

2016

INTERNAL
REVENUE
SERVICE

DATA BOOK

October 1, 2015 to September 30, 2016

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, 2016

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2016 (October 1, 2015, through September 30, 2016). 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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Contents

Acknowledgments	ii
Letter from the Commissioner	iii
List of Statistical Tables	iv
Statistical Tables.....	3
Data Sources, by Subject Area and Table Number.....	69
Principal Officers of the Internal Revenue Service.....	70
Principal Officers of the Internal Revenue Service Office of Chief Counsel.....	72
Commissioners of Internal Revenue	73
Chief Counsels for the Internal Revenue Service	74
Internal Revenue Service Organization	<i>inside back cover</i>

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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 Web site, select "IRS Data Books" in the "Products, Publications & Papers" section. An archive of historical *Data Books* from 1863 to 2015 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

Over the course of the century since the Revenue Act of 1916 became law, the IRS has published data that reflect the breadth and complexity of our tax system. Among the agency's statistical publications, the *Internal Revenue Service Data Book* is an important part of our continued effort to improve access to tax statistics and show the full scope of Federal tax administration.

The *Data Book* and its consistency year-to-year help illustrate trends over time, ranging from the increasing size of the taxpayer population to the decreasing size of the IRS workforce. For example, in the last 5 years as the agency's budget has been reduced, the IRS has lost almost 15 percent of its workers. Key measures of enforcement activity, including audit rates, have also declined in several categories.

At the same time as IRS resources have shrunk, demand for help from the IRS has surged in key areas. The IRS website, a focal point for the future state of tax administration, was visited more than half a billion times in 2016, and nearly 300 million inquiries were answered by the "Where's My Refund?" tool on IRS.gov. The year also marked a turnaround compared to 2015 with improved service on the phones thanks to additional funding for taxpayer assistance.

The tax code remains a complex set of laws affecting virtually every American individual and business. To run the tax system, as this *Data Book* shows, it takes a tremendous workforce at the IRS to process over 244 million tax returns and other forms each year and collect revenues for the Nation totaling \$3.3 trillion.

Our employees are proud to present this report, and we thank you for reading it.

John A. Koskinen

Commissioner of Internal Revenue

List of Statistical Tables

Returns Filed, Taxes Collected, and Refunds Issued	Page
Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2015 and 2016	3
Table 2. Number of Returns and Other Forms Filed, by Type, Fiscal Years 2015 and 2016	4
Table 3. Number of Returns and Other Forms Filed, by Type and State, Fiscal Year 2016.....	6
Table 4. Number of Returns and Other Forms Filed Electronically, by Type and State, Fiscal Year 2016.....	9
Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2016	12
Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2016.....	15
Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2016.....	17
Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2016.....	19

Enforcement: Examinations

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2016.....	23
Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2016.....	27
Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2016	28
Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2016	30
Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2016	32
Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2016	34

Enforcement: Information Reporting and Verification

Table 14. Information Reporting Program, Fiscal Year 2016.....	36
Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Fiscal Year 2016.....	37

Enforcement: Collections, Penalties, and Criminal Investigation

Table 16. Delinquent Collection Activities, Fiscal Years 2015 and 2016	41
Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2016	42
Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2016.....	44

Taxpayer Assistance

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2016	47
Table 20. Taxpayer Advocate Service: Post-filing Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2016.....	49
Table 21. Appeals Workload, by Type of Case, Fiscal Year 2016	50

Tax-Exempt Activities

Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2016	53
Table 23. Determination Letters Issued on Employee Retirement Plans, by Type and Disposition of Plan, Fiscal Year 2016	54
Table 24a. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2016	55
Table 24b. Closures of Forms 8976, Notices of Intent To Operate Under Section 501(c)(4), Fiscal Year 2016	56
Table 25. Tax-Exempt Organizations, Nonexempt Charitable Trusts, and Nonexempt Split-Interest Trusts, Fiscal Year 2016	57

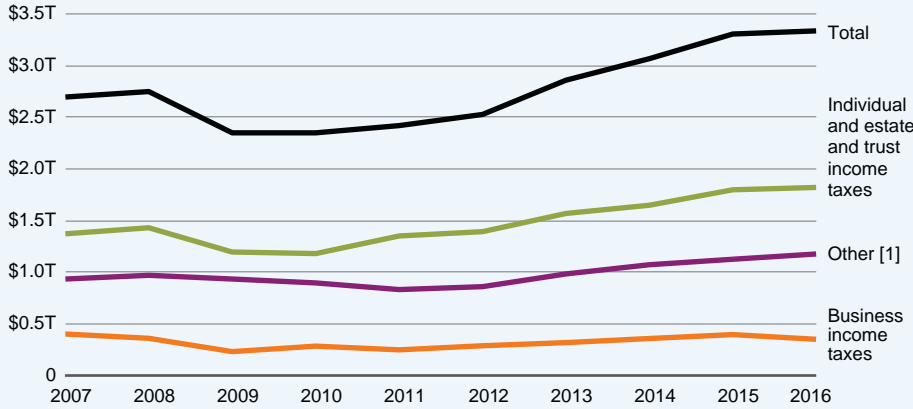
Chief Counsel

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case, Fiscal Year 2016	60
Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2016	62

IRS Budget and Workforce

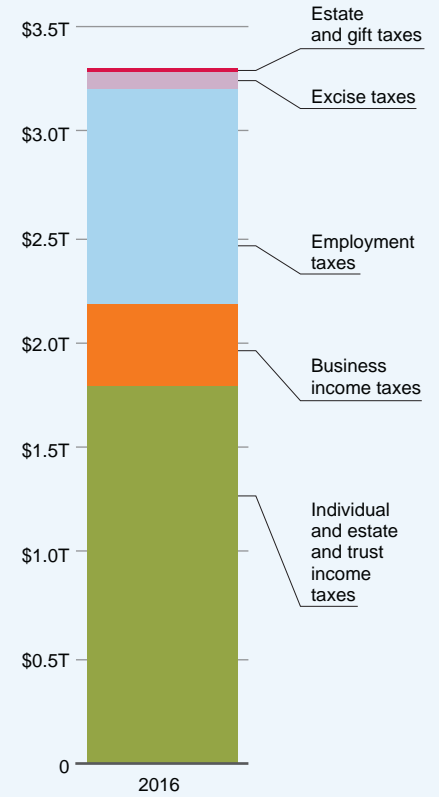
Table 28. Costs Incurred by Budget Activity, Fiscal Years 2015 and 2016.....	65
Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1987–2016	66
Table 30. Personnel Summary, by Employment Status, Budget Activity, and Selected Personnel Type, Fiscal Years 2015 and 2016	67
Table 31. Internal Revenue Service and Chief Counsel Labor Force, Compared to National Totals for Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, Disability, and Veteran Status, Fiscal Year 2016	68

Gross Collections by Type of Tax, Fiscal Years 2007–2016



[1] Includes employment, estate and gift, and excise tax forms.
SOURCE: IRS Data Book Table 1

Gross Collections by Type of Tax, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 1

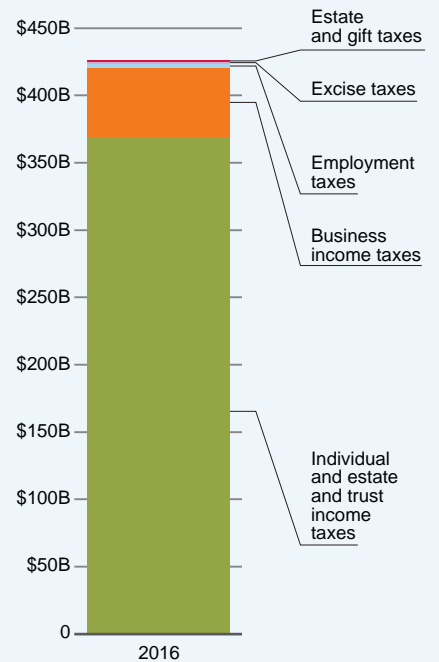
Returns Filed, Taxes Collected, and Refunds Issued

Section 1 of the *Data Book* provides a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. It also provides additional details on returns filed, returns filed electronically, gross collections, and tax refunds by State and type of tax.

Highlights of the Data

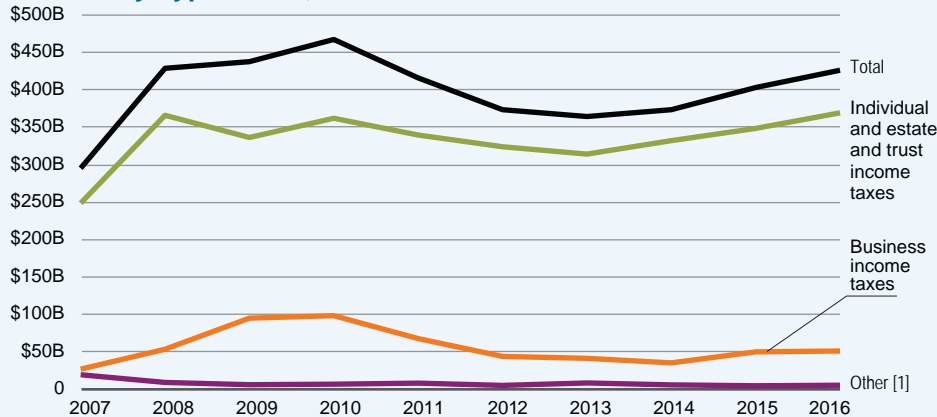
- The IRS collected more than \$3.3 trillion in gross taxes in Fiscal Year (FY) 2016 (Tables 1 and 5) and issued more than 122.3 million refunds (Table 7), amounting to more than \$426.1 billion (Tables 1 and 8).
- Individual income tax withheld and tax payments, combined, totaled almost \$1.8 trillion before refunds (Tables 1 and 6).
- The IRS also collected almost \$345.6 billion in income taxes, before refunds, from businesses in FY 2016 (Tables 1 and 6).

Refunds by Type of Tax, Fiscal Year 2016



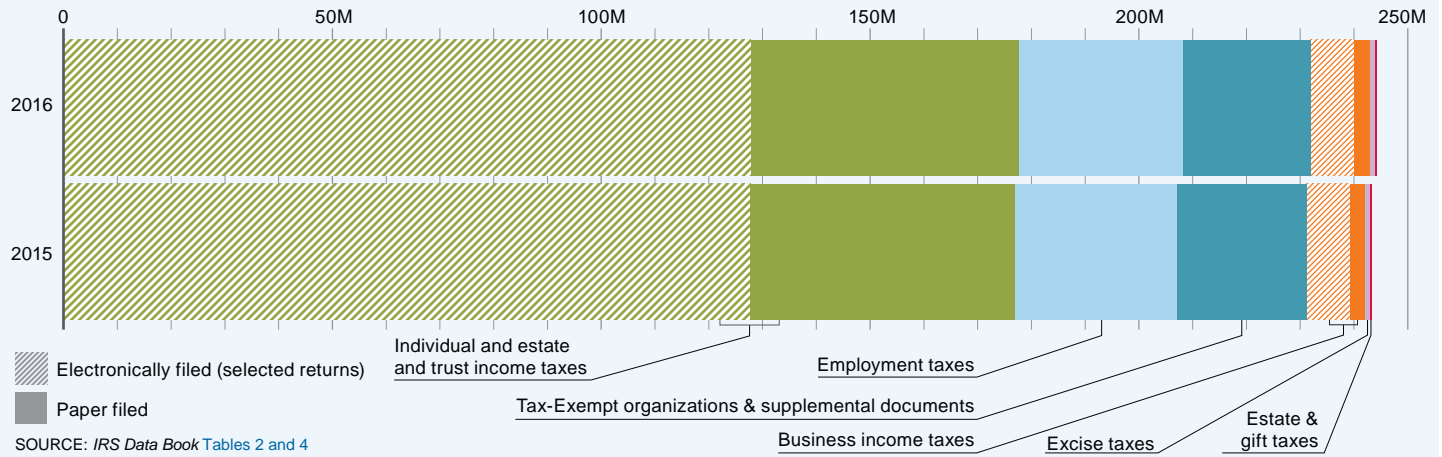
SOURCE: 2016 IRS Data Book Table 1

Refunds by Type of Tax, Fiscal Years 2007–2016



[1] Includes employment, estate and gift, and excise tax forms.
SOURCE: IRS Data Book Table 1

Number of Returns Filed, by Return Type, Fiscal Years 2015 and 2016



- The IRS processed more than 244.2 million Federal tax returns and supplemental documents (Tables 2 and 3).
- More than 168.8 million returns and other forms were filed electronically. These represented 69.1 percent of all filings, an increase of 1.9 percent over the share of electronic filing in FY 2015 (Table 4).
- Paid preparers filed more than 78.4 million tax returns electronically, and taxpayers filed almost 2.6 million returns using the IRS Free File program (Table 4).
- In FY 2016, nearly 16.0 million tax refunds included a refundable child tax credit and almost 23.9 million included a refundable earned income tax credit (Table 7).
- Texas had the largest refunds in the following categories: business, estate and trust income, gift, and excise taxes. California had the largest overall total refunds (Table 8).

Number of Individual Returns Electronically Filed, Fiscal Year 2016

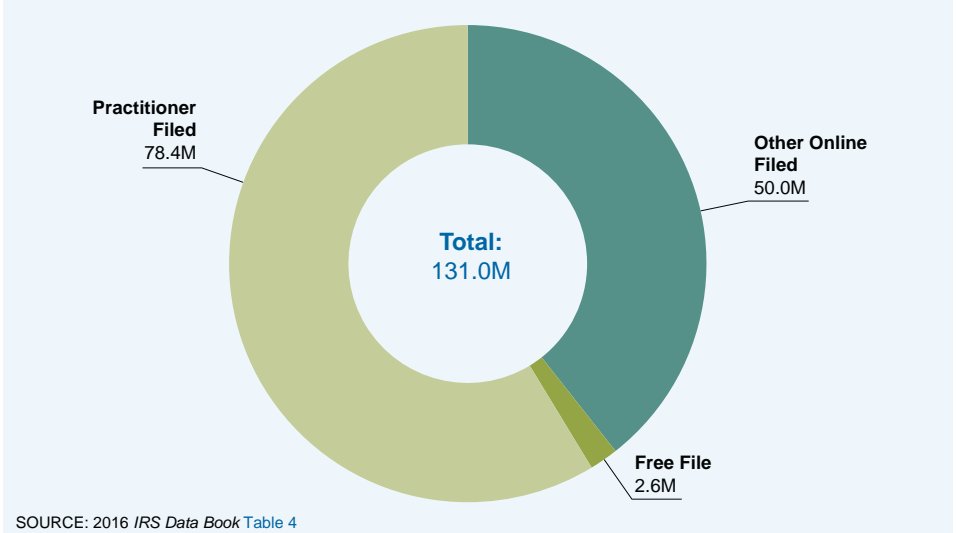


Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2015 and 2016

[Money amounts are in thousands of dollars]

Type of tax	Gross collections [1]			Refunds [1, 2]	Net collections [1]	
	2015	2016	Percentage of 2016 total	2016	2016	Percentage of 2016 total
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	3,302,677,258	3,333,449,083	100.0	426,146,066	2,907,303,017	100.0
Business income taxes	389,888,722	345,552,427	10.4	51,281,426	294,271,001	10.1
Corporation	389,083,708	344,670,501	10.3	n.a.	n.a.	n.a.
Tax-exempt organization unrelated business income tax	805,014	881,926	[3]	n.a.	n.a.	n.a.
Individual and estate and trust income taxes [4]	1,793,185,699	1,815,819,135	54.5	369,234,470	1,446,584,665	49.8
Individual income tax withheld	1,241,160,788	1,267,429,873	38.0	n.a.	n.a.	n.a.
Individual income tax payments [5]	518,579,529	518,693,865	15.6	n.a.	n.a.	n.a.
Estate and trust income tax	33,445,382	29,695,397	0.9	2,588,937	27,106,460	0.9
Employment taxes	1,022,358,916	1,073,907,715	32.2	3,329,627	1,070,578,088	36.8
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [4]	1,006,818,535	1,059,526,038	31.8	3,129,856	1,056,396,182	36.3
Federal Insurance Contributions Act (FICA)	942,448,190	1,000,491,731	30.0	n.a.	n.a.	n.a.
Self-Employment Insurance Contributions Act (SECA)	64,370,345	59,034,307	1.8	n.a.	n.a.	n.a.
Unemployment insurance	9,107,884	8,440,229	0.3	196,313	8,243,916	0.3
Railroad retirement	6,432,497	5,941,448	0.2	3,458	5,937,990	0.2
Estate and gift taxes	20,042,039	22,337,137	0.7	999,980	21,337,157	0.7
Estate	17,952,938	19,879,671	0.6	838,166	19,041,505	0.7
Gift	2,089,101	2,457,466	0.1	161,815	2,295,651	0.1
Excise taxes [6]	77,201,882	75,832,669	2.3	1,300,563	74,532,106	2.6

n.a.—Not available.

[1] Excludes refunds credited to taxpayer accounts for tax liability in a subsequent year, as well as excise taxes collected by 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 \$1.5 billion in interest, of which \$0.8 billion was paid to corporations and \$0.7 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).

[3] Less than 0.05 percent.

[4] 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.

[5] Includes collections of estimated income tax and payments made in conjunction with individual income tax return filings.

[6] Beginning with Fiscal Year 2015, some refunds which had been classified as excise tax refunds in prior years, were reclassified as corporate tax refunds.

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, S corporation, regulated investment company, and real estate investment trust 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 and Other Forms Filed, by Type, Fiscal Years 2015 and 2016

[Numbers are in thousands—for Fiscal Year 2016 details by State, see Table 3]

Type of return	2015	2016	Percentage change
	(1)	(2)	
United States, total [1]	243,249	244,246	0.4
Income taxes, total	187,730	188,711	0.5
C or other corporation [2]	2,216	2,208	-0.4
S corporation, Form 1120-S	4,717	4,832	2.4
Partnership, Form 1065	3,883	4,006	3.2
Individual [3]	148,841	150,711	1.3
Forms 1040, 1040-A, 1040-EZ	147,983	149,804	1.2
Forms 1040-C, 1040-NR, 1040NR-EZ, 1040-PR, 1040-SS	858	907	5.7
Individual estimated tax, Form 1040-ES	24,122	23,101	-4.2
Estate and trust, Form 1041	3,203	3,207	0.1
Estate and trust estimated tax, Form 1041-ES	748	646	-13.6
Employment taxes [4]	30,196	30,460	0.9
Estate tax [5]	36	36	0.0
Gift tax, Form 709	238	249	4.6
Excise taxes [6]	1,025	1,015	-1.0
Tax-exempt organizations [7]	1,580	1,500	-5.1
Supplemental documents [8]	22,445	22,275	-0.8

- [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-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). 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 1120-S (S corporations), shown separately. Also 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 in this table.
- [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] 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 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.
- [7] 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.

Footnotes continued on next page.

Table 2. Number of Returns and Other Forms Filed, by Type, Fiscal Years 2015 and 2016—Continued**Footnotes—Continued**

[8] 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).

NOTES: Detail may not add to totals because of rounding. Percentage changes are based on rounded data.

SOURCE: Research, Applied Analytics, and Statistics, Office of Research.

Table 3. Number of Returns and Other Forms Filed, by Type and State, Fiscal Year 2016

State or area	Total [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax [3]	Individual estimated income tax	Estate and trust income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	244,246,247	2,207,723	4,831,588	4,005,907	150,711,378	23,101,441	3,206,758
Alabama	3,078,691	16,678	51,282	46,978	2,052,504	249,148	29,122
Alaska	586,036	3,291	9,660	7,592	357,694	47,368	4,430
Arizona	4,599,450	32,665	87,755	85,429	2,902,462	427,453	48,545
Arkansas	1,944,135	11,748	41,462	30,518	1,228,367	159,805	16,828
California	29,554,578	318,517	513,244	423,950	17,732,788	2,975,959	331,247
Colorado	4,585,326	34,797	123,265	101,400	2,612,861	469,450	48,349
Connecticut	2,940,039	23,686	28,509	68,204	1,762,244	366,749	53,298
Delaware	792,140	10,723	14,606	16,534	452,036	76,677	48,170
District of Columbia	599,570	12,142	6,063	11,884	343,931	64,223	6,987
Florida	16,958,612	208,618	640,658	272,271	9,609,762	1,481,536	191,478
Georgia	6,971,889	49,285	174,841	103,610	4,436,031	477,544	51,253
Hawaii	1,123,282	12,225	15,198	12,883	687,716	139,137	14,374
Idaho	1,225,081	7,676	28,237	27,483	719,886	115,312	9,808
Illinois	10,050,937	96,720	259,510	127,779	6,159,898	951,371	229,246
Indiana	4,650,580	20,566	92,161	59,900	3,106,353	461,745	39,987
Iowa	2,407,329	20,288	41,858	38,169	1,451,989	312,811	30,712
Kansas	2,204,710	15,721	35,714	38,366	1,339,801	241,771	28,148
Kentucky	2,889,684	14,235	51,873	43,044	1,912,397	264,710	30,160
Louisiana	3,168,474	24,046	57,049	61,671	2,004,800	239,274	21,078
Maine	1,099,588	7,172	22,856	13,138	645,613	114,819	30,849
Maryland	4,694,897	52,065	77,773	71,567	2,959,007	479,979	57,192
Massachusetts	5,628,620	54,133	93,735	77,408	3,396,548	646,131	151,886
Michigan	7,293,461	55,273	137,610	107,320	4,713,811	725,720	82,221
Minnesota	4,472,052	30,494	94,636	67,346	2,724,229	503,734	41,707
Mississippi	1,843,989	11,140	29,243	28,634	1,244,900	130,271	11,063
Missouri	4,520,600	29,807	68,227	71,687	2,786,539	426,890	104,575
Montana	955,406	9,474	25,788	20,408	498,689	110,852	13,873
Nebraska	1,512,300	11,347	33,381	27,098	901,056	162,275	20,542
Nevada	2,125,508	25,426	45,265	47,251	1,348,434	155,583	20,637
New Hampshire	1,120,145	9,832	11,723	17,392	692,769	133,644	16,972
New Jersey	7,380,820	69,377	117,492	171,804	4,384,240	774,504	156,376
New Mexico	1,410,953	8,420	20,948	19,758	917,077	133,974	11,031
New York	16,067,203	268,204	405,038	309,082	9,613,550	1,351,169	293,881
North Carolina	6,932,683	53,012	144,707	100,616	4,456,900	621,455	64,028
North Dakota	672,091	4,384	12,169	14,024	370,463	94,189	6,608
Ohio	8,430,915	52,922	122,076	124,760	5,592,772	779,283	115,581
Oklahoma	2,709,215	16,969	57,329	49,306	1,643,206	232,520	29,463
Oregon	3,217,893	19,568	56,599	50,325	1,874,761	384,677	33,163
Pennsylvania	9,748,492	55,395	162,044	146,262	6,203,714	1,108,423	153,830
Rhode Island	859,976	5,574	17,909	11,341	528,266	85,075	25,458
South Carolina	3,299,524	21,923	63,277	49,884	2,162,243	293,551	24,808
South Dakota	751,265	4,376	14,737	15,639	415,835	95,500	14,884
Tennessee	4,356,222	29,452	36,258	70,353	2,966,799	382,391	39,692
Texas	19,124,036	166,691	307,438	382,346	12,117,250	1,342,888	213,557
Utah	2,141,999	14,321	61,414	73,706	1,261,678	142,253	17,468
Vermont	575,771	4,633	11,092	7,570	326,024	80,304	7,381
Virginia	6,189,463	51,414	116,369	90,095	3,905,827	651,394	58,164
Washington	5,671,823	37,705	102,247	83,132	3,423,368	591,502	64,466
West Virginia	1,142,352	7,000	12,817	13,548	781,526	110,531	13,334
Wisconsin	4,461,990	29,679	62,038	62,716	2,838,902	513,017	67,240
Wyoming	527,373	5,467	13,364	15,015	278,904	53,702	7,947
Puerto Rico	551,600	444	249	809	250,644	64,037	266
Other [9]	2,425,479	51,003	795	16,902	1,612,314	103,161	3,395

Footnotes at end of table.

