315	39,045,309	125,112,006	n.a.	52,081,709	4,338,924	636,938	16,572,318
1974	268,952,254	184,648,094	41,744,444	142,903,650	n.a.	62,093,632	4,659,825	440,849	17,109,853
1975	293,822,726	202,146,097	45,746,660	156,399,437	n.a.	70,140,809	4,312,657	375,421	16,847,741
1976	302,519,792	205,751,753	46,782,956	158,968,797	n.a.	74,202,853	4,875,735	431,730	17,257,720
1976 [6]	75,462,780	49,567,484	9,808,905	39,758,579	n.a.	19,892,041	1,367,935	117,312	4,518,008
1977	358,139,417	246,805,067	60,049,804	186,755,263	n.a.	86,076,316	5,649,460	1,775,866	17,832,707
1978	399,776,389	278,438,289	65,380,145	213,058,144	n.a.	97,291,653	5,242,080	139,419	18,664,949
1979	460,412,185	322,993,733	71,447,876	251,545,857	n.a.	112,849,874	5,344,176	174,899	19,049,504
1980	519,375,273	359,927,392	72,379,610	287,547,782	n.a.	128,330,480	6,282,247	216,134	24,619,021
1981	606,799,103	406,583,302	73,733,156	332,850,146	n.a.	152,885,816	6,694,641	215,745	40,419,598
1982	632,240,506	418,599,768	65,990,832	352,608,936	n.a.	168,717,936	8,035,335	108,038	36,779,428
1983	627,246,793	411,407,523	61,779,556	349,627,967	n.a.	173,847,854	6,077,202	148,675	35,765,538
1984	680,475,229	437,071,049	74,179,370	362,891,679	n.a.	199,210,028	6,024,985	151,682	38,017,486
1985	742,871,541	474,072,327	77,412,769	396,659,558	n.a.	225,214,568	6,303,418	276,284	37,004,944
1986	782,251,812	497,406,391	80,441,620	416,964,771	n.a.	243,978,380	6,814,417	380,538	33,672,086
1987	886,290,590	568,311,471	102,858,985	465,452,486	n.a.	277,000,469	7,164,681	502,989	33,310,980
1988	935,106,594	583,349,120	109,682,554	473,666,566	n.a.	318,038,990	7,348,679	435,766	25,934,040
1989	1,013,322,133	632,746,069	117,014,564	515,731,504	n.a.	345,625,586	8,143,689	829,457	25,977,333
1990	1,056,365,652	650,244,947	110,016,539	540,228,408	n.a.	367,219,321	9,633,736	2,128,202	27,139,445
1991	1,086,851,401	660,475,445	113,598,569	546,876,876	n.a.	384,451,220	10,237,247	1,235,894	30,451,596
1992	1,120,799,558	675,673,952	117,950,796	557,723,156	n.a.	400,080,904	10,411,450	1,067,666	33,565,587
1993	1,176,685,625	717,321,668	131,547,509	585,774,159	n.a.	411,510,516	11,433,495	1,457,470	34,962,476
1994	1,276,466,776	774,023,837	154,204,684	619,819,153	n.a.	443,831,352	13,500,126	2,106,667	43,004,794
1995	1,375,731,835	850,201,510	174,422,173	675,779,337	n.a.	465,405,305	13,326,051	1,818,343	44,980,627
1996	1,486,546,674	934,368,068	189,054,791	745,313,276	n.a.	492,365,178	15,350,591	2,241,226	42,221,611
1997	1,623,272,071	1,029,513,216	204,492,336	825,020,880	n.a.	528,596,833	17,595,484	2,760,917	44,805,621
1998	1,769,408,739	1,141,335,868	213,270,011	928,065,857	n.a.	557,799,193	21,314,933	3,316,029	45,642,716
1999	1,904,151,888	1,218,510,654	216,324,889	1,002,185,765	n.a.	598,669,865	23,627,320	4,758,287	58,585,763
2000	2,096,916,925	1,372,732,596	235,654,894	1,137,077,702	n.a.	639,651,814	25,618,377	4,103,243	54,810,895
2001	2,128,831,182	1,364,941,523	186,731,643	1,178,209,880	n.a.	682,222,895	25,289,663	3,958,253	52,418,848
2002	2,016,627,269	1,249,171,681	211,437,773	1,037,733,908	n.a.	688,077,238	25,532,186	1,709,329	52,136,835
2003	1,952,929,045	1,181,355,176	194,146,298	987,208,878	n.a.	695,975,801	20,887,883	1,939,025	52,771,160
2004	2,018,502,103	1,220,868,119	230,619,359	990,248,760	n.a.	717,247,296	24,130,143	1,449,319	54,807,225
2005	2,268,895,122	1,414,595,831	307,094,837	1,107,500,994	n.a.	771,441,662	23,565,164	2,040,367	57,252,098
2006	2,518,680,230	1,617,183,944	380,924,573	1,236,259,371	n.a.	814,819,218	26,717,493	1,970,032	57,989,543
2007	2,691,537,557	1,761,777,263	395,535,825	1,366,241,437	n.a.	849,732,729	24,557,815	2,420,138	53,049,612
2008	2,745,035,410	1,780,306,008	354,315,825	1,400,405,178	25,585,005	883,197,626	26,543,433	3,280,502	51,707,840
2009	2,345,337,177	1,415,864,347	225,481,588	1,175,421,788	14,960,969	858,163,864	21,583,131	3,094,191	46,631,646
2010	2,345,055,978	1,453,926,748	277,937,220	1,163,687,589	12,301,939	824,188,337	16,930,741	2,820,095	47,190,057
2011	2,414,952,112	1,589,030,349	242,848,122	1,331,160,469	15,021,758	767,504,822	[7] 2,506,991	6,572,384	49,337,563
2012	2,524,320,134	1,669,298,095	281,461,580	1,371,402,290	16,434,225	784,396,853	12,340,655	2,109,594	56,174,937
2013	2,855,059,420	1,876,348,448	311,993,954	1,539,658,421	24,696,073	897,847,151	14,051,771	[8] 5,778,377	61,033,674

Footnotes on next page.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2013—Continued**Footnotes**

n.a.—Not available. See footnote 3 below.

- [1] Beginning with Fiscal Year 2009, credits to taxpayer accounts are excluded.
- [2] Includes taxes on corporation income (Form 1120 series) and on unrelated business income from tax-exempt organizations (Form 990–T).
- [3] Income tax reported for estates and trusts is included in individual income tax in Fiscal Years 1960–2007. Beginning with Fiscal Year 2008, estate and trust income tax is reported separately.
- [4] Includes taxes for Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI); unemployment insurance under the Federal Unemployment Tax Act (FUTA); and railroad retirement under the Railroad Retirement Tax Act (RRTA).
- [5] Excludes excise taxes collected by the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. The Internal Revenue Service collected taxes on alcohol and tobacco until Fiscal Year 1988, and taxes on firearms until Fiscal Year 1991.
- [6] Represents fiscal-year transitional period, July 1976 through September 1976, resulting from redefinition of the term “fiscal year.” Fiscal Year 1976 covered July 1975 through June 1976 (earlier years were similarly defined). Fiscal Year 1977 covered October 1976 through September 1977 (subsequent years are similarly defined).
- [7] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011 relative to other fiscal years.
- [8] The American Taxpayer Relief Act (ATRA) of 2012 extended the \$5 million gift tax exemption level that was established under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The ATRA extended portability rules related to the passing of an exemption amount from a decedent to a surviving spouse and indexed the exemption amount to inflation. These tax law changes may have encouraged increased gifting in Fiscal Year 2012, which is reflected in the Fiscal Year 2013 gift tax collections.

NOTES:

Detail may not add to totals because of rounding.

All money amounts are in current dollars.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

This table shows gross collections. Gross collections less refunds equals net collections. See Table 1 for data on refunds and net collections.

SOURCE: Chief Financial Officer, Financial Management.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2013

State or area	Total Internal Revenue refunds [1, 2]	Business income taxes [3]	Individual income tax, estate and trust income tax, and employment taxes			Estate tax	Gift tax	Excise taxes [1]
			Individual income tax	Estate and trust income tax	Employment taxes [4]			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [5]	120,947,907	397,804	118,533,110	198,950	1,720,194	4,839	2,380	90,630
Alabama	1,754,192	3,941	1,722,193	1,900	24,909	38	17	1,194
Alaska	301,987	953	293,579	378	6,719	d	d	355
Arizona	2,214,980	5,657	2,177,987	3,167	26,821	62	19	1,267
Arkansas	1,028,055	3,018	1,006,166	946	17,100	19	11	795
California	13,432,270	48,847	13,177,479	21,612	174,529	883	350	8,570
Colorado	1,940,227	6,540	1,896,921	3,133	32,191	85	30	1,327
Connecticut	1,439,951	4,406	1,412,424	3,696	18,300	98	45	982
Delaware	366,940	1,703	357,967	2,065	4,697	d	d	487
District of Columbia	273,072	1,220	266,581	586	4,395	21	14	255
Florida	7,872,556	24,367	7,715,516	11,702	115,649	404	268	4,650
Georgia	3,730,435	9,992	3,669,136	3,569	45,480	112	29	2,117
Hawaii	549,605	2,502	537,917	1,264	7,605	d	d	293
Idaho	552,207	2,003	536,512	534	12,558	15	13	572
Illinois	5,201,603	16,870	5,094,033	15,381	70,365	205	81	4,668
Indiana	2,608,916	6,261	2,569,634	2,395	28,788	42	28	1,768
Iowa	1,163,420	6,565	1,135,939	1,156	18,131	29	18	1,582
Kansas	1,073,979	5,280	1,048,235	1,637	17,813	33	11	970
Kentucky	1,622,983	3,789	1,596,996	1,561	19,559	38	22	1,018
Louisiana	1,737,988	5,313	1,699,118	1,577	30,575	69	26	1,310
Maine	523,454	2,137	512,861	827	6,932	18	11	668
Maryland	2,351,212	7,026	2,308,895	4,329	29,672	89	35	1,166
Massachusetts	2,676,806	8,064	2,625,887	9,309	31,409	156	81	1,900
Michigan	3,862,243	13,273	3,783,778	6,015	56,549	92	53	2,483
Minnesota	2,099,864	9,386	2,054,969	2,834	30,021	53	43	2,558
Mississippi	1,100,596	3,188	1,077,939	684	17,895	23	10	857
Missouri	2,266,558	8,138	2,221,064	3,854	31,416	70	24	1,992
Montana	381,165	3,108	367,706	496	9,271	7	7	570
Nebraska	716,946	3,724	698,273	949	12,935	18	6	1,041
Nevada	1,088,224	3,796	1,069,175	1,415	13,151	38	16	633
New Hampshire	569,225	1,955	557,421	1,343	7,978	14	13	501
New Jersey	3,553,819	10,912	3,486,458	7,317	46,570	146	81	2,335
New Mexico	755,686	2,127	740,446	815	11,830	25	6	437
New York	7,845,744	25,860	7,687,010	13,506	113,731	498	366	4,773
North Carolina	3,521,885	9,949	3,461,951	3,895	43,474	99	31	2,486
North Dakota	277,695	1,660	268,502	291	6,631	8	4	599
Ohio	4,686,897	13,515	4,615,184	7,718	46,947	101	43	3,389
Oklahoma	1,341,608	4,588	1,309,880	1,995	23,934	41	11	1,159
Oregon	1,389,336	5,779	1,358,330	2,246	21,758	61	20	1,142
Pennsylvania	5,212,782	14,362	5,117,212	9,900	66,098	149	82	4,979
Rhode Island	440,396	1,174	432,260	2,413	3,745	24	5	775
South Carolina	1,711,454	4,054	1,680,851	1,522	23,792	25	28	1,182
South Dakota	337,501	2,052	326,597	1,046	7,273	7	3	523
Tennessee	2,495,157	5,546	2,448,667	2,879	36,356	57	24	1,628
Texas	9,860,668	31,294	9,638,930	17,917	163,848	311	173	8,195
Utah	994,443	3,114	973,162	985	16,523	27	6	626
Vermont	262,180	1,268	255,205	495	4,883	15	10	304
Virginia	3,181,070	9,893	3,119,488	4,728	44,759	123	52	2,027
Washington	2,685,357	8,713	2,622,703	4,376	47,750	98	77	1,640
West Virginia	689,607	1,793	676,119	621	10,501	7	3	563
Wisconsin	2,279,258	9,431	2,237,178	3,043	27,476	51	24	2,055
Wyoming	254,165	1,424	245,407	487	6,506	12	11	318
U.S. Armed Service members overseas and Territories other than Puerto Rico	170,712	71	d	18	d	d	0	48
Puerto Rico	159,683	344	142,525	23	16,759	6	0	26
International	335,742	5,859	325,997	400	2,407	173	34	872
Undistributed [6]	3,403	0	d	0	d	d	0	0
Child tax credit [7]	16,983,152	N/A	16,983,152	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [7]	23,998,517	N/A	23,998,517	N/A	N/A	N/A	N/A	N/A

Footnotes on next page.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Excludes refunds of excise taxes paid from the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law.

[3] Includes refunds of taxes on corporation income (Form 1120 series) and on unrelated business income from tax-exempt organizations (Form 990–T).

[4] Includes refunds on self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[5] Excludes credits to taxpayer accounts.

[6] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.

[7] Reflects refundable portions of credits only. Shown separately for information purposes. Counts are included in the State figures and U.S. totals.

NOTE:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more States.

SOURCE: Chief Financial Officer, Financial Management.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2013

[Money amounts are in thousands of dollars]

State or area	Total Internal Revenue refunds [1, 2]	Business income taxes [3]	Individual income tax, estate and trust income tax, and employment taxes			Estate tax	Gift tax	Excise taxes [1]
			Individual income tax [4]	Estate and trust income tax	Employment taxes [5]			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
United States, total [6]	364,353,723	41,569,223	312,775,138	1,448,544	6,375,725	963,243	84,086	1,137,764
Alabama	4,996,886	256,452	4,681,802	9,176	36,515	8,831	923	3,185
Alaska	815,732	45,265	757,286	3,830	6,502	d	d	1,707
Arizona	5,872,630	227,229	5,544,188	14,139	58,558	6,362	314	21,839
Arkansas	2,796,827	104,496	2,633,271	6,722	48,650	1,580	387	1,722
California	42,506,582	6,167,744	35,531,329	119,311	439,358	114,919	11,394	122,527
Colorado	5,515,459	698,798	4,742,826	15,260	32,011	6,469	1,490	18,605
Connecticut	4,947,589	714,714	4,106,072	21,944	71,649	9,820	1,369	22,023
Delaware	1,981,695	997,461	891,453	48,983	35,068	d	d	1,029
District of Columbia	907,226	120,379	724,935	2,824	55,472	3,051	205	360
Florida	21,892,549	861,481	20,709,810	78,984	128,733	82,708	5,913	24,920
Georgia	10,616,541	608,532	9,800,032	24,178	101,477	44,017	1,378	36,927
Hawaii	1,474,782	112,278	1,342,573	7,621	8,011	d	d	1,347
Idaho	1,374,420	47,337	1,270,652	5,310	47,009	1,093	1,111	1,907
Illinois	17,195,909	2,471,960	14,205,975	156,450	273,229	26,653	1,642	60,000
Indiana	7,491,775	900,774	6,447,502	14,798	104,028	422	259	23,992
Iowa	3,285,927	473,434	2,737,705	3,421	62,491	2,615	147	6,114
Kansas	2,879,331	196,421	2,592,176	7,065	66,848	1,577	182	15,061
Kentucky	4,367,059	199,545	4,091,772	9,077	50,550	5,942	4,949	5,224
Louisiana	5,144,338	248,896	4,833,300	14,104	36,001	8,238	1,488	2,311
Maine	1,228,906	80,272	1,133,980	3,059	7,833	750	1,467	1,545
Maryland	7,521,222	1,133,256	6,206,244	41,455	135,601	5,857	662	-1,853
Massachusetts	7,844,372	672,084	6,876,934	53,586	214,121	12,391	3,091	12,164
Michigan	10,404,838	1,053,114	9,095,241	33,494	202,348	6,772	129	13,740
Minnesota	6,072,960	1,184,792	4,778,461	14,719	37,298	10,513	1,601	45,576
Mississippi	3,134,644	84,954	3,015,403	3,458	24,284	4,345	157	2,042
Missouri	6,273,284	599,041	5,500,794	18,729	130,016	14,250	283	10,172
Montana	840,342	19,494	811,652	1,443	4,945	266	33	2,510
Nebraska	2,061,203	228,005	1,677,352	4,627	124,163	1,067	7	25,983
Nevada	3,017,600	134,082	2,827,908	25,915	15,910	6,033	265	7,487
New Hampshire	1,424,558	47,733	1,347,100	4,000	17,024	1,552	160	6,990
New Jersey	13,439,129	2,368,497	10,108,843	51,263	852,997	28,669	4,331	24,529
New Mexico	2,076,383	120,111	1,871,385	2,812	63,571	2,200	294	16,009
New York	27,565,882	4,116,214	22,232,844	132,510	932,099	55,963	8,314	87,939
North Carolina	9,483,951	590,747	8,680,114	26,744	168,864	11,788	658	5,035
North Dakota	677,031	32,575	632,906	1,326	7,345	314	139	2,427
Ohio	12,581,540	1,198,420	11,071,802	34,411	201,681	6,254	953	68,019
Oklahoma	4,337,215	696,198	3,462,169	16,028	79,331	2,301	170	81,018
Oregon	3,466,356	277,361	3,075,180	8,602	83,109	10,244	1,226	10,634
Pennsylvania	14,796,648	1,584,059	12,732,198	49,280	398,775	11,914	2,122	18,299
Rhode Island	1,157,658	45,136	1,074,414	8,346	25,396	3,351	1	1,015
South Carolina	4,474,815	230,415	4,152,823	15,914	68,657	3,366	108	3,532
South Dakota	855,505	34,373	761,955	50,307	5,851	414	865	1,741
Tennessee	7,184,824	601,821	6,400,754	18,322	108,812	3,984	173	50,958
Texas	35,089,128	5,665,917	28,269,051	176,671	423,146	381,686	14,429	158,227
Utah	2,960,488	312,048	2,598,700	4,072	25,145	1,993	52	18,478
Vermont	675,605	93,030	560,491	1,629	16,024	1,086	17	3,328
Virginia	9,166,425	690,438	8,249,252	24,246	181,827	9,841	866	9,955
Washington	7,267,212	550,969	6,607,837	26,246	51,078	16,818	5,144	9,120
West Virginia	1,754,068	28,734	1,696,387	2,024	25,281	292	0	1,350
Wisconsin	5,842,737	681,985	5,077,112	16,006	44,012	3,889	2,743	16,989
Wyoming	671,377	15,130	634,816	11,292	4,034	2,135	188	3,782
U.S. Armed Service members overseas and Territories other than Puerto Rico	487,820	108	d	3	d	d	0	2,846
Puerto Rico	244,063	7,536	228,144	52	7,908	226	0	197
International	1,626,224	546,193	1,026,087	2,752	30,244	4,639	275	16,034
Undistributed [7]	584,451	391,186	d	0	d	3	0	29,147
Child tax credit [8]	21,607,896	N/A	21,607,896	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [8]	57,512,620	N/A	57,512,620	N/A	N/A	N/A	N/A	N/A

Footnotes on next page.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Excludes refunds of excise taxes paid from the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Also includes \$2.8 billion in interest, of which \$0.8 billion was paid to corporations and \$2.0 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).

