

High-Income Tax Returns for 2008

by Justin Bryan

The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting income of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable.¹ This article presents detailed data for the almost 4.4 million high-income returns for 2008, as well as summary data for the period 1977 to 2007. Detailed data for the years 1974 through 2007 have been published previously (see Reference section for more details).

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

Number of High-Income Returns

Figure A and Table 1 show that, for 2008, there were 4,375,660 individual income tax returns reporting AGI of \$200,000 or more, and 4,416,986 returns

with expanded income of \$200,000 or more. These returns represented 3.072 percent and 3.101 percent, respectively, of all returns for 2008.

From 1977 to 2000, the numbers of returns reporting incomes of \$200,000 or more increased each year, and each year those high-income returns were a larger share of all tax returns. However, for 2001 and 2002, both the number of high-income returns and their percentage of all returns decreased. For 2003, both the numbers of high-income returns and their share of all returns increased, but, by all measures, were still lower than in 2001. With a slightly larger increase than that in 2003, the number of returns and their percentage of all returns for 2004 rose above the previous high set in 2000. This trend continued through 2007, by having large increases in both number of returns and percentage of all returns. For 2008, both the number of returns and the percentage of all returns decreased, although both were still higher than in any year except 2007. Tax Year 2008 was the first year since 2002, and only the third year, that both of these decreased.

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

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

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

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

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

⁴ See Notes to Appendix A, Note A4.

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

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Figure A

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2008

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.145	0.184
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895
2003	130,423,626	2,536,439	2,573,133	1.945	1.973
2004	132,226,042	3,021,435	3,067,602	2.285	2.320
2005	134,372,678	3,566,125	3,584,012	2.654	2.667
2006	138,394,754	4,064,883	4,094,953	2.937	2.959
2007	142,978,806	4,535,623	4,576,315	3.172	3.201
2008	142,450,569	4,375,660	4,416,986	3.072	3.101

Footnotes at end of figure.

The bottom panel of Figure A shows the results of using a threshold of \$200,000 in constant 1976 dollars for all years.⁶

When measured in 1976 constant dollars, under the expanded-income concept, the total number of high-income returns for 2008 was only 8.4 times the number for 1977, whereas the number of high-income returns for 2008 measured in current-year

dollars was 65.4 times as large as for 1977. For 2008, the share of high expanded-income returns in constant dollars decreased to 0.350 percent from 0.432 percent the previous year. Thus, when the threshold for considering a tax return to be high income is adjusted for inflation, the percentage of high-income returns in the population of all returns is about 89 percent lower than when the nominal threshold is used. Figure B shows

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

Figure A—Continued

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2008—Continued

Tax year	Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars)	\$200,000 income threshold measured in 1976 constant dollars [1]			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420
2007	728,794	606,026	618,154	0.424	0.432
2008	756,777	487,656	498,470	0.342	0.350

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

the difference between the constant and current dollar shares of high expanded-income returns.

Based on AGI, the number of high-income returns for 2008 measured in current-year dollars was 81.9 times as large as for 1977, whereas measured in 1976 constant dollars, the number of returns for 2008 was only 10.6 times the number for 1977. For Tax Year 2008, the share of high AGI-income returns in constant dollars decreased to 0.342 percent from 0.424 percent in 2007.

Nontaxable High-Income Returns

In this article, two tax concepts are used to classify tax returns as taxable or nontaxable. The first concept, "U.S. income tax," is total Federal income tax liability (including the "alternative minimum tax" (AMT)), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified

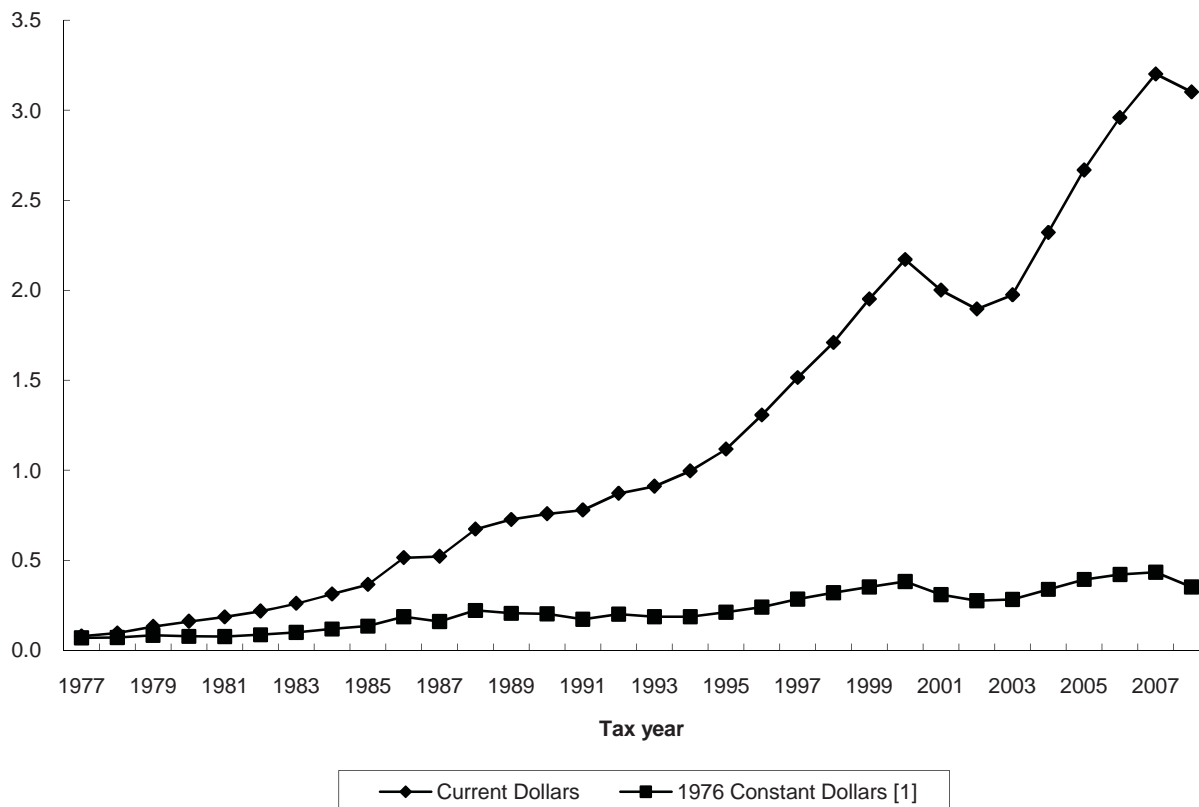
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Figure B

Returns with Expanded Income of \$200,000 or More: Percentage of All Returns Measured in Current and 1976 Constant Dollars, Tax Years 1977–2008

Percentage of returns



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

as nontaxable under this first concept even though income taxes had been paid to a foreign government. The second tax concept, “worldwide income tax,” addresses this circumstance by adding to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income.^{7,8} The sum of these two items is believed to be a reasonable proxy for foreign taxes actually paid.

For 2008, of the 4,375,660 income tax returns with AGI of \$200,000 or more, 18,783 (0.429 per-

cent) showed no U.S. income tax liability; and 10,824 (0.247 percent) showed no worldwide income tax liability (the top panel of Figure C). For 2007, of the 4,535,623 returns with AGI of \$200,000 or more, 10,465 returns (0.231 percent) had no U.S. income tax liability, and 4,841 returns (0.107 percent) had no worldwide income tax liability.

For 2008, of the 4,416,986 tax returns with expanded income of \$200,000 or more, 27,399 (0.620 percent) had no U.S. income tax liability; 15,308

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

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

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(0.347 percent) had no worldwide income tax liability. For 2007, of the 4,576,315 returns with expanded income of \$200,000 or more, there were 13,142 (0.287 percent) with no U.S. income tax liability and 4,354 (0.095 percent) with no worldwide income tax liability.

The proportion of nontaxable, high-income returns increased appreciably by all of the four measures cited above between 2007 and 2008. In fact, returns with AGI of \$200,000 or more with no U.S.

income tax liability was the only measure that did not at least double in proportion. The items, which had the largest effect in reducing taxes for high expanded-income returns with no worldwide tax, thus contributing to this increase in nontaxability, were total miscellaneous deductions (including casualty theft losses from income-producing property), the taxes paid deduction, partnership and S corporation losses, and tax-exempt interest. Between 2007 and 2008, these items increased by 1,241.7 percent (447

Figure C

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2008

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.066	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200
2003	2,824	5,839	2,416	4,934	0.111	0.227	0.095	0.192
2004	2,833	5,028	2,420	4,101	0.094	0.164	0.080	0.134
2005	7,389	10,680	4,224	5,420	0.207	0.298	0.118	0.151
2006	8,252	11,014	4,123	4,322	0.203	0.269	0.101	0.106
2007	10,465	13,142	4,841	4,354	0.231	0.287	0.107	0.095
2008	18,783	27,399	10,824	15,308	0.429	0.620	0.247	0.347

Footnotes at end of figure.

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Figure C—Continued

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2008—Continued

Tax year	\$200,000 income threshold measured in 1976 constant dollars [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053
2007	1,524	1,359	565	303	0.251	0.220	0.093	0.049
2008	2,655	2,431	1,357	1,004	0.544	0.488	0.278	0.201

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

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

returns), 771.2 percent (933 returns), 364.1 percent (1,216 returns), and 295.9 percent (5,929 returns), respectively (see Table 8 for more details).

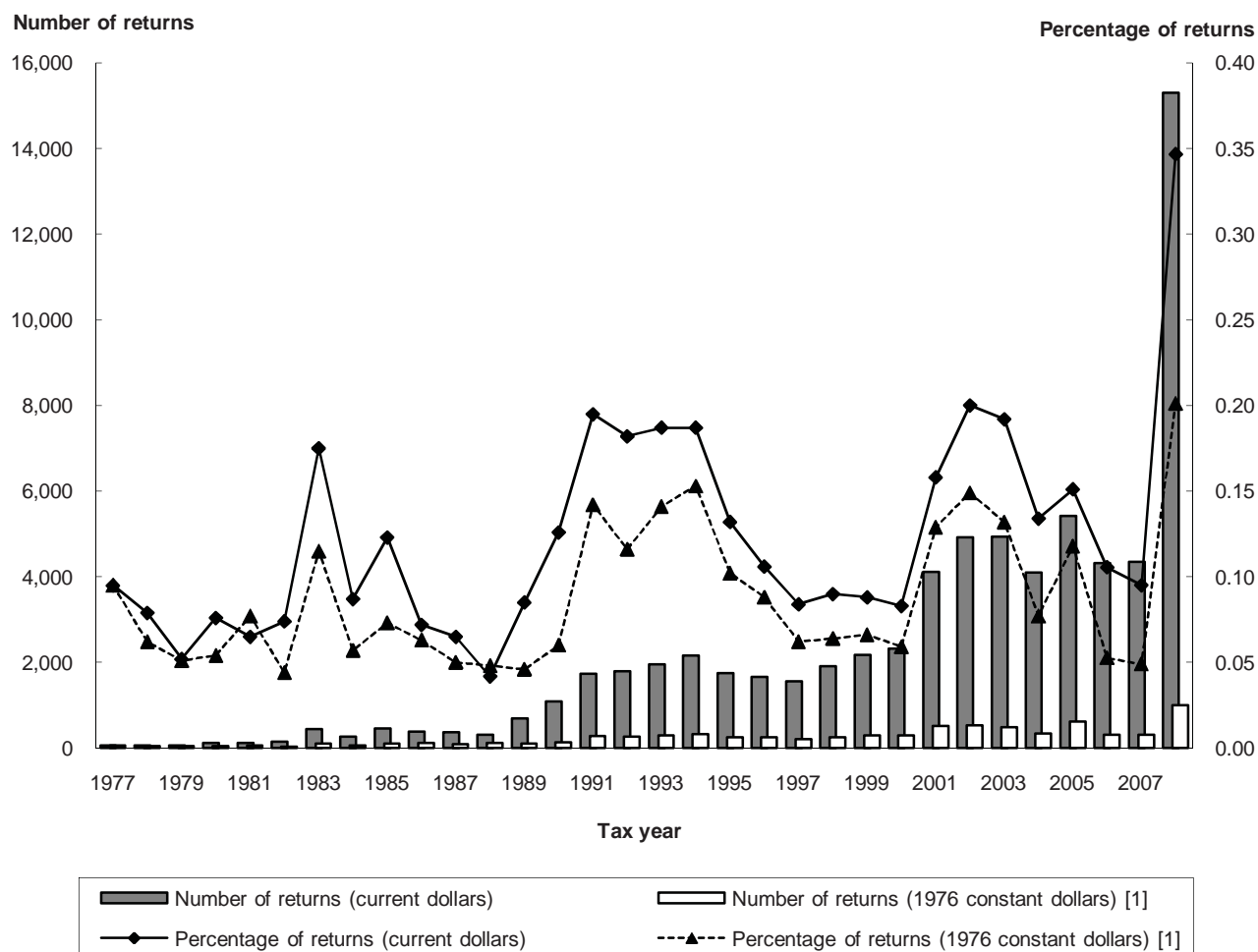
Regardless of the income measure (AGI or expanded income) or the tax concept (U.S. income tax or worldwide income tax) used, the percentages of 2008 nontaxable, high-income returns are not substantially different whether measured in constant or current dollars. Of returns with AGI of \$200,000 or more in current dollars, 0.429 percent reported

no U.S. income tax for 2008; 0.247 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.544; the percentage without worldwide income tax liability was 0.278 (see the lower panel of Figure C).

Of returns with expanded income of \$200,000 or more in current dollars, 0.620 percent reported no U.S. income tax for 2008, and 0.347 percent had no worldwide income tax. When looking at these

Figure D

Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977–2008



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

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

returns using 1976 constant dollars, the percentage without U.S. income tax liability was 0.488; the percentage without worldwide income tax liability was 0.201.

Figure D shows the number of returns with expanded income of \$200,000 or more with no worldwide income tax and their proportion of all high expanded-income returns for 1977 through 2008. These data are shown in both current-year and 1976

constant dollars. In this figure, the spread between the two percentage lines was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but has increased or stayed fairly consistent since 2002.

Note that, because the number of nontaxable returns with expanded income of \$200,000 or more is based on samples, year-to-year differences in the

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

Detailed Data for 2008

Tables 1 through 12 present data based on income tax returns for 2008, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- ❑ The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income-size classes (Tables 1 and 2);
- ❑ The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- ❑ The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- ❑ The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- ❑ The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- ❑ The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income-size classes (Tables 11 and 12).