Table 3. Number of Returns and Other Forms Filed, by Type and State, Fiscal Year 2016—Continued

State or area	Estate and trust estimated income tax	Employment taxes [4]	Estate tax [5]	Gift tax	Excise taxes [6]	Tax-exempt organizations [7]	Supplemental documents [8]
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total	645,521	30,460,364	35,592	249,302	1,015,497	1,500,331	22,274,845
Alabama	5,743	351,693	244	2,163	15,273	17,158	240,705
Alaska	1,111	79,983	55	411	3,518	4,600	66,323
Arizona	8,620	515,562	396	3,543	9,444	19,880	457,696
Arkansas	3,800	246,827	131	1,099	12,729	11,151	179,670
California	79,125	3,722,883	5,431	26,733	77,473	161,941	3,185,287
Colorado	11,123	652,383	541	4,891	13,866	26,181	486,219
Connecticut	14,370	349,712	833	6,471	7,373	19,227	239,363
Delaware	6,032	90,052	101	717	2,220	7,043	67,229
District of Columbia	2,620	72,414	122	861	506	11,904	65,913
Florida	42,685	2,189,406	2,349	22,846	50,328	128,349	2,118,326
Georgia	11,855	872,348	690	4,955	32,437	33,812	723,228
Hawaii	3,577	120,176	182	1,184	1,289	6,501	108,840
Idaho	1,748	188,504	91	778	8,636	6,851	110,071
Illinois	33,486	1,305,868	1,567	9,964	56,966	61,303	757,259
Indiana	8,198	528,949	434	3,489	28,155	31,093	269,550
Iowa	4,689	318,256	640	2,100	27,945	25,815	132,057
Kansas	7,278	298,732	362	2,225	18,246	14,765	163,581
Kentucky	6,146	342,068	256	2,483	16,153	15,576	190,583
Louisiana	5,193	398,548	206	1,769	14,943	15,391	324,506
Maine	3,512	163,766	105	1,156	5,559	9,159	81,884
Maryland	16,555	523,893	864	5,243	11,560	27,730	411,469
Massachusetts	27,910	704,552	1,425	9,698	12,769	41,018	411,407
Michigan	16,809	871,813	608	5,876	30,558	41,744	504,098
Minnesota	8,802	603,992	913	5,733	37,724	39,097	313,645
Mississippi	2,725	212,043	123	927	12,354	12,559	148,007
Missouri	13,204	630,814	474	4,099	27,294	34,842	322,148
Montana	1,502	161,021	138	994	7,857	8,652	96,158
Nebraska	3,285	219,703	378	1,554	22,414	12,048	97,219
Nevada	4,687	233,068	190	1,604	7,544	7,748	228,071
New Hampshire	4,229	142,016	147	1,550	4,697	8,081	77,093
New Jersey	22,921	971,187	2,100	9,989	23,198	47,563	630,069
New Mexico	2,667	162,657	105	1,030	5,876	8,171	119,239
New York	43,668	2,306,032	3,042	21,676	27,582	93,536	1,330,743
North Carolina	11,841	841,979	771	5,849	31,412	42,199	557,914
North Dakota	1,199	102,866	102	1,177	15,666	4,900	44,344
Ohio	19,033	921,052	952	7,686	37,473	59,146	598,179
Oklahoma	6,801	361,064	286	1,845	11,720	15,687	283,019
Oregon	7,444	446,751	566	3,149	12,972	20,693	307,225
Pennsylvania	26,354	1,140,688	1,224	10,588	38,238	70,655	631,077
Rhode Island	3,089	112,943	219	897	2,107	8,939	58,159
South Carolina	5,279	383,600	313	2,838	13,963	15,939	261,906
South Dakota	3,096	111,735	161	1,051	13,740	5,640	54,871
Tennessee	10,995	467,447	532	3,473	20,118	23,632	305,080
Texas	67,109	2,138,513	1,804	17,454	87,470	89,236	2,192,280
Utah	3,300	312,050	152	1,075	7,556	9,448	237,578
Vermont	2,178	87,712	83	718	2,926	5,837	39,313
Virginia	16,675	736,404	795	6,704	19,279	37,295	499,048
Washington	15,437	740,048	703	6,018	24,011	32,225	550,961
West Virginia	1,547	128,184	76	732	4,985	8,593	59,479
Wisconsin	11,467	545,278	564	5,154	26,084	32,753	267,098
Wyoming	2,174	87,047	74	842	3,952	4,318	54,567
Puerto Rico	65	210,846	49	75	121	1,080	22,915
Other [9]	563	33,236	923	2,166	7,218	1,627	592,176

Footnotes on next page.

Table 3. Number of Returns and Other Forms Filed, by Type and State, Fiscal Year 2016—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-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). 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 1120-S (S corporations), shown separately. Also 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 in this table.
- [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] 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 plans return). Excludes excise tax returns filed with 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.
- [7] 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.
- [8] 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).
- [9] 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 State(s).

SOURCE: Research, Applied Analytics, and Statistics, Office of Research.

Table 4. Number of Returns and Other Forms Filed Electronically, by Type and State, Fiscal Year 2016

State or area	Total [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	168,816,411	1,333,340	3,951,011	3,311,992	131,043,815	52,619,856
Alabama	2,206,649	10,765	44,104	40,389	1,826,931	677,698
Alaska	386,587	1,682	8,149	6,039	307,145	157,235
Arizona	3,183,833	13,280	61,133	58,396	2,500,882	1,117,966
Arkansas	1,361,886	7,540	34,196	24,455	1,101,300	394,777
California	20,472,436	214,009	448,938	366,459	15,282,064	4,766,004
Colorado	3,042,418	17,266	100,290	81,264	2,264,807	1,086,544
Connecticut	2,024,341	15,773	25,377	61,017	1,536,647	590,831
Delaware	535,134	6,352	11,029	13,152	391,060	184,917
District of Columbia	404,119	3,213	4,703	9,532	288,091	143,451
Florida	11,536,984	111,664	485,911	218,657	8,266,565	3,395,671
Georgia	5,083,980	28,245	144,116	86,487	3,930,470	1,673,413
Hawaii	683,631	5,005	9,220	7,930	564,772	226,857
Idaho	811,759	3,948	24,345	23,961	642,664	275,879
Illinois	6,874,628	49,329	191,336	98,853	5,358,982	2,059,929
Indiana	3,296,640	10,010	66,161	42,848	2,796,050	1,255,049
Iowa	1,617,976	13,263	35,627	31,526	1,344,051	439,669
Kansas	1,528,698	11,022	30,695	32,833	1,222,802	492,028
Kentucky	2,041,853	7,049	35,958	30,570	1,725,451	645,933
Louisiana	2,229,920	14,281	44,574	48,396	1,758,897	726,204
Maine	719,313	4,063	18,855	10,992	554,349	257,630
Maryland	3,137,109	19,717	60,440	55,495	2,457,272	1,069,932
Massachusetts	4,017,850	33,359	86,406	70,856	2,957,966	1,135,895
Michigan	5,102,417	37,447	118,036	91,652	4,154,553	1,595,137
Minnesota	3,072,256	15,234	80,762	56,624	2,431,490	924,303
Mississippi	1,324,233	7,164	23,839	23,474	1,114,669	415,351
Missouri	3,087,316	17,483	56,092	58,210	2,461,079	1,025,777
Montana	602,273	5,763	22,250	17,564	446,656	173,339
Nebraska	1,029,748	7,700	28,495	22,381	828,620	327,053
Nevada	1,517,525	14,983	37,396	38,807	1,165,900	487,069
New Hampshire	752,303	5,524	9,402	13,788	600,992	308,716
New Jersey	5,192,076	48,304	102,270	152,926	3,820,584	1,107,249
New Mexico	956,062	4,524	16,150	15,051	795,672	355,872
New York	11,936,112	204,289	373,954	287,880	8,725,320	2,511,315
North Carolina	4,811,394	23,615	99,976	68,994	3,944,961	1,690,458
North Dakota	416,288	2,813	10,335	11,908	334,573	122,509
Ohio	6,012,020	30,807	90,772	95,808	4,948,653	2,262,579
Oklahoma	1,875,404	9,948	44,131	38,700	1,470,595	608,844
Oregon	2,148,407	11,566	47,207	41,742	1,636,890	794,246
Pennsylvania	6,670,128	34,274	133,688	122,780	5,369,079	2,253,420
Rhode Island	624,008	3,531	15,581	9,828	467,083	160,360
South Carolina	2,346,418	11,840	51,979	38,766	1,927,012	806,611
South Dakota	479,372	2,958	13,123	13,862	378,229	147,913
Tennessee	3,137,662	19,282	30,918	60,571	2,650,021	1,222,653
Texas	13,483,395	102,640	244,685	305,006	10,455,396	4,896,018
Utah	1,546,925	7,822	53,468	63,577	1,126,587	517,562
Vermont	366,453	2,491	9,325	6,374	285,699	128,018
Virginia	4,274,584	28,072	101,483	78,437	3,398,846	1,738,688
Washington	3,794,178	20,379	85,067	67,569	2,981,465	1,594,763
West Virginia	775,998	3,850	9,428	9,108	686,599	326,876
Wisconsin	3,097,124	21,151	57,431	56,998	2,532,909	1,029,776
Wyoming	336,873	3,423	11,556	12,697	248,903	109,076
Puerto Rico	86,091	107	142	400	72,818	10,010
Other [11]	763,624	23,521	507	10,403	502,744	194,783

Footnotes at end of table.

Table 4. Number of Returns and Other Forms Filed Electronically, by Type and State, Fiscal Year 2016—Continued

State or area	Individual income tax—continued		Estate and trust income tax	Employment taxes [7]	Excise taxes [8]	Tax-exempt organizations [9]	Supplemental documents [10]
	Online—continued	Practitioner filed [6]					
	Free File [5]						
	(7)	(8)					
United States, total	2,589,534	78,423,959	2,538,555	11,593,826	399,511	961,630	13,682,731
Alabama	32,572	1,149,233	23,812	83,522	6,735	12,704	157,687
Alaska	4,726	149,910	3,281	14,566	369	3,242	42,114
Arizona	51,689	1,382,916	36,669	216,886	4,004	13,302	279,281
Arkansas	23,352	706,523	13,761	45,513	5,462	8,279	121,380
California	211,468	10,516,060	268,661	1,868,605	36,022	98,254	1,889,424
Colorado	47,204	1,178,263	36,145	215,492	5,999	17,983	303,172
Connecticut	25,721	945,816	39,368	184,170	1,974	13,218	146,797
Delaware	8,662	206,143	30,420	37,931	340	3,929	40,921
District of Columbia	8,026	144,640	4,529	48,004	48	8,413	37,586
Florida	135,586	4,870,894	152,953	892,875	28,062	45,516	1,334,781
Georgia	90,423	2,257,057	39,794	340,741	17,022	24,173	472,932
Hawaii	7,684	337,915	9,784	33,798	376	4,300	48,446
Idaho	14,501	366,785	7,822	29,221	2,174	5,230	72,394
Illinois	111,357	3,299,053	188,028	478,461	26,824	37,853	444,962
Indiana	90,260	1,541,001	27,433	162,734	9,567	20,080	161,757
Iowa	22,364	904,382	20,656	56,511	9,749	20,485	86,108
Kansas	24,060	730,774	23,136	82,043	6,632	10,922	108,613
Kentucky	38,116	1,079,518	21,432	88,780	6,154	10,834	115,625
Louisiana	34,510	1,032,693	16,345	114,669	6,969	11,507	214,282
Maine	11,947	296,719	9,806	60,280	994	6,785	53,189
Maryland	49,933	1,387,340	39,208	239,857	3,142	19,352	242,626
Massachusetts	55,117	1,822,071	129,007	438,484	3,721	23,570	274,481
Michigan	92,467	2,559,416	64,308	274,102	12,145	29,961	320,213
Minnesota	52,811	1,507,187	31,853	227,213	10,680	22,339	196,061
Mississippi	26,239	699,318	9,044	32,730	5,821	10,250	97,242
Missouri	61,943	1,435,302	90,600	176,244	10,074	21,637	195,897
Montana	9,626	273,317	12,222	21,990	2,568	6,880	66,380
Nebraska	16,137	501,567	16,748	44,873	6,934	9,077	64,920
Nevada	16,137	678,831	16,305	96,074	2,376	5,370	140,314
New Hampshire	11,281	292,276	12,711	59,013	1,105	5,520	44,248
New Jersey	45,689	2,713,335	133,878	516,247	8,842	24,538	384,487
New Mexico	16,556	439,800	8,306	34,106	3,765	6,000	72,488
New York	122,720	6,214,005	264,908	1,065,711	7,967	62,821	943,262
North Carolina	83,318	2,254,503	47,091	271,188	8,546	25,753	321,270
North Dakota	6,820	212,064	5,379	14,608	4,904	3,582	28,186
Ohio	133,400	2,686,074	86,510	336,780	13,908	41,339	367,443
Oklahoma	31,041	861,751	22,116	91,793	4,593	10,800	182,728
Oregon	46,467	842,644	26,077	169,248	4,491	14,470	196,716
Pennsylvania	125,011	3,115,659	115,411	463,476	12,312	43,149	375,959
Rhode Island	8,504	306,723	21,123	66,873	518	5,164	34,307
South Carolina	51,760	1,120,401	18,425	116,071	4,907	11,235	166,183
South Dakota	6,695	230,316	12,976	12,338	5,867	4,335	35,684
Tennessee	59,012	1,427,368	31,374	134,405	9,302	17,135	184,654
Texas	177,895	5,559,378	167,598	772,330	44,805	64,880	1,326,055
Utah	22,829	609,025	13,772	106,119	3,582	6,460	165,538
Vermont	7,741	157,681	5,507	30,966	386	4,154	21,551
Virginia	97,453	1,660,158	42,133	291,111	6,813	26,958	300,731
Washington	65,147	1,386,702	51,279	218,983	7,979	23,245	338,212
West Virginia	17,675	359,723	9,210	16,323	1,601	6,333	33,546
Wisconsin	60,838	1,503,133	51,638	173,307	6,763	23,916	173,011
Wyoming	3,806	139,827	6,266	12,772	1,495	3,336	36,425
Puerto Rico	1,283	62,808	98	7,610	0	466	4,450
Other [11]	11,955	307,961	1,639	6,079	2,123	596	216,012

Footnotes on next page.

Table 4. Number of Returns and Other Forms Filed Electronically, by Type and State, Fiscal Year 2016—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).
- [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 Web site 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 return preparer.
- [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); 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); and 945 (tax return of withheld income tax from nonpayroll distributions).
- [8] Includes Form 720 (excise tax return) and Form 2290 (heavy highway vehicle use tax return).
- [9] 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).
- [10] Includes Forms 4868 (automatic filing extension for individuals); 7004 (automatic filing extension for corporations); and 8868 (automatic filing extension for tax-exempt organizations).
- [11] 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 State(s).

SOURCE: Research, Applied Analytics, and Statistics, Office of Research.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2016

[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	3,333,449,083	345,552,427	2,889,726,850	2,267,921,604	577,728,172
Alabama	25,769,798	1,571,713	23,701,732	18,668,398	4,822,703
Alaska	5,585,614	187,371	5,320,151	3,952,383	1,292,043
Arizona	42,036,980	2,563,871	37,748,900	28,700,261	8,454,187
Arkansas	32,041,729	6,346,477	24,855,286	21,404,551	3,175,202
California	422,679,255	48,416,393	365,225,572	271,091,555	89,631,845
Colorado	54,750,471	3,595,318	50,033,278	38,426,037	11,226,106
Connecticut	62,910,820	11,877,254	49,258,145	37,055,737	11,394,471
Delaware	19,970,924	4,111,383	15,540,053	13,031,874	1,217,169
District of Columbia	27,255,713	2,251,996	24,909,535	21,875,893	2,433,654
Florida	188,417,969	11,773,302	172,450,572	123,546,111	45,487,665
Georgia	90,808,049	12,567,697	74,344,840	61,052,717	12,625,381
Hawaii	8,811,882	581,689	7,864,419	5,816,881	1,957,572
Idaho	10,083,241	278,643	9,710,649	7,500,331	2,097,055
Illinois	161,938,790	19,034,595	138,434,275	110,274,246	24,858,102
Indiana	57,138,639	4,245,518	51,035,537	43,151,482	7,485,387
Iowa	23,946,703	1,540,230	22,025,777	17,709,384	4,177,922
Kansas	25,291,646	1,283,159	22,315,786	17,270,628	4,532,168
Kentucky	34,250,551	2,482,345	30,386,590	25,993,780	4,149,460
Louisiana	41,543,677	1,239,176	39,746,817	33,466,949	6,052,664
Maine	7,851,996	393,879	7,232,445	5,694,188	1,458,058
Maryland	67,700,772	4,040,984	62,904,457	51,727,786	10,478,858
Massachusetts	108,818,811	8,117,082	98,880,648	78,299,858	19,479,258
Michigan	81,235,365	6,539,155	73,520,578	59,996,257	12,807,216
Minnesota	103,696,439	19,774,489	80,723,820	70,641,452	9,555,407
Mississippi	12,585,739	659,542	11,657,976	9,157,650	2,413,021
Missouri	66,485,775	9,975,985	54,754,718	46,021,398	7,973,483
Montana	5,972,785	181,397	5,738,218	4,025,817	1,625,938
Nebraska	25,179,346	6,722,660	18,243,763	14,027,343	2,875,052
Nevada	19,911,272	767,939	18,734,870	11,652,634	5,796,265
New Hampshire	11,477,991	236,307	10,917,982	8,312,416	2,297,337
New Jersey	143,011,905	25,566,668	114,953,108	93,635,822	19,883,839
New Mexico	8,738,963	200,103	8,390,557	6,376,023	1,956,246
New York	265,989,543	28,810,484	232,171,654	173,208,393	55,712,922
North Carolina	83,714,348	10,574,820	72,377,782	59,927,664	11,894,670
North Dakota	6,925,658	285,640	6,534,589	4,720,875	1,775,994
Ohio	141,113,704	11,673,464	124,675,836	109,550,088	13,687,372
Oklahoma	27,953,499	1,379,289	22,768,650	17,148,147	4,909,320
Oregon	31,955,480	1,074,218	29,749,545	23,513,596	6,012,017
Pennsylvania	135,924,018	14,231,262	117,342,049	96,124,083	19,689,517
Rhode Island	14,607,467	3,462,554	10,897,975	9,249,999	1,472,705
South Carolina	25,486,880	1,708,414	23,241,146	17,736,666	5,282,486
South Dakota	7,779,688	434,630	7,268,145	4,112,939	1,904,921
Tennessee	65,002,725	6,940,458	56,406,412	47,695,227	8,275,048
Texas	261,128,693	19,021,716	218,950,277	164,916,329	49,325,367
Utah	21,129,551	1,252,583	19,194,605	14,902,351	4,088,522
Vermont	4,460,846	200,000	4,202,276	3,258,578	884,050
Virginia	83,616,961	12,845,576	70,011,653	54,977,133	13,866,471
Washington	77,083,460	5,250,717	70,468,914	54,423,061	15,394,250
West Virginia	6,915,238	220,567	6,620,799	5,240,263	1,332,957
Wisconsin	52,468,187	4,749,321	46,893,577	37,780,323	8,295,559
Wyoming	4,475,631	152,712	4,173,281	2,437,497	1,573,784
U.S. Armed Service members overseas and Territories other than Puerto Rico	695,586	2,660	688,498	533,855	141,568
Puerto Rico	3,479,709	80,126	3,262,845	2,851,970	384,070
International	11,055,471	1,291,880	9,257,255	4,916,510	4,300,217
Undistributed [4]	2,587,129	785,016	1,008,033	-861,785	1,853,651

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2016—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	Excise taxes [1]
	Unemployment insurance tax	Railroad retirement tax	Estate and trust income tax			
	(6)	(7)	(8)			
United States, total	8,440,229	5,941,448	29,695,397	19,879,671	2,457,466	75,832,669
Alabama	63,044	2,912	144,675	173,517	9,613	313,223
Alaska	11,483	2,135	62,108	27,166	27	50,899
Arizona	124,348	1,784	468,321	145,362	20,128	1,558,718
Arkansas	141,408	2,708	131,417	47,059	5,047	787,860
California	1,961,191	16,998	2,523,983	3,642,572	346,248	5,048,470
Colorado	111,015	17,548	252,573	288,453	25,825	807,596
Connecticut	206,358	6,342	595,236	425,396	48,486	1,301,539
Delaware	27,181	46,274	1,217,554	14,899	1,113	303,475
District of Columbia	16,219	505,004	78,765	50,924	4,880	38,379
Florida	454,144	749,202	2,213,448	2,269,432	265,333	1,659,329
Georgia	242,460	2,768	421,513	448,706	20,961	3,425,846
Hawaii	17,281	0	72,686	120,717	14,151	230,906
Idaho	38,290	736	74,237	21,681	3,899	68,369
Illinois	316,040	324,384	2,661,502	772,860	92,205	3,604,854
Indiana	113,742	32,409	252,517	102,187	8,330	1,747,067
Iowa	50,671	7,762	80,038	72,787	7,746	300,163
Kansas	66,478	156,659	289,852	171,039	11,467	1,510,194
Kentucky	78,255	14,373	150,722	77,453	46,539	1,257,625
Louisiana	66,694	5,583	154,929	125,377	4,258	428,050
Maine	18,005	3,753	58,442	60,914	1,980	162,776
Maryland	112,547	17,355	567,910	309,812	82,740	362,778
Massachusetts	183,718	39,183	878,631	418,464	66,337	1,336,280
Michigan	199,376	18,950	498,779	518,227	29,507	627,898
Minnesota	199,240	87,826	239,895	232,289	24,053	2,941,788
Mississippi	31,061	1,118	55,127	82,683	25,987	159,550
Missouri	134,326	86,162	539,348	333,279	138,956	1,282,837
Montana	16,163	27,620	42,681	21,649	2,700	28,823
Nebraska	37,848	1,194,563	108,957	89,264	4,289	119,370
Nevada	48,246	79	1,237,646	266,355	6,309	135,802
New Hampshire	22,251	104	285,873	80,161	12,837	230,704
New Jersey	230,464	159,011	1,043,972	451,462	116,492	1,924,174
New Mexico	20,507	79	37,703	51,925	856	95,521
New York	362,090	479,810	2,408,437	2,237,718	344,857	2,424,831
North Carolina	201,066	7,492	346,889	378,177	50,436	333,133
North Dakota	14,152	6,973	16,595	45,321	411	59,698
Ohio	603,229	26,027	809,122	378,960	49,334	4,336,110
Oklahoma	62,704	3,093	645,387	164,977	2,436	3,638,146
Oregon	79,658	896	143,378	208,511	4,482	918,724
Pennsylvania	281,420	71,571	1,175,458	989,300	115,724	3,245,683
Rhode Island	32,874	13	142,383	141,988	5,849	99,102
South Carolina	60,166	2,131	159,697	191,829	20,101	325,389
South Dakota	12,269	1,353	1,236,661	26,058	454	50,403
Tennessee	183,128	2,746	250,264	202,347	10,402	1,443,107
Texas	538,422	1,086,661	3,083,500	1,318,116	140,191	21,698,393
Utah	58,005	4,959	140,769	24,277	2,959	655,127
Vermont	9,318	2,611	47,720	25,538	1,425	31,607
Virginia	167,504	697,856	302,689	482,079	47,281	230,371
Washington	203,925	10,689	436,989	250,966	83,066	1,029,797
West Virginia	15,886	781	30,912	19,786	2,448	51,637
Wisconsin	134,762	2,389	680,544	252,294	25,519	547,476
Wyoming	7,407	840	153,753	44,414	35,535	69,689
U.S. Armed Service members overseas and Territories other than Puerto Rico	3,802	0	9,273	0	0	4,428
Puerto Rico	25,297	0	1,507	1,414	53	135,271
International	6,795	1,302	32,430	113,176	7,373	385,788
Undistributed [4]	16,296	-129	0	468,354	57,831	267,896

Footnotes on next page.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2016—Continued**Footnotes**

- [1] Excludes refunds credited to taxpayer accounts for tax liability in a subsequent year, as well as excise taxes collected by 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 unrelated business income from tax-exempt organizations (Form 990-T).
- [3] 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 taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). Thus, while Table 1 shows these amounts separately for the United States total, separate amounts are not available by State.
- [4] 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, S corporation, regulated investment company, and real estate investment trust 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 2016 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 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 other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2016

[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]				
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	61,779,566	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	5,778,377	61,033,674
2014	3,064,301,358	1,996,765,080	353,141,112	1,614,213,171	29,410,796	976,223,247	17,572,338	2,582,617	71,158,076
2015	3,302,677,258	2,183,074,421	389,888,722	1,759,740,317	33,445,382	1,022,358,916	17,952,938	2,089,101	77,201,882
2016	3,333,449,083	2,161,371,562	345,552,427	1,786,123,738	29,695,397	1,073,907,715	19,879,671	2,457,466	75,832,669

Footnotes on next page.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2016—Continued**Footnotes**

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

- [1] Beginning with Fiscal Year 2009, excludes refunds credited to taxpayer accounts for tax liability in a subsequent year.
- [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 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.

NOTES:

Detail may not add to totals because of rounding.

All money amounts are in current dollars.