[3] Includes refunds of taxes on corporation income (Form 1120) and on unrelated business income from tax-exempt organizations (Form 990-T).

[4] The average individual income tax refund (based on Forms 1040, 1040-A, and 1040-EZ) was \$2,725.

[5] Includes refunds of self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[6] Excludes credits to taxpayer accounts.

[7] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

[8] Reflects refundable portions of credits only. Shown separately for information purposes. Refund amounts are included in the State figures and U.S. totals.

NOTES:

Detail may not add to totals because of rounding.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year.

Adjustments to prior-year returns made in Fiscal Year 2013 may result in negative amounts when such adjustments exceed current-year refunds. See Table 5 for collections data.

Classification by State is based on the individual's address (or in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more States.

SOURCE: Chief Financial Officer, Financial Management.



Enforcement: Examinations

Enforcement of the tax laws is an integral component of the IRS's mission. IRS enforcement activities, such as examination and collection, focus on elements of the tax gap which are a high priority for the IRS.

The IRS accepts most Federal tax returns as filed. However, it examines (or audits) some returns to determine if income, expenses, and credits are being reported accurately. Some examinations are handled entirely by mail, while others are conducted in a taxpayer's home, or place of business, or at an IRS office, or office of an attorney, accountant, or enrolled agent. The IRS enforces the tax law in a number of ways. For individual taxpayers, some of the more common methods may include:

- conducting an examination by mail (correspondence examination); or
- conducting a face-to-face audit (field examination).

The data in this section deal with correspondence and field examinations. The following section will detail:

- sending a notice to a taxpayer because the IRS has an information return that indicates a taxpayer has income, but has not filed a tax return;
- rectifying a taxpayer error by using IRS's authority to correct math errors and related problems on a return, as filed;
- informing a taxpayer that income was not recorded on his/her tax return.

Tables 9a through 12 provide information about examinations of most types of tax returns. Table 9a provides an overview of all examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. During Fiscal Year (FY) 2013, the IRS examined 0.8 percent of all returns filed in Calendar Year (CY) 2012, some 1.0 percent of all individual income tax returns filed in CY 2012, and 1.4 percent of corporation income tax returns (excluding S corporation returns). Table 9b shows examinations of individual income tax returns by size of adjusted gross income (AGI). Overall, in FY 2013, individual income tax returns in higher AGI classes were more likely to be examined than returns in lower AGI classes.

Table 10 provides additional information about those examinations in which the taxpayer did not agree with the IRS examiner's determination. Table 11 provides information on examinations that prevented the payment of refunds based on fraudulent claims. Table 12 shows the number of examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. Of the 1.4 million examinations of individual income tax returns, over 39,000 resulted in additional refunds of \$942 million.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, employee retirement plans, Government entities, and tax-exempt bonds. These organizations generally do not owe Federal income tax. However, tax-exempt organizations may owe additional payroll taxes, unrelated business income tax, or excise taxes. In addition, changes to exempt organization returns may lead to adjustments on related taxable returns. Examinations of related returns are also included in Table 13 (and excluded from Tables 9a through 12). The IRS processed 771,675 returns of tax-exempt organizations in CY 2012 and examined 10,575 tax-exempt organization and related returns in FY 2013.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013

Type and size of return	All returns filed in Calendar Year 2012 [1, 2]	Returns examined in Fiscal Year 2013 [1]			
		Total	Percentage covered	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)
United States, total	189,858,832	1,558,057	0.8	466,093	1,091,964
Taxable returns:					
▶ Individual income tax returns, total	145,819,388	[5] 1,404,931	1.0	344,152	1,060,779
▷ Returns with total positive income under \$200,000 [7]:					
▶ Nonbusiness returns without Earned Income Tax Credit:					
Without Schedules C, E, F, or Form 2106 [8]	80,379,002	313,337	0.4	47,436	265,901
With Schedule E or Form 2106 [9]	15,894,823	151,108	1.0	51,282	99,826
▶ Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [10]:					
Under \$25,000	10,418,860	106,776	1.0	44,878	61,898
\$25,000 under \$100,000	3,037,025	71,090	2.3	38,227	32,863
\$100,000 under \$200,000	845,266	25,346	3.0	19,501	5,845
\$200,000 or more	645,431	17,405	2.7	16,312	1,093
Farm returns	1,332,287	5,044	0.4	3,271	1,773
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:					
Under \$25,000	26,036,947	[12] 516,902	2.0	31,352	485,550
\$25,000 or more	1,729,747	[12] 21,660	1.3	14,959	6,701
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:					
Nonbusiness returns	3,432,756	84,702	2.5	29,707	54,995
Business returns	1,485,662	47,836	3.2	24,642	23,194
▷ Returns with total positive income of \$1,000,000 or more [7]	363,386	39,421	10.8	19,167	20,254
▷ International returns [13]	218,196	4,304	2.0	3,418	886
▶ Corporation income tax returns, except Form 1120-S, total [14]	1,957,278	28,235	1.4	25,997	2,238
▷ Returns other than Forms 1120-C and 1120-F [15]:					
▶ Small corporations [16]	1,849,758	17,604	1.0	15,907	1,697
No balance sheet returns	420,497	3,249	0.8	2,540	709
Balance sheet returns by size of total assets:					
Under \$250,000	925,001	7,442	0.8	6,869	573
\$250,000 under \$1,000,000	313,104	4,060	1.3	3,879	181
\$1,000,000 under \$5,000,000	162,083	2,271	1.4	2,107	164
\$5,000,000 under \$10,000,000	29,073	582	2.0	512	70
▶ Large corporations [17]	62,347	9,876	15.8	9,446	430
Balance sheet returns by size of total assets:					
\$10,000,000 under \$50,000,000	32,103	2,240	7.0	2,131	109
\$50,000,000 under \$100,000,000	7,778	1,206	15.5	1,165	41
\$100,000,000 under \$250,000,000	8,178	1,589	19.4	1,540	49
\$250,000,000 under \$500,000,000	4,788	1,079	22.5	1,025	54
\$500,000,000 under \$1,000,000,000	3,544	976	27.5	937	39
\$1,000,000,000 under \$5,000,000,000	4,269	1,624	38.0	1,554	70
\$5,000,000,000 under \$20,000,000,000	1,243	757	60.9	711	46
\$20,000,000,000 or more	444	405	91.2	383	22
▷ Form 1120-C returns [15]	8,849	115	1.3	115	0
▷ Form 1120-F returns [15]	36,324	640	1.8	529	111
▶ Estate and trust income tax returns [18]	3,047,673	4,501	0.1	708	3,793
▶ Estate tax returns, total [19]	28,061	3,250	11.6	3,250	0
▷ Size of gross estate:					
Under \$5,000,000	19,366	989	5.1	989	0
\$5,000,000 under \$10,000,000	6,002	1,422	23.7	1,422	0
\$10,000,000 or more	2,693	839	31.2	839	0
▶ Gift tax returns	260,426	2,775	1.1	2,775	0
▶ Employment tax returns	29,692,167	60,801	0.2	46,380	14,421
▶ Excise tax returns	1,027,461	16,509	1.6	14,488	2,021
▶ Other taxable returns [20]	[4]	1,151	[4]	233	918
Nontaxable returns [21]:					
▶ Partnership returns	3,550,071	14,870	0.4	10,743	4,127
▶ S corporation returns [22]	4,476,307	18,670	0.4	17,199	1,471
▶ Other nontaxable returns [23]	[4]	2,364	[4]	168	2,196
Income, estate, and gift tax, and nontaxable returns, total	159,139,204	1,479,596	0.9	404,992	1,074,604

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013—Continued

Type and size of return	Percentage of returns examined with no change		Recommended additional tax (thousands of dollars)	
	Field [3]	Correspondence	Total	Field [3]
	(6)	(7)	(8)	(9)
United States, total	[4]	[4]	37,089,344	28,536,273
Taxable returns:				
► Individual income tax returns, total	9	12	[6] 14,049,657	5,594,361
▷ Returns with total positive income under \$200,000 [7]:				
► Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [8]	7	9	1,671,582	401,547
With Schedule E or Form 2106 [9]	8	15	868,127	489,699
► Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under \$25,000	5	14	587,105	318,418
\$25,000 under \$100,000	8	4	696,660	309,363
\$100,000 under \$200,000	7	8	511,233	344,435
\$200,000 or more	10	41	414,206	410,672
Farm returns	11	47	24,019	21,020
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under \$25,000	7	9	2,286,313	154,085
\$25,000 or more	9	18	265,420	240,527
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:				
Nonbusiness returns	16	45	1,447,899	593,338
Business returns	12	28	1,117,754	655,367
▷ Returns with total positive income of \$1,000,000 or more [7]	23	36	4,126,034	1,624,276
▷ International returns [13]	6	8	33,306	31,614
► Corporation income tax returns, except Form 1120–S, total [14]	27	30	16,690,863	16,637,158
▷ Returns other than Forms 1120–C and 1120–F [15]:				
► Small corporations [16]	28	24	694,103	644,631
No balance sheet returns	14	8	172,523	162,455
Balance sheet returns by size of total assets:				
Under \$250,000	29	32	162,040	149,238
\$250,000 under \$1,000,000	31	53	115,270	107,934
\$1,000,000 under \$5,000,000	33	34	202,348	184,738
\$5,000,000 under \$10,000,000	39	36	41,922	40,266
► Large corporations [17]	26	49	15,517,249	15,514,441
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	33	32	262,414	262,070
\$50,000,000 under \$100,000,000	35	56	134,996	134,684
\$100,000,000 under \$250,000,000	32	37	307,109	306,970
\$250,000,000 under \$500,000,000	24	70	190,781	190,773
\$500,000,000 under \$1,000,000,000	21	49	232,007	231,440
\$1,000,000,000 under \$5,000,000,000	16	57	2,278,448	2,277,893
\$5,000,000,000 under \$20,000,000,000	15	52	3,493,868	3,493,062
\$20,000,000,000 or more	7	64	8,617,626	8,617,549
▷ Form 1120–C returns [15]	4	N/A	4,177	4,177
▷ Form 1120–F returns [15]	51	42	475,334	473,909
► Estate and trust income tax returns [18]	11	54	145,502	127,885
► Estate tax returns, total [19]	25	N/A	3,295,992	3,295,992
▷ Size of gross estate:				
Under \$5,000,000	25	N/A	82,943	82,943
\$5,000,000 under \$10,000,000	31	N/A	131,492	131,492
\$10,000,000 or more	17	N/A	3,081,557	3,081,557
► Gift tax returns	38	N/A	1,228,034	1,228,034
► Employment tax returns	17	15	1,014,263	992,826
► Excise tax returns	24	58	644,933	642,914
► Other taxable returns [20]	9	42	20,100	17,103
Nontaxable returns [21]:				
► Partnership returns	47	36	N/A	N/A
► S corporation returns [22]	31	50	N/A	N/A
► Other nontaxable returns [23]	34	39	N/A	N/A
Income, estate, and gift tax, and nontaxable returns, total	13	13	35,410,048	26,883,430

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013—Continued

Type and size of return	Recommended additional tax (thousands of dollars)—continued		Average recommended additional tax per return (dollars)	
	Correspondence		Field [3]	Correspondence
	(10)	(11)	(12)	
United States, total	8,553,072	[4]	[4]	
Taxable returns:				
▶ Individual income tax returns, total	8,455,298	16,255	7,971	
▷ Returns with total positive income under \$200,000 [7]:				
▶ Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [8]	1,270,035	8,465	4,776	
With Schedule E or Form 2106 [9]	378,428	9,549	3,791	
▶ Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under \$25,000	268,687	7,095	4,341	
\$25,000 under \$100,000	387,297	8,093	11,785	
\$100,000 under \$200,000	166,798	17,662	28,537	
\$200,000 or more	3,534	25,176	3,233	
Farm returns	2,999	6,426	1,691	
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under \$25,000	2,132,229	4,915	4,391	
\$25,000 or more	24,893	16,079	3,715	
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:				
Nonbusiness returns	854,561	19,973	15,539	
Business returns	462,387	26,596	19,936	
▷ Returns with total positive income of \$1,000,000 or more [7]	2,501,758	84,743	123,519	
▷ International returns [13]	1,692	9,249	1,910	
▶ Corporation income tax returns, except Form 1120–S, total [14]	53,705	639,965	23,997	
▷ Returns other than Forms 1120–C and 1120–F [15]:				
▶ Small corporations [16]	49,472	40,525	29,153	
No balance sheet returns	10,068	63,959	14,200	
Balance sheet returns by size of total assets:				
Under \$250,000	12,802	21,726	22,342	
\$250,000 under \$1,000,000	7,336	27,825	40,530	
\$1,000,000 under \$5,000,000	17,610	87,678	107,378	
\$5,000,000 under \$10,000,000	1,656	78,645	23,657	
▶ Large corporations [17]	2,808	1,642,435	6,530	
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	344	122,980	3,156	
\$50,000,000 under \$100,000,000	312	115,609	7,610	
\$100,000,000 under \$250,000,000	139	199,331	2,837	
\$250,000,000 under \$500,000,000	8	186,120	148	
\$500,000,000 under \$1,000,000,000	567	247,001	14,538	
\$1,000,000,000 under \$5,000,000,000	555	1,465,826	7,929	
\$5,000,000,000 under \$20,000,000,000	806	4,912,886	17,522	
\$20,000,000,000 or more	77	22,500,128	3,500	
▷ Form 1120–C returns [15]	N/A	36,322	N/A	
▷ Form 1120–F returns [15]	1,425	895,858	12,838	
▶ Estate and trust income tax returns [18]	17,617	180,629	4,645	
▶ Estate tax returns, total [19]	N/A	1,014,151	N/A	
▷ Size of gross estate:				
Under \$5,000,000	N/A	83,866	N/A	
\$5,000,000 under \$10,000,000	N/A	92,470	N/A	
\$10,000,000 or more	N/A	3,672,893	N/A	
▶ Gift tax returns	N/A	442,535	N/A	
▶ Employment tax returns	21,437	21,406	1,487	
▶ Excise tax returns	2,019	44,376	999	
▶ Other taxable returns [20]	2,997	73,404	3,265	
Nontaxable returns [21]:				
▶ Partnership returns	N/A	N/A	N/A	
▶ S corporation returns [22]	N/A	N/A	N/A	
▶ Other nontaxable returns [23]	N/A	N/A	N/A	
Income, estate, and gift tax, and nontaxable returns, total	8,526,619	[4]	[4]	

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013—Continued**Footnotes**

N/A—Not applicable.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations, Government entities, employee retirement benefit plans, and tax-exempt bonds; and excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Calendar Year 2012 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.
- [3] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [4] Not tabulated.
- [5] Includes a total of 483,070 returns selected for examination on the basis of an Earned Income Tax Credit (EITC) claim.
- [6] Includes a total of \$2,113,731,000 in recommended additional tax (including an Earned Income Tax Credit) on returns selected for examination on the basis of an EITC claim.
- [7] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [8] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [9] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [10] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [11] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [12] Includes returns with an Earned Income Tax Credit (EITC) claim. These returns were selected on the basis of an EITC claim or on other selected criteria.
- [13] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [14] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 20.
- [15] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [16] Includes returns with assets of less than \$10 million.
- [17] Includes returns with assets of \$10 million or more.
- [18] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [19] Includes Form 706 (estate and generation-skipping transfer tax return).
- [20] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax (see footnote 22); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).
- [21] Nontaxable returns are filed for entities that generally do not have a tax liability, but pass through any profits and losses to the underlying owners who include these profits or losses on their income tax returns. The examination of partnership, S corporation, and other nontaxable returns affects the amount of recommended additional tax for these associated income tax returns.
- [22] Includes most Forms 1120-S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, S corporations are subject to tax and are included in "other taxable returns" in this table. See footnote 20.
- [23] Includes the following nontaxable returns: Form 1120-IC-DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and Trust income tax returns for taxable Forms 1041.

