

## **Department of the Treasury Internal Revenue Service**

### **Mark W. Everson**

Commissioner

### **Mark J. Mazur**

Director, Research, Analysis, and Statistics

### **Thomas B. Petska**

Director, Statistics of Income Division

### **Janet McCubbin**

Chief, Special Studies Branch

### **Martha Eller Gangi**

Chief, Statistical Data Section

## **The IRS Mission**

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

# Internal Revenue Service Data Book, 2006

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2006 (October 1, 2005, through September 30, 2006). It provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

**NOTE:** When using information from this report, cite the *Internal Revenue Service Data Book, 2006* as follows—

Internal Revenue Service  
Data Book, 2006  
Publication 55B  
Washington, DC  
March 2007

For sale by the  
Superintendent of Documents  
P.O. Box 371954  
Pittsburgh, PA 15250-7954

## Contents

Revisions to Fiscal Year 2004 and 2005 <i>Internal Revenue Service Data Books</i> .....	iii
List of Statistical Tables .....	v
Statistical Tables.....	3
Principal Officers of the Internal Revenue Service.....	71
Principal Officers of the IRS Office of Chief Counsel .....	73
Commissioners of Internal Revenue .....	75
Chief Counsels for the Internal Revenue Service.....	76
Internal Revenue Service Organization .....	Inside Back Cover

## Acknowledgments

### Statistics of Income Division

**Managing Editor**

*Ruth Schwartz*

**Technical Editors**

*James Dalton*

*James Hobbs*

**Statistical Researcher**

*Melissa Laine*

### Other Internal Revenue Service Offices

**Principal Coordinators****Appeals**

*Donna S. Reed*

**Chief Counsel**

*David C. Rheault*

**Chief Financial Officer**

*Veronica Carter-McKune*

*Eunita M. Davis*

*Dru E. Gahagan*

*Charles A. Messing*

*Joann Roper*

*Afzaal Shamsie*

**Criminal Investigation**

*Patty B. Capozoli*

**Equal Employment Opportunity and Diversity**

*Eduardo V. Mercado*

**Layout Editors**

*Paul Bastuscheck*

*Heather Lilley*

*Lisa Smith*

*Dorothy Wallace*

**Publishing Services Coordinator**

*Barbara Vaira*

**Information Technology Specialist**

*Paul Bastuscheck*

**Research, Analysis, and Statistics**

*John Guyton*

**Small Business/Self-Employed**

*Catherine A. LaBille*

*Christine O'Neill*

*Barbara A. Sandstrom*

*Michael A. Teagle*

*Karen A. Thornton*

*Laurie Tuzynski*

**Tax Exempt and Government Entities**

*Andrew M. Curry*

**Taxpayer Advocate**

*Claudia H. Calissie*

**Wage and Investment**

*Dana L. Crockett*

*Miriam L. Smith*

*David Tyree*

---

## The Internal Revenue Service Data Book Online

The *Internal Revenue Service Data Book* tables for the current year and 11 previous years may be found on the IRS Internet site. The World Wide Web address is: [www.irs.gov/taxstats](http://www.irs.gov/taxstats). From the Web site, select "IRS Data Books" in the "Products, Publications, & Papers" section.

For additional information, contact Statistical Information Services at **202-874-0410** or e-mail [sis@irs.gov](mailto:sis@irs.gov).

---

**Revisions to Fiscal Year 2004 and 2005 *Internal Revenue Service Data Books***

Corrected Tables 10 through 13 for Fiscal Years 2004 and 2005 are available at [www.irs.gov/taxstats](http://www.irs.gov/taxstats).

Tables 10 through 13 of the 2005 *Data Book* include information on examinations closed in Fiscal Year (FY) 2005, by type of return and size of income or gross estate. Returns are assigned a code indicating the income or gross estate size class before an examination is initiated. On January 1, 2005, new codes were implemented to provide additional detail about individual income tax nonbusiness returns with total positive income (TPI) of \$100,000 or more and to reflect changes in the estate tax filing population. These new codes were not applied to cases completed in FY 2005 but initiated before 2005. Thus, tabulations by these new income and gross estate size classes shown in the 2005 *Data Book* were incorrect. In particular, the information in the 2005 *Data Book* understated examinations of all taxpayers with TPI of \$200,000 or more and overstated examinations of taxpayers with TPI between \$100,000 and \$200,000. The tables understated examinations of estates with gross estate less than \$1,500,000 and overstated examinations of estates worth between \$1,500,000 and \$5,000,000. The tables have been revised to provide corrected estimates for all individual income tax returns with TPI of \$100,000 or more and for estates of \$5,000,000.

In addition, Tables 10 through 13 of the 2004 and 2005 *Data Books* included as examinations returns associated with the EITC Qualifying Child Certification Test. However, EITC Qualifying Child Certification is not an examination. The tables have been revised to exclude these cases.



## List of Statistical Tables

The *Data Book* has been reorganized, and most tables have been renumbered. The table number used in the FY 2005 Volume is shown in parentheses next to the current table number.

Page

### Returns Filed, Taxes Collected, and Refunds Issued

<b>Table 1.</b> Internal Revenue Collections and Refunds, by Type of Tax, Fiscal Years 2005 and 2006 .....	3
<b>Table 2.</b> Number of Returns Filed, by Type of Return, Fiscal Years 2005 and 2006 .....	4
<b>Table 3.</b> Number of Returns Filed, by Type of Return and State, Fiscal Year 2006.....	5
<b>Table 4.</b> Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2006 .....	8
<b>Table 5 (6).</b> Internal Revenue Gross Collections, by Type of Tax and State, Fiscal Year 2006 .....	11
<b>Table 6 (7).</b> Internal Revenue Gross Collections, by Type of Tax, Fiscal Years 1960-2006.....	14
<b>Table 7 (8).</b> Number of Internal Revenue Refunds Issued, by State, Fiscal Year 2006 .....	16
<b>Table 8 (9).</b> Amount of Internal Revenue Refunds Issued, Including Interest, by State, Fiscal Year 2006 .....	18

### Enforcement: EXAMINATIONS

<b>Table 9 (10).</b> Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006.....	23
<b>Table 10 (11).</b> Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006 .....	26
<b>Table 11 (12).</b> Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2006 .....	28
<b>Table 12 (13).</b> Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2006.....	30
<b>Table 13 (14, 15).</b> Returns of Tax-Exempt Organizations, Employee Plans, and Government Entities Examined, by Type of Return, Fiscal Year 2006.....	32

### Enforcement: INFORMATION REPORTING AND VERIFICATION

<b>Table 14 (25).</b> Information Reporting Program, Fiscal Year 2006 .....	37
<b>Table 15 (26).</b> Number of Math Errors, by Type of Error, Calendar Year 2006 .....	38

### Enforcement: COLLECTIONS, PENALTIES, AND CRIMINAL INVESTIGATION

<b>Table 16.</b> Delinquent Collection Activities, Fiscal Years 2003-2006.....	41
--	----

**Table 17 (27).** Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2006 ..... 42

**Table 18.** Criminal Investigation Program, by Status or Disposition, Fiscal Year 2006 ..... 44

### **Taxpayer Assistance**

**Table 19 (23).** Internal Revenue Service Taxpayer Assistance and Education Programs for Individual Taxpayers, by Type of Assistance or Program, Fiscal Year 2006 ..... 47

**Table 20 (24).** Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2006 ..... 48

**Table 21 (17).** Appeals Workload, by Type of Case, Fiscal Year 2006 ..... 50

### **Tax-Exempt Activities**

**Table 22 (19).** Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2006 ..... 53

**Table 23 (20).** Determination Letters Issued on Employee Pension Plans, by Type and Disposition of Plan, Fiscal Year 2006 ..... 54

**Table 24 (21).** Tax-Exempt Organization and Other Entity Applications or Disposals, by Type of Organization and Internal Revenue Code Section, Fiscal Year 2006 ..... 55

**Table 25 (22).** Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2003-2006 ..... 56

### **Chief Counsel**

**Table 26 (28).** Chief Counsel Workload, by Office and Type of Case or Activity, Fiscal Year 2006 ..... 59

**Table 27 (29).** Chief Counsel Workload: Tax Litigation, by Type of Case, Fiscal Year 2006 ..... 61

### **IRS Budget and Workforce**

**Table 28 (30).** Costs Incurred by the Internal Revenue Service, by Budget Activity, Fiscal Years 2005 and 2006 ..... 65

**Table 29 (31).** Internal Revenue Service Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1971-2006 ..... 66

**Table 30 (32).** Internal Revenue Service Personnel Summary, by Employment Status, Budget Activity, and Type of Personnel, Fiscal Years 2005 and 2006 ..... 68

**Table 31 (33).** Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Race, National Origin, and Gender, Fiscal Year 2006 ..... 69

## *Returns Filed, Taxes Collected, and Refunds Issued*

**T**ables 1 and 2 provide a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. During Fiscal Year (FY) 2006, the IRS collected more than \$2.2 trillion in tax net of refunds, about 44 percent of which was attributable to the individual income tax. Tables 3 through 6 provide additional detail on gross collections and returns filed by State, over time, and for different types of electronic returns. More than 80 million returns, including 54.3 percent of individual income tax returns, were filed electronically in FY 2006. Tables 7 and 8 provide information on tax refunds by State and type of tax. Over 108 million individual income tax return filers received tax refunds totaling nearly \$243 billion in FY 2006.





**Table 1. Internal Revenue Collections and Refunds, by Type of Tax, Fiscal Years 2005 and 2006**

[Money amounts are in thousands of dollars. For FY 2006 details by State, see Tables 5 and 8.]

Type of tax	Gross collections			Net collections		
	2005	2006	Percentage	2006 refunds [1]	2006	Percentage
			of 2006 total			of 2006 total
(1)	(2)	(3)	(4)	(5)	(6)	
<b>United States, total</b>	<b>2,268,895,122</b>	<b>2,518,680,230</b>	<b>100.0</b>	<b>280,393,087</b>	<b>2,238,287,143</b>	<b>100.0</b>
<b>Corporation income tax</b>	<b>307,094,837</b>	<b>380,924,573</b>	<b>15.1</b>	<b>29,831,391</b>	<b>351,093,182</b>	<b>15.7</b>
Regular	306,470,933	380,039,893	15.1	n.a.	n.a.	n.a.
Tax-exempt organization business income tax	623,904	884,681	[2]	n.a.	n.a.	n.a.
<b>Individual income tax [3, 4]</b>	<b>1,107,500,994</b>	<b>1,236,259,371</b>	<b>49.1</b>	<b>242,630,468</b>	<b>993,628,903</b>	<b>44.4</b>
Income tax withheld	786,612,462	849,004,371	33.7	n.a.	n.a.	n.a.
Other [5]	320,888,532	387,255,000	15.4	n.a.	n.a.	n.a.
<b>Employment taxes</b>	<b>771,441,662</b>	<b>814,819,218</b>	<b>32.4</b>	<b>4,917,599</b>	<b>809,901,619</b>	<b>36.2</b>
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [4]	759,955,617	802,612,629	31.9	4,771,264	797,841,365	35.7
Federal Insurance Contributions Act (FICA)	716,905,338	757,547,410	30.1	n.a.	n.a.	n.a.
Self-Employment Insurance Contributions Act (SECA)	43,050,279	45,065,219	1.8	n.a.	n.a.	n.a.
Unemployment insurance	6,947,510	7,533,119	0.3	143,403	7,389,716	0.3
Railroad retirement	4,538,535	4,673,471	0.2	2,932	4,670,539	0.2
<b>Estate and gift taxes</b>	<b>25,605,531</b>	<b>28,687,525</b>	<b>1.1</b>	<b>850,607</b>	<b>27,836,918</b>	<b>1.2</b>
Estate	23,565,164	26,717,493	1.1	801,289	25,916,204	1.1
Gift	2,040,367	1,970,032	0.1	49,318	1,920,714	0.1
<b>Excise taxes</b>	<b>57,252,098</b>	<b>57,989,543</b>	<b>2.3</b>	<b>2,163,021</b>	<b>55,826,522</b>	<b>2.5</b>

n.a.—Not available.

[1] Includes principal and interest paid on refunds. Represents refundable earned income tax credits, refundable child tax credits, overpayment refunds, refunds resulting from examination activity, and other refunds required by law. See Table 8, footnotes 1-2 for additional detail.

[2] Less than 0.05 percent.

[3] Collections include Presidential Election Campaign Fund contributions of \$53.3 million in Fiscal Year 2005 and \$50.1 million in Fiscal Year 2006.

[4] Collections of individual income tax are not reported by payers 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 Table 1 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 other income tax were derived by subtracting the FICA and SECA tax estimates from total tax withheld and other taxes paid. Refund estimates were not made for the components of income and OASDHI taxes.

[5] Includes fiduciary income tax collections of \$13.9 billion in Fiscal Year 2005 and \$17.1 billion in Fiscal Year 2006.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Gross collections exclude excise taxes paid to the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau. Refunds of such taxes, however, are recorded by the Internal Revenue Service and are, therefore, included.

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R

**Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2005 and 2006**

[Numbers are in thousands. For FY 2006 details by State, see Table 3.]

Type of return	2005	2006	Percentage change
<b>United States, total [1]</b>	<b>226,677</b>	<b>228,145</b>	<b>0.6</b>
<b>Income tax</b>	<b>174,494</b>	<b>177,404</b>	<b>1.7</b>
<b>Individual [2]</b>	<b>132,845</b>	<b>133,917</b>	<b>0.8</b>
Forms 1040, 1040A, 1040EZ	132,105	133,171	0.8
Forms 1040NR, 1040NR-EZ, 1040PR, 1040-SS, 1040C	740	746	0.8
<b>Individual estimated tax</b>	<b>28,669</b>	<b>30,099</b>	<b>5.0</b>
<b>Estate and trust</b>	<b>3,684</b>	<b>3,697</b>	<b>0.4</b>
<b>Estate and trust estimated tax</b>	<b>503</b>	<b>639</b>	<b>27.0</b>
<b>Partnership</b>	<b>2,665</b>	<b>2,773</b>	<b>4.1</b>
<b>S corporation</b>	<b>3,634</b>	<b>3,825</b>	<b>5.2</b>
<b>C or other corporation [3]</b>	<b>2,494</b>	<b>2,454</b>	<b>-1.6</b>
<b>Estate tax [4]</b>	<b>66</b>	<b>58</b>	<b>-11.3</b>
<b>Gift tax</b>	<b>277</b>	<b>256</b>	<b>-7.6</b>
<b>Employment taxes [5]</b>	<b>30,872</b>	<b>31,182</b>	<b>1.0</b>
<b>Tax-exempt organizations [6]</b>	<b>815</b>	<b>833</b>	<b>2.1</b>
<b>Excise taxes [7]</b>	<b>1,064</b>	<b>942</b>	<b>-11.4</b>
<b>Supplemental documents [8]</b>	<b>19,090</b>	<b>17,471</b>	<b>-8.5</b>

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2 and W-2G, and Schedule K-1) and tax-exempt bond returns (Forms 8038, 8038-G, 8038-GC, 8038-T, and 8328). Also excludes employee benefit plan returns (Forms 5500 and 5500-EZ) processed by the Department of Labor. See Table 14 for the total number of information returns filed.

[2] Form 1040 is the "long form," and Forms 1040A and 1040EZ are "short forms." Forms 1040NR and 1040NR-EZ are filed by nonresident aliens; Form 1040PR is the self-employment tax form for Puerto Rico; Form 1040-SS is the self-employment tax form for the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands; and Form 1040C is for departing aliens. Form 1040X (amended individual income tax return) is included in supplemental documents.

[3] Includes Form 1066 (real estate mortgage investment conduits) and the Form 1120 series of returns as follows: 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporations, except foreign life insurance companies); 1120-L (life insurance companies); 1120-POL (certain political associations); 1120-H (homeowner associations); 1120-FSC (foreign sales corporations); 1120-SF (settlement funds); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-PC (property and casualty insurance companies). Form 1120X (amended return) is included in supplemental documents.

Excludes Form 1120-ND (nuclear decommissioning funds) and Form 1120-IC-DISC (interest charge domestic international sales corporations). Also excludes Form 990-T (tax-exempt organization business income tax), included under tax-exempt organizations, although tax collected on these returns is included under corporation income tax in other tables.

[4] Includes Forms 706 (estate and generation-skipping transfer); 706-NA (nonresident alien estate and generation-skipping transfer); 706-GS (D) (generation-skipping transfer tax return for distributions); and 706-GS (T) (generation-skipping transfer tax return for terminations).

[5] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ ("short form"); 940PR (unemployment tax return, Puerto Rico); 941 (employer return for income and Social Security taxes withheld for other than household and agricultural employees); 941PR/SS (employer return, Puerto Rico; or U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands); 943 (agricultural employer return); 943PR (agricultural employer return, Puerto Rico); 945 (return of withheld income tax from nonpayroll distributions); 1042 (return of withheld income tax on U.S.-source income of foreign person); and CT-1 (railroad retirement tax return). Excludes Form CT-2 (railroad retirement tax return for employee representatives).

[6] Includes Forms 990 (tax-exempt organization except private foundation, "long form"); 990-EZ ("short form"); 990-C (farmers' cooperative); 990-PF (private foundation); 990-T (tax-exempt organization business income tax); 4720 (excise taxes of private foundations and other persons); and 5227 (split-interest trust information). Tax collected on Form 990-T is included under corporation income tax in other tables.

[7] Includes Forms 720 (quarterly excise tax); 730 (tax on wagering); 2290 (heavy highway vehicle use tax); and 11-C (occupational tax and registration for wagering). Excludes excise tax returns filed with the Customs Service and Alcohol and Tobacco Tax and Trade Bureau.

[8] Includes Forms 1040X (amended individual income tax); 1041A (charitable contribution deductions by certain trusts); 1120X (amended corporation income tax); 4868 (automatic filing extension for individuals); 2688 (additional filing extension for individuals); 7004 (automatic filing extension for corporations); and 8752 (payment or refund for prior years by certain partnerships and S corporations).

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

SOURCE: Research, Analysis, and Statistics, Office of Research RAS:R

**Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2006**

State	Total returns [1]	Individual income tax [2]	Individual estimated income tax	Estate and trust income tax	Estate and trust estimated income tax	Partnership	S corporation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>United States, total</b>	<b>228,145,029</b>	<b>133,917,068</b>	<b>30,098,907</b>	<b>3,697,436</b>	<b>638,524</b>	<b>2,773,205</b>	<b>3,824,658</b>
Alabama	3,015,495	1,932,097	339,677	26,340	5,777	34,791	42,919
Alaska	566,359	343,687	56,790	3,292	942	5,538	6,935
Arizona	4,162,522	2,445,889	585,300	42,014	9,083	63,749	65,851
Arkansas	1,896,354	1,144,171	218,973	15,485	3,880	21,781	34,947
California	26,955,122	15,401,847	4,038,809	320,145	76,642	309,856	298,409
Colorado	3,954,233	2,132,363	531,826	41,166	10,627	73,073	96,415
Connecticut	2,970,651	1,667,612	494,851	46,176	13,727	56,371	26,215
Delaware	721,652	400,453	95,310	24,666	4,068	11,305	13,767
District of Columbia	957,154	279,878	64,820	464,665	2,775	7,383	4,696
Florida	15,131,316	8,282,359	2,040,064	170,187	36,025	132,585	507,961
Georgia	6,347,242	3,870,442	631,806	42,122	12,261	67,933	141,619
Hawaii	1,069,903	617,089	168,836	12,936	3,220	8,948	11,652
Idaho	1,091,086	608,842	139,358	7,651	1,510	19,042	22,085
Illinois	9,785,843	5,796,754	1,267,405	200,972	37,232	93,831	194,852
Indiana	4,580,183	2,872,625	596,086	46,502	9,053	46,085	87,855
Iowa	2,326,440	1,342,065	371,300	46,979	4,429	27,951	33,177
Kansas	2,140,125	1,232,747	317,919	26,130	6,258	27,837	29,605
Kentucky	2,824,578	1,766,852	340,184	34,604	6,069	34,597	48,278
Louisiana	2,716,848	1,681,881	294,515	16,046	4,337	36,191	41,369
Maine	1,101,215	616,618	153,378	26,523	3,208	9,479	21,117
Maryland	4,472,902	2,652,044	646,500	54,723	15,273	56,525	68,908
Massachusetts	5,456,071	3,062,454	844,455	153,488	32,292	55,994	85,733
Michigan	7,342,098	4,544,045	874,391	88,514	16,562	94,394	122,329
Minnesota	4,204,084	2,431,768	589,886	50,152	8,793	50,885	86,462
Mississippi	1,750,778	1,142,042	171,787	10,671	2,713	17,924	22,764
Missouri	4,390,250	2,595,210	582,305	116,253	11,975	52,930	59,621
Montana	866,914	444,015	126,932	7,224	1,752	13,762	19,073
Nebraska	1,412,524	811,397	189,914	23,015	3,452	18,678	25,732
Nevada	1,907,366	1,137,633	218,177	15,260	4,428	36,328	35,576
New Hampshire	1,116,112	644,931	171,931	13,685	4,131	13,517	12,056
New Jersey	7,319,893	4,119,915	1,050,887	134,076	21,902	117,942	128,416
New Mexico	1,366,441	836,083	173,261	10,827	2,581	15,373	17,861
New York	15,089,612	8,649,945	1,846,821	307,290	51,688	189,661	343,383
North Carolina	6,326,367	3,836,959	786,448	68,525	10,286	72,585	111,881
North Dakota	558,342	305,584	87,413	5,966	873	8,391	7,916
Ohio	8,699,892	5,428,221	1,079,619	178,519	18,987	98,190	115,032
Oklahoma	2,612,692	1,482,139	324,665	85,068	7,106	32,548	43,112
Oregon	2,958,526	1,629,305	455,507	33,391	6,583	37,381	47,805
Pennsylvania	9,568,227	5,837,127	1,418,894	178,484	25,358	99,676	140,383
Rhode Island	872,759	499,005	111,543	25,605	3,086	9,526	17,978
South Carolina	3,004,403	1,868,046	350,581	20,965	5,044	36,896	50,886
South Dakota	669,919	364,697	101,400	9,696	2,054	9,533	11,282
Tennessee	4,098,749	2,629,091	492,697	40,267	10,981	54,365	31,165
Texas	15,757,892	9,583,785	1,689,202	187,908	66,251	230,489	192,526
Utah	1,764,449	1,021,593	176,251	13,893	2,946	46,293	42,166
Vermont	579,609	307,608	99,798	9,088	2,028	5,261	11,014
Virginia	5,898,239	3,509,616	854,388	70,620	15,342	65,715	91,966
Washington	5,123,051	2,897,838	748,663	59,397	14,640	61,886	77,732
West Virginia	1,169,188	749,210	149,710	10,044	2,008	11,123	10,739
Wisconsin	4,424,146	2,641,248	644,996	92,080	12,885	54,505	52,966
Wyoming	476,756	245,733	71,381	5,796	2,755	9,236	9,484
Other	2,572,457	1,572,510	221,297	2,345	646	7,367	987

Footnotes at end of table.

**Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2006—Continued**

State	C or other corporation income tax [3]	Estate tax [4]	Gift tax	Employment taxes [5]	Tax-exempt organizations [6]	Excise taxes [7]	Supplemental documents [8]
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>United States, total</b>	<b>2,453,741</b>	<b>58,279</b>	<b>255,651</b>	<b>31,182,071</b>	<b>832,699</b>	<b>942,145</b>	<b>17,470,645</b>
Alabama	21,615	503	2,481	388,866	8,301	17,866	194,262
Alaska	4,116	78	397	80,991	2,785	3,666	57,142
Arizona	40,415	804	3,424	530,551	11,312	8,944	355,186
Arkansas	17,181	266	1,344	269,898	5,942	15,429	147,057
California	325,756	10,807	25,018	3,625,697	90,277	84,732	2,347,127
Colorado	40,385	829	4,592	638,680	14,785	13,035	356,457
Connecticut	29,590	1,209	9,157	388,070	12,087	6,441	219,145
Delaware	10,196	215	901	97,788	4,400	2,216	56,367
District of Columbia	10,823	208	752	70,866	7,496	227	42,565
Florida	202,079	3,974	19,813	2,155,737	36,171	47,148	1,497,213
Georgia	62,566	1,242	5,602	892,204	17,325	28,575	573,545
Hawaii	15,105	373	1,813	129,557	3,855	1,076	95,443
Idaho	8,978	193	821	192,784	3,405	8,387	78,030
Illinois	112,013	2,725	10,796	1,346,463	35,933	46,198	640,669
Indiana	25,734	747	4,529	584,596	19,408	29,282	257,681
Iowa	25,182	601	2,107	337,871	10,494	22,320	101,964
Kansas	21,026	510	2,334	322,531	8,740	14,775	129,713
Kentucky	19,398	454	2,825	364,175	8,370	17,811	180,961
Louisiana	30,484	344	1,453	393,537	6,667	15,257	194,767
Maine	9,407	277	1,377	175,448	5,054	6,167	73,162
Maryland	51,058	1,339	5,939	562,548	17,254	10,810	329,981
Massachusetts	61,759	1,906	9,956	739,928	29,842	9,990	368,274
Michigan	79,284	1,344	6,598	994,590	24,433	26,427	469,187
Minnesota	35,858	985	6,686	637,638	20,591	32,434	251,946
Mississippi	14,436	209	1,041	229,715	4,611	12,662	120,203
Missouri	41,601	940	4,469	633,322	18,363	22,561	250,700
Montana	10,198	222	1,128	160,097	4,001	7,510	71,000
Nebraska	14,416	320	1,701	223,714	6,719	18,708	74,758
Nevada	34,368	395	1,568	231,675	3,912	9,538	178,508
New Hampshire	12,543	260	1,777	158,935	4,610	4,285	73,451
New Jersey	95,913	2,552	10,303	1,063,708	45,353	18,934	509,992
New Mexico	10,476	217	878	179,135	4,725	6,554	108,470
New York	230,524	4,828	21,926	2,250,073	63,902	24,114	1,105,457
North Carolina	61,376	1,306	6,462	861,172	25,681	29,760	453,926
North Dakota	4,816	76	849	94,870	2,859	12,495	26,234
Ohio	72,971	1,679	9,218	1,056,454	34,784	34,568	571,650
Oklahoma	23,341	468	1,876	367,581	7,935	12,751	224,102
Oregon	25,313	761	2,886	447,629	12,207	12,750	247,008
Pennsylvania	69,866	2,126	11,347	1,221,896	40,394	37,237	485,439
Rhode Island	7,928	303	1,080	132,494	5,168	1,924	57,119
South Carolina	28,248	548	2,926	406,145	7,875	12,479	213,764
South Dakota	5,199	120	842	111,449	2,953	11,800	38,894
Tennessee	35,421	879	3,535	505,922	12,529	19,050	262,847
Texas	180,722	2,718	16,433	1,959,308	43,493	67,879	1,537,178
Utah	16,472	217	942	280,594	5,208	6,691	151,183
Vermont	5,733	130	680	96,397	3,589	2,754	35,529
Virginia	59,400	1,543	6,438	755,185	21,199	19,351	427,476
Washington	44,447	1,184	5,650	734,119	17,991	26,358	433,146
West Virginia	10,054	194	807	157,105	4,370	6,827	56,997
Wisconsin	40,674	1,123	6,584	599,362	19,548	21,691	236,484
Wyoming	4,947	111	775	85,289	2,241	3,452	35,556
Other	32,330	917	815	257,712	1,552	8,249	465,730

Footnotes at end of table.

**Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2006—Continued****Footnotes**

- [1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2 and W-2G, and Schedule K-1) and tax-exempt bond returns (Forms 8038, 8038-G, 8038-GC, 8038-T, and 8328). Also excludes employee benefit plan returns (Forms 5500 and 5500-EZ) processed by the Department of Labor. See Table 14 for the total number of information returns filed.
- [2] Includes Form 1040 ("the long form"); Forms 1040A and 1040EZ ("the short forms"); Form 1040NR (filed by nonresident aliens); Form 1040PR (the self-employment tax form for Puerto Rico); Form 1040-SS (the self-employment tax form for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands), and Form 1040C (for departing aliens). Form 1040X (amended individual income tax return) is included in supplemental documents.
- [3] Includes Form 1066 (real estate mortgage investment conduits) and the Form 1120 series of returns as follows: 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporations, except foreign life insurance companies); 1120-L (life insurance companies); 1120-POL (certain political associations); 1120-H (homeowner associations); 1120-FSC (foreign sales corporations); 1120-SF (settlement funds); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-PC (property and casualty insurance companies). Form 1120X (amended return) is included in supplemental documents.
- Excludes Form 1120-ND (nuclear decommissioning funds) and Form 1120-IC-DISC (interest charge domestic international sales corporations). Also excludes Form 990-T (tax-exempt organization business income tax), included under tax-exempt organizations, although tax collected on these returns is included under corporation income tax in other tables.
- [4] Includes Forms 706 (estate and generation-skipping transfer); 706-NA (nonresident alien estate and generation-skipping transfer); 706-GS (D) (generation-skipping transfer tax return for distributions); and 706-GS (T) (generation-skipping transfer tax return for terminations).
- [5] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ ("short form"); 940PR (unemployment tax return, Puerto Rico); 941 (employer return for income and Social Security taxes withheld for other than household and agricultural employees); 941PR/SS (employer return, Puerto Rico; or U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands); 943 (agricultural employer return); 943PR (agricultural employer return, Puerto Rico); 945 (return of withheld income tax from nonpayroll distributions); 1042 (return of withheld income tax on U.S.-source income of foreign person); and CT-1 (railroad retirement tax return). Excludes Form CT-2 (railroad retirement tax return for employee representatives).
- [6] Includes Forms 990 (tax-exempt organization except private foundation, "long form"); 990-EZ ("short form"); 990-C (farmers' cooperative); 990-PF (private foundation); 990-T (tax-exempt organization business income tax); 4720 (excise taxes of private foundations and other persons); and 5227 (split-interest trust information). Tax collected on Form 990-T is included under corporation income tax in other tables.
- [7] Includes Forms 720 (quarterly excise tax); 730 (tax on wagering); 2290 (heavy highway vehicle use tax); and 11-C (occupational tax and registration for wagering). Excludes excise tax returns filed with the Customs Service and Alcohol and Tobacco Tax and Trade Bureau.
- [8] Includes Forms 1040X (amended individual income tax); 1041A (charitable contribution deductions by certain trusts); 1120X (amended corporation income tax); 4868 (automatic filing extension for individuals); 2688 (additional filing extension for individuals); 7004 (automatic filing extension for corporations); and 8752 (payment or refund for prior years by certain partnerships and S corporations).

NOTE: In general, classification by State is based on the taxpayer'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, or, in the case of certain individuals who were sole proprietors, partners in a partnership, or shareholders in an S corporation, the business address. Such addresses could have been located in a State other than the State in which the individual resided.

SOURCE: Research, Analysis, and Statistics, Office of Research RAS:R

**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2006**

State	Total returns [1]	Total individual e-filed returns [2]	Type of individual e-file		Estate and trust income tax
			Online [3]	Practitioner [4]	
			(3)	(4)	
<b>United States, total</b>	<b>80,504,813</b>	<b>72,769,506</b>	<b>20,227,240</b>	<b>52,542,266</b>	<b>1,360,876</b>
Alabama	1,264,450	1,226,655	265,498	961,157	5,358
Alaska	181,839	176,535	68,502	108,033	d
Arizona	1,428,070	1,294,544	401,994	892,550	6,422
Arkansas	724,774	706,568	151,546	555,022	688
California	10,050,025	8,888,161	1,717,573	7,170,588	16,529
Colorado	1,139,730	1,029,268	381,388	647,880	4,007
Connecticut	1,053,387	919,843	233,728	686,115	2,606
Delaware	249,966	212,293	70,401	141,892	11,233
District of Columbia	625,799	135,642	47,029	88,613	457,855
Florida	4,729,857	4,302,585	1,359,482	2,943,103	40,497
Georgia	2,474,698	2,313,603	666,413	1,647,190	1,034
Hawaii	289,689	267,739	76,775	190,964	1,760
Idaho	377,802	367,699	111,948	255,751	241
Illinois	3,184,361	2,875,339	844,230	2,031,109	73,065
Indiana	1,674,959	1,590,768	494,414	1,096,354	6,894
Iowa	961,100	924,639	195,823	728,816	17,241
Kansas	740,310	702,564	198,841	503,723	2,680
Kentucky	1,083,646	1,037,140	243,035	794,105	11,703
Louisiana	1,004,382	961,360	254,831	706,529	562
Maine	316,093	274,489	103,007	171,482	695
Maryland	1,393,643	1,245,682	431,446	814,236	6,305
Massachusetts	2,108,621	1,695,306	474,665	1,220,641	67,362
Michigan	3,253,463	2,968,087	744,757	2,223,330	31,229
Minnesota	1,794,616	1,637,140	416,070	1,221,070	13,508
Mississippi	746,697	732,653	145,169	587,484	1,666
Missouri	1,585,719	1,475,333	387,506	1,087,827	26,880
Montana	262,791	253,686	60,941	192,745	553
Nebraska	507,661	480,981	140,129	340,852	6,486
Nevada	674,251	615,738	183,030	432,708	808
New Hampshire	363,875	322,000	126,732	195,268	938
New Jersey	2,471,461	2,042,436	420,976	1,621,460	55,268
New Mexico	479,433	464,108	145,845	318,263	1,501
New York	4,961,761	4,236,000	794,026	3,441,974	110,761
North Carolina	2,275,440	2,143,171	608,138	1,535,033	18,765
North Dakota	187,057	181,458	45,093	136,365	705
Ohio	3,095,679	2,787,916	939,387	1,848,529	92,347
Oklahoma	967,598	872,394	252,339	620,055	61,172
Oregon	963,885	866,141	274,451	591,690	5,315
Pennsylvania	3,073,809	2,739,396	919,432	1,819,964	70,079
Rhode Island	310,182	241,325	57,516	183,809	13,609
South Carolina	1,235,854	1,189,019	275,670	913,349	2,186
South Dakota	217,343	207,290	59,369	147,921	3,158
Tennessee	1,625,062	1,557,787	446,811	1,110,976	8,226
Texas	5,373,175	5,071,715	1,713,831	3,357,884	18,668
Utah	616,764	573,209	204,367	368,842	526
Vermont	159,972	144,320	46,798	97,522	2,421
Virginia	1,962,968	1,808,430	696,862	1,111,568	21,950
Washington	1,624,028	1,502,808	618,909	883,899	7,072
West Virginia	389,011	379,739	119,062	260,677	2,599
Wisconsin	1,817,753	1,684,264	470,926	1,213,338	47,203
Wyoming	143,107	137,124	41,367	95,757	399
Other	307,197	305,416	79,162	226,254	d

Footnotes at end of table.

**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2006—Continued**

State	C or other				
	Partnership	S corporation	corporation income tax [5]	Employment taxes [6]	Tax-exempt organizations [7]
	(6)	(7)	(8)	(9)	(10)
<b>United States, total</b>	<b>274,721</b>	<b>389,133</b>	<b>136,311</b>	<b>5,563,151</b>	<b>11,115</b>
Alabama	1,682	2,572	708	27,407	68
Alaska	913	1,447	323	2,377	d
Arizona	3,885	4,717	1,363	117,057	82
Arkansas	1,824	3,289	910	11,441	54
California	21,938	21,262	13,572	1,087,882	681
Colorado	5,227	8,851	1,480	90,719	178
Connecticut	3,595	1,990	1,071	124,147	135
Delaware	768	1,103	387	24,163	19
District of Columbia	438	245	167	31,362	90
Florida	9,386	45,042	7,071	324,750	526
Georgia	4,434	11,330	2,504	141,637	156
Hawaii	491	665	378	18,606	50
Idaho	2,386	2,105	364	4,967	40
Illinois	6,067	12,880	4,005	212,662	343
Indiana	2,790	6,561	1,158	66,595	193
Iowa	2,980	4,041	1,974	10,097	128
Kansas	3,384	3,290	1,753	26,451	188
Kentucky	2,440	3,145	670	28,439	109
Louisiana	3,046	2,365	892	36,103	54
Maine	629	1,190	299	38,763	28
Maryland	2,906	3,445	1,226	133,948	131
Massachusetts	25,153	44,670	18,617	256,766	747
Michigan	33,956	45,483	21,652	152,090	966
Minnesota	7,299	11,509	2,479	122,341	340
Mississippi	1,931	1,957	613	7,830	47
Missouri	4,794	6,127	2,213	70,194	178
Montana	2,403	2,995	749	2,308	97
Nebraska	2,519	3,962	1,371	12,172	170
Nevada	3,830	4,993	1,789	47,004	89
New Hampshire	1,351	1,626	902	37,020	38
New Jersey	14,038	9,083	3,297	347,010	329
New Mexico	2,104	2,118	725	8,775	102
New York	8,112	11,892	4,024	590,563	409
North Carolina	4,492	7,092	2,042	99,627	251
North Dakota	1,667	1,505	580	1,080	62
Ohio	9,109	10,287	4,410	190,978	632
Oklahoma	2,772	3,989	1,210	25,989	72
Oregon	4,090	5,843	1,513	80,811	172
Pennsylvania	7,310	10,004	3,001	243,048	971
Rhode Island	1,109	2,501	497	51,093	48
South Carolina	3,211	4,485	1,339	35,549	65
South Dakota	2,029	2,433	615	1,773	45
Tennessee	4,473	2,488	1,485	50,455	148
Texas	19,730	17,258	9,079	236,134	591
Utah	4,932	5,115	737	32,155	90
Vermont	592	1,393	392	10,769	85
Virginia	4,518	7,346	2,222	118,254	248
Washington	6,163	9,386	2,442	95,844	313
West Virginia	407	444	218	5,573	31
Wisconsin	7,654	7,785	3,166	67,305	376
Wyoming	1,666	1,807	369	1,701	41
Other	98	22	288	1,367	d

Footnotes at end of table.



**Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2006—Continued**

---

---

**Footnotes**

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

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, W-2G, and Schedule K-1), returns of employee benefit plans (i.e., Form 5500 series processed by the Department of Labor), and tax returns that do not have an electronic filing option.

[2] Individual income tax e-file returns include Forms 1040, 1040A, and 1040EZ. The TeleFile program, which allowed a taxpayer to file a Form 1040EZ, was discontinued on August 16, 2005.

[3] 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: users either complete a tax return on a Web site without downloading any software; or users purchase and load software onto their personal computers, prepare their returns, and transmit them to the IRS through an online filing company.

[4] Includes cases where a taxpayer transmits the return via an authorized e-file provider, who, in most cases, is also the preparer of the return.

[5] Includes Form 1120 (corporation income tax return) and Form 1120-POL (certain political associations).

[6] Includes Form 940 (employer's unemployment "long form"); Form 940-EZ (employer's unemployment "short form"); and Form 941 (employer return for income and Social Security taxes withheld).

[7] Includes Forms 990 (tax-exempt organization except private foundation, "long form"); 990-EZ ("short form"); and 990-PF (private foundation).

NOTE: In general, classification by State is based on the taxpayer's address (or, in the case of individuals owning businesses, the location of the principal office or place of business). However, some taxpayers may use the address of a tax attorney or accountant, or, in the case of certain individuals who were sole proprietors, partners in a partnership, or shareholders in an S corporation, the business address. Such addresses could have been located in a State other than the State in which the taxpayer resided.

SOURCE: Research, Analysis, and Statistics, Office of Research RAS:R

**Table 5. Internal Revenue Gross Collections, by Type of Tax and State, Fiscal Year 2006**

[Money amounts are in thousands of dollars.]

State	Total Internal Revenue collections	Corporation income tax [1]	Individual income and employment taxes		
			Total	Income tax not withheld and SECA tax [2, 3]	Income tax withheld and FICA tax [2]
(1)	(2)	(3)	(4)	(5)	
<b>United States, total</b>	<b>2,518,680,230</b>	<b>380,924,573</b>	<b>2,051,078,590</b>	<b>432,320,219</b>	<b>1,606,551,781</b>
Alabama	22,179,707	2,433,131	19,271,581	4,259,140	14,926,629
Alaska	4,057,755	310,985	3,682,979	906,663	2,761,111
Arizona	32,638,677	2,795,459	28,922,345	8,423,114	20,372,655
Arkansas	27,697,303	6,823,206	18,511,007	2,282,937	16,076,012
California	299,521,281	44,419,490	246,839,791	66,285,468	179,715,041
Colorado	42,308,861	3,180,315	37,328,243	7,765,627	29,440,437
Connecticut	50,450,286	10,350,897	39,058,058	9,663,283	29,299,094
Delaware	17,222,467	4,838,043	12,182,555	1,948,833	10,202,519
District of Columbia	17,458,924	1,124,379	16,213,546	1,585,649	14,270,260
Florida	131,261,303	9,900,660	118,062,123	36,943,224	80,000,176
Georgia	74,824,364	14,582,950	56,641,155	9,911,746	46,466,254
Hawaii	7,122,326	655,818	6,184,056	1,820,109	4,341,029
Idaho	8,279,632	603,353	7,592,855	1,734,272	5,814,711
Illinois	129,891,703	24,143,928	102,622,203	19,680,063	82,400,136
Indiana	39,851,966	5,179,590	34,002,874	5,607,673	28,251,515
Iowa	17,400,565	1,981,102	15,058,800	2,656,746	12,333,530
Kansas	20,126,901	2,671,506	15,846,823	3,106,197	12,650,055
Kentucky	21,709,969	1,606,303	19,756,820	3,285,175	16,383,604
Louisiana	27,323,703	1,165,111	25,666,190	3,373,608	22,211,867
Maine	6,300,230	490,185	5,556,418	1,278,878	4,248,091
Maryland	51,243,026	4,242,760	46,283,133	8,847,187	37,266,856
Massachusetts	69,628,887	7,006,102	61,248,266	13,311,609	47,715,564
Michigan	70,036,186	7,636,529	61,290,112	8,889,841	52,127,749
Minnesota	72,065,501	14,252,702	56,057,690	6,684,641	49,103,004
Mississippi	9,803,730	765,810	8,641,413	1,721,668	6,876,816
Missouri	44,460,802	5,820,070	37,113,741	5,999,022	30,902,109
Montana	4,081,168	193,276	3,784,622	1,126,834	2,624,052
Nebraska	17,381,221	5,211,131	11,936,550	1,916,546	8,900,001
Nevada	19,123,140	3,270,070	15,597,007	6,256,039	9,279,131
New Hampshire	9,112,460	580,687	8,331,695	1,871,637	6,432,668
New Jersey	108,541,003	17,386,979	88,833,131	14,712,728	73,752,255
New Mexico	7,513,621	346,719	7,066,973	1,801,649	5,235,672
New York	214,937,242	39,114,058	171,788,322	36,540,727	134,356,183
North Carolina	69,364,463	20,343,866	48,217,766	8,684,062	39,323,108
North Dakota	3,333,405	305,275	2,995,155	707,331	2,272,331
Ohio	90,623,355	16,380,204	72,968,398	10,330,930	62,314,295
Oklahoma	31,148,116	8,961,139	16,377,931	4,257,011	12,048,707
Oregon	23,119,047	2,138,547	20,482,070	4,379,128	16,019,389
Pennsylvania	102,512,063	12,561,651	86,218,915	15,041,366	70,797,849
Rhode Island	10,392,995	2,383,388	7,899,398	1,356,882	6,507,650
South Carolina	31,111,506	1,177,975	29,271,051	3,942,183	25,246,952
South Dakota	4,377,098	261,933	4,017,121	1,331,186	2,654,234
Tennessee	47,392,686	6,663,979	39,590,480	6,054,796	33,350,510
Texas	204,736,871	37,004,514	145,758,275	31,945,128	112,353,278
Utah	13,240,911	1,143,559	11,358,072	2,875,240	8,426,021
Vermont	3,605,629	193,703	3,334,454	766,290	2,553,679
Virginia	61,307,121	8,867,884	50,433,386	11,022,591	38,638,536
Washington	56,732,059	8,737,224	46,430,144	10,967,692	35,266,519
West Virginia	6,179,043	531,996	5,432,759	1,137,839	4,273,177
Wisconsin	41,685,918	6,102,472	34,934,539	6,299,959	28,481,964
Wyoming	3,956,255	525,501	3,127,814	1,413,201	1,704,024
U.S. Armed Services overseas and Territories other than Puerto Rico	2,217,654	12,722	2,199,380	332,768	1,864,125
Puerto Rico	4,000,937	644,496	3,353,119	304,348	3,010,438
International	5,267,101	968,857	4,027,780	2,276,432	1,747,090
Adjustments and credits [4]	2,640,566	249,507	2,391,059	2,391,059	0
Highway and Airport and Airways Trust Funds	368,019	249,507	118,512	118,512	0
Excess Federal Insurance Contributions Act (FICA) credit	2,213,400	0	2,213,400	2,213,400	0
Advance earned income tax credit	59,147	0	59,147	59,147	0
Undistributed [5]	4,179,516	-319,120	3,286,445	2,304,266	961,118

Footnotes at end of table.