Partnership, S corporation, regulated investment company, and real estate investment trust 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 2016

State or area	Total Internal Revenue refunds [1, 2]	Business income taxes [3]	Individual income tax	Estate and trust income tax	Employment taxes [4]	Estate tax	Gift tax	Excise taxes [1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [5]	122,310,753	355,132	120,119,142	301,602	1,431,686	5,463	1,678	96,050
Alabama	1,708,165	3,439	1,681,945	3,211	18,258	40	14	1,258
Alaska	281,523	860	274,591	409	5,301	14	0	348
Arizona	2,275,224	4,848	2,241,778	5,235	21,931	45	25	1,362
Arkansas	1,019,783	2,553	1,000,615	1,447	14,397	d	d	746
California	13,899,411	44,088	13,651,511	30,486	163,343	947	172	8,864
Colorado	2,034,716	5,672	1,996,453	4,738	26,251	76	28	1,498
Connecticut	1,423,779	3,641	1,398,308	5,308	15,302	112	34	1,074
Delaware	375,169	1,663	364,398	4,752	3,802	d	d	537
District of Columbia	280,455	1,038	274,708	899	3,557	19	7	227
Florida	7,943,801	22,806	7,794,195	19,282	101,902	470	207	4,939
Georgia	3,703,399	8,646	3,648,090	4,881	39,220	100	27	2,435
Hawaii	546,574	1,952	536,949	1,488	5,878	d	d	283
Idaho	567,403	1,611	554,674	767	9,835	d	d	502
Illinois	5,119,125	14,575	5,023,513	22,263	53,734	223	37	4,780
Indiana	2,631,591	5,390	2,588,399	3,940	32,139	52	13	1,658
Iowa	1,166,709	6,265	1,143,730	1,813	13,400	d	d	1,463
Kansas	1,073,416	4,595	1,051,359	2,643	13,799	30	19	971
Kentucky	1,623,585	2,970	1,598,645	2,614	18,303	40	13	1,000
Louisiana	1,681,679	4,474	1,651,207	2,177	22,743	54	11	1,013
Maine	520,104	1,847	510,897	1,487	5,299	d	d	554
Maryland	2,371,294	5,661	2,336,402	6,303	21,441	132	18	1,337
Massachusetts	2,740,859	7,115	2,692,608	14,354	24,509	173	54	2,046
Michigan	3,845,391	11,496	3,782,002	9,495	39,760	112	73	2,453
Minnesota	2,125,229	8,045	2,087,536	3,558	23,679	63	46	2,302
Mississippi	1,056,702	2,549	1,039,143	1,125	13,109	d	d	748
Missouri	2,277,259	6,657	2,234,913	5,904	28,023	59	13	1,690
Montana	381,873	2,946	370,717	613	7,084	d	d	495
Nebraska	726,691	3,253	710,216	2,234	9,939	d	d	1,020
Nevada	1,123,309	3,299	1,106,009	1,848	11,307	44	15	787
New Hampshire	565,609	1,652	555,024	1,844	6,574	21	14	480
New Jersey	3,552,086	12,329	3,485,373	11,043	40,443	177	72	2,649
New Mexico	747,683	1,720	735,387	1,129	8,999	d	d	425
New York	7,886,277	24,166	7,730,144	18,111	108,384	582	263	4,627
North Carolina	3,629,594	8,798	3,568,635	7,448	40,349	133	12	4,219
North Dakota	290,239	1,593	282,369	465	5,242	d	d	556
Ohio	4,656,235	11,237	4,589,371	11,325	40,588	121	36	3,557
Oklahoma	1,347,983	4,312	1,321,650	3,195	17,648	d	d	1,135
Oregon	1,449,206	4,624	1,422,129	3,164	18,011	69	16	1,193
Pennsylvania	5,137,920	11,355	5,060,627	16,065	44,220	163	47	5,443
Rhode Island	445,813	909	436,944	3,921	2,905	33	0	1,101
South Carolina	1,739,985	3,465	1,715,207	2,477	17,555	64	10	1,207
South Dakota	329,825	1,843	320,558	1,324	5,583	d	d	506
Tennessee	2,508,227	5,014	2,468,085	4,431	29,155	59	31	1,452
Texas	10,350,571	30,439	10,148,743	25,805	136,511	385	163	8,525
Utah	1,038,676	2,778	1,020,050	1,450	13,649	d	d	731
Vermont	260,257	1,045	254,524	774	3,627	d	d	272
Virginia	3,184,073	8,157	3,134,320	6,730	32,573	132	26	2,135
Washington	2,770,080	7,899	2,713,988	5,949	40,210	96	40	1,898
West Virginia	671,961	1,440	661,920	811	7,290	d	d	484
Wisconsin	2,268,727	7,630	2,228,127	7,365	22,948	66	29	2,562
Wyoming	228,380	1,321	221,412	875	4,472	d	d	288
U.S. Armed Service members overseas and Territories other than Puerto Rico	154,124	46	d	36	d	0	0	25
Puerto Rico	130,192	277	117,171	38	12,649	d	d	47
International	441,520	7,129	428,533	553	2,887	247	28	2,143
Undistributed [6]	1,292	0	d	0	d	0	0	0
Child tax credit [7]	15,964,320	N/A	15,964,320	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [7]	23,895,650	N/A	23,895,650	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 2016—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 collected by 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 refunds credited to taxpayer accounts for tax liability in a subsequent year.
- [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 State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2016

[Money amounts are in thousands of dollars]

State or area	Total Internal Revenue refunds [1, 2]	Business income taxes [3, 4]	Individual income tax [5]	Estate and trust income tax	Employment taxes [6]	Estate tax	Gift tax	Excise taxes [1, 4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [7]	426,146,066	51,281,426	366,645,533	2,588,937	3,329,627	838,166	161,815	1,300,563
Alabama	4,953,015	220,724	4,688,126	20,199	17,011	3,521	392	3,042
Alaska	787,403	37,127	733,712	4,067	8,720	2,373	0	1,405
Arizona	6,293,831	326,065	5,878,302	26,642	30,198	5,973	255	26,395
Arkansas	2,882,064	158,622	2,693,464	8,913	12,469	d	d	5,576
California	44,282,181	5,028,703	38,371,233	219,058	409,588	140,847	7,046	105,706
Colorado	6,154,327	926,897	5,120,458	29,638	47,104	7,161	665	22,404
Connecticut	5,816,058	1,501,516	4,135,754	41,222	101,894	21,473	1,159	13,040
Delaware	1,472,710	436,788	926,767	65,776	32,248	d	d	9,169
District of Columbia	1,012,996	186,538	797,719	5,836	20,492	1,710	32	670
Florida	24,014,820	1,103,141	22,424,195	176,857	194,988	73,026	8,144	34,469
Georgia	11,576,727	1,161,649	10,189,362	29,861	118,185	19,347	869	57,453
Hawaii	1,512,841	107,204	1,389,355	8,285	5,476	d	d	715
Idaho	1,434,948	61,698	1,349,784	9,188	10,679	d	d	2,373
Illinois	17,597,830	2,986,699	14,143,032	226,606	166,944	32,564	321	41,664
Indiana	7,144,209	360,547	6,649,467	20,651	51,340	5,460	19,987	36,757
Iowa	3,831,977	819,650	2,961,496	19,756	17,660	d	d	11,043
Kansas	3,326,539	532,723	2,745,110	26,516	14,897	4,571	307	2,415
Kentucky	4,489,379	262,124	4,158,268	16,456	37,567	3,541	369	11,053
Louisiana	5,402,709	246,330	5,074,121	42,837	28,193	10,345	618	265
Maine	1,284,673	90,872	1,175,875	6,294	4,004	d	d	6,219
Maryland	6,808,979	239,044	6,474,993	52,066	45,432	-7,187	370	4,261
Massachusetts	8,513,954	928,375	7,360,408	98,086	93,130	23,718	1,173	9,064
Michigan	10,216,191	638,453	9,419,601	66,413	58,778	14,119	3,652	15,175
Minnesota	7,165,698	1,956,586	5,076,006	25,673	61,828	6,175	91	39,339
Mississippi	3,266,076	169,726	3,069,017	6,856	14,654	d	d	2,914
Missouri	7,182,010	1,339,593	5,709,194	34,250	78,168	12,162	213	8,430
Montana	934,663	28,904	877,341	2,767	7,403	d	d	17,036
Nebraska	2,343,408	508,234	1,799,572	15,889	11,532	d	d	6,557
Nevada	3,409,652	184,882	3,047,313	42,267	20,535	107,806	139	6,710
New Hampshire	1,563,756	131,636	1,402,402	12,099	9,348	1,928	21	6,322
New Jersey	14,015,289	3,505,031	10,258,318	74,488	126,937	27,579	973	21,963
New Mexico	1,981,121	36,066	1,925,136	6,168	10,045	d	d	2,217
New York	27,766,185	3,872,287	23,081,246	194,119	414,638	104,745	14,787	84,364
North Carolina	10,427,875	1,087,441	9,210,080	37,986	70,586	14,166	387	7,229
North Dakota	944,930	112,280	817,849	4,746	5,865	d	d	3,060
Ohio	12,556,839	884,868	11,420,757	67,129	121,670	7,351	340	54,724
Oklahoma	5,958,904	1,756,015	4,081,642	51,565	26,972	d	d	37,419
Oregon	3,593,757	204,799	3,330,183	19,263	25,853	6,250	1,745	5,664
Pennsylvania	17,832,559	4,487,608	13,096,265	115,428	79,928	17,401	765	35,166
Rhode Island	1,170,643	24,380	1,115,929	11,497	11,179	5,499	0	2,160
South Carolina	4,591,295	191,539	4,340,271	16,306	20,525	4,954	84	17,616
South Dakota	898,253	42,400	818,109	30,918	5,126	d	d	1,553
Tennessee	7,644,675	854,459	6,634,605	36,728	28,153	26,545	1,040	63,144
Texas	40,430,512	7,596,513	31,800,055	353,968	373,113	60,665	93,035	153,163
Utah	3,179,568	428,004	2,691,774	9,765	26,073	d	d	19,340
Vermont	633,267	23,019	597,739	3,043	8,740	d	d	436
Virginia	10,281,798	1,685,011	8,450,015	57,349	62,424	17,339	624	9,036
Washington	7,926,332	663,828	7,112,093	44,367	82,478	12,341	1,849	9,376
West Virginia	1,759,823	31,065	1,715,726	4,192	6,498	d	d	1,316
Wisconsin	6,201,713	824,698	5,242,369	54,833	39,819	8,168	715	31,110
Wyoming	696,388	24,910	631,780	32,207	3,625	d	d	685
U.S. Armed Service members overseas and Territories other than Puerto Rico	434,941	-3,747	d	63	d	0	0	4
Puerto Rico	270,677	39,559	223,303	165	7,377	d	d	127
International	2,283,312	668,930	1,427,942	1,619	70,105	10,048	275	104,394
Advance Premium Tax Credit/ Cost Sharing Reduction/ Basic Health Program [8]	36,106,720	N/A	36,106,720	N/A	N/A	N/A	N/A	N/A
Undistributed [9]	-116,934	-440,588	d	0	d	-9,219	-1,780	127,659
Child tax credit [10]	20,133,616	N/A	20,133,616	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [10]	60,579,647	N/A	60,579,647	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 2016—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 collected by 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 \$1.5 billion in interest, of which \$0.8 billion was paid to corporations and \$0.7 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 series) and on unrelated business income from tax-exempt organizations (Form 990-T).
- [4] Beginning with Fiscal Year 2015, some refunds which had been classified as excise tax refunds in prior years, were reclassified as corporate tax refunds.
- [5] The average individual income tax refund (based on Forms 1040, 1040-A, and 1040-EZ) was \$2,795.
- [6] 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).
- [7] Excludes refunds credited to taxpayer accounts for tax liability in a subsequent year.
- [8] The Premium Tax Credit and Cost Sharing Reduction are provisions of the Patient Protection and Affordable Care Act of 2010. The Premium Tax Credit (APTC) data shown in this table are advance payments of a refundable tax credit that helps taxpayers pay for their health insurance premiums on a monthly basis. The Cost Sharing Reduction is a discount that lowers the amount taxpayers are required to pay for healthcare out-of-pocket deductibles, coinsurance, and copayments. Both the Premium Tax Credit and the Cost Sharing Reduction are available when taxpayers purchase health insurance through the Health Insurance Marketplace and meet other specific criteria. The Basic Health Program provides States with the option to establish a health benefit coverage program for low-income individuals as an alternative to Health Insurance Marketplace coverage under the Affordable Care Act.
- [9] 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.
- [10] 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.

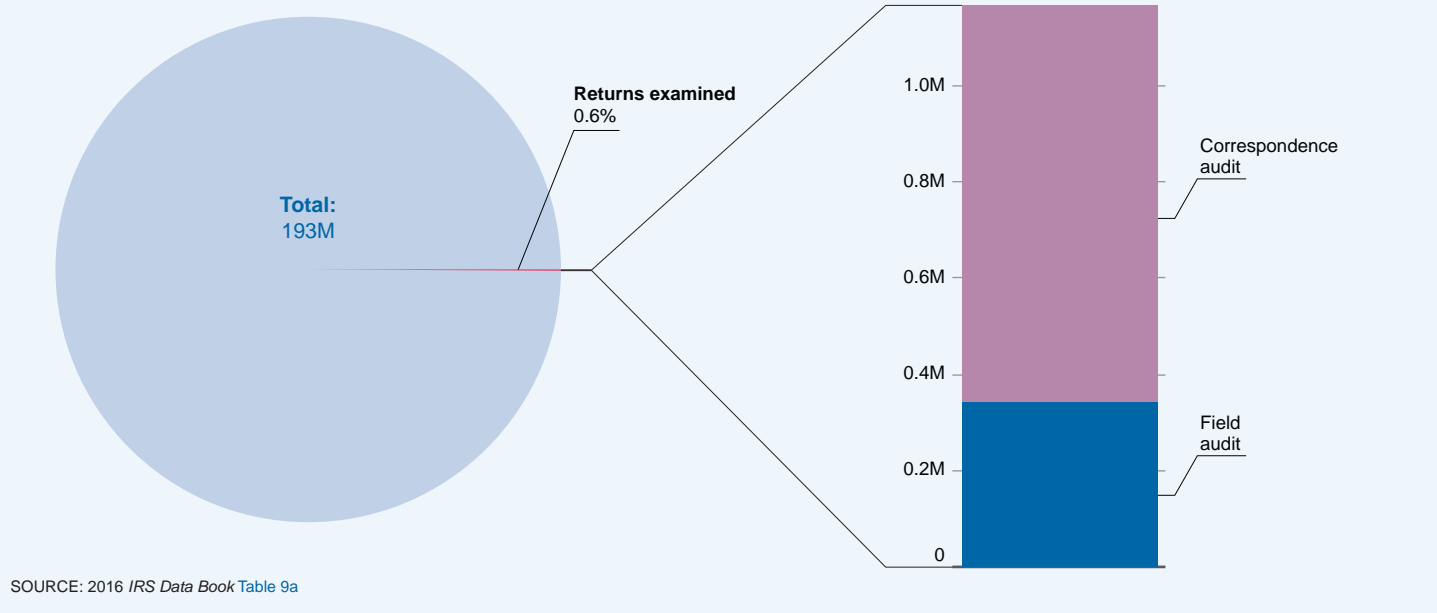
Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year returns made in Fiscal Year 2016 may result in negative amounts when such adjustments exceed current-year refunds. See Table 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 State(s).

SOURCE: Chief Financial Officer, Financial Management.

Total Returns Filed, Calendar Year 2015, and Percentage Examined, Fiscal Year 2016

Returns Examined, Fiscal Year 2016



Enforcement:

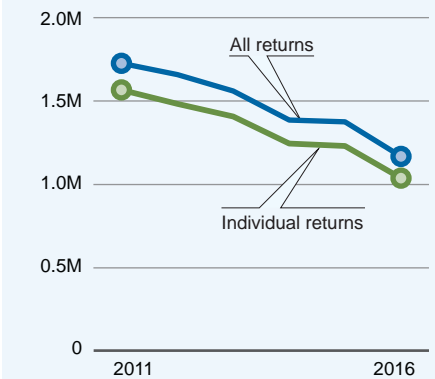
Examinations

Section 2 of the *Data Book* deals with IRS examinations (audits) of returns to determine if income, expenses, and credits are being reported accurately. The IRS enforces the tax law in a number of ways; the more common methods include correspondence (examination by mail) and field (face-to-face audit) examinations. This section provides information about examinations of most types of tax returns such as income tax, estate and gift tax, employment tax, and excise tax. Information is also provided about examinations of tax-exempt organizations.

Highlights of the Data

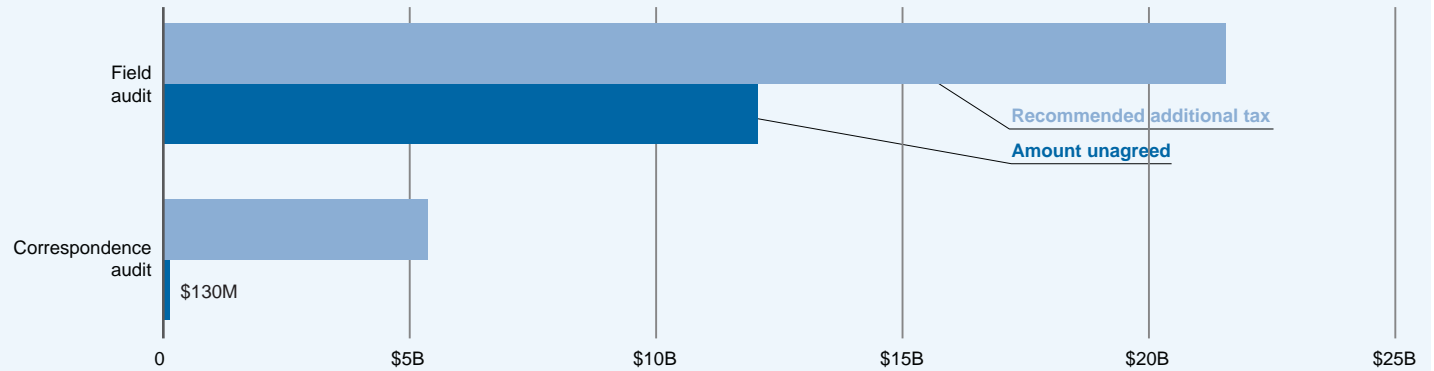
- The IRS audited a total of almost 1.2 million tax returns, approximately 0.6 percent of all returns filed in Calendar Year (CY) 2015 (Table 9a).
- The IRS audited 0.7 percent of all individual income tax returns filed in CY 2015, and 1.1 percent of corporation income tax returns (excluding S corporation returns) (Table 9a).

Number of Returns Examined, Fiscal Years 2011–2016



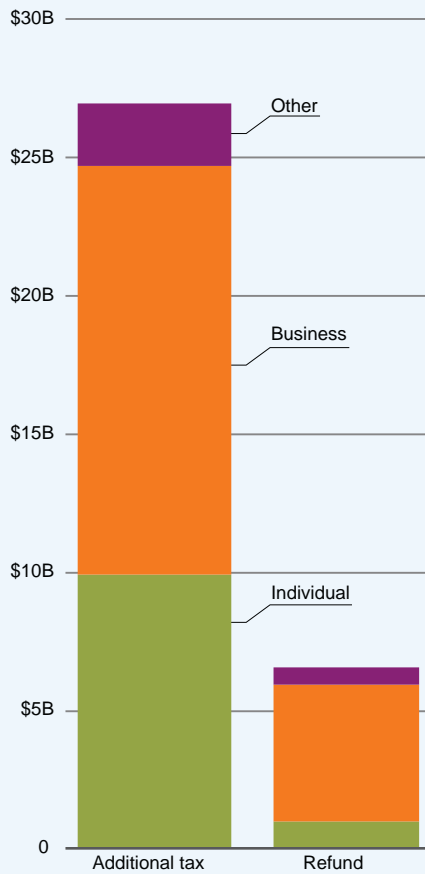
SOURCE: IRS Data Book Table 9a

Amount of Recommended Additional Tax and Amount Unagreed, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Tables 9a and 10

Recommended Audit Results, by Type of Filer, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Tables 9a and 12

- IRS conducted the majority of Fiscal Year (FY) 2016 audits, 70.7 percent, via correspondence. The remaining 29.3 percent were conducted in the field (Table 9a).
- Of the almost 1.2 million examinations of tax returns, more than 29,000 taxpayers did not agree with the IRS examiner’s determination, totaling to an unagreed recommended additional tax of almost \$12.2 billion (Table 10).
- In FY 2016, examinations protected a total of almost \$4.2 billion in refund payments, of which \$4.1 billion came from field examinations and \$89.4 million from correspondence examinations (Table 11).
- Of the almost 1.2 million examinations of tax returns, more than 37,000 resulted in additional refunds to the taxpayer totaling more than \$6.5 billion (Table 12).
- The IRS examined 17,380 tax-exempt organization, employee retirement plan, government entity, tax-exempt bond, and related taxable returns in FY 2016 (Table 13).

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2016

Type and size of return	All returns filed in Calendar Year 2015 [1, 2]	Returns examined in Fiscal Year 2016 [1]			
		Total	Percentage covered	Field [3]	Correspondence
		(1)	(2)	(3)	(4)
United States, total	192,936,878	1,166,379	0.6	342,297	824,082
Taxable returns:					
▶ Individual income tax returns, total	147,967,324	[5] 1,034,955	0.7	243,722	791,233
▷ 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]	80,185,360	187,775	0.2	27,950	159,825
With Schedule E or Form 2106 [9]	15,880,453	109,094	0.7	44,034	65,060
▶ Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [10]:					
Under \$25,000	10,741,091	91,852	0.9	31,251	60,601
\$25,000 under \$100,000	3,192,073	55,597	1.7	22,438	33,159
\$100,000 under \$200,000	887,500	19,691	2.2	13,982	5,709
\$200,000 or more	703,582	13,374	1.9	11,086	2,288
Farm returns	1,254,137	5,391	0.4	2,801	2,590
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:					
Under \$25,000	26,218,562	[12] 407,724	1.6	25,802	381,922
\$25,000 or more	1,842,287	[12] 20,483	1.1	10,915	9,568
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:					
Nonbusiness returns	4,510,697	45,480	1.0	18,204	27,276
Business returns	1,877,119	42,893	2.3	16,993	25,900
▷ Returns with total positive income of \$1,000,000 or more [7]	484,566	28,260	5.8	11,662	16,598
▷ International returns [13]	189,897	7,341	3.9	6,604	737
▶ Corporation income tax returns, except Form 1120–S, total [14]	1,887,078	21,136	1.1	19,377	1,759
▷ Returns other than Forms 1120–C and 1120–F [15]:					
▶ Small corporations [16]	1,765,733	14,136	0.8	12,920	1,216
No balance sheet returns	405,213	2,785	0.7	2,516	269
Balance sheet returns by size of total assets:					
Under \$250,000	863,344	6,037	0.7	5,450	587
\$250,000 under \$1,000,000	301,016	3,146	1.0	2,967	179
\$1,000,000 under \$5,000,000	165,337	1,678	1.0	1,557	121
\$5,000,000 under \$10,000,000	30,823	490	1.6	430	60
▶ Large corporations [17]	67,701	6,453	9.5	6,033	420
Balance sheet returns by size of total assets:					
\$10,000,000 under \$50,000,000	35,611	1,673	4.7	1,584	89
\$50,000,000 under \$100,000,000	8,300	859	10.3	819	40
\$100,000,000 under \$250,000,000	8,225	914	11.1	858	56
\$250,000,000 under \$500,000,000	5,043	613	12.2	572	41
\$500,000,000 under \$1,000,000,000	3,727	518	13.9	471	47
\$1,000,000,000 under \$5,000,000,000	4,821	941	19.5	851	90
\$5,000,000,000 under \$20,000,000,000	1,429	510	35.7	463	47
\$20,000,000,000 or more	545	425	78.0	415	10
▷ Form 1120–C returns [15]	9,043	44	0.5	35	9
▷ Form 1120–F returns [15]	44,601	503	1.1	389	114
▶ Estate and trust income tax returns [18]	3,174,929	3,284	0.1	451	2,833
▶ Estate tax returns, total [19]	36,130	3,187	8.8	3,187	0
▷ Size of gross estate:					
Under \$5,000,000	25,334	582	2.3	582	0
\$5,000,000 under \$10,000,000	7,165	1,240	17.3	1,240	0
\$10,000,000 or more	3,631	1,365	37.6	1,365	0
▶ Gift tax returns	238,324	1,843	0.8	1,843	0
▶ Employment tax returns	30,088,108	54,652	0.2	38,189	16,463
▶ Excise tax returns	993,611	13,440	1.4	11,404	2,036
▶ Other taxable returns [20]	[4]	366	[4]	93	273
Nontaxable returns [21]:					
▶ Partnership returns	3,862,691	14,645	0.4	9,437	5,208
▶ S corporation returns [22]	4,688,683	15,869	0.3	14,525	1,344
▶ Other nontaxable returns [23]	[4]	3,002	[4]	69	2,933
Income, estate, gift tax, and nontaxable returns, total	161,855,159	1,097,921	0.7	292,611	805,310

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 2016—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]	26,937,840	21,569,130
Taxable returns:				
▶ Individual income tax returns, total	8	11	[6] 9,864,674	4,625,141
▷ 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]	8	11	955,723	274,755
With Schedule E or Form 2106 [9]	5	16	736,738	501,811
▶ Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under \$25,000	4	15	593,790	261,725
\$25,000 under \$100,000	6	5	551,466	238,227
\$100,000 under \$200,000	6	10	464,615	331,229
\$200,000 or more	10	26	294,892	280,372
Farm returns	10	28	30,151	20,080
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under \$25,000	10	7	1,983,442	137,105
\$25,000 or more	8	15	237,565	187,097
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:				
Nonbusiness returns	12	25	793,638	421,508
Business returns	11	33	879,871	549,060
▷ Returns with total positive income of \$1,000,000 or more [7]	15	28	2,325,234	1,405,650
▷ International returns [13]	1	4	17,549	16,522
▶ Corporation income tax returns, except Form 1120–S, total [14]	30	28	14,796,865	14,746,540
▷ Returns other than Forms 1120–C and 1120–F [15]:				
▶ Small corporations [16]	28	29	574,547	540,496
No balance sheet returns	16	25	171,121	165,587
Balance sheet returns by size of total assets:				
Under \$250,000	28	31	152,058	133,648
\$250,000 under \$1,000,000	32	35	133,118	127,159
\$1,000,000 under \$5,000,000	34	24	86,085	83,275
\$5,000,000 under \$10,000,000	40	18	32,165	30,827
▶ Large corporations [17]	33	26	13,192,852	13,176,694
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	40	22	184,158	183,765
\$50,000,000 under \$100,000,000	47	15	103,581	102,679
\$100,000,000 under \$250,000,000	42	18	240,359	239,484
\$250,000,000 under \$500,000,000	38	20	131,608	130,875
\$500,000,000 under \$1,000,000,000	27	38	146,968	145,033
\$1,000,000,000 under \$5,000,000,000	22	33	1,873,046	1,868,594
\$5,000,000,000 under \$20,000,000,000	17	34	2,309,814	2,309,388
\$20,000,000,000 or more	11	20	8,203,318	8,196,876
▷ Form 1120–C returns [15]	0	11	5,423	5,406
▷ Form 1120–F returns [15]	58	32	1,024,043	1,023,944
▶ Estate and trust income tax returns [18]	4	15	198,598	161,409
▶ Estate tax returns, total [19]	21	N/A	789,805	789,805
▷ Size of gross estate:				
Under \$5,000,000	23	N/A	52,658	52,658
\$5,000,000 under \$10,000,000	25	N/A	168,451	168,451
\$10,000,000 or more	17	N/A	568,696	568,696
▶ Gift tax returns	33	N/A	302,836	302,836
▶ Employment tax returns	14	9	812,529	782,784
▶ Excise tax returns	17	31	156,014	154,526
▶ Other taxable returns [20]	9	11	16,519	6,089
Nontaxable returns [21]:				
▶ Partnership returns	46	20	N/A	N/A
▶ S corporation returns [22]	31	28	N/A	N/A
▶ Other nontaxable returns [23]	19	17	N/A	N/A
Income, estate, gift tax, and nontaxable returns, total	12	12	25,952,778	20,625,731