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations of all individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, as well as partnership, S corporation, and other nontaxable returns.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2013

Size of adjusted gross income [1]	Returns filed in Calendar Year 2012 (percent of total) [2]	Examination coverage in Fiscal Year 2013 (percent) [3]
All returns [4]	100.00	0.96
No adjusted gross income [5]	2.08	6.04
\$1 under \$25,000	39.91	1.00
\$25,000 under \$50,000	23.55	0.62
\$50,000 under \$75,000	13.02	0.60
\$75,000 under \$100,000	8.12	0.58
\$100,000 under \$200,000	10.09	0.77
\$200,000 under \$500,000	2.60	2.06
\$500,000 under \$1,000,000	0.41	3.79
\$1,000,000 under \$5,000,000	0.19	9.02
\$5,000,000 under \$10,000,000	0.01	15.98
\$10,000,000 or more	0.01	24.16

[1] Adjusted gross income is total income, as defined by the Internal Revenue Code, less statutory adjustments—primarily business, investment, and certain other deductions.

[2] Calendar Year 2012 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2013 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2012 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 135,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the Automated Substitute for Return Program (ASFR), the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table.

[5] Includes returns with adjusted gross income (AGI) of less than zero. AGI may be less than zero when a taxpayer reports losses or statutory adjustments that exceed total income.

NOTES:

Detail may not add to totals because of rounding.

This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined with unagreed recommended additional tax [1]			Amount unagreed		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	38,804	31,622	7,182	16,835,600	16,693,090	142,510
► Individual income tax returns, total	31,763	24,595	7,168	2,022,352	1,880,927	141,425
▷ Returns with total positive income under \$200,000 [3]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	3,599	2,032	1,567	85,464	71,360	14,104
With Schedule E or Form 2106 [5]	4,982	3,544	1,438	126,761	121,726	5,035
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	4,216	3,335	881	71,427	63,297	8,130
\$25,000 under \$100,000	3,250	3,069	181	69,357	68,105	1,252
\$100,000 under \$200,000	1,683	1,621	62	83,480	82,519	961
\$200,000 or more	1,639	1,602	37	124,286	123,934	352
Farm returns	250	237	13	4,463	4,395	68
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	2,720	1,095	1,625	34,885	20,869	14,016
\$25,000 or more	1,488	1,410	78	56,227	55,923	304
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	2,838	2,131	707	258,862	215,724	43,138
Business returns	3,062	2,734	328	246,958	241,257	5,701
▷ Returns with total positive income of \$1,000,000 or more [3]	2,014	d	d	839,687	d	d
▷ International returns [8]	22	d	d	20,495	d	d
► Corporation income tax returns, except Form 1120–S, total [9]	2,272	d	d	9,763,973	d	d
▷ Returns other than Forms 1120–C and 1120–F [10]:						
► Small corporations [11]	1,507	d	d	293,790	d	d
No balance sheet returns	288	288	0	78,328	78,328	0
Balance sheet returns by size of total assets:						
Under \$250,000	568	568	0	45,427	45,427	0
\$250,000 under \$1,000,000	365	365	0	40,556	40,556	0
\$1,000,000 under \$5,000,000	229	d	d	113,478	d	d
\$5,000,000 under \$10,000,000	57	d	d	16,001	d	d
► Large corporations [12]	707	d	d	9,115,375	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	171	d	d	136,659	d	d
\$50,000,000 under \$100,000,000	77	d	d	78,191	d	d
\$100,000,000 under \$250,000,000	71	71	0	117,014	117,014	0
\$250,000,000 under \$500,000,000	35	35	0	93,430	93,430	0
\$500,000,000 under \$1,000,000,000	62	62	0	95,458	95,458	0
\$1,000,000,000 under \$5,000,000,000	143	143	0	1,332,648	1,332,648	0
\$5,000,000,000 under \$20,000,000,000	72	72	0	1,190,346	1,190,346	0
\$20,000,000,000 or more	76	76	0	6,071,629	6,071,629	0
▷ Form 1120–C returns [10]	d	d	0	d	d	0
▷ Form 1120–F returns [10]	d	d	0	d	d	0
► Estate and trust income tax returns [13]	98	86	12	120,689	119,604	1,085
► Estate tax returns, total [14]	158	158	0	2,954,791	2,954,791	0
▷ Size of gross estate:						
Under \$5,000,000	52	52	0	50,383	50,383	0
\$5,000,000 under \$10,000,000	42	42	0	73,477	73,477	0
\$10,000,000 or more	64	64	0	2,830,931	2,830,931	0
► Gift tax returns	264	264	0	1,124,567	1,124,567	0
► Employment tax returns	2,932	2,932	0	338,711	338,711	0
► Excise tax returns	1,311	1,311	0	500,114	500,114	0
► Other taxable returns [15]	6	d	d	10,403	d	d

Footnotes on next page.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals when possible.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations, Government entities, employee retirement benefit plans, and tax-exempt bonds; and excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [8] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 15.
- [10] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [11] Includes returns with assets of less than \$10 million.
- [12] Includes returns with assets of \$10 million or more.
- [13] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [14] Includes Form 706 (estate and generation-skipping transfer tax return).
- [15] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations in which the taxpayer did not agree with the IRS examiner's determination. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation and other nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2013 [1]

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined involving protection of the revenue base [2]			Amount protected		
	Total	Field [3]	Correspondence	Total	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	31,779	14,669	17,110	4,005,401	3,934,515	70,886
► Individual income tax returns, total	27,935	10,828	17,107	404,872	333,990	70,882
▷ Returns with total positive income under \$200,000 [4]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [5]	9,381	1,603	7,778	62,126	32,450	29,676
With Schedule E or Form 2106 [6]	2,849	1,502	1,347	23,147	16,670	6,477
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [7]:						
Under \$25,000	2,375	772	1,603	9,962	4,623	5,339
\$25,000 under \$100,000	1,442	919	523	7,524	5,627	1,897
\$100,000 under \$200,000	728	591	137	5,900	5,200	700
\$200,000 or more	742	657	85	10,969	10,428	541
Farm returns	192	107	85	787	455	332
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [7, 8]:						
Under \$25,000	5,035	358	4,677	22,952	2,145	20,807
\$25,000 or more	535	159	376	2,980	1,237	1,743
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [4]:						
Nonbusiness returns	1,718	1,516	202	25,411	23,723	1,688
Business returns	1,524	1,413	111	22,189	21,351	838
▷ Returns with total positive income of \$1,000,000 or more [4]	1,252	1,226	26	210,618	210,077	541
▷ International returns [9]	162	5	157	307	4	303
► Corporation income tax returns, except Form 1120-S, total [10]	1,608	1,605	3	2,672,964	2,672,960	4
▷ Returns other than Forms 1120-C and 1120-F [11]:						
► Small corporations [12]	281	d	d	7,082	d	d
No balance sheet returns	26	d	d	1,038	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	28	d	d	172	d	d
\$250,000 under \$1,000,000	69	69	0	897	897	0
\$1,000,000 under \$5,000,000	100	100	0	1,647	1,647	0
\$5,000,000 under \$10,000,000	58	58	0	3,328	3,328	0
► Large corporations [13]	1,182	d	d	2,585,317	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	94	94	0	7,782	7,782	0
\$50,000,000 under \$100,000,000	87	d	d	22,703	d	d
\$100,000,000 under \$250,000,000	125	125	0	27,912	27,912	0
\$250,000,000 under \$500,000,000	116	116	0	27,354	27,354	0
\$500,000,000 under \$1,000,000,000	146	146	0	47,337	47,337	0
\$1,000,000,000 under \$5,000,000,000	308	308	0	231,537	231,537	0
\$5,000,000,000 under \$20,000,000,000	145	d	d	402,047	d	d
\$20,000,000,000 or more	161	161	0	1,818,645	1,818,645	0
▷ Form 1120-C returns [11]	97	97	0	10,235	10,235	0
▷ Form 1120-F returns [11]	48	48	0	70,330	70,330	0
► Estate and trust income tax returns [14]	183	183	0	11,909	11,909	0
► Estate tax returns, total [15]	201	201	0	69,747	69,747	0
▷ Size of gross estate:						
Under \$5,000,000	71	71	0	5,008	5,008	0
\$5,000,000 under \$10,000,000	63	63	0	12,154	12,154	0
\$10,000,000 or more	67	67	0	52,585	52,585	0
► Gift tax returns	19	19	0	856	856	0
► Employment tax returns	276	276	0	712,247	712,247	0
► Excise tax returns	1,522	1,522	0	131,019	131,019	0
► Other taxable returns [16]	35	35	0	1,787	1,787	0

Footnotes on next page.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals when possible.

- [1] Protection of the revenue base comprises any action taken by the IRS to prevent the release of funds from the U.S. Treasury in response to taxpayer efforts to recoup all, or part, of previously assessed and paid tax.
- [2] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations, Government entities, employee retirement benefit plans, and tax-exempt bonds; and excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [3] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [4] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [5] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [6] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [7] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [8] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [9] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 16.
- [11] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [12] Includes returns with assets of less than \$10 million.
- [13] Includes returns with assets of \$10 million or more.
- [14] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [15] Includes Form 706 (estate and generation-skipping transfer tax return).
- [16] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations that prevented the payment of refunds based on fraudulent claims. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation and other nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2013

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined resulting in refunds [1]			Recommended refunds		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	45,637	30,092	15,545	11,140,510	10,951,446	189,064
► Individual income tax returns, total	39,396	24,214	15,182	942,081	776,421	165,661
▷ Returns with total positive income under \$200,000 [3]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	7,337	3,175	4,162	42,766	24,274	18,492
With Schedule E or Form 2106 [5]	4,561	3,293	1,268	38,996	29,776	9,220
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	3,648	2,182	1,466	17,230	10,031	7,199
\$25,000 under \$100,000	2,844	2,299	545	17,030	13,303	3,727
\$100,000 under \$200,000	1,426	1,318	108	14,935	14,274	661
\$200,000 or more	1,421	1,360	61	31,898	31,401	497
Farm returns	428	359	69	2,214	1,409	805
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	4,535	1,048	3,487	28,889	3,548	25,341
\$25,000 or more	1,092	857	235	13,202	9,639	3,563
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	4,799	3,091	1,708	75,508	61,706	13,802
Business returns	3,430	2,711	719	60,105	53,180	6,925
▷ Returns with total positive income of \$1,000,000 or more [3]	3,854	2,506	1,348	599,251	523,830	75,421
▷ International returns [8]	21	15	6	57	49	8
► Corporation income tax returns, except Form 1120–S, total [9]	2,953	2,915	38	9,667,625	9,651,664	15,961
▷ Returns other than Forms 1120–C and 1120–F [10]:						
► Small corporations [11]	866	857	9	36,543	36,491	52
No balance sheet returns	103	d	d	14,341	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	241	d	d	3,315	d	d
\$250,000 under \$1,000,000	259	259	0	4,209	4,209	0
\$1,000,000 under \$5,000,000	199	195	4	8,880	8,876	4
\$5,000,000 under \$10,000,000	64	d	d	5,798	d	d
► Large corporations [12]	1,923	1,898	25	9,417,548	9,401,660	15,888
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	244	238	6	38,784	37,887	897
\$50,000,000 under \$100,000,000	168	d	d	95,290	d	d
\$100,000,000 under \$250,000,000	270	d	d	263,157	d	d
\$250,000,000 under \$500,000,000	223	219	4	257,885	257,563	322
\$500,000,000 under \$1,000,000,000	261	258	3	498,646	496,814	1,832
\$1,000,000,000 under \$5,000,000,000	444	441	3	1,638,173	1,638,082	91
\$5,000,000,000 under \$20,000,000,000	192	187	5	4,838,682	4,826,635	12,047
\$20,000,000,000 or more	121	d	d	1,786,931	d	d
▷ Form 1120–C returns [10]	93	93	0	15,437	15,437	0
▷ Form 1120–F returns [10]	71	67	4	198,097	198,076	21
► Estate and trust income tax returns [13]	424	178	246	49,564	42,790	6,774
► Estate tax returns, total [14]	529	529	0	130,824	130,824	0
▷ Size of gross estate:						
Under \$5,000,000	133	133	0	16,852	16,852	0
\$5,000,000 under \$10,000,000	217	217	0	32,301	32,301	0
\$10,000,000 or more	179	179	0	81,671	81,671	0
► Gift tax returns	35	35	0	6,593	6,593	0
► Employment tax returns	558	558	0	79,769	79,769	0
► Excise tax returns	1,670	1,625	45	236,004	235,504	500
► Other taxable returns [15]	72	38	34	28,050	27,882	168

Footnotes on next page.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations, Government entities, employee retirement benefit plans, and tax-exempt bonds; and excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [8] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 15.
- [10] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [11] Includes returns with assets of less than \$10 million.
- [12] Includes returns with assets of \$10 million or more.
- [13] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [14] Includes Form 706 (estate and generation-skipping transfer tax return).
- [15] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table provides information on examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation, and other nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2013

Type of return	Number of returns
Tax-exempt organization, employee retirement plan, government entity, and tax-exempt bond returns examined in Fiscal Year 2013, total	25,890
Tax-exempt organizations:	
Tax-exempt organization returns processed in Calendar Year 2012 [1]	771,675
Tax-exempt organization and related taxable returns examined in Fiscal Year 2013, total	10,575
Tax-exempt organization returns, total	2,882
Forms 990 and 990-EZ	2,744
Forms 990-PF, 1041-A, 1120-POL, and 5227	138
Related taxable returns, total	7,693
Form 1120 [2]	d
Employment tax returns [3]	5,877
Form 990-T [4]	955
Form 4720 [5]	265
Forms 1040, 1041, 1065, and 1120 adjusted [6]	427
Forms 11-C and 730 [7]	d
Employee retirement plans:	
Employee retirement plan returns processed in Calendar Year 2012 [8]	912,038
Employee retirement plan and related taxable returns examined in Fiscal Year 2013, total [9]	9,738
Employee retirement plan returns, total	7,352
Form 5500	4,167
Defined benefit	634
Defined contribution	3,533
Form 5500-EZ	477
Defined benefit	108
Defined contribution	369
Form 5500-SF	2,708
Defined benefit	245
Defined contribution	2,463
Related taxable returns, total	1,045
Form 5330 [10]	823
Form 990-T [4]	25
Forms 1040, 1041, 1065, and 1120 adjusted [6]	197
Government entity and tax-exempt bonds:	
Government entity and tax-exempt bond returns examined in Fiscal Year 2013, total	5,577
Tax-exempt bond returns, total [11]	1,153
Government entity and related taxable returns [12]:	4,424
Employment tax returns [3]	3,151
Forms 1040, 1041, 1065, and 1120 adjusted [6]	636
Form 990-T [4]	625
Forms 11-C and 730 [7]	12

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Includes primary information and taxable returns filed by tax-exempt organizations including Forms 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-PF (private foundation information return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-POL (income tax return for certain political organizations); and 5227 (split-interest trust information return). Excludes related taxable returns and 461,900 Forms 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ).

[2] Includes Form 1120 (corporation income tax return) of revoked private foundations.

[3] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's annual tax return); 945 (tax return of withheld income tax from nonpayroll distributions); and 1042 (tax return of withheld income tax on U.S.-source income of foreign persons).

[4] Form 990-T is the tax-exempt organization unrelated business income tax return.

[5] Form 4720 is used to report excise taxes on exempt organizations and related individuals.

[6] Form 1040 series (individual returns); Form 1041 (estate and trust return); Form 1065 (partnership return); or Form 1120 series (corporation returns) adjusted as a result of examination of a tax-exempt organization, employee retirement plan, or government entity, as applicable.

[7] Form 11-C reports the occupational tax for wagering and Form 730 reports the excise tax on wagering.

[8] Includes Forms 5500 (employee benefit plan return); 5500-EZ (one-participant retirement plan return); and 5500-SF (short-form return of small employee benefit plan).

[9] Includes 1,341 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.

[10] Form 5330 is used to report excise taxes related to employee retirement plans.

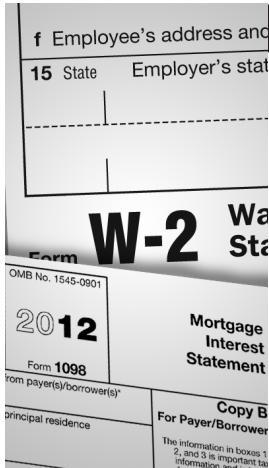
[11] Includes Forms 8038 (information return of tax-exempt private activity bond issues); 8038-B (information return of build America bonds and recovery zone economic development bonds); 8038-G (information return of government-purpose tax-exempt bond issues); 8038-GC (information return for consolidated small tax-exempt government bond issues); 8038-T (arbitrage rebate return); and 8038-TC (information return for tax credit bonds and specified tax credit bonds).

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2013—Continued**Footnotes—Continued**

[12] Includes returns of Federal, State, local, and Indian Tribal governments. Although these entities do not have an income tax return filing requirement, they are subject to excise and employment taxes.

NOTE: In general, examination activity is associated with returns filed in the previous calendar year.

SOURCE: Tax Exempt and Government Entities.



Enforcement:

Information Reporting and Verification

The IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving information on self-reported income and tax on returns filed by taxpayers, the IRS gathers independent information about income received and taxes withheld from information returns, such as Forms W-2 and 1099 filed by employers and other third parties. With its Automated Underreporter Program, the IRS matches these information returns to tax returns and contacts taxpayers to resolve discrepancies. In the Automated Substitute for Return Program, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers); construct tax returns for certain nonfilers based on that third-party information; and assess tax, interest, and penalties based on the substitute returns.

Table 14 provides information about both the Automated Underreporter Program and the Automated Substitute for Return Program. During Fiscal Year (FY) 2013, the IRS received almost 2.1 billion third-party information returns, over 87.7 percent of which were filed electronically. Under its Automated Underreporter Program, the IRS closed over 4.1 million cases in which it identified a discrepancy between the taxpayer return and third-party information, resulting in more than \$7.7 billion in additional assessments. In FY 2013, under its Automated Substitute for Return Program, the IRS closed 589,000 cases in which a tax return delinquency was identified for nonfilers, resulting in almost \$3.2 billion in additional assessments.