**Table 5. Internal Revenue Gross Collections, by Type of Tax and State, Fiscal Year 2006—Continued**

[Money amounts are in thousands of dollars.]

State	Individual income and employment taxes—continued				
	Railroad retirement tax	Unemployment insurance tax	Estate tax	Gift tax	Excise taxes
	(6)	(7)	(8)	(9)	(10)
<b>United States, total</b>	<b>4,673,471</b>	<b>7,533,119</b>	<b>26,717,493</b>	<b>1,970,032</b>	<b>57,989,543</b>
Alabama	1,613	84,199	290,346	8,760	175,889
Alaska	1,665	13,540	16,533	37	47,221
Arizona	556	126,020	303,843	12,323	604,707
Arkansas	2,101	149,957	**	**	705,598
California	3,612	835,670	**5,980,848	**372,630	3,566,015
Colorado	11,264	110,915	376,933	17,871	1,405,500
Connecticut	1,016	94,664	615,878	46,879	378,574
Delaware	294	30,909	176,912	4,393	20,564
District of Columbia	338,941	18,696	103,979	8,914	8,107
Florida	677,605	441,118	2,166,715	166,871	964,934
Georgia	3,053	260,102	430,122	14,214	3,155,922
Hawaii	0	22,918	93,711	3,604	185,136
Idaho	1,190	42,681	42,730	7,947	32,747
Illinois	191,364	350,640	1,125,363	121,055	1,879,155
Indiana	23,529	120,158	243,234	17,497	408,771
Iowa	8,261	60,262	195,406	3,982	161,275
Kansas	14,010	76,561	112,830	10,747	1,484,995
Kentucky	7,925	80,116	189,058	7,365	150,423
Louisiana	2,992	77,723	178,660	7,966	305,776
Maine	5,431	24,018	82,770	1,546	169,311
Maryland	18,434	150,656	564,745	39,790	112,598
Massachusetts	54,140	166,953	809,192	36,948	528,378
Michigan	42,178	230,344	783,161	82,761	243,624
Minnesota	74,279	195,766	322,323	44,547	1,388,240
Mississippi	1,378	41,550	116,813	3,779	275,915
Missouri	64,686	147,923	415,392	69,160	1,042,439
Montana	17,433	16,303	50,920	1,158	51,192
Nebraska	1,074,377	45,626	115,504	14,877	103,159
Nevada	86	61,751	158,444	10,549	87,070
New Hampshire	239	27,151	115,886	4,296	79,896
New Jersey	106,964	261,184	647,336	64,432	1,609,125
New Mexico	147	29,504	64,010	8,267	27,653
New York	286,308	605,105	2,594,806	296,492	1,143,565
North Carolina	5,391	205,206	456,752	27,323	318,756
North Dakota	3,048	12,444	11,669	1,025	20,282
Ohio	21,576	301,597	813,701	34,036	427,017
Oklahoma	2,051	70,161	157,589	3,544	5,647,913
Oregon	957	82,596	274,500	16,380	207,549
Pennsylvania	66,071	313,629	910,239	45,842	2,775,417
Rhode Island	1	34,865	99,841	2,925	7,442
South Carolina	2,802	79,115	211,405	11,476	439,600
South Dakota	16,078	15,623	63,588	2,811	31,646
Tennessee	2,355	182,818	216,665	10,247	911,315
Texas	897,862	562,007	1,135,160	136,377	20,702,545
Utah	3,170	53,642	132,285	5,143	601,852
Vermont	2,053	12,433	48,552	1,262	27,657
Virginia	598,502	173,757	621,808	42,387	1,341,656
Washington	7,641	188,293	452,953	38,220	1,073,518
West Virginia	386	21,357	100,973	1,661	111,654
Wisconsin	4,556	148,060	251,570	63,804	333,532
Wyoming	420	10,169	59,100	9,076	234,763
U.S. Armed Services overseas and Territories other than Puerto Rico	0	2,487	673	601	4,278
Puerto Rico	[6]	38,333	1,803	314	1,205
International	1,074	3,184	56,230	6,902	207,332
Adjustments and credits [4]	0	0	0	0	0
Highway and Airport and Airways Trust Funds	0	0	0	0	0
Excess Federal Insurance Contributions Act (FICA) credits	0	0	0	0	0
Advance earned income tax credit	0	0	0	0	0
Undistributed [5]	405	20,658	1,156,034	-2,982	59,140

Footnotes at end of table.

**Table 5. Internal Revenue Gross Collections, by Type of Tax and State, Fiscal Year 2006—Continued****Footnotes**

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

[1] Includes tax-exempt business income taxes totaling \$884.7 million.

[2] Collections of individual income tax are not reported by payers 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).

[3] Includes estate and trust income tax collections of \$17.1 billion.

[4] Adjustments and credits are not shown by State, but are included in the U.S. totals.

[5] Includes tax payments not classified by State as of the end of the fiscal year because they have not been applied to taxpayer accounts.

[6] Less than \$500.

NOTES: Gross collections exclude excise taxes paid to the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau.

Collection and refund data by State 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 years made in Fiscal Year 2006 may result in negative amounts when such adjustments exceed refunds. 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, or, in the case of certain individuals who were sole proprietors, partners in a partnership, or shareholders in an S corporation, the business address. 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 other State(s).

Detail may not add to totals because of rounding.

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R

**Table 6. Internal Revenue Gross Collections, by Type of Tax, Fiscal Years 1960-2006**

[Money amounts are in thousands of dollars.]

Fiscal year	Total Internal Revenue collections	Income taxes						
		Total	Corporation income tax [1]	Individual income tax [2]	Employment taxes [3]	Estate taxes	Gift taxes	Excise taxes [4]
1960	91,774,803	67,125,126	22,179,414	44,945,711	11,158,589	1,439,259	187,089	11,864,741
1961	94,401,086	67,917,941	21,764,940	46,153,001	12,502,451	1,745,480	170,912	12,064,302
1962	99,440,839	71,945,305	21,295,711	50,649,594	12,708,171	1,796,227	238,960	12,752,176
1963	105,925,395	75,323,714	22,336,134	52,987,581	15,004,486	1,971,614	215,843	13,409,737
1964	112,260,257	78,891,218	24,300,863	54,590,354	17,002,504	2,110,992	305,312	13,950,232
1965	114,434,634	79,792,016	26,131,334	53,660,683	17,104,306	2,454,332	291,201	14,792,779
1966	128,879,961	92,131,794	30,834,243	61,297,552	20,256,133	2,646,968	446,954	13,398,112
1967	148,374,815	104,288,420	34,917,825	69,370,595	26,958,241	2,728,580	285,826	14,113,748
1968	153,636,838	108,148,565	29,896,520	78,252,045	28,085,898	2,710,254	371,725	14,320,396
1969	187,919,560	135,778,052	38,337,646	97,440,406	33,068,657	3,136,691	393,373	15,542,787
1970	195,722,096	138,688,568	35,036,983	103,651,585	37,449,188	3,241,321	438,755	15,904,264
1971	191,647,198	131,072,374	30,319,953	100,752,421	39,918,690	3,352,641	431,642	16,871,851
1972	209,855,737	143,804,732	34,925,546	108,879,186	43,714,001	5,126,522	363,447	16,847,036
1973	237,787,204	164,157,315	39,045,309	125,112,006	52,081,709	4,338,924	636,938	16,572,318
1974	268,952,254	184,648,094	41,744,444	142,903,650	62,093,632	4,659,825	440,849	17,109,853
1975	293,822,726	202,146,097	45,746,660	156,399,437	70,140,809	4,312,657	375,421	16,847,741
1976	302,519,792	205,751,753	46,782,956	158,968,797	74,202,853	4,875,735	431,730	17,257,720
1976 [5]	75,462,780	49,567,484	9,808,905	39,758,579	19,892,041	1,367,935	117,312	4,518,008
1977	358,139,417	246,805,067	60,049,804	186,755,263	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	97,291,653	5,242,080	139,419	18,664,949
1979	460,412,185	322,993,733	71,447,876	251,545,857	112,849,874	5,344,176	174,899	19,049,504
1980	519,375,273	359,927,392	72,379,610	287,547,782	128,330,480	6,282,247	216,134	24,619,021
1981	606,799,103	406,583,302	73,733,156	332,850,146	152,885,816	6,694,641	215,745	40,419,598
1982	632,240,506	418,599,768	65,990,832	352,608,936	168,717,936	8,035,335	108,038	36,779,428
1983	627,246,793	411,407,523	61,779,556	349,627,967	173,847,854	6,077,202	148,675	35,765,538
1984	680,475,229	437,071,049	74,179,370	362,891,679	199,210,028	6,024,985	151,682	38,017,486
1985	742,871,541	474,072,327	77,412,769	396,659,558	225,214,568	6,303,418	276,284	37,004,944
1986	782,251,812	497,406,391	80,441,620	416,964,771	243,978,380	6,814,417	380,538	33,672,086
1987	886,290,590	568,311,471	102,858,985	465,452,486	277,000,469	7,164,681	502,989	33,310,980
1988	935,106,594	583,349,120	109,682,554	473,666,566	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	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	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	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	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	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	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	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	492,365,178	15,350,591	2,241,216	42,221,611
1997	1,623,272,071	1,029,513,216	204,492,336	825,020,880	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	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	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	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	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	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	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	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	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	814,819,218	26,717,493	1,970,032	57,989,543

Footnotes at end of table.

**Table 6. Internal Revenue Gross Collections, by Type of Tax, Fiscal Years 1960-2006—Continued****Footnotes**

[1] Includes tax-exempt organization business income taxes.

[2] Includes income tax on estates and trusts.

[3] Includes taxes for old-age, survivors, disability, and hospital insurance (OASDHI), unemployment insurance, and railroad retirement.

[4] Excludes excise taxes on alcohol, tobacco, firearms and ammunition, and certain occupations collected by the Customs Service 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.

[5] Represents fiscal year transitional period, July through September 1976, resulting from fiscal year redefinition. 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).

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars.

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R

**Table 7. Number of Internal Revenue Refunds Issued, by State, Fiscal Year 2006**

State	Number of refunds of—						
	Total Internal Revenue refunds [1]	Corporation income tax [2]	Individual income tax [3]	Employment taxes [4]	Estate tax	Gift tax	Excise taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>United States, total</b>	<b>110,810,589</b>	<b>445,027</b>	<b>108,011,060</b>	<b>2,249,208</b>	<b>14,033</b>	<b>2,932</b>	<b>88,329</b>
Alabama	1,656,941	4,652	1,617,748	32,722	111	24	1,684
Alaska	265,482	924	255,843	8,267	d	d	431
Arizona	1,978,455	6,271	1,931,222	39,661	205	37	1,059
Arkansas	955,126	3,753	928,829	21,507	51	15	971
California	12,392,511	55,189	12,072,574	252,783	2,622	398	8,945
Colorado	1,699,853	7,355	1,650,406	40,716	209	34	1,133
Connecticut	1,336,231	5,024	1,303,590	26,228	364	71	954
Delaware	334,993	1,735	326,368	6,438	59	7	386
District of Columbia	232,695	1,143	225,762	5,477	61	4	248
Florida	6,944,596	25,807	6,727,142	185,221	942	324	5,160
Georgia	3,314,315	11,801	3,231,537	68,294	302	38	2,343
Hawaii	500,775	2,872	487,732	9,784	89	13	285
Idaho	491,764	2,339	474,867	14,063	34	11	450
Illinois	4,837,057	18,342	4,724,901	89,102	648	91	3,973
Indiana	2,457,422	6,638	2,410,208	38,664	166	26	1,720
Iowa	1,064,276	7,898	1,035,337	19,607	85	14	1,335
Kansas	989,376	5,958	962,007	20,387	96	18	910
Kentucky	1,495,484	4,199	1,464,579	25,165	89	12	1,440
Louisiana	1,500,608	5,614	1,456,536	36,804	106	13	1,535
Maine	505,406	2,420	493,226	9,189	59	15	497
Maryland	2,183,810	8,236	2,134,051	39,797	284	62	1,380
Massachusetts	2,474,654	9,761	2,421,986	40,240	539	94	2,034
Michigan	3,787,822	17,404	3,705,649	62,229	366	74	2,100
Minnesota	1,932,659	9,146	1,884,041	37,134	178	61	2,099
Mississippi	999,402	3,698	974,166	20,051	61	14	1,412
Missouri	2,140,738	9,268	2,087,564	41,979	204	44	1,679
Montana	345,907	3,490	331,512	10,439	40	10	416
Nebraska	651,887	4,652	631,750	14,497	61	10	917
Nevada	961,170	5,035	935,047	20,194	96	26	772
New Hampshire	533,776	2,521	519,120	11,565	97	17	456
New Jersey	3,349,874	17,884	3,259,659	69,121	607	101	2,502
New Mexico	697,278	2,389	679,605	14,759	45	11	469
New York	7,129,206	27,587	6,940,752	153,479	1,529	496	5,363
North Carolina	3,180,786	10,766	3,107,406	59,685	255	49	2,625
North Dakota	236,637	1,994	228,125	6,026	11	0	481
Ohio	4,561,748	15,317	4,478,680	63,950	432	99	3,270
Oklahoma	1,212,564	5,039	1,179,762	26,553	102	24	1,084
Oregon	1,268,717	6,190	1,233,070	28,165	182	34	1,076
Pennsylvania	4,871,899	12,622	4,778,909	76,062	413	97	3,796
Rhode Island	421,031	1,292	413,934	5,419	82	11	293
South Carolina	1,564,609	4,450	1,528,185	30,815	102	15	1,042
South Dakota	290,175	2,207	279,886	7,585	18	4	475
Tennessee	2,253,351	7,444	2,197,842	46,056	169	23	1,817
Texas	8,255,845	33,319	8,024,762	189,649	690	166	7,259
Utah	857,172	2,865	833,691	20,044	32	5	535
Vermont	247,927	1,323	239,806	6,420	36	14	328
Virginia	2,892,800	10,624	2,822,586	57,196	349	51	1,994
Washington	2,407,643	10,094	2,334,631	60,694	299	71	1,854
West Virginia	653,507	1,909	638,528	12,276	40	8	746
Wisconsin	2,140,034	10,315	2,090,979	36,892	217	30	1,601
Wyoming	203,917	1,665	194,838	7,128	24	25	237
U.S. Armed Services overseas and Territories							
other than Puerto Rico	215,935	130	213,154	2,609	5	5	32
Puerto Rico	228,047	277	209,337	18,388	12	0	33
International	309,894	4,160	303,212	1,702	141	13	666
Undistributed [5]	394,802	20	394,421	331	d	d	27
<b>Child tax credit [6]</b>	<b>16,326,822</b>	<b>N/A</b>	<b>16,326,822</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Earned income tax credits [6]</b>	<b>19,596,322</b>	<b>N/A</b>	<b>19,596,322</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Footnotes at end of table.

**Table 7. Number of Internal Revenue Refunds Issued, by State, Fiscal Year 2006—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] Represents refundable earned income tax credits, refundable child tax credits, overpayment refunds, refunds resulting from examination activity, and other refunds required by law.

[2] Includes refunds of tax on business income of tax-exempt organizations.

[3] Includes 0.2 million refunds of fiduciary income taxes.

[4] Includes refunds of income tax withheld and refunds of and credits for old-age, survivors, disability, and hospital insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA), except for excess credits, and on self-employment income under the Self-Employment Insurance Contributions Act (SECA), as well as for railroad retirement taxes under the Railroad Retirement Tax Act (RRTA) and unemployment taxes under the Federal Unemployment Tax Act (FUTA).

[5] Includes tax refunds not classified by State as of the end of the fiscal year because they have not been applied to taxpayer accounts.

[6] Reflects refundable portions of credits only. Shown separately for informational purposes; counts are included in the State figures.

NOTES: 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, or, in the case of certain individuals who were sole proprietors, partners in a partnership, or shareholders in an S corporation, the business address. 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 other State(s).

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R



**Table 8. Amount of Internal Revenue Refunds Issued, Including Interest, by State, Fiscal Year 2006**

[Money amounts are in thousands of dollars.]