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 2016—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)	(11)	(12)
United States, total	5,368,710		[4]	[4]
Taxable returns:				
▶ Individual income tax returns, total	5,239,533		18,977	6,622
▷ 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]	680,968		9,830	4,261
With Schedule E or Form 2106 [9]	234,927		11,396	3,611
▶ Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under \$25,000	332,065		8,375	5,480
\$25,000 under \$100,000	313,239		10,617	9,447
\$100,000 under \$200,000	133,386		23,690	23,364
\$200,000 or more	14,520		25,291	6,346
Farm returns	10,071		7,169	3,888
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under \$25,000	1,846,337		5,314	4,834
\$25,000 or more	50,468		17,141	5,275
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:				
Nonbusiness returns	372,130		23,155	13,643
Business returns	330,811		32,311	12,773
▷ Returns with total positive income of \$1,000,000 or more [7]	919,584		120,532	55,403
▷ International returns [13]	1,027		2,502	1,393
▶ Corporation income tax returns, except Form 1120–S, total [14]	50,325		761,033	28,610
▷ Returns other than Forms 1120–C and 1120–F [15]:				
▶ Small corporations [16]	34,051		41,834	28,002
No balance sheet returns	5,534		65,814	20,572
Balance sheet returns by size of total assets:				
Under \$250,000	18,410		24,523	31,363
\$250,000 under \$1,000,000	5,959		42,858	33,291
\$1,000,000 under \$5,000,000	2,810		53,484	23,223
\$5,000,000 under \$10,000,000	1,338		71,691	22,300
▶ Large corporations [17]	16,158		2,184,103	38,471
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	393		116,013	4,416
\$50,000,000 under \$100,000,000	902		125,371	22,550
\$100,000,000 under \$250,000,000	875		279,119	15,625
\$250,000,000 under \$500,000,000	733		228,802	17,878
\$500,000,000 under \$1,000,000,000	1,935		307,926	41,170
\$1,000,000,000 under \$5,000,000,000	4,452		2,195,763	49,467
\$5,000,000,000 under \$20,000,000,000	426		4,987,879	9,064
\$20,000,000,000 or more	6,442		19,751,508	644,200
▷ Form 1120–C returns [15]	17		154,457	1,889
▷ Form 1120–F returns [15]	99		2,632,247	868
▶ Estate and trust income tax returns [18]	37,189		357,891	13,127
▶ Estate tax returns, total [19]	N/A		247,821	N/A
▷ Size of gross estate:				
Under \$5,000,000	N/A		90,478	N/A
\$5,000,000 under \$10,000,000	N/A		135,848	N/A
\$10,000,000 or more	N/A		416,627	N/A
▶ Gift tax returns	N/A		164,317	N/A
▶ Employment tax returns	29,745		20,498	1,807
▶ Excise tax returns	1,488		13,550	731
▶ Other taxable returns [20]	10,430		65,473	38,205
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, gift tax, and nontaxable returns, total	5,327,047		[4]	[4]

Footnotes on next page.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2016—Continued**Footnotes**

N/A—Not applicable.

- [1] Excludes excise tax returns filed with 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 2015 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 380,260 returns selected for examination on the basis of an Earned Income Tax Credit (EITC) claim.
- [6] Includes a total of \$1,826,304,783 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] These returns were selected on the basis of an Earned Income Tax Credit (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-C (income tax return for cooperative associations); 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 taxable 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); 1065-B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (return of withholding tax on foreign partner's share of effectively connected income).
- [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, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2016

Size of adjusted gross income [1]	Returns filed in Calendar Year 2015 (percent of total) [2]	Examination coverage in Fiscal Year 2016 (percent) [3]
All returns [4]	100.00	0.70
No adjusted gross income [5]	1.70	3.25
\$1 under \$25,000	37.45	0.80
\$25,000 under \$50,000	23.21	0.49
\$50,000 under \$75,000	13.20	0.41
\$75,000 under \$100,000	8.52	0.52
\$100,000 under \$200,000	11.72	0.62
\$200,000 under \$500,000	3.38	1.01
\$500,000 under \$1,000,000	0.54	2.06
\$1,000,000 under \$5,000,000	0.25	4.60
\$5,000,000 under \$10,000,000	0.02	10.46
\$10,000,000 or more	0.01	18.79

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

[2] Calendar Year (CY) 2015 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year. The total number of individual income tax returns filed in CY 2015 was 147,967,324. See Table 9a for additional details.

[3] Represents the number of returns examined in Fiscal Year 2016 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2015 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined just over 84,000 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 ASFR Program, 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. See Table 14 for information on the ASFR Program.

[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.

NOTE:

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. By comparison, adjusted gross income includes losses, such as farm losses.

SOURCE: Research, Applied Analytics, 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 2016

[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	29,005	21,877	7,128	12,195,757	12,066,036	129,721
▶ Individual income tax returns, total	23,602	16,498	7,104	1,695,233	1,568,707	126,526
▷ 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]	2,078	1,039	1,039	58,911	52,658	6,253
With Schedule E or Form 2106 [5]	4,066	3,124	942	144,568	141,157	3,411
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	3,275	2,287	988	62,039	57,774	4,265
\$25,000 under \$100,000	1,964	1,665	299	46,860	44,417	2,443
\$100,000 under \$200,000	1,136	1,075	61	56,145	54,770	1,375
\$200,000 or more	1,025	982	43	81,882	81,007	875
Farm returns	218	d	d	7,576	d	d
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	2,880	762	2,118	31,758	20,693	11,065
\$25,000 or more	1,031	871	160	46,570	45,331	1,239
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	1,794	1,403	391	139,591	124,263	15,328
Business returns	2,719	1,876	843	204,420	195,228	9,192
▷ Returns with total positive income of \$1,000,000 or more [3]	1,403	1,229	174	814,837	745,683	69,154
▷ International returns [8]	13	d	d	76	d	d
▶ Corporation income tax returns, except Form 1120-S, total [9]	1,776	1,756	20	9,350,566	9,348,221	2,345
▷ Returns other than Forms 1120-C and 1120-F [10]:						
▶ Small corporations [11]	1,288	d	d	236,833	d	d
No balance sheet returns	233	d	d	69,806	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	500	485	15	45,724	43,967	1,757
\$250,000 under \$1,000,000	272	d	d	56,489	d	d
\$1,000,000 under \$5,000,000	208	d	d	47,229	d	d
\$5,000,000 under \$10,000,000	75	75	0	17,585	17,585	0
▶ Large corporations [12]	463	d	d	8,974,442	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	122	d	d	89,449	d	d
\$50,000,000 under \$100,000,000	51	51	0	61,783	61,783	0
\$100,000,000 under \$250,000,000	44	44	0	119,697	119,697	0
\$250,000,000 under \$500,000,000	26	26	0	52,379	52,379	0
\$500,000,000 under \$1,000,000,000	13	13	0	58,988	58,988	0
\$1,000,000,000 under \$5,000,000,000	71	71	0	1,060,154	1,060,154	0
\$5,000,000,000 under \$20,000,000,000	73	73	0	1,613,432	1,613,432	0
\$20,000,000,000 or more	63	63	0	5,918,560	5,918,560	0
▷ Form 1120-C returns [10]	7	7	0	2,574	2,574	0
▷ Form 1120-F returns [10]	18	18	0	136,717	136,717	0
▶ Estate and trust income tax returns [13]	50	46	4	145,991	145,141	850
▶ Estate tax returns, total [14]	93	93	0	382,095	382,095	0
▷ Size of gross estate:						
Under \$5,000,000	14	14	0	31,174	31,174	0
\$5,000,000 under \$10,000,000	30	30	0	110,217	110,217	0
\$10,000,000 or more	49	49	0	240,704	240,704	0
▶ Gift tax returns	130	130	0	235,127	235,127	0
▶ Employment tax returns	2,701	2,701	0	309,223	309,223	0
▶ Excise tax returns	648	648	0	74,709	74,709	0
▶ Other taxable returns [15]	5	5	0	2,813	2,813	0

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 2016—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 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-C (income tax return for cooperative associations); 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 taxable 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 (return of withholding tax on foreign partner's share of effectively connected income).

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, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2016

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined involving protection of the revenue base [1]			Amount protected		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	31,632	13,218	18,414	4,194,998	4,105,561	89,437
▶ Individual income tax returns, total	26,978	d	d	343,520	d	d
▷ 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]	10,838	1,260	9,578	109,638	74,624	35,014
With Schedule E or Form 2106 [5]	2,462	1,064	1,398	25,857	20,359	5,498
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	2,295	600	1,695	9,172	3,041	6,131
\$25,000 under \$100,000	1,298	680	618	6,185	3,600	2,585
\$100,000 under \$200,000	636	463	173	4,530	3,604	926
\$200,000 or more	589	492	97	4,462	3,917	545
Farm returns	124	d	d	524	d	d
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	4,219	374	3,845	14,628	2,053	12,575
\$25,000 or more	368	120	248	2,060	1,119	941
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	1,545	1,258	287	18,083	15,268	2,815
Business returns	1,276	1,119	157	13,704	12,203	1,501
▷ Returns with total positive income of \$1,000,000 or more [3]	1,107	1,060	47	134,184	131,223	2,961
▷ International returns [8]	221	d	d	493	d	d
▶ Corporation income tax returns, except Form 1120–S, total [9]	995	d	d	3,552,743	d	d
▷ Returns other than Forms 1120–C and 1120–F [10]:						
▶ Small corporations [11]	226	226	0	8,902	8,902	0
No balance sheet returns	12	12	0	2,084	2,084	0
Balance sheet returns by size of total assets:						
Under \$250,000	33	33	0	668	668	0
\$250,000 under \$1,000,000	39	39	0	199	199	0
\$1,000,000 under \$5,000,000	81	81	0	4,039	4,039	0
\$5,000,000 under \$10,000,000	61	61	0	1,912	1,912	0
▶ Large corporations [12]	727	d	d	2,648,228	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	109	109	0	11,848	11,848	0
\$50,000,000 under \$100,000,000	50	50	0	9,328	9,328	0
\$100,000,000 under \$250,000,000	74	d	d	39,939	d	d
\$250,000,000 under \$500,000,000	53	53	0	13,483	13,483	0
\$500,000,000 under \$1,000,000,000	60	d	d	25,374	d	d
\$1,000,000,000 under \$5,000,000,000	129	129	0	806,404	806,404	0
\$5,000,000,000 under \$20,000,000,000	139	d	d	616,305	d	d
\$20,000,000,000 or more	113	113	0	1,125,547	1,125,547	0
▷ Form 1120–C returns [10]	8	8	0	8,547	8,547	0
▷ Form 1120–F returns [10]	34	34	0	887,066	887,066	0
▶ Estate and trust income tax returns [13]	145	145	0	4,674	4,674	0
▶ Estate tax returns, total [14]	81	81	0	14,920	14,920	0
▷ Size of gross estate:						
Under \$5,000,000	10	10	0	1,619	1,619	0
\$5,000,000 under \$10,000,000	28	28	0	5,013	5,013	0
\$10,000,000 or more	43	43	0	8,288	8,288	0
▶ Gift tax returns	7	7	0	232	232	0
▶ Employment tax returns	309	309	0	42,998	42,998	0
▶ Excise tax returns	3,095	3,095	0	225,926	225,926	0
▶ Other taxable returns [15]	22	22	0	9,985	9,985	0

Footnotes on next page.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2016—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 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-C (income tax return for cooperative associations); 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 taxable 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 (return of withholding tax on foreign partner's share of effectively connected income).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations in which actions were 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. 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, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2016

[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	37,602	24,563	13,039	6,511,017	6,238,539	272,478
▶ Individual income tax returns, total	31,385	18,618	12,767	931,328	694,477	236,851
▷ 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]	5,289	2,248	3,041	47,358	29,591	17,767
With Schedule E or Form 2106 [5]	3,701	2,531	1,170	54,633	49,823	4,810
▶ Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	2,636	1,357	1,279	11,255	7,869	3,386
\$25,000 under \$100,000	2,201	1,556	645	14,702	12,750	1,952
\$100,000 under \$200,000	1,179	1,014	165	8,793	8,067	726
\$200,000 or more	1,090	1,021	69	20,817	20,462	355
Farm returns	379	313	66	2,367	2,188	179
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	3,619	1,180	2,439	10,331	5,611	4,720
\$25,000 or more	905	744	161	11,924	11,393	531
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	4,095	2,506	1,589	70,266	54,507	15,759
Business returns	2,815	2,028	787	52,601	46,333	6,268
▷ Returns with total positive income of \$1,000,000 or more [3]	3,456	2,108	1,348	626,232	445,850	180,382
▷ International returns [8]	20	12	8	49	33	16
▶ Corporation income tax returns, except Form 1120-S, total [9]	1,846	1,792	54	4,944,402	4,917,561	26,841
▷ Returns other than Forms 1120-C and 1120-F [10]:						
▶ Small corporations [11]	655	d	d	47,951	d	d
No balance sheet returns	114	114	0	17,814	17,814	0
Balance sheet returns by size of total assets:						
Under \$250,000	202	d	d	12,480	d	d
\$250,000 under \$1,000,000	169	d	d	6,544	d	d
\$1,000,000 under \$5,000,000	121	d	d	7,993	d	d
\$5,000,000 under \$10,000,000	49	d	d	3,120	d	d
▶ Large corporations [12]	1,133	1,099	34	4,823,376	4,803,648	19,728
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	177	170	7	34,198	31,981	2,217
\$50,000,000 under \$100,000,000	94	d	d	91,762	d	d
\$100,000,000 under \$250,000,000	140	134	6	120,933	118,781	2,152
\$250,000,000 under \$500,000,000	103	103	0	196,492	196,492	0
\$500,000,000 under \$1,000,000,000	110	d	d	179,094	d	d
\$1,000,000,000 under \$5,000,000,000	235	227	8	567,162	555,831	11,331
\$5,000,000,000 under \$20,000,000,000	146	140	6	949,621	947,029	2,592
\$20,000,000,000 or more	128	d	d	2,684,114	d	d
▷ Form 1120-C returns [10]	8	d	d	5,642	d	d
▷ Form 1120-F returns [10]	50	43	7	67,433	63,684	3,749
▶ Estate and trust income tax returns [13]	273	117	156	55,611	46,871	8,740
▶ Estate tax returns, total [14]	606	606	0	100,670	100,670	0
▷ Size of gross estate:						
Under \$5,000,000	51	51	0	5,767	5,767	0
\$5,000,000 under \$10,000,000	240	240	0	19,186	19,186	0
\$10,000,000 or more	315	315	0	75,717	75,717	0
▶ Gift tax returns	30	30	0	3,730	3,730	0
▶ Employment tax returns	476	476	0	200,130	200,130	0
▶ Excise tax returns	2,952	2,907	45	268,708	268,690	18
▶ Other taxable returns [15]	34	17	17	6,438	6,410	28

Footnotes on next page.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2016—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 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-C (income tax return for cooperative associations); 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 taxable 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 (return of withholding tax on foreign partner's share of effectively connected income).

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, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2016

Type of return	Number of returns
Tax-exempt organization, employee retirement plan, government entity, tax-exempt bond returns, and related taxable returns examined in Fiscal Year 2016, total	17,380
Forms 990, 990-EZ, and 990-N	2,725
Forms 990-PF, 1041-A, 1120-POL, and 5227	231
Form 5500	2,882
Defined benefit	443
Defined contribution	2,439
Form 5500-EZ	259
Defined benefit	72
Defined contribution	187
Form 5500-SF	2,729
Defined benefit	408
Defined contribution	2,321
Tax-exempt bond returns [1]	570
Related taxable returns, total [2]	6,709
Employment tax returns [3]	4,148
Form 990-T [4]	745
Form 4720 [5]	419
Forms 1040, 1041, 1065, and 1120 adjusted [6]	474
Forms 11-C and 730 [7]	469
Form 5330 [8]	454
Employee retirement plan Non-Return Units [9]	1,275

[1] Includes Forms 8038 (information return for tax-exempt private activity bond issues); 8038-B (information return for build America bonds and recovery zone economic development bonds); 8038-CP (return for credit payments to issuers of qualified bonds); 8038-G (information return for governmental obligations); 8038-GC (information return for consolidated small tax-exempt government bond issues, leases, and installment sales); 8038-T (arbitrage rebate return); and 8038-TC (information return for tax credit bonds and specified tax credit bonds).

[2] 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.

[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 tax-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.

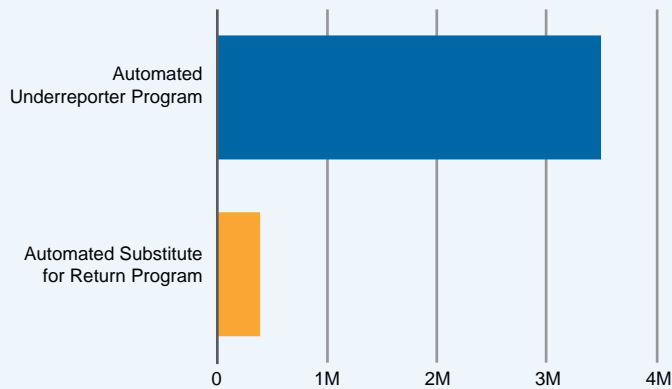
[8] Form 5330 is used to report excise taxes related to employee retirement plans.

[9] Tax Exempt and Government Entities, Employee Plans (EP), often examines retirement plans for which no return is filed. These are called Non-Return Units (NRU).

SOURCE: Tax Exempt and Government Entities.

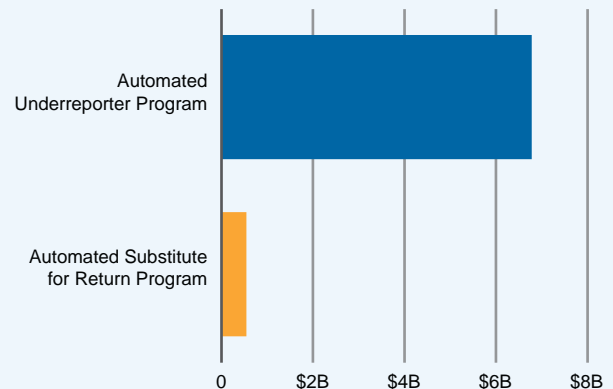
Information Reporting Program, Fiscal Year 2016

Number of cases closed



SOURCE: 2016 IRS Data Book Table 14

Amount of additional assessments



Enforcement:

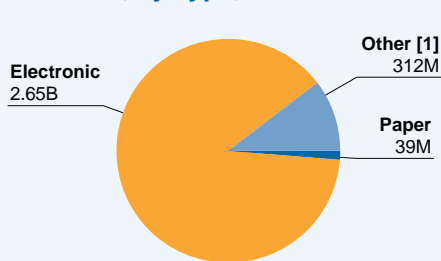
Information Reporting and Verification

Section 3 of the *IRS Data Book* presents data on information reporting and verification, which, in addition to examinations, are critical tools for identifying and resolving 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 nonfilers; construct tax returns for certain nonfilers based on that third-party information; and assess tax, interest, and penalties based on the substitute returns. To further verify the accuracy of reported information, the IRS also checks for mathematical and clerical errors before refunds are paid.

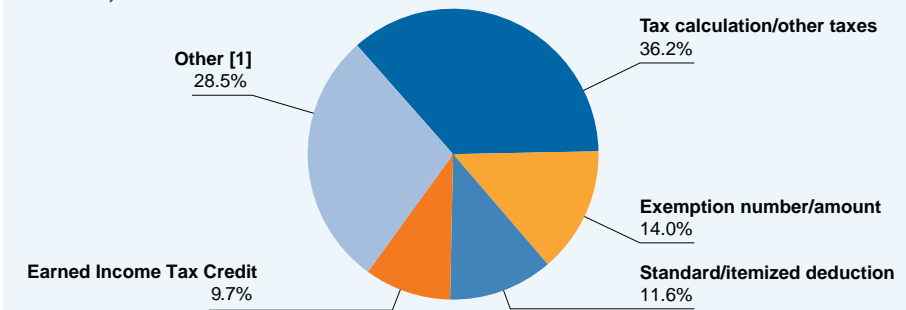
Number of Information Returns Received, by Type, Fiscal Year 2016



[1] 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.

SOURCE: 2016 IRS Data Book Table 14

Math Errors on Tax Year 2015 Individual Income Tax Returns, by Type of Error, Fiscal Year 2016



[1] Includes first-time homebuyer credit repayment, adjusted gross/taxable income amount, child tax, education and other credits, refund/amount owed, adjustments to income, filing status, and withholding or excess Social Security payments, and miscellaneous errors.

SOURCE: 2016 IRS Data Book Table 15

Highlights of the Data

- In Fiscal Year (FY) 2016, the IRS received almost 3.0 billion third-party information returns; 88.3 percent were filed electronically (Table 14).
- The IRS closed almost 3.5 million cases under the Automated Underreporter Program, resulting in nearly \$6.8 billion in additional assessments (Table 14).
- The IRS closed 389,000 cases under its Automated Substitute for Return Program, resulting in \$542.8 million in additional assessments (Table 14).
- For Tax Year (TY) 2015 individual income tax returns processed during FY 2016, IRS sent more than 1.6 million notices to taxpayers for 2.1 million math errors identified on their returns (Table 15).
- For TY 2015, math errors associated with calculation of income or other taxes made up 36.2 percent of total math errors. For TY 2014 and prior-year returns processed in FY 2016, misreporting the number and amount of exemptions were the most common errors, making up 25.5 percent of the total (Table 15).

Table 14. Information Reporting Program, Fiscal Year 2016

Item	Number or amount
Number of information returns received (thousands) [1]:	
Total	2,998,605
Paper	38,775
Electronic	2,647,952
Other [2]	311,878
Automated Underreporter Program [3]:	
Number of closed cases (thousands) [4]	3,477
Amount of additional assessments (thousands of dollars) [5]	6,781,203
Number of full-time equivalent positions [6]	1,583
Automated Substitute for Return Program [7]:	
Number of closed cases (thousands) [8]	389
Actual closures	66
Terminated closures	323
Amount of additional assessments (thousands of dollars) [9]	542,827
Number of full-time equivalent positions [6]	65

[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] The objective of the Automated Underreporter Program (AUR) program is to match taxpayer income and deductions submitted by third parties such as banks, brokerage firms, and other payers on information returns (e.g., 1099, W-2) against amounts reported on individual income tax returns. If a discrepancy is found, an AUR case is created, the taxpayer is contacted, and tax is assessed on any unresolved discrepancy.

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

[5] Includes tax and interest.

[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, construct tax returns for certain nonfilers based on that third-party information, and assess tax, interest, and penalties based on the substitute returns.

[8] Reflects the number of closed cases within the ASFR system. Beginning with Fiscal Year 2015, the number of closed cases (contacts) are reported separately as actual closures (taxpayer contact) and terminated closures (no ASFR taxpayer contact). Actual closures are cases for which notices were issued to taxpayers and were associated with staff hours used to calculate the number of full-time positions. Terminated closures are cases that required no notices to be sent; therefore, no full-time equivalent hours were associated.

[9] Includes tax, interest, and penalties assessed.

SOURCES:

Small Business/Self-Employed Examination, Performance Planning and Analysis, Automated Underreporter Program; Small Business/Self-Employed Collections, Headquarters Collection, Inventory Delivery Selection, Automated Substitute for Return Program; Small Business/Self Employed, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Fiscal Year 2016

Math error	Tax Year 2015 returns		Tax Year 2014 and other prior-year returns	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
Math error notices [1]	1,627,646	N/A	272,370	N/A
Math errors, total [1]	2,114,491	100.0	396,072	100.0
Tax calculation/other taxes [2]	765,732	36.2	74,522	18.8
Exemption number/amount	295,976	14.0	100,902	25.5
Standard/itemized deduction	246,091	11.6	39,233	9.9
Earned Income Tax Credit	203,934	9.7	53,286	13.5
Adjusted gross/taxable income amount	101,735	4.8	15,802	4.0
Refund/amount owed	80,890	3.8	16,586	4.2
First-Time Homebuyer Credit Repayment	79,372	3.8	11,431	2.9
Other credits [3]	72,949	3.5	14,273	3.6
Child Tax Credit	72,483	3.4	16,184	4.1
Adjustments to income	49,567	2.3	9,022	2.3
Withholding or excess Social Security payments	44,405	2.1	13,990	3.5
Filing status	33,883	1.6	17,147	4.3
Education Credits [4]	28,919	1.4	6,434	1.6
Other [5]	38,555	1.8	7,260	1.8

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 Repayment, Child Tax Credit, and Education Credits.
- [4] Includes the Hope Credit and the American Opportunity Tax Credit.
- [5] Includes miscellaneous errors and unique error types not included in any other math error definitions.