During the routine processing of tax returns, the IRS also checks for mathematical and clerical errors before refunds are paid. Table 15 shows the types of errors made on returns processed. For Tax Year (TY) 2012 individual income tax returns processed during Calendar Year 2013, IRS sent almost 2.0 million notices to taxpayers for 2.6 million math errors identified on their returns.

Table 14. Information Reporting Program, Fiscal Year 2013

Item	Number or amount
Number of information returns received (thousands) [1]:	
Total	2,085,295
Paper	36,515
Electronic	1,829,565
Other [2]	219,215
Automated Underreporter Program [3]:	
Number of contacts (closed cases, thousands) [4]	4,116
Amount of additional assessments (thousands of dollars) [5]	7,731,603
Number of full-time equivalent positions [6]	2,035
Automated Substitute for Return Program [7]:	
Number of contacts (closed cases, thousands) [4]	589
Amount of additional assessments (thousands of dollars) [8]	3,159,585
Number of full-time equivalent positions [6]	155

[1] Includes Forms 1042-S (foreign person's U.S.-source income subject to withholding); the Form 1098 series (including mortgage interest, student loan interest, and tuition payments); the Form 1099 series (including interest and dividend distributions); the Form 5498 series (including individual retirement arrangement and medical savings account information); Forms W-2 (wage and tax statements); Forms W-2G (certain gambling winnings); and Schedules K-1 (partnership, S corporation, and estate or trust distributions). Information from these forms and schedules is matched to that reported on income tax returns.

[2] Includes Forms SSA-1099 (Social Security benefit statement); RRB-1099 (payments by the Railroad Retirement Board); and W-2 (wage and tax statement) processed by the Social Security Administration.

[3] Under the Automated Underreporter Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify unreported income on returns filed by taxpayers.

[4] Reflects the number of closed cases for which a notice was issued to a taxpayer.

[5] Excludes interest and penalties.

[6] Reflects the total staff hours expended, converted to the number of full-time positions.

[7] Under the Automated Substitute for Return Program (ASFR), the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies (nonfilers), constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns.

[8] Includes tax and interest and penalties assessed.

SOURCES:

Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporter Program; Small Business/Self-Employed, Enterprise Collection Strategy, Collection Analytics, Automation, Inventory Selection and Delivery; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching.

Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Calendar Year 2013

Math error	Tax Year 2012 returns		Tax Year 2011 and prior-year returns	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
Math error notices [1]	1,957,031	N/A	474,416	N/A
Math errors, total [1]	2,614,998	100.0	692,771	100.0
Tax calculation/other taxes [2]	650,869	24.9	82,173	11.9
Exemption number/amount	404,971	15.5	158,367	22.9
Earned Income Tax Credit	316,492	12.1	80,800	11.7
Standard/itemized deduction	257,587	9.9	41,907	6.1
Other credits [3]	153,476	5.9	18,976	2.7
First-Time Homebuyer Credit	127,595	4.9	4,190	0.6
Child Tax Credit	120,637	4.6	20,182	2.9
Adjusted gross/taxable income amount	118,612	4.5	20,446	3.0
Hope and American Opportunity Education Credits	113,762	4.4	15,236	2.2
Refund/amount owed	93,313	3.6	20,156	2.9
Adjustments to income	84,863	3.3	12,818	1.9
Filing status	59,245	2.3	36,534	5.3
Withholding or excess Social Security payments	56,820	2.2	13,812	2.0
Making Work Pay Tax Credit [4]	580	[6]	149,706	21.6
Recovery Rebate Credit [5]	83	[6]	8,143	1.2
Other [7]	56,093	2.2	9,325	1.4

N/A—Not applicable.

[1] A math error notice to the taxpayer may address more than one type of math error. Therefore, the total number of errors exceeds the total number of notices.

[2] Includes all errors associated with the calculation and assessment of income taxes, as well as other taxes, such as self-employment tax, alternative minimum tax, and household employment tax.

[3] Encompasses all credits other than the following credits which are shown separately: Earned Income Tax Credit, First-Time Homebuyer Credit, Child Tax Credit, Hope and American Opportunity Education Credits, Making Work Pay Tax Credit, and Recovery Rebate Credit.

[4] The Making Work Pay Tax Credit was a refundable tax credit based on earned income. This credit was part of the American Recovery and Reinvestment Act of 2008.

[5] Eligible taxpayers whose circumstances changed may have claimed a Recovery Rebate Credit (RRC) to receive some or all of the unpaid portion of an economic stimulus payment. Economic stimulus payments were special payments to taxpayers associated with the Economic Stimulus Act of 2008.

[6] Less than 0.05 percent.

[7] Includes miscellaneous errors and unique error types not included in any other math error definitions.

NOTES:

Detail may not add to totals because of rounding.

Math errors include a variety of conditions such as computational errors, incorrectly transcribed values, and omitted entries identified during the processing of tax returns.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.



Enforcement:

Collections, Penalties, and Criminal Investigation

The mission of the IRS's Collection function is to collect Federal taxes that have been reported or assessed but not paid, and to secure tax returns that have not been filed. Table 16 provides information on these activities. During Fiscal Year (FY) 2013, the IRS collected, net of credit transfers, almost \$32.5 billion in unpaid assessments on returns filed with additional tax due.

The failure to comply with Federal tax laws may result in civil penalties. Table 17 provides information on penalties assessed and abated during FY 2013, by type of tax and type of penalty. During FY 2013, the IRS assessed almost \$25.9 billion in civil penalties. Slightly more than half of that amount, \$13.3 billion, was assessed in civil penalties on individual and estate and trust income tax returns. The IRS also abated almost \$11.5 billion in civil penalties during the year, including \$5.2 billion in abatements for individual and estate and trust income tax returns.

Individuals who deliberately fail to comply with Federal tax laws may also be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. Table 18 summarizes criminal investigation activity related to legal source tax crimes, illegal source financial crimes, and narcotics-related financial crimes. In FY 2013, IRS initiated 5,314 criminal investigations in these three areas.

Legal source tax investigations involve activities, industries, and occupations that generate legitimate income. The Legal Source Tax Crimes Program also includes cases that may threaten the tax system, such as frivolous challenges to the legitimacy of the tax laws; unscrupulous tax return preparers; and fraudulent refund schemes. During FY 2013, the IRS referred 1,997 legal source tax crime cases for prosecution.

Illegal source financial crimes relate to proceeds derived from unlawful sources, other than narcotics. These involve tax and tax-related violations, as well as money laundering. During FY 2013, the IRS referred 1,479 illegal source financial crime cases for prosecution.

The Narcotics Program investigates narcotics-related tax and money-laundering crimes. The IRS often cooperates with the Justice Department and other law enforcement agencies to accomplish its mission. During FY 2013, the IRS referred 888 narcotics-related financial crimes cases for prosecution.

Table 16. Delinquent Collection Activities, Fiscal Years 2012 and 2013

[Money amounts are in thousands of dollars]

Activity	2012	2013
Returns filed with additional tax due:		
Total yield from unpaid assessments [1]	44,613,336	47,152,648
Less: Credit transfers	13,509,257	14,687,867
Equals: Net total amount collected	31,104,079	32,464,781
Taxpayer delinquent accounts (thousands):		
Number in beginning inventory	10,809	11,464
Number of new accounts	8,115	7,788
Number of accounts closed	7,461	7,530
Ending inventory:		
Number	11,464	11,721
Balance of assessed tax, penalties, and interest [2]	124,304,282	120,734,098
Returns not filed timely:		
Delinquent return activity:		
Net amount assessed [3]	18,034,976	15,161,841
Amount collected with delinquent returns	1,690,318	1,763,523
Taxpayer delinquency investigations (thousands) [4]:		
Number in beginning inventory	3,862	3,937
Number of new investigations	1,973	1,598
Number of investigations closed	1,897	1,876
Number in ending inventory	3,937	3,659
Offers in compromise (thousands) [5]:		
Number of offers received	64	74
Number of offers accepted	24	31
Amount of offers accepted	195,652	195,379
Enforcement activity:		
Number of notices of Federal tax liens filed [6]	707,768	602,005
Number of notices of levy requested on third parties [7]	2,961,162	1,855,095
Number of seizures [8]	733	547

[1] Includes amounts collected through collection activity on previously unpaid assessed taxes plus assessed and accrued penalties and interest. Assessed tax may result from voluntarily filed returns, examinations of taxpayers' returns, or a combination of both.

[2] Includes assessed penalties and interest but excludes any accrued penalties and interest. Assessed penalties and interest—usually determined simultaneously with the unpaid balance of tax—are computed on the unpaid balance of tax from the due date of the return to the date of assessment. Penalties and interest continue to accrue after the date of assessment until the taxpayer's balance is paid in full.

[3] Includes net assessment of tax, penalty, and interest amounts (less prepaid credits, withholding, and estimated tax payments) on delinquent tax returns secured by Collection activity.

[4] A delinquency investigation is opened when a taxpayer does not respond to an IRS notice of a delinquent return.

[5] An offer in compromise is a proposal by a taxpayer to the Federal Government that would settle a tax liability for payment of less than the full amount owed. Absent special circumstances, an offer will not be accepted if the IRS believes the liability can be paid in full as a lump sum or through a payment agreement.

[6] Represents the number of lien requests entered into the IRS Automated Lien System.

[7] Represents the number of levies requested upon third parties by the Automated Collection System and Field Collection programs.

[8] Represents the number of seizures conducted by the Field Collection program.

NOTES:

Detail may not add to totals because of rounding.

All amounts are in current dollars.

This table reflects delinquent collection activities for all return types.

SOURCE: Small Business/Self-Employed, Enterprise Collection Strategy, Collection Strategy and Organizational Performance, Collection Data Assurance.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2013

[Money amounts are in thousands of dollars]

Type of tax and type of penalty	Civil penalties assessed [1]		Civil penalties abated [1, 2]	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
Civil penalties, total	37,942,652	25,893,293	4,895,628	11,458,194
Individual and estate and trust income taxes:				
Civil penalties, total [3]	29,070,320	13,309,254	3,320,491	5,207,090
Accuracy [4]	731,696	1,541,341	178,066	532,566
Bad check	398,755	32,629	10,152	11,737
Delinquency	3,185,041	5,162,683	737,681	2,880,233
Estimated tax	7,791,108	1,054,767	260,143	238,822
Failure to pay	16,953,892	5,282,313	2,129,974	1,512,893
Fraud	3,361	157,155	144	6,819
Other [5]	6,467	78,368	4,331	24,022
Business income taxes:				
Civil penalties, total	1,009,783	2,090,165	232,802	1,171,723
Accuracy [4, 6]	4,889	240,213	177	115,298
Bad check [6]	7,770	18,216	667	8,143
Delinquency [6]	507,429	1,079,218	163,283	633,633
Estimated tax [6]	208,155	171,275	7,591	75,752
Failure to pay [6]	267,821	457,213	56,718	324,941
Fraud [6]	154	60,763	8	170
S corporation/Partnership information [7]	13,471	55,458	1,510	8,682
Other [6]	94	7,809	2,848	5,104
Employment taxes:				
Civil penalties, total [8]	6,848,308	4,459,405	1,119,842	1,887,121
Accuracy [4]	2,835	5,155	114	426
Bad check	269,417	45,359	13,413	24,247
Delinquency	1,487,054	991,300	250,513	399,923
Estimated tax	4,873	13,930	946	7,449
Failure to pay	3,557,876	958,356	556,231	299,935
Federal tax deposits	1,525,527	2,431,912	298,616	1,154,182
Fraud	230	2,988	0	0
Other	496	10,404	9	959
Excise taxes:				
Civil penalties, total [9]	584,302	490,725	155,728	304,920
Accuracy [4]	916	736	142	312
Bad check	4,839	2,120	375	1,234
Daily delinquency [10]	67,286	221,758	52,435	194,659
Delinquency	189,278	42,023	17,303	13,423
Estimated tax	8,756	1,700	245	777
Failure to pay	278,326	48,989	66,210	14,649
Federal tax deposits	3,439	20,698	1,104	14,505
Fraud	26	65,814	7	644
Other	31,436	86,885	17,907	64,718
Estate and gift taxes:				
Civil penalties, total [11]	7,076	165,942	3,832	170,299
Accuracy [4]	99	19,871	13	730
Bad check	63	467	25	245
Delinquency	2,386	85,267	1,374	70,496
Failure to pay	4,316	58,097	2,290	33,846
Fraud	0	0	d	d
Other	212	2,240	d	d
Nonreturn penalties [12]	422,863	5,377,802	62,933	2,717,042

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Assessments and abatements of penalties included here were recorded in Fiscal Year 2013 regardless of the tax year to which the penalty may apply.

[2] An abatement is a reduction of assessed penalties. The IRS may approve an abatement of a penalty for: IRS error; reasonable cause; administrative and collection costs not warranting collection of penalty; discharge of penalty in bankruptcy; and the IRS's acceptance of partial payment of assessed penalty.

[3] Represents penalties associated with the Form 1040 series (individual income tax return series) and Form 1041 (estate and trust income tax return).

[4] Represents penalties for negligence; substantial understatement of income tax; substantial valuation misstatement; substantial overstatement of pension liabilities; substantial estate or gift tax valuation understatement (under Internal Revenue Code section 6662); understatement of reportable transactions (under Internal Revenue Code section 6662A); and underpayment of stamp tax (under Internal Revenue Code section 6653).

[5] Represents penalties related to failure to supply taxpayer identification number and failure to report tip income.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2013—Continued**Footnotes—Continued**

- [6] Represents penalties associated with the Form 1120 series (corporation income tax return series) and Form 990–T (tax-exempt organization unrelated business income tax return).
- [7] Represents penalties associated with failure to provide information on Forms 1065 (partnership return) or 8752 (required payment or refund for an S corporation or partnership under Internal Revenue Code section 7519), or failure to file electronically Form 1065–B (large partnership return).
- [8] Represents penalties associated with Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return for withheld income tax from nonpayroll distributions); 1040, Schedule H (household employment taxes); 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT–1 (railroad retirement tax return).
- [9] Represents penalties associated with Forms 11–C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (excise tax return for wagering); 990 (tax-exempt organization information return); 990–PF (private foundation return); 1041–A (information return of charitable contribution deductions by certain trusts); 2290 (heavy highway vehicle use tax return); 4720 (excise tax return of charities and other persons); and 5227 (split-interest trust information return).
- [10] Represents penalties under Internal Revenue Code sections 6652(c)(2)(A) and (B) related to tax-exempt organizations or trusts. Penalties are assessed on a daily basis for failure to file Forms 990 (tax-exempt organization information return); 1041–A (information return of charitable contribution deductions by certain trusts); 1120–POL (income tax return for certain political organizations); 5227 (split-interest trust information return); or 8886–T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).
- [11] Represents penalties associated with Forms 706 (estate tax return) and 709 (gift tax return).
- [12] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to tax return preparers and to information returns (e.g., Forms 1099, W–2, 3520–A, 8027, and 8300), as well as aiding and abetting; frivolous return filings; and misuse of dyed fuel. Also includes trust fund recovery penalties. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a Federal tax deposit in that amount. Trust fund recovery penalties are assessed when these employment taxes are not collected, accounted for, and paid timely. The amount of trust fund recovery penalties credited in Fiscal Year 2013 was \$898,159,000 and is included in the amount abated.

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

SOURCE: Chief Financial Officer, Financial Management.

Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2013

Status or disposition	Total	Legal source tax crimes [1]	Illegal source financial crimes [2]	Narcotics-related financial crimes [3]
	(1)	(2)	(3)	(4)
Investigations initiated	5,314	2,570	1,753	991
Investigations completed	5,557	2,673	1,865	1,019
Referrals for prosecution	4,364	1,997	1,479	888
Investigations completed without prosecution	1,193	676	386	131
Indictments and informations [4]	3,865	1,705	1,365	795
Convictions	3,311	1,366	1,255	690
Sentenced	2,812	1,086	1,115	611
Incarcerated [5]	2,253	835	878	540
Percentage of those sentenced who were incarcerated [5]	80.1	76.9	78.7	88.4

[1] Under the Legal Source Tax Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving legal industries, legal occupations, and, more specifically, legally earned income associated with the violation of Title 26 (tax violations) and Title 18 (tax-related violations) of the U.S. Code. The Legal Source Tax Crimes Program also includes those cases that threaten the tax system, such as Questionable Refund Program (QRP) cases, unscrupulous return preparers, and frivolous filers/nonfilers who challenge the legality of the filing requirements. Excise tax and employment tax cases are also important elements of the Legal Source Tax Crimes Program. Due to Criminal Investigation's increased focus on identity theft investigations, the number of Legal Source Tax Crime indictments and informations, convictions, sentencings, and incarcerations increased from prior fiscal years.

[2] Under the Illegal Source Financial Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving proceeds derived from illegal sources other than narcotics. These encompass all tax and tax-related violations, as well as money-laundering and currency violations under the following statutes: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. The utilization of forfeiture statutes to deprive individuals and organizations of illegally obtained assets is also linked to the investigation of criminal charges within this program.

[3] Under the Narcotics-Related Financial Crimes Program, IRS Criminal Investigation seeks to identify, investigate, and assist in the prosecution of the most significant narcotics-related tax and money-laundering offenders. The IRS derives authority for this program from the statutes for which it has jurisdiction: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. IRS Criminal Investigation also devotes resources to high-level multiagency narcotics investigations warranting Organized Crime Drug Enforcement Task Force (OCDETF) designation in accordance with OCDETF Program reimbursable funding.