State	Total Internal Revenue refunds [1, 2]	Amounts refunded by type of tax					
		Corporation income tax [1, 3]	Individual income tax [1, 2]	Employment taxes [4]	Estate tax	Gift tax	Excise taxes
		(2)	(3)	(4)	(5)	(6)	(7)
<b>United States, total</b>	<b>280,393,087</b>	<b>29,831,391</b>	<b>242,630,468</b>	<b>4,917,599</b>	<b>801,289</b>	<b>49,318</b>	<b>2,163,021</b>
Alabama	3,927,882	221,279	3,653,233	35,896	5,425	301	11,749
Alaska	554,652	16,002	529,703	4,899	d	d	3,200
Arizona	4,177,180	112,252	4,008,793	37,714	10,375	194	7,852
Arkansas	2,060,770	85,819	1,953,238	13,778	2,954	63	4,918
California	31,843,097	3,212,830	28,085,609	341,493	138,538	11,613	53,014
Colorado	3,696,625	216,720	3,380,529	41,243	28,273	184	29,676
Connecticut	4,056,894	796,764	3,186,167	48,019	20,785	1,276	3,882
Delaware	1,940,311	1,202,552	713,971	19,435	3,730	9	614
District of Columbia	626,891	49,198	557,842	13,423	3,348	[5]	3,080
Florida	16,316,127	816,980	15,253,441	154,316	65,254	8,075	18,061
Georgia	8,282,980	814,423	7,346,600	91,347	12,800	710	17,100
Hawaii	983,897	43,092	924,085	8,930	6,896	148	747
Idaho	950,165	55,626	881,519	10,708	854	17	1,442
Illinois	14,199,344	2,950,624	11,070,441	118,416	32,739	3,110	24,013
Indiana	5,292,070	247,276	5,004,844	28,528	5,108	114	6,199
Iowa	2,355,412	381,211	1,936,105	13,872	14,991	22	9,211
Kansas	1,977,435	98,640	1,854,443	14,234	1,582	881	7,655
Kentucky	3,117,375	114,348	2,969,099	28,202	2,730	156	2,840
Louisiana	4,096,658	476,032	3,586,107	27,114	4,323	133	2,949
Maine	930,379	38,748	883,080	5,498	2,400	78	576
Maryland	5,208,585	262,950	4,865,259	64,135	12,482	813	2,944
Massachusetts	6,213,026	627,217	5,498,621	50,886	30,541	1,642	4,118
Michigan	9,311,068	1,288,527	7,929,859	65,918	16,222	1,367	9,175
Minnesota	5,321,687	1,597,875	3,599,995	103,880	4,539	825	14,572
Mississippi	2,411,766	64,722	2,329,901	13,433	1,695	115	1,901
Missouri	4,635,569	390,755	4,188,516	33,727	6,627	208	15,736
Montana	583,160	13,335	562,537	4,456	1,229	74	1,529
Nebraska	1,404,951	187,239	1,198,974	12,538	2,675	16	3,509
Nevada	2,287,665	75,350	2,177,067	28,497	4,070	1,080	1,600
New Hampshire	1,167,303	65,208	1,089,399	7,427	2,458	560	2,251
New Jersey	9,839,029	1,431,290	8,112,243	157,821	30,110	1,477	106,089
New Mexico	1,359,378	42,806	1,302,824	9,905	2,474	6	1,363
New York	21,797,693	4,644,700	16,674,090	298,438	106,339	52,840	21,286
North Carolina	6,991,927	534,004	6,374,602	68,979	11,093	-1,114	4,363
North Dakota	408,404	20,204	383,280	3,008	311	0	1,600
Ohio	10,587,898	1,596,177	8,895,016	59,255	20,314	2,140	14,996
Oklahoma	2,511,556	125,948	2,335,142	20,172	4,676	677	24,940
Oregon	2,394,740	127,921	2,229,181	19,310	7,337	558	10,433
Pennsylvania	11,001,987	1,143,060	9,741,173	86,475	19,451	1,135	10,694
Rhode Island	944,128	84,378	853,592	3,408	2,259	13	478
South Carolina	3,245,435	118,005	3,099,512	20,892	4,159	437	2,430
South Dakota	546,040	25,658	511,735	3,426	196	[5]	5,025
Tennessee	5,584,924	795,698	4,718,450	46,386	6,652	371	17,367
Texas	20,879,927	1,766,988	18,789,329	217,024	48,300	1,407	56,880
Utah	1,744,072	98,232	1,610,412	25,009	1,644	45	8,729
Vermont	480,078	43,204	430,884	4,558	804	99	529
Virginia	6,539,180	345,073	6,076,076	61,569	14,461	776	41,226
Washington	5,873,121	901,737	4,875,358	71,479	14,300	1,031	9,216
West Virginia	1,254,825	21,650	1,217,261	7,752	5,930	94	2,137
Wisconsin	4,464,618	527,407	3,888,603	35,955	10,013	65	2,575
Wyoming	407,004	9,859	389,476	3,768	2,842	119	941
U.S. Armed Services overseas and Territories other than Puerto Rico	455,288	946	451,616	2,664	0	0	63
Puerto Rico	408,724	46,411	353,326	8,870	27	0	89
International	1,194,700	364,461	785,240	39,579	2,939	127	2,353
Refund adjustments and credits [6]	2,970,367	-632,031	2,254	2,213,400	0	0	1,386,744
Highway and Airport and Airways Trust Funds [7]	367,543	-632,031	2,254	0	0	0	997,320
Excess Federal Insurance Contributions Act (FICA) credits	2,213,400	0	0	2,213,400	0	0	0
U.S. Customs Service and Alcohol and Tobacco Tax and Trade Bureau	389,424	0	0	0	0	0	389,424
Undistributed [8]	6,577,123	-875,990	7,310,815	-13,466	d	d	164,365
<b>Child tax credit [9]</b>	<b>15,449,284</b>	<b>N/A</b>	<b>15,449,284</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Earned income tax credits [9]</b>	<b>36,609,445</b>	<b>N/A</b>	<b>36,609,445</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Footnotes at end of table.

**Table 8. Amount of Internal Revenue Refunds Issued, Including Interest, by State, Fiscal Year 2006—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] Includes overpayment refunds, refunds resulting from examination activity, refundable earned income tax credits, refundable child tax credits, and other refunds required by law. Also includes \$3.6 billion in interest, of which \$2.8 billion were paid to corporations, \$0.6 billion to individuals, and \$0.2 billion to all others (related to employment, estate, gift, and excise tax returns).
- [2] Includes \$1.5 billion (including interest of \$25.1 million) in fiduciary and partnership refunds. The average individual income tax refund (based on Forms 1040, 1040A, and 1040EZ) was \$2,227.
- [3] Includes refunds of tax on business income of tax-exempt organizations.
- [4] Includes refunds of income tax withheld and refunds of and credits for old-age, survivors, disability, and hospital insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA), except for excess credits, and on self-employment income under the Self-Employment Insurance Contributions Act (SECA), as well as for railroad retirement taxes under the Railroad Retirement Tax Act (RRTA) and unemployment taxes under the Federal Unemployment Tax Act (FUTA).
- [5] Less than \$500.
- [6] Refund adjustments and credits are not shown by State but are included in the U.S. totals. Counts of refund adjustments and credits are not available, and are excluded from the total number of refunds in Table 7.
- [7] Includes refunds of individual or corporation income taxes reclassified as excise taxes for inclusion in the Highway and Airport and Airways Trust Funds. In addition, includes credits and claims for excess payments.
- [8] Includes tax payments not classified by State as of the end of the fiscal year because they have not been applied to taxpayer accounts.
- [9] Reflects refundable portions of the credits only. Shown separately for informational purposes; refund amounts are included in the State figures and U.S. totals.

NOTES: Collection and refund data by State 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 years made in Fiscal Year 2006 may result in negative amounts when such adjustments exceed 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, or, in the case of certain individuals who were sole proprietors, partners in a partnership, or shareholders in an S corporation, the business address. 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 other State(s).

Detail may not add to totals because of rounding.

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R



## *Enforcement*

### EXAMINATIONS

**T**ables 9 through 12 provide information about examinations of most types of tax returns. Table 9 provides an overview of examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. Table 10 provides additional information about those examinations in which the taxpayer did not agree with the IRS examiner's determination. Table 11 provides information on examinations that prevented the erroneous payment of refunds. Table 12 shows the number of examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, and employee retirement plans. These organizations generally do not owe Federal income tax. However, tax-exempt organizations may owe additional payroll taxes, unrelated business income tax, or excise taxes. In addition, changes to exempt organization returns may lead to adjustments on related taxable returns. Examinations of related returns are also included in Table 13 (and excluded from Tables 9 through 12).



**Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006 REVISED APRIL 2009**

Type and size of return	Returns examined				
	Returns filed in Calendar Year 2005 [1]	Total	Percentage covered	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)
<b>United States, total</b>	<b>176,941,072</b>	<b>1,406,282</b>	<b>0.8</b>	<b>416,142</b>	<b>990,140</b>
<b>Taxable returns:</b>					
Individual income tax returns, total [3]	132,275,830	[4] 1,283,950	1.0	302,785	981,165
Nonbusiness returns:					
Form 1040A with TPI under \$25,000 [5, 6]	32,016,955	159,984	0.5	9,219	150,765
All other returns by size of TPI [6]:					
Under \$25,000	20,514,194	302,168	1.5	16,434	285,734
\$25,000 under \$50,000	31,160,832	191,274	0.6	44,095	147,179
\$50,000 under \$100,000	26,748,881	164,203	0.6	61,662	102,541
\$100,000 or more	13,344,962	165,800	1.2	56,717	109,083
Business returns by size of TGR [7]:					
Nonfarm returns:					
Under \$25,000	3,413,299	127,603	3.7	19,801	107,802
\$25,000 under \$100,000	3,001,362	80,792	2.7	38,722	42,070
\$100,000 or more	1,559,180	89,231	5.7	54,716	34,515
Farm returns:					
Under \$100,000	322,076	1,348	0.4	454	894
\$100,000 or more	194,089	1,547	0.8	965	582
Corporation income tax returns, except Form 1120S, total [8]	2,313,812	28,799	1.2	24,746	4,053
Returns other than Form 1120-F [9]:					
Small corporations [10]					
No balance sheet returns	385,075	2,128	0.6	1,714	414
Balance sheet returns by size of total assets:					
Under \$250,000	1,265,194	8,757	0.7	6,246	2,511
\$250,000 under \$1,000,000	373,865	3,782	1.0	3,184	598
\$1,000,000 under \$5,000,000	176,824	2,183	1.2	1,988	195
\$5,000,000 under \$10,000,000	29,066	999	3.4	951	48
Large corporations [11]					
Balance sheet returns by size of total assets:					
\$10,000,000 under \$50,000,000	29,774	4,218	14.2	4,156	62
\$50,000,000 under \$100,000,000	7,232	999	13.8	967	32
\$100,000,000 under \$250,000,000	7,738	1,085	14.0	1,057	28
\$250,000,000 or more	12,133	4,276	35.2	4,146	130
Form 1120-F returns [9]	26,911	372	1.4	337	35
Estate and trust income tax returns	3,698,635	3,669	0.1	1,904	1,765
Estate tax returns:					
Total	54,851	5,299	9.7	5,296	3
Size of gross estate:					
Under \$5,000,000	48,407	3,788	7.8	3,785	3
\$5,000,000 or more	6,444	1,511	23.4	1,511	0
Gift tax returns	265,455	2,051	0.8	2,051	0
Employment tax returns	31,058,035	41,646	0.1	41,165	481
Excise tax returns	838,915	16,678	2.0	16,678	0
Other taxable returns [12]	[13]	468	[13]	463	5
<b>Nontaxable returns:</b>					
Partnership returns, Form 1065	2,720,290	9,752	0.4	7,638	2,114
S corporation returns, Form 1120S [14]	3,715,249	13,970	0.4	13,416	554
<b>Income, estate, and gift tax, and nontaxable returns, total</b>	<b>145,044,122</b>	<b>1,347,490</b>	<b>0.9</b>	<b>357,836</b>	<b>989,654</b>

Footnotes at end of table.

**Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006—Continued REVISED APRIL 2009**

Type and size of return	Percentage of returns examined with no change		Recommended additional tax (thousands of dollars)			Average recommended additional tax per return (dollars)	
	Field [2]	Correspondence	Total	Field [2]	Correspondence	Field [2]	Correspondence
	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>United States, total</b>	<b>[13]</b>	<b>[13]</b>	<b>43,951,550</b>	<b>36,249,535</b>	<b>7,702,015</b>	<b>87,109</b>	<b>7,779</b>
<b>Taxable returns:</b>							
Individual income tax returns, total [3]	14	17	[15] 13,045,221	5,433,084	7,612,137	17,944	7,758
Nonbusiness returns:							
Form 1040A with TPI under \$25,000 [5, 6]	16	12	410,644	52,241	358,403	5,667	2,377
All other returns by size of TPI [6]:							
Under \$25,000	15	15	1,232,163	90,164	1,141,999	5,486	3,997
\$25,000 under \$50,000	11	16	957,556	164,084	793,472	3,721	5,391
\$50,000 under \$100,000	13	29	477,749	239,048	238,701	3,877	2,328
\$100,000 or more	17	24	6,625,887	3,115,679	3,510,208	54,934	32,179
Business returns by size of TGR [7]:							
Nonfarm returns:							
Under \$25,000	10	11	359,321	77,575	281,746	3,918	2,614
\$25,000 under \$100,000	10	18	531,304	211,585	319,719	5,464	7,600
\$100,000 or more	15	12	2,372,635	1,410,954	961,681	25,787	27,863
Farm returns:							
Under \$100,000	20	29	6,066	2,851	3,215	6,280	3,596
\$100,000 or more	21	43	71,896	68,903	2,993	71,402	5,143
Corporation income tax returns, except Form 1120S, total [8]	32	36	27,799,244	27,718,884	80,360	1,120,136	19,827
Returns other than Form 1120-F [9]:							
Small corporations [10]	36	35	674,965	665,731	9,234	47,272	2,452
No balance sheet returns	25	26	226,571	225,638	933	131,644	2,254
Balance sheet returns by size of total assets:							
Under \$250,000	37	29	105,803	99,669	6,134	15,957	2,443
\$250,000 under \$1,000,000	38	51	93,063	91,382	1,681	28,700	2,811
\$1,000,000 under \$5,000,000	38	72	81,917	81,486	431	40,989	2,210
\$5,000,000 under \$10,000,000	43	77	167,611	167,556	55	176,189	1,146
Large corporations [11]	25	50	26,844,006	26,773,052	70,954	2,592,781	281,563
Balance sheet returns by size of total assets:							
\$10,000,000 under \$50,000,000	38	48	571,250	570,772	478	137,337	7,710
\$50,000,000 under \$100,000,000	29	41	338,218	334,761	3,457	346,185	108,031
\$100,000,000 under \$250,000,000	24	54	405,102	362,104	42,998	342,577	1,535,643
\$250,000,000 or more	11	52	25,529,436	25,505,415	24,021	6,151,813	184,777
Form 1120-F returns [9]	38	60	280,273	280,101	172	831,160	4,914
Estate and trust income tax returns	25	73	76,925	68,200	8,725	35,819	4,943
Estate tax returns:							
Total	15	100	1,436,268	1,436,268	0	271,199	0
Size of gross estate:							
Under \$5,000,000	16	100	336,467	336,467	0	88,895	N/A
\$5,000,000 or more	13	N/A	1,099,801	1,099,801	0	727,863	N/A
Gift tax returns	20	N/A	504,731	504,731	0	246,090	N/A
Employment tax returns	9	1	924,838	924,045	793	22,447	1,649
Excise tax returns	26	N/A	102,687	102,687	0	6,157	N/A
Other taxable returns [12]	14	100	61,636	61,636	0	133,123	0
<b>Nontaxable returns:</b>							
Partnership returns, Form 1065	50	57	N/A	N/A	N/A	N/A	N/A
S corporation returns, Form 1120S [14]	41	58	N/A	N/A	N/A	N/A	N/A
<b>Income, estate, and gift tax, and nontaxable returns, total</b>	<b>17</b>	<b>17</b>	<b>42,862,389</b>	<b>35,161,167</b>	<b>7,701,222</b>	<b>98,261</b>	<b>7,782</b>

Footnotes at end of table.

**Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006—Continued REVISED APRIL 2009**

---

---

**Footnotes**

N/A—Not applicable.

- [1] In general, examination activity is associated with returns filed in the previous calendar year. However, this relationship is only approximate.
- [2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.
- [3] Examinations of individual income tax returns include more than 17,000 returns of taxpayers with total positive income (TPI) of \$1 million or more. For a definition of TPI, see footnote 6 below.
- [4] Includes 517,617 returns selected for examination on the basis of an earned income tax credit (EITC) claim. Excludes 9,315 returns associated with the EITC qualifying child certification test, which are tracked in IRSs examination data base
- [5] Form 1040A is one of the two IRS individual income tax return "short forms."
- [6] TPI (total positive income) is, in general, the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes net losses.
- [7] TGR (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 to the cost of purchased items and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [8] Includes Forms 1120 ("long form"); 1120-A ("short form"); Form 1120-F (foreign corporations, except foreign life insurance companies); 1120-H (homeowner associations); Form 1120-L (life insurance companies); Form 1120M (mutual insurance companies); Form 1120-PC (property and casualty insurance companies); 1120-POL (certain political associations); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-SF (settlement funds). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 12.
- [9] Forms 1120-F are returns filed by foreign corporations with U.S. income, other than foreign life insurance companies and foreign sales corporations.
- [10] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [11] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [12] Includes Forms 1120S for S corporations reporting a tax (see footnote 14); 1120-FSC (foreign sales corporations); 8288 (withholding tax returns for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association income tax); and 8804 (annual return for partnership withholding).
- [13] Not tabulated.
- [14] Includes most Forms 1120S, which are returns 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.
- [15] Includes \$1,486,728 (in thousands) in recommended additional tax (including earned income tax credit) on returns selected for examination on the basis of an earned income tax credit (EITC) claim. Excludes \$8,850 (thousands) in denied EITC related to the qualifying child certification test. These EITC cases are tracked in IRSs examination data base.

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Internal Revenue Service Data Book, 2006



**Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006 REVISED APRIL 2009**

[Money amounts are in thousands of dollars.]

Type and size of return	Taxable returns examined			Amount unagreed		
	Total	Field [1]	Correspondence	Total	Field [1]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>37,137</b>	<b>26,507</b>	<b>10,630</b>	<b>24,064,661</b>	<b>23,811,017</b>	<b>253,644</b>
Individual income tax returns, total	29,595	19,034	10,561	2,170,568	1,916,938	253,630
Nonbusiness returns:						
Form 1040A with TPI under \$25,000 [2, 3]	1,058	380	678	15,981	10,692	5,289
All other returns by size of TPI [3]:						
Under \$25,000	2,284	715	1,569	55,739	38,320	17,419
\$25,000 under \$50,000	4,328	2,151	2,177	59,869	37,732	22,137
\$50,000 under \$100,000	6,421	3,851	2,570	52,766	41,541	11,225
\$100,000 or more	7,301	5,162	2,139	1,489,779	1,332,578	157,201
Business returns by size of TGR [4]:						
Nonfarm returns:						
Under \$25,000	1,145	682	463	42,134	22,422	19,712
\$25,000 under \$100,000	2,797	2,233	564	47,857	40,802	7,055
\$100,000 or more	4,093	3,707	386	395,043	381,836	13,207
Farm returns:						
Under \$100,000	62	50	12	963	638	325
\$100,000 or more	106	103	3	10,437	10,377	60
Corporation income tax returns, except Form 1120S, total [5]	2,473	2,423	50	20,194,476	20,194,462	14
Returns other than Form 1120-F [6]:						
Small corporations [7]	1,080	d	d	284,424	d	d
No balance sheet returns	145	d	d	88,280	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	485	448	37	25,292	25,292	[8]
\$250,000 under \$1,000,000	215	208	7	23,452	23,452	[8]
\$1,000,000 under \$5,000,000	168	165	3	23,055	23,041	14
\$5,000,000 under \$10,000,000	67	67	0	124,345	124,345	0
Large corporations [9]	1,372	d	d	19,815,988	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	240	240	0	223,965	223,965	0
\$50,000,000 under \$100,000,000	67	67	0	65,322	65,322	0
\$100,000,000 under \$250,000,000	121	d	d	165,147	d	d
\$250,000,000 or more	944	944	0	19,361,554	19,361,554	0
Form 1120-F returns [6]	21	21	0	94,064	94,064	0
Estate and trust income tax returns	386	367	19	47,437	47,437	[8]
Estate tax returns:						
Total	301	301	0	915,851	915,851	0
Size of gross estate:						
Under \$5,000,000	199	199	0	131,756	131,756	0
\$5,000,000 or more	102	102	0	784,095	784,095	0
Gift tax returns	295	295	0	357,632	357,632	0
Employment tax returns	2,800	2,800	0	319,207	319,207	
Excise tax returns	1,263	1,263	0	26,576	26,576	0
Other taxable returns [10]	24	24	0	32,914	32,914	0

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

[1] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.

[2] Form 1040A is one of the two IRS individual income tax return "short forms."

[3] TPI (total positive income) is, in general, the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes net losses.

**Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2006—Continued REVISED APRIL 2009**

---

**Footnotes—Continued**

- [4] TGR (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 to the cost of purchased items 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.
- [5] Includes Forms 1120 ("long form"); 1120-A ("short form"); Form 1120-F (foreign corporations, except foreign life insurance companies); 1120-H (homeowner associations); Form 1120-L (life insurance companies); Form 1120M (mutual insurance companies); Form 1120-PC (property and casualty insurance companies); 1120-POL (certain political associations); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-SF (settlement funds). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 10.
- [6] Forms 1120-F are returns filed by foreign corporations with U.S. income, other than foreign life insurance companies and foreign sales corporations.
- [7] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [8] Less than \$500.
- [9] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [10] Includes Forms 1120S for S corporations reporting a tax; 1120-FSC (foreign sales corporations); 8288 (withholding tax returns for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association income tax); and 8804 (annual return for partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Internal Revenue Service Data Book, 2006

**Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2006 [1]**

[Money amounts are in thousands of dollars.]