NOTES:

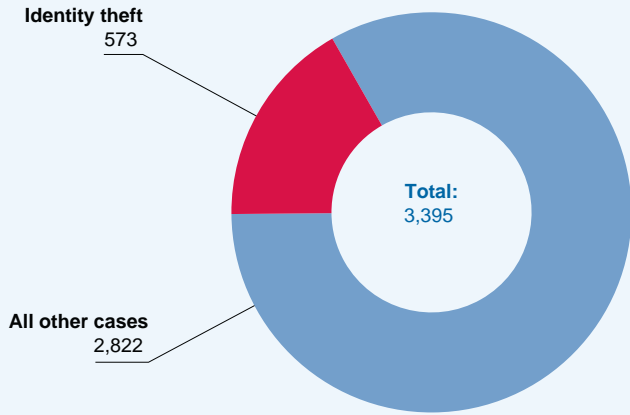
Detail may not add to totals because of rounding.

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

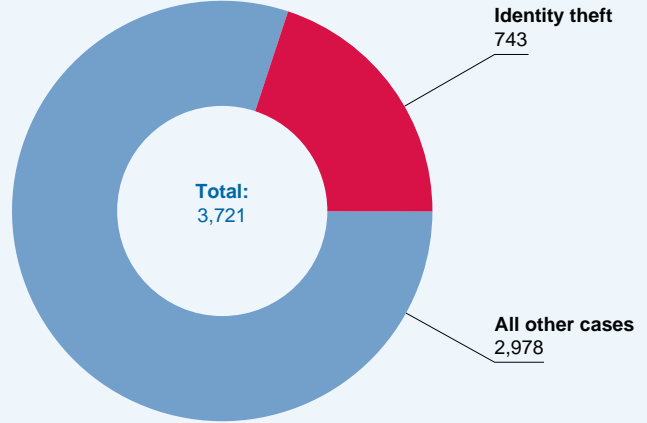
SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Paper Processing Branch.

Criminal Investigations, by Status or Disposition, Fiscal Year 2016

Investigations Initiated



Investigations Completed



SOURCE: 2016 IRS Data Book Table 18

Enforcement:

Collections, Penalties, and Criminal Investigation

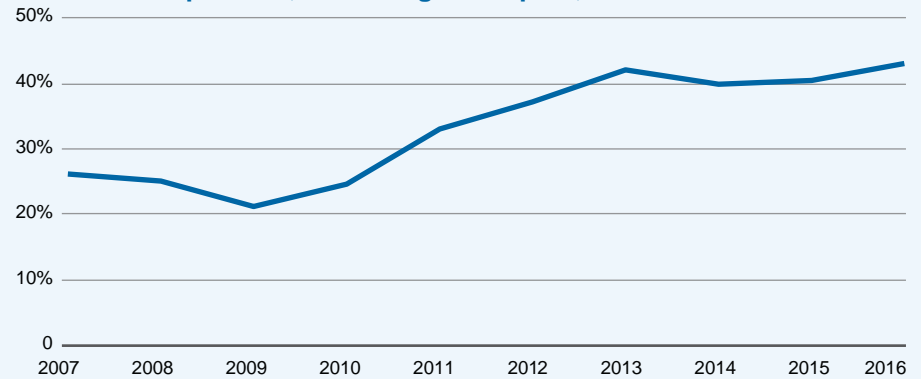
The mission of the IRS’s Collection function is to collect Federal taxes that have been reported or assessed but not paid, and to secure tax returns that have not been filed. Additionally, failure to comply may result in civil penalties or, in some cases, criminal investigation, which

may in turn result in prosecution, fines, and imprisonment. Section 4 of the *IRS Data Book* presents information on collections, penalties, and criminal prosecutions resulting from individuals’ or entities’ failure to comply with the tax code.

Highlights of the Data

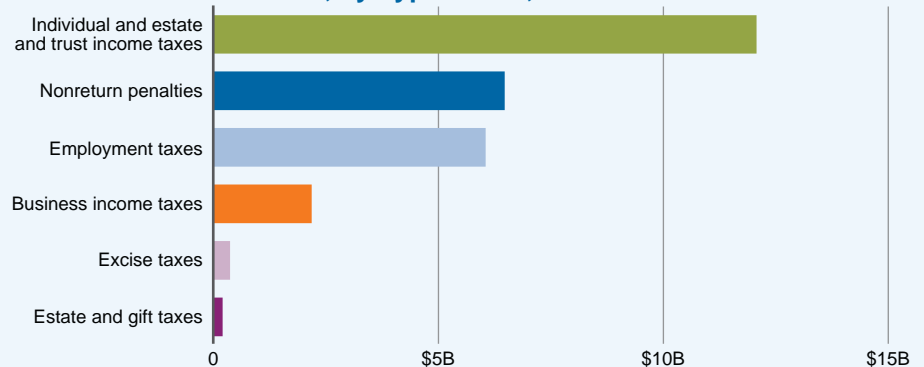
- Overall, in Fiscal Year (FY) 2016, the IRS collected, net of credit transfers, almost \$37.4 billion in unpaid assessments on returns filed with additional tax due (Table 16).
- The IRS assessed close to \$12.5 billion in additional taxes for returns not filed timely and collected more than \$2.3 billion with delinquent returns (Table 16).
- In FY 2016, taxpayers proposed 63,000 offers in compromise to settle existing tax liabilities for less than the full amount owed. IRS accepted 27,000 offers, amounting to almost \$226.0 million, during the year (Table 16).
- The IRS assessed \$27.3 billion in civil penalties. Approximately \$12.1 billion was assessed in civil penalties on individual and estate and trust income tax returns (Table 17).

Offers in Compromise, Percentage Accepted, Fiscal Years 2007–2016



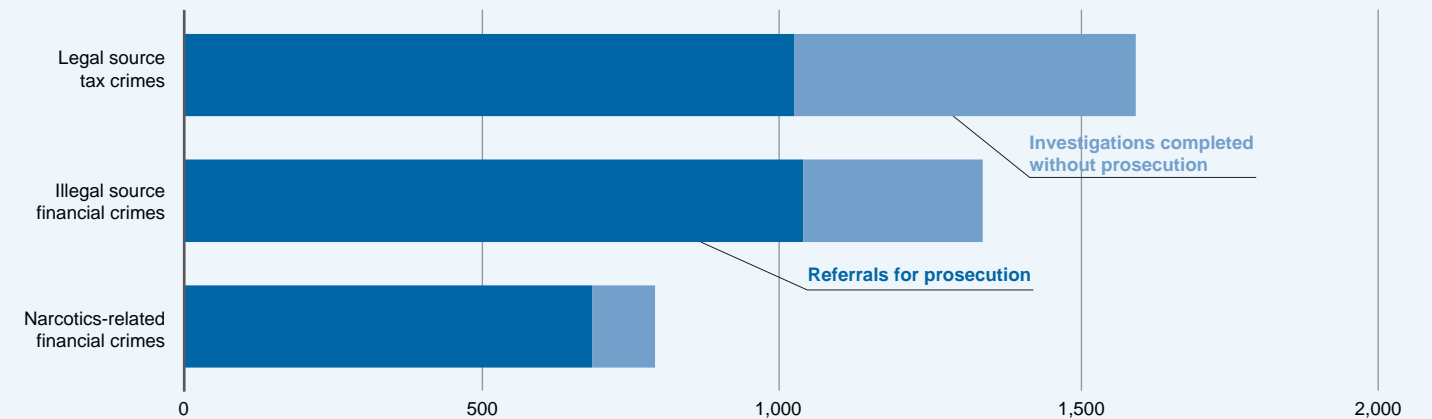
SOURCE: IRS Data Book Table 16

Civil Penalties Assessed, by Type of Tax, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 17

Number of Criminal Investigations Completed, by Type, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 18

- The IRS abated almost \$9.0 billion in civil penalties during the year, including \$3.9 billion in abatements for individual and estate and trust income tax returns (Table 17).
- In FY 2016, the IRS initiated 3,395 criminal investigations in these three areas—legal source tax crimes, illegal source financial crimes, and narcotics related financial crimes. The IRS completed 3,721 investigations in these areas (Table 18).
- Legal source tax crime 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 2016, the IRS completed 1,594 legal source tax crime investigations (Table 18).
- 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 2016, the IRS completed 1,338 illegal source tax crime investigations (Table 18).
- 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 2016, the IRS completed 789 narcotics-related financial crime investigations (Table 18).
- In FY 2016, the IRS initiated 573 cases and completed 743 cases related to identity theft (Table 18).

Table 16. Delinquent Collection Activities, Fiscal Years 2015 and 2016

[Money amounts are in thousands of dollars]

Activity	2015	2016
Returns filed with additional tax due:		
Gross total yield from unpaid assessments [1]	50,262,866	52,303,406
Less: Credit transfers [2]	14,711,948	14,925,300
Equals: Net total amount collected	35,550,918	37,378,106
Taxpayer delinquent accounts (thousands):		
Number in beginning inventory	12,410	13,371
Number of new accounts	8,121	7,652
Number of accounts closed	7,159	7,018
Ending inventory:		
Number	13,371	14,005
Balance of assessed tax, penalties, and interest [3]	137,278,819	138,232,446
Returns not filed timely:		
Delinquent return activity:		
Net amount assessed [4]	14,516,462	12,492,286
Amount collected with delinquent returns	2,278,411	2,316,289
Taxpayer delinquency investigations (thousands) [5]:		
Number in beginning inventory	3,540	3,045
Number of new investigations	1,091	1,026
Number of investigations closed	1,586	1,307
Number in ending inventory	3,045	2,764
Offers in compromise (thousands) [6]:		
Number of offers received	67	63
Number of offers accepted	27	27
Amount of offers accepted	204,748	225,946
Enforcement activity:		
Number of notices of Federal tax liens filed [7]	515,247	470,602
Number of notices of levy requested on third parties [8]	1,464,026	869,196
Number of seizures [9]	426	436

- [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] In this instance, credit transfers are credits transferred from one tax module to another tax module where the receiving module is in collection status. These credit transfers are then subtracted from total yield to avoid overstating the net total amount collected.
- [3] 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.
- [4] 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. Excludes accrued penalty and interest.
- [5] A delinquency investigation is opened when a taxpayer does not respond to an IRS notice of a delinquent return.
- [6] 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.
- [7] Represents the number of lien requests entered into the IRS Automated Lien System.
- [8] Represents the number of levies requested upon third parties by the Automated Collection System and Field Collection programs.
- [9] 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, Collection, Performance Planning and Analysis Examination, Collection Data Assurance/Special Reports and Plans.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2016

[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	39,573,561	27,346,036	5,236,054	8,995,016
Individual and estate and trust income taxes:				
Civil penalties, total [3]	31,713,538	12,071,419	3,908,121	3,855,612
Accuracy [4]	499,190	1,047,185	58,495	273,215
Bad check	571,240	59,751	12,127	28,291
Delinquency	2,879,878	4,273,798	612,063	2,316,359
Estimated tax	10,063,989	1,334,598	144,875	118,040
Failure to pay	17,691,033	4,917,744	3,076,914	1,078,526
Fraud	3,219	389,374	140	25,743
Other [5]	4,989	48,970	3,507	15,437
Business income taxes:				
Civil penalties, total	978,564	2,183,902	241,201	1,026,732
Accuracy [4, 6]	2,098	242,211	425	97,968
Bad check [6]	7,347	20,182	967	27,393
Delinquency [6]	458,186	851,113	162,954	401,617
Estimated tax [6]	212,729	253,018	9,550	143,960
Failure to pay [6]	286,634	528,828	63,542	337,152
Fraud [6]	205	19,655	d	d
S corporation/Partnership information [7]	11,279	54,171	1,419	14,423
Other [6]	86	214,724	d	d
Employment taxes:				
Civil penalties, total [8]	5,857,416	6,046,139	897,520	1,669,566
Accuracy [4]	1,892	3,409	89	88
Bad check	262,532	59,518	18,078	40,156
Delinquency	1,098,732	1,722,144	156,402	302,319
Estimated tax	8,298	21,585	1,104	13,278
Failure to pay	3,144,623	1,147,954	468,220	279,446
Federal tax deposits	1,340,928	3,086,402	253,613	1,033,882
Fraud	233	2,595	6	169
Other	178	2,533	8	228
Excise taxes:				
Civil penalties, total [9]	629,428	371,381	140,086	278,542
Accuracy [4]	1,324	1,058	124	30
Bad check	5,341	1,972	390	1,432
Daily delinquency [10]	57,843	179,644	43,706	151,977
Delinquency	213,741	45,832	19,939	14,122
Estimated tax	10,838	1,999	333	283
Failure to pay	319,031	23,451	60,910	10,952
Federal tax deposits	5,315	39,320	1,542	21,354
Fraud	9	4	0	0
Other	15,986	78,101	13,142	78,392
Estate and gift taxes:				
Civil penalties, total [11]	6,078	199,779	3,121	141,335
Accuracy [4]	57	8,923	3	249
Bad check	33	461	23	197
Delinquency	2,139	112,655	1,217	102,428
Failure to pay	3,716	73,584	1,753	35,905
Fraud	0	0	0	0
Other	133	4,157	125	2,557
Nonreturn penalties [12]	388,537	6,473,416	46,005	2,023,229

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

- [1] Assessments and abatements of penalties included here were recorded in Fiscal Year 2016 regardless of the tax year to which the penalties 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. Numbers and amounts represent only the portion of assessed penalties that were abated.
- [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.

Footnotes continued on next page.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2016—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); 5227 (split-interest trust information return); and 8886-T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).
- [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); 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 2016 was \$842,842 thousand 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 2016

Status or disposition [1]	Total	Legal source tax crimes [2]	Illegal source financial crimes [3]	Narcotics-related financial crimes [4]	Identity theft [5]
	(1)	(2)	(3)	(4)	(5)
Investigations initiated	3,395	1,336	1,271	788	573
Investigations completed	3,721	1,594	1,338	789	743
Referrals for prosecution	2,744	1,023	1,037	684	566
Investigations completed without prosecution	977	571	301	105	177
Indictments and informations [6]	2,761	1,092	948	721	649
Convictions	2,672	1,134	832	706	n.a.
Sentenced	2,699	1,183	881	635	613
Incarcerated [7]	2,156	927	686	543	538
Percentage of those sentenced who were incarcerated [7]	79.9	78.4	77.9	85.5	87.8

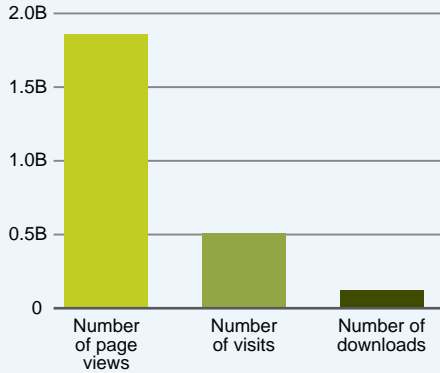
n.a.—Not available due to current system constraints. There are insufficient data available to provide the number of identity theft convictions.

- [1] Investigations may cross fiscal years. An investigation initiated one fiscal year may not be indicted, convicted, or sentenced until a subsequent fiscal year. Therefore, the disposition (completions, indictments/informations, convictions, sentences) of investigations shown in this table may be related to investigations initiated in prior fiscal years.
- [2] 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, frivolous filers/nonfilers who challenge the legality of the filing requirements, and employment tax cases.
- [3] 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.
- [4] 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.
- [5] The data highlighted in gray are a subset of total IRS Criminal Investigations (CI) and include cases from all CI programs: Legal source tax crimes, Illegal source financial crimes, and Narcotics-related financial crimes. IRS CI detects and investigates tax fraud and other financial fraud related to identity theft. Identity theft is often found through the Questionable Refund Program (QRP). The QRP involves the detection of false returns which may have used stolen identities to claim fraudulent tax refunds. Additional areas involving identity theft include employment tax cases, abusive return preparer schemes, and narcotics and money laundering investigations.
- [6] 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.
- [7] The term "incarcerated" may include prison time, home confinement, electronic monitoring, or a combination thereof.

SOURCE: Criminal Investigation, Communications and Education Division.

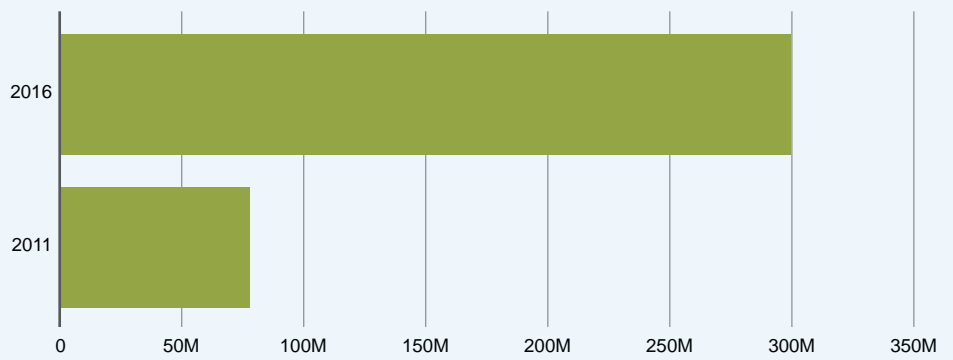
For more information about Criminal Investigation, please visit: https://www.irs.gov/pub/foia/ig/ci/2016_annual_report_02092017.pdf

IRS Web Site Usage, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 19

“Where’s My Refund” Inquiries, Fiscal Years 2011 and 2016



SOURCE: IRS Data Book Table 19

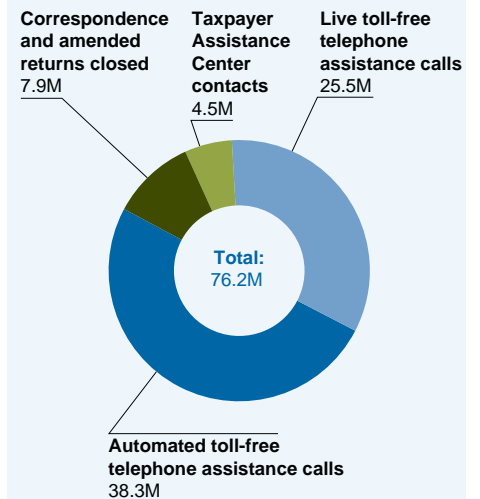
Taxpayer Assistance

Section 5 of the *Data Book* provides information on the scope and composition of the IRS’ taxpayer assistance programs. 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-provided income tax assistance. The section also presents information on the IRS Taxpayer Advocate Service and IRS Office of Appeals workload.

Highlights of the Data

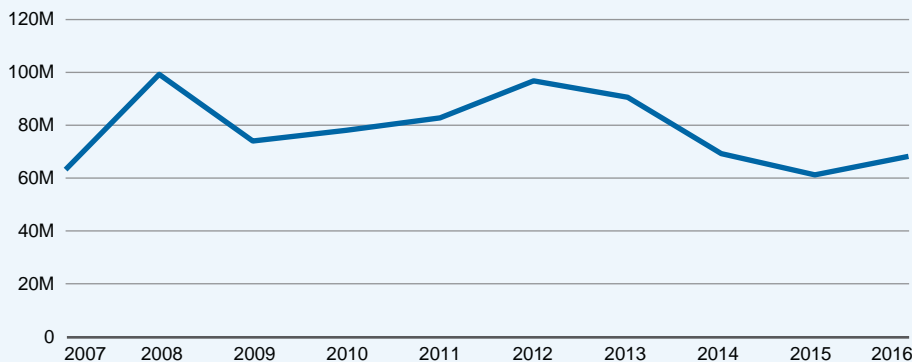
- In Fiscal Year (FY) 2016, the IRS provided taxpayer assistance through almost 506.1 million visits to IRS.gov, assisted more than 76.2 million taxpayers through correspondence, its toll-free telephone helpline or at walk-in sites, and had almost 299.6 million inquiries to the “Where’s My Refund” application (Table 19).
- Electronic transactions continued to grow, totaling more than 384.0 million. There were almost 20.3 million requests for Electronic Filing Personal Identification Numbers and more than 38.2 million Transcript Delivery System requests fulfilled (Table 19).
- IRS also provided return preparation assistance through its Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs, preparing more than 3.8 million returns (Table 19).

Taxpayer Assistance, by Type of Assistance, Fiscal Year 2016



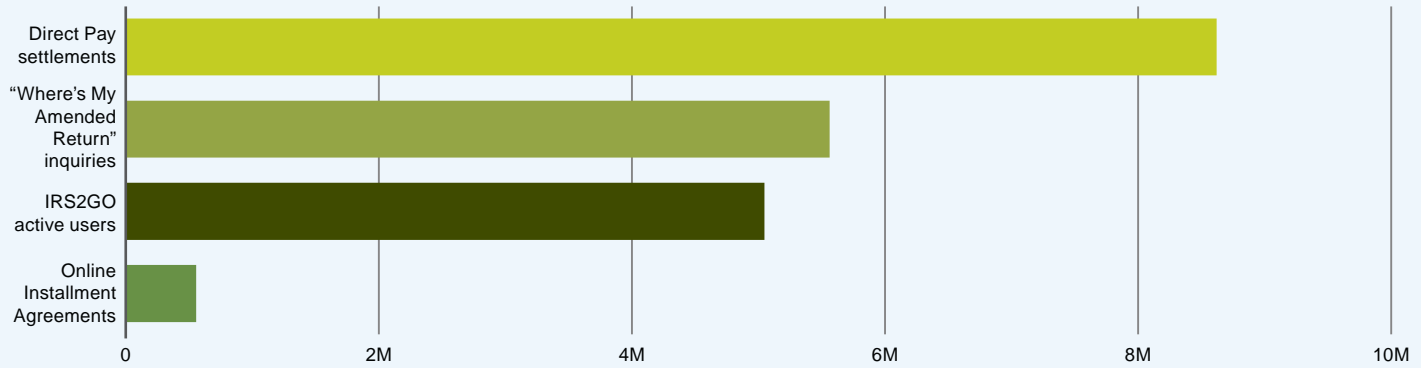
SOURCE: 2016 IRS Data Book Table 19

Call and Walk-in Assistance, Total, Fiscal Years 2007–2016



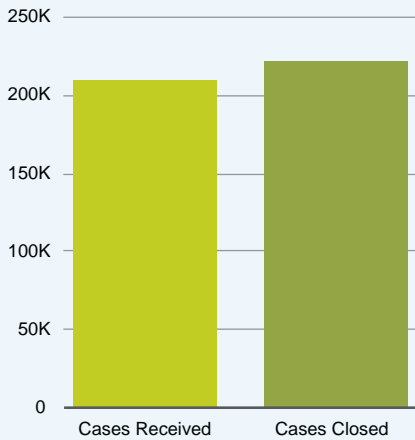
SOURCE: IRS Data Book Table 19

Taxpayers Served by Recently Added Taxpayer Assistance Features, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 19

Taxpayer Advocate Service, Cases Received and Cases Closed, Fiscal Year 2016

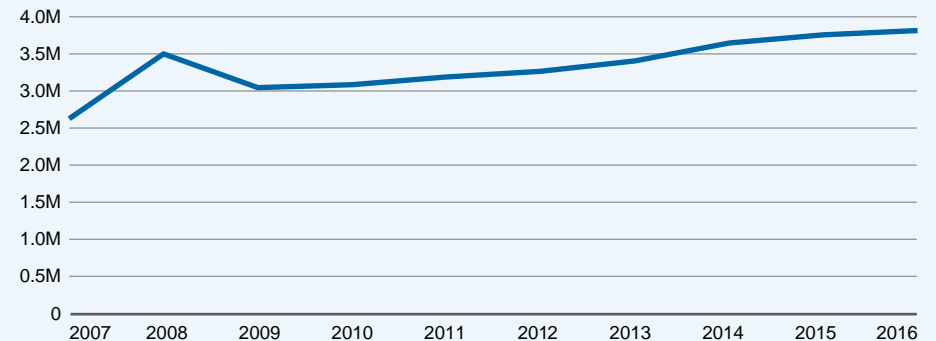


SOURCE: 2016 IRS Data Book Table 20

- The Taxpayer Advocate Service (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 2016, TAS received 209,509 new requests for assistance and closed 221,312 cases, including those received in a prior fiscal year (Table 20).
- 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 from and independent of the IRS office that proposed the tax adjustment, collection action, or penalty. During FY 2016, the IRS Appeals Office received 114,362 new cases and closed 111,345 cases, including those received in a prior fiscal year (Table 21).