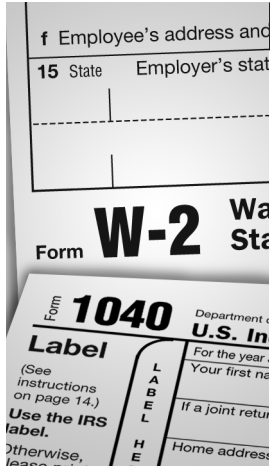
[4] Both "indictments" and "informations" are accusations of criminal charges. An "indictment" is an accusation made by a Federal prosecutor and issued by a Federal grand jury. An "information" is an accusation brought by a Federal prosecutor without the requirement of a grand jury.

[5] The term "incarcerated" may include prison time, home confinement, electronic monitoring, or a combination thereof.

NOTE: Investigations may cross fiscal years. Therefore, the disposition of investigations shown in this table may be related to investigations initiated in prior years.

SOURCE: Criminal Investigation, Communications and Education Division.

Taxpayer Assistance



The IRS assists taxpayers in meeting their Federal tax return filing and payment obligations in a variety of ways, such as through its telephone helpline, via the Internet, at IRS walk-in sites, and through volunteer income tax return preparers. Table 19 provides information about some of the programs and services designed to help taxpayers. In Fiscal Year (FY) 2013, the IRS provided taxpayer assistance through over 456.2 million visits to IRS.gov and assisted nearly 90.7 million taxpayers through its toll-free telephone helpline or at walk-in sites.

Table 20 provides information about the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent those problems in the future. Taxpayers may submit an application for assistance to TAS. In FY 2013, TAS received 244,956 new requests for assistance and closed 249,372 cases, including those received in a prior fiscal year.

Table 21 provides information on the workload of IRS's Appeals Office. The mission of Appeals is to resolve tax controversies without litigation, on a basis that is fair and impartial to both the taxpayer and the Federal Government. The Appeals Office considers cases that involve examination, collection, and penalty issues. Taxpayers who disagree with IRS findings in their cases may request an Appeals hearing. The local Appeals Office is separate and independent of the IRS office that proposed the tax adjustment, collection action, or penalty. During FY 2013, the IRS Appeals Office received 123,113 new cases and closed 131,176 cases, including those received in a prior fiscal year.

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2013

Type of assistance or program	Number or percentage
Call and walk-in assistance, total	90,677,760
Toll-free assistance calls [1]:	
Automated	54,034,833
Live	30,122,117
Taxpayer Assistance Center contacts [2]	6,520,810
Accuracy of toll-free telephone assistance:	
Tax law questions (percentage accurate)	95.7
Account questions (percentage accurate)	96.0
Forms and publications (paper products):	
Orders for forms, publications, and paper products	3,090,546
Number of non-IRS outlets stocking paper products [3]	13,286
Assistance provided through the Internet (IRS.gov):	
IRS Website usage [4]:	
Number of visits	456,202,087
Number of page views	1,866,531,484
Number of downloads [5]	217,543,355
IRS Video Portal views [6]	9,762,951
Electronic transactions, total	228,617,057
"Where's My Refund" inquiries	200,579,019
Transcript Delivery System requests fulfilled [7]	8,196,325
Online Employer Identification Number applications	3,495,572
Disclosure authorizations [8]	372,681
Electronic Filing Personal Identification Numbers [9]	15,973,460
Disaster and emergency assistance:	
Disaster incidents [10]:	
State incidents	10
County/city incidents	131
Taxpayers assisted:	
Number of toll-free disaster hot line calls	50,078
Number of taxpayers assisted at Disaster Recovery Centers [11]	7,392
Taxpayer education and tax return preparation for individual taxpayers:	
Federal returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	3,406,182
Volunteers assisting in taxpayer education and return preparation programs	91,820
Volunteer Tax Preparation Assistance sites	13,081
Taxpayer outreach for small business and self-employed taxpayers:	
Number of events [12]	4,464
Number of participants	93,875
Number of electronic newsletter subscriptions [13]	694,309

[1] Includes calls answered by Customer Account Services and automated calls (including TeleTax and Tax Exempt and Government Entities Division), but excludes calls answered by Automated Collection Services.

[2] Includes contacts at 390 IRS Taxpayer Assistance Centers and alternative IRS sites (libraries and post offices). Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites, which are shown separately in this table.

[3] Represents the number of organizations that distribute paper forms and publications or make reproducible forms and publications available. Some organizations may have multiple sites.

[4] An increasing number of taxpayers receive assistance via IRS.gov. This online assistance is reported as visits, page views, and downloads. A Website visit is a session that begins when a user views his or her first Webpage and ends when the user leaves the IRS.gov Website. Users may access multiple Webpages during a single visit to the IRS Website; these are counted as page views. A download is the process of copying a file, such as Form 1040, from the IRS.gov Website to the user's personal computer.

[5] In Fiscal Year 2013, the download statistic decreased relative to 2012 due primarily to a change in the Web-metrics available after the March 2013 release of the redesigned IRS.gov Website.

[6] The IRS Video Portal provides information through audio and video presentations, as well as webinars (electronic seminars) on a variety of tax-related topics.

[7] The Transcript Delivery System enables authorized tax practitioners to order tax account, tax return transcript, and other tax information for their business and individual clients. Requests are returned to the practitioner's computer through a secure online connection within minutes of the request.

[8] Eligible tax practitioners may electronically request authorization to receive a client's tax account information or to represent the client before the IRS. This e-service expedites processing and issues a real-time acknowledgment of accepted submissions.

[9] An Electronic Filing Personal Identification Number can be used in lieu of the prior-year adjusted gross income to verify a taxpayer's identity for electronic filing.

[10] Reflects events for which the Federal Emergency Management Agency designated major disaster areas and the IRS granted administrative tax relief.

[11] The number of taxpayers assisted at Disaster Recovery Centers increased to 7,392 in Fiscal Year 2013 from 2,120 in Fiscal Year 2012. This increase was related to Hurricane Sandy.

[12] Includes Tax Practitioner Institutes, Small Business Forums, Small Business Tax Workshops, tax practitioner and payroll provider meetings, governmental contacts, and miscellaneous stakeholder meetings and events.

[13] Includes electronic newsletter subscriptions targeted to small business owners, to tax professionals, and to payroll providers.

SOURCES: Wage and Investment, Strategy and Finance, Program Management Office; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications, Outreach, Systems and Solutions.

Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2013

Type of issue and relief	Number	Percentage of total
Taxpayer Advocate Service cases received, by type of issue [1]:		
Total	244,956	100.0
Stolen identity	57,929	23.6
Pre-refund wage verification hold	26,136	10.7
Unpostable and rejected returns	17,045	7.0
Earned income tax credit	11,980	4.9
Processing amended returns	10,441	4.3
Levies	8,829	3.6
Processing original returns	8,714	3.6
Injured spouse claims	8,021	3.3
Examination reconsideration	7,527	3.1
Open examination	6,734	2.7
IRS offset to IRS tax liabilities	4,992	2.0
Expediting refund requests	4,584	1.9
Closed Automated Underreporter Program [2]	3,923	1.6
Installment agreements	3,916	1.6
Other refund inquiries/issues	3,900	1.6
All others	60,285	24.6
Taxpayer Advocate Service cases closed, by type of resolution [1]:		
Total	249,372	100.0
Relief provided to taxpayer, total	195,875	78.5
Taxpayer Assistance Order issued [3, 4]	273	0.1
No Taxpayer Assistance Order issued [3]	195,602	78.4
Full relief	182,688	73.3
Individual taxpayer issue [5]	168,241	67.5
Systemic issue [6]	14,447	5.8
Partial relief	12,914	5.2
Individual taxpayer issue [5]	11,894	4.8
Systemic issue [6]	1,020	0.4
No relief provided to taxpayer, total	53,497	21.5
Taxpayer Assistance Order rescinded [3, 4]	16	[7]
No Taxpayer Assistance Order issued [3]	53,481	21.4
No response from taxpayer	26,360	10.6
Relief provided prior to Taxpayer Advocate Service intervention	16,170	6.5
Taxpayer withdrew application for assistance	2,975	1.2
Tax law precluded relief	1,176	0.5
Hardship not related to revenue laws	592	0.2
Hardship not validated	581	0.2
All others	5,627	2.3
Congressional inquiries [8]	18,932	N/A

N/A—Not applicable.

- [1] The Taxpayer Advocate Service generally receives cases from any of the following sources: IRS employee referrals based on IRS guidance; direct taxpayer requests for assistance (by phone, in person, outreach activities, or through correspondence); practitioners; and Congressional office referrals. Cases may be received in one fiscal year and closed in another.
- [2] Under the Automated Underreporter Program, the IRS uses information returns from third parties to identify unreported income on returns filed by taxpayers.
- [3] The National Taxpayer Advocate has the authority to issue a Taxpayer Assistance Order (TAO) when a taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the Internal Revenue laws are being administered if relief is not granted. A TAO directs an IRS organizational unit to take a specific action or to review, expedite consideration of, or reconsider a taxpayer's case. However, in the majority of cases, the Taxpayer Advocate Service can resolve taxpayers' issues without issuing TAOs.
- [4] Taxpayer Assistance Orders (TAOs) may be issued in one fiscal year and closed in another. In Fiscal Year 2013, there were 353 TAOs were issued, and 289 TAOs were closed (273 were closed with relief provided to the taxpayer, and 16 were rescinded).
- [5] An Individual taxpayer issue is a single issue (applicable to an individual, corporation, or other entity) that requires a change or modification to an account.
- [6] A systemic issue requires a change or modification to an established procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.
- [7] Less than 0.05 percent.
- [8] In this table, Congressional inquiries (related to constituents' tax accounts) refers to those applications for taxpayer assistance received from Congressional offices during the fiscal year. This item is shown separately for information purposes, but counts are included in the data above.

NOTES:

Detail may not add to totals because of rounding.

The Taxpayer Advocate Service is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent these problems.

SOURCE: Taxpayer Advocate Service, Business Assessment.

Table 21. Appeals Workload, by Type of Case, Fiscal Year 2013

Type of case	Cases received	Cases closed	Cases pending September 30, 2013
	(1)	(2)	(3)
Total Cases [1]	123,113	131,176	59,346
Collection Due Process [2]	44,684	48,192	21,099
Examination [3]	38,306	41,729	23,715
Penalty Appeals [4]	10,336	11,061	2,695
Offers in Compromise [5]	9,695	9,857	4,228
Innocent Spouse [6]	4,284	3,617	2,739
Industry Cases [7]	2,153	2,241	2,242
Coordinated Industry Cases [8]	98	237	271
Other [9]	13,557	14,242	2,357

[1] A case represents a taxpayer with one type of tax and one or more tax periods under consideration in Appeals. Cases that are temporarily assigned to Chief Counsel are not included. See Tables 26 and 27 for information on Chief Counsel activity.

[2] Cases where a taxpayer requested a hearing with an independent Collection Due Process (CDP) officer in response to a notice of Federal tax lien or notice of intent to levy. The CDP hearing provides the taxpayer an opportunity, early in the collection process, to work with an independent hearing officer to resolve the collection of the taxpayer's liability. This category excludes Collection Due Process Timeliness Determination cases, which are included in the "Other" category; see footnote 9.

[3] An Examination case in Appeals involves issues in dispute by the taxpayer relating to income tax, employment tax, excise tax, estate tax, gift tax, or tax-exempt status.

[4] A Penalty Appeals case is one in which the taxpayer requests abatement of a civil penalty that was assessed before the taxpayer was given an opportunity to dispute the penalty. The taxpayer may submit a written request for abatement of the penalty, and if the request is denied, the taxpayer may appeal.

[5] An Offer in Compromise is an agreement between a taxpayer and the Federal Government that settles a tax liability for payment of less than the full amount owed. The IRS may reject a taxpayer's offer, and the taxpayer may request that Appeals review and decide whether the offer is acceptable.

[6] Cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements. An Innocent Spouse case in Appeals is one in which the taxpayer requested and was denied innocent spouse relief by the IRS.

[7] An Industry Case is any type of case that is not designated as a Coordinated Industry Case (CIC). An Industry Case taxpayer may appeal the findings of an examination conducted by the IRS. See footnote 8.

[8] A Coordinated Industry Case (CIC) designation may be assigned to a large corporate taxpayer based on factors such as the taxpayer's gross assets, gross receipts, operating entities, industries, and/or foreign assets. A CIC taxpayer may appeal the findings of an examination conducted by the IRS.

[9] Cases considered by Appeals involving issues related to Abatement of Interest, Collection Appeals Program, Office of Professional Responsibility, Freedom of Information Act, Trust Fund Recovery Penalty, Collection Due Process Timeliness Determination, and other miscellaneous penalties are grouped into the "Other" category and are defined below:

Abatement of Interest—Cases of disputed interest on tax deficiencies or payments in which IRS errors or delays may have contributed to the assessed interest.

Collection Appeals Program—Provides the taxpayer, or a third party whose property is subject to a collection action, an administrative appeal for certain collection actions including levy or seizure action that was or will be taken, notice of Federal tax lien that was or will be filed, and rejected or terminated installment agreements.

Office of Professional Responsibility—A tax professional may appeal the findings of the IRS Office of Professional Responsibility (OPR) (formerly the IRS Office of the Director of Practice). OPR has oversight responsibility for tax professionals and investigates allegations of misconduct and negligence against attorneys, certified public accountants, enrolled agents, and other practitioners representing taxpayers before the IRS. In addition, IRS e-file applicants and providers may request an administrative review when the applicant is denied participation in IRS e-file or the provider is sanctioned while participating in IRS e-file.

Freedom of Information Act—A taxpayer may appeal the denial of a request for records made under the Freedom of Information Act.

Trust Fund Recovery Penalty—An employer is required to pay trust fund taxes to the U.S. Treasury through Federal tax deposits. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a Federal tax deposit in that amount. A Trust Fund Recovery Penalty applies to the responsible person(s) for the total amount of trust fund taxes evaded, not collected, or not accounted for and not paid to the U.S. Treasury. The taxpayer may appeal Collection's determination.

Collection Due Process Timeliness Determination—When a taxpayer's request for a Collection Due Process hearing or an equivalent hearing is not received timely or the request cannot be processed, Appeals may review the request and make a separate timeliness determination.

Other Penalties—This subcategory includes a variety of different types of penalties that may be appealed. Tax return preparers may appeal penalties imposed under Internal Revenue Code (IRC) sections 6694 and 6695 for understatement of a taxpayer's tax liability or with respect to preparation of a tax return. Tax shelter promoters may appeal penalties imposed under IRC sections 6700 or 6701 for aiding and abetting an understatement of tax liability. A penalty imposed under IRC section 6715 for dyed diesel fuel may be appealed. A taxpayer may appeal the denial of an application for an extension of time to pay estate tax under the provisions of IRC section 6161. Also includes penalties imposed under other code sections not specified in this note.

SOURCE: Appeals, Strategic Planning, Measures Analysis.

The image shows two IRS forms. The top form is Form 990, 'Return of Organization Exempt from Income Tax', for the year 2012. It includes sections for 'A For the 2012 calendar year, or tax year', 'B Check if applicable', and 'C Name of organization'. The bottom form is Form 1023, 'Application for Recognition of Exempt Status Under Section 501(c)(3) of the Internal Revenue Code'. It includes instructions for completing the application and for a determination of exempt status.

Tax-Exempt Activities

The IRS devotes significant resources to meeting the special needs of tax-exempt organizations, employee retirement benefit plans, and Government entities in complying with tax laws. While these entities are not subject to Federal income tax, they nonetheless represent a significant aspect of tax administration. Although information on the administration, processing, and examination of returns filed by these entities is provided throughout the *IRS Data Book*, this section focuses on issues related to governance.

Table 22 summarizes IRS activities, such as issuing technical guidance to assist tax-exempt entities and facilitate their compliance with Federal tax laws. Table 23 provides information about applications for determination of tax-exempt status for employee retirement plans. Table 24 provides information about applications for tax-exempt status that were closed during Fiscal Year (FY) 2013. Table 25 shows the total number of approved tax-exempt organizations.

In FY 2013, the IRS closed 53,192 applications for tax-exempt status and other determinations. Of those, the IRS approved tax-exempt status for 44,274 organizations.

Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2013

Activity	Total	Employee retirement plans	Tax-exempt organizations	Tax-exempt bonds
	(1)	(2)	(3)	(4)
Total	6,737	5,081	1,408	248
Guidance [1]	41	33	8	N/A
Technical activities	2,427	1,027	1,400	N/A
Requests for rulings	1,149	583	566	N/A
Technical assistance	130	115	15	N/A
Technical advice	36	27	9	N/A
Opinion letters on prototype plans [2]	68	68	N/A	N/A
Correspondence [3]	1,044	234	810	N/A
Voluntary compliance agreements	4,269	4,021	N/A	248

N/A—Not applicable.

[1] Includes published revenue rulings, revenue procedures, regulations, notices, announcements, and information/news releases.

[2] Includes opinion letters issued to IRAs (Individual Retirement Arrangements), SEPs (Simplified Employee Pensions), and SIMPLEs (Savings Incentive Match Plans for Employees).

[3] Includes both Congressional and general correspondence.

SOURCE: Tax Exempt and Government Entities.

Table 23. Determination Letters Issued on Employee Retirement Plans, by Type and Disposition of Plan, Fiscal Year 2013

Letters issued, disposition of plan	Total determination letters	Defined benefit plans [2]	Defined contribution plans [1]								
			Total [3]	Profit- sharing [4]	Stock bonus [5]	Money purchases [6]	Target benefit [7]	Leveraged employee stock ownership plan [8]	Nonleveraged employee stock ownership plan [9]	Other	Section 401 (k) [10]
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total:											
Number of qualified plans [11]	10,987	4,406	6,581	3,538	93	370	21	1,534	824	201	2,637
Initial qualifications:											
Number of qualified plans	2,329	1,058	1,271	679	d	38	d	351	175	10	325
Number of participating employees [12]	1,739,381	268,090	1,471,291	504,574	d	55,616	d	68,169	840,673	1,136	315,094
Amendments:											
Number of qualified plans	7,109	2,496	4,613	2,333	77	303	13	1,134	579	174	1,941
Number of participating employees [12]	29,980,775	14,684,455	15,296,320	10,540,580	742,480	887,094	6,164	528,411	2,438,036	153,555	9,261,807
Terminations:											
Number of qualified plans	1,549	852	697	526	d	29	d	49	70	17	371
Number of participating employees [12]	219,387	100,194	119,193	86,088	d	9,990	d	6,545	14,141	2,229	73,611

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] A defined contribution plan is a retirement plan that provides an individual account for each participant. Benefits are based solely on amounts contributed to the participant's account and any earnings on these contributions.