Tables 1, 3, 5, 7, 9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income-size classes. The tables show that most returns fall in the same broad income-size class under both income concepts, but that the number of nontaxable returns is generally greater in each income class greater than \$50,000 when income is measured by economic income rather than by AGI. Table 1 shows that 18,783 returns with no U.S. income tax had an AGI of \$200,000 or more; 27,399 returns with no U.S. income tax had an expanded income of \$200,000 or more; and 13,128 returns with no U.S. income tax had both AGI and expanded income of \$200,000 or more. Table 2 shows that 10,824 returns with no worldwide income tax had an AGI of \$200,000 or more; 15,308 returns with no worldwide income tax had expanded income of \$200,000 or more; and 5,327 returns with no worldwide income tax had both AGI and expanded income of \$200,000 or more.

Distribution of Tax Levels

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

- ❑ As already described, only a small portion of high-income taxpayers were able to escape all income taxes (0.3 percent).
- ❑ Another group of high-income taxpayers—small, but larger than the nontaxable group—was able

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

to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called “nearly nontaxables.” Around 0.9 percent of high expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce their adjustable taxable income to less than 25 percent of their expanded income.

- Overall, most high-income taxpayers were subject to tax on a large share of their income and, consequently, reported very substantial amounts of tax. (61.6 percent of high- expanded income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 95 percent had adjusted taxable income equal to 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both size of income and effective tax rate, i.e., income tax as a percentage of either adjusted gross income or expanded income. These tables show that, on average, high-income taxpayers did have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that, while 3.0 percent of returns with adjusted gross income of \$200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of adjusted gross income, 20.7 percent had effective tax rates of 25 percent or more. In addition, 31.2 percent had effective tax rates between 20 and 25 percent. In contrast, only 3.2 percent of taxpayers with AGI between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including 0.2 percent with effective tax rates of 25 percent or more.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns.

By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns under the expanded-income concept were much more likely to have tax-exempt interest than were taxable returns, and, when they did have it, the average amount was much higher. Similarly, nontaxable returns were much less likely to have any income from salaries and wages.

Reasons for Nontaxability

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

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

Due to the AMT exemption of \$69,950 on joint returns (\$46,200 on single and head-of-household returns and \$34,975 on returns of married taxpayers filing separately), a return could have been nontaxable, even though it included some items that produced AMT adjustments or preferences.¹⁰ Further, since the starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative, due to itemized deductions and personal exemptions exceeding AGI, that the taxpayer’s AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is less than zero. Note that,

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

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because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects.¹¹ For example, Table 7 shows that, on taxable returns with some U.S. income tax and expanded income of \$200,000 or more, the taxes paid deduction was the most important item 50.4 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 58.4 percent of the time, and the charitable contributions deduction was the second most important item 24.6 percent of the time.

Table 8 shows that, on returns without any worldwide tax and expanded income of \$200,000 or more, the most important item in eliminating tax, on 51.8 percent of returns, was the exclusion for State and local government interest (“tax-exempt interest”). For these returns, the itemized deduction for taxes paid was the second most important item 28.2 percent of the time, and the deduction for medical and dental expenses was the second most important reason 14.5 percent of the time.

Table 8 also shows that the four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (4,061 returns, or 37.7 percent of the 10,782 tabulated returns with AGI of \$200,000 or more and with no worldwide tax liability); partnership and S corporation net losses (1,465 returns, or 13.6 percent); investment interest expense deduction (1,213 returns, or 11.3 percent); and medical and dental expense deduction (1,077 returns, or 10.0 percent). These effects are also shown graphically in Figure E.

For high expanded-income returns with no worldwide income tax, the four categories that most frequently had the largest effect in reducing taxes were tax-exempt interest (7,933 returns, or 51.8 percent of the 15,303 tabulated returns with expanded income of \$200,000 or more and with no worldwide

tax liability); medical and dental expense deductions (1,754 returns, or 11.5 percent); partnership and S corporation net losses (1,550 returns, or 10.1 percent); and taxes paid deduction (1,054 returns, or 6.9 percent). These effects are also shown graphically in Figure F.

Table 8 also shows that the items that most frequently had the second largest effect in reducing regular tax liability for high expanded-income returns with no worldwide tax were the deduction for taxes paid (3,713 returns, or 24.3 percent) and tax-exempt interest (2,342 returns, or 15.3 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different percentages of income. The items shown include the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 413 of the 15,308 returns, but there was no casualty or theft loss deduction on 14,513 returns.

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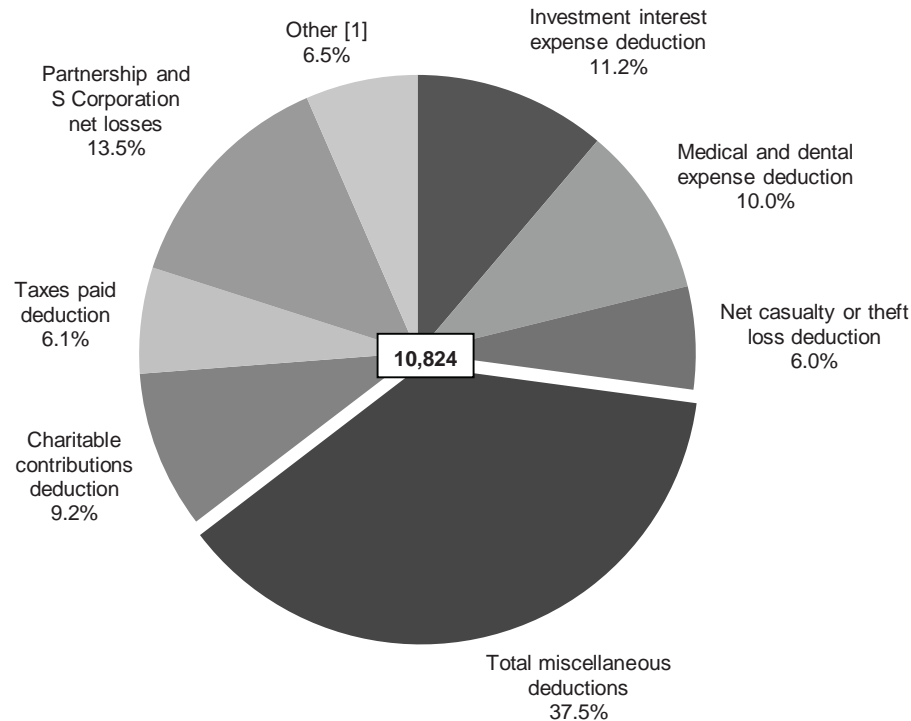
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¹¹ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

Figure E

Returns with No Worldwide Income Tax and with Adjusted Gross Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2008



[1] Includes 42 returns where primary reason for nontaxability was not identified by the data items selected for this report.
NOTE: Detail may not add to 100 percent because of rounding.

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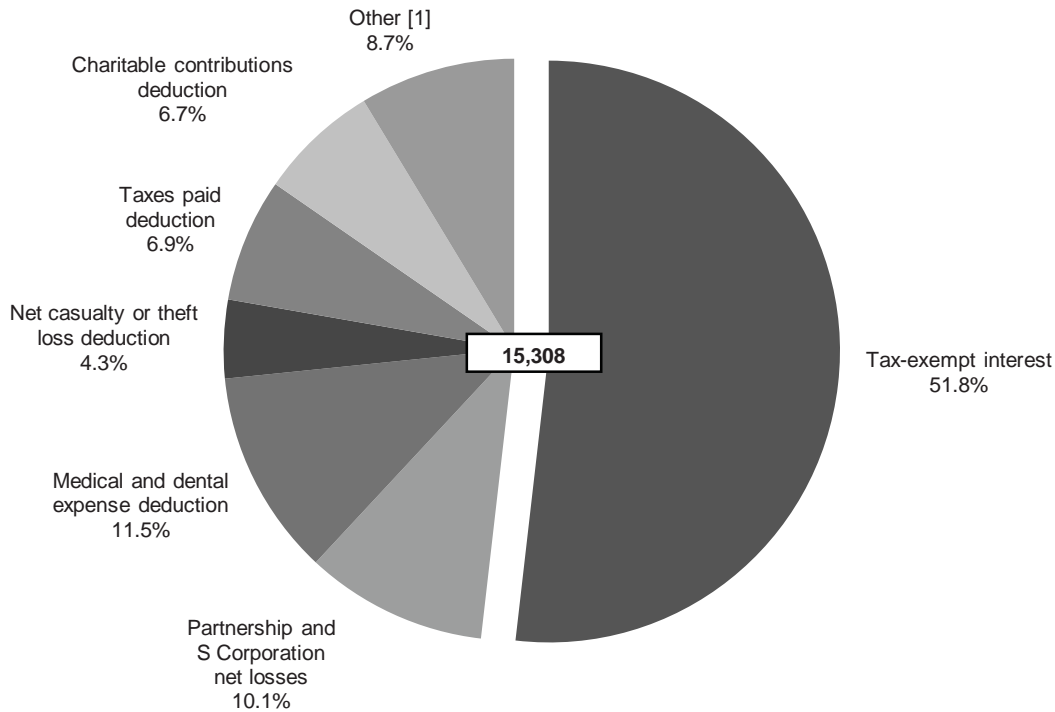
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Figure F

Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2008



[1] Includes 5 returns where primary reason for nontaxability was not identified by the data items selected for this report.
NOTE: Detail may not add to 100 percent because of rounding.

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Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but

that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

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

Haig-Simons Income

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

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

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

Capital income—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the

capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

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

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

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not “grossed up” for implicit taxes.

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

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

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

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

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

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

Expanded Income

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

Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be

Figure G

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977–2008

Adjusted gross income (AGI)

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

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

capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

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

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment

expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expense. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

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

Notes to Appendix A

- [A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.
- [A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represent a return of principal to the lender, rather than interest.
- [A3] See references and footnote A4.
- [A4] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there

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was no exclusion allowed for capital gains in computing AGI, and, thus, this adjustment was not made in computing expanded income for returns for years after 1986.

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

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

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

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications found under the Reference Section.

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

Appendix B: Tax Concepts

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

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

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

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

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for

foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes—U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

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

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

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

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

Figure H

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2008

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

tax before credits” and “taxable income that would yield income tax after credits.”

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

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

Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been or could be made as a result of IRS audits. While this is true of

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data throughout the entire Statistics of Income program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

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

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in

this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset pre-credit U.S. income tax liability with foreign tax credits.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

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Table 1. Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2008

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,450,569	93,297,623	30,925,946	13,851,341	4,375,660
Under \$50,000 [1]	91,824,448	90,960,734	849,718	7,632	6,364
\$50,000 under \$100,000	32,444,747	2,275,366	29,687,858	476,645	4,878
\$100,000 under \$200,000	13,764,389	57,931	379,603	13,246,329	80,526
\$200,000 or more	4,416,986	3,593	8,767	120,735	4,283,891
Returns with U.S. income tax					
Total	95,188,712	47,569,564	29,501,088	13,761,183	4,356,877
Under \$50,000 [1]	46,357,772	45,647,400	703,611	4,055	2,707
\$50,000 under \$100,000	30,803,369	1,892,228	28,438,127	468,810	4,204
\$100,000 under \$200,000	13,637,984	29,069	353,740	13,175,973	79,202
\$200,000 or more	4,389,587	867	5,611	112,345	4,270,764
Returns without U.S. income tax					
Total	47,261,857	45,728,059	1,424,858	90,158	18,783
Under \$50,000 [1]	45,466,675	45,313,335	146,107	3,577	3,657
\$50,000 under \$100,000	1,641,378	383,137	1,249,732	7,835	674
\$100,000 under \$200,000	126,405	28,862	25,863	70,356	1,324
\$200,000 or more	27,399	2,725	3,157	8,390	13,128

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

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

Table 2. Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2008

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,450,569	93,297,623	30,925,946	13,851,341	4,375,660
Under \$50,000 [1]	91,824,448	90,960,734	849,718	7,632	6,364
\$50,000 under \$100,000	32,444,747	2,275,366	29,687,858	476,645	4,878
\$100,000 under \$200,000	13,764,389	57,931	379,603	13,246,329	80,526
\$200,000 or more	4,416,986	3,593	8,767	120,735	4,283,891
Returns with worldwide income tax					
Total	95,432,706	47,733,827	29,556,492	13,777,551	4,364,836
Under \$50,000 [1]	46,501,880	45,791,485	703,614	4,061	2,721
\$50,000 under \$100,000	30,862,179	1,902,836	28,485,457	469,655	4,231
\$100,000 under \$200,000	13,666,968	38,205	361,289	13,188,154	79,319
\$200,000 or more	4,401,678	1,301	6,132	115,681	4,278,564
Returns without worldwide income tax					
Total	47,017,863	45,563,796	1,369,454	73,789	10,824
Under \$50,000 [1]	45,322,567	45,169,250	146,104	3,571	3,643
\$50,000 under \$100,000	1,582,567	372,529	1,202,401	6,990	647
\$100,000 under \$200,000	97,421	19,725	18,313	58,175	1,207
\$200,000 or more	15,308	2,292	2,635	5,054	5,327

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

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

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Table 3. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2008

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,375,660	100.0	100.0	4,416,986	100.0	100.0
Returns without U.S. income tax	18,783	0.4	0.4	27,399	0.6	0.6
Returns with U.S. income tax: Total	4,356,877	99.6	N/A	4,389,587	99.4	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	10,542	0.2	0.2	14,544	0.3	0.3
5 under 10 percent	8,240	0.2	0.4	13,125	0.3	0.6
10 under 15 percent	11,953	0.3	0.7	11,665	0.3	0.9
15 under 20 percent	9,568	0.2	0.9	15,604	0.4	1.2
20 under 25 percent	9,692	0.2	1.1	13,825	0.3	1.6
25 under 30 percent	14,582	0.3	1.5	18,470	0.4	2.0
30 under 35 percent	18,116	0.4	1.9	21,142	0.5	2.5
35 under 40 percent	23,221	0.5	2.4	30,141	0.7	3.1
40 under 45 percent	45,394	1.0	3.5	49,856	1.1	4.3
45 under 50 percent	60,168	1.4	4.8	71,444	1.6	5.9
50 under 60 percent	189,856	4.3	9.2	208,168	4.7	10.6
60 under 70 percent	356,886	8.2	17.3	366,567	8.3	18.9
70 under 80 percent	928,646	21.2	38.6	931,047	21.1	40.0
80 percent or more	2,670,014	61.0	99.6	2,623,988	59.4	99.4

N/A—Not applicable.