Federal Returns Prepared Through Volunteer Income Tax Assistance and Tax Counseling for the Elderly Programs, Fiscal Years 2007–2016



SOURCE: IRS Data Book Table 19

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2016

Type of assistance or program	Number or percentage
Call and walk-in assistance, total	68,311,901
Toll-free telephone assistance calls [1]:	
Automated	38,286,569
Live	25,544,594
Taxpayer Assistance Center contacts [2]	4,480,738
Telephone level of service (percentage) [3]	53.4
Average speed of answer (minutes)	17.8
Toll-free assistance customer satisfaction rate (percentage)	88.0
Accuracy of toll-free telephone assistance:	
Tax law questions (percentage accurate)	96.4
Account questions (percentage accurate)	96.1
Taxpayer correspondence:	
Total correspondence and amended returns closed [4]	7,927,170
Correspondence customer satisfaction rate (percentage) [5]	64.0
Forms and publications (paper products):	
Orders for forms, publications, and other paper products	2,221,678
Number of non-IRS outlets stocking paper products [6]	9,395
Assistance provided through the Internet (IRS.gov):	
IRS Web site usage [7]:	
Number of visits	506,090,501
Number of page views	1,861,880,978
Number of downloads	121,478,940
IRS Video Portal views [8]	15,299,460
Electronic transactions, total	384,041,118
Direct Pay settlements [9]	8,620,442
Electronic Filing Personal Identification Numbers [10]	20,294,307
Interactive tax assistant [11]	1,472,508
IRS2GO active users [12]	5,048,563
Online Employer Identification Number applications	4,666,403
Online Installment Agreements [13]	557,213
Transcript Delivery System requests fulfilled [14]	38,226,232
"Where's My Amended Return" inquiries	5,561,598
"Where's My Refund" inquiries	299,593,852
Taxpayer Self-Assistance Rate (percentage) [15]	89.0
Disaster and emergency assistance:	
Disaster incidents [16]:	
State incidents	13
County/city incidents	240
Taxpayers assisted:	
Number of toll-free disaster hotline calls	24,016
Number of taxpayers assisted at Disaster Recovery Centers [17]	440
Taxpayer education and tax return preparation for individual taxpayers:	
Federal returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	3,813,411
Volunteers assisting in taxpayer education and return preparation programs	89,121
Volunteer Tax Preparation Assistance sites	11,831
Volunteer Income Tax Assistance and Tax Counseling for the Elderly (percentage accurate) [18]	94.6
Taxpayer outreach for small business and self-employed taxpayers:	
Number of events [19,20]	1,274
Number of participants [20]	133,433
Electronic newsletter subscriptions:	
Number targeted to small business owners and payroll providers	307,615
Number targeted to tax professionals	301,565

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

[2] Includes contacts at 376 IRS Taxpayer Assistance Centers and 25 Virtual Service Delivery sites. Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites, which are shown separately in this table.

[3] Represents the relative success rate of taxpayers that call for CAS services seeking assistance from a customer service representative.

[4] Beginning with Fiscal Year (FY) 2016, includes all individual and business taxpayer correspondence for domestic and international taxpayers, Injured Spouse, Penalties, Affordable Care Act, Exempt Organizations, and amended returns processed in Accounts Management, Wage and Investment Division. Due to the inclusion of additional categories, the FY 2016 totals cannot be compared to FY 2015 correspondence processed.

[5] This survey reflects the level of customer satisfaction with adjustment processing and handling of customer account correspondence, claims, and amended returns.

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

Footnotes continued on next page.

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2016—Continued**Footnotes—Continued**

- [7] An increasing number of taxpayers receive assistance via IRS.gov. This online assistance is reported as visits, page views, and downloads. A Web site visit is a session that begins when a user views his or her first Web page and ends when the user leaves the IRS.gov Web site. Users may access multiple Web pages during a single visit to the IRS Web site; these are counted as page views. A download is the process of copying a file, such as Form 1040, from the IRS.gov Web site to the user's personal computer.
- [8] The IRS Video Portal provides information through audio and video presentations, as well as webinars (electronic seminars) on a variety of tax-related topics.
- [9] Represents the total count of payment settlements plus payment reversals.
- [10] An Electronic Filing Personal Identification Number can be used in lieu of the prior-year adjusted gross income to verify a taxpayer's identify for electronic filing.
- [11] The interactive tax assistant is a tax law resource that takes taxpayers through a series of questions and provides answers to their tax law questions.
- [12] Includes the number of users who opened the IRS2GO mobile application at least once during the fiscal year.
- [13] Includes the number of individual and business installment agreements established or revised online. It also includes the number of short-term extensions (30, 60, and 120 days) and the number of agreements required to pay the balance now.
- [14] 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.
- [15] The percentage of taxpayers using self-assistance tools for their service needs.
- [16] Reflects events for which the Federal Emergency Management Agency designated major disaster areas and the IRS granted administrative tax relief.
- [17] The number of taxpayers assisted at Disaster Recovery Centers decreased from Fiscal Year 2015 due to taxpayers taking advantage of electronic options in securing disaster assistance.
- [18] Represents the accuracy of Federal returns prepared at Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites.
- [19] 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. Includes virtual technology-based sessions.
- [20] Due to budget constraints, the number of events decreased, but more events were conducted virtually rather than face-to-face, thus allowing the IRS to reach a larger participating audience.

SOURCES:

Wage and Investment, Strategy and Finance, Program Management Office; Online Services, Online Engagement, Operations and Media; Small Business/Self-Employed, Communications, Outreach, Systems and Solutions; Communications and Liaison, National Public Liaison.

Table 20. Taxpayer Advocate Service: Post-filing Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2016

Type of issue and relief	Number	Percentage of total
Taxpayer Advocate Service cases received, top fifteen receipts by type of issue [1]:		
Total	209,509	100.0
Identity Theft	41,819	20.0
Pre-Refund Wage Verification Hold	29,174	13.9
Affordable Care Act issue [2]	11,436	5.5
Earned Income Tax Credit	11,378	5.4
Processing Amended Return	9,671	4.6
Taxpayer Protection Program issue [3]	7,160	3.4
Unpostable and Rejected Return	6,938	3.3
Processing Original Return	6,325	3.0
Examination Reconsideration	6,264	3.0
Levy	5,626	2.7
Returned and Stopped Refund	4,946	2.4
Injured Spouse Claim	4,752	2.3
Installment Agreement	3,943	1.9
Other Refund Inquiries/Issue [4]	3,855	1.8
Open Examination	3,852	1.8
All others	52,370	25.0
Taxpayer Advocate Service cases closed, by type of resolution [1]:		
Total	221,312	100.0
Relief provided to taxpayer, total	172,363	77.9
Taxpayer Assistance Order issued [5]	154	0.1
No Taxpayer Assistance Order issued [5]	172,209	77.8
Full relief	158,174	71.5
Individual taxpayer issue [6]	147,579	66.7
Systemic issue [7]	10,595	4.8
Partial relief	14,035	6.3
Individual taxpayer issue [6]	13,114	5.9
Systemic issue [7]	921	0.4
No relief provided to taxpayer, total	48,949	22.1
Taxpayer Assistance Order rescinded [5]	34	[8]
No Taxpayer Assistance Order issued [5]	48,915	22.1
No response from taxpayer	25,435	11.5
No relief provided by Taxpayer Advocate Service [9]	15,370	6.9
Taxpayer withdrew application for assistance	2,401	1.1
Tax law precluded relief	648	0.3
Hardship not related to revenue laws	482	0.2
Hardship not validated	410	0.2
All others	4,169	1.9

[1] The table displays the number of cases received for the top fifteen issues reported to the Taxpayer Advocate Service (TAS) in Fiscal Year 2016. TAS 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. Of the 209,509 TAS case receipts, 16,553 receipts, or 7.9 percent of all receipts, were from congressional offices on behalf of their constituents. Cases may be received in one fiscal year and closed in another.

[2] Affordable Care Act (ACA) issues include cases involving the ACA Premium Tax Credit, the ACA Individual Shared Responsibility Payment, and other ACA-related tax provisions.

[3] Implemented in FY 2016 and includes cases detected through the Taxpayer Protection Program (TPP) process as potential stolen identity returns.

[4] Includes cases related to erroneous, decedent, and document-fee refunds along with reimbursement of bank charges due to IRS error.

[5] 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. Taxpayer Assistance Orders may be issued in one fiscal year and closed in another.

[6] 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.

[7] A systemic issue requires a change or modification to an established IRS procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.

[8] Less than 0.05 percent.

[9] Another IRS division provided relief before Taxpayer Advocate Service intervention.

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.

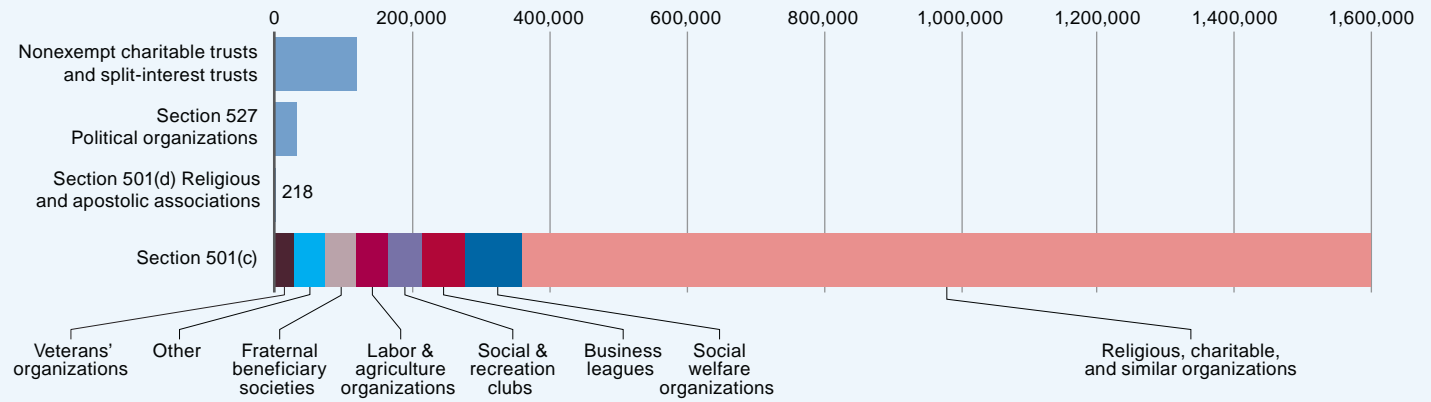
Table 21. Appeals Workload, by Type of Case, Fiscal Year 2016

Type of case	Cases received	Cases closed [1]	Cases pending September 30, 2016
	(1)	(2)	(3)
Total cases [2]	114,362	111,345	55,284
Collection Due Process cases [3]	43,749	41,380	22,260
Examination cases [4]	34,795	35,501	19,606
Penalty appeals cases [5]	10,716	10,079	4,069
Offers in Compromise cases [6]	9,386	8,574	4,853
Innocent spouse cases [7]	2,591	2,449	1,435
Industry cases [8]	935	1,145	1,041
Coordinated industry cases [9]	101	190	255
Other cases [10]	12,089	12,027	1,765

- [1] Includes cases received in Fiscal Year 2016 and in prior fiscal years. Excludes cases transferred, reassigned or returned to compliance as a premature referral.
- [2] 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 in cases pending. See Tables 26 and 27 for information on Chief Counsel activity.
- [3] Includes cases where the taxpayer requested a Collection Due Process (CDP) hearing with an Appeals Officer who has had no prior involvement with the case. A CDP hearing provides the taxpayer with an opportunity to appeal IRS collection actions early in the collection process in response to a notice of Federal tax lien or notice of intent to levy. This category excludes CDP timeliness determination cases, which are included in the "Other" category; see footnote 10.
- [4] An examination case in Appeals involves issues in dispute by the taxpayer relating to income, employment, excise, estate, and gift taxes or tax-exempt status.
- [5] 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.
- [6] 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.
- [7] An innocent spouse case in Appeals is one in which the taxpayer requested and was denied innocent spouse relief by the IRS. This includes cases where a taxpayer who filed a joint return with a spouse or ex-spouse can apply for relief of tax, interest, and penalties if he/she meets specific requirements.
- [8] An industry case (IC) designation is assigned to a large corporate taxpayer that does not meet the criteria to be designated as a coordinated industry case (CIC); see footnote 9.
- [9] A CIC designation is 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.
- [10] "Other" includes 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 as 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). 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*—A taxpayer submits a request for a Collection Due Process (CDP) hearing and Equivalent Hearing (EH) and Appeals will determine if the CDP or EH request was received timely and is processable.
- 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, Planning Quality and Analysis.

Tax-Exempt Organizations, Nonexempt Charitable Trusts, and Nonexempt Split-Interest Trusts, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 25

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.

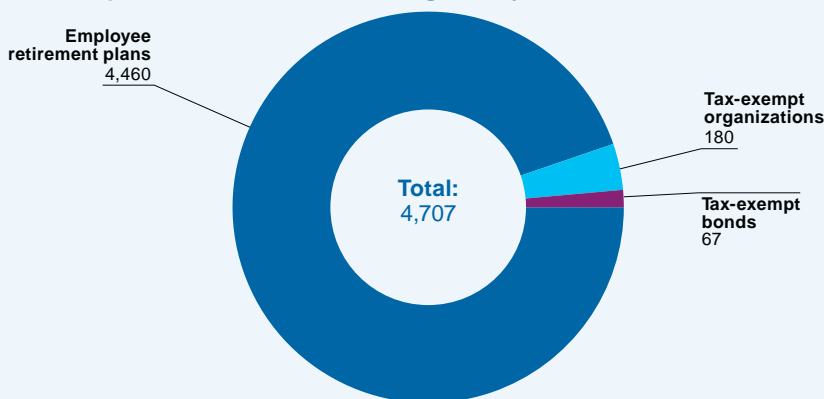
Although information on the administration, processing, and examination of returns filed by these entities is provided throughout the *IRS Data Book*, Section 6 focuses on issues related to governance. New for Fiscal Year (FY) 2016 are data on the Protecting Americans from Tax Hikes (PATH) Act of 2015, which requires

an organization to notify the IRS of its intent to operate as a Section 501(c)(4) organization within 60 days of formation. The submission of this notice does not constitute a request for a determination letter recognizing the organization as tax-exempt under section 501(c)(4); these data are reported in a new table, 24b.

Highlights of the Data

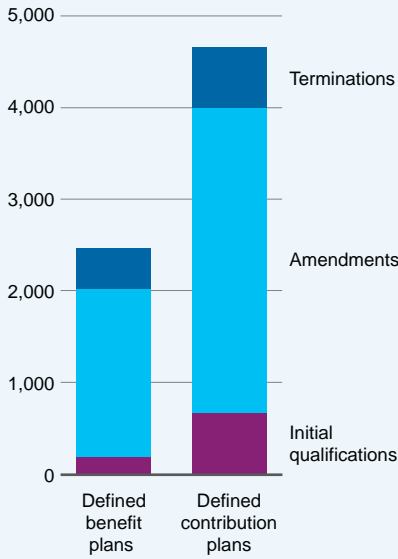
- In FY 2016, the IRS recognized almost 1.8 million organizations, including new determinations, as tax-exempt. Almost 1.6 million of these organizations were tax-exempt under Internal Revenue Code section 501(c). The majority of these organizations were charities tax-exempt under Internal Revenue Code Section 501(c)(3) (Table 25).
- Issuing rulings, providing technical assistance, and issuing opinion letters on prototype plans, and correspondence compose the 639 technical activities for FY 2016. The

Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2016



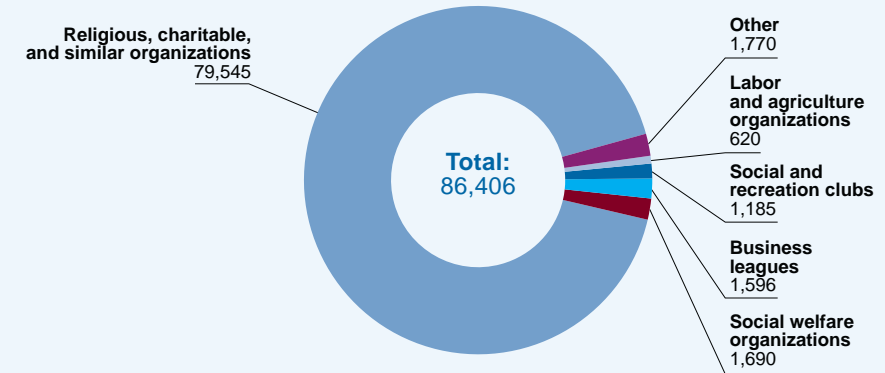
SOURCE: 2016 IRS Data Book Table 22

Determination Letters Issued on Employee Retirement Plans, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 23

Number of Approvals of Applications for Tax-Exempt Status, by Organization Type, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 24a

IRS devoted additional regulatory resources to voluntary compliance closures (Table 22).

- In FY 2016, the IRS issued a total of 7,122 determination letters on employee retirement plans. These consisted of 2,470 determination letters for defined benefit plans and 4,652 determination letters for defined contribution plans (Table 23).
- In FY 2016, the IRS closed 92,129 applications for tax-exempt status. Of those, the IRS approved tax-exempt status for 86,406 organizations (Table 24a).
- In FY 2016, the IRS acknowledged 1,036 and rejected 149 Forms 8976, *Notice of Intent To Operate Under Section 501(c)(4)* (Table 24b).

Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2016

Activity	Total	Employee retirement plans	Tax-exempt organizations	Tax-exempt bonds
	(1)	(2)	(3)	(4)
Total	4,707	4,460	180	67
Technical activities	639	459	180	N/A
Requests for rulings [1]	310	310	N/A	N/A
Technical assistance [2]	109	109	N/A	N/A
Opinion letters on prototype plans [3]	8	8	N/A	N/A
Congressional correspondence	212	32	180	N/A
Voluntary compliance closures [4]	4,068	4,001	N/A	67

N/A—Not applicable.

[1] Includes only those requests for rulings over which Employee Plans has authority as described and identified in Revenue Procedure 2016-4 (see *Internal Revenue Bulletin* 2016-1, page 142). Refer to *IRS Data Book* Table 26 for Tax Exempt and Government Entities letter rulings issued for which Chief Counsel now has authority.

[2] Includes assistance provided to other IRS Business Operating Divisions, Associate Chief Counsel and Division Counsel, Department of Treasury, Department of Labor, and Pension Benefit Guaranty Corporation among others.

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

[4] For employee retirement plans, includes voluntary compliance statements and agreements. For tax-exempt bonds, includes all returns closed from voluntary compliance agreements.

SOURCE: Tax Exempt and Government Entities.

Table 23. Determination Letters Issued on Employee Retirement Plans, by Type and Disposition of Plan, Fiscal Year 2016

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 purchase [6]	Target benefit [7]	Leveraged employee stock ownership [8]	Nonleveraged employee stock ownership [9]	Section 401(k) [10]	Other [11]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total:											
Number of qualified plans [12]	7,122	2,470	4,652	571	12	376	7	0	995	1,690	1,001
Initial qualifications:											
Number of qualified plans	875	197	678	69	d	d	0	0	184	204	203
Number of participating employees [13]	558,137	165,502	392,635	60,453	d	d	0	0	21,787	234,127	61,419
Amendments:											
Number of qualified plans	5,146	1,829	3,317	415	d	343	d	0	697	1,356	491
Number of participating employees [13]	25,360,222	11,953,267	13,406,955	1,392,142	d	948,040	d	0	1,165,119	5,013,397	4,877,052
Terminations:											
Number of qualified plans	1,101	444	657	87	d	d	d	0	114	130	307
Number of participating employees [13]	2,195,431	2,018,384	177,047	6,644	d	d	d	0	51,568	15,894	97,425

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 benefits are determined by a formula stated in the plan.
- [3] Beginning with Fiscal Year 2014, the defined contribution plan total is the sum of columns 4–11, which includes associated Internal Revenue Code section 401(k) data reported separately in column 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] Beginning with Fiscal Year 2014, section 401(k) defined contribution plan data are reported and counted separately in column 10. In prior years, 401(k) defined contribution plan data were included and counted in the plan to which they were attached (in columns 4–9 and 11).
- [11] The types of plans in the Other category include Cash Balance plans and Pension Equity Plans (PEP).
- [12] Reflects retirement plans for which IRS issued determination letters. All plans in this table also satisfied the qualification requirements of Federal pension law.
- [13] 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 significant differences in the data from year to year.

SOURCE: Tax Exempt and Government Entities, Employee Plans.

Table 24a. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2016

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]	92,129	86,406	54	5,669
Section 501(c) by subsection, total	92,117	86,398	54	5,665
(2) Title-holding corporations	195	174	0	21
(3) Religious, charitable, and similar organizations [4]	84,588	79,545	37	5,006
(4) Social welfare organizations	1,877	1,690	d	d
(5) Labor and agriculture organizations	677	620	d	d
(6) Business leagues	1,681	1,596	7	78
(7) Social and recreation clubs	1,368	1,185	5	178
(8) Fraternal beneficiary societies	341	305	0	36
(9) Voluntary employees' beneficiary associations	170	161	0	9
(10) Domestic fraternal beneficiary societies	209	174	0	35
(12) Benevolent life insurance associations	83	75	0	8
(13) Cemetery companies	286	279	0	7
(14) State-chartered credit unions	d	d	0	d
(15) Mutual insurance companies	d	0	0	d
(17) Supplemental unemployment compensation trusts	d	d	0	0
(19) Veterans' organizations	573	530	0	43
(25) Holding companies for pensions and other entities	54	d	0	d
(26) State sponsored high risk health insurance organizations	d	0	0	d
(27) State sponsored workers' compensation reinsurance organizations	d	d	0	0
Section 501(d) Religious and apostolic associations	7	d	0	d
Section 521 Farmers' cooperatives	5	d	0	d

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 of applications 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 organizations, applications that did not include the required information, incomplete applications, IRS correction disposals, and others.
- [3] No applications were closed for corporations organized under an Act of Congress (section 501(c)(1)); teachers retirement fund associations (section 501(c)(11)); corporations organized to finance crop operations (section 501(c)(16)); employee-funded pension trusts (section 501(c)(18)); black lung benefits 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)); the National Railroad Retirement Investment Trust (section 501(c)(28)); and qualified nonprofit health insurance issuers (section 501(c)(29)). Tax-exempt status for legal services organizations (section 501(c)(20)) was revoked effective June 20, 1992. Associate Chief Counsel (Tax Exempt and Government Entities) is now responsible for processing requests related to section 529 qualified State-sponsored tuition programs.
- [4] Includes private foundations and nonexempt charitable trusts (section 4947(a)(1)). 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.

NOTE:

Organizations that meet the requirements of Internal Revenue Code section 501(a) are exempt from Federal income taxation. Organizations may request a determination regarding recognition of their tax-exempt status by completing and submitting the appropriate application form. Information regarding the requirements for recognition of exemption and the forms used to request a determination can be found in Publication 557, *Tax-Exempt Status for Your Organization*, and Revenue Procedure 2017-5.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Table 24b. Closures of Forms 8976, Notices of Intent To Operate Under Section 501(c)(4), Fiscal Year 2016

Type of notification	Notices of intent to operate under Section 501(c)(4)		
	Total received [1, 2, 3]	Acknowledged	Rejected [4]
	(1)	(2)	(3)
Notice of Intent To Operate Under Section 501(c)(4), Form 8976	1,427	1,036	149

- [1] The Protecting Americans from Tax Hikes (PATH) Act of 2015 instituted Section 506, requiring an organization to notify the IRS of its intent to operate as a Section 501(c)(4) organization within 60 days of formation. These organizations, operated exclusively to promote social welfare, notify the IRS by electronically submitting Form 8976, *Notice of Intent To Operate Under Section 501(c)(4)*, along with the appropriate user fee. The IRS acknowledges these notifications within 60 days of submission. Submission of the Form 8976 does not constitute a request for a determination letter for recognition as tax exempt under 501(c)(4) organization nor is the acknowledgment of receipt of an organization's Form 8976 a determination of tax-exempt status by the IRS. An organization that submits a notification on Form 8976 has the option to subsequently request a determination of tax-exempt status by filing Form 1024, *Application for Recognition of Exemption Under Section 501(a)*. Organizations that intend to operate as Section 501(c)(4) organizations are also required to file Form 990, *Return of Organization Exempt from Income Tax*, Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*, or Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or Form 990-EZ*.
- [2] The IRS started accepting Form 8976 filings on July 8, 2016. Section 501(c)(4) organizations that filed a Form 1024 seeking a determination letter recognizing exemption under section 501(c)(4), or those that filed Form 990, 990-EZ, or 990-N on or before July 8, 2016, were not required to file the notification. Section 501(c)(4) organizations that were formed on or before July 8, 2016, and did not file Form 1024, 990, 990-EZ, or 990-N, were required to submit Form 8976 to the IRS on or before September 8, 2016.
- [3] Includes notifications in process.
- [4] Examples of notices that would be rejected include notices from organizations not required to file Form 8976 (e.g., organizations that previously filed a Form 990, 990-EZ, 990-N, 1024 or organizations already exempt under other subsections) or where the IRS cannot confirm an organization's Employer Identification Number (EIN).