Type and size of return	Taxable returns examined			Amount protected		
	Total (1)	Field [2] (2)	Correspondence (3)	Total (4)	Field [2] (5)	Correspondence (6)
<b>United States, total</b>	<b>53,374</b>	<b>14,126</b>	<b>39,248</b>	<b>6,964,410</b>	<b>6,874,657</b>	<b>89,753</b>
Individual income tax returns, total	49,122	9,884	39,238	395,054	308,632	86,422
Nonbusiness returns:						
Form 1040A with TPI under \$25,000 [3, 4]	16,489	526	15,963	39,706	4,347	35,359
All other returns by size of TPI [4]:						
Under \$25,000	11,138	246	10,892	36,261	16,096	20,165
\$25,000 under \$50,000	5,215	758	4,457	13,009	3,978	9,031
\$50,000 under \$100,000	3,598	1,492	2,106	14,220	7,927	6,293
\$100,000 or more	4,951	4,176	775	205,706	200,558	5,148
Business returns by size of TGR [5]:						
Nonfarm returns:						
Under \$25,000	2,835	142	2,693	8,981	3,777	5,204
\$25,000 under \$100,000	2,598	802	1,796	7,250	3,504	3,746
\$100,000 or more	2,132	1,628	504	68,576	67,199	1,377
Farm returns:						
Under \$100,000	45	11	34	97	25	72
\$100,000 or more	121	103	18	1,248	1,221	27
Corporation income tax returns, except Form 1120S, total [6]	1,729	1,724	5	6,374,111	6,370,793	3,318
Returns other than Form 1120-F [7]:						
Small corporations [8]	340	340	0	692,274	692,274	0
No balance sheet returns	38	38	0	687,149	687,149	0
Balance sheet returns by size of total assets:						
Under \$250,000	62	62	0	547	547	0
\$250,000 under \$1,000,000	67	67	0	937	937	0
\$1,000,000 under \$5,000,000	104	104	0	2,079	2,079	0
\$5,000,000 under \$10,000,000	69	69	0	1,562	1,562	0
Large corporations [9]	1,376	1,371	5	5,653,308	5,649,990	3,318
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	168	168	0	14,286	14,286	0
\$50,000,000 under \$100,000,000	100	100	0	16,829	16,829	0
\$100,000,000 under \$250,000,000	141	141	0	71,904	71,904	0
\$250,000,000 or more	967	962	5	5,550,289	5,546,971	3,318
Form 1120-F returns [7]	13	13	0	28,529	28,529	0
Estate and trust income tax returns	84	84	0	10,836	10,836	0
Estate tax returns:						
Total	332	332	0	82,384	82,384	0
Size of gross estate:						
Under \$5,000,000	256	256	0	30,947	30,947	0
\$5,000,000 or more	76	76	0	51,437	51,437	0
Gift tax returns	52	52	0	3,472	3,472	0
Employment tax returns	257	252	5	17,985	17,972	13
Excise tax returns	1,758	1,758	0	27,938	27,938	0
Other taxable returns [10]	40	40	0	52,630	52,630	0

[1] Protection of the revenue base comprises any action taken by the Internal Revenue Service to prevent the release of funds from the U.S. Treasury in response to taxpayer efforts to recoup all, or part, of previously assessed and paid tax.

[2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.

[3] Form 1040A is one of the two IRS individual income tax return "short forms."

[4] TPI (total positive income) is, in general, the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes net losses.

**Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2006 [1]—Continued****Footnotes—Continued**

- [5] TGR (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 to the cost of purchased items 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.
- [6] Includes Forms 1120 ("long form"); 1120-A ("short form"); Form 1120-F (foreign corporations, except foreign life insurance companies); 1120-H (homeowner associations); Form 1120-L (life insurance companies); Form 1120M (mutual insurance companies); Form 1120-PC (property and casualty insurance companies); 1120-POL (certain political associations); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-SF (settlement funds). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 10.
- [7] Forms 1120-F are returns filed by foreign corporations with U.S. income, other than foreign life insurance companies and foreign sales corporations.
- [8] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [9] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [10] Includes Forms 1120S for S corporations reporting a tax; 1120-FSC (foreign sales corporations); 8288 (withholding tax returns for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association income tax); and 8804 (annual return for partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Examination Management Information Systems and Automation  
SE:S:E:EPD:MISA

**Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2006 REVISED APRIL 2009**

[Money amounts are in thousands of dollars.]

Type and size of return	Taxable returns examined			Recommended refunds		
	Total	Field [1]	Correspondence	Total	Field [1]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
<b>United States, total</b>	<b>46,673</b>	<b>24,940</b>	<b>21,733</b>	<b>9,248,198</b>	<b>9,066,423</b>	<b>181,775</b>
Individual income tax returns, total	39,986	18,507	21,479	802,426	665,233	137,193
Nonbusiness returns:						
Form 1040A with TPI under \$25,000 [2, 3]	5,537	1,190	4,347	58,638	48,578	10,060
All other returns by size of TPI [3]:						
Under \$25,000	5,339	715	4,624	14,604	6,170	8,434
\$25,000 under \$50,000	3,748	1,529	2,219	8,963	4,409	4,554
\$50,000 under \$100,000	3,934	2,321	1,613	11,918	7,894	4,024
\$100,000 or more	10,630	6,004	4,626	527,063	430,932	96,131
Business returns by size of TGR [4]:						
Nonfarm returns:						
Under \$25,000	2,283	778	1,505	5,112	2,195	2,917
\$25,000 under \$100,000	3,205	1,858	1,347	10,281	6,936	3,345
\$100,000 or more	5,027	3,910	1,117	149,406	142,207	7,199
Farm returns:						
Under \$100,000	102	46	56	311	211	100
\$100,000 or more	181	156	25	16,130	15,701	429
Corporation income tax returns, except Form 1120S, total [5]	2,598	2,520	78	8,028,502	7,986,476	42,026
Returns other than Form 1120-F [6]:						
Small corporations [7]	818	770	48	91,350	90,689	661
No balance sheet returns	114	106	8	68,140	67,576	564
Balance sheet returns by size of total assets:						
Under \$250,000	275	246	29	3,144	3,101	43
\$250,000 under \$1,000,000	196	188	8	2,824	2,783	41
\$1,000,000 under \$5,000,000	147	d	d	6,973	d	d
\$5,000,000 under \$10,000,000	86	d	d	10,269	d	d
Large corporations [8]	1,755	1,725	30	7,878,410	7,837,045	41,365
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	361	353	8	73,310	73,166	144
\$50,000,000 under \$100,000,000	149	d	d	50,875	d	d
\$100,000,000 under \$250,000,000	206	d	d	170,339	d	d
\$250,000,000 or more	1,039	1,026	13	7,583,886	7,543,652	40,234
Form 1120-F returns [6]	25	25	0	58,742	58,742	0
Estate and trust income tax returns	302	127	175	11,615	9,059	2,556
Estate tax returns:						
Total	864	864	0	136,847	136,847	0
Size of gross estate:						
Under \$5,000,000	621	621	0	85,186	85,186	0
\$5,000,000 or more	243	243	0	51,661	51,661	0
Gift tax returns	57	d	d	4,707	d	d
Employment tax returns	350	d	d	34,489	d	d
Excise tax returns	2,401	2,401	0	110,928	110,928	0
Other taxable returns [9]	115	115	0	118,684	118,684	0

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

[1] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.

[2] Form 1040A is one of the two IRS individual income tax return "short forms."

[3] TPI (total positive income) is, in general, the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes net losses.

**Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2006—Continued REVISED APRIL 2009**

---

---

**Footnotes—Continued**

- [4] TGR (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 to the cost of purchased items 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.
- [5] Includes Forms 1120 ("long form"); 1120-A ("short form"); Form 1120-F (foreign corporations, except foreign life insurance companies); 1120-H (homeowner associations); Form 1120-L (life insurance companies); Form 1120M (mutual insurance companies); Form 1120-PC (property and casualty insurance companies); 1120-POL (certain political associations); 1120-REIT (real estate investment trusts); 1120-RIC (regulated investment companies); and 1120-SF (settlement funds). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 9.
- [6] Forms 1120-F are returns filed by foreign corporations with U.S. income, other than foreign life insurance companies and foreign sales corporations.
- [7] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [8] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [9] Includes Forms 1120S for S corporations reporting a tax; 1120-FSC (foreign sales corporations); 8288 (withholding tax returns for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association income tax); and 8804 (annual return for partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Internal Revenue Service Data Book, 2006

**Table 13. Returns of Tax-Exempt Organizations, Employee Plans, and Government Entities Examined, by Type of Return, Fiscal Year 2006**

Type of return	Number of returns
<b>Total number of returns examined in Fiscal Year 2006</b>	<b>17,949</b>
<b>Number of tax-exempt returns processed in Calendar Year 2005 [1]</b>	<b>849,227</b>
<b>Tax-exempt organizations and related taxable returns examined, total</b>	<b>7,079</b>
<b>Tax-exempt organization returns, total</b>	<b>3,884</b>
Forms 990 and 990-EZ	3,454
Forms 990-PF, 5227, 1041-A, and 1120 [2]	423
Form 1120-POL	7
<b>Related taxable returns, total</b>	<b>3,195</b>
Employment tax returns [3]	1,380
Form 990-T [4]	1,188
Form 4720 [5]	212
Forms 1040 and 1120 adjusted [6]	127
Forms 11-C and 730 [7]	288
<b>Number of employee plan returns processed in Calendar Year 2005 [8]</b>	<b>909,830</b>
<b>Employee plans and related taxable returns examined, total [9]</b>	<b>8,091</b>
<b>Employee plan returns, total</b>	<b>6,787</b>
Form 5500 [10]	6,602
Defined benefit	1,127
Defined contribution	5,475
Form 5500-EZ	185
Defined benefit	72
Defined contribution	113
<b>Related taxable returns, total</b>	<b>908</b>
Form 5330 [11]	804
Form 990-T [4]	d
Forms 1040 and 1120 adjusted [6]	d
<b>Government entity returns examined, total</b>	<b>2,779</b>
<b>Tax-exempt bond returns:</b>	
Forms 8038, 8038-G, 8038-GC, 8038-T, and 8328 [12]	495
<b>Federal, State, and local government [13]:</b>	
Forms 940 and 941	1,818
<b>Indian tribal government [13]:</b>	
Form 720	56
Forms 940 and 941	410

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

[1] Includes returns of tax-exempt organizations (Forms 990 and the 990-EZ "short" form), other than farmers' cooperatives; private foundations (Form 990-PF); split-interest trusts (Form 5227); trust accumulations of certain charitable amounts (Form 1041-A filed by a tax-exempt organization); and Form 1120-POL filed by political organizations and certain tax-exempt organizations to report political organization taxable income and tax.

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

[3] Includes employer's unemployment tax (Form 940); employer returns for income and Social Security tax withheld and advance earned income credit payments (Form 941); agricultural employee tax (Form 943); other income tax withholding (Form 945); and foreign employee tax (Form 1042).

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

[5] Form 4720 reports the excise tax on exempt organizations and related individuals.

[6] Related individual (Form 1040 series) or corporation (Form 1120 series) income tax returns adjusted as a result of examination of tax-exempt organization or employee plan returns.

---

**Table 13. Returns of Tax-Exempt Organizations, Employee Plans, and Government Entities Examined, by Type of Return, Fiscal Year 2006—Continued**

---

**Footnotes—Continued**

- [7] Form 11-C reports the occupational tax for wagering, and Form 730 reports the excise tax on wagering.
- [8] Multiple-participant plans file Form 5500, and one-participant plans file Form 5500EZ. Excludes welfare benefit plans and fringe benefit plans, which are not subject to examination by IRS.
- [9] Includes 396 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.
- [10] Includes 10 examinations of Forms 5500C/R filed prior to November 1999.
- [11] Form 5330 reports initial excise taxes related to employee plans.
- [12] Includes tax-exempt private activity bond issues (Form 8038); Government-purpose tax-exempt bond issues (Form 8038-G); small tax-exempt bond issues (Form 8038-GC); arbitrage rebates (Form 8038-T); and carryover election of unused private activity bond volume cap (Form 8328).
- [13] Do not have a primary return filing requirement, but are subject to excise and employment taxes.

NOTES: In general, examination activity for a fiscal year may be associated with returns filed in the previous calendar year. However, this relationship is only approximate. Counts of returns processed exclude related taxable returns.

SOURCES: Tax Exempt and Government Entities, Exempt Organizations SE:T:EO; Employee Plans SE:T:EP; and Government Entities SE:T:GE





## *Enforcement*

### INFORMATION REPORTING AND VERIFICATION

**T**he IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving taxpayers' self-reported income and tax on those tax returns that are filed, the IRS receives independent information about income received and taxes withheld on information returns, such as Forms W-2 and 1099 from 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, IRS uses information returns to identify persons who failed to file a return, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. Table 14 provides information about these programs.

During the routine processing of tax returns, the IRS also checks for mathematical and clerical errors before refunds are paid. Table 15 shows the types of errors made on Tax Year 2005 returns processed during Calendar Year 2006.



**Table 14. Information Reporting Program, Fiscal Year 2006**

Item	Number or amount
<b>Number of information returns received (millions) [1]:</b>	
Total	1,561
Paper	56
Electronic	847
Magnetic tape	368
Other [2]	290
<b>Number of contacts (closed cases, millions) [3]:</b>	
Total	4.462
Underreporter program	3.209
Nonfiler (automated substitute for return) program	1.253
<b>Amount of additional assessments (million dollars):</b>	
Total	14,941
Underreporter program [4]	4,075
Nonfiler (automated substitute for return) program [5]	10,866
<b>Number of full-time equivalent employees:</b>	
Total	2,113
Underreporter program	1,752
Nonfiler (automated substitute for return) program	360

[1] Includes Forms 1098 (mortgage interest, student loan interest, and tuition payments); the 1099 series (including interest and dividend distributions); 5498 (individual retirement arrangement and medical savings account information); W-2 (wage and tax statements); 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] Reflects Forms 1099SA/RRB and W-2 from the Social Security Administration.

[3] In previous issues of the *Data Book*, the number reported for the nonfiler program was the number of first delinquency notices issued to taxpayers during the year. The number reported here for the underreporter and the nonfiler (automated substitute for return) programs is the number of cases closed in FY 2006, where a notice has been issued to the taxpayer.

[4] Excludes interest and penalties.

[5] Includes interest and penalties assessed.

SOURCES: Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Strategic Planning and Systems Analysis SE:S:CCS:CRC:SPSA; Small Business/Self-Employed, Planning and Performance Management, Performance Planning and Analysis SE:S:SF:PPM:PPA; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching SE:S:CCS:CRC:DM; Small Business/Self-Employed, Compliance Services, Campus Compliance Services, Filing and Payment Compliance, Filing Compliance SE:S:CS:CCS:FPC:FC; Wage and Investment, Compliance Reporting Compliance, Policy, Monitoring, Analysis and Quality SE:W:C:RC:PMAQ

**Table 15. Number of Math Errors, by Type of Error, Calendar Year 2006**

Math error	Number [1]	Percent of total
<b>Math error notices, total [2]</b>	<b>3,159,077</b>	<b>100.0</b>
<b>Math errors, total [2]:</b>	<b>4,085,956</b>	<b>100.0</b>
Tax calculation/other taxes [3]	935,219	22.9
Earned income tax credit	629,150	15.4
Exemption number/amount	754,006	18.5
Standard/itemized deduction	487,610	11.9
Child tax credit	308,309	7.5
Adjusted gross/taxable income amount	307,704	7.5
Refund/amount due	222,643	5.4
Filing status	111,327	2.7
Adjustments to income	99,933	2.4
Other credits [4]	94,746	2.3
Withholding or excess Social Security payments	77,554	1.9
Other [5]	57,755	1.4

[1] Data reflect Tax Year 2005 individual income tax returns processed in Calendar Year 2006. Excludes 545,373 math errors and 426,650 notices associated with prior-year returns processed in Calendar Year 2006.

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

[3] 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 Schedule H tax.

[4] Encompasses all credits other than the Earned Income Tax Credit and Child Tax Credit, such as the Child and Dependent Care Credit, Credit for the Elderly, Rate Reduction Credit, and General Business Credit.

[5] Includes miscellaneous errors and unique error types not programmed and captured by any other math error definitions.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files SE:W:CAS:SP:IMF:N

## *Enforcement*

### COLLECTIONS, PENALTIES, AND CRIMINAL INVESTIGATION

**T**he mission of IRS's Collection function is to collect Federal taxes that are reported or assessed but not paid, and to secure tax returns that have not been filed. Table 16 provides information on these activities.

The failure to comply with Federal tax laws may result in civil penalties. Table 17 provides information on penalties assessed and abated during Fiscal Year 2006, by type of tax and type of penalty.

Individuals who deliberately fail to comply with Federal tax laws may also be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. Table 18 summarizes criminal investigation activity related to legal source tax crimes; illegal source financial crimes; and narcotics-related financial crimes. Legal source tax investigations involve activities, industries, and occupations that generate legitimate income. The Legal Source Tax Crimes Program also includes cases that may threaten the tax system, such as frivolous filers or nonfilers who challenge the legitimacy of the tax laws, unscrupulous tax return preparers, and fraudulent refund schemes. Illegal source financial crimes relate to proceeds derived from illegal sources other than narcotics and involve tax and tax-related violations as well as money laundering. In the Narcotics Program, the IRS 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.



**Table 16. Delinquent Collection Activities, Fiscal Years 2003-2006**

[Money amounts are in thousands of dollars.]

Activity	2003	2004	2005	2006
	(1)	(2)	(3)	(4)
<b>Returns filed with additional tax due:</b>				
Total amount collected [1]	35,507,826	36,659,487	37,113,036	40,813,309
From first notice of balance due	14,012,871	13,322,399	13,697,480	15,259,194
From subsequent notices of balance due [2]	11,521,248	12,567,170	12,214,506	13,411,371
From taxpayer delinquent accounts and additional actions [3]	9,973,708	10,769,919	11,201,051	12,142,744
Taxpayer delinquent accounts (thousands):				
Number in opening inventory	5,687	6,170	5,981	6,478
Number of issuances or receipts	5,380	5,179	5,870	6,100
Number of dispositions	4,896	5,368	5,373	5,504
Closing inventory:				
Number	6,170	5,981	6,478	7,074
Balance of assessed tax, penalties, and interest [4]	46,738,194	50,680,546	57,594,901	69,555,590
<b>Returns not filed timely:</b>				
Delinquent return activity:				
Net amount assessed [5]	15,117,175	15,635,584	22,765,462	23,305,535
Amount collected with delinquent returns	3,334,442	2,976,681	3,584,255	3,905,764
Taxpayer delinquency investigations (thousands) [6]:				
Number in opening inventory	2,138	2,964	3,022	3,658
Number of issuances or receipts	2,490	2,051	2,558	2,373
Number of dispositions	1,664	1,993	1,922	2,157
Number in closing inventory	2,964	3,022	3,658	3,874
<b>Offers in compromise (thousands) [7]:</b>				
Number of offers received	128	106	74	59
Number of offers accepted	22	20	19	15
Amount of offers accepted	243,942	275,331	325,640	283,746
<b>Enforcement activity:</b>				
Number of notices of Federal tax liens filed	544,316	534,392	522,887	629,813
Number of notices of levy served upon third parties	1,680,844	2,029,613	2,743,577	3,742,276
Number of seizures	399	440	512	590

[1] Includes previously unpaid taxes on returns filed plus assessed and accrued penalty and interest. For Fiscal Year 2006, a total of \$1,685,844 (dollars) was collected by private debt collection agencies.

[2] Includes payments on installment agreements.

[3] A taxpayer delinquent account (TDA) is created when the amount of tax, penalty, and interest remains unpaid after notices. A TDA includes the unpaid balance of tax plus assessed penalty and interest, and continues to accrue penalties and interest until the remaining balance is paid in full.

[4] Includes assessed penalties and interest but excludes any accrued penalties and interest. Assessed penalties and interest are those that are usually assessed at the same time as the unpaid balance of tax. They are computed on the unpaid balance of tax from the due date of the return to the date of assessment. Accrued penalties and interest are the portion of the total penalties and interest that is not part of the original assessed amounts.

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

[6] Investigation actions opened subsequent to nonresponse to notices for tax returns that have not been filed timely.

[7] An offer in compromise is an agreement, binding both the taxpayer and the Service, which resolves the taxpayer's tax liability where it has been determined that there is doubt as to the taxpayer's liability; doubt as to the Service's ability to collect the balance due; the taxpayer does not have the financial ability to fully pay the liability within the collection statute expiration date plus 5 years; or there is a serious economic hardship or other exceptional circumstance which warrants acceptance of less than full payment of the taxes owed.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars.

SOURCE: Small Business/Self-Employed, Collection Planning and Analysis, Collection National Reports SE:S:C:PA:CNR



**Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2006**

[Money amounts are in thousands of dollars.]