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

Table 4. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2008

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,375,660	100.0	100.0	4,416,986	100.0	100.0
Returns without worldwide income tax	10,824	0.2	0.2	15,308	0.3	0.3
Returns with worldwide income tax: Total	4,364,836	99.8	N/A	4,401,678	99.7	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	5,129	0.1	0.1	6,691	0.2	0.2
5 under 10 percent	4,236	0.1	0.2	7,180	0.2	0.3
10 under 15 percent	7,174	0.2	0.4	7,163	0.2	0.5
15 under 20 percent	6,011	0.1	0.5	11,007	0.2	0.7
20 under 25 percent	5,838	0.1	0.6	8,671	0.2	0.9
25 under 30 percent	10,458	0.2	0.9	12,838	0.3	1.2
30 under 35 percent	15,247	0.3	1.2	17,362	0.4	1.6
35 under 40 percent	17,742	0.4	1.6	23,037	0.5	2.1
40 under 45 percent	39,152	0.9	2.5	44,045	1.0	3.1
45 under 50 percent	57,674	1.3	3.9	66,948	1.5	4.6
50 under 60 percent	179,442	4.1	8.0	194,853	4.4	9.1
60 under 70 percent	345,850	7.9	15.9	357,939	8.1	17.2
70 under 80 percent	913,326	20.9	36.7	922,583	20.9	38.0
80 percent or more	2,757,557	63.0	99.8	2,721,360	61.6	99.7

N/A—Not applicable.

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

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,841,459	1,206,006,303	3,829,560	1,201,787,787	11,899	4,218,516
Business or profession:						
Net income	834,512	97,942,679	831,328	97,474,813	3,184	467,865
Net loss	279,978	8,190,538	278,152	7,933,967	1,826	256,572
Farm:						
Net income	32,353	2,932,892	32,218	2,922,899	135	9,993
Net loss	86,873	4,404,124	86,390	4,339,274	483	64,850
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,336,738	446,954,372	1,333,033	445,800,473	3,705	1,153,899
Net loss	434,780	49,185,125	428,888	45,812,100	5,892	3,373,024
Sales of capital assets:						
Net gain	1,399,950	417,476,734	1,393,604	414,043,515	6,346	3,433,218
Net loss	1,642,796	4,325,089	1,634,961	4,303,002	7,835	22,087
Sales of property other than capital assets:						
Net gain	156,133	7,277,531	154,852	7,203,404	1,280	74,127
Net loss	248,585	5,094,788	246,320	4,787,444	2,266	307,344
Taxable interest received	4,110,421	94,867,127	4,093,864	91,893,504	16,557	2,973,623
Tax-exempt interest	1,445,881	45,329,526	1,438,395	44,327,710	7,486	1,001,816
Dividends	3,297,067	125,088,989	3,283,203	122,514,065	13,864	2,574,924
Qualified dividends	3,026,504	97,500,545	3,014,080	95,627,970	12,425	1,872,575
Pensions and annuities in adjusted gross income	891,095	43,619,043	887,729	43,439,520	3,366	179,523
Rent:						
Net income	481,111	24,461,499	478,948	24,323,900	2,163	137,600
Net loss, total (deductible and nondeductible)	559,640	12,942,218	556,388	12,732,906	3,252	209,313
Nondeductible rental loss	422,649	8,313,039	420,389	8,216,897	2,260	96,142
Royalty:						
Net income	318,523	17,579,870	315,420	17,432,198	3,103	147,672
Net loss	7,774	114,808	7,596	113,302	178	1,506
Estate or trust:						
Net income	110,108	16,042,417	109,261	15,937,821	847	104,596
Net loss	12,663	1,529,563	12,267	1,348,948	396	180,615
State income tax refunds	1,492,468	8,820,109	1,488,421	8,681,615	4,047	138,495
Alimony received	7,644	1,201,551	7,615	1,198,790	29	2,761
Social Security benefits in adjusted gross income	680,321	14,264,249	675,780	14,167,763	4,541	96,486
Social Security benefits (nontaxable)	680,403	2,520,221	675,836	2,502,761	4,567	17,460
Unemployment compensation	108,633	597,295	108,508	596,232	125	1,063
Other income	624,099	17,669,751	620,151	17,453,649	3,948	216,102
Other loss	46,300	1,994,956	44,785	1,917,677	1,515	77,279
Foreign-earned income exclusion	45,574	3,744,720	41,153	3,341,906	4,421	402,814
Total income	4,375,660	2,499,522,581	4,356,877	2,486,934,808	18,783	12,587,774
Statutory adjustments, total	1,854,824	37,514,618	1,848,434	37,398,754	6,391	115,864
Payments to Individual Retirement Arrangements	117,082	998,769	116,664	995,479	418	3,291
Payments to self-employed retirement (Keogh) plans	406,698	12,978,980	406,207	12,959,338	491	19,642
Moving expenses adjustment	46,228	281,084	46,090	279,826	138	1,257
Adjusted gross income	4,375,660	2,462,007,963	4,356,877	2,449,536,054	18,783	12,471,910

Footnotes at end of table.

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	695,753	19,654,175	688,638	17,958,039	7,116	1,696,136
Total tax preferences excluded from adjusted gross income	1,454,760	46,621,550	1,447,266	45,615,008	7,494	1,006,543
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,871	1,298,174	24,459	1,292,663	412	5,511
Passive activity loss (alternative minimum tax adjustment)	551,917	997,523	548,879	1,005,655	3,037	-8,132
Expanded income	4,375,503	2,468,922,075	4,356,877	2,465,097,977	18,626	3,824,098
Exemption amount	4,372,974	37,026,245	4,354,230	36,892,968	18,744	133,276
Itemized deductions:						
Total per adjusted gross income concept	4,173,847	373,873,386	4,158,226	358,984,131	15,621	14,889,255
Charitable contributions deduction	3,912,225	72,336,640	3,899,488	71,425,777	12,737	910,863
Interest paid deduction:						
Total per adjusted gross income concept	3,520,438	96,224,697	3,507,590	94,112,325	12,848	2,112,372
Total home mortgage interest	3,354,260	76,354,559	3,343,821	75,940,241	10,439	414,318
Medical and dental expense deduction	102,673	3,165,083	100,452	2,874,675	2,221	290,408
Net casualty or theft loss deduction	32,608	1,676,947	31,843	940,222	765	736,725
Taxes paid deduction	4,168,792	180,661,315	4,153,990	179,023,930	14,802	1,637,386
Net limited miscellaneous deductions per adjusted gross income concept	634,207	16,274,704	628,193	15,366,389	6,014	908,315
Non-limited miscellaneous deductions	259,850	20,102,508	253,793	11,738,466	6,057	8,364,043
Excess of exemptions and deductions over adjusted gross income	15,805	12,180,224	7,637	4,019,269	8,168	8,160,955
Taxable income	4,359,794	2,060,968,496	4,349,234	2,055,400,186	10,560	5,568,310
Tax at regular rates	4,353,474	531,282,387	4,344,884	529,834,098	8,590	1,448,290
Alternative minimum tax (Form 6251)	2,858,226	23,188,650	2,857,994	23,185,984	232	2,667
Income tax before credits	4,365,534	554,471,220	4,356,877	553,020,264	8,657	1,450,956
Tax credits:						
Total	1,921,307	16,989,698	1,912,650	15,538,742	8,657	1,450,956
Child care credit	327,071	172,953	326,930	172,890	141	63
Minimum tax credit	119,707	619,159	118,991	600,107	716	19,052
Foreign tax credit	1,556,643	14,827,080	1,548,686	13,402,949	7,958	1,424,131
General business credit	113,959	1,240,459	113,456	1,233,685	503	6,774
U.S. total income tax	4,356,877	537,481,728	4,356,877	537,481,728	0	0
Taxable income which would yield:						
Income tax before credits	4,365,534	1,892,750,588	4,356,877	1,888,059,359	8,657	4,691,229
Income tax after credits	4,356,876	1,841,952,570	4,356,876	1,841,952,570	0	0
U.S. total income tax	4,356,877	1,841,953,159	4,356,877	1,841,953,159	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,375,660	2,462,007,963	4,356,877	2,449,536,054	18,783	12,471,910
plus: Total tax preferences excluded from adjusted gross income [2]	1,454,760	46,621,550	1,447,266	45,615,008	7,494	1,006,543
Social Security benefits (nontaxable)	680,403	2,520,221	675,836	2,502,761	4,567	17,460
Foreign-earned income exclusion	45,574	3,744,720	41,153	3,341,906	4,421	402,814
minus: Investment interest expense deduction	695,753	19,654,175	688,638	17,958,039	7,116	1,696,136
Non-limited miscellaneous deductions	259,850	20,102,508	253,793	11,738,466	6,057	8,364,043
Unreimbursed employee business expenses	833,017	6,215,696	831,804	6,201,246	1,213	14,450
Equals: Expanded income	4,375,503	2,468,922,075	4,356,877	2,465,097,977	18,626	3,824,098

Footnotes at end of table.

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,830,564	1,201,368,030	3,815,056	1,196,554,611	15,508	4,813,419
Business or profession:						
Net income	840,819	98,587,318	837,304	98,140,290	3,515	447,028
Net loss	275,481	8,127,258	273,443	7,900,060	2,037	227,198
Farm:						
Net income	32,603	2,944,387	32,452	2,934,784	151	9,603
Net loss	88,318	4,406,786	87,747	4,337,704	571	69,082
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,351,269	446,925,736	1,347,171	446,103,210	4,098	822,526
Net loss	444,238	48,755,457	436,533	45,787,714	7,705	2,967,743
Sales of capital assets:						
Net gain	1,428,850	416,311,399	1,421,076	413,855,862	7,773	2,455,537
Net loss	1,681,414	4,440,973	1,667,148	4,400,481	14,266	40,492
Sales of property other than capital assets:						
Net gain	158,735	7,307,248	157,186	7,235,891	1,549	71,357
Net loss	252,216	4,978,219	249,522	4,719,129	2,694	259,090
Taxable interest received	4,158,531	94,151,140	4,133,750	91,930,549	24,781	2,220,591
Tax-exempt interest	1,534,394	54,426,667	1,518,627	50,749,370	15,766	3,677,296
Dividends	3,366,908	128,456,728	3,344,635	125,599,664	22,272	2,857,064
Qualified dividends	3,094,105	100,113,299	3,073,848	98,000,015	20,257	2,113,284
Pensions and annuities in adjusted gross income	927,025	45,538,426	921,717	45,346,172	5,308	192,254
Rent:						
Net income	496,173	24,772,453	493,557	24,650,622	2,616	121,831
Net loss, total (deductible and nondeductible)	555,636	12,649,648	551,630	12,458,722	4,005	190,926
Nondeductible rental loss	417,630	8,122,056	415,034	8,034,498	2,597	87,558
Royalty:						
Net income	332,103	17,744,890	327,901	17,618,330	4,202	126,559
Net loss	8,194	117,443	7,938	113,432	256	4,012
Estate or trust:						
Net income	115,440	16,141,175	114,258	16,071,123	1,182	70,052
Net loss	13,170	1,483,895	12,732	1,341,417	438	142,477
State income tax refunds	1,481,897	8,793,824	1,476,942	8,672,970	4,955	120,854
Alimony received	7,155	1,199,334	7,134	1,197,797	21	1,537
Social Security benefits in adjusted gross income	741,388	15,599,939	732,856	15,423,254	8,531	176,685
Social Security benefits (nontaxable)	741,490	2,756,627	732,916	2,724,406	8,573	32,221
Unemployment compensation	103,755	574,038	103,656	572,997	99	1,041
Other income	631,101	17,546,210	625,876	17,348,940	5,225	197,269
Other loss	54,149	2,120,432	51,635	2,032,386	2,515	88,046
Foreign-earned income exclusion	69,606	5,982,507	61,220	5,141,806	8,386	840,701
Total income	4,416,984	2,495,083,362	4,389,587	2,485,051,020	27,397	10,032,342
Statutory adjustments, total	1,867,183	37,769,262	1,859,610	37,653,863	7,573	115,399
Payments to Individual Retirement Arrangements	118,425	1,012,167	117,825	1,007,631	599	4,536
Payments to self-employed retirement (Keogh) plans	413,205	13,149,947	412,694	13,133,280	511	16,667
Moving expenses adjustment	45,759	283,320	45,574	281,906	185	1,414
Adjusted gross income	4,416,985	2,457,314,100	4,389,587	2,447,397,157	27,398	9,916,944

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Investment interest expense deduction	696,821	16,568,820	689,763	15,932,639	7,058	636,181
Total tax preferences excluded from adjusted gross income	1,544,113	55,838,347	1,528,337	52,152,450	15,776	3,685,897
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,661	1,418,150	26,188	1,408,524	473	9,626
Passive activity loss (alternative minimum tax adjustment)	568,177	1,020,259	564,206	1,028,532	3,971	-8,273
Expanded income	4,416,986	2,492,366,777	4,389,587	2,478,785,284	27,399	13,581,494
Exemption amount	4,414,005	37,153,129	4,386,639	36,945,229	27,366	207,900
Itemized deductions:						
Total per adjusted gross income concept	4,188,788	358,677,845	4,167,770	352,570,993	21,018	6,106,852
Total per expanded income concept	4,188,328	347,954,469	4,167,354	342,672,920	20,974	5,281,548
Charitable contributions deduction	3,926,492	72,826,976	3,908,740	71,911,390	17,752	915,586
Interest paid deduction:						
Total per adjusted gross income concept	3,492,146	92,132,121	3,477,648	91,075,325	14,498	1,056,796
Total per expanded income concept	3,326,684	75,563,301	3,315,208	75,142,686	11,477	420,615
Total home mortgage interest	3,320,249	75,357,677	3,308,822	74,938,887	11,427	418,790
Medical and dental expense deduction	124,511	3,671,139	117,089	3,128,676	7,422	542,463
Net casualty or theft loss deduction	32,351	1,641,046	31,525	904,031	826	737,015
Taxes paid deduction	4,183,437	181,328,663	4,163,511	179,576,078	19,925	1,752,585
Net limited miscellaneous deductions per adjusted gross income concept	612,868	15,890,085	601,201	14,967,728	11,667	922,357
Non-limited miscellaneous deductions	239,253	7,685,253	235,909	7,458,864	3,344	226,389
Excess of exemptions and deductions over adjusted gross income	18,956	6,655,547	8,971	4,138,910	9,985	2,516,637
Taxable income	4,397,983	2,065,540,864	4,380,610	2,059,494,915	17,373	6,045,949
Tax at regular rates	4,387,395	532,189,776	4,374,525	530,625,861	12,870	1,563,915
Alternative minimum tax (Form 6251)	2,851,659	23,191,552	2,851,364	23,188,886	295	2,666
Income tax before credits	4,402,563	555,386,195	4,389,587	553,819,614	12,976	1,566,581
Tax credits:						
Total	1,973,573	17,396,988	1,960,596	15,830,407	12,976	1,566,581
Child care credit	321,998	170,111	321,781	170,024	217	87
Minimum tax credit	126,514	625,194	125,498	605,773	1,016	19,421
Foreign tax credit	1,611,372	15,230,003	1,599,288	13,690,508	12,084	1,539,495
General business credit	115,037	1,240,376	114,499	1,233,886	538	6,490
U.S. total income tax	4,389,587	537,989,413	4,389,587	537,989,413	0	0
Taxable income which would yield:						
Income tax before credits	4,402,563	1,896,918,373	4,389,587	1,891,703,138	12,976	5,215,234
Income tax after credits	4,389,586	1,844,450,379	4,389,586	1,844,450,379	0	0
U.S. total income tax	4,389,587	1,844,450,969	4,389,587	1,844,450,969	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,416,985	2,457,314,100	4,389,587	2,447,397,157	27,398	9,916,944
plus: Total tax preferences excluded from adjusted gross income [2]	1,544,113	55,838,347	1,528,337	52,152,450	15,776	3,685,897
Social Security benefits (nontaxable)	741,490	2,756,627	732,916	2,724,406	8,573	32,221
Foreign-earned income exclusion	69,606	5,982,507	61,220	5,141,806	8,386	840,701
minus: Investment interest expense deduction	696,821	16,568,820	689,763	15,932,639	7,058	636,181
Non-limited miscellaneous deductions	239,253	7,685,253	235,909	7,458,864	3,344	226,389
Unreimbursed employee business expenses	779,123	5,248,262	777,550	5,236,930	1,573	11,331
Equals: Expanded income	4,416,986	2,492,366,777	4,389,587	2,478,785,284	27,399	13,581,494

