

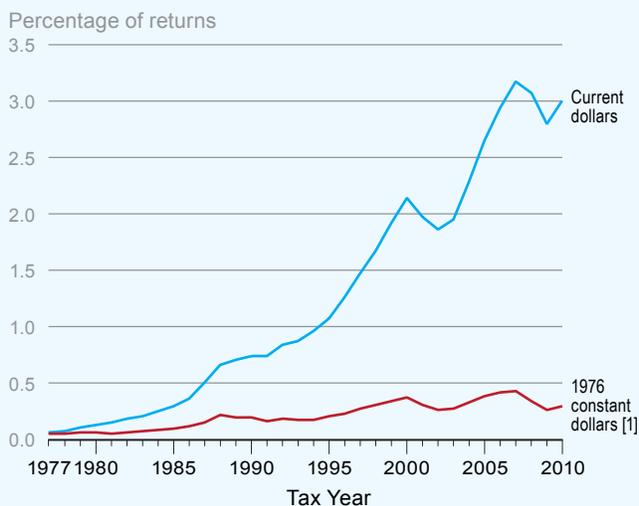


# High-Income Tax Returns, Tax Year 2010

## Background

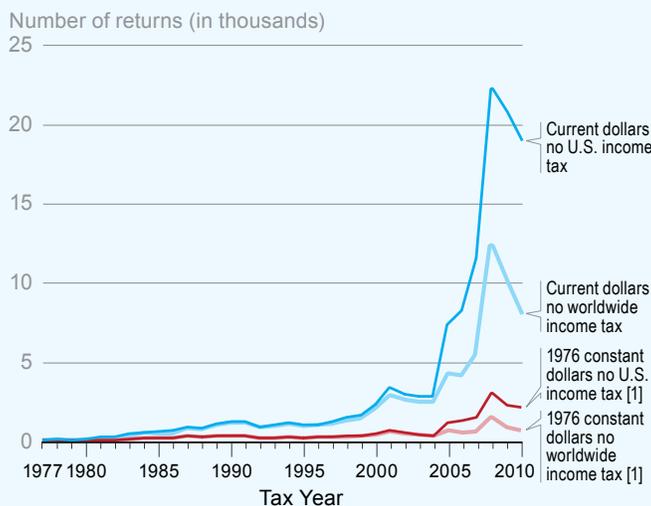
- The Tax Reform Act of 1976 instructed the Secretary of the Treasury to publish statistics on the tax liability of people with total incomes of \$200,000 or more. This annual study includes the number of returns reporting no income tax liability and the importance of the various tax provisions in making these returns nontaxable.
- Measures of income were statutorily set in 1976 at \$200,000 and have not been indexed over the years.
- \$200,000 in 1976 is equal to \$766,453 in 2010.

### Percentage of High-Income Returns Measured in Current and 1976 Constant Dollars, Tax Years 1977–2010



[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers.  
NOTE: A high-income return is one with an adjusted gross income of \$200,000 or more.

### Number of High-Income Returns Reporting No U.S. or Worldwide Income Tax Measured in Current and 1976 Constant Dollars, Tax Years 1977–2010

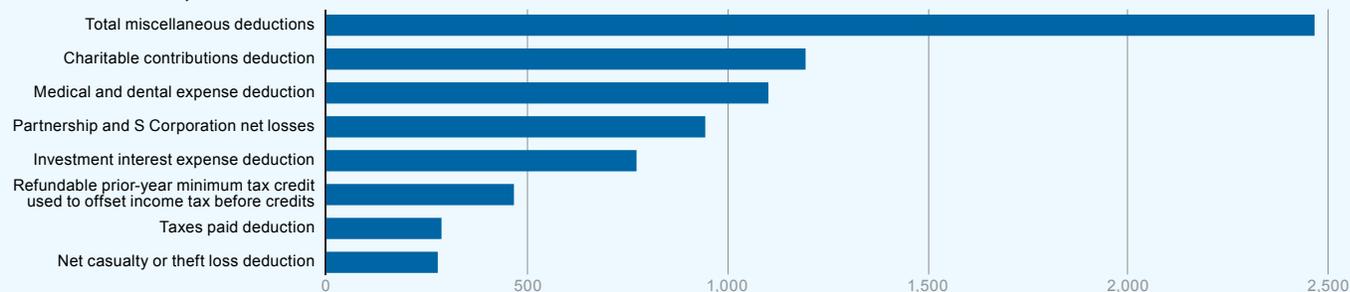


[1] 1976 constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers.  
NOTE: A high-income return is one with an adjusted gross income of \$200,000 or more.

## Highlights

- Based on AGI as measured in 1976 constant dollars, the number of high-income returns in 2010 was 9.2 times higher than in 1977. In current year dollars, the number was 80.5 times as large compared to 1977.
- For 2010, taxpayers filed 4,296,307 high-income tax returns. Of these, 19,003 (0.442 percent) showed no U.S. income tax liability and 8,046 (0.187 percent) showed no worldwide tax liability.
- While 2.4 percent of high-income returns had either no worldwide income tax liability or a liability of less than 10 percent of AGI, 19.8 percent had effective tax rates of 25 percent or more.
- The proportion of nontaxable high-income returns decreased from 0.5 percent in 2009 to 0.4 percent in 2010.
- It is possible for certain itemized deductions and certain exclusions from income to lead to nontaxability by themselves, but high-income returns are more often nontaxable for a combination of reasons, none of which alone would result in nontaxability.

### Number of High-Income Returns with No Worldwide Income Tax by Primary Reasons for Reduced Tax Liabilities, Tax Year 2010



NOTE: A high-income return is one with an adjusted gross income of \$200,000 or more.