Type of tax and type of penalty	Civil penalties assessed		Civil penalties abated	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
<b>Civil penalties, total</b>	<b>36,204,104</b>	<b>27,088,106</b>	<b>4,761,115</b>	<b>11,085,102</b>
<b>Individual income tax:</b>				
<b>Civil penalties, total</b>	<b>25,948,410</b>	<b>12,517,662</b>	<b>2,722,948</b>	<b>2,430,024</b>
Delinquency	3,457,277	4,126,751	660,600	1,275,110
Estimated tax	6,577,158	1,493,251	185,767	167,620
Accuracy [1]	272,321	628,278	29,323	154,480
Partnership information [2]	5,120	99,010	2,364	30,712
Failure to pay	15,389,076	6,041,616	1,832,659	780,405
Bad check	232,118	18,323	11,080	4,653
Fraud	2,182	107,472	301	16,605
Other [3]	13,158	2,961	854	439
<b>Corporation income tax:</b>				
<b>Civil penalties, total [4]</b>	<b>701,785</b>	<b>1,222,107</b>	<b>101,127</b>	<b>714,610</b>
Delinquency	111,474	258,344	17,057	164,041
Estimated tax	270,488	299,780	14,221	91,234
Accuracy [1]	2,037	327,297	79	314,907
Failure to pay	314,557	312,607	69,322	138,544
Bad check	3,069	14,831	445	5,631
Fraud	d	d	3	253
Other [3]	d	d	0	0
<b>Employment taxes:</b>				
<b>Civil penalties, total [5]</b>	<b>8,788,261</b>	<b>6,412,216</b>	<b>1,488,032</b>	<b>2,942,894</b>
Delinquency	1,762,339	1,101,534	232,146	323,475
Estimated tax	4,029	51,031	1,778	46,768
Accuracy [1]	1,410	11,724	84	859
Federal tax deposits	2,274,397	3,915,192	546,164	2,256,045
Failure to pay	4,620,927	1,309,508	700,750	306,240
Bad check	124,955	19,999	7,101	9,439
Fraud	204	3,228	9	68
<b>Excise taxes:</b>				
<b>Civil penalties, total [6]</b>	<b>426,668</b>	<b>352,492</b>	<b>105,915</b>	<b>261,088</b>
Delinquency	120,655	27,410	10,894	7,491
Estimated tax	7,251	1,145	47	24
Accuracy [1]	799	631	17	17
Federal tax deposits	4,472	33,957	1,773	37,974
Daily delinquency	81,604	260,109	60,310	208,114
Failure to pay	207,771	26,265	32,640	7,006
Bad check	4,095	563	206	49
Fraud	21	2,412	28	413
<b>Estate and gift tax:</b>				
<b>Civil penalties, total [7]</b>	<b>14,278</b>	<b>266,647</b>	<b>7,854</b>	<b>163,170</b>
Delinquency	4,144	157,307	2,384	104,015
Accuracy [1]	61	6,571	d	d
Failure to pay	9,958	100,839	5,405	53,146
Bad check	112	920	53	422
Fraud	3	1,010	d	d
<b>Nonreturn penalties [8]</b>	<b>324,702</b>	<b>6,316,982</b>	<b>335,239</b>	<b>4,573,316</b>

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

- [1] Represents assessment of penalties specified in Internal Revenue Code section 6662 for negligence, substantial understatement of income tax, substantial valuation misstatement, substantial overstatement of pension liabilities, and substantial estate or gift tax valuation understatement. Also includes penalties related to negligence or disregard of rules and regulations under Internal Revenue Code section 6653(a) assessed on returns due before January 1, 1990.
- [2] Represents penalties related to failure to provide information on Form 1065 (partnerships), or on Form 8752 (Required Payment of Refund under section 7519), or failure to file electronically for Form 1065-B (large partnerships).
- [3] Represents failure to supply taxpayer identification number, failure to report tip income, and other miscellaneous penalties.
- [4] Represents penalties associated with Forms 1120 (corporation income tax return series); 990-C (farmers' cooperatives); and 990-T (tax-exempt organization business income tax).
- [5] Represents penalties associated with Forms 940 (employer's unemployment tax); 941 (employer's employment tax); 942 (household employment tax); 943 (agricultural employment tax); 945 (withheld income tax); 1042 (return of withheld income tax on U.S.-source income of foreign person); and CT-1 (railroad retirement tax).

---

**Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2006**  
**—Continued**

---

**Footnotes—Continued**

[6] Represents penalties associated with Forms 11-C (occupational tax and registration, wagering); 720 (excise tax return); 730 (wagering tax); 990 (basic tax-exempt organization return); 990-PF (private foundation); 1041-A (trust accumulation of charitable amounts); 2290 (highway heavy vehicle use tax); 4720 (excise tax, charities); and 5227 (split-interest trusts).

[7] Represents penalties associated with Forms 706 (estate tax) and 709 (gift tax).

[8] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to trust fund recovery, to tax return preparers, and to information returns (e.g., Forms 1099, W-2, 3520A, 8027, 8300), as well as aiding and abetting; disclosure of reportable transactions; frivolous return filing; and misuse of dyed fuel.

NOTES: An abatement is a reduction of penalties due to IRS error, reasonable cause, administrative and collection costs not warranting collection of the amount due, unpaid assessments discharged in bankruptcy, and IRS acceptance of partial payment of unpaid tax assessment in settlement of the balance due. Assessments reflect penalties assessed during the current fiscal year. Abatements are related to penalties assessed in both the current and prior fiscal years. Detail may not add to totals because of rounding.

SOURCE: Chief Financial Officer, Revenue Financial Management OS:CFO:R

**Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2006**

Status or disposition	Total	Legal source tax crimes [1]	Illegal source financial crimes [2]	Narcotics-related financial crimes [3]
	(1)	(2)	(3)	(4)
Investigations initiated [4]	3,907	1,524	1,686	697
Investigations discontinued	1,437	787	482	168
Referrals for prosecution	2,720	834	1,265	621
Information and indictments [5]	2,319	698	1,090	531
Convictions	2,019	592	938	489
Sentenced	2,020	624	861	535
Incarcerated [6]	1,650	492	677	481
Percentage of those sentenced who were incarcerated [6]	81.7	78.8	78.6	89.9

[1] Legal source tax investigations involve legal industries and legal occupations and, more specifically, legally earned income associated with the violation of Title 26 (tax violations) and Title 18 (tax-related violations) of the U.S. Code. The Legal Source Tax Crimes Program also includes those cases that threaten the tax system, such as Questionable Refund Program (QRP) cases, unscrupulous return preparers, and frivolous filers/nonfilers who challenge the legality of the filing requirements. Excise tax and employment tax cases are also important elements of the Legal Source Tax Crimes Program.

[2] Illegal source financial crimes involve proceeds derived from illegal sources other than narcotics. These encompass all tax and tax-related violations, as well as money-laundering and currency violations under the following statutes: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. The utilization of forfeiture statutes to deprive individuals and organizations of illegally obtained assets is also linked to the investigation of criminal charges within this program.

[3] Under the Narcotics Related Financial Crimes Program, IRS Criminal Investigation seeks to identify, investigate, and assist in the prosecution of the most significant narcotics-related tax and money-laundering offenders. IRS derives this authority 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 devotes resources to high-level multiagency narcotics investigations warranting Organized Crime Drug Enforcement Task Force (OCDETF) designation in accordance with OCDETF Program reimbursable funding.

[4] Since actions on a specific investigation may cross fiscal years, the data shown in cases initiated may not always represent the same universe of cases shown in other actions within the same fiscal year.

[5] Both "information" and "indictments" are accusations of criminal charges. "Information" is an accusation brought by a Federal prosecutor without the requirement of a grand jury. In contrast, an "indictment" is an accusation made by a Federal prosecutor and issued by a Federal grand jury.

[6] Incarcerated may include prison time, home confinement, electronic monitoring, or a combination thereof.

SOURCE: Criminal Investigation, Communications and Education Division SE:CI:CE

---

## *Taxpayer Assistance*

**B**oth taxpayer service and enforcement are necessary to achieve tax compliance. The IRS assists taxpayers in meeting their Federal tax return filing and payment obligations in a variety of ways, such as through its telephone helpline, via the Internet, at IRS walk-in sites, and through volunteer income tax return preparers. Table 19 provides information about some of the programs and services designed to help individual income tax return filers.

Table 20 provides information about the Taxpayer Advocate Service. The Taxpayer Advocate Service is an independent organization within the IRS that assists taxpayers who are experiencing economic hardships, who are seeking help to resolve tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

Table 21 provides information on the workload of IRS's Appeals Office. The Appeals mission is to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the taxpayer and the Government. The Appeals Office considers cases that involve examination, collection, and penalty issues. Taxpayers who disagree with the IRS findings in their cases may request an Appeals hearing. The local Appeals Office is separate and independent of the IRS office that proposed the tax adjustment, collection action, or penalty.



**Table 19. Internal Revenue Service Taxpayer Assistance and Education Programs for Individual Taxpayers, by Type of Assistance or Program, Fiscal Year 2006**

Type of assistance or program	Number or percentage
<b>Call or walk-in assistance:</b>	
Toll-free assistance calls [1]:	
Automated	24,329,165
Live	32,664,069
Taxpayer Assistance Center contacts [2]	6,524,530
<b>Accuracy of toll-free telephone assistance:</b>	
Tax law questions (percentage accurate)	90.9
Account questions (percentage accurate)	93.2
<b>Forms and publications (paper products):</b>	
Forms, publications, and orders for paper products	4,303,753
Libraries, banks, postal service distribution sites, grocery stores, copy centers, and office supply outlets stocking paper products [3]	26,363
<b>Assistance provided through the Internet (IRS.gov):</b>	
Individual electronic transactions, total	26,047,251
"Where's My Refund"	24,697,875
Internet Employer Identification Number applications	1,349,376
IRS Web site usage [4]:	
Number of visits	193,903,783
Number of page views	1,302,010,765
Number of downloads	204,230,945
<b>Disaster and emergency assistance:</b>	
Disaster incidents [5]:	
State incidents	55
County/city incidents	477
Taxpayers assisted:	
Toll-free disaster hot line	291,714
Taxpayer Assistance Centers	20,715
Disaster Recovery Centers	75,709
<b>Taxpayer education and tax return preparation:</b>	
Taxpayers assisted through taxpayer education programs [6]	110,429,838
Returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	2,268,447
Volunteers assisting in taxpayer education and return preparation programs	68,785
Volunteer Tax Preparation Assistance sites	12,362

[1] Includes calls answered by Customer Account Services and automated calls (including TeleTax). Excludes calls answered by Compliance and Tax-Exempt and Government Entities.

[2] Includes contacts at 400 sites where taxpayers are served at IRS Taxpayer Assistance Centers and alternative IRS sites (libraries and post offices). Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites.

[3] Represents the number of organizations distributing forms and publications. Each organization may have multiple branches.

[4] An increasing number of taxpayers receive assistance by using their personal computers to visit 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.

[5] Reflects events declared by the Federal Emergency Management Agency as major disaster areas for which the IRS granted administrative tax relief. Some States and counties/cities were affected more than once.

[6] Includes the number of taxpayers educated by Stakeholder Partnerships, Education, and Communication.

SOURCE: Wage and Investment, Strategy and Finance, Strategic Planning and Analysis SE:W:S:SPA

**Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2006**

Type of issue and relief	Number	Percentage of total
<b>Applications for taxpayer assistance received, by type of issue:</b>		
<b>Total</b>	<b>242,173</b>	<b>100</b>
Criminal investigation	21,395	9
Levies	18,800	8
Processing amended returns	17,140	7
Earned income tax credit	12,769	5
Injured spouse claims	11,599	5
Processing original returns	10,398	4
Expedite refund requests	10,070	4
Substitute for return program [1]	10,005	4
Underreporter program [2]	7,706	3
Open audits	6,934	3
All others	115,357	48
<b>Applications for taxpayer assistance closed, by type of resolution:</b>		
<b>Total</b>	<b>234,630</b>	<b>100</b>
<b>Relief provided to taxpayer:</b>		
<b>Total</b>	<b>165,085</b>	<b>70</b>
Taxpayer Assistance Order issued	28	[3]
No Taxpayer Assistance Order issued	165,057	70
Full relief	152,260	65
Individual issue [4]	133,741	57
Systemic issue [5]	18,519	8
Partial relief	12,797	5
Individual issue [4]	11,479	5
Systemic issue [5]	1,318	1
<b>No relief provided to taxpayer:</b>		
<b>Total</b>	<b>69,545</b>	<b>30</b>
Taxpayer Assistance Order issued and rescinded [6]	5	[3]
No Taxpayer Assistance Order issued	69,540	30
No response from taxpayer	30,077	13
Relief deemed not appropriate	16,980	7
Relief provided prior to Taxpayer Advocate Service intervention	13,924	6
Taxpayer rescinded request	3,276	1
Hardship not validated	1,410	1
Hardship not related to revenue laws	1,383	1
Tax law precluded relief	1,471	1
All others	1,019	[3]
<b>Taxpayer Assistance Orders issued [7]:</b>		
<b>Total</b>	<b>46</b>	<b>N/A</b>
Issued and resolved with relief	28	N/A
Issued and rescinded	5	N/A
Unresolved during FY 2006	13	N/A
<b>Congressional inquiries [8]</b>	<b>10,873</b>	<b>N/A</b>

Footnotes at end of table.

**Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2006—Continued****Footnotes**

N/A—Not applicable.

- [1] Under the nonfiler "substitute for return" program, IRS uses information returns from third parties to identify tax return delinquencies, constructs tax returns for certain nonfilers on the basis of that information, and assesses tax, interest, and penalties on the results.
- [2] Under the "underreporter program," IRS uses information returns from third parties to identify unreported income.
- [3] Less than 0.5 percent.
- [4] A single issue (applicable to an individual, corporation, or other entity) that requires a change or modification to an account.
- [5] Requires a change or modification to an established procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.
- [6] Taxpayer Assistance Order (TAO) was issued; an operating division appealed; and the TAO was rescinded by the National Taxpayer Advocate, Commissioner, or Deputy Commissioner. Therefore, no relief was provided to the taxpayer.
- [7] A Taxpayer Assistance Order (TAO) directs an IRS organizational unit to take a specific action; or to review, expedite consideration, or reconsider a taxpayer's case. Count includes TAOs issued in FY 2006, with respect to applications received or cases closed in any year.
- [8] "Congressional inquiries" (related to constituents' tax accounts) is an information item and is not included in the totals.

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

SOURCE: Taxpayer Advocate Service, Business System Planning TA:BSP



**Table 21. Appeals Workload, by Type of Case, Fiscal Year 2006**

Type of case	Cases received	Cases closed	Cases pending September 30, 2006
	(1)	(2)	(3)
<b>Total cases [1]</b>	<b>97,138</b>	<b>102,559</b>	<b>55,172</b>
Collection due process	32,517	32,362	18,958
Offers in compromise	10,462	12,846	5,067
Innocent spouse	3,203	4,564	1,582
Penalty appeals	11,930	12,392	2,804
Coordinated industry cases	453	639	890
Industry cases	1,056	856	1,295
Examination	32,649	33,182	22,407
Other [2]	4,868	5,718	2,169

[1] A case represents a taxpayer with one type of tax and one or more tax periods under consideration in Appeals.

[2] The "Other" category includes cases involving Trust Fund Recovery Penalty, Collection Appeals Program, Freedom of Information Act, Director of Practice, and Abatement of Interest.

SOURCE: Appeals, Strategic Planning, Measures Analysis AP:SP:SPMA

---

## *Tax-Exempt Activities*

**T**able 22 summarizes IRS activities, such as issuing technical guidance, to assist tax-exempt entities and facilitate their compliance with the Federal tax laws. Table 23 provides information about applications for tax-exempt status by employee pension plans, and Table 24 provides information about applications for tax-exempt status by charitable and other organizations. Table 25 shows the total number of approved tax-exempt organizations for Fiscal Years 2003 through 2006.



**Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2006**

Item	Total	Employee plans	Tax-exempt organizations	Tax-exempt bonds
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>7,071</b>	<b>5,100</b>	<b>1,911</b>	<b>60</b>
Guidance [1]	54	41	13	N/A
Technical activities	4,022	2,124	1,898	N/A
Requests for rulings	1,901	633	1,268	N/A
Technical assistance	152	112	40	N/A
Technical advice	79	54	25	N/A
Opinion letters on prototype plans [2]	332	332	NA	N/A
Correspondence [3]	1,543	981	562	N/A
Other	15	12	3	N/A
Voluntary compliance agreements	2,995	2,935	N/A	60

N/A—Not applicable.

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

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

[3] Includes both Congressional and general correspondence.

SOURCES: Tax Exempt and Government Entities, Exempt Organizations SE:T:EO and Employee Plans SE:T:EP

**Table 23. Determination Letters Issued on Employee Pension Plans, by Type and Disposition of Plan, Fiscal Year 2006**

Letters issued, disposition of plan	Determination letters									
	Defined contribution plans									
	Type of plan									
	Total determination letters	Defined benefit plan	Total [1]	Stock bonus	Money purchase	Target benefit	Profit- sharing	Employee stock ownership	Other defined contribution	Section 401(k) [2]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>Total:</b>										
Qualified	16,987	4,118	12,869	57	568	40	10,985	547	672	5,195
Not qualified	3	d	d	d	d	d	d	d	d	d
<b>Initial qualifications:</b>										
Qualified	8,196	2,069	6,127	9	94	4	5,291	263	466	3,328
Participating employees [3]	1,059,288	170,522	888,766	1,749	22,484	23	717,911	33,839	112,760	124,843
<b>Amendments:</b>										
Qualified	4,774	707	4,067	26	212	17	3,525	139	148	1,800
Participating employees [3]	6,335,838	2,588,813	3,747,025	10,253	563,784	647	2,772,907	245,986	153,448	794,020
<b>Terminations:</b>										
Qualified	4,017	1,342	2,675	22	262	19	2,169	145	58	67
Participating employees [3]	1,117,409	342,217	775,192	1,922	10,334	2,202	735,502	21,888	3,344	591,127

d—Not shown to avoid disclosure about specific taxpayers. However, the data are included in the not qualified total.

[1] The total of defined contribution plans is the sum of columns 4-9, which include associated section 401(k) arrangements and participants. See footnote 2.

[2] Section 401(k) arrangements and participants are reported and counted under the types of plans to which they are attached, e.g., profit-sharing or stock bonus plans, and thus are also included in columns 4-9.

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

SOURCE: Tax Exempt and Government Entities, Employee Plans SE:T:EP

**Table 24. Tax-Exempt Organization and Other Entity Applications or Disposals, by Type of Organization and Internal Revenue Code Section, Fiscal Year 2006**

Type of organization, Internal Revenue Code section	Total applications or disposals	Approved	Disapproved	Other [1]
	(1)	(2)	(3)	(4)
<b>Tax-exempt organizations and other entities, total</b>	<b>90,276</b>	<b>71,054</b>	<b>1,305</b>	<b>17,917</b>
<b>Section 501 (c) by subsection, total [2]</b>	<b>89,689</b>	<b>71,037</b>	<b>1,305</b>	<b>17,347</b>
(1) Corporations organized under act of Congress	10	4	0	6
(2) Title-holding corporations	155	118	0	37
(3) Religious, charitable, and similar organizations [3]	83,350	66,262	1,283	15,805
(4) Social welfare organizations	1,933	1,410	6	517
(5) Labor and agriculture organizations	317	253	d	d
(6) Business leagues	1,706	1,436	8	262
(7) Social and recreation clubs	1,183	771	d	d
(8) Fraternal beneficiary societies	33	12	0	21
(9) Voluntary employees' beneficiary associations	253	211	d	d
(10) Domestic fraternal beneficiary societies	53	19	0	34
(12) Benevolent life insurance associations	117	78	0	39
(13) Cemetery companies	175	148	0	27
(14) State-chartered credit unions	5	3	d	d
(15) Mutual insurance companies	126	90	3	33
(17) Supplemental unemployment benefit trusts	4	2	d	d
(19) War veterans' organizations	136	100	0	36
(25) Holding companies for pensions and other entities	133	120	d	d
<b>Section 501 (d) Religious and apostolic associations</b>	<b>20</b>	<b>6</b>	<b>0</b>	<b>14</b>
<b>Section 521 Farmers' cooperatives</b>	<b>16</b>	<b>10</b>	<b>0</b>	<b>6</b>
<b>Nonexempt charitable trusts</b>	<b>551</b>	<b>1</b>	<b>0</b>	<b>550</b>

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

[1] Includes applications withdrawn by the organization; applications which failed to provide the required information; incomplete applications; IRS refusals to rule on applications; applications forwarded to other than the IRS National Office; IRS correction disposals; and others.

[2] No applications were filed for teachers' retirement funds [section 501(c)(11)]; corporations to finance crop operations [section 501(c)(16)]; employee-funded pension trusts [section 501(c)(18)]; black lung trusts [section 501(c)(21)]; multiemployer pension plans [section 501(c)(22)]; veteran's associations founded prior to 1880 [section 501(c)(23)]; trusts described in section 4049 of the Employee Security Act of 1974 (ERISA) [section 501(c)(24)]; State-sponsored high-risk health insurance organizations [section 501(c)(26)]; and State-sponsored workers' compensation reinsurance organizations [section 501(c)(27)].

[3] Includes private foundations. Not all Internal Revenue Code section 501(c)(3) organizations are required to apply for recognition of tax-exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations, Rulings and Agreements, Determinations SE:T:EO:RA:D

**Table 25. Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2003-2006**

Type of organization, Internal Revenue Code section	2003	2004	2005	2006
	(1)	(2)	(3)	(4)
<b>Tax-exempt organizations and other entities, total</b>	<b>1,640,949</b>	<b>1,680,061</b>	<b>1,709,205</b>	<b>1,726,491</b>
<b>Section 501(c) by subsection, total</b>	<b>1,501,772</b>	<b>1,540,554</b>	<b>1,570,023</b>	<b>1,585,479</b>
(1) Corporations organized under act of Congress	103	116	123	126
(2) Title-holding corporations	7,078	7,144	7,116	7,120
(3) Religious, charitable, and similar organizations [1]	964,418	1,010,365	1,045,979	1,064,191
(4) Social welfare organizations	137,831	138,193	136,060	135,155
(5) Labor and agriculture organizations	62,641	62,561	61,075	60,932
(6) Business leagues	84,838	86,054	86,485	86,563
(7) Social and recreation clubs	69,522	70,422	70,399	70,569
(8) Fraternal beneficiary societies	79,390	69,798	67,391	65,752
(9) Voluntary employees' beneficiary associations	13,066	12,866	12,567	12,206
(10) Domestic fraternal beneficiary societies	22,576	21,328	21,091	21,385
(12) Benevolent life insurance associations	6,662	6,716	6,718	6,738
(13) Cemetery companies	10,585	10,728	10,819	10,879
(14) State-chartered credit unions	4,338	4,289	4,083	3,976
(15) Mutual insurance companies	1,777	1,988	2,127	2,126
(17) Supplemental unemployment benefit trusts	468	462	448	438
(19) War veterans' organizations	35,132	36,141	36,166	35,982
(25) Holding companies for pensions and other entities	1,259	1,285	1,274	1,238
Other 501(c) subsections [2]	88	98	102	103
<b>Section 501(d) Religious and apostolic associations</b>	<b>138</b>	<b>141</b>	<b>146</b>	<b>162</b>
<b>Section 501(e) Cooperative hospital service organizations</b>	<b>39</b>	<b>38</b>	<b>37</b>	<b>37</b>
<b>Section 501(f) Cooperative service organizations of operating educational organizations</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Section 501(k) Child care organizations</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>6</b>
<b>Section 501(n) Charitable risk pools</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Nonexempt charitable trusts</b>	<b>138,999</b>	<b>139,323</b>	<b>138,994</b>	<b>140,804</b>

[1] Includes private foundations. Not all Internal Revenue Code section 501(c)(3) organizations are required to apply for recognition of tax-exemption, including churches, integrated auxiliaries, subordinate units, and conventions or associations of churches.