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

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

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

High-Income Tax Returns for 2008

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,841,459	1,206,006,303	3,836,086	1,205,065,218	5,373	941,085
Business or profession:						
Net income	834,512	97,942,679	832,578	97,756,984	1,934	185,695
Net loss	279,978	8,190,538	278,574	7,990,693	1,404	199,846
Farm:						
Net income	32,353	2,932,892	32,244	2,923,494	109	9,398
Net loss	86,873	4,404,124	86,518	4,353,088	355	51,036
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,336,738	446,954,372	1,333,992	446,350,417	2,746	603,955
Net loss	434,780	49,185,125	430,075	46,137,308	4,705	3,047,817
Sales of capital assets:						
Net gain	1,399,950	417,476,734	1,395,932	415,457,828	4,018	2,018,906
Net loss	1,642,796	4,325,089	1,637,720	4,310,498	5,076	14,591
Sales of property other than capital assets:						
Net gain	156,133	7,277,531	155,074	7,211,671	1,059	65,860
Net loss	248,585	5,094,788	246,819	4,815,125	1,766	279,663
Taxable interest received	4,110,421	94,867,127	4,100,379	92,202,380	10,042	2,664,747
Tax-exempt interest	1,445,881	45,329,526	1,440,031	44,417,650	5,850	911,875
Dividends	3,297,067	125,088,989	3,288,444	123,449,595	8,623	1,639,394
Qualified dividends	3,026,504	97,500,545	3,018,444	96,373,008	8,060	1,127,538
Pensions and annuities in adjusted gross income	891,095	43,619,043	888,606	43,485,345	2,489	133,698
Rent:						
Net income	481,111	24,461,499	479,633	24,360,296	1,478	101,203
Net loss, total (deductible and nondeductible)	559,640	12,942,218	557,635	12,775,372	2,005	166,846
Nondeductible rental loss	422,649	8,313,039	421,369	8,241,701	1,280	71,338
Royalty:						
Net income	318,523	17,579,870	315,952	17,489,558	2,571	90,312
Net loss	7,774	114,808	7,622	113,485	152	1,323
Estate or trust:						
Net income	110,108	16,042,417	109,395	15,974,403	713	68,014
Net loss	12,663	1,529,563	12,323	1,361,145	340	168,418
State income tax refunds	1,492,468	8,820,109	1,489,310	8,705,069	3,158	115,040
Alimony received	7,644	1,201,551	7,620	1,198,945	24	2,607
Social Security benefits in adjusted gross income	680,321	14,264,249	676,362	14,179,207	3,959	85,042
Social Security benefits (nontaxable)	680,403	2,520,221	676,446	2,505,159	3,957	15,062
Unemployment compensation	108,633	597,295	108,531	596,501	102	795
Other income	624,099	17,669,751	621,252	17,540,630	2,847	129,121
Other loss	46,300	1,994,956	46,095	1,961,284	205	33,672
Foreign-earned income exclusion	45,574	3,744,720	45,562	3,743,755	12	965
Total income	4,375,660	2,499,522,581	4,364,836	2,493,101,852	10,824	6,420,729
Statutory adjustments, total	1,854,824	37,514,618	1,850,207	37,439,713	4,617	74,905
Payments to Individual Retirement Arrangements	117,082	998,769	116,869	996,975	213	1,795
Payments to self-employed retirement (Keogh) plans	406,698	12,978,980	406,329	12,963,925	369	15,055
Moving expenses adjustment	46,228	281,084	46,204	280,802	24	281
Adjusted gross income	4,375,660	2,462,007,963	4,364,836	2,455,662,139	10,824	6,345,824

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	695,753	19,654,175	690,124	18,063,647	5,630	1,590,528
Total tax preferences excluded from adjusted gross income	1,454,760	46,621,550	1,448,907	45,705,950	5,853	915,601
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,871	1,298,174	24,511	1,293,799	360	4,375
Passive activity loss (alternative minimum tax adjustment)	551,917	997,523	549,628	1,005,515	2,289	-7,991
Expanded income	4,375,503	2,468,922,075	4,364,836	2,471,567,958	10,667	-2,645,883
Exemption amount	4,372,974	37,026,245	4,362,178	36,948,687	10,796	77,557
Itemized deductions:						
Total per adjusted gross income concept	4,173,847	373,873,386	4,163,077	359,609,730	10,770	14,263,655
Charitable contributions deduction	3,912,225	72,336,640	3,902,941	71,612,186	9,284	724,454
Interest paid deduction:						
Total per adjusted gross income concept	3,520,438	96,224,697	3,511,750	94,324,635	8,688	1,900,062
Total home mortgage interest	3,354,260	76,354,559	3,347,366	76,046,692	6,894	307,868
Medical and dental expense deduction	102,673	3,165,083	100,647	2,882,448	2,026	282,635
Net casualty or theft loss deduction	32,608	1,676,947	31,868	942,256	740	734,691
Taxes paid deduction	4,168,792	180,661,315	4,158,143	179,185,273	10,649	1,476,042
Net limited miscellaneous deductions per adjusted gross income concept	634,207	16,274,704	629,072	15,410,548	5,135	864,156
Non-limited miscellaneous deductions	259,850	20,102,508	254,234	11,778,989	5,616	8,323,520
Excess of exemptions and deductions over adjusted gross income	15,805	12,180,224	7,652	4,023,781	8,153	8,156,443
Taxable income	4,359,794	2,060,968,496	4,357,178	2,060,821,581	2,616	146,914
Tax at regular rates	4,353,474	531,282,387	4,352,842	531,268,286	632	14,101
Alternative minimum tax (Form 6251)	2,858,226	23,188,650	2,858,088	23,186,689	138	1,961
Income tax before credits	4,365,534	554,471,220	4,364,835	554,455,158	699	16,062
Tax credits:						
Total	573,386	2,162,618	572,687	2,146,556	699	16,062
Child care credit	327,071	172,953	327,035	172,935	36	18
Minimum tax credit	119,707	619,159	119,354	608,458	353	10,701
Foreign tax credit	0	0	0	0	0	0
General business credit	113,959	1,240,459	113,651	1,235,961	308	4,498
Worldwide total income tax	4,364,836	553,250,012	4,364,836	553,250,012	0	0
Foreign taxes paid	1,556,644	15,768,284	1,556,644	15,768,284	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	31,963	941,204	31,963	941,204	0	0
Taxable income which would yield:						
Income tax before credits	4,365,534	1,892,750,588	4,364,835	1,892,680,777	699	69,812
Income tax after credits	4,364,836	1,888,985,700	4,364,836	1,888,985,700	0	0
Worldwide total income tax	4,364,836	1,888,986,289	4,364,836	1,888,986,289	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,375,660	2,462,007,963	4,364,836	2,455,662,139	10,824	6,345,824
plus: Total tax preferences excluded from adjusted gross income [2]	1,454,760	46,621,550	1,448,907	45,705,950	5,853	915,601
Social Security benefits (nontaxable)	680,403	2,520,221	676,446	2,505,159	3,957	15,062
Foreign-earned income exclusion	45,574	3,744,720	45,562	3,743,755	12	965
minus: Investment interest expense deduction	695,753	19,654,175	690,124	18,063,647	5,630	1,590,528
Non-limited miscellaneous deductions	259,850	20,102,508	254,234	11,778,989	5,616	8,323,520
Unreimbursed employee business expenses	833,017	6,215,696	832,285	6,206,409	732	9,287
Equals: Expanded income	4,375,503	2,468,922,075	4,364,836	2,471,567,958	10,667	-2,645,883

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,830,564	1,201,368,030	3,825,351	1,200,685,052	5,213	682,978
Business or profession:						
Net income	840,819	98,587,318	839,001	98,468,099	1,818	119,219
Net loss	275,481	8,127,258	273,982	7,957,325	1,499	169,933
Farm:						
Net income	32,603	2,944,387	32,481	2,935,555	122	8,832
Net loss	88,318	4,406,786	87,902	4,352,290	416	54,496
Partnership and S Corporation net income after Section 179 property deduction [1]:						
Net income	1,351,269	446,925,736	1,348,262	446,656,674	3,007	269,062
Net loss	444,238	48,755,457	437,912	46,115,876	6,326	2,639,581
Sales of capital assets:						
Net gain	1,428,850	416,311,399	1,424,372	415,273,174	4,478	1,038,226
Net loss	1,681,414	4,440,973	1,671,188	4,411,259	10,227	29,714
Sales of property other than capital assets:						
Net gain	158,735	7,307,248	157,439	7,244,000	1,296	63,248
Net loss	252,216	4,978,219	250,099	4,747,569	2,117	230,650
Taxable interest received	4,158,531	94,151,140	4,143,515	92,252,080	15,016	1,899,060
Tax-exempt interest	1,534,394	54,426,667	1,520,899	50,909,082	13,495	3,517,585
Dividends	3,366,908	128,456,728	3,352,432	126,563,032	14,476	1,893,696
Qualified dividends	3,094,105	100,113,299	3,080,329	98,764,141	13,776	1,349,158
Pensions and annuities in adjusted gross income	927,025	45,538,426	922,874	45,398,214	4,151	140,213
Rent:						
Net income	496,173	24,772,453	494,462	24,688,953	1,711	83,500
Net loss, total (deductible and nondeductible)	555,636	12,649,648	553,516	12,511,445	2,120	138,203
Nondeductible rental loss	417,630	8,122,056	416,414	8,065,622	1,217	56,434
Royalty:						
Net income	332,103	17,744,890	328,570	17,675,918	3,534	68,971
Net loss	8,194	117,443	7,971	113,671	223	3,772
Estate or trust:						
Net income	115,440	16,141,175	114,435	16,108,279	1,005	32,896
Net loss	13,170	1,483,895	12,791	1,353,656	379	130,238
State income tax refunds	1,481,897	8,793,824	1,478,043	8,697,193	3,854	96,631
Alimony received	7,155	1,199,334	7,139	1,197,952	16	1,382
Social Security benefits in adjusted gross income	741,388	15,599,939	733,653	15,438,834	7,735	161,104
Social Security benefits (nontaxable)	741,490	2,756,627	733,753	2,727,853	7,737	28,774
Unemployment compensation	103,755	574,038	103,693	573,559	62	479
Other income	631,101	17,546,210	627,325	17,444,549	3,776	101,660
Other loss	54,149	2,120,432	53,841	2,095,268	309	25,163
Foreign-earned income exclusion	69,606	5,982,507	69,494	5,966,563	112	15,944
Total income	4,416,984	2,495,083,362	4,401,678	2,491,707,132	15,306	3,376,231
Statutory adjustments, total	1,867,183	37,769,262	1,861,946	37,700,789	5,237	68,473
Payments to Individual Retirement Arrangements	118,425	1,012,167	118,137	1,009,870	288	2,297
Payments to self-employed retirement (Keogh) plans	413,205	13,149,947	412,853	13,138,481	352	11,466
Moving expenses adjustment	45,759	283,320	45,743	283,140	16	180
Adjusted gross income	4,416,985	2,457,314,100	4,401,678	2,454,006,343	15,307	3,307,758

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status, Tax Year 2008—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Investment interest expense deduction	696,821	16,568,820	691,414	16,020,080	5,407	548,740
Total tax preferences excluded from adjusted gross income	1,544,113	55,838,347	1,530,615	52,313,185	13,499	3,525,162
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,661	1,418,150	26,242	1,409,684	419	8,466
Passive activity loss (alternative minimum tax adjustment)	568,177	1,020,259	565,145	1,028,564	3,032	-8,304
Expanded income	4,416,986	2,492,366,777	4,401,678	2,486,281,846	15,308	6,084,931
Exemption amount	4,414,005	37,153,129	4,398,719	37,037,147	15,287	115,982
Itemized deductions:						
Total per adjusted gross income concept	4,188,788	358,677,845	4,174,255	353,204,618	14,534	5,473,228
Total per expanded income concept	4,188,328	347,954,469	4,173,795	343,235,575	14,534	4,718,894
Charitable contributions deduction	3,926,492	72,826,976	3,913,142	72,108,182	13,350	718,793
Interest paid deduction:						
Total per adjusted gross income concept	3,492,146	92,132,121	3,483,095	91,294,796	9,051	837,325
Total per expanded income concept	3,326,684	75,563,301	3,319,954	75,274,716	6,731	288,585
Total home mortgage interest	3,320,249	75,357,677	3,313,553	75,070,592	6,696	287,085
Medical and dental expense deduction	124,511	3,671,139	117,570	3,140,739	6,941	530,399
Net casualty or theft loss deduction	32,351	1,641,046	31,556	906,369	795	734,677
Taxes paid deduction	4,183,437	181,328,663	4,168,959	179,751,118	14,478	1,577,545
Net limited miscellaneous deductions per adjusted gross income concept	612,868	15,890,085	602,529	15,016,319	10,339	873,767
Non-limited miscellaneous deductions	239,253	7,685,253	236,380	7,467,124	2,874	218,129
Excess of exemptions and deductions over adjusted gross income	18,956	6,655,547	8,992	4,143,741	9,964	2,511,807
Taxable income	4,397,983	2,065,540,864	4,392,680	2,065,332,534	5,303	208,329
Tax at regular rates	4,387,395	532,189,776	4,386,609	532,175,813	786	13,963
Alternative minimum tax (Form 6251)	2,851,659	23,191,552	2,851,490	23,189,598	169	1,954
Income tax before credits	4,402,563	555,386,195	4,401,671	555,370,279	892	15,917
Tax credits:						
Total	575,683	2,166,985	574,791	2,151,068	892	15,917
Child care credit	321,998	170,111	321,980	170,101	18	10
Minimum tax credit	126,514	625,194	126,030	614,445	484	10,749
Foreign tax credit	0	0	0	0	0	0
General business credit	115,037	1,240,376	114,756	1,236,127	281	4,249
Worldwide total income tax	4,401,678	554,461,616	4,401,678	554,461,616	0	0
Foreign taxes paid	1,611,379	16,472,203	1,611,379	16,472,203	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	44,346	1,242,200	44,346	1,242,200	0	0
Taxable income which would yield:						
Income tax before credits	4,402,563	1,896,918,373	4,401,671	1,896,848,387	892	69,986
Income tax after credits	4,401,678	1,894,088,013	4,401,678	1,894,088,013	0	0
Worldwide total income tax	4,401,678	1,894,088,602	4,401,678	1,894,088,602	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,416,985	2,457,314,100	4,401,678	2,454,006,343	15,307	3,307,758
plus: Total tax preferences excluded from adjusted gross income [2]	1,544,113	55,838,347	1,530,615	52,313,185	13,499	3,525,162
Social Security benefits (nontaxable)	741,490	2,756,627	733,753	2,727,853	7,737	28,774
Foreign-earned income exclusion	69,606	5,982,507	69,494	5,966,563	112	15,944
minus: Investment interest expense deduction	696,821	16,568,820	691,414	16,020,080	5,407	548,740
Non-limited miscellaneous deductions	239,253	7,685,253	236,380	7,467,124	2,874	218,129
Unreimbursed employee business expenses	779,123	5,248,262	778,230	5,242,792	893	5,469
Equals: Expanded income	4,416,986	2,492,366,777	4,401,678	2,486,281,846	15,308	6,084,931