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Table 25. Tax-Exempt Organizations, Nonexempt Charitable Trusts, and Nonexempt Split-Interest Trusts, Fiscal Year 2016

Type of organization, Internal Revenue Code section	Number of organizations
Tax-exempt organizations, nonexempt charitable trusts and split-interest trusts, total	1,751,993
Recognized section 501(c) by subsection, total [1]	1,599,471
(1) Corporations organized under an act of Congress	643
(2) Title-holding corporations	4,501
(3) Religious, charitable, and similar organizations [2]	1,237,094
(4) Social welfare organizations	83,392
(5) Labor and agriculture organizations	46,591
(6) Business leagues	63,866
(7) Social and recreation clubs	48,482
(8) Fraternal beneficiary societies	44,610
(9) Voluntary employees' beneficiary associations	6,446
(10) Domestic fraternal beneficiary societies	16,469
(12) Benevolent life insurance associations	5,320
(13) Cemetery companies	9,125
(14) State-chartered credit unions	1,812
(15) Mutual insurance companies	698
(17) Supplemental unemployment compensation trusts	98
(19) Veterans' organizations	29,493
(25) Holding companies for pensions and other entities	756
Other 501(c) subsections [3]	75
Recognized section 501(d) Religious and apostolic associations	218
Section 527 Political organizations	32,699
Nonexempt charitable trusts and split-interest trusts	119,605

[1] The number of organizations, by 501(c) subsections, includes organizations that applied for and received recognition of tax-exempt status, or that are exempt by virtue of a tax treaty.

[2] 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. Section 501(c)(3) organizations who have not applied for recognition of tax-exempt status are not included in this number.

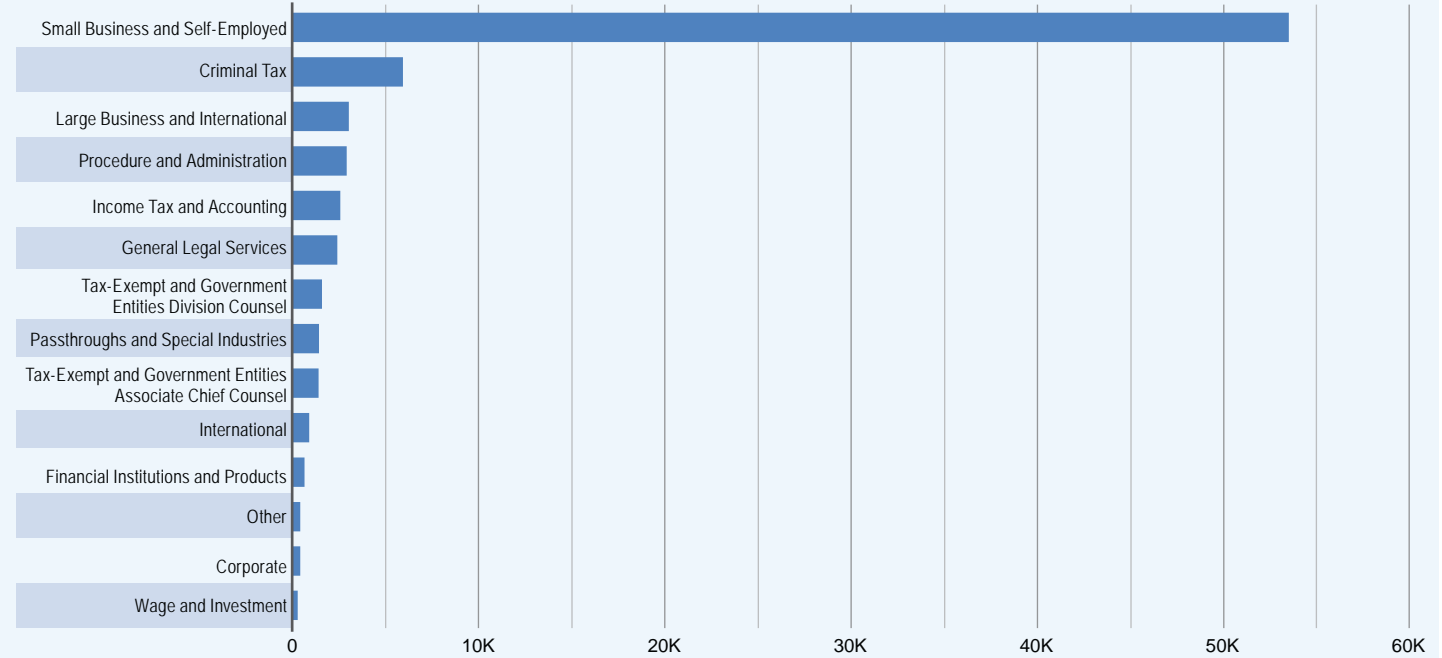
[3] Includes teachers' retirement funds (section 501(c)(11)); corporations organized to finance crop operations (section 501(c)(16)); employee-funded pension trusts (section 501(c)(18)); black lung benefits trusts (section 501(c)(21)); veterans' associations founded prior to 1880 (section 501(c)(23)); 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.

NOTE:

Information from tax-exempt organization returns is available to the public. Therefore, data in this table are not subject to IRS disclosure regulations. However, information on closures of applications for tax-exempt status (reported in Table 24) is subject to disclosure regulations.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Chief Counsel Workload: Total Cases Closed, by Office, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 26

Chief Counsel

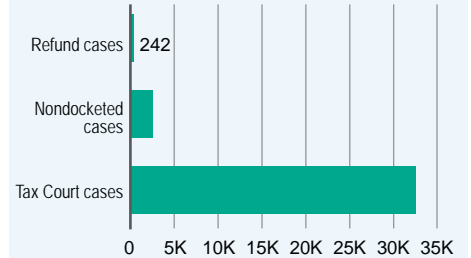
Section 7 of the *Data Book* provides an overview of the IRS Chief Counsel’s workload and activities. The IRS Chief Counsel is appointed by the President of the United States, with the advice and consent of the U.S. Senate, and serves as the chief legal advisor to the IRS Commissioner on all matters 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.

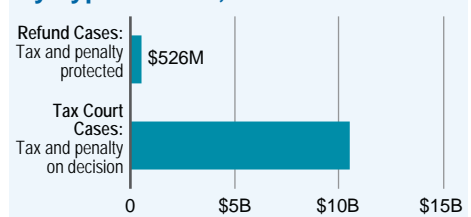
Highlights of the Data

- In Fiscal Year (FY) 2016, Chief Counsel received 75,834 cases and closed 77,744 cases, including some received in prior years (Table 26).
- Approximately 68.9 percent of closed cases were from the Small Business/Self-Employed Division (Table 26).
- Of the 77,744 cases closed, Chief Counsel closed 8.3 percent through guidance and assistance. This includes published guidance, advanced case resolution, treaties, legislation, Congressional and executive correspondence, training and public outreach, and pre-filing legal advice to the IRS (Table 26).
- Of the new cases received and cases closed, 86.1 percent and 86.6 percent, respectively, were related to tax law enforcement and litigation, including Tax Court litigation; collection, bankruptcy, and summons

Total Tax Litigation Cases Closed, by Type of Case, Fiscal Year 2016



Amount of Tax and Penalty, by Type of Case, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 27

advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance (Table 26).

- In FY 2016, Chief Counsel received 29,748 Tax Court cases involving a taxpayer contesting an IRS determination that he or she owed additional tax. During the fiscal year, Chief Counsel closed 32,621 cases involving roughly \$8.2 billion in disputed taxes and penalties (Table 27).

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case, Fiscal Year 2016

Office and type of case	Cases received	Cases closed	Cases pending September 30, 2016
	(1)	(2)	(3)
Chief Counsel (All Offices):			
Total	75,834	77,744	50,272
Guidance and assistance [1]	6,245	6,450	4,529
Tax law enforcement and litigation [2]	65,310	67,351	42,721
Other legal services to the IRS [3]	4,279	3,943	3,022
Corporate:			
Total	409	433	226
Guidance and assistance	189	209	143
Tax law enforcement and litigation	159	163	77
Other legal services to the IRS	61	61	6
Criminal Tax:			
Total	6,041	5,956	741
Guidance and assistance	82	68	19
Tax law enforcement and litigation	5,931	5,864	718
Other legal services to the IRS	28	24	4
Financial Institutions and Products:			
Total	633	673	451
Guidance and assistance	427	480	373
Tax law enforcement and litigation	129	117	74
Other legal services to the IRS	77	76	4
General Legal Services:			
Total	2,669	2,422	2,603
Guidance and assistance	27	27	20
Tax law enforcement and litigation	56	4	130
Other legal services to the IRS	2,586	2,391	2,453
Income Tax and Accounting:			
Total	2,618	2,589	1,006
Guidance and assistance	1,470	1,476	714
Tax law enforcement and litigation	959	922	277
Other legal services to the IRS	189	191	15
International [4]:			
Total	914	916	1,188
Guidance and assistance	350	384	662
Tax law enforcement and litigation	437	411	498
Other legal services to the IRS	127	121	28
Large Business and International [5]:			
Total	2,936	3,050	3,206
Guidance and assistance	244	341	395
Tax law enforcement and litigation	2,669	2,690	2,786
Other legal services to the IRS	23	19	25
Passthroughs and Special Industries [6]:			
Total	1,436	1,438	670
Guidance and assistance	885	869	560
Tax law enforcement and litigation	357	375	97
Other legal services to the IRS	194	194	13
Procedure and Administration:			
Total	3,289	2,929	2,530
Guidance and assistance	704	698	723
Tax law enforcement and litigation	2,044	1,789	1,432
Other legal services to the IRS	541	442	375
Small Business and Self-Employed:			
Total	51,108	53,568	35,498
Guidance and assistance	385	368	159
Tax law enforcement and litigation	50,650	53,125	35,291
Other legal services to the IRS	73	75	48
Tax-Exempt and Government Entities Associate Chief Counsel [7]:			
Total	1,430	1,431	773
Guidance and assistance	881	928	572
Tax law enforcement and litigation	324	293	173
Other legal services to the IRS	225	210	28
Tax-Exempt and Government Entities Division Counsel [7]:			
Total	1,601	1,601	1,180
Guidance and assistance	d	d	53
Tax law enforcement and litigation	1,451	1,445	1,127
Other legal services to the IRS	d	d	0
Wage and Investment:			
Total	279	292	52
Guidance and assistance	118	138	23
Tax law enforcement and litigation	19	24	11
Other legal services to the IRS	142	130	18
Other [8]:			
Total	471	446	148
Guidance and assistance	d	d	113
Tax law enforcement and litigation	125	129	30
Other legal services to the IRS	d	d	5

Footnotes on next page.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case, Fiscal Year 2016—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 pre-filing 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 assistance. 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 International Division provides legal advice, guidance, and support to the Internal Revenue Service, the Treasury Department, and the public on international tax issues in all procedural postures.
- [5] The Large Business and International (LB&I) Division provides legal advice, litigation support, and other services to the Internal Revenue Service LB&I field offices.
- [6] 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.
- [7] During the second quarter of 2015, Chief Counsel's Tax-Exempt and Government Entities (TE/GE) business unit reorganized to both align its organizational structure with that of other Chief Counsel components and to provide better service to the IRS and taxpayers. The TE/GE Associate Chief Counsel provides legal advice and litigation support on TE/GE program matters, while the TE/GE Division Counsel directs counsel-wide litigation programs and provides legal services on TE/GE program matters.
- [8] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel, Finance and Management.

NOTE: Cases may cross fiscal years. Therefore, the workload of cases shown in this table may be related to cases initiated in prior years.

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

Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2016

[Money amounts are in millions of dollars]

Type of case	Number or amount
Total cases:	
Received	32,608
Closed	35,485
Pending September 30, 2016	29,064
Tax Court cases [1]:	
Cases received:	
Number	29,748
Amount of tax and penalty in dispute [2]	8,223
Cases closed:	
Number	32,621
Amount of tax and penalty in dispute [2]	15,037
Amount of tax and penalty on decision [3]:	
Total	10,501
Default or dismissed	371
Settled	9,942
Tried and decided	187
Cases pending September 30, 2016:	
Number	27,564
Amount of tax and penalty in dispute [2]	22,455
Tax Court cases on appeal [1]:	
Number pending September 30, 2016	360
Amount of tax and penalty pending September 30, 2016 [2]	1,043
Refund cases [4]:	
Cases received:	
Number	194
Amount of tax and penalty in dispute [2]	808
Cases closed:	
Number	242
Amount of tax and penalty in dispute [2]	1,264
Amount of tax and penalty protected [5]:	
Total	526
District Court	316
Court of Federal Claims	210
Cases pending September 30, 2016:	
Number	807
Amount of tax and penalty in dispute [2]	10,042
Refund cases on appeal [4]:	
Number pending September 30, 2016	32
Amount of tax and penalty pending September 30, 2016 [2]	1,076
Number of nondocketed cases [6]:	
Received	2,666
Closed	2,622
Pending September 30, 2016	301

[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:

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.

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.

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.

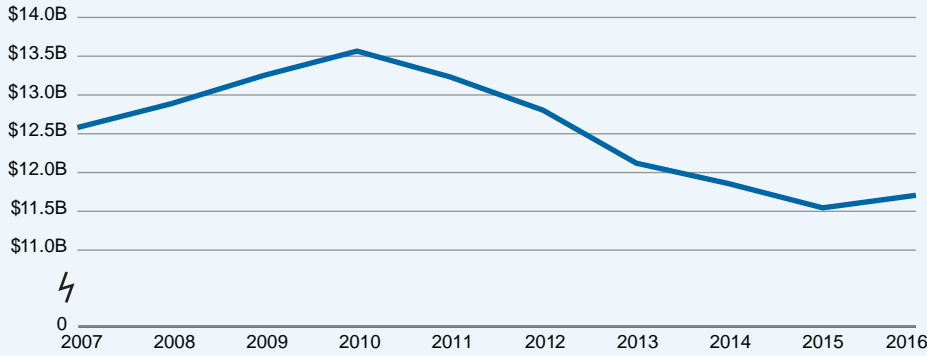
NOTES:

Detail may not add to totals because of rounding.

Amounts in dispute can vary widely from year to year.

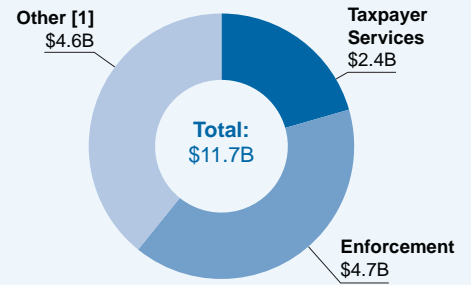
SOURCE: Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Finance Division.

Operating Costs (Constant Dollars), Fiscal Years 2007–2016



NOTE: Inflation-adjusted amounts were calculated using the U.S. Bureau of Economic Analysis, Nondefense Gross Domestic Product Chain-type Price Index with a 2016 base year.
 SOURCE: IRS Data Book Table 29

Costs Incurred by Budget Activity, Fiscal Year 2016



[1] Includes operations support and business systems modernization.
 SOURCE: 2016 IRS Data Book Table 28

IRS Budget and Workforce

Section 8 of the *Data Book* provides an overview of IRS budget activities, including taxpayer services, enforcement, operations support, and business systems modernization. The section also includes information on the size and composition of the IRS workforce.

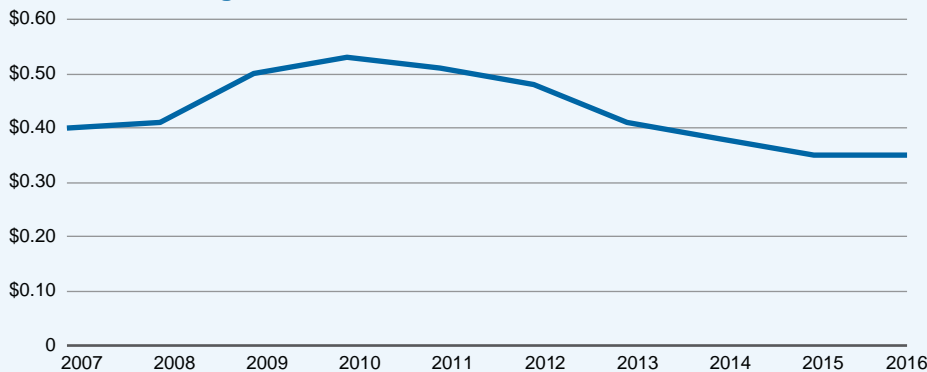
Highlights of the Data

- IRS’ actual expenditures were \$11.7 billion for overall operations in Fiscal Year (FY) 2016, up from almost \$11.4 billion in FY 2015 (Table 28).
- Taxpayer Services funding, which includes processing for tax returns and related documents and assistance to taxpayers filing returns and paying taxes due, accounted for \$2.4 billion (Table 28).
- Enforcement funding, which includes the examination of tax returns, collection of balances due, and administrative and judicial settlement of taxpayer appeals of examination findings, represented \$4.7 billion.
- 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 more than \$4.2 billion in operations support in FY 2016 (Table 28).

- The balance of IRS’s expenditures, more than \$384.5 million, was spent on capital asset acquisition of information technology systems (Table 28).

Cost of Collecting \$100 of Revenue, Fiscal Years 2007–2016



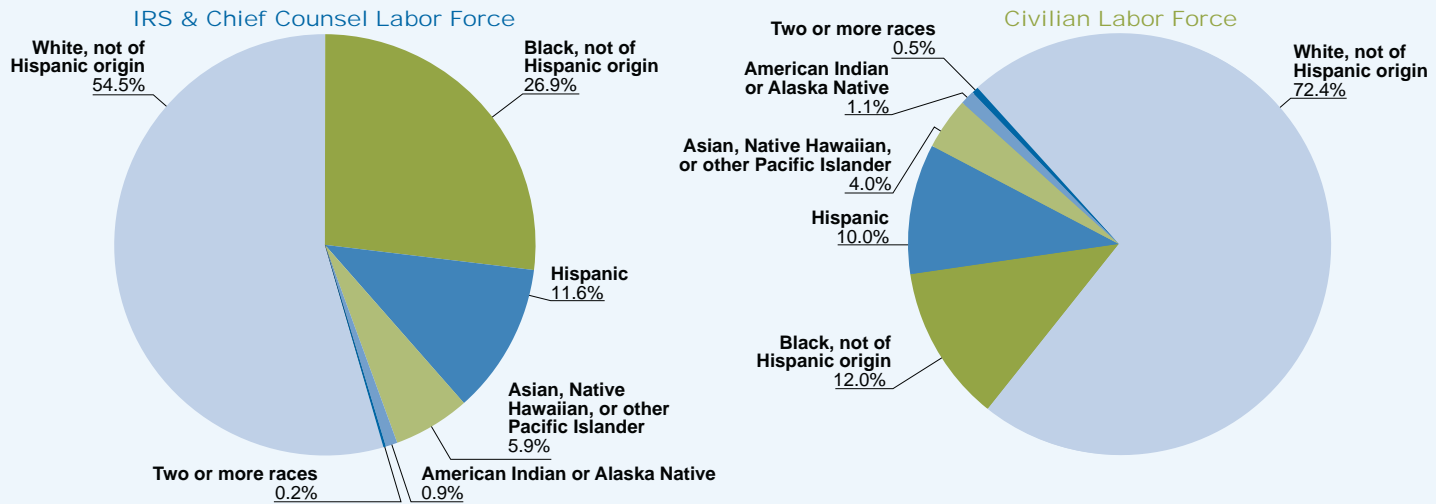
SOURCE: IRS Data Book Table 29

- The total cost of collecting \$100 remains unchanged at \$0.35 in FY 2016 (Table 29).

- In FY 2016, the IRS used 77,924 full-time equivalent positions in conducting its work, a decrease of 17.7 percent from 2011 (Table 30).

- Almost half of these FTE positions were dedicated to enforcement; 36.8 percent were dedicated to taxpayer services (Table 30).

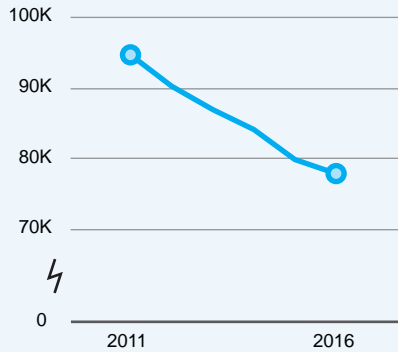
Internal Revenue Service and Chief Counsel Labor Force, Compared to National Totals for the Civilian Labor Force, by Race/Ethnicity, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 31

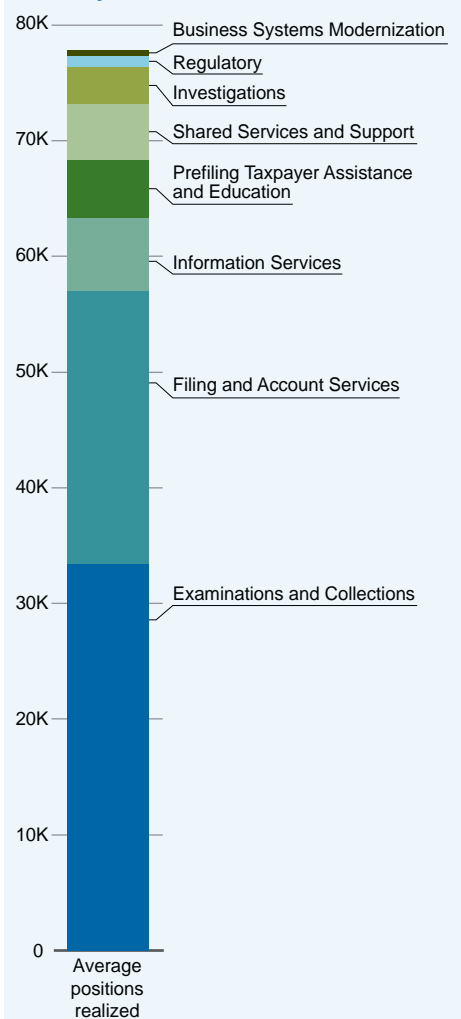
- Ethnic minority employees made up about 45.5 percent of the IRS and Chief Counsel workforce, as compared to a 27.6 percent share of the overall civilian labor force (Table 31).
- Women represented 65.5 percent of IRS and Chief Counsel personnel, compared to 48.1 percent of the overall civilian labor force (Table 31).
- Almost 9.5 percent of the IRS and Chief Counsel workforce were classified as veterans (Table 31).

Average Positions Realized, Fiscal Years 2011–2016



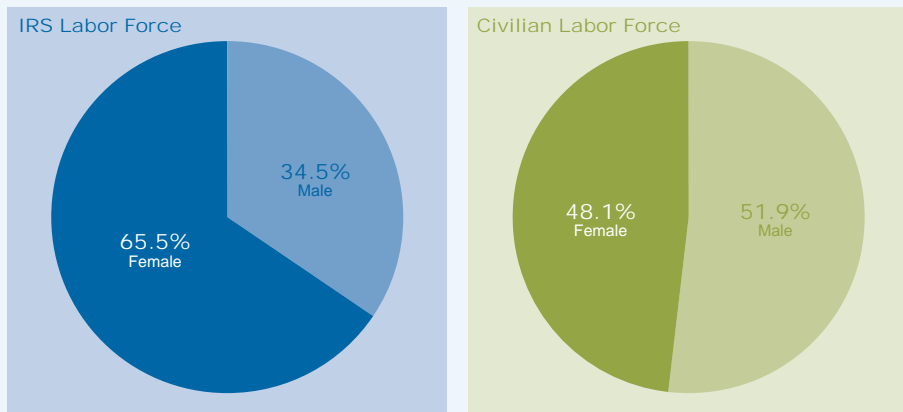
SOURCE: IRS Data Book Table 30

Personnel Summary, by Budget Activity, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 30

Internal Revenue Service Labor Force, Compared to National Totals for Civilian Labor Force, by Gender, Fiscal Year 2016



SOURCE: 2016 IRS Data Book Table 31

Table 28. Costs Incurred by Budget Activity, Fiscal Years 2015 and 2016

[Money amounts are in thousands of dollars]

Budget activity	Total [1]		Personnel compensation and benefits [2]		Other [3]	
	2015	2016	2015	2016	2015	2016
	(1)	(2)	(3)	(4)	(5)	(6)
Total obligations against appropriated funds	11,395,839	11,707,422	8,335,566	8,363,146	3,060,273	3,344,276
Taxpayer Services [4]:						
Total	2,232,682	2,405,857	2,080,777	2,228,879	151,905	176,978
Prefiling taxpayer assistance and education	620,437	620,445	564,601	551,740	55,836	68,705
Filing and account services	1,612,245	1,785,412	1,516,176	1,677,139	96,069	108,273
Enforcement [5]:						
Total	4,819,251	4,712,545	4,559,709	4,453,079	259,542	259,466
Investigations	612,506	615,494	559,005	548,284	53,501	67,210
Examinations and collections	4,040,656	3,948,179	3,843,964	3,757,331	196,692	190,848
Regulatory	166,089	148,872	156,740	147,464	9,349	1,408
Operations Support [6]:						
Total	4,102,377	4,204,507	1,640,819	1,609,097	2,461,558	2,595,410
Infrastructure	847,260	855,925	339	315	846,921	855,610
Shared services and support	1,131,451	1,103,014	723,027	721,229	408,424	381,785
Information services	2,123,666	2,245,568	917,453	887,553	1,206,213	1,358,015
Business Systems Modernization [7]	241,529	384,513	54,261	72,091	187,268	312,422

[1] Excludes costs reimbursed by other Federal agencies and private entities for services performed for these external parties.

[2] 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.

[3] Includes contracts, travel, transportation of things, rent, communications, utilities, printing and reproduction, advisory and assistance services, supplies and materials, operation and maintenance of facilities, research and development services, medical care, operation and maintenance of equipment, subsistence and support of persons, acquisition of assets, equipment, land and structures, investments, grants, and refunds.

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

[5] 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 (for police-type use) and hire passenger motor vehicles.

[6] The Operations Support appropriation funds activities to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance, and security; and the hire of passenger motor vehicles.