[2] A defined benefit plan is a retirement plan that does not maintain individual account balances that reflect the accrued benefits of each plan participant. Instead, the accrued benefit is determined by a formula stated in the plan.

[3] The total of defined contribution plans is the sum of columns 4–10, which includes associated section 401 (k) arrangements and participants. See footnote 10.

[4] A profit-sharing plan is a retirement plan that gives employees a share in the profits of the company. Contributions to employee retirement accounts are determined as a percentage of annual company profits.

[5] A stock bonus retirement plan is funded by an employer's contributions of corporate stock to the retirement plan.

[6] A money purchase retirement plan is a retirement plan under which employer contributions are based on a fixed percentage of compensation. Contributions are required every year, regardless of earnings and profits.

[7] A target benefit retirement plan is similar to a defined benefit plan since employer contributions, which are mandatory, are based on projected retirement benefits. However, unlike a defined benefit plan, the benefits provided to participants at retirement are based on the performance of the investments and are therefore not guaranteed.

[8] A leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company leverages its credit to borrow money to fund the retirement plan. The company uses the borrowed funds to purchase shares from the company's treasury for the retirement plan and makes annual contributions to repay the original loan.

[9] A nonleveraged employee stock ownership plan (ESOP) is a retirement plan in which a company contributes either cash to purchase outstanding shares of company stock or contributes a certain amount of shares from the company's treasury to employee accounts.

[10] Section 401 (k) arrangements and participants are reported and counted under the types of retirement plans to which they are attached (e.g., profit-sharing or stock bonus plans) and, thus, are also included in columns 4–10.

[11] Reflects retirement plans that satisfy the qualification requirements of Federal pension law. All retirement plans reported in this table met these requirements.

[12] Totals may be overstated to the extent that employees participate in more than one retirement plan.

NOTE:

Some determination letter data reported in this table are not comparable to data reported in prior issues of the *IRS Data Book*. The staggered determination letter application process causes wide differences in the data from year to year.

SOURCE: Tax Exempt and Government Entities, Employee Plans.

Table 24. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2013

Type of organization, Internal Revenue Code section	Closures of applications for tax-exempt status [1]			
	Total	Approved	Disapproved	Other [2]
	(1)	(2)	(3)	(4)
Tax-exempt organizations and other entities, total [3]	53,192	44,274	91	8,827
Section 501 (c) by subsection, total	53,179	44,270	91	8,818
(1) Corporations organized under an act of Congress	3	0	0	3
(2) Title-holding corporations	135	118	0	17
(3) Religious, charitable, and similar organizations [4]	45,289	37,946	79	7,264
(4) Social welfare organizations	2,253	1,784	5	464
(5) Labor and agriculture organizations	723	573	0	150
(6) Business leagues	1,524	1,319	4	201
(7) Social and recreation clubs	1,509	1,198	d	d
(8) Fraternal beneficiary societies	341	237	d	d
(9) Voluntary employees' beneficiary associations	87	73	0	14
(10) Domestic fraternal beneficiary societies	263	180	0	83
(12) Benevolent life insurance associations	104	91	0	13
(13) Cemetery companies	380	336	0	44
(14) State-chartered credit unions	11	11	0	0
(15) Mutual insurance companies	d	0	0	d
(17) Supplemental unemployment compensation trusts	3	d	0	d
(19) Veterans' organizations	507	360	0	147
(25) Holding companies for pensions and other entities	25	d	0	d
(27) State-sponsored workers' compensation reinsurance organizations	d	0	0	d
(29) Qualified health insurance issuers	20	d	0	d
Section 501 (d) Religious and apostolic associations	8	4	0	4
Nonexempt charitable trusts	d	0	0	d
Split-interest trusts	d	0	0	d
Section 521 Farmers' cooperatives	3	0	0	3

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Reflects all case closures for the Exempt Organizations function. These include not only initial applications for tax-exempt status, but also other determinations, such as public charity and private foundation status determinations, advance approval of scholarship grant procedures, and group determinations of tax-exempt status.

[2] Includes applications withdrawn by the organization; applications that did not provide the required information; incomplete applications; IRS refusals to rule on applications; IRS correction disposals; and others.

[3] No applications were closed for teacher's retirement fund associations (section 501 (c)(11)); corporations to finance crop operations (section 501 (c)(16)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); and the National Railroad Retirement Investment Trust (section 501 (c)(28)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.

[4] Includes private foundations. Not all organizations described in section 501 (c)(3) must apply for recognition of tax-exempt status, including churches, interchurch organizations of local units of a church, integrated auxiliaries of a church, conventions or associations of churches, and organizations (other than private foundations as described in section 509 (a)) that have normal gross receipts in each taxable year of not more than \$5,000. In addition, organizations may be recognized as tax-exempt under section 501 (c)(3) without filing an application if they are included in a group exemption letter given to an affiliated parent organization.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Table 25. Tax-Exempt Organizations, Nonexempt Charitable Trusts, and Nonexempt Split-Interest Trusts, Fiscal Year 2013

Type of organization, Internal Revenue Code section	Number of organizations
Tax-exempt organizations, nonexempt charitable trusts and split-interest trusts, total	1,599,013
Section 501 (c) by subsection, total	1,442,197
(1) Corporations organized under an act of Congress	615
(2) Title-holding corporations	4,730
(3) Religious, charitable, and similar organizations [1]	1,052,495
(4) Social welfare organizations	91,056
(5) Labor and agriculture organizations	48,545
(6) Business leagues	66,985
(7) Social and recreation clubs	54,962
(8) Fraternal beneficiary societies	48,578
(9) Voluntary employees' beneficiary associations	6,884
(10) Domestic fraternal beneficiary societies	16,049
(12) Benevolent life insurance associations	5,486
(13) Cemetery companies	9,482
(14) State-chartered credit unions	2,711
(15) Mutual insurance companies	905
(17) Supplemental unemployment compensation trusts	112
(19) Veterans' organizations	31,674
(25) Holding companies for pensions and other entities	813
Other 501 (c) subsections [2]	115
Section 501 (d) Religious and apostolic associations	222
Section 527 Political organizations	28,553
Nonexempt charitable trusts and split-interest trusts	128,041

[1] Includes private foundations. Not all organizations described in section 501 (c)(3) must apply for recognition of tax-exempt status, including churches, interchurch organizations of local units of a church, integrated auxiliaries of a church, conventions or associations of churches, and organizations (other than private foundations as described in section 509 (a)) that have normal gross receipts in each taxable year of not more than \$5,000. In addition, organizations may be recognized as tax exempt under section 501 (c)(3) without filing an application if they are included in a group exemption letter given to an affiliated parent organization.

[2] Includes teachers' retirement funds (section 501 (c)(11)); corporations to finance crop operations (section 501 (c)(16)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); State-sponsored workers' compensation reinsurance organizations (section 501 (c)(27)); the National Railroad Retirement Investment Trust (section 501 (c)(28)); and qualified health insurance issuers (section 501 (c)(29)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.

NOTES:

In prior years, cooperative hospital service organizations (section 501(e)); cooperative service organizations of operating educational organizations (section 501(f)); child care organizations (section 501(k)); and charitable risk pools (section 501(n)) were reported separately in this table, but for Fiscal Year 2013, they are reported with religious, charitable, and similar organizations (section 501(c)(3)).

Selected items reported in this table have changed from prior years to expand the information reported.

Information from tax-exempt organization returns is available to the public. Therefore, data in this table are not subject to IRS disclosure regulations.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Chief Counsel



The IRS Chief Counsel is appointed by the President of the United States, with the advice and consent of the U.S. Senate, and serves as the chief legal advisor to the IRS Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code, as well as all other legal matters. Under the IRS Restructuring and Reform Act of 1998, the Chief Counsel reports to both the IRS Commissioner and the Treasury General Counsel.

Attorneys in the Chief Counsel's Office serve as lawyers for the IRS. They provide the IRS and taxpayers with guidance on interpreting Federal tax laws correctly, represent the IRS in litigation, and provide all other legal support required to carry out the IRS mission.

Tables 26 and 27 provide information for Fiscal Year 2013 about Chief Counsel's workload and case activity in several major categories including criminal tax, international issues, and general legal services. Chief Counsel received 91,312 cases and closed 94,109 cases during the fiscal year. Of the new cases received, and cases closed, the majority related to tax law enforcement and litigation, including Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance.

In Fiscal Year 2013, General Counsel received 29,837 Tax Court cases involving a taxpayer contesting an IRS determination that he or she owed additional tax. During the fiscal year, Counsel closed 31,886 cases involving over \$12.9 billion in disputed taxes and penalties.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2013

Office and type of case or activity	Cases received	Cases closed	Cases pending September 30, 2013
	(1)	(2)	(3)
Chief Counsel (All Offices):			
Total	91,312	94,109	57,552
Guidance and assistance [1]	7,164	7,224	5,697
Tax law enforcement and litigation [2]	78,879	82,036	48,995
Other legal services to the IRS [3]	5,269	4,849	2,860
Corporate:			
Total	686	705	374
Guidance and assistance	352	347	235
Tax law enforcement and litigation	263	286	130
Other legal services to the IRS	71	72	9
Criminal Tax:			
Total	9,351	9,451	855
Guidance and assistance	76	78	9
Tax law enforcement and litigation	9,217	9,317	843
Other legal services to the IRS	58	56	3
Financial Institutions and Products:			
Total	756	785	515
Guidance and assistance	471	505	403
Tax law enforcement and litigation	202	195	d
Other legal services to the IRS	83	85	d
General Legal Services:			
Total	3,321	3,034	2,353
Guidance and assistance	21	25	11
Tax law enforcement and litigation	19	d	44
Other legal services to the IRS	3,281	d	2,298
Income Tax and Accounting:			
Total	2,836	3,076	1,177
Guidance and assistance	1,660	1,955	871
Tax law enforcement and litigation	971	922	286
Other legal services to the IRS	205	199	20
International:			
Total	1,284	1,181	1,313
Guidance and assistance	603	564	802
Tax law enforcement and litigation	542	470	495
Other legal services to the IRS	139	147	16
Large Business and International:			
Total	3,615	4,329	4,895
Guidance and assistance	459	536	928
Tax law enforcement and litigation	3,139	3,773	3,943
Other legal services to the IRS	17	20	24
Passthroughs and Special Industries [4]:			
Total	1,598	1,557	662
Guidance and assistance	852	810	527
Tax law enforcement and litigation	549	555	121
Other legal services to the IRS	197	192	14
Procedure and Administration:			
Total	4,663	4,003	2,742
Guidance and assistance	1,056	794	782
Tax law enforcement and litigation	3,000	2,722	1,616
Other legal services to the IRS	607	487	344
Small Business and Self-Employed:			
Total	59,126	61,960	39,996
Guidance and assistance	311	348	188
Tax law enforcement and litigation	58,675	61,493	39,741
Other legal services to the IRS	140	119	67
Tax Exempt and Government Entities:			
Total	2,973	2,962	2,476
Guidance and assistance	742	727	827
Tax law enforcement and litigation	1,954	1,958	1,615
Other legal services to the IRS	277	277	34
Wage and Investment:			
Total	362	359	55
Guidance and assistance	143	145	15
Tax law enforcement and litigation	49	44	24
Other legal services to the IRS	170	170	16
Other [5]:			
Total	741	707	139
Guidance and assistance	418	390	99
Tax law enforcement and litigation	299	d	d
Other legal services to the IRS	24	d	d

Footnotes on next page.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2013—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] Includes published guidance; advanced case resolution; treaties; legislation; Congressional and executive correspondence; training and public outreach; and prefil-
ing legal advice to the IRS.
- [2] Includes Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assis-
tance. See Table 27 for tax litigation case information.
- [3] Includes electronic and other tax filing legal advice, disclosure advice and litigation, and general legal services advice and litigation.
- [4] The Passthroughs and Special Industries (PSI) Division handles cases that involve passthrough organizations, such as S corporations and partnerships. These
passthrough organizations do not pay tax on their incomes, but pass income or losses to shareholders or partners, who include the income or losses on their income
tax returns. The PSI Division also handles cases on natural resources taxation (oil, mining, gas, coal, etc.); business credits (low-income housing, energy credits,
wind energy, alternative fuels, etc.); excise taxes (transportation, telephones, tires, fuels, etc.); and estate and gift taxes.
- [5] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel, Finance and Management.

SOURCE: Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Management Division.

Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2013

[Money amounts are in millions of dollars]

	Type of case	Number or amount
Total cases:		
Received		32,976
Closed		35,139
Pending September 30, 2013		30,212
Tax Court cases [1]:		
Cases received:		
Number		29,837
Amount of tax and penalty in dispute [2]		6,815
Cases closed:		
Number		31,886
Amount of tax and penalty in dispute [2]		12,937
Amount of tax and penalty on decision [3]:		
Total		1,468
Default or dismissed		404
Settled		987
Tried and decided		77
Cases pending September 30, 2013:		
Number		28,455
Amount of tax and penalty in dispute [2]		21,973
Tax Court cases on appeal [1]:		
Number of cases pending September 30, 2013		380
Amount of tax and penalty pending September 30, 2013 [2]		1,359
Refund cases [4]:		
Cases received:		
Number		263
Amount of tax and penalty in dispute [2]		634
Cases closed:		
Number		267
Amount of tax and penalty in dispute [2]		1,021
Amount of tax and penalty protected [5]:		
Total		886
District Court		465
Court of Federal Claims		421
Cases pending September 30, 2013:		
Number		1,004
Amount of tax and penalty in dispute [2]		8,989
Refund cases on appeal [4]:		
Number of cases pending September 30, 2013		57
Amount of tax and penalty pending September 30, 2013 [2]		923
Number of nondocketed cases [6]:		
Received		2,876
Closed		2,986
Pending September 30, 2013		316

[1] Tax Court cases involve a taxpayer contesting the Internal Revenue Service's determination that the taxpayer owes additional tax. The Tax Court provides a forum for a taxpayer to request a determination of the deficiency prior to paying the tax allegedly owed.

Other cases that may be considered by the Tax Court include:

Collection Due Process (CDP)—cases where a taxpayer requested a hearing with an independent CDP officer in response to a notice of Federal tax lien or notice of intent to levy.

Innocent Spouse Program—cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements.

Abatement of Interest—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

Tax-exempt Status—cases where an organization disputes IRS's revocation or denial of tax-exempt status.

[2] The amount of tax and penalties in dispute excludes interest.

[3] Reflects the amount a taxpayer owes as determined by the Tax Court, excluding offsetting overpayments and interest.

[4] Refund cases involve taxpayers seeking refunds of claimed overpayments after taxes have been fully paid.

[5] Tax protected is the amount claimed by the taxpayer in a suit for a refund of previously paid taxes that is not awarded to the taxpayer in the court's judgment.

[6] Nondocketed cases are cases in which a court petition was not filed and Chief Counsel reviewed and advised on a statutory notice of deficiency.

NOTE: Amounts in dispute can vary widely from year to year.

SOURCE: Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Management Division.



IRS Budget and Workforce

Tables 28 through 31 provide information on the size and composition of the IRS workforce and the resources that the IRS spends to collect taxes and assist taxpayers. In Fiscal Year (FY) 2013, the IRS collected more than \$2.9 trillion, incurring a cost of 41 cents, on average, to collect \$100.

IRS's actual expenditures in FY 2013 were almost \$11.6 billion, which was used to meet the requirements of its three core operating appropriation budget activities. These core activities include taxpayer services, enforcement, and operations support.

Taxpayer services funding provides processing for tax returns and related documents, and assistance to taxpayers filing returns and paying taxes due. The IRS spent over \$2.3 billion to provide taxpayer services in FY 2013.

Enforcement funding provided for the examination of tax returns, collection of balances due, and administrative and judicial settlement of taxpayer appeals of examination findings. It also provided resources to strengthen enforcement aimed at reducing invalid claims and erroneous filings associated with the Earned Income Tax Credit (EITC) program. The IRS spent nearly \$5.0 billion in enforcement in FY 2013.

Operations support provides administrative services, policy management, and IRS-wide support. This appropriation also funds staffing, equipment, and related costs used to manage, maintain, and operate critical information systems supporting tax administration. The IRS spent over \$4.0 billion in operations support in FY 2013. The balance of IRS's expenditures, almost \$0.3 billion, was spent on capital asset acquisition of information technology systems.

During the fiscal year, the IRS continued to focus on developing a quality workforce to support workforce management activities that contribute to making the IRS one of the best places to work in the Federal government. In FY 2013, the IRS employed a total workforce of 95,883, including part-time and seasonal employees.