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

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

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

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with U.S. income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	4,257,915	100.0	1,167,362	27.4	35,890	0.8	2,276,417	53.5
Interest paid deduction	1,454,069	34.1	0	0.0	6,540	18.2	1,302,031	57.2
Investment interest expense deduction [1]	57,045	1.3	6,494	0.6	0	0.0	37,598	1.7
Taxes paid deduction	1,467,576	34.5	1,051,933	90.1	17,912	49.9	0	0.0
Charitable contributions deduction	772,772	18.1	65,820	5.6	4,564	12.7	668,799	29.4
Medical and dental expense deduction	18,592	0.4	3,540	0.3	169	0.5	10,403	0.5
Net casualty or theft loss deduction	3,637	0.1	284	[2]	15	[2]	1,927	0.1
Total miscellaneous deductions	147,289	3.5	21,980	1.9	2,249	6.3	100,379	4.4
Foreign tax credit	65,786	1.5	813	0.1	725	2.0	46,639	2.0
General business credit	13,285	0.3	852	0.1	262	0.7	9,195	0.4
All other tax credits	24,766	0.6	2,165	0.2	178	0.5	13,847	0.6
Partnership and S Corporation net losses	70,960	1.7	10,980	0.9	1,801	5.0	38,235	1.7
Capital gains taxed at 0 percent	47,688	1.1	2,494	0.2	** 1,476	** 4.1	19,441	0.9
No second largest item	114,450	2.7	8	[2]	**	**	27,924	1.2
Returns with expanded income of \$200,000 or more								
Total	4,325,785	100.0	1,145,684	26.5	0	0.0	2,179,063	50.4
Interest paid deduction	1,411,387	32.6	0	0.0	0	0.0	1,272,991	58.4
Tax-exempt interest [3]	222,345	5.1	2,993	0.3	0	0.0	165,812	7.6
Taxes paid deduction	1,523,464	35.2	1,050,970	91.7	0	0.0	0	0.0
Charitable contributions deduction	650,356	15.0	66,570	5.8	0	0.0	536,542	24.6
Medical and dental expense deduction	19,106	0.4	4,018	0.4	0	0.0	8,081	0.4
Net casualty or theft loss deduction	3,413	0.1	281	[2]	0	0.0	1,778	0.1
Total miscellaneous deductions	54,554	1.3	2,536	0.2	0	0.0	29,126	1.3
Foreign tax credit	73,291	1.7	665	0.1	0	0.0	27,638	1.3
General business credit	12,940	0.3	835	0.1	0	0.0	7,697	0.4
All other tax credits	23,094	0.5	2,308	0.2	0	0.0	12,386	0.6
Partnership and S Corporation net losses	68,485	1.6	10,904	1.0	0	0.0	33,429	1.5
Foreign-earned income exclusion [3]	31,740	0.7	0	0.0	0	0.0	584	[2]
AMT tax preference [3]	2,307	0.1	341	[2]	0	0.0	1,331	0.1
Nontaxable Social Security benefits [3]	92,976	2.1	803	0.1	0	0.0	43,126	2.0
Capital gains taxed at 0 percent	50,258	1.2	** 2,461	** 0.2			15,005	0.7
No second largest item	86,069	2.0	**	**	0	0.0	23,537	1.1

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns with U.S. income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	300,717	7.1	27,929	0.7	6,287	0.1	97,538	2.3
Interest paid deduction	61,675	20.5	3,282	11.8	1,225	19.5	25,429	26.1
Investment interest expense deduction [1]	3,497	1.2	161	0.6	84	1.3	1,243	1.3
Taxes paid deduction	202,769	67.4	15,988	57.2	3,380	53.8	54,402	55.8
Charitable contributions deduction	0	0.0	3,278	11.7	735	11.7	8,775	9.0
Medical and dental expense deduction	1,976	0.7	0	0.0	0	0.0	1,054	1.1
Net casualty or theft loss deduction	635	0.2	0	0.0	0	0.0	360	0.4
Total miscellaneous deductions	11,065	3.7	** 1,655	** 5.9	** 639	** 10.2	0	0.0
Foreign tax credit	1,756	0.6	**	**	**	**	1,580	1.6
General business credit	1,003	0.3	0	0.0	3	[2]	138	0.1
All other tax credits	1,401	0.5	0	0.0	139	2.2	70	0.1
Partnership and S Corporation net losses	6,576	2.2	158	0.6	28	0.4	2,690	2.8
Capital gains taxed at 0 percent	8,311	2.8	3,407	12.2	55	0.9	** 1,797	** 1.8
No second largest item	53	[2]	0	0.0	0	0.0	**	**
Returns with expanded income of \$200,000 or more								
Total	290,732	6.7	28,160	0.7	5,562	0.1	16,400	0.4
Interest paid deduction	62,121	21.4	3,290	11.7	1,207	21.7	1,948	11.9
Tax-exempt interest [3]	15,721	5.4	2,779	9.9	198	3.6	3,440	21.0
Taxes paid deduction	186,887	64.3	13,546	48.1	3,153	56.7	8,498	51.8
Charitable contributions deduction	0	0.0	2,578	9.2	729	13.1	768	4.7
Medical and dental expense deduction	1,704	0.6	0	0.0	0	0.0	18	0.1
Net casualty or theft loss deduction	643	0.2	0	0.0	0	0.0	**	**
Total miscellaneous deductions	4,258	1.5	818	2.9	47	0.8	0	0.0
Foreign tax credit	901	0.3	300	1.1	0	0.0	542	3.3
General business credit	987	0.3	0	0.0	3	0.1	** 3	** [2]
All other tax credits	1,297	0.4	0	0.0	139	2.5	9	0.1
Partnership and S Corporation net losses	6,296	2.2	155	0.6	** 36	** 0.6	503	3.1
Foreign-earned income exclusion [3]	77	[2]	0	0.0	0	0.0	55	0.3
AMT tax preference [3]	66	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,664	0.6	961	3.4	**	**	144	0.9
Capital gains taxed at 0 percent	8,023	2.8	3,732	13.3	52	0.9	** 472	** 2.9
No second largest item	86	[2]	0	0.0	0	0.0	**	**

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued								
	Foreign tax credit		General business credit		All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Returns with U.S. income tax									
Returns with adjusted gross income of \$200,000 or more									
Total	127,187	3.0	17,502	0.4	24,010	0.6	110,304	2.6	66,772
Interest paid deduction	17,792	14.0	3,916	22.4	3,680	15.3	16,080	14.6	12,418
Investment interest expense deduction [1]	1,889	1.5	247	1.4	239	1.0	4,044	3.7	1,550
Taxes paid deduction	33,950	26.7	7,938	45.4	7,341	30.6	50,941	46.2	21,023
Charitable contributions deduction	4,293	3.4	1,504	8.6	1,658	6.9	8,690	7.9	4,657
Medical and dental expense deduction	328	0.3	0	0.0	0	0.0	515	0.5	608
Net casualty or theft loss deduction	305	0.2	0	0.0	7	[2]	93	0.1	11
Total miscellaneous deductions	2,356	1.9	44	0.3	64	0.3	3,776	3.4	3,395
Foreign tax credit	0	0.0	679	3.9	2,269	9.5	5,938	5.4	5,074
General business credit	261	0.2	0	0.0	289	1.2	978	0.9	304
All other tax credits	4,978	3.9	330	1.9	0	0.0	1,134	1.0	525
Partnership and S Corporation net losses	4,288	3.4	712	4.1	361	1.5	0	0.0	5,131
Capital gains taxed at 0 percent	1,516	1.2	5	[2]	13	0.1	9,182	8.3	0
No second largest item	55,230	43.4	2,128	12.2	8,088	33.7	8,934	8.1	12,077
Returns with expanded income of \$200,000 or more									
Total	97,800	2.3	16,589	0.4	23,641	0.5	103,995	2.4	64,545
Interest paid deduction	10,243	10.5	4,084	24.6	3,937	16.7	16,514	15.9	12,993
Tax-exempt interest [3]	5,736	5.9	1,224	7.4	1,931	8.2	7,194	6.9	5,375
Taxes paid deduction	27,611	28.2	7,292	44.0	7,391	31.3	48,027	46.2	18,536
Charitable contributions deduction	2,737	2.8	1,412	8.5	1,547	6.5	8,007	7.7	4,118
Medical and dental expense deduction	154	0.2	0	0.0	0	0.0	556	0.5	605
Net casualty or theft loss deduction	305	0.3	0	0.0	**	**	93	0.1	**
Total miscellaneous deductions	759	0.8	4	[2]	** 6	** [2]	2,238	2.2	** 1,505
Foreign tax credit	0	0.0	282	1.7	957	4.0	3,287	3.2	882
General business credit	147	0.2	0	0.0	283	1.2	881	0.8	307
All other tax credits	1,327	1.4	183	1.1	0	0.0	968	0.9	524
Partnership and S Corporation net losses	1,247	1.3	692	4.2	361	1.5	0	0.0	5,433
Foreign-earned income exclusion [3]	30,615	31.3	0	0.0	7	[2]	295	0.3	49
AMT tax preference [3]	96	0.1	12	0.1	28	0.1	363	0.3	0
Nontaxable Social Security benefits [3]	1,756	1.8	578	3.5	222	0.9	2,836	2.7	10,321
Capital gains taxed at 0 percent	1,113	1.1	5	[2]	56	0.2	9,092	8.7	0
No second largest item	13,954	14.3	820	4.9	6,915	29.2	3,646	3.5	3,898

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued								
	Capital gains taxed at 0 percent—continued	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
Returns with U.S. income tax									
Returns with adjusted gross income of \$200,000 or more									
Total	1.6	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	18.6	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	2.3	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	31.5	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	7.0	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0.9	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	[2]	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	5.1	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	7.6	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0.5	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0.8	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	7.7	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0.0	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	18.1	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more									
Total	1.5	26,154	0.6	263,228	6.1	5,306	0.1	58,925	1.4
Interest paid deduction	20.1	4,738	18.1	11,648	4.4	1,242	23.4	4,431	7.5
Tax-exempt interest [3]	8.3	1,237	4.7	0	0.0	406	7.7	8,300	14.1
Taxes paid deduction	28.7	3,861	14.8	136,353	51.8	2,400	45.2	8,939	15.2
Charitable contributions deduction	6.4	986	3.8	23,768	9.0	553	10.4	42	0.1
Medical and dental expense deduction	0.9	300	1.1	3,636	1.4	34	0.6	0	0.0
Net casualty or theft loss deduction	**	**	**	307	0.1	0	0.0	0	0.0
Total miscellaneous deductions	** 2.3	** 13	** [2]	13,240	5.0	0	0.0	8	[2]
Foreign tax credit	1.4	12,362	47.3	17,946	6.8	166	3.1	7,361	12.5
General business credit	0.5	0	0.0	1,324	0.5	**	**	472	0.8
All other tax credits	0.8	**	**	3,256	1.2	** 78	** 1.5	620	1.1
Partnership and S Corporation net losses	8.4	** 499	** 1.9	6,212	2.4	174	3.3	2,554	4.3
Foreign-earned income exclusion [3]	0.1	0	0.0	17	[2]	41	0.8	0	0.0
AMT tax preference [3]	0.0	0	0.0	61	[2]	0	0.0	8	[2]
Nontaxable Social Security benefits [3]	16.0	**	**	30,362	11.5	194	3.7	0	0.0
Capital gains taxed at 0 percent	0.0	308	1.2	9,020	3.4	11	0.2	913	1.5
No second largest item	6.0	1,849	7.1	6,078	2.3	6	0.1	25,277	42.9