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

NOTE: Data represent dollars obligated, expended, and disbursed against direct resources.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1987–2016

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)
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	[r] 310,437	[r] 7,554	94,711
2011	2,414,952,112	12,358,877	0.51	[r] 312,737	[r] 7,720	94,709
2012	2,524,320,134	12,059,409	0.48	[r] 314,984	[r] 8,014	90,280
2013	2,855,059,420	11,597,560	0.41	[r] 317,177	[r] 9,001	86,974
2014	3,064,301,358	11,591,007	0.38	[r] 319,524	[r] 9,590	84,133
2015	3,302,677,258	11,395,839	0.35	[r] 321,783	[r] 10,264	79,890
2016	3,333,449,083	11,707,422	0.35	[p] 323,999	[p] 10,288	77,924

[r]—Revised.

[p]—Preliminary.

[1] Gross collections are collections before refunds are issued. See Table 1 for the difference between gross collections and net collections. Includes gross collections for individual income tax, business income taxes, estate and trust income tax, employment taxes, estate tax, gift tax, and excise taxes. See Table 6 for gross collections data by type of tax.

Beginning with Fiscal Year 2009, excludes refunds credited to taxpayer accounts for tax liability in a subsequent year. Also 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 U.S. Customs and Border Protection, respectively.

[2] Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Data represent dollars obligated, expended, and disbursed against direct resources. 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 (Column 1) and an estimate of U.S. population (Column 4).

[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 Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, Disability, and Veteran Status) represent the total 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 2015 and 2016

Employment status, budget activity, and selected personnel type	Average positions realized [1]		Number of employees at end of fiscal year	
	2015	2016	2015	2016
	(1)	(2)	(3)	(4)
Internal Revenue Service, total	79,890	77,924	76,540	76,219
Employment status:				
Permanent [2]	78,294	76,446	74,580	74,151
Other [3]	1,596	1,478	1,960	2,068
Budget activity:				
Examinations and collections	35,542	33,426	34,830	32,920
Filing and account services	22,308	23,668	19,851	22,494
Information services	6,788	6,300	6,931	6,522
Prefiling taxpayer assistance and education	5,349	5,009	5,295	4,948
Shared services and support	5,016	4,861	5,066	5,003
Investigations	3,410	3,184	3,369	3,215
Regulatory	1,137	1,034	1,137	1,038
Business Systems Modernization	340	442	61	79
Selected personnel type:				
Revenue agents	10,862	10,174	10,657	10,244
Seasonal employees	8,819	10,005	4,775	6,461
Customer service representatives	8,441	8,235	9,062	9,563
Tax examiners	8,294	8,267	8,837	8,588
Revenue officers	3,994	3,525	3,719	3,547
Special agents	2,326	2,184	2,318	2,212
Tax technicians	1,357	1,227	1,307	1,179
Attorneys	1,415	1,361	1,412	1,368
Appeals officers	841	949	996	925

[1] Represents the 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 Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, Disability, and Veteran Status) represent the total number of persons, including full-time, part-time, and seasonal workers, employed during the fiscal year.

[2] Includes seasonal employees on permanent appointments; excludes employees on permanent appointments with work schedules of less than 80 hours.

[3] Includes employees on permanent appointments with work schedules of less than 80 hours.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 31. Internal Revenue Service and Chief Counsel Labor Force, Compared to National Totals for Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, Disability, and Veteran Status, Fiscal Year 2016

Gender, race/ethnicity, disability, and veteran status	Number of employees			Percentage of total		
	Internal Revenue Service [1]	Chief Counsel [2]	Total Internal Revenue Service and Chief Counsel [3]	Internal Revenue Service and Chief Counsel labor force [3]	Federal civilian labor force [4]	Civilian labor force [5]
	(1)	(2)	(3)	(4)	(5)	(6)
Total	80,825	2,009	82,834	100.0	100.0	100.0
Gender:						
Male	27,723	865	28,588	34.5	56.7	51.9
Female	53,102	1,144	54,246	65.5	43.3	48.1
Race/ethnicity and gender:						
White, not of Hispanic origin	43,689	1,482	45,171	54.5	64.0	72.4
Male	17,936	735	18,671	22.5	39.2	38.3
Female	25,753	747	26,500	32.0	24.8	34.0
Black, not of Hispanic origin	21,985	280	22,265	26.9	17.9	12.0
Male	4,620	54	4,674	5.6	7.5	5.5
Female	17,365	226	17,591	21.2	10.4	6.5
Hispanic [6]	9,473	96	9,569	11.6	8.5	10.0
Male	2,886	27	2,913	3.5	5.0	5.2
Female	6,587	69	6,656	8.0	3.5	4.8
Asian, Native Hawaiian, or other Pacific Islander	4,787	134	4,921	5.9	6.4	4.0
Male	2,025	41	2,066	2.5	3.4	2.0
Female	2,762	93	2,855	3.4	2.9	2.0
American Indian or Alaska Native	700	11	711	0.9	1.7	1.1
Male	204	5	209	0.3	0.8	0.6
Female	496	6	502	0.6	1.0	0.5
Two or more races [7]	191	6	197	0.2	1.5	0.5
Male	52	3	55	0.1	0.8	0.3
Female	139	3	142	0.2	0.7	0.3
Disability [8]:						
Person with a disability	8,028	123	8,151	9.8	14.6	n.a.
Person with a targeted disability	1,561	27	1,588	1.9	1.1	n.a.
Veteran [9]:						
Veteran	7,660	204	7,864	9.5	30.3	n.a.
Veteran with a disability	2,814	81	2,895	3.5	12.4	n.a.

n.a.—Not available.

[1] Includes total full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, excluding IRS Chief Counsel, during Fiscal Year 2016, i.e., October 1, 2015, through September 30, 2016.

[2] Includes total full-time, part-time, and seasonal personnel employed by IRS Chief Counsel, during Fiscal Year 2016, i.e., October 1, 2015, through September 30, 2016.

[3] Includes total full-time, part-time, and seasonal personnel employed by the Internal Revenue Service and IRS Chief Counsel, during Fiscal Year 2016, i.e., October 1, 2015, through September 30, 2016.

[4] Reflects the Federal civilian labor force as of September 30, 2016, as provided by the U.S. Office of Personnel Management. The Internal Revenue Service and Chief Counsel labor force statistics are included in these totals.

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

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

[7] Data for IRS and Federal workers of two or more races may be incomplete as collection of this data category did not routinely begin until January 1, 2006. The data also reflect information for employees in this category who were hired prior to January 1, 2006, and subsequently updated their official information.

[8] This category is shown separately for information purposes. 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. The targeted disabilities include deafness, blindness, missing extremities, partial paralysis, complete paralysis, convulsive disorders, mental retardation, mental illness, and distortion of limb and/or spine. Targeted disability is included in the disability total.

[9] This category is shown separately for information purposes. The primary elements used to identify veterans for Federal employment purposes are Veteran Status, Veterans' Preference, Creditable Military Service, Annuitant Code, and Legal Authority Code. Veteran with a disability is included in the veteran total.

NOTE:

Percentages may not add to totals because of rounding.

Chief Counsel is an organization within the Department of Treasury and separate from the IRS. All Chief Counsel employees are funded by and report to the Chief Counsel as part of the Legal Division of the Department of Treasury; therefore, their workforce counts are displayed in a separate column. Prior to Fiscal Year 2015, Chief Counsel staff were included in the IRS Total. Beginning Fiscal Year 2015, Chief Counsel staff were reported separate from IRS staff.

SOURCE: Office of 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, Applied Analytics, and Statistics, Office of Research
	3	Research, Applied Analytics, and Statistics, Office of Research
	4	Research, Applied Analytics, 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, Performance Planning and Analysis Examination, Small Business Exam Data Management
	9b	Research, Applied Analytics, and Statistics, Office of Research
	10	Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management
	11	Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management
	12	Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management
	13	Tax Exempt and Government Entities
Enforcement: Information Reporting and Verification	14	Small Business/Self-Employed Examination, Performance Planning and Analysis, Automated Underreporter Program; Small Business/Self-Employed Collections, Headquarters Collection, Inventory Delivery Selection, Automated Substitute for Return Program; Small Business/Self Employed, Performance Planning and Analysis Examination, Small Business Exam Data Management
	15	Wage and Investment, Customer Account Services, Submission Processing, Paper Processing Branch
Enforcement: Collections, Penalties, and Criminal Investigation	16	Small Business/Self-Employed, Collection, Performance Planning and Analysis Examination, Collection Data Assurance/Special Reports and Plans
	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 Engagement, Operations and Media; Small Business/Self-Employed, Communications, Outreach, Systems and Solutions; Communications and Liaison, National Public Liaison
	20	Taxpayer Advocate Service, Business Assessment
	21	Appeals, Strategic Planning, Measures and Analysis
Tax-Exempt Activities	22	Tax Exempt and Government Entities
	23	Tax Exempt and Government Entities, Employee Plans
	24a	Tax Exempt and Government Entities, Exempt Organizations
	24b	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 Finance Division
	27	Chief Counsel, Associate Chief Counsel, Finance and Management, Planning and Finance 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	Office of Equity, Diversity and Inclusion, and Human Capital Office

Principal Officers of the Internal Revenue Service

as of September 30, 2016

Commissioner

John A. Koskinen

Deputy Commissioner for Services and Enforcement

John M. Dalrymple

Deputy Commissioner for Operations Support

Jeffrey J. Tribiano

Appeals

Chief, Appeals

Kirsten B. Wielobob

Deputy Chief, Appeals

Nikole Flax

Director, Specialty Operations

Jennifer L. Vozne

Director, Field Operations West

DeLon Harris

Director, Campus Operations

Anita M. Hill

Director, Field Operations East

Scott Reisher

Director, Policy, Quality and Case Support

John V. Cardone

Taxpayer Advocate Service

National Taxpayer Advocate

Nina E. Olson

Deputy National Taxpayer Advocate

Rena C. Girinakis

Executive Director, Systemic Advocacy

Kim S. Stewart

Executive Director, Case Advocacy East

Lori R. Mings

Executive Director, Case Advocacy Central

William L. Sanders

Executive Director, Case Advocacy West

Rhonda K. Kirby

Executive Director, Intake and Technical Support

Bonnie S. Fuentes

Executive Director, Strategy, Assessment and Employee Development

W. Dean Wilkerson

Office of Equity, Diversity and Inclusion

Executive Director, Equity, Diversity and Inclusion

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Chief of Staff, Equity, Diversity and Inclusion

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Office of Online Services

Director, Office of Online Services

Paul Mamo

Office of Professional Responsibility

Director, Office of Professional Responsibility

Stephen A. Whitlock

Chief of Staff

Crystal Philcox

Deputy Chief of Staff

Andrew J. Keyso

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Chief, Communications and Liaison

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Director, Office of Legislative Affairs

Leonard T. Oursler

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Michelle L. Eldridge

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Deputy Commissioner, Small Business /Self-Employed

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Scott B. Prentky

Director, Examination

Shenita L. Hicks

Director, Operation Support

Bobby L. Hunt

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Deputy Commissioner, Large Business and International Division

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Tina Meaux

Director, Cross Border Activities Practice Area

John Hinding

U.S. Competent Authority

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Lavena Williams

Assistant Deputy Commissioner, International

Theodore Setzer

Director, Withholding and

International Individual Compliance Practice Area

Pamela Drenthe

Director, Program and Business Solutions

Dennis Figg

Director, Western Compliance Practice Area

Kimberly Edwards

Director, Treaty and Transfer Pricing Operations Practice Area

Sharon Porter

Director, Pass Through Entities Practice Area

Cheryl Claybough

Director, Northeastern Compliance Practice Area

Barbara Harris

Director, Enterprise Activities Practice Area

Kathy Robbins

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as of September 30, 2016

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Adrian F. Gonzalez

Acting Director, Office of Program Evaluation and Risk Analysis

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Peter Rose

Acting Associate Director, Data Management Division

Jeffrey S. Butler

Acting Associate Director, Data Management Division

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Director, Office of Research

Janice M. Hedemann

Acting Director, Office of Research

May-Helen Risler

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Jeffrey S. Butler

Acting Director, Servicewide Electronic Research Program

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Director, Return Integrity and Correspondence Services

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Chief Financial Officer

Ursula Gillis

Deputy Chief Financial Officer

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Chief, Agency-Wide Shared Services

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Tamera L. Ripperda

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Director, Services and Enforcement Affordable Care Act

Carolyn A. Tavenner

Deputy Director, Services and Enforcement Affordable Care Act

Johnny Witt

Director, Program Integration ACA/FATCA

John C. Duder

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Chief, Criminal Investigation

Richard E. Weber

Deputy Chief, Criminal Investigation

J. Donald Fort

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Director, Return Preparer Office

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Deputy Director, Return Preparer Office

Preston B. Benoit

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Chief Information Officer

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Deputy Chief Information Officer, Operations

Karen Freeman

Deputy Chief Information Officer, Strategy/Modernization

Marla Somerville

Associate Chief Information Officer, Applications Development

Nancy Sieger

Associate Chief Information Officer, User and Network Services

Anne Shepherd

Associate Chief Information Officer, Enterprise Services

Daniel B. Chaddock

Associate Chief Information Officer, Cybersecurity

Sharon James

Associate Chief Information Officer, Strategy and Planning

Robert Leahy, Jr.

Associate Chief Information Officer, Enterprise Program Management Office

Linda Gilpin

Associate Chief Information Officer, Enterprise Operations

Rose Hernandez

Human Capital Office

Chief Human Capital Officer

Daniel T. Riordan

Deputy Chief Human Capital Officer

E. Faith Bell (Acting)

Planning, Programming and Audit Coordination

Chief, Planning, Programming and Audit Coordination

Tommy Smith

Principal Officers of the Internal Revenue Service

as of September 30, 2016

Office of Chief Risk Officer

Chief Risk Officer

Imraan G. Khakoo (Acting)

Privacy, Governmental Liaison and Disclosure

Director, Privacy, Governmental Liaison and Disclosure

Edward T. Killen

Office of Chief Counsel

Chief Counsel

William J. Wilkins

Deputy Chief Counsel

(Operations)

Debra K. Moe

Deputy Chief Counsel

(Technical)

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Charles Pilliteri

Health Care Counsel

Phil Lindenmuth

Special Counsel

(National Taxpayer Advocate Service)

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(Criminal Tax)

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Division Counsel

(Large Business and International)

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(Small Business/Self-Employed)

Bruce Meneely

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(Tax Exempt and Government Entities)

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Division Counsel

(Tax Exempt and Government Entities)

Kyle N. Brown

Procurement

Director, Procurement

Shanna R. Webbers

Whistleblower Office

Director, Whistleblower Office

Lee D. Martin

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(Financial Institutions and Products)

Helen M. Hubbard

Associate Chief Counsel

(General Legal Services)

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Associate Chief Counsel

(Income Tax and Accounting)

Scott Dinwiddie

Associate Chief Counsel

(International)

Marjorie Rollinson

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 Jul. 17, 1862 to Mar. 4, 1863	Joseph S. Miller West Virginia Apr. 19, 1893 to Nov. 26, 1896	David Burnet Ohio Aug. 20, 1930 to May 15, 1933	Mortimer M. Caplin Virginia Feb. 7, 1961 to Jul. 10, 1964	Michael J. Murphy (Acting) Wisconsin Mar. 5, 1989 to Jul. 4, 1989
Joseph J. Lewis (Acting) Pennsylvania Mar. 5, 1863 to Mar. 17, 1863	W. St. John Forman Illinois Nov. 27, 1896 to Dec. 31, 1897	Pressly R. Baldrige (Acting) Iowa May 16, 1933 to Jun. 5, 1933	Bertrand M. Harding (Acting) Texas Jul. 11, 1964 to Jan. 24, 1965	Fred Goldberg, Jr. Missouri Jul. 5, 1989 to Feb. 2, 1992
Joseph J. Lewis Pennsylvania Mar. 18, 1863 to June 30, 1865	Nathan B. Scott West Virginia Jan. 1, 1898 to Feb. 28, 1899	Guy T. Helvering Kansas Jun. 6, 1933 to Oct. 8, 1943	Sheldon S. Cohen Maryland Jan. 25, 1965 to Jan. 20, 1969	Shirley D. Peterson Colorado Feb. 3, 1992 to Jan. 20, 1993
William Orton New York Jul. 1, 1865 to Oct. 31, 1865	George W. Wilson Ohio Mar. 1, 1899 to Nov. 27, 1900	Robert E. Hannegan Missouri Oct. 9, 1943 to Jan. 22, 1944	William H. Smith (Acting) Virginia Jan. 21, 1969 to Mar. 31, 1969	Michael P. Dolan (Acting) Iowa Jan. 21, 1993 to May 26, 1993
Edward A. Rollins New Hampshire Nov. 1, 1865 to Mar. 10, 1869	Robert Williams, Jr. (Acting) Ohio Nov. 28, 1900 to Dec. 19, 1900	Harold N. Graves (Acting) Illinois Jan. 23, 1944 to Feb. 29, 1944	Randolph W. Thrower Georgia Apr. 1, 1969 to Jun. 22, 1971	Margaret Milner Richardson Texas May 27, 1993 to May 31, 1997
Columbus Delano Ohio Mar. 11, 1869 to Oct. 31, 1870	John W. Yerkes Kentucky Dec. 20, 1900 to Apr. 30, 1907	Joseph D. Nunan, Jr. New York Mar. 1, 1944 to June 30, 1947	Harold T. Swartz (Acting) Indiana Jun. 23, 1971 to Aug. 5, 1971	Michael P. Dolan (Acting) Iowa Jun. 1, 1997 to Nov. 12, 1997
John W. Douglass (Acting) Pennsylvania Nov. 1, 1870 to Jan. 2, 1871	Henry C. Rogers (Acting) Pennsylvania May 1, 1907 to Jun. 4, 1907	George J. Schoeneman Rhode Island Jul. 1, 1947 to Jul. 31, 1951	Johnnie M. Walters South Carolina Aug. 6, 1971 to Apr. 30, 1973	Charles O. Rossotti New York Nov. 13, 1997 to Nov. 6, 2002
Alfred Pleasonton New York Jan. 3, 1871 to Aug. 8, 1871	John G. Capers South Carolina Jun. 5, 1907 to Aug. 31, 1909	John B. Dunlap Texas Aug. 1, 1951 to Nov. 18, 1952	Raymond F. Harless (Acting) California May 1, 1973 to May 25, 1973	Bob Wenzel (Acting) Illinois Nov. 7, 2002 to Apr. 30, 2003
John W. Douglass Pennsylvania Aug. 9, 1871 to May 14, 1875	Royal E. Cabell Virginia Sept. 1, 1909 to Apr. 27, 1913	John S. Graham (Acting) North Carolina Nov. 19, 1952 to Jan. 19, 1953	Donald C. Alexander Ohio May 26, 1973 to Feb. 26, 1977	Mark W. Everson New York May 1, 2003 to May 28, 2007
Daniel D. Pratt Indiana May 15, 1875 to Aug. 1, 1876	William H. Osborn North Carolina Apr. 28, 1913 to Sept. 25, 1917	Justin F. Winkle (Acting) New York Jan. 20, 1953 to Feb. 3, 1953	William E. Williams (Acting) Illinois Feb. 27, 1977 to May 4, 1977	Kevin M. Brown (Acting) Virginia May 29, 2007 to Sept. 8, 2007
Green B. Raum Illinois Aug. 2, 1876 to Apr. 30, 1883	Daniel C. Roper South Carolina Sept. 26, 1917 to Mar. 31, 1920	T. Coleman Andrews Virginia Feb. 4, 1953 to Oct. 31, 1955	Jerome Kurtz Pennsylvania May 5, 1977 to Oct. 31, 1980	Linda E. Stiff (Acting) Germany Sept. 9, 2007 to Mar. 23, 2008
Henry C. Rogers (Acting) Pennsylvania May 1, 1883 to May 10, 1883	William M. Williams Alabama Apr. 1, 1920 to Apr. 11, 1921	O. Gordon Delk (Acting) Virginia Nov. 1, 1955 to Dec. 4, 1955	William E. Williams (Acting) Illinois Nov. 1, 1980 to Mar. 13, 1981	Douglas H. Shulman Ohio Mar. 24, 2008 to Nov. 9, 2012
John J. Knox (Acting) Minnesota May 11, 1883 to May 20, 1883	Millard F. West (Acting) Kentucky Apr. 12, 1921 to May 26, 1921	Russell C. Harrington Rhode Island Dec. 5, 1955 to Sept. 30, 1958	Roscoe L. Egger, Jr. Indiana Mar. 14, 1981 to Apr. 30, 1986	Steven T. Miller (Acting) Ohio Nov. 10, 2012 to May 21, 2013
Walter Evans Kentucky May 21, 1883 to Mar. 19, 1885	David H. Blair North Carolina May 27, 1921 to May 31, 1929	O. Gordon Delk (Acting) Virginia Oct. 1, 1958 to Nov. 4, 1958	James I. Owens (Acting) Alabama May 1, 1986 to Aug. 3, 1986	Daniel I. Werfel (Acting) Virginia May 22, 2013 to Dec. 22, 2013
Joseph S. Miller West Virginia Mar. 20, 1885 to Mar. 20, 1889	Robert H. Lucas Kentucky Jun. 1, 1929 to Aug. 15, 1930	Dana Latham California Nov. 5, 1958 to Jan. 20, 1961	Lawrence B. Gibbs Texas Aug. 4, 1986 to Mar. 4, 1989	John A. Koskinen Ohio Dec. 23, 2013 to present
John W. Mason West Virginia Mar. 21, 1889 to Apr. 18, 1893	H. F. Mires (Acting) Washington Aug. 16, 1930 to Aug. 19, 1930	Charles I. Fox (Acting) Utah Jan. 21, 1961 to Feb. 6, 1961		

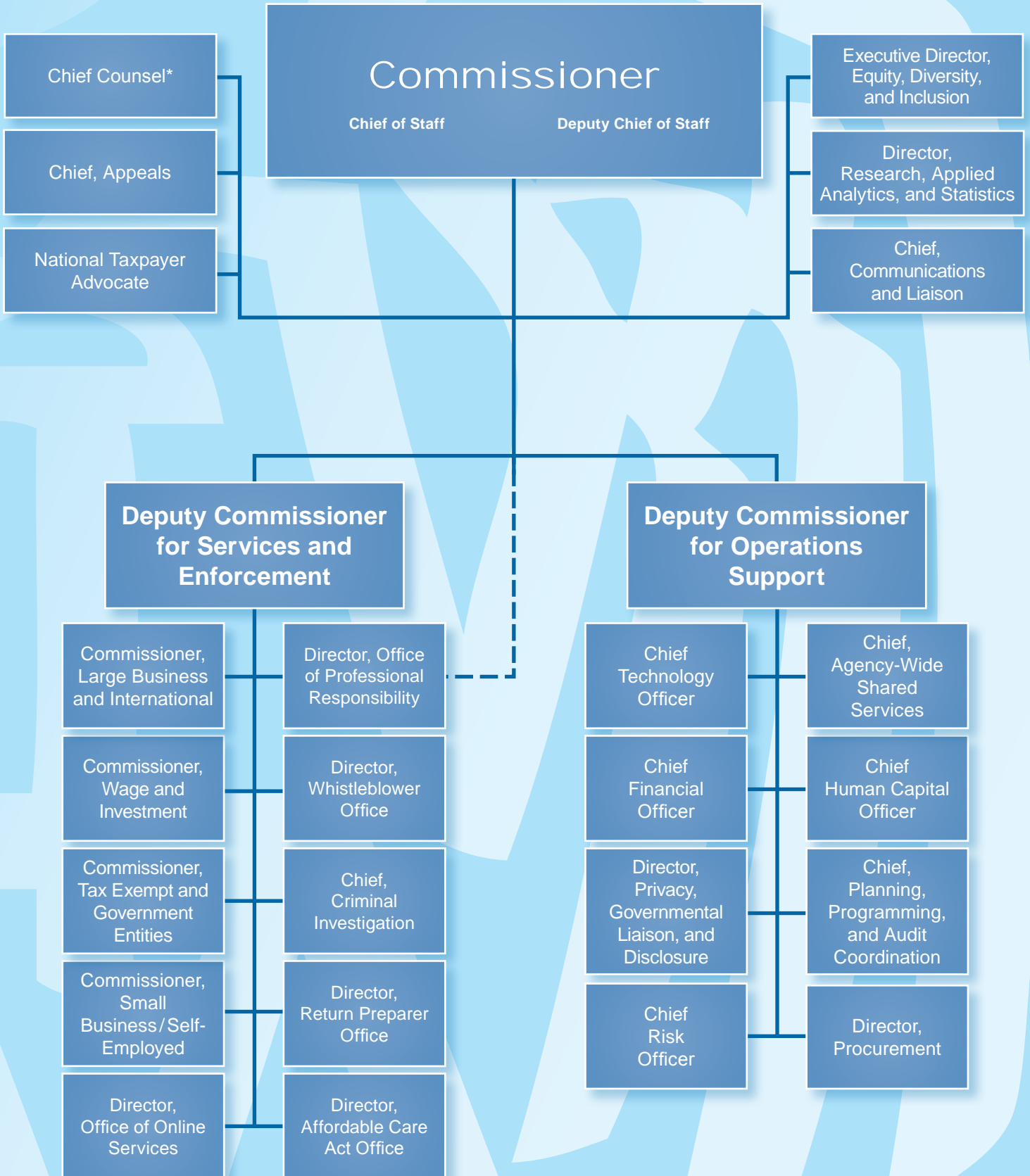
Chief Counsels for the Internal Revenue Service

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.