Table 28. Costs Incurred by Budget Activity, Fiscal Years 2012 and 2013

[Money amounts are in thousands of dollars]

Budget activity	Total		Personnel compensation and benefits [1]		Other	
	2012	2013	2012	2013	2012	2013
	(1)	(2)	(3)	(4)	(5)	(6)
Total obligations against appropriated funds	12,059,409	11,597,560	8,838,171	8,549,759	3,221,238	3,047,801
Taxpayer Services [2]:						
Total	2,414,951	2,330,161	2,228,690	2,173,599	186,261	156,562
Prefiling Taxpayer Assistance and Education	651,911	603,594	581,166	551,184	70,745	52,410
Filing and Account Services	1,763,040	1,726,567	1,647,524	1,622,415	115,516	104,152
Enforcement [3]:						
Total	5,301,838	4,960,528	4,983,678	4,737,220	318,160	223,308
Investigations	645,651	595,568	586,850	561,922	58,801	33,646
Examinations and Collections	4,492,726	4,200,534	4,235,771	4,015,682	256,955	184,852
Regulatory	163,461	164,426	161,057	159,616	2,404	4,810
Operations Support [4]:						
Total	3,991,620	4,048,812	1,537,481	1,571,076	2,454,139	2,477,736
Infrastructure	951,842	895,702	882	925	950,960	894,777
Shared Services and Support	1,204,222	1,134,735	742,905	701,432	461,317	433,303
Information Services	1,835,556	2,018,375	793,694	868,719	1,041,862	1,149,656
Business Systems Modernization [5]	351,000	258,059	88,322	67,864	262,678	190,195

[1] Includes salaries, terminal leave payments, availability pay, pay differential, overtime and holiday pay, cash awards, incentive awards, obligation for uncashed payroll checks, expert and witness fees, rewards to informants, employer's share of personnel benefits costs, reimbursements for professional liability insurance, recruitment bonuses, commuting subsidies, retention bonuses, student loan repayments, relocation bonuses, gainsharing awards, cost-of-living allowances, overseas allowance grants, domestic and foreign income tax reimbursement allowances, worker's compensation benefits, moving expenses/relocation allowances, severance pay, and unemployment compensation payments.

[2] The Taxpayer Services appropriation funds prefiling assistance and education, filing and account services, and taxpayer advocacy services.

[3] The Enforcement appropriation funds activities to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws, and to purchase and hire passenger motor vehicles.

[4] The Operations Support appropriation funds activities to support taxpayer services and enforcement programs, including rent, facilities services, maintenance, printing, postage, security, and other IRS-wide administration activities; research and statistics of income; telecommunications; and information technology development.

[5] The Business Systems Modernization appropriation funds the capital asset acquisition of information technology systems.

NOTES:

All amounts are in current dollars.

Data represent dollars obligated, expended, and disbursed against direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1980–2013

Fiscal year	Gross collections (thousands of dollars) [1]	Operating costs (thousands of dollars) [2]	Cost of collecting \$100 (dollars)	U.S. population (thousands) [3]	Average tax per capita (dollars) [4]	Average positions realized [5]
	(1)	(2)	(3)	(4)	(5)	(6)
1980	519,375,273	2,280,839	0.44	228,231	2,276	87,464
1981	606,799,103	2,465,469	0.41	230,613	2,631	86,156
1982	632,240,506	2,626,338	0.42	232,962	2,714	82,857
1983	627,246,793	2,968,526	0.47	235,225	2,667	83,603
1984	680,475,229	3,279,067	0.48	237,454	2,866	87,635
1985	742,871,541	3,600,953	0.48	239,714	3,099	92,259
1986	782,251,812	3,841,983	0.49	241,995	3,233	95,880
1987	886,290,590	4,365,816	0.49	244,344	3,627	102,189
1988	935,106,594	5,035,543	0.54	246,329	3,796	114,875
1989	1,013,322,133	5,198,546	0.51	249,412	4,063	114,758
1990	1,056,365,652	5,440,418	0.52	251,057	4,208	111,962
1991	1,086,851,401	6,097,627	0.56	254,435	4,272	114,628
1992	1,120,799,558	6,536,336	0.58	257,861	4,347	116,673
1993	1,176,685,625	7,077,985	0.60	261,163	4,506	113,460
1994	1,276,466,776	7,245,344	0.57	264,301	4,830	110,748
1995	1,375,731,836	7,389,692	0.54	267,456	5,144	112,024
1996	1,486,546,674	7,240,221	0.49	270,581	5,494	106,642
1997	1,623,272,071	7,163,541	0.44	273,852	5,928	101,703
1998	1,769,408,739	7,564,661	0.43	277,003	6,388	98,037
1999	1,904,151,888	8,269,387	0.43	280,203	6,796	98,730
2000	2,096,916,925	8,258,423	0.39	283,201	7,404	97,074
2001	2,128,831,182	8,771,510	0.41	286,098	7,441	97,707
2002	2,016,627,269	9,063,471	0.45	288,870	6,981	99,181
2003	1,952,929,045	9,401,407	0.48	291,574	6,698	98,819
2004	2,018,502,103	9,756,344	0.48	294,230	6,860	97,597
2005	2,268,895,122	10,397,837	0.46	296,972	7,640	94,282
2006	2,518,680,230	10,605,845	0.42	299,835	8,400	91,717
2007	2,691,537,557	10,764,736	0.40	302,807	8,889	92,017
2008	2,745,035,410	11,307,223	0.41	305,554	8,984	90,647
2009	2,345,337,177	11,708,604	0.50	308,189	7,610	92,577
2010	2,345,055,978	12,353,344	0.53	310,390	7,555	94,711
2011	2,414,952,112	12,358,877	0.51	312,649	7,724	94,709
2012	2,524,320,134	12,059,409	0.48	314,908	8,016	90,280
2013	2,855,059,420	11,597,560	0.41	317,132	9,003	86,974

[1] Gross collections are collections before refunds are issued. Includes collections for individual income tax, business income taxes, estate and trust income tax, employment taxes, estate tax, gift tax, and excise taxes. Excludes alcohol and tobacco excise taxes starting with 1988 and taxes on firearms starting with the second quarter of Fiscal Year 1991. Responsibility for these excise taxes was transferred from the IRS to the Alcohol and Tobacco Tax and Trade Bureau and to the U.S. Customs and Border Protection, respectively. See Table 6 for gross collections data by type of tax.

[2] Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Beginning with Fiscal Year 2005, includes costs for Business Systems Modernization and the Health Insurance Tax Credit Administration.

[3] U.S. population is based on resident population plus armed forces overseas as of October 1 of each year. This information is provided by the U.S. Department of Commerce, Bureau of the Census.

[4] Average tax per capita is based on gross collections and an estimate of U.S. population, provided by the Census Bureau.

[5] Average positions realized represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the number of persons, including full-time, part-time and seasonal workers, employed during the fiscal year.

NOTE: All amounts are in current dollars.

SOURCE: Chief Financial Officer, Corporate Budget and Financial Management.

Table 30. Personnel Summary, by Employment Status, Budget Activity, and Selected Personnel Type, Fiscal Years 2012 and 2013

Employment status, budget activity, and selected personnel type	Average positions realized [1]		Number of employees at close of fiscal year	
	2012	2013	2012	2013
	(1)	(2)	(3)	(4)
Internal Revenue Service, total	90,280	86,974	89,551	83,613
Employment status:				
Full-time permanent	88,308	84,985	86,743	81,296
Other	1,972	1,989	2,808	2,317
Budget activity:				
Examinations and Collections	41,814	39,454	41,602	39,825
Filing and Account Services	25,041	24,881	24,058	20,780
Information Services	6,208	6,708	6,963	7,230
Prefiling Taxpayer Assistance and Education	5,814	5,505	5,955	5,623
Shared Services and Support	5,308	5,061	5,252	5,111
Investigations	4,258	3,691	4,347	3,734
Regulatory	1,241	1,223	1,300	1,232
Business Systems Modernization	596	451	74	78
Selected personnel type:				
Revenue Agents	13,011	12,270	12,981	12,212
Seasonal Employees	11,538	11,108	10,336	6,696
Customer Service Representatives	9,472	9,131	9,504	9,632
Tax Examiners	9,282	8,724	9,503	8,894
Revenue Officers	5,186	4,748	5,066	4,681
Special Agents	2,581	2,509	2,657	2,539
Tax Technicians	1,679	1,515	1,626	1,496
Attorneys	1,529	1,497	1,553	1,523
Appeals Officers	851	811	875	800

[1] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the total number of persons, including full-time, part-time and seasonal workers, employed during the fiscal year.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 31. Internal Revenue Service Labor Force, Compared to National Totals for Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, and Disability, Fiscal Year 2013

Gender, race/ethnicity, and disability	Internal Revenue Service, number of employees [1]	Internal Revenue Service labor force [1]	Federal civilian labor force [2]	Civilian labor force [3]
		Percentage of total		
	(1)	(2)	(3)	(4)
Total	95,883	100.0	100.0	100.0
Gender:				
Male	33,111	34.5	56.5	51.9
Female	62,772	65.5	43.5	48.1
Race/ethnicity and gender:				
White, not of Hispanic origin	54,011	56.3	65.5	72.4
Male	22,130	23.1	39.9	38.3
Female	31,881	33.2	25.6	34.0
Black, not of Hispanic origin	24,481	25.5	17.5	12.0
Male	5,164	5.4	7.2	5.5
Female	19,317	20.1	10.3	6.5
Hispanic [4]	11,011	11.5	8.1	10.0
Male	3,282	3.4	4.8	5.2
Female	7,729	8.1	3.3	4.8
Asian, Native Hawaiian, or other Pacific Islander	5,328	5.6	6.0	4.0
Male	2,207	2.3	3.2	2.0
Female	3,121	3.3	2.7	2.0
American Indian or Alaska Native	838	0.9	1.8	1.1
Male	254	0.3	0.8	0.6
Female	584	0.6	1.0	0.5
Two or more races [5]	214	0.2	1.1	0.5
Male	74	0.1	0.6	0.3
Female	140	0.1	0.5	0.3
Disability:				
Person with a disability	9,271	9.7	12.4	n.a.
Person with a targeted disability [6]	1,771	1.8	1.0	n.a.

n.a.—Not available.

[1] Includes total full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, including IRS Chief Counsel, during Fiscal Year 2013, i.e., October 1, 2012, through September 30, 2013.

[2] Reflects the Federal civilian labor force as of September 2013, as provided by the U.S. Office of Personnel Management. These data include the Internal Revenue Service labor force.

[3] Data from U.S. Department of Commerce, Bureau of the Census (2006–2010 American Community Survey statistics).

[4] Hispanic or Latino persons of any race are included in the Hispanic category.

[5] Data for IRS and other Federal workers of two or more races may be incomplete, as data for this category have been routinely collected only for employees hired after January 1, 2006. The data also reflect information for employees in this category who were hired prior to January 1, 2006, who subsequently updated their official information. The number and percentages of employees in the "Two or more races" category decreased from Fiscal Year 2012. Due to a methodology change, some employees formerly reported in the "Two or more races" category are now reported in other categories.

[6] The term "targeted disability" was originally enacted by the Equal Employment Opportunity Commission (EEOC) in 1979 and refers to certain disabilities that have been identified for emphasis in Federal affirmative employment planning.

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

SOURCE: Equity, Diversity and Inclusion.

Data Sources, by Subject Area and Table Number

Subject Area	Table Number	Data Sources (by IRS Branch, Division, or Office)
Returns Filed, Taxes Collected, and Refunds Issued	1	Chief Financial Officer, Financial Management.
	2	Research, Analysis, and Statistics, Office of Research.
	3	Research, Analysis, and Statistics, Office of Research.
	4	Research, Analysis, and Statistics, Office of Research.
	5	Chief Financial Officer, Financial Management.
	6	Chief Financial Officer, Financial Management.
	7	Chief Financial Officer, Financial Management.
	8	Chief Financial Officer, Financial Management.
Enforcement: Examinations	9a	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.
	9b	Research, Analysis, and Statistics, Office of Research.
	10	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.
	11	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.
	12	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.
	13	Tax Exempt and Government Entities.
Enforcement: Information Reporting and Verification	14	Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporter Program; Small Business/Self-Employed, Enterprise Collection Strategy, Collection Analytics, Automation, Inventory Selection and Delivery; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching.
	15	Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.
Enforcement: Collections, Penalties, and Criminal Investigation	16	Small Business/Self-Employed, Enterprise Collection Strategy, Collection Strategy and Organizational Performance, Collection Data Assurance.
	17	Chief Financial Officer, Financial Management.
	18	Criminal Investigation, Communications and Education Division.
Taxpayer Assistance	19	Wage and Investment, Strategy and Finance, Program Management Office; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications, Outreach, Systems and Solutions.
	20	Taxpayer Advocate Service, Business Assessment.
	21	Appeals, Strategic Planning, Measures Analysis.
Tax-Exempt Activities	22	Tax Exempt and Government Entities.
	23	Tax Exempt and Government Entities, Employee Plans.
	24	Tax Exempt and Government Entities, Exempt Organizations.
	25	Tax Exempt and Government Entities, Exempt Organizations.
Chief Counsel	26	Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Management Division.
	27	Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Management Division.
IRS Budget and Workforce	28	Chief Financial Officer, Corporate Budget.
	29	Chief Financial Officer, Corporate Budget and Financial Management.
	30	Chief Financial Officer, Corporate Budget.
	31	Equity, Diversity and Inclusion.

Principal Officers of the Internal Revenue Service

as of September 30, 2013

Commissioner

Daniel I. Werfel (Acting)

Deputy Commissioner for Services and Enforcement

John M. Dalrymple

Deputy Commissioner for Operations Support

Beth Tucker

Chief of Staff

W. Todd Grams

Appeals

Chief, Appeals

Kirsten Wielobob (Acting)

Deputy Chief, Appeals

Donna C. Hansberry (Acting)

Taxpayer Advocate Service

National Taxpayer Advocate

Nina E. Olson

Deputy National Taxpayer Advocate

Matthew A. Weir

Executive Director, Systemic Advocacy

Rena C. Girinakis

Executive Director, Case Advocacy East

Amy L. Stanton

Executive Director Case Advocacy West

Kim S. Stewart

Equity, Diversity and Inclusion

Executive Director, Equity, Diversity and Inclusion

Monica H. Davy

Deputy Executive Director, Equity, Diversity and Inclusion

Elaine P. Ho

Office of Research, Analysis, and Statistics

Director, Office of Research, Analysis, and Statistics

Rosemary D. Marcuss

Deputy Director, Office of Research, Analysis, and Statistics

Patricia H. McGuire

Director, Data Management Office

William W. Hannon

Director, Office of Program Evaluation and Risk Analysis

Tommy A. Smith

Director, Office of Research

Janice M. Hedemann

Director, Servicewide Policy, Directives, and Electronic Research

Kathryn A. Greene

Director, Statistics of Income

M. Susan Boehmer

Communications and Liaison

Chief, Communications and Liaison

Terry L. Lemons (Acting)

Deputy Chief, Communications and Liaison

Jan S. Deneroff

Director, Office of Legislative Affairs

Catherine M. Barré (Acting)

Director, Office of Communications

Terry L. Lemons

Director, Office of National Public Liaison

Candice V. Cromling

Deputy Chief of Staff

Crystal Philcox

Chief Risk Officer and Senior Advisor to the Commissioner

David Fisher

Senior Advisor to the Commissioner (Office of Compliance Analytics)

Dean R. Silverman

Small Business/Self-Employed Division

Commissioner, Small Business/Self-Employed

Faris R. Fink

Deputy Commissioner, Small Business/Self-Employed

Ruth Perez

Director, Communications, Outreach, Systems and Solutions

DelRey Jenkins

Director, Field Collection

Bobby L. Hunt

Director, Enterprise Collection Strategy

Darren J. Guillot

Director, Examination

Shenita L. Hicks

Director, Fraud/BSA

William P. Marshall

Director, Specialty Programs

John H. Imhoff, Jr.