[2] Includes teachers' retirement funds [section 501(c)(11)]; corporations to finance crop operations [section 501(c)(16)]; employee-funded pension trusts [section 501(c)(18)]; black lung trusts [section 501(c)(21)]; multiemployer pension plans [section 501(c)(22)]; veteran's associations founded prior to 1880 [section 501(c)(23)]; trusts described in section 4049 of the Employee Security Act of 1974 (ERISA) [section 501(c)(24)]; State-sponsored high-risk health insurance organizations [section 501(c)(26)]; and State-sponsored workers' compensation reinsurance organizations [section 501(c)(27)].

SOURCE: Tax Exempt and Government Entities SE:T:BSP

---

## *Chief Counsel*

**A**ttorneys in the Chief Counsel's Office serve as lawyers for the IRS. They provide guidance to IRS and to taxpayers on the correct legal interpretation of the Federal tax laws, represent the IRS in litigation, and provide all other legal support the IRS needs to carry out its mission. Tables 26 and 27 provide information about the Chief Counsel workload in 2006.





**Table 26. Chief Counsel Workload, by Office and Type of Case or Activity, Fiscal Year 2006**

Office and type of case or activity	Cases	Cases	Cases pending
	received	closed	September 30, 2006
	(1)	(2)	(3)
<b>Chief Counsel (All Offices):</b>			
Total	91,703	94,333	62,401
Guidance and assistance	13,874	14,230	9,977
Tax law enforcement and litigation	73,437	75,933	49,987
Other legal services to the IRS	4,392	4,170	2,428
Miscellaneous [1]	0	0	9
<b>Corporate:</b>			
Total	713	704	320
Guidance and assistance	514	502	216
Tax law enforcement and litigation	181	184	93
Other legal services to the IRS	18	18	11
Miscellaneous [1]	0	0	0
<b>Criminal Tax:</b>			
Total	6,340	6,461	1,387
Guidance and assistance	121	111	28
Tax law enforcement and litigation	6,170	6,300	1,346
Other legal services to the IRS	49	50	13
Miscellaneous [1]	0	0	0
<b>Financial Institutions and Products:</b>			
Total	862	777	535
Guidance and assistance	698	666	423
Tax law enforcement and litigation	146	102	101
Other legal services to the IRS	18	9	11
Miscellaneous [1]	0	0	0
<b>General Legal Services:</b>			
Total	3,622	3,568	1,885
Guidance and assistance	67	66	6
Tax law enforcement and litigation	0	0	0
Other legal services to the IRS	3,555	3,502	1,872
Miscellaneous [1]	0	0	7
<b>Income Tax and Accounting:</b>			
Total	5,214	5,494	3,587
Guidance and assistance	4,623	4,921	3,329
Tax law enforcement and litigation	577	559	248
Other legal services to the IRS	14	14	10
Miscellaneous [1]	0	0	0
<b>International:</b>			
Total	1,533	2,339	2,046
Guidance and assistance	1,184	2,020	1,601
Tax law enforcement and litigation	339	308	411
Other legal services to the IRS	10	11	34
Miscellaneous [1]	0	0	0

Footnotes at end of table.

**Table 26. Chief Counsel Workload, by Office and Type of Case or Activity, Fiscal Year 2006**  
**—Continued**

Office and type of case or activity	Cases	Cases	Cases pending
	received	closed	September 30, 2006
	(1)	(2)	(3)
<b>Large and Mid-Size Business:</b>			
Total	4,202	3,950	5,707
Guidance and assistance	818	607	1,048
Tax law enforcement and litigation	3,361	3,327	4,643
Other legal services to the IRS	23	16	16
Miscellaneous [1]	0	0	0
<b>Passthroughs and Special Industries:</b>			
Total	2,512	2,260	1,413
Guidance and assistance	1,878	1,665	1,122
Tax law enforcement and litigation	610	571	285
Other legal services to the IRS	24	24	6
Miscellaneous [1]	0	0	0
<b>Procedure and Administration:</b>			
Total	4,037	3,484	1,984
Guidance and assistance	1,377	1,283	697
Tax law enforcement and litigation	2,139	1,850	878
Other legal services to the IRS	521	351	409
Miscellaneous [1]	0	0	0
<b>Small Business/Self-Employed:</b>			
Total	59,049	62,143	40,486
Guidance and assistance	746	781	373
Tax law enforcement and litigation	58,164	61,200	40,081
Other legal services to the IRS	139	162	32
Miscellaneous [1]	0	0	0
<b>Tax Exempt and Government Entities:</b>			
Total	3,113	2,661	2,927
Guidance and assistance	1,462	1,234	1,056
Tax law enforcement and litigation	1,630	1,415	1,855
Other legal services to the IRS	21	d	d
Miscellaneous [1]	0	d	d
<b>Wage and Investment:</b>			
Total	225	202	69
Guidance and assistance	186	179	43
Tax law enforcement and litigation	39	23	26
Other legal services to the IRS	0	0	0
Miscellaneous [1]	0	0	0
<b>Other [2]:</b>			
Total	281	290	55
Guidance and assistance	200	195	35
Tax law enforcement and litigation	81	94	20
Other legal services to the IRS	0	d	d
Miscellaneous [1]	0	d	d

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

[1] Includes cases for which a type of work is no longer done by the office shown and which were opened when that type of work was authorized for the office but closed after it was transferred to another office. Also includes cases that were not part of the work ordinarily performed by the particular office.

[2] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel (Finance and Management).

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Finance Division CC:FM:PF

**Table 27. Chief Counsel Workload: Tax Litigation, by Type of Case, Fiscal Year 2006**

Type of case	Received	Closed	Cases pending September 30, 2006
	(1)	(2)	(3)
<b>Total cases</b>	<b>29,046</b>	<b>27,627</b>	<b>28,403</b>
<b>Tax Court cases [1]:</b>			
Number of cases	26,045	24,733	26,287
Tax and penalty in dispute (millions of dollars)	6,940	6,553	27,679
Tax and penalty on decision (millions of dollars):			
Total	N/A	1,813	N/A
Default or dismissed	N/A	404	N/A
Settled	N/A	1,140	N/A
Tried and decided	N/A	269	N/A
<b>Tax Court cases on appeal (decided or pending):</b>			
Number of cases	N/A	N/A	428
Tax and penalty (decided or pending) cases (millions of dollars)	N/A	N/A	1,967
<b>Refund cases [2]:</b>			
Number of cases	400	346	1,309
Tax in dispute (millions of dollars)	2,967	524	8,988
Tax protected (million dollars) [3]:			
Total	N/A	441	N/A
District Court	N/A	176	N/A
Court of Federal Claims	N/A	265	N/A
<b>Refund cases on appeal (decided or pending):</b>			
Number of cases	N/A	N/A	101
Tax and penalty (decided or pending) cases (millions of dollars)	N/A	N/A	591
<b>Number of nondocketed cases [4]</b>	<b>2,601</b>	<b>2,548</b>	<b>278</b>

N/A—Not applicable.

[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 taxpayer(s) to request a redetermination of the deficiency prior to paying the tax allegedly owed.

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

[3] "Tax protected" comprises any action taken by the Internal Revenue Service 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.

[4] Reflects cases in which a court petition has not been filed.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division CC:FM:PM



---

## *IRS Budget and Workforce*

**T**ables 28 through 31 provide information about the size and composition of the IRS workforce and the resources that the IRS spends to collect taxes and assist taxpayers. In Fiscal Year 2006, the IRS spent an average of 42 cents to collect \$100 of revenue.



**Table 28. Costs Incurred by the Internal Revenue Service, by Budget Activity, Fiscal Years 2005 and 2006**

[Money amounts are in thousands of dollars.]

Budget activity	Total		Personnel compensation and benefits [1]		Other [2]	
	2005 [r]	2006	2005 [r]	2006	2005 [r]	2006
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total obligations against appropriated funds</b>	<b>10,397,873</b>	<b>10,605,845</b>	<b>7,438,759</b>	<b>7,561,282</b>	<b>2,959,114</b>	<b>3,044,563</b>
<b>Processing, assistance, and management:</b>						
<b>Total</b>	<b>4,018,490</b>	<b>4,035,034</b>	<b>2,632,940</b>	<b>2,615,864</b>	<b>1,385,550</b>	<b>1,419,170</b>
Prefiling Taxpayer Assistance and Education [3]	546,005	321,625	296,605	264,225	249,400	57,400
Filing and Account Services	1,673,341	1,677,359	1,583,067	1,588,302	90,274	89,057
Shared Services Support [3]	1,244,330	1,464,979	286,756	295,592	957,574	1,169,387
General Management and Administration	554,814	571,071	466,512	467,745	88,302	103,326
<b>Tax law enforcement:</b>						
<b>Total</b>	<b>4,374,595</b>	<b>4,651,150</b>	<b>4,108,383</b>	<b>4,244,896</b>	<b>266,212</b>	<b>406,254</b>
Compliance Services	4,119,151	4,389,570	3,882,745	4,022,985	236,406	366,585
Research and Statistics of Income [4]	91,812	94,465	79,192	78,052	12,620	16,413
Earned Income Tax Credit	163,632	167,115	146,446	143,859	17,186	23,256
<b>Information systems:</b>						
<b>Total</b>	<b>1,668,612</b>	<b>1,684,533</b>	<b>695,809</b>	<b>699,286</b>	<b>972,803</b>	<b>985,247</b>
Information Systems Improvement Programs	41,990	49,133	0	0	41,990	49,133
Information Services	1,626,622	1,635,400	695,809	699,286	930,813	936,114
<b>Health Insurance Tax Credit Administration [5]</b>	<b>19,498</b>	<b>19,993</b>	<b>1,627</b>	<b>1,236</b>	<b>17,871</b>	<b>18,757</b>
<b>Business Systems Modernization [5]</b>	<b>316,678</b>	<b>215,135</b>	<b>0</b>	<b>0</b>	<b>316,678</b>	<b>215,135</b>

[r]—Revised to include all costs obligated in the current fiscal year against amounts appropriated for any year. Prior *Data Books* excluded a small amount of expenditures obligated in the current year against appropriations held open from a prior year.

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

[2] Fiscal Year 2006 includes \$223,198,000 for domestic and foreign travel; \$551,460,000 for data processing services; purchases of motor vehicles; office furniture and equipment; enforcement, investigative, and telecommunications equipment and software; and \$2,269,905,000 for transportation of equipment; postage; tax forms; relocation costs; rental payments; utilities; telecommunications; printing and reproduction; supplies and materials; lands and structures; grants, subsidies, and contributions; insurance claims and indemnities; confidential expenditures for undercover operations; and other services (i.e., advisory and assistance services, purchase of goods and services from Government, operation and maintenance of facilities and equipment, research and development contracts, and medical care).

[3] In Fiscal Year 2006, the postage allocation was realigned from Prefiling Taxpayer Assistance and Education to Shared Services Support.

[4] This budget activity includes all Research, Analysis, and Statistics functions.

[5] The Internal Revenue Service incurred costs for Business Systems Modernization beginning with Fiscal Year 1999, and for the Health Insurance Tax Credit Administration beginning with Fiscal Year 2003. Costs incurred for these budget activities were excluded from prior editions of the *Data Book*.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Data represent dollars obligated, expended, and disbursed against direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Systems Integration and Analysis Office, Systems OS:CFO:CPB:SI:S



**Table 29. Internal Revenue Service Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1971-2006**

Fiscal year	Gross collections [1]	Operating costs [2]	Cost of collecting \$100	U.S. population (thousands) [3]	Average tax per capita [3]	Average positions realized [4,5]		
						Total	National Office	Field Offices
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1971	191,647,198,000	981,065,000	0.51	207,053	926	68,972	4,358	64,614
1972	209,855,737,000	1,127,390,000	0.54	208,846	1,005	68,549	4,134	64,415
1973	237,787,204,000	1,162,010,000	0.49	210,410	1,130	74,170	4,505	69,665
1974	268,952,254,000	1,312,895,000	0.49	211,901	1,269	78,921	4,310	74,611
1975	293,822,726,000	1,584,711,000	0.54	213,559	1,376	82,339	4,531	77,808
1976 [6]	302,519,792,000	1,667,312,000	0.55	215,142	1,406	84,264	4,732	79,532
1977	358,139,417,000	1,790,589,000	0.50	217,329	1,648	83,743	4,994	78,749
1978	399,776,389,000	1,962,130,000	0.49	219,033	1,825	85,329	4,919	80,410
1979	460,412,185,000	2,116,166,000	0.46	220,999	2,083	86,168	4,978	81,190
1980	519,375,273,000	2,280,839,000	0.44	228,231	2,276	87,464	5,114	82,350
1981	606,799,103,000	2,465,469,000	0.41	230,613	2,631	86,156	5,110	81,046
1982	632,240,506,000	2,626,338,000	0.42	232,962	2,714	82,857	5,098	77,759
1983	627,246,793,000	2,968,526,000	0.47	235,225	2,667	83,603	4,357	79,246
1984	680,475,229,000	3,279,067,000	0.48	237,454	2,866	87,635	5,327	82,308
1985	742,871,541,000	3,600,953,000	0.48	239,714	3,099	92,259	5,454	86,805
1986	782,251,812,000	3,841,983,000	0.49	241,995	3,233	95,880	5,361	90,519
1987	886,290,590,000	4,365,816,000	0.49	244,344	3,627	102,189	6,253	95,936
1988	935,106,594,000	5,035,543,000	0.54	246,329	3,796	114,875	6,934	107,941
1989	1,013,322,133,000	5,198,546,000	0.51	249,412	4,063	114,758	7,895	106,863
1990	1,056,365,652,000	5,440,418,000	0.52	251,057	4,208	111,962	7,459	104,503
1991	1,086,851,401,000	6,097,627,000	0.56	254,435	4,272	115,628	8,286	107,342
1992	1,120,799,558,000	6,536,336,000	0.58	257,861	4,347	116,673	9,333	107,340
1993	1,176,685,625,000	7,077,985,000	0.60	261,163	4,506	113,460	9,320	104,140
1994	1,276,466,776,000	7,245,344,000	0.57	264,301	4,830	110,665	9,467	101,198
1995	1,375,731,836,000	7,389,692,000	0.54	267,456	5,144	112,024	9,738	102,286
1996	1,486,546,674,000	7,240,221,000	0.49	270,581	5,494	106,642	8,766	97,876
1997	1,623,272,071,000	7,163,541,000	0.44	273,852	5,928	101,703	7,837	93,866
1998	1,769,408,739,000	7,564,661,000	0.43	277,003	6,388	98,037	7,468	90,569
1999	1,904,151,888,000	8,269,387,000	0.43	280,203	6,796	98,730	8,078	90,652
2000	2,096,916,925,000	8,258,423,000	0.39	[r] 283,270	[r] 7,403	97,074	[7]	[7]
2001	2,128,831,182,000	8,771,510,000	0.41	[r] 286,287	[r] 7,436	97,707	[7]	[7]
2002	2,016,627,269,000	9,063,471,000	0.45	[r] 289,229	[r] 6,972	100,229	[7]	[7]
2003	1,952,929,045,000	9,401,407,000	0.48	[r] 292,074	[r] 6,686	98,824	[7]	[7]
2004	2,018,502,103,000	9,756,344,000	0.48	[r] 294,856	[r] 6,846	98,735	[7]	[7]
2005	2,268,895,122,000	[r] 10,397,837,000	[r] 0.46	[r] 297,740	[r] 7,620	[r] 94,282	[7]	[7]
2006	2,518,680,230,000	10,605,845,000	0.42	[p] 300,592	[p] 8,379	91,717	[7]	[7]

[r]—Revised.

[p]—Preliminary.

[1] Starting with Fiscal Year 1988, gross collections exclude alcohol and tobacco excise taxes and, starting with the second quarter of Fiscal Year 1991, exclude excise taxes on firearms, when responsibility for all these excise taxes was transferred to the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau (on alcohol and tobacco imports). Previously, these taxes were collected by the IRS.

[2] Starting with Fiscal Year 1975, represents actual IRS operating costs, exclusive of those costs for which reimbursements were received from other Federal agencies and private companies for services performed for these external parties. While operating costs for earlier years may, in some cases, include these costs for reimbursable services, amounts involved were small and, therefore, do not affect the comparability of the data on the historical costs of collecting \$100 (column 3). Operating costs have been revised to include all costs obligated in the current fiscal year against amounts appropriated from any year. Before Fiscal Year 2005, operating costs exclude a small amount of expenditures obligated in the current year against appropriations held open from a prior year. The Internal Revenue Service incurred costs for Business Systems Modernization beginning with Fiscal Year 1999, and for the Health Insurance Tax Credit Administration beginning with Fiscal Year 2003. Costs incurred for these budget activities were excluded from prior editions of the *Data Book* and are included here, beginning with Fiscal Year 2005.

[3] Starting with Fiscal Year 1980, population and tax per capita were based on adjusted data on resident population plus armed forces overseas as of October 1 of each year, published by the U.S. Department of Commerce, Bureau of the Census.

[4] For Fiscal Years 1972 through 1974, includes average positions for the Economic Stabilization Program. For Fiscal Year 1974, includes average positions for the Federal Energy Program. For Fiscal Year 1972, excludes 3,990 average positions transferred to the Office of the Secretary of the Treasury. In addition, starting with Fiscal Year 1983, data are revised to reflect methodology for computing average positions realized in conformance with U.S. Office of Personnel Management requirements. For these reasons, data for all years are not completely comparable.

---

**Table 29. Internal Revenue Service Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1971-2006**  
**—Continued**

---

**Footnotes—Continued**

[5] Starting with Fiscal Year 1975, represents average positions actually used to conduct IRS operations. Therefore, excludes positions funded by reimbursements received from other Federal agencies and private companies for services performed for these external parties. In contrast, IRS labor force counts in Table 31, "Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Race, National Origin, and Gender," represent the number of persons, including part-time and seasonal workers, employed at any time during the year.

[6] Data for Fiscal Year 1976 exclude the transitional period, July-September 1976, covering the changeover to revised fiscal year definition (October-September). See Table 6 for collection data covering this time period.

[7] The IRS discontinued the distinction between National Office and Field Offices as a result of reorganization.

NOTES: Data for gross collections and operating costs are rounded to thousands of dollars. Data for average tax per capita are rounded to the nearest dollar. All amounts are in current dollars. Data represent dollars obligated, expended, and disbursed, as well as average positions realized, against all direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis OS:CFO:CPB:BER:L

**Table 30. Internal Revenue Service Personnel Summary, by Employment Status, Budget Activity, and Type of Personnel, Fiscal Years 2005 and 2006**

Employment status, budget activity, and type of personnel	Average positions realized [1]		Number of employees at close of fiscal year	
	2005 [r]	2006	2005 [r]	2006
	(1)	(2)	(3)	(4)
<b>Internal Revenue Service, total</b>	<b>94,282</b>	<b>91,717</b>	<b>90,453</b>	<b>90,115</b>
<b>Employment status:</b>				
Full-time permanent	81,147	78,700	78,881	80,288
Other	13,135	13,017	11,572	9,827
<b>Budget activity [2]:</b>				
Compliance Services	47,718	47,701	46,992	48,872
Filing and Account Services	28,431	27,398	26,045	24,030
Information Services	7,015	6,802	6,896	6,716
Shared Services Support	3,175	2,509	3,183	2,497
General Management and Administration	4,015	3,923	3,567	4,057
Prefiling Taxpayer Assistance and Education	3,089	2,574	2,985	3,182
Research and Statistics of Income	826	800	778	753
Health Insurance Tax Credit Administration [3]	13	10	7	8
<b>Selected personnel type:</b>				
Seasonals	10,453	10,198	7,932	5,890
Customer Service Representatives	18,380	18,978	18,861	19,433
Revenue Agents	12,355	12,859	12,649	13,407
Revenue Officers	5,462	5,665	5,616	5,961
Special Agents	2,517	2,798	2,823	2,799
Tax Technicians	3,837	3,504	3,624	3,442
Attorneys	1,423	1,403	1,429	1,494
Appeals Officers	824	790	813	798

[r]—Revised.

[1] Represents the average of positions actually used to conduct IRS operations. Therefore, excludes positions funded by reimbursements received from other Federal agencies and private companies for services performed for these external parties (1,017 positions for Fiscal Year 2005 and 1,129 positions for Fiscal Year 2006).

[2] The budget activities shown in this table include activities related to the Earned Income Tax Credit Program. Unlike Table 28, this program is not shown separately here.