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns without U.S. income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	18,741	100.0	447	2.4	1,325	7.1	709	3.8
Interest paid deduction	3,922	20.9	0	0.0	226	17.1	91	12.8
Investment interest expense deduction [1]	1,342	7.2	36	8.1	0	0.0	92	13.0
Taxes paid deduction	4,242	22.6	184	41.2	271	20.5	0	0.0
Charitable contributions deduction	1,835	9.8	54	12.1	187	14.1	184	26.0
Medical and dental expense deduction	235	1.3	14	3.1	18	1.4	25	3.5
Net casualty or theft loss deduction	49	0.3	**	**	**	**	5	0.7
Total miscellaneous deductions	1,246	6.6	** 43	** 9.6	** 154	** 11.6	135	19.0
Foreign tax credit	189	1.0	10	2.2	28	2.1	** 14	** 2.0
General business credit	101	0.5	8	1.8	6	0.5	7	1.0
All other tax credits	146	0.8	10	2.2	8	0.6	**	**
Partnership and S Corporation net losses	1,554	8.3	31	6.9	341	25.7	133	18.8
Capital gains taxed at 0 percent	994	5.3	57	12.8	** 86	** 6.5	23	3.2
No second largest item	2,886	15.4	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	27,394	100.0	471	1.7	0	0.0	1,098	4.0
Interest paid deduction	2,197	8.0	0	0.0	0	0.0	98	8.9
Tax-exempt interest [3]	2,535	9.3	49	10.4	0	0.0	445	40.5
Taxes paid deduction	4,263	15.6	192	40.8	0	0.0	0	0.0
Charitable contributions deduction	2,289	8.4	57	12.1	0	0.0	175	15.9
Medical and dental expense deduction	1,378	5.0	** 18	** 3.8	0	0.0	28	2.5
Net casualty or theft loss deduction	53	0.2	**	**	0	0.0	6	0.5
Total miscellaneous deductions	1,754	6.4	29	6.2	0	0.0	138	12.6
Foreign tax credit	1,561	5.7	6	1.3	0	0.0	10	0.9
General business credit	94	0.3	8	1.7	0	0.0	6	0.5
All other tax credits	112	0.4	10	2.1	0	0.0	4	0.4
Partnership and S Corporation net losses	1,721	6.3	34	7.2	0	0.0	152	13.8
Foreign-earned income exclusion [3]	6,658	24.3	** 7	** 1.5	0	0.0	6	0.5
AMT tax preference [3]	6	[2]	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	316	1.2	4	0.8	0	0.0	3	0.3
Capital gains taxed at 0 percent	1,473	5.4	57	12.1	0	0.0	27	2.5
No second largest item	984	3.6	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns without U.S. income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	1,172	6.3	1,102	5.9	654	3.5	4,128	22.0
Interest paid deduction	190	16.2	74	6.7	213	32.6	960	23.3
Investment interest expense deduction [1]	135	11.5	20	1.8	29	4.4	207	5.0
Taxes paid deduction	276	23.5	365	33.1	248	37.9	1,753	42.5
Charitable contributions deduction	0	0.0	235	21.3	51	7.8	341	8.3
Medical and dental expense deduction	83	7.1	0	0.0	** 9	** 1.4	38	0.9
Net casualty or theft loss deduction	4	0.3	**	**	0	0.0	20	0.5
Total miscellaneous deductions	159	13.6	** 234	** 21.2	42	6.4	0	0.0
Foreign tax credit	41	3.5	** 3	** 0.3	4	0.6	6	0.1
General business credit	17	1.5	4	0.4	**	**	13	0.3
All other tax credits	8	0.7	**	**	0	0.0	11	0.3
Partnership and S Corporation net losses	79	6.7	18	1.6	42	6.4	594	14.4
Capital gains taxed at 0 percent	** 180	** 15.4	146	13.2	16	2.4	115	2.8
No second largest item	**	**	3	0.3	**	**	70	1.7
Returns with expanded income of \$200,000 or more								
Total	1,205	4.4	1,789	6.5	674	2.5	501	1.8
Interest paid deduction	187	15.5	70	3.9	213	31.6	47	9.4
Tax-exempt interest [3]	196	16.3	781	43.7	75	11.1	120	24.0
Taxes paid deduction	261	21.7	305	17.0	234	34.7	131	26.1
Charitable contributions deduction	0	0.0	178	9.9	** 53	** 7.9	80	16.0
Medical and dental expense deduction	87	7.2	0	0.0	**	**	17	3.4
Net casualty or theft loss deduction	3	0.2	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	117	9.7	206	11.5	25	3.7	0	0.0
Foreign tax credit	35	2.9	** 3	** 0.2	** 4	** 0.6	**	**
General business credit	18	1.5	4	0.2	**	**	** 3	** 0.6
All other tax credits	8	0.7	**	**	0	0.0	0	0.0
Partnership and S Corporation net losses	80	6.6	18	1.0	41	6.1	85	17.0
Foreign-earned income exclusion [3]	4	0.3	3	0.2	6	0.9	0	0.0
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	28	2.3	61	3.4	9	1.3	3	0.6
Capital gains taxed at 0 percent	181	15.0	157	8.8	14	2.1	15	3.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued								
	Foreign tax credit		General business credit		All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Returns without U.S. income tax									
Returns with adjusted gross income of \$200,000 or more									
Total	7,085	37.8	96	0.5	237	1.3	1,692	9.0	93
Interest paid deduction	1,945	27.5	38	39.6	61	25.7	91	5.4	33
Investment interest expense deduction [1]	304	4.3	5	5.2	13	5.5	494	29.2	7
Taxes paid deduction	720	10.2	17	17.7	72	30.4	320	18.9	16
Charitable contributions deduction	458	6.5	9	9.4	21	8.9	281	16.6	14
Medical and dental expense deduction	** 29	** 0.4	0	0.0	** 4	** 1.7	12	0.7	8
Net casualty or theft loss deduction	4	0.1	0	0.0	0	0.0	11	0.7	**
Total miscellaneous deductions	166	2.3	3	3.1	6	2.5	306	18.1	** 3
Foreign tax credit	0	0.0	** 3	** 3.1	3	1.3	75	4.4	** 9
General business credit	**	**	0	0.0	**	**	42	2.5	0
All other tax credits	85	1.2	**	**	0	0.0	17	1.0	**
Partnership and S Corporation net losses	294	4.1	8	8.3	11	4.6	0	0.0	3
Capital gains taxed at 0 percent	277	3.9	13	13.5	42	17.7	** 43	** 2.5	0
No second largest item	2,804	39.6	0	0.0	4	1.7	**	**	0
Returns with expanded income of \$200,000 or more									
Total	9,470	34.6	87	0.3	239	0.9	1,772	6.5	141
Interest paid deduction	681	7.2	** 35	** 40.2	64	26.8	73	4.1	33
Tax-exempt interest [3]	111	1.2	**	**	10	4.2	710	40.1	34
Taxes paid deduction	391	4.1	17	19.5	74	31.0	324	18.3	17
Charitable contributions deduction	245	2.6	10	11.5	26	10.9	261	14.7	20
Medical and dental expense deduction	16	0.2	0	0.0	**	**	17	1.0	12
Net casualty or theft loss deduction	3	[2]	0	0.0	0	0.0	11	0.6	0
Total miscellaneous deductions	56	0.6	**	**	** 3	** 1.3	193	10.9	4
Foreign tax credit	0	0.0	** 3	** 3.4	** 5	** 2.1	76	4.3	7
General business credit	0	0.0	0	0.0	**	**	44	2.5	**
All other tax credits	32	0.3	**	**	0	0.0	17	1.0	** 5
Partnership and S Corporation net losses	205	2.2	** 9	** 10.3	14	5.9	0	0.0	4
Foreign-earned income exclusion [3]	** 6,629	** 70.0	0	0.0	0	0.0	** 7	** 0.4	**
AMT tax preference [3]	**	**	0	0.0	0	0.0	**	**	0
Nontaxable Social Security benefits [3]	36	0.4	0	0.0	0	0.0	**	**	** 5
Capital gains taxed at 0 percent	246	2.6	13	14.9	39	16.3	** 39	** 2.2	0
No second largest item	819	8.6	0	0.0	4	1.7	**	**	0

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued								
	Capital gains taxed at 0 percent—continued	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
Returns without U.S. income tax									
Returns with adjusted gross income of \$200,000 or more									
Total	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	35.5	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	7.5	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	17.2	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	15.1	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	8.6	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	**	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	** 3.2	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	** 9.7	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0.0	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	**	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	3.2	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0.0	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more									
Total	0.5	1,554	5.7	8,348	30.5	6	[2]	38	0.1
Interest paid deduction	23.4	** 77	** 5.0	620	7.4	0	0.0	**	**
Tax-exempt interest [3]	24.1	**	**	0	0.0	** 6	** 100.0	** 4	** 10.5
Taxes paid deduction	12.1	35	2.3	2,282	27.3	0	0.0	0	0.0
Charitable contributions deduction	14.2	18	1.2	1,172	14.0	0	0.0	**	**
Medical and dental expense deduction	8.5	** 9	** 0.6	1,169	14.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0.0	**	**	24	0.3	0	0.0	0	0.0
Total miscellaneous deductions	2.8	**	**	981	11.8	0	0.0	**	**
Foreign tax credit	5.0	1,395	89.8	22	0.3	0	0.0	0	0.0
General business credit	**	**	**	7	0.1	0	0.0	0	0.0
All other tax credits	** 3.5	** 5	** 0.3	30	0.4	0	0.0	**	**
Partnership and S Corporation net losses	2.8	**	**	1,077	12.9	**	**	**	**
Foreign-earned income exclusion [3]	**	0	0.0	** 3	** [2]	**	**	0	0.0
AMT tax preference [3]	0.0	0	0.0	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 3.5	0	0.0	165	2.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0.0	10	0.6	675	8.1	**	**	0	0.0
No second largest item	0.0	5	0.3	122	1.5	**	**	** 34	** 89.5

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

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

[2] Less than 0.05 percent.

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

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

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns with worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	4,207,837	100.0	1,187,140	28.2	38,195	0.9	2,311,131	54.9
Interest paid deduction	1,460,584	34.7	0	0.0	6,993	18.3	1,322,389	57.2
Investment interest expense deduction [1]	59,255	1.4	6,679	0.6	0	0.0	40,186	1.7
Taxes paid deduction	1,462,184	34.7	1,068,779	90.0	19,671	51.5	0	0.0
Charitable contributions deduction	807,999	19.2	67,758	5.7	4,771	12.5	705,124	30.5
Medical and dental expense deduction	18,762	0.4	3,547	0.3	177	0.5	10,854	0.5
Net casualty or theft loss deduction	3,749	0.1	285	[2]	15	[2]	2,332	0.1
Total miscellaneous deductions	151,098	3.6	22,203	1.9	2,384	6.2	105,455	4.6
General business credit	14,181	0.3	855	0.1	275	0.7	9,660	0.4
All other tax credits	21,207	0.5	2,783	0.2	350	0.9	14,374	0.6
Partnership and S Corporation net losses	70,011	1.7	11,270	0.9	1,960	5.1	39,654	1.7
Capital gains taxed at 0 percent	47,445	1.1	2,536	0.2	1,523	4.0	20,145	0.9
No second largest item	91,364	2.2	446	[2]	76	0.2	40,956	1.8
Returns with expanded income of \$200,000 or more								
Total	4,323,103	100.0	1,156,657	26.8	0	0.0	2,207,109	51.1
Interest paid deduction	1,432,709	33.1	0	0.0	0	0.0	1,289,878	58.4
Tax-exempt interest [3]	232,806	5.4	3,135	0.3	0	0.0	172,610	7.8
Taxes paid deduction	1,521,315	35.2	1,061,279	91.8	0	0.0	0	0.0
Charitable contributions deduction	668,148	15.5	66,783	5.8	0	0.0	554,263	25.1
Medical and dental expense deduction	19,372	0.4	4,021	0.3	0	0.0	8,230	0.4
Net casualty or theft loss deduction	3,120	0.1	282	[2]	0	0.0	1,785	0.1
Total miscellaneous deductions	55,753	1.3	2,549	0.2	0	0.0	30,423	1.4
General business credit	13,798	0.3	837	0.1	0	0.0	7,963	0.4
All other tax credits	25,574	0.6	2,334	0.2	0	0.0	12,474	0.6
Partnership and S Corporation net losses	71,277	1.6	10,977	0.9	0	0.0	34,364	1.6
Foreign-earned income exclusion [3]	3,595	0.1	591	0.1	0	0.0	1,554	0.1
AMT tax preference [3]	2,452	0.1	344	[2]	0	0.0	1,360	0.1
Nontaxable Social Security benefits [3]	96,335	2.2	946	0.1	0	0.0	45,128	2.0
Capital gains taxed at 0 percent	50,518	1.2	2,494	0.2	0	0.0	15,507	0.7
No second largest item	126,331	2.9	86	[2]	0	0.0	31,571	1.4

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns with worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	305,645	7.3	28,310	0.7	6,605	0.2	100,127	2.4
Interest paid deduction	62,711	20.5	3,290	11.6	1,530	23.2	26,181	26.1
Investment interest expense deduction [1]	3,986	1.3	161	0.6	87	1.3	1,423	1.4
Taxes paid deduction	206,548	67.6	16,452	58.1	3,384	51.2	56,534	56.5
Charitable contributions deduction	0	0.0	3,335	11.8	740	11.2	9,449	9.4
Medical and dental expense deduction	1,996	0.7	0	0.0	0	0.0	1,060	1.1
Net casualty or theft loss deduction	645	0.2	0	0.0	0	0.0	360	0.4
Total miscellaneous deductions	11,425	3.7	1,349	4.8	638	9.7	0	0.0
General business credit	1,031	0.3	**	**	**	**	142	0.1
All other tax credits	1,413	0.5	** 3	** [2]	** 142	** 2.1	73	0.1
Partnership and S Corporation net losses	6,880	2.3	161	0.6	28	0.4	2,799	2.8
Capital gains taxed at 0 percent	8,510	2.8	3,417	12.1	57	0.9	1,934	1.9
No second largest item	502	0.2	143	0.5	0	0.0	173	0.2
Returns with expanded income of \$200,000 or more								
Total	293,892	6.8	28,365	0.7	5,881	0.1	17,233	0.4
Interest paid deduction	62,987	21.4	3,301	11.6	1,512	25.7	2,196	12.7
Tax-exempt interest [3]	16,315	5.6	2,789	9.8	202	3.4	3,710	21.5
Taxes paid deduction	188,951	64.3	14,000	49.4	3,156	53.7	8,873	51.5
Charitable contributions deduction	0	0.0	2,584	9.1	732	12.4	1,005	5.8
Medical and dental expense deduction	1,722	0.6	0	0.0	0	0.0	** 22	** 0.1
Net casualty or theft loss deduction	644	0.2	0	0.0	0	0.0	**	**
Total miscellaneous deductions	4,347	1.5	821	2.9	47	0.8	0	0.0
General business credit	1,025	0.3	** 4	** [2]	3	0.1	**	**
All other tax credits	1,302	0.4	**	**	139	2.4	** 11	** 0.1
Partnership and S Corporation net losses	6,352	2.2	** 161	** 0.6	** 30	** 0.5	527	3.1
Foreign-earned income exclusion [3]	204	0.1	**	**	**	**	206	1.2
AMT tax preference [3]	70	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,682	0.6	961	3.4	8	0.1	146	0.8
Capital gains taxed at 0 percent	8,124	2.8	3,744	13.2	53	0.9	525	3.0
No second largest item	166	0.1	0	0.0	0	0.0	11	0.1