Director, Campus Compliance Services

Denice D. Vaughan

Large Business and International Division

Commissioner, Large Business and International

Heather C. Maloy

Deputy Commissioner (Domestic)

Paul D. DeNard

Deputy Commissioner (International)

Michael Danilack

U.S. Competent Authority

Michael Danilack

Assistant Deputy Commissioner (International)

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Rosemary J. Sereti

Director, Retailers, Food, Transportation and Healthcare Industry

Lori L. Nichols (Acting)

Director, Communications, Technology, and Media Industry

Cheryl P. Claybough

Director, Heavy Manufacturing and Pharmaceutical Industry

Laura M. Prendergast

Director, Natural Resources and Construction Industry

Kathy J. Robbins

Director, Global High Wealth Industry

Tamera L. Ripperda

Director, International Individual Compliance

David W. Horton

Director, International Business Compliance

Sergio E. Arellano

Director, Transfer Pricing Operations

Samuel M. Maruca

Director, Pre-Filing and Technical Guidance

Sunita B. Lough

Director, Shared Support

Thomas A. Brandt (Acting)

Principal Officers of the Internal Revenue Service

as of September 30, 2013

Wage and Investment Division

Commissioner, Wage and Investment

Peggy A. Bogadi

Deputy Commissioner, Operations

David P. Alito

Deputy Commissioner, Support

Debra S. Holland

Director, Customer Account Services

Peter J. Stipek

Director, CARE (Customer Assistance, Relationships, and Education)

Julie Garcia

Director, Compliance

James P. Clifford

Director, Return Integrity and Correspondence Services

Jodi L. Patterson

Tax Exempt and Government Entities Division

Commissioner, Tax Exempt and Government Entities

Michael D. Julianelle (Acting)

Deputy Commissioner, Tax Exempt and Government Entities

Vacant

Director, Employee Plans

Robert S. Choi

Director, Exempt Organizations

Kenneth Corbin (Acting)

Director, Government Entities

Christie J. Jacobs (Acting)

Criminal Investigation

Chief, Criminal Investigation

Richard Weber

Deputy Chief, Criminal Investigation

Patricia J. Haynes (Acting)

Office of Professional Responsibility

Director, Office of Professional Responsibility

Karen L. Hawkins

Deputy Director, Office of Professional Responsibility

Lee D. Martin

Office of Online Services

Director, Office of Online Services

Rajive K. Mathur

Return Preparer Office

Director, Return Preparer Office

Carol A. Campbell

Deputy Director, Return Preparer Office

Preston B. Benoit

Office of Chief Financial Officer

Chief Financial Officer

Pamela J. LaRue

Deputy Chief Financial Officer

Gregory E. Kane

Agency-Wide Shared Services

Chief, Agency-Wide Shared Services

David A. Grant

Director, Procurement

Jacob B. Hansen

Director, Real Estate and Facilities Management

Stuart Burns

IRS Information Technology

Chief Technology Officer

Terence V. Milholland

Deputy Chief Information Officer for Operations

S. Gina Garza

Deputy Chief Information Officer for Strategy/Modernization

Stephen L. Manning

Associate Chief Information Officer, Applications Development

Nancy A. Sieger

Associate Chief Information Officer, Enterprise IT Program Management Office

Peter C. Wade

Associate Chief Information Officer, Enterprise Operations

Lauren Buschor

Associate Chief Information Officer, User and Network Services

Anne Shepherd

Associate Chief Information Officer, Enterprise Services

Daniel B. Chaddock

Associate Chief Information Officer, Cybersecurity

David W. Stender

Associate Chief Information Officer, Strategy and Planning

Carl T. Froehlich

Associate Chief Information Officer, Affordable Care Act Program

Marla L. Somerville

Director, Management Services

Debra L. Nelson

Human Capital Office

Chief Human Capital Officer

David Krieg

Deputy Chief Human Capital Officer

Daniel T. Riordan

Privacy, Governmental Liaison and Disclosure

Director, Privacy, Governmental Liaison, and Disclosure

Rebecca A. Chiaramida

Whistleblower Office

Director, Whistleblower Office

Stephen A. Whitlock

Principal Officers of the Internal Revenue Service

as of September 30, 2013

Office of Chief Counsel

Chief Counsel

William J. Wilkins

Deputy Chief Counsel (Operations)

Christopher B. Sterner

Deputy Chief Counsel (Technical)

Erik H. Corwin

Counselor to the Commissioner & Chief Counsel

Jennifer M. O'Connor

Health Care Counsel

W. Thomas Reeder

Special Counsel

(National Taxpayer Advocate Service)

Judith M. Wall

Division Counsel/Associate Chief Counsel (Criminal Tax)

Edward F. Cronin

Division Counsel

(Large Business and International)

Linda M. Kroening

Division Counsel

(Small Business/Self-Employed)

Thomas R. Thomas

Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities)

Victoria A. Judson

Division Counsel

(Wage and Investment)

Joanne B. Minsky

Associate Chief Counsel (Corporate)

William D. Alexander

Associate Chief Counsel (Finance and Management)

Dennis M. Ferrara

Associate Chief Counsel (Financial Institutions and Products)

Helen M. Hubbard (Acting)

Associate Chief Counsel (General Legal Services)

Mark S. Kaizen

Associate Chief Counsel (Income Tax and Accounting)

Andrew J. Keyso, Jr.

Associate Chief Counsel (International)

Steven A. Musher

Associate Chief Counsel (Passthroughs and Special Industries)

Curtis G. Wilson

Associate Chief Counsel (Procedure and Administration)

Drita Tonuzi

Commissioners of Internal Revenue

Office of Commissioner of Internal Revenue Created by Act of Congress, July 1, 1862

George S. Boutwell
Massachusetts
July 17, 1862 to March 4, 1863

Joseph J. Lewis
(Acting)
Pennsylvania
Mar. 5, 1863 to Mar. 17, 1863

Joseph J. Lewis
Pennsylvania
March 18, 1863 to June 30, 1865

William Orton
New York
July 1, 1865 to Oct. 31, 1865

Edward A. Rollins
New Hampshire
Nov. 1, 1865 to Mar. 10, 1869

Columbus Delano
Ohio
March 11, 1869 to Oct. 31, 1870

John W. Douglass
(Acting)
Pennsylvania
Nov. 1, 1870 to Jan. 2, 1871

Alfred Pleasonton
New York
Jan. 3, 1871 to Aug. 8, 1871

John W. Douglass
Pennsylvania
Aug. 9, 1871 to May 14, 1875

Daniel D. Pratt
Indiana
May 15, 1875 to Aug. 1, 1876

Green B. Raum
Illinois
Aug. 2, 1876 to April 30, 1883

Henry C. Rogers
(Acting)
Pennsylvania
May 1, 1883 to May 10, 1883

John J. Knox
(Acting)
Minnesota
May 11, 1883 to May 20, 1883

Walter Evans
Kentucky
May 21, 1883 to March 19, 1885

Joseph S. Miller
West Virginia
March 20, 1885 to March 20, 1889

John W. Mason
West Virginia
March 21, 1889 to April 18, 1893

Joseph S. Miller
West Virginia
April 19, 1893 to Nov. 26, 1896

W. St. John Forman
Illinois
Nov. 27, 1896 to Dec. 31, 1897

Nathan B. Scott
West Virginia
Jan. 1, 1898 to Feb. 28, 1899

George W. Wilson
Ohio
Mar. 1, 1899 to Nov. 27, 1900

Robert Williams, Jr.
(Acting)
Ohio
Nov. 28, 1900 to Dec. 19, 1900

John W. Yerkes
Kentucky
Dec. 20, 1900 to April 30, 1907

Henry C. Rogers
(Acting)
Pennsylvania
May 1, 1907 to June 4, 1907

John G. Capers
South Carolina
June 5, 1907 to Aug. 31, 1909

Royal E. Cabell
Virginia
Sept. 1, 1909 to April 27, 1913

William H. Osborn
North Carolina
April 28, 1913 to Sept. 25, 1917

Daniel C. Roper
South Carolina
Sept. 26, 1917 to Mar. 31, 1920

William M. Williams
Alabama
April 1, 1920 to April 11, 1921

Millard F. West
(Acting)
Kentucky
April 12, 1921 to May 26, 1921

David H. Blair
North Carolina
May 27, 1921 to May 31, 1929

Robert H. Lucas
Kentucky
June 1, 1929 to Aug. 15, 1930

H. F. Mires
(Acting)
Washington
Aug. 16, 1930 to Aug. 19, 1930

David Burnet
Ohio
Aug. 20, 1930 to May 15, 1933

Pressly R. Baldridge
(Acting)
Iowa
May 16, 1933 to June 5, 1933

Guy T. Helvering
Kansas
June 6, 1933 to Oct. 8, 1943

Robert E. Hannegan
Missouri
Oct. 9, 1943 to Jan. 22, 1944

Harold N. Graves
(Acting)
Illinois
Jan. 23, 1944 to Feb. 29, 1944

Joseph D. Nunan, Jr.
New York
March 1, 1944 to June 30, 1947

George J. Schoeneman
Rhode Island
July 1, 1947 to July 31, 1951

John B. Dunlap
Texas
Aug. 1, 1951 to Nov. 18, 1952

John S. Graham
(Acting)
North Carolina
Nov. 19, 1952 to Jan. 19, 1953

Justin F. Winkle
(Acting)
New York
Jan. 20, 1953 to Feb. 3, 1953

T. Coleman Andrews
Virginia
Feb. 4, 1953 to Oct. 31, 1955

O. Gordon Delk
(Acting)
Virginia
Nov. 1, 1955 to Dec. 4, 1955

Russell C. Harrington
Rhode Island
Dec. 5, 1955 to Sept. 30, 1958

O. Gordon Delk
(Acting)
Virginia
Oct. 1, 1958 to Nov. 4, 1958

Dana Latham
California
Nov. 5, 1958 to Jan. 20, 1961

Charles I. Fox
(Acting)
Utah
Jan. 21, 1961 to Feb. 6, 1961

Mortimer M. Caplin
Virginia
Feb. 7, 1961 to July 10, 1964

Bertrand M. Harding
(Acting)
Texas
July 11, 1964 to Jan. 24, 1965

Sheldon S. Cohen
Maryland
Jan. 25, 1965 to Jan. 20, 1969

William H. Smith
(Acting)
Virginia
Jan. 21, 1969 to Mar. 31, 1969

Randolph W. Thrower
Georgia
April 1, 1969 to June 22, 1971

Harold T. Swartz
(Acting)
Indiana
June 23, 1971 to Aug. 5, 1971

Johnnie M. Walters
South Carolina
Aug. 6, 1971 to April 30, 1973

Raymond F. Harless
(Acting)
California
May 1, 1973 to May 25, 1973

Donald C. Alexander
Ohio
May 26, 1973 to Feb. 26, 1977

William E. Williams
(Acting)
Illinois
Feb. 27, 1977 to May 4, 1977

Jerome Kurtz
Pennsylvania
May 5, 1977 to Oct. 31, 1980

William E. Williams
(Acting)
Illinois
Nov. 1, 1980 to March 13, 1981

Roscoe L. Egger, Jr.
Indiana
March 14, 1981 to April 30, 1986

James I. Owens
(Acting)
Alabama
May 1, 1986 to Aug. 3, 1986

Lawrence B. Gibbs
Texas
Aug. 4, 1986 to March 4, 1989

Michael J. Murphy
(Acting)
Wisconsin
March 5, 1989 to July 4, 1989

Fred Goldberg, Jr.
Missouri
July 5, 1989 to Feb. 2, 1992

Shirley D. Peterson
Colorado
Feb. 3, 1992 to Jan. 20, 1993

Michael P. Dolan
(Acting)
Iowa
Jan. 21, 1993 to May 26, 1993

Margaret Milner Richardson
Texas
May 27, 1993 to May 31, 1997

Michael P. Dolan
(Acting)
Iowa
June 1, 1997 to Nov. 12, 1997

Charles O. Rossotti
New York
Nov. 13, 1997 to Nov. 6, 2002

Bob Wenzel
(Acting)
Illinois
Nov. 7, 2002 to April 30, 2003

Mark W. Everson
New York
May 1, 2003 to May 28, 2007

Kevin M. Brown
(Acting)
Virginia
May 29, 2007 to Sept. 8, 2007

Linda E. Stiff
(Acting)
Germany
Sept. 9, 2007 to Mar. 23, 2008

Douglas H. Shulman
Ohio
March 24, 2008 to Nov. 9, 2012

Steven T. Miller
(Acting)
Ohio
Nov. 10, 2012 to May 21, 2013

Daniel I. Werfel
(Acting)
Virginia
May 22, 2013 to Dec. 19, 2013

Chief Counsels for the Internal Revenue Service

Walter H. Smith	1866
William McMichael	1871
Charles Chesley	1871
Thomas J. Smith	1888
Alphonso Hart	1890
Robert T. Hough	1893
George M. Thomas	1897
Albert W. Wishard	1901
A.B. Hayes	1903
Fletcher Maddox.....	1908
Ellis C. Johnson.....	1913
A.A. Ballantine.....	1918
D.M. Kelleher.....	1919
Robert N. Miller	1919
Wayne Johnson.....	1920
Carl A. Mapes	1920
Nelson T. Hartson.....	1923
Alexander W. Gregg.....	1925
Clarence M. Charest	1927
E. Barrett Prettyman.....	1933
Robert H. Jackson.....	1934
Morrison Shaforth	1936
John P. Wenchel.....	1937
Charles Oliphant.....	1947
Charles W. Davis.....	1952
Daniel A. Taylor	1953
John Potts Barnes	1955
Nelson P. Rose	1957
Arch M. Cantrall.....	1958
Hart H. Spiegel.....	1959
Crane C. Hauser	1961
Sheldon S. Cohen	1964
Mitchell Rogovin	1965
Lester R. Uretz	1966
K. Martin Worthy	1969
Lee H. Henkel, Jr.....	1972
Meade Whitaker	1973
Stuart E. Seigel	1977
N. Jerold Cohen	1979
Kenneth W. Gideon	1981
Fred Goldberg, Jr.	1984
William F. Nelson.....	1986
Abraham N. M. Shashy, Jr.....	1990
Stuart L. Brown	1994
B. John Williams, Jr.	2002
Donald L. Korb	2004
William J. Wilkins.....	2009

The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

John W. Burrus
March 2, 1936 to Nov. 30, 1936

Mason B. Leming
Dec. 6, 1951 to May 15, 1952

Kenneth W. Gemmill
June 11, 1953 to Nov. 8, 1953

Rudy P. Hertzog
Dec. 1, 1954 to May 8, 1955
Jan. 20, 1961 to Aug. 16, 1961
Sept. 1, 1963 to Jan. 5, 1964

Herman T. Reiling
Jan. 19, 1957 to March 13, 1957
Aug. 31, 1959 to Sept. 20, 1959

Richard M. Hahn
Jan. 20, 1969 to June 25, 1969

Lee H. Henkel, Jr.
Jan. 16, 1972 to June 11, 1972

Lawrence B. Gibbs
April 17, 1973 to Oct. 19, 1973

Charles L. Saunders, Jr.
Jan. 20, 1977 to April 15, 1977

Leon G. Wigrizer
April 16, 1977 to June 23, 1977

Lester Stein
June 1, 1979 to Nov. 16, 1979

Jerome D. Sebastian
Jan. 21, 1981 to Feb. 2, 1981
March 30, 1981 to Aug. 14, 1981

Emory L. Langdon
Feb. 3, 1981 to March 29, 1981

Joel Gerber
May 28, 1983 to March 17, 1984

V. Jean Owens
March 14, 1986 to July 27, 1986

Peter K. Scott
Nov. 1, 1988 to Feb. 6, 1990

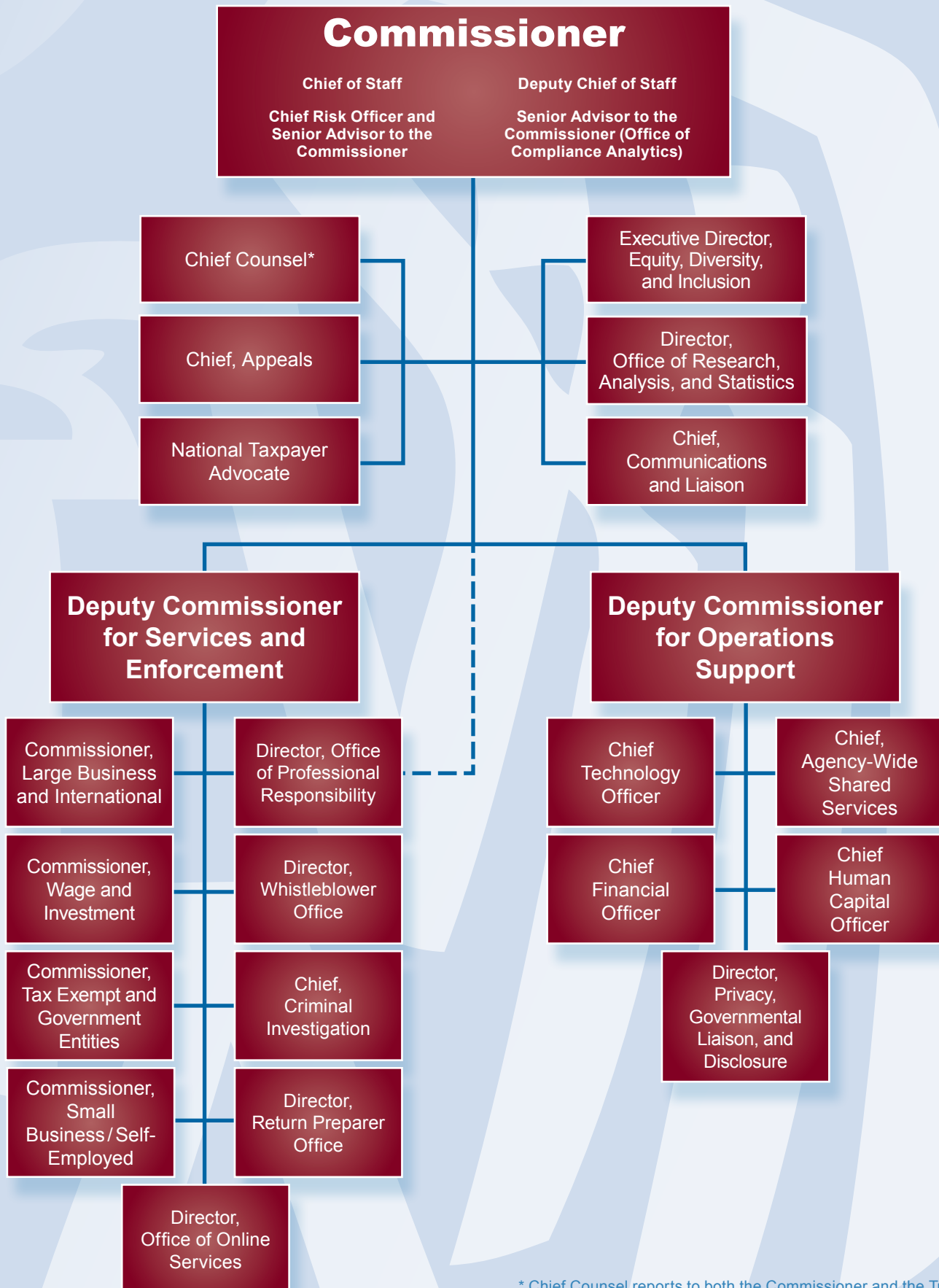
David L. Jordan
Jan. 20, 1993 to Oct. 4, 1994

Richard Skillman
Jan. 20, 2001 to Feb. 6, 2002

Emily A. Parker
Aug. 1, 2003 to April 14, 2004

Clarissa C. Potter
Dec. 19, 2008 to July 24, 2009

NOTE: From 1866 to 1926, the chief legal officer for the Bureau of Internal Revenue was known as the Solicitor. For the next eight years, 1926 to 1934, the chief legal officer had the title of General Counsel. Since 1934, the chief legal officer has operated under the title of Chief Counsel, now for the Internal Revenue Service.



* Chief Counsel reports to both the Commissioner and the Treasury Department General Counsel in circumstances specified by the Internal Revenue Service Restructuring and Reform Act of 1998.