[3] Beginning with Fiscal Year 2005, positions used to administer the Health Insurance Tax Credit Administration are included. Positions for this program were excluded from prior *Data Books*.

SOURCE: Chief Financial Officer, Corporate Performance Budgeting, Corporate Policy and Labor Analysis OS:CFO:CPB:BER:L

**Table 31. Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Race, National Origin, and Gender, Fiscal Year 2006**

Race, national origin, and gender	Internal Revenue	Internal Revenue Service	Federal civilian	Civilian labor
	Service, total [1]	labor force [1]	labor force [2]	force [3]
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>103,927</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Gender:</b>				
Male	34,820	33.5	55.7	53.2
Female	69,107	66.5	44.3	46.8
<b>Race, national origin, and gender:</b>				
White, not of Hispanic origin	63,873	61.5	67.7	72.7
Male	25,225	24.3	40.7	39.0
Female	38,648	37.2	27.0	33.7
Black, not of Hispanic origin	25,313	24.4	17.3	10.5
Male	4,887	4.7	6.7	4.8
Female	20,426	19.7	10.6	5.7
Hispanic [4]	9,260	8.9	7.5	10.7
Male	2,628	2.5	4.3	6.2
Female	6,632	6.4	3.2	4.5
Asian, Native Hawaiian or other Pacific Islander	4,373	4.2	5.2	3.8
Male	1,740	1.7	2.8	2.0
Female	2,633	2.5	2.4	1.8
American Indian or Alaskan Native	898	0.8	2.1	0.6
Male	255	0.2	1.0	0.3
Female	643	0.6	1.2	0.3
Two or more races [5]	210	0.2	0.1	1.6
Male	85	0.1	[6]	1.6
Female	125	0.1	[6]	0.8

[1] Includes permanent full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, including Chief Counsel, throughout Fiscal Year 2006, i.e., October 1, 2005, through September 30, 2006.

[2] Executive Branch employees as of September 2006, as reported by U.S. Office of Personnel Management. These data include the Internal Revenue Service labor force.

[3] Data from U.S. Department of Commerce, Bureau of the Census (2000 Census Statistics).

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

[5] Data for IRS and other Federal workers of two or more races are incomplete, as they reflect primarily workers hired after January 1, 2006.

[6] Less than 0.05 percent

SOURCE: Equal Employment Opportunity and Diversity EEOD



## Principal Officers of the Internal Revenue Service

as of September 30, 2006

COMMISSIONER	APPEALS	COMMUNICATIONS AND LIAISON	OFFICE OF PROFESSIONAL RESPONSIBILITY
<b>MARK W. EVERSON</b>			
<b>Deputy Commissioner for Services and Enforcement</b> <i>Mark E. Matthews</i>	<b>Chief, Appeals</b> <i>Sara Hall Ingram</i>	<b>Chief, Communications and Liaison</b> <i>Frank Keith</i>	<b>Director, Office of Professional Responsibility</b> <i>Stephen Whitlock (Acting)</i>
<b>Deputy Commissioner for Operations Support</b> <i>John M. Dalrymple</i>	<b>Deputy Chief, Appeals</b> <i>Karen S. Ammons</i>	<b>Director, Office of Legislative Affairs</b> <i>Floyd L. Williams</i>	
<b>Chief of Staff</b> <i>Kathy Petronchak</i>	<b>TAXPAYER ADVOCATE SERVICE</b>	<b>Director, Office of Communications</b> <i>Jodi L. Patterson</i>	<b>SMALL BUSINESS/SELF-EMPLOYED DIVISION</b>
<b>Chief, Appeals</b> <i>Sara Hall Ingram</i>		<b>Director, Office of National Public Liaison</b> <i>Candice Cromling</i>	
<b>National Taxpayer Advocate</b> <i>Nina E. Olson</i>	<b>National Taxpayer Advocate</b> <i>Nina E. Olson</i>		<b>Commissioner, Small Business/Self-Employed</b> <i>Kevin M. Brown</i>
<b>Chief, Equal Employment Opportunity and Diversity</b> <i>Diane Crothers</i>	<b>Deputy National Taxpayer Advocate</b> <i>Melissa Snell</i>		<b>Deputy Commissioner, Small Business/Self-Employed</b> <i>Linda E. Stiff</i>
<b>Director, Research, Analysis, and Statistics</b> <i>Mark J. Mazur</i>	<b>Executive Director, Systemic Advocacy</b> <i>Cheryl Gramalia</i>		<b>Director, Communications, Liaison, and Disclosure</b> <i>Beth Tucker</i>
<b>Chief, Communications and Liaison</b> <i>Frank Keith</i>			<b>Director, Collection</b> <i>Brady R. Bennett</i> <b>Director, Examination</b> <i>Steve Burgess</i>

**WAGE AND INVESTMENT  
DIVISION**

**Commissioner, Wage and  
Investment**

*Richard J. Morgante*

**Deputy Commissioner, Wage  
and Investment**

*Pamela G. Watson*

**Director, Customer Account  
Services**

*Betsy Kinter*

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

*Mark E. Pursley*

**Director, Compliance**

*James M. Grimes*

**CRIMINAL INVESTIGATION**

**Chief, Criminal Investigation**

*Nancy J. Jardini*

**Deputy Chief, Criminal  
Investigation**

*John H. Imhoff, Jr.*

**OFFICE OF CHIEF FINANCIAL  
OFFICER**

**Chief Financial Officer**

*Janice J. Lambert*

**Deputy Chief Financial Officer,  
Finance**

*Alison L. Doone*

**LARGE AND MID-SIZE  
BUSINESS DIVISION**

**Commissioner, Large and Mid-  
Size Business**

*Deborah M. Nolan*

**Deputy Commissioner, Large  
and Mid-Size Business  
(Operations)**

*Bruce B. Ungar*

**Deputy Commissioner, Large  
and Mid-Size Business  
(International)**

*Frank Y. Ng*

**Director, Financial Services  
Industry**

*Barry Shott*

**Director, Retailers, Food,  
Pharmaceuticals, and  
Healthcare**

*John Risacher*

**Director, Communications  
Technology and Media**

*Patricia Chaback*

**Director, Heavy Manufacturing  
and Transportation**

*Henry V. Singleton*

**Director, Natural Resources  
and Construction**

*Keith M. Jones*

**Director, Field Specialists**

*Walter L. Harris*

**AGENCY-WIDE SHARED  
SERVICES**

**Chief, Agency-Wide Shared  
Services**

*Carl T. Froehlich*

**TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION**

**Commissioner, Tax Exempt and  
Government Entities**

*Stephen T. Miller*

**Deputy Commissioner, Tax  
Exempt and Government Entities**

*Christopher Wagner*

**Director, Employee Plans**

*Joseph H. Grant*

**Director, Exempt Organizations**

*Lois Lerner*

**Director, Government Entities**

*Michael Julianelle*

**MODERNIZATION AND  
INFORMATION TECHNOLOGY  
SERVICES**

**Chief Information Officer**

*Richard A. Spires*

**Deputy Chief Information Officer**

*Arthur L. Gonzalez*

**Associate Chief Information  
Officer, Applications  
Development**

*Vacant*

**Associate Chief Information  
Officer, Enterprise Operations**

*Kathy Jantzen*

**Associate Chief Information  
Officer, Enterprise Networks**

*Kurt Jensen*

**Associate Chief Information  
Officer, Enterprise Services**

*Linda Gilpin*

**Associate Chief Information  
Officer, End User Equipment  
Services**

*Harry Curry (Acting)*

**HUMAN CAPITAL OFFICE**

**Chief, Human Capital Officer**

*Beverly Ortega Babers*

**Deputy Chief Human Capital  
Officer**

*Robert B. Buggs*

**MISSION ASSURANCE AND  
SECURITY SERVICES**

**Chief, Mission Assurance and  
Security Services**

*Daniel Galik*

**Deputy Chief, Mission Assurance  
and Security Services**

*James A. Dumais*

Principal Officers of the IRS Office of Chief Counsel

as of September 30, 2006

OFFICE OF CHIEF COUNSEL

---

**Chief Counsel**

*Donald L. Korb*

**Deputy Chief Counsel (Operations)**

*Donald T. Rocen*

**Deputy Chief Counsel (Technical)**

*Clarissa P. Potter*

**Special Counsel (National Taxpayer Advocate Service)**

*Judith M. Wall*

**Division Counsel/Associate Chief Counsel (Criminal Tax)**

*Edward F. Cronin*

**Division Counsel (Large and Mid-Size Business)**

*Peter J. LaBelle*

**Division Counsel (Small Business/Self-Employed)**

*Thomas R. Thomas*

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

*Nancy J. Marks*

**Division Counsel (Wage and Investment)**

*Carol A. Campbell*

**Associate Chief Counsel (Corporate)**

*William D. Alexander*

**Associate Chief Counsel (Finance and Management)**

*Dennis M. Ferrara*

**Associate Chief Counsel (Financial Institutions and Products)**

*Lon B. Smith*

**Associate Chief Counsel (General Legal Services)**

*Mark S. Kaizen*

**Associate Chief Counsel (Income Tax and Accounting)**

*Robert M. Brown*

**Associate Chief Counsel (International)**

*Steven A. Musher (Acting)*

**Associate Chief Counsel (Passthroughs and Special Industries)**

*Vacant*

**Associate Chief Counsel (Procedure and Administration)**

*Deborah A. Butler*





## Commissioners of Internal Revenue

**OFFICE OF COMMISSIONER OF  
INTERNAL REVENUE  
CREATED BY ACT OF CON-  
GRESS, JULY 1, 1862.**

**George S. Boutwell**

Massachusetts  
July 17, 1862 to March 4, 1863

**Joseph J. Lewis (Acting)**

Pennsylvania  
March 5 to March 17, 1863

**Joseph J. Lewis**

Pennsylvania  
March 18, 1863 to June 30, 1865

**William Orton**

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

**Edward A. Rollins**

New Hampshire  
Nov. 1, 1865 to March 10, 1869

**Columbus Delano**

Ohio  
March 11, 1869 to Oct. 31, 1870

**John W. Douglass (Acting)**

Pennsylvania  
Nov. 1, 1870 to Jan. 2, 1871

**Alfred Pleasonton**

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

**John W. Douglass**

Pennsylvania  
Aug. 9, 1871 to May 14, 1875

**Daniel D. Pratt**

Indiana  
May 15, 1875 to Aug. 1, 1876

**Green B. Raum**

Illinois  
Aug. 2, 1876 to April 30, 1883

**Henry C. Rogers (Acting)**

Pennsylvania  
May 1 to May 10, 1883

**John J. Knox (Acting)**

Minnesota  
May 11 to May 20, 1883

**Walter Evans**

Kentucky  
May 21, 1883 to March 19, 1885

**Joseph S. Miller**

West Virginia  
March 20, 1885 to March 20,  
1889

**John W. Mason**

West Virginia  
March 21, 1889 to April 18, 1893

**Joseph S. Miller**

West Virginia  
April 19, 1893 to Nov. 26, 1896

**W. St. John Forman**

Illinois  
Nov. 27, 1896 to Dec. 31, 1897

**Nathan B. Scott**

West Virginia  
Jan. 1, 1898 to Feb. 28, 1899

**George W. Wilson**

Ohio  
March 1, 1899 to Nov. 27, 1900

**Robert Williams, Jr., (Acting)**

Ohio  
Nov. 28 to Dec. 19, 1900

**John W. Yerkes**

Kentucky  
Dec. 20, 1900 to April 30, 1907

**Henry C. Rogers (Acting)**

Pennsylvania  
May 1 to June 4, 1907

**John G. Capers**

South Carolina  
June 5, 1907 to Aug. 31, 1909

**Royal E. Cabell**

Virginia  
Sept. 1, 1909 to April 27, 1913

**William H. Osborn**

North Carolina  
April 28, 1913 to Sept. 25, 1917

**Daniel C. Roper**

South Carolina  
Sept. 26, 1917 to March 31, 1920

**William M. Williams**

Alabama  
April 1, 1920 to April 11, 1921

**Millard F. West (Acting)**

Kentucky  
April 12 to May 26, 1921

**David H. Blair**

North Carolina  
May 27, 1921 to May 31, 1929

**Robert H. Lucas**

Kentucky  
June 1, 1929 to Aug. 15, 1930

**H. F. Mires (Acting)**

Washington  
Aug. 16 to Aug. 19, 1930

**David Burnet**

Ohio  
Aug. 20, 1930 to May 15, 1933

**Pressly R. Baldrige (Acting)**

Iowa  
May 16 to June 5, 1933

**Guy T. Helvering**

Kansas  
June 6, 1933 to Oct. 8, 1943

**Robert E. Hannegan**

Missouri  
Oct. 9, 1943 to Jan. 22, 1944

**Harold N. Graves (Acting)**

Illinois  
Jan. 23 to Feb. 29, 1944

**Joseph D. Nunan, Jr.**

New York  
March 1, 1944 to June 30, 1947

**George J. Schoeneman**

Rhode Island  
July 1, 1947 to July 31, 1951

**John B. Dunlap**

Texas  
Aug. 1, 1951 to Nov. 18, 1952

**John S. Graham (Acting)**

North Carolina  
Nov. 19, 1952 to Jan. 19, 1953

**Justin F. Winkle (Acting)**

New York  
Jan. 20 to Feb. 3, 1953

**T. Coleman Andrews**

Virginia  
Feb. 4, 1953 to Oct. 31, 1955

**O. Gordon Delk (Acting)**

Virginia  
Nov. 1 to Dec. 4, 1955

**Russell C. Harrington**

Rhode Island  
Dec. 5, 1955 to Sept. 30, 1958

**O. Gordon Delk (Acting)**

Virginia  
Oct. 1 to Nov. 4, 1958

**Dana Latham**

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

**Charles I. Fox (Acting)**

Utah  
Jan. 21 to Feb. 6, 1961

**Mortimer M. Caplin**

Virginia  
Feb. 7, 1961 to July 10, 1964

**Bertrand M. Harding (Acting)**

Texas  
July 11, 1964 to Jan. 24, 1965

**Sheldon S. Cohen**

Maryland  
Jan. 25, 1965 to Jan. 20, 1969

**William H. Smith (Acting)**

Virginia  
Jan. 21 to March 31, 1969

**Randolph W. Thrower**

Georgia  
April 1, 1969 to June 22, 1971

**Harold T. Swartz (Acting)**

Indiana  
June 23 to Aug. 5, 1971

**Johnnie M. Walters**

South Carolina  
Aug. 6, 1971 to April 30, 1973

**Raymond F. Harless (Acting)**

California  
May 1 to May 25, 1973

**Donald C. Alexander**

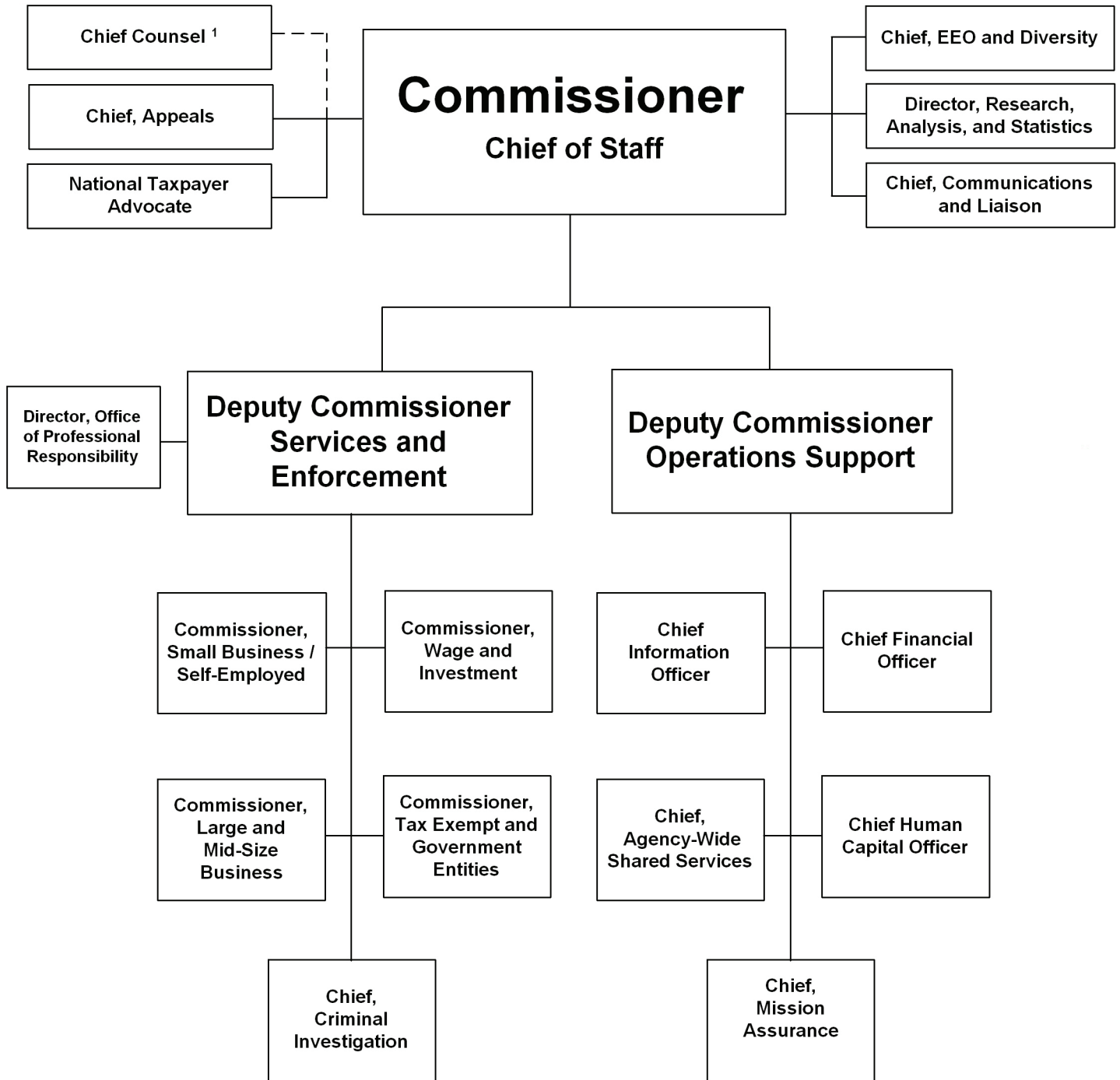
Ohio  
May 26, 1973 to Feb. 26, 1977

**William E. Williams (Acting)***Illinois**Feb. 27 to May 4, 1977***Jerome Kurtz***Pennsylvania**May 5, 1977 to Oct. 31, 1980***William E. Williams (Acting)***Illinois**Nov. 1, 1980 to March 13, 1981***Roscoe L. Egger, Jr.***Indiana**March 14, 1981 to April 30, 1986***James I. Owens (Acting)***Alabama**May 1 to Aug. 3, 1986***Lawrence B. Gibbs***Texas**Aug. 4, 1986 to March 4, 1989***Michael J. Murphy (Acting)***Wisconsin**March 5 to July 4, 1989***Fred Goldberg, Jr.***Missouri**July 5, 1989 to Feb. 2, 1992***Shirley D. Peterson***Colorado**Feb. 3, 1992 to Jan. 20, 1993***Michael P. Dolan (Acting)***Iowa**Jan. 21 to May 26, 1993***Margaret Milner Richardson***Texas**May 27, 1993 to May 31, 1997***Michael P. Dolan (Acting)***Iowa**June 1 to Nov. 12, 1997***Charles O. Rossotti***New York**Nov. 13, 1997 to Nov. 6, 2002***Bob Wenzel (Acting)***Illinois**Nov. 7, 2002 to April 30, 2003***Mark W. Everson***New York**May 1, 2003 to present**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 Worthly, 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*

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

*John W. Burrus, March 2 to**Nov. 30, 1936**Mason B. Leming, Dec. 6, 1951**to May 15, 1952**Kenneth W. Gemmill, June 11**to Nov. 8, 1953**Rudy P. Hertzog, Dec. 1, 1954**to May 8, 1955, and Jan. 20**to Aug. 16, 1961, and Sept. 1,**1963 to Jan. 5, 1964**Herman T. Reiling, Jan. 19 to**March 13, 1957, and Aug. 31**to Sept. 20, 1959**Richard M. Hahn, Jan. 20 to**June 25, 1969**Lee H. Henkel, Jr., Jan. 16 to**June 11, 1972**Lawrence B. Gibbs, April 17 to**Oct. 19, 1973**Charles L. Saunders, Jr., Jan.**20 to April 15, 1977**Leon G. Wigrizer, April 16 to**June 23, 1977**Lester Stein, June 1 to Nov.**16, 1979**Jerome D. Sebastian, Jan. 21**to Feb. 2, 1981, and March**30 to Aug. 14, 1981**Emory L. Langdon, Feb. 3 to**March 29, 1981**Joel Gerber, May 28, 1983 to**March 17, 1984**V. Jean Owens, March 14 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*

*NOTE: From 1866 to 1926, the chief legal officer for the Bureau of Internal Revenue was known as the Solicitor. For the next 8 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.*



<sup>1</sup> Chief Counsel reports to both the Commissioner and the General Counsel in circumstances specified by the Internal Revenue Service Restructuring and Reform Act of 1998.