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	17,792	0.4	29,173	0.7	115,113	2.7	68,606	1.6
Interest paid deduction	3,968	22.3	4,077	14.0	16,489	14.3	12,956	18.9
Investment interest expense deduction [1]	264	1.5	292	1.0	4,469	3.9	1,708	2.5
Taxes paid deduction	8,085	45.4	8,122	27.8	52,213	45.4	22,396	32.6
Charitable contributions deduction	1,532	8.6	1,696	5.8	8,856	7.7	4,738	6.9
Medical and dental expense deduction	0	0.0	0	0.0	518	0.5	612	0.9
Net casualty or theft loss deduction	0	0.0	7	[2]	94	0.1	11	[2]
Total miscellaneous deductions	46	0.3	217	0.7	3,930	3.4	3,452	5.0
General business credit	0	0.0	884	3.0	1,015	0.9	314	0.5
All other tax credits	343	1.9	0	0.0	1,194	1.0	537	0.8
Partnership and S Corporation net losses	717	4.0	1,307	4.5	0	0.0	5,235	7.6
Capital gains taxed at 0 percent	6	[2]	37	0.1	9,280	8.1	0	0.0
No second largest item	2,831	15.9	12,534	43.0	17,056	14.8	16,647	24.3
Returns with expanded income of \$200,000 or more								
Total	16,762	0.4	25,101	0.6	105,669	2.4	65,961	1.5
Interest paid deduction	4,092	24.4	4,010	16.0	16,817	15.9	13,296	20.2
Tax-exempt interest [3]	1,241	7.4	2,262	9.0	7,810	7.4	6,137	9.3
Taxes paid deduction	7,418	44.3	7,812	31.1	48,874	46.3	18,778	28.5
Charitable contributions deduction	1,433	8.5	** 1,566	** 6.2	8,137	7.7	4,181	6.3
Medical and dental expense deduction	0	0.0	0	0.0	560	0.5	** 614	** 0.9
Net casualty or theft loss deduction	0	0.0	**	**	94	0.1	**	**
Total miscellaneous deductions	5	[2]	14	0.1	2,285	2.2	1,516	2.3
General business credit	0	0.0	816	3.3	913	0.9	309	0.5
All other tax credits	195	1.2	0	0.0	983	0.9	527	0.8
Partnership and S Corporation net losses	697	4.2	374	1.5	0	0.0	5,645	8.6
Foreign-earned income exclusion [3]	0	0.0	169	0.7	550	0.5	67	0.1
AMT tax preference [3]	12	0.1	28	0.1	363	0.3	0	0.0
Nontaxable Social Security benefits [3]	578	3.4	230	0.9	2,842	2.7	10,551	16.0
Capital gains taxed at 0 percent	6	[2]	78	0.3	9,185	8.7	0	0.0
No second largest item	1,084	6.5	7,741	30.8	6,257	5.9	4,342	6.6

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Returns with worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	64,860	1.5	269,490	6.2	5,405	0.1	60,717	1.4
Interest paid deduction	17,035	26.3	11,907	4.4	1,243	23.0	4,433	7.3
Tax-exempt interest [3]	5,688	8.8	0	0.0	415	7.7	10,492	17.3
Taxes paid deduction	9,802	15.1	140,842	52.3	2,553	47.2	8,977	14.8
Charitable contributions deduction	** 2,531	** 3.9	24,324	9.0	558	10.3	57	0.1
Medical and dental expense deduction	479	0.7	3,695	1.4	34	0.6	0	0.0
Net casualty or theft loss deduction	**	**	307	0.1	0	0.0	0	0.0
Total miscellaneous deductions	247	0.4	13,491	5.0	0	0.0	8	[2]
General business credit	61	0.1	1,345	0.5	5	0.1	516	0.8
All other tax credits	2,516	3.9	4,337	1.6	95	1.8	660	1.1
Partnership and S Corporation net losses	1,710	2.6	7,327	2.7	178	3.3	2,941	4.8
Foreign-earned income exclusion [3]	0	0.0	148	0.1	101	1.9	0	0.0
AMT tax preference [3]	54	0.1	212	0.1	0	0.0	9	[2]
Nontaxable Social Security benefits [3]	623	1.0	32,446	12.0	194	3.6	0	0.0
Capital gains taxed at 0 percent	540	0.8	9,337	3.5	11	0.2	915	1.5
No second largest item	23,574	36.3	19,772	7.3	19	0.3	31,709	52.2

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns without worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	10,782	100.0	404	3.7	1,213	11.3	665	6.2
Interest paid deduction	1,881	17.4	0	0.0	206	17.0	84	12.6
Investment interest expense deduction [1]	984	9.1	33	8.2	0	0.0	88	13.2
Taxes paid deduction	3,389	31.4	175	43.3	260	21.4	0	0.0
Charitable contributions deduction	1,297	12.0	53	13.1	179	14.8	180	27.1
Medical and dental expense deduction	193	1.8	** 15	** 3.7	18	1.5	25	3.8
Net casualty or theft loss deduction	44	0.4	**	**	**	**	5	0.8
Total miscellaneous deductions	1,038	9.6	41	10.1	** 146	** 12.0	130	19.5
General business credit	63	0.6	5	1.2	**	**	6	0.9
All other tax credits	45	0.4	7	1.7	** 9	** 0.7	0	0.0
Partnership and S Corporation net losses	1,208	11.2	27	6.7	329	27.1	127	19.1
Capital gains taxed at 0 percent	558	5.2	48	11.9	66	5.4	20	3.0
No second largest item	82	0.8	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	15,303	100.0	421	2.8	0	0.0	1,054	6.9
Interest paid deduction	1,387	9.1	0	0.0	0	0.0	92	8.7
Tax-exempt interest [3]	2,342	15.3	46	10.9	0	0.0	442	41.9
Taxes paid deduction	3,713	24.3	178	42.3	0	0.0	0	0.0
Charitable contributions deduction	1,904	12.4	56	13.3	0	0.0	172	16.3
Medical and dental expense deduction	1,329	8.7	15	3.6	0	0.0	28	2.7
Net casualty or theft loss deduction	48	0.3	**	**	0	0.0	6	0.6
Total miscellaneous deductions	1,663	10.9	29	6.9	0	0.0	** 137	** 13.0
General business credit	58	0.4	6	1.4	0	0.0	5	0.5
All other tax credits	52	0.3	7	1.7	0	0.0	**	**
Partnership and S Corporation net losses	1,420	9.3	31	7.4	0	0.0	** 149	** 14.1
Foreign-earned income exclusion [3]	12	0.1	** 4	** 1.0	0	0.0	**	**
AMT tax preference [3]	**	**	**	**	**	**	**	**
Nontaxable Social Security benefits [3]	** 283	** 1.8	** 5	** 1.2	** 0	** 0.0	** 3	** 0.3
Capital gains taxed at 0 percent	927	6.1	44	10.5	0	0.0	20	1.9
No second largest item	165	1.1	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Returns without worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	995	9.2	1,077	10.0	645	6.0	4,061	37.7
Interest paid deduction	180	18.1	72	6.7	210	32.6	955	23.5
Investment interest expense deduction [1]	121	12.2	20	1.9	29	4.5	203	5.0
Taxes paid deduction	257	25.8	363	33.7	248	38.4	1,740	42.8
Charitable contributions deduction	0	0.0	231	21.4	50	7.8	335	8.2
Medical and dental expense deduction	75	7.5	0	0.0	7	1.1	38	0.9
Net casualty or theft loss deduction	4	0.4	**	**	0	0.0	20	0.5
Total miscellaneous deductions	150	15.1	** 233	** 21.5	** 44	** 6.8	0	0.0
General business credit	** 13	** 1.3	**	**	**	**	9	0.2
All other tax credits	7	0.7	0	0.0	0	0.0	10	0.2
Partnership and S Corporation net losses	69	6.9	** 19	** 1.8	42	6.5	584	14.4
Capital gains taxed at 0 percent	119	12.0	136	12.6	15	2.3	97	2.4
No second largest item	**	**	3	0.3	**	**	70	1.7
Returns with expanded income of \$200,000 or more								
Total	1,027	6.7	1,754	11.5	664	4.3	483	3.2
Interest paid deduction	176	17.1	69	3.9	210	31.6	44	9.1
Tax-exempt interest [3]	172	16.7	772	44.0	74	11.1	117	24.2
Taxes paid deduction	247	24.1	304	17.3	234	35.2	130	26.9
Charitable contributions deduction	0	0.0	175	10.0	45	6.8	78	16.1
Medical and dental expense deduction	** 83	** 8.1	0	0.0	7	1.1	17	3.5
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	110	10.7	205	11.7	** 26	** 3.9	0	0.0
General business credit	12	1.2	**	**	**	**	**	**
All other tax credits	6	0.6	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	71	6.9	** 20	** 1.1	41	6.2	** 83	** 17.2
Foreign-earned income exclusion [3]	0	0.0	**	**	4	0.6	0	0.0
AMT tax preference [3]	**	**	**	**	**	**	**	**
Nontaxable Social Security benefits [3]	** 28	** 2.7	** 61	** 3.5	** 9	** 1.4	** 3	** 0.6
Capital gains taxed at 0 percent	122	11.9	145	8.3	14	2.1	11	2.3
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	68	0.6	137	1.3	1,465	13.6	52	0.5
Interest paid deduction	28	41.2	42	30.7	84	5.7	20	38.5
Investment interest expense deduction [1]	5	7.4	12	8.8	468	31.9	5	9.6
Taxes paid deduction	7	10.3	37	27.0	295	20.1	7	13.5
Charitable contributions deduction	7	10.3	13	9.5	239	16.3	10	19.2
Medical and dental expense deduction	0	0.0	**	**	10	0.7	5	9.6
Net casualty or theft loss deduction	0	0.0	0	0.0	10	0.7	** 5	** 9.6
Total miscellaneous deductions	** 3	** 4.4	**	**	** 296	** 20.2	0	0.0
General business credit	0	0.0	** 6	** 4.4	24	1.6	0	0.0
All other tax credits	**	**	0	0.0	12	0.8	**	**
Partnership and S Corporation net losses	6	8.8	5	3.6	0	0.0	**	**
Capital gains taxed at 0 percent	12	17.6	18	13.1	27	1.8	0	0.0
No second largest item	0	0.0	4	2.9	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	61	0.4	138	0.9	1,550	10.1	84	0.5
Interest paid deduction	27	44.3	46	33.3	63	4.1	21	25.0
Tax-exempt interest [3]	0	0.0	**	**	694	44.8	20	23.8
Taxes paid deduction	7	11.5	41	29.7	298	19.2	10	11.9
Charitable contributions deduction	** 8	** 13.1	18	13.0	222	14.3	12	14.3
Medical and dental expense deduction	0	0.0	** 4	** 2.9	14	0.9	7	8.3
Net casualty or theft loss deduction	0	0.0	0	0.0	10	0.6	0	0.0
Total miscellaneous deductions	**	**	0	0.0	186	12.0	** 5	** 6.0
General business credit	0	0.0	**	**	25	1.6	**	**
All other tax credits	**	**	0	0.0	12	0.8	**	**
Partnership and S Corporation net losses	** 7	** 11.5	** 8	** 5.8	0	0.0	**	**
Foreign-earned income exclusion [3]	0	0.0	0	0.0	0	0.0	** 5	** 6.0
AMT tax preference [3]	**	**	**	**	**	**	**	**
Nontaxable Social Security benefits [3]	** 0	** 0.0	** 0	** 0.0	** 4	** 0.3	** 4	** 4.8
Capital gains taxed at 0 percent	12	19.7	17	12.3	** 22	** 1.4	0	0.0
No second largest item	0	0.0	4	2.9	**	**	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2008—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [3]		Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Returns without worldwide income tax								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	89	0.6	7,933	51.8	6	[2]	38	0.2
Interest paid deduction	** 41	** 46.1	598	7.5	0	0.0	**	**
Tax-exempt interest [3]	**	**	0	0.0	** 6	** 100.0	** 4	** 10.5
Taxes paid deduction	29	32.6	2,235	28.2	0	0.0	0	0.0
Charitable contributions deduction	4	4.5	1,114	14.0	0	0.0	**	**
Medical and dental expense deduction	7	7.9	1,152	14.5	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	24	0.3	0	0.0	0	0.0
Total miscellaneous deductions	**	**	965	12.2	0	0.0	**	**
General business credit	0	0.0	3	[2]	0	0.0	0	0.0
All other tax credits	**	**	20	0.3	0	0.0	**	**
Partnership and S Corporation net losses	0	0.0	** 1,016	** 12.8	**	**	**	**
Foreign-earned income exclusion [3]	0	0.0	**	**	**	**	0	0.0
AMT tax preference [3]	**	**	**	**	**	**	**	**
Nontaxable Social Security benefits [3]	** 0	** 0.0	** 166	** 2.1	** 0	** 0.0	** 0	** 0.0
Capital gains taxed at 0 percent	** 3	** 3.4	519	6.5	**	**	0	0.0
No second largest item	5	5.6	122	1.5	**	**	** 34	** 89.5

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

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

[2] Less than 0.05 percent.

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

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

High-Income Tax Returns for 2008

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Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2008

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	18,783	3,162	2,506	1,156	378	225
Interest paid deduction:						
Total	18,783	5,935	6,044	2,072	1,171	757
Investment interest per income concept	18,783	11,667	3,505	733	488	428
Taxes paid deduction	18,783	3,981	8,631	2,785	1,252	628
Charitable contributions deduction	18,783	6,046	8,547	971	631	678
Medical and dental expense deduction	18,783	16,562	717	167	112	106
Net casualty or theft loss deduction	18,783	18,018	53	14	12	15
Net limited miscellaneous deduction per income concept	18,783	12,769	2,793	1,108	604	448
Non-limited miscellaneous deduction	18,783	12,726	1,980	144	86	76
Deduction equivalent of:						
Total credits	18,783	10,126	581	232	181	205
Foreign tax credit	18,783	10,825	567	89	101	119
General business credit	18,783	18,280	215	63	53	46
Tax preferences excluded from adjusted gross income	18,783	11,289	4,570	759	446	348
Nontaxable Social Security benefits	18,783	14,216	4,563	4	0	0
Capital gains taxed at 0 percent	18,783	15,335	1,556	1,058	722	111
Expanded income concept						
Total itemized deductions	27,399	6,712	3,936	2,982	1,995	1,589
Interest paid deduction:						
Total	27,399	15,955	6,552	2,859	1,331	378
Investment interest per income concept	27,399	20,586	5,040	635	332	200
Taxes paid deduction	27,399	7,693	11,179	4,205	1,711	787
Charitable contributions deduction	27,399	9,878	12,049	2,035	1,233	828
Medical and dental expense deduction	27,399	19,979	3,966	754	424	377
Net casualty or theft loss deduction	27,399	26,573	87	18	14	20
Net limited miscellaneous deduction per income concept	27,399	16,079	6,109	2,494	1,174	541
Non-limited miscellaneous deduction	27,399	24,090	2,934	128	49	37
Deduction equivalent of:						
Total credits	27,399	14,423	1,089	628	302	464
Foreign tax credit	27,399	15,315	894	476	210	385
General business credit	27,399	26,861	252	67	61	42
Tax preferences excluded from adjusted gross income	27,399	11,623	3,310	995	1,041	1,140
Nontaxable Social Security benefits	27,399	18,826	8,564	** 9	0	0
Capital gains taxed at 0 percent	27,399	20,638	3,727	1,904	995	135

Footnotes at end of table.

High-Income Tax Returns for 2008

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Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2008—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	210	207	399	3,085	7,455
Interest paid deduction:					
Total	485	412	404	921	582
Investment interest per income concept	323	311	290	617	421
Taxes paid deduction	389	235	171	289	422
Charitable contributions deduction	458	1,386	0	9	57
Medical and dental expense deduction	98	112	149	494	266
Net casualty or theft loss deduction	18	29	26	184	414
Net limited miscellaneous deduction per income concept	276	197	113	202	273
Non-limited miscellaneous deduction	61	84	124	1,430	2,072
Deduction equivalent of:					
Total credits	460	450	298	3,165	3,085
Foreign tax credit	349	354	247	3,057	3,075
General business credit	47	43	21	11	4
Tax preferences excluded from adjusted gross income	231	187	139	306	508
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	1,497	1,274	1,256	3,005	3,153
Interest paid deduction:					
Total	91	39	40	108	46
Investment interest per income concept	139	94	51	122	200
Taxes paid deduction	448	312	208	339	517
Charitable contributions deduction	724	361	80	126	85
Medical and dental expense deduction	334	320	320	665	260
Net casualty or theft loss deduction	21	38	38	177	413
Net limited miscellaneous deduction per income concept	306	184	101	204	207
Non-limited miscellaneous deduction	19	17	19	23	83
Deduction equivalent of:					
Total credits	834	1,009	1,728	6,909	14
Foreign tax credit	718	936	1,665	6,791	10
General business credit	40	43	20	10	3
Tax preferences excluded from adjusted gross income	1,320	1,494	1,558	4,127	791
Nontaxable Social Security benefits	0	**	0	**	0
Capital gains taxed at 0 percent	0	0	0	0	0

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

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

High-Income Tax Returns for 2008

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Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2008

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	10,824	54	34	61	39	47
Interest paid deduction:						
Total	10,824	2,136	3,071	1,345	964	658
Investment interest per income concept	10,824	5,194	2,309	636	432	386
Taxes paid deduction	10,824	175	5,140	2,353	1,108	582
Charitable contributions deduction	10,824	1,540	5,620	772	537	617
Medical and dental expense deduction	10,824	8,798	592	146	92	94
Net casualty or theft loss deduction	10,824	10,084	41	13	11	12
Net limited miscellaneous deduction per income concept	10,824	5,689	2,114	989	563	420
Non-limited miscellaneous deduction	10,824	5,208	1,613	125	78	67
Deduction equivalent of:						
Total credits	10,824	10,125	282	74	53	47
Foreign tax credit	10,824	10,824	0	0	0	0
General business credit	10,824	10,516	120	40	30	28
Tax preferences excluded from adjusted gross income	10,824	4,971	3,175	665	408	321
Nontaxable Social Security benefits	10,824	6,867	** 3,957	**	0	0
Capital gains taxed at 0 percent	10,824	8,432	1,057	760	507	68
Expanded income concept						
Total itemized deductions	15,308	782	781	1,360	1,469	1,343
Interest paid deduction:						
Total	15,308	8,579	3,010	1,943	1,135	334
Investment interest per income concept	15,308	9,904	3,821	557	296	180
Taxes paid deduction	15,308	838	6,714	3,665	1,569	741
Charitable contributions deduction	15,308	1,959	8,504	1,768	1,107	739
Medical and dental expense deduction	15,308	8,368	3,595	712	393	364
Net casualty or theft loss deduction	15,308	14,513	72	16	13	17
Net limited miscellaneous deduction per income concept	15,308	5,099	5,192	2,366	1,139	523
Non-limited miscellaneous deduction	15,308	12,437	2,525	113	44	34
Deduction equivalent of:						
Total credits	15,308	14,416	485	64	62	47
Foreign tax credit	15,308	15,308	0	0	0	0
General business credit	15,308	15,027	99	35	38	29
Tax preferences excluded from adjusted gross income	15,308	1,809	1,666	867	960	1,050
Nontaxable Social Security benefits	15,308	7,571	7,733	** 4	0	0
Capital gains taxed at 0 percent	15,308	10,221	2,831	1,463	717	76

Footnotes at end of table.

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Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2008—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	55	77	242	2,773	7,442
Interest paid deduction:					
Total	424	385	380	880	581
Investment interest per income concept	293	291	275	588	420
Taxes paid deduction	368	223	168	286	421
Charitable contributions deduction	417	1,255	0	9	57
Medical and dental expense deduction	93	110	144	489	266
Net casualty or theft loss deduction	16	26	24	183	414
Net limited miscellaneous deduction per income concept	270	194	112	201	272
Non-limited miscellaneous deduction	58	79	118	1,411	2,067
Deduction equivalent of:					
Total credits	71	67	36	** 69	**
Foreign tax credit	0	0	0	0	0
General business credit	35	33	13	** 9	**
Tax preferences excluded from adjusted gross income	212	173	126	293	480
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	1,289	1,116	1,136	2,882	3,150
Interest paid deduction:					
Total	78	38	37	108	46
Investment interest per income concept	130	83	46	106	185
Taxes paid deduction	423	301	204	338	515
Charitable contributions deduction	621	327	74	123	85
Medical and dental expense deduction	325	313	315	663	260
Net casualty or theft loss deduction	16	35	36	177	413
Net limited miscellaneous deduction per income concept	300	180	100	202	207
Non-limited miscellaneous deduction	18	16	19	21	81
Deduction equivalent of:					
Total credits	64	59	41	** 70	**
Foreign tax credit	0	0	0	0	0
General business credit	27	32	15	** 6	**
Tax preferences excluded from adjusted gross income	1,248	1,412	1,482	4,023	791
Nontaxable Social Security benefits	0	**	0	**	0
Capital gains taxed at 0 percent	0	0	0	0	0

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

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

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Table 11. Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2008

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,450,569	100.0	93,297,623	100.0	30,925,946	100.0	13,851,341	100.0	4,375,660	100.0
Returns without U.S. income tax	47,261,857	33.2	45,728,059	49.0	1,424,858	4.6	90,158	0.7	18,783	0.4
Returns with U.S. income tax	95,188,712	66.8	47,569,564	51.0	29,501,088	95.4	13,761,183	99.3	4,356,877	99.6
Effective tax rate:										
Under 5 percent	28,020,852	19.7	22,208,754	23.8	5,255,224	17.0	499,713	3.6	57,161	1.3
5 under 10 percent	36,376,239	25.5	19,760,597	21.2	13,589,351	43.9	2,927,531	21.1	98,760	2.3
10 under 15 percent	20,799,115	14.6	5,504,488	5.9	8,012,378	25.9	6,836,292	49.4	445,957	10.2
15 under 20 percent	7,318,286	5.1	51,654	0.1	2,632,964	8.5	3,081,035	22.2	1,552,634	35.5
20 under 25 percent	1,797,226	1.3	21,566	[2]	8,652	[2]	409,925	3.0	1,357,082	31.0
25 under 30 percent	766,446	0.5	12,030	[2]	666	[2]	5,834	[2]	747,916	17.1
30 under 35 percent	100,320	0.1	3,942	[2]	800	[2]	318	[2]	95,260	2.2
35 under 40 percent	2,524	[2]	1,184	[2]	310	[2]	23	[2]	1,006	[2]
40 under 45 percent	1,310	[2]	** 664	** [2]	53	[2]	** 153	** [2]	446	[2]
45 under 50 percent	345	[2]	**	**	15	[2]	**	**	324	[2]
50 under 60 percent	457	[2]	0	0.0	** 4	** [2]	183	[2]	** 310	** [2]
60 under 70 percent	983	[2]	796	[2]	**	**	147	[2]	**	**
70 under 80 percent	96	[2]	69	[2]	8	[2]	9	[2]	10	[2]
80 percent or more	4,513	[2]	3,820	[2]	662	[2]	20	[2]	11	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,450,569	100.0	91,824,448	100.0	32,444,747	100.0	13,764,389	100.0	4,416,986	100.0
Returns without U.S. income tax	47,261,857	33.2	45,466,675	49.5	1,641,378	5.1	126,405	0.9	27,399	0.6
Returns with U.S. income tax	95,188,712	66.8	46,357,772	50.5	30,803,369	94.9	13,637,984	99.1	4,389,587	99.4
Effective tax rate:										
Under 5 percent	28,675,845	20.1	21,715,757	23.6	6,391,688	19.7	492,003	3.6	76,397	1.7
5 under 10 percent	35,556,910	25.0	18,852,290	20.5	13,798,604	42.5	2,792,227	20.3	113,789	2.6
10 under 15 percent	20,902,085	14.7	5,694,546	6.2	7,874,372	24.3	6,857,137	49.8	476,030	10.8
15 under 20 percent	7,391,310	5.2	51,757	0.1	2,723,247	8.4	3,073,131	22.3	1,543,175	34.9
20 under 25 percent	1,803,465	1.3	15,954	[2]	11,055	[2]	413,964	3.0	1,362,492	30.8
25 under 30 percent	748,886	0.5	12,659	[2]	1,976	[2]	7,840	0.1	726,411	16.4
30 under 35 percent	98,134	0.1	6,483	[2]	726	[2]	1,133	[2]	89,792	2.0
35 under 40 percent	2,290	[2]	490	[2]	966	[2]	17	[2]	817	[2]
40 under 45 percent	458	[2]	** 10	** [2]	** 54	** [2]	158	[2]	247	[2]
45 under 50 percent	194	[2]	**	**	**	**	0	0.0	** 203	** [2]
50 under 60 percent	1,041	[2]	657	[2]	0	0.0	172	[2]	212	[2]
60 under 70 percent	998	[2]	793	[2]	**	**	184	[2]	**	**
70 under 80 percent	762	[2]	69	[2]	673	[2]	8	[2]	12	[2]
80 percent or more	6,333	[2]	6,306	[2]	9	[2]	8	[2]	10	[2]

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

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

[2] Less than 0.05 percent.

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

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Table 12. Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2008

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,450,569	100.0	93,297,623	100.0	30,925,946	100.0	13,851,341	100.0	4,375,660	100.0
Returns without U.S. income tax	47,017,863	33.0	45,563,796	48.8	1,369,454	4.4	73,789	0.5	10,824	0.2
Returns with U.S. income tax	95,432,706	67.0	47,733,827	51.2	29,556,492	95.6	13,777,551	99.5	4,364,836	99.8
Effective tax rate:										
Under 5 percent	28,109,976	19.7	22,317,043	23.9	5,269,964	17.0	488,316	3.5	34,653	0.8
5 under 10 percent	36,366,290	25.5	19,788,430	21.2	13,580,078	43.9	2,913,935	21.0	83,847	1.9
10 under 15 percent	20,807,958	14.6	5,513,725	5.9	8,036,885	26.0	6,831,643	49.3	425,704	9.7
15 under 20 percent	7,356,412	5.2	54,971	0.1	2,647,956	8.6	3,104,828	22.4	1,548,658	35.4
20 under 25 percent	1,817,072	1.3	22,631	[2]	11,022	[2]	416,690	3.0	1,366,728	31.2
25 under 30 percent	796,286	0.6	12,800	[2]	1,663	[2]	8,956	0.1	772,867	17.7
30 under 35 percent	120,885	0.1	4,713	[2]	2,591	[2]	3,080	[2]	110,500	2.5
35 under 40 percent	18,501	[2]	1,185	[2]	720	[2]	2,836	[2]	13,760	0.3
40 under 45 percent	9,619	[2]	665	[2]	990	[2]	2,782	[2]	5,181	0.1
45 under 50 percent	5,382	[2]	8	[2]	1,645	[2]	1,883	[2]	1,846	[2]
50 under 60 percent	3,679	[2]	681	[2]	66	[2]	1,961	[2]	971	[2]
60 under 70 percent	5,862	[2]	3,446	[2]	2,090	[2]	246	[2]	80	[2]
70 under 80 percent	1,474	[2]	1,048	[2]	59	[2]	347	[2]	20	[2]
80 percent or more	13,310	[2]	12,480	[2]	763	[2]	48	[2]	18	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,450,569	100.0	91,824,448	100.0	32,444,747	100.0	13,764,389	100.0	4,416,986	100.0
Returns without U.S. income tax	47,017,863	33.0	45,322,567	49.4	1,582,567	4.9	97,421	0.7	15,308	0.3
Returns with U.S. income tax	95,432,706	67.0	46,501,880	50.6	30,862,179	95.1	13,666,968	99.3	4,401,678	99.7
Effective tax rate:										
Under 5 percent	28,777,221	20.2	21,830,533	23.8	6,414,979	19.8	485,489	3.5	46,220	1.0
5 under 10 percent	35,542,716	25.0	18,870,934	20.6	13,796,853	42.5	2,778,437	20.2	96,492	2.2
10 under 15 percent	20,913,839	14.7	5,701,379	6.2	7,895,228	24.3	6,863,857	49.9	453,375	10.3
15 under 20 percent	7,433,438	5.2	51,531	0.1	2,738,315	8.4	3,096,644	22.5	1,546,947	35.0
20 under 25 percent	1,834,719	1.3	18,943	[2]	11,728	[2]	422,323	3.1	1,381,726	31.3
25 under 30 percent	792,258	0.6	13,333	[2]	2,649	[2]	17,171	0.1	759,106	17.2
30 under 35 percent	122,273	0.1	6,483	[2]	726	[2]	2,467	[2]	112,597	2.5
35 under 40 percent	5,498	[2]	490	[2]	966	[2]	34	[2]	4,008	0.1
40 under 45 percent	820	[2]	** 11	** [2]	** 54	** [2]	166	[2]	601	[2]
45 under 50 percent	301	[2]	**	**	**	**	3	[2]	** 318	** [2]
50 under 60 percent	1,090	[2]	657	[2]	0	0.0	174	[2]	259	[2]
60 under 70 percent	1,009	[2]	793	[2]	**	**	185	[2]	**	**
70 under 80 percent	767	[2]	69	[2]	673	[2]	9	[2]	16	[2]
80 percent or more	6,756	[2]	6,725	[2]	9	[2]	8	[2]	14	[2]

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

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

[2] Less than 0.05 percent.

